COUNCIL RESOLUTION 2024-03-28 BESLUIT RAAD

Reference no. 35626/1
Siphumeze Cwayi (6039)
SPECIAL COUNCIL: 11 April 2024

1. CITY STRATEGY AND ORGANISATIONAL PERFORMANCE DEPARTMENT
TABLING OF THE AUDITED ANNUAL REPORT OF THE CITY OF TSHWANE AND ITS MUNICIPAL ENTITIES FOR THE 2022/2023 FINANCIAL YEAR SUBMITTED IN ACCORDANCE WITH SECTION 127(2) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003 (MFMA) AND SECTION 46 OF THE MUNICIPAL SYSTEMS ACT, 32 OF 2000 (MSA)
(From the Special Mayoral Committee: 5 April 2024)

1. PURPOSE

The purpose of the report is:

- To table the Audited Annual Report of the City of Tshwane for the 2022/23 financial year that consolidates information from its municipal entities for the period of July 2022 to June 2023, developed in line with the requirements of section 127(2) of the Municipal Finance Management Act, 56 of 2003 (MFMA) and section 46 of the Municipal Systems Act, 32 of 2000 (MSA).

2. STRATEGIC PRIORITIES

- A professional public service that drives accountability and transparency.

3. BACKGROUND

The Audited Annual Report for 2022/23 financial year presents the financial and non-financial performance of City of Tshwane and its municipal entities for the period 1 July 2022 to 30 June 2023 against the approved adjusted Service Delivery and Budget Implementation Plan (SDBIP) for the 2022/23 financial year and the objectives committed to in the Integrated Development Plan (IDP). The Annual Report also accounts on the progress made in the delivery of services and reflects on the challenges experienced by the city in rendering the services over the financial year under review in an effort to promote accountability to the local community for the decisions made throughout the financial year. Developing the Annual Report promotes compliance with the requirements of the relevant sections of the Municipal Finance Management Act, 56 of 2003 (MFMA) and the Municipal Systems Act, 32 of 2000 (MSA). The report was developed in accordance with the guidance provided for in the National Treasury MFMA Circular 63 which suggests the format and content that must be included in the Annual Report.

Furthermore, the report presents the audit results attained by the city over the financial year under review. It is worth mentioning that the city received a qualified audit opinion from the audit conducted by the Auditor-General South Africa (AGSA) for the 2022/23 financial year. This presents an improvement from the adverse audit outcome recorded in the 2021/22 financial year. Although a qualified audit outcome is still undesirable, the move from an adverse to a qualified audit outcome is indicative of good progress made in addressing the root causes of the weaknesses that were identified in the environment over the previous audit cycle.

The basis for the audit results attained is amongst other things, the infrastructure assets, as well as community assets that were not correctly valued in accordance with GRAP 17, property, plant, and equipment. With regards to the Audit of Performance Objectives (AOPO), the findings are attributed to the inability to provide supporting evidence required for auditing and this is due to noted limitations in the data management systems and processes utilised to collect data and information relating to the actual performance achievement".

Prior to submission to the AGSA for external auditing purposes, during the month of August 2023, the APR and the Unaudited Annual Financial Statements (AFS) were tabled at various structures of the city as part of the combined assurance mechanisms adopted by the city. These committees include the Executive Committee (ExCo), the Group Audit and Risk Department for internal auditing purposes and the Audit and Performance Committee (APC) to provide oversight on the financial statements and performance information.

The Audited Annual Report for the end of the 2022/23 financial year is submitted for tabling in compliance with the provisions of section 127(2) of the Municipal Finance Management Act, 56 of 2003 (MFMA).

4. DISCUSSION

4.1 PROCESS FOLLOWED IN THE DEVELOPMENT OF THE ANNUAL REPORT

In developing the Annual Report, the city used the format provided for in the National Treasury MFMA Circular 63. The development of the report followed the critical path dictated by the relevant legislation. The city secured an approval to delay the submission of the Annual Performance Report (APR) and the Annual Financial Statements (AFS) to the office of the Auditor- General South Africa (AGSA) and this meant that the milestone of submitting these (APR and AFS) by the 31 August 2023 was not met although the approval to submit in November 2023.

Following the submission of the Annual Performance Report and the Annual Financial Statements at the end of November 2023, the audit process began, and it was completed in March 2024. Plans are under way to undertake public participation on the Annual Report post the tabling of the report to Council and all other milestones in the critical path for the development and processing of the Annual Report as provided for in the applicable legislation will follow after the public participation milestone.

4.1.1 CHAPTER OUTLINE OF THE ANNUAL REPORT

The MFMA Circular 63 of National Treasury provides guidelines in terms of the content and structure for the development of the Annual Reports for municipalities as summarized below:

- Chapter 1: covers the forewords of the Executive Mayor and the City Manager as well as the report of the Audit and Performance Committee (APC);
- Chapter 2: presents and account on the city's governance and administrative matters and information on the structures of Council and its committees;

- Chapter 3: this chapter presents performance details on service delivery. This also includes the performance on the IDP and SDBIP targets contained in component K (Performance Scorecard) of this chapter and the municipal entities scorecards are contained in Appendix I (ii) & (ii) in the Appendices section;

- Chapter 4: provides an account on the organisational development performance matters of the city. It outlines human resources matters of the municipality for the period under review;

- Chapter 5: presents the financial information in line with the financial statements of the city; and

- Chapter 6: presents the audit report on the regularity audit conducted by AGSA

4.2 SUMMARY OF PERFORMANCE RESULTS

4.2.1 PERFORMANCE OF THE SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN (SDBIP)

Over the financial year under review, the Service Delivery and Budget Implementation Plan (SDBIP) Scorecard of the City of Tshwane was organized in terms of various tables for each category of indicators as indicated below:

- The SDBIP Performance Targets;
- Reporting Indicators; and
- Compliance Indicators.

The table referenced "SDBIP Performance Indicators" presents the indicators with clear targets set to be achieved over the financial year under review. The table referenced as "Reporting Indicators" presents indicators where the phenomenon or service tracked cannot be predetermined and thus targets cannot be set but the phenomenon tracked can be reported as-and-when it happens or as observed. The table referenced "Compliance Indicators" presents indicators that are for compliance purposes and serving the governance (transparency) requirements.

The city also included a table presenting the performance on the indicators placed at Integrated Development Plan (IDP) level which the C88 Reform refers to as Outcome Indicators. This is in compliance with the C88 Reform which requires that performance on the C88 Outcome Indicators be reported annually for the duration of the IDP (5 year) period. Performance on these indicators is drawn from or is contributed mainly by the SDBIP indicators.

In pursuit of improving its performance, the city amongst others, implemented the following measures:

- Continuously monitored its performance through the in-year performance monitoring reports developed at the end of each quarter of the financial year. This served as an early warning measure; and

- Continuously implementing tailor-made improvement actions based on the findings of the in-year monitoring and reporting process.

4.2.1.1 SUMMARY OF PERFORMANCE RESULTS

The approved adjusted SDBIP scorecard for the 2022/23 financial year consists of a total of 93 performance indicators which are indicators where performance targets were set. On 25 August 2023, the National Treasury issued a letter exempting some MFMA Circular No.88 indicators from reporting over the 2022/23 financial year. A total of 9 performance indicators were exempted for reporting and were not assessed and not reported as per the directive of the letter from National Treasury. Owing to systems challenges which do not promote data integrity, the city was unable to account on one performance indicator.

Therefore, a total of 83 performance indicators with set targets were assessed. Of the 83 performance indicators that were assessed, performance recorded is as follows:

- A total of 44 targets were achieved, translating to 53.01% target achievement; and
- A total of 39 targets were not achieved, translating to 46.99% negative variance.

Targets for the following indicators were not achieved at the end of 2022/23 financial year:

Table 1: Targets that were not achieved at the end of 2022/23 financial year

Nr.	Name of Key Performance Indicator (Target)
1.	Number of new sewer connections meeting minimum standards
2.	Length of new water pipelines Installed
3.	Length of new sewer pipelines installed
4.	Installed capacity of approved embedded generators on the municipal distribution network
5.	Percentage of valid customer applications for new electricity connections processed in terms of municipa service standards
6.	Total capital expenditure as a percentage of total capital budget
7.	Total operating expenditure as a percentage of total operating expenditure budget
8.	Total operating expenditure as a percentage of total operating expenditure budget
9.	Total operating revenue as a percentage of total operating revenue budget
10.	Service charges and property rates revenue as a percentage of service charges and property rates revenue budget
11.	Funded budget (Y/N) (Municipal)
12.	Cash backed reserves reconciliation at year end
13.	Cash/Cost coverage ratio
14.	Current ratio (current assets/current liabilities)
15.	Trade payables to cash ratio
16.	Irregular, fruitless and wasteful, unauthorised expenditure as a percentage of total operating expenditure
17.	Percentage of total capital expenditure funded from capital conditional grants
18.	Percentage of total capital expenditure on renewal/upgrading of existing assets

Nr.	Name of Key Performance Indicator (Target)
19.	Repairs and Maintenance as a percentage of property, plant, equipment and investment property
20.	Percentage of awarded tenders [over R200k], published on the municipality's website 20
21.	Percentage of tender cancellations
22.	Debtors payment period
23.	Collection rate ratio
24.	Net surplus /deficit margin for electricity
25.	% of Debt Coverage
26.	Percentage of budgeted rates revenue collected
27.	Average number of days from the point of advertising to the letter of award per 80/20 procurement process
28.	Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission
29.	Percentage of reported pothole complaints resolved within standard municipal response time
30.	Percentage of Municipal bus services 'on time' (TBS)
31.	Number of scheduled public transport access points added (IRPTN Feeder Stops and BRT Stations)
32.	Number of intermodal facilities completed
33.	Number of repeat audit findings
34.	Percentage of official complaints responded to through the municipal complaint management system
35.	Percentage of Counciiors who have declared their financial interests
36.	Percentage of ward committees with 6 or more ward committee members (excluding the ward Councillo
37.	Percentage compliance to employment equity plan
38.	Staff vacancy rate
39.	Percentage of vacant posts filled within 3 months

4.3.4 HIGH-LEVEL OVERVIEW OF FINANCIAL PERFORMANCE

Over the past financial years the financial position of the city deteriorated. The city saw a decline in billed operating revenue and the collection rate. Furthermore, the payment of municipal accounts was marred by the culture of non-payment which was worsened during the pandemic. In response to the growing non-payment of services, the city introduced #TshwaneYaTima campaign which has since been institutionalised to improve the collection of revenue. Council adopted a financial recovery plan aimed at ensuring financial stability in the long run.

With the approval of the 2023/24 Medium Term Revenue and Expenditure Framework the city approved a funding plan with focus on addressing distribution losses and focus on ensuring that services are rendered within affordable limits. Departments and municipal entities were requested to continue to find ways to ensure that services are rendered in an efficient, effective, and economic manner. The city's operating financial performance improved as the budget deficit narrowed to R446 million in 2022/23. This resulted from a strategy to moderate operating expenditure while further optimising revenue management. Growth in service charges at only 4% was not impressive due to unprecedented levels of load shedding impacting electricity service charges.

After a vast credit rating review for the financial year 2022/23, Moody's came out on 6 March 2024 and placed under review for downgrade the City of Tshwane's Caa2 long-term and short-term rating of NP with a negative outlook. Effectively, this means that Moody's has affirmed the City of Tshwane's official credit rating opinion which was issued on 28 April 2023 for the 2021/22 financial year.

Moody's simultaneous affirmation and putting the City of Tshwane's credit rating opinion under review for downgrade was because of the City of Tshwane's failure to submit its audited annual financial statements of the 2022/23 financial year to the Johannesburg Stock Exchange (JSE) by the deadline of 29 February 2024, that is, seven months after the financial year-end of 30 June 2023. Moody's continued by saying that the JSE further announced on the 1st of February 2024 that the City of Tshwane's listing of debt securities and the registration of the programme memorandum would be suspended if the City failed to submit its audited financial statements by the said deadline as stipulated in the JSE's debt listings requirements (DLRs); hence, the under review for downgrade opinion.

It is important to note that the city was granted extension for submission of the Annual Financial Statement by Council and National Treasury.

The city received a qualified audit opinion in the 2022/23 financial year, an improvement from the previous financial year's adverse opinion. Management is currently assessing the management report and internal controls and measures have been put into place to address matters of emphasis highlighted in the Auditor General's Report.

High-level overview of the city's financial performance is as follows:

- During the period under review the city invested R2,2 billion towards capital infrastructure, recording a capital spending of 79% against the budget of R2,8 billion;
- The city did not borrow from the debt capital markets capital expenditure was mainly from own funding and grants;
- The city expenditure on repairs and maintenance of infrastructure for the 2022/23 financial year amounted to R1,2 billion;
- The city ended with a positive cash and cash equivalents at year end of R835 million for 2022/23 financial year; and
- Council approved the write off report which resulted in the reduction in the levels of unauthorized expenditure from R5,4 billion recorded in 2021/2022 financial year to R423 million recorded in the 2022/23 financial year.

5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

5.1 COMMENTS OF THE CHIEF AUDIT EXECUTIVE

Internal Audit take note of the Audited Annual Report of City of Tshwane for the 2022/23 financial year that consolidates information from its Municipal Entities for the period of July 2022 to June 2023 presented by City Strategy and Organisational Performance Department (CSOP).

The provisions of section 121 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) together with section 127(2) – (3)(b) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) states that the mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the Annual Report of the municipality and of any municipal entity under the municipality's sole or shared control.

However, the City was unable to comply with these legislative requirements due to non-submission Annual Financial Statement (AFS) on 31 August 2023. Finalisation and submission of AFS were not ready to be submitted to AGSA.
The Audit and Performance Committee (APC) made a recommendation to the City Manager to make a formal request for the extension from the National Treasury for submission of AFS. The City was granted three (3) months extension to allow finalisation and submission of AFS to AGSA.

Internal Audit reviewed the draft Unaudited Annual Report (version 1). The purpose of the reviews was to ensure that the process of compilation of the Annual Draft is prepared in line with the National Treasury, MFMA, Circular No. 63 and its contents includes all the components, chapters, and appendixes are complete.

The reviews revealed the following chapter components and appendices were not yet incorporated in the draft annual report awaiting figures from the audited AFS:

- Chapter 1 – 1.4 Financial Overview of the City for 2022/23 financial year;
- 1.6 AGSA Report Overview;
- Chapter 1 - Component C- Report of the APC for the reporting period end June 2023;
- Chapter 4 - Point 5 Financial Performance;
- Point 6 Report of the Auditor General;
- Appendix I (i): Municipal entity or service provider performance schedule (Housing Company Tshwane);
- Appendix I (ii): Municipal entity or service provider performance schedule (Tshwane Economic Development Agency);
- Appendix K: Revenue Collection Performance by Vote and by Source;
- Appendix L: Conditional grants received: Excluding Municipal Infrastructure Grant;
- Appendix M (i): Capital expenditure: New assets programme;
- Appendix M (ii): Capital expenditure: renewal programme;
- Appendix N: Capital programmes by project (capital projects expenditure);
- Appendix O: Capital programmes by ward; and

- Appendix R: Declaration of loans and grants made by the City of Tshwane.

Internal Audit take note of the anticipated timeliness (Table 3: Statutory Annual Report Process) of processing the annual report which is depended on the finalisation of the final audit report from AGSA.

5.2 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

There are no financial implications emanating as a result of this report for the City of Tshwane as the purpose of the report is to table the Audited Annual Report of the City of Tshwane for the 2022/23 financial year that consolidates information from its municipal entities for the period of July 2022 to June 2023, developed in line with the requirements of section 127(2) of the Municipal Finance Management Act, 56 of 2003 (MFMA) and section 46 of the Municipal Systems Act, 32 of 2000 (MSA).

5.3 COMMENTS OF THE CHIEF OF EMERGENCY

The purpose of this report:

- To table the Audited Annual Report of the City of Tshwane for the 2022/23 financial year that consolidates information from its municipal entities for the period of July 2022 to June 2023, developed in line with the requirements of section 127(2) of the Municipal Finance Management Act, 56 of 2003 (MFMA) and section 46 of the Municipal Systems Act, 32 of 2000 (MSA).

The Emergency Services Department (ESD) takes note of the contents of the report and is in support of the recommendations.

5.4 COMMENTS OF THE CHIEF OF POLICE

The purpose of the report is to table the Audited Annual Report of the City of Tshwane for the 2022/23 financial year that consolidates information from its municipal entities for the period of July 2022 to June 2023, developed in line with the requirements of section 127(2) of the Municipal Finance Management Act, 56 of 2003 (MFMA) and section 46 of the Municipal Systems Act, 32 of 2000 (MSA).TMPD take cognisance of the report and the recommendations are supported.

5.5 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

The purpose of this report is to table the Audited Annual Report of the City of Tshwane for the 2022/23 financial year that consolidates information from its municipal entities for the period of July 2022 to June 2023, developed in line with the requirements of section 127(2) of the Municipal Finance Management Act, 56 of 2003 (MFMA) and section 46 of the Municipal Systems Act, 32 of 2000 (MSA).

Section 51 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (hereafter referred to as the "MSA") places a duty on the Municipality within its administration and financial capacity to establish and organize its administration in a manner that would enable the Municipality to amongst others, be performance orientated and focused on the objects of local government as embodied in Section 152 of the Constitution of the Republic of South Africa.

The report indicates that the Draft Audited Annual Report was developed in line with the provisions of the relevant sections of the Municipal Finance Management Act, 56 of 2003 (MFMA) and the Municipal Systems Act, 32 of 2000 (MSA). Additionally, other legislative prescripts including the National Treasury MFMA Circular 63 which prescribes the format and content development of the Annual Report were also considered. Important to note, the Draft Audited Annual Report was developed in accordance to the Process Plan for the development and tabling of the Annual Report approved in the Mayoral Committee meeting held on 06 July 2022.

Despite the challenges experienced during the external audit process for the 2021/22 financial year, the City is committed to developing and implementing adequate action plans with efforts to mitigate and prevent against worse or unfavourable future audit findings on the audit of performance against predetermined objectives . This takes into consideration extensive engagements sought to further address the identified audit findings with efforts to adequately manage performance information and improving work processes in line with the recommendations made by the Auditor General South Africa (AGSA).

The Draft Audited Annual Report for the end of the 2021/22 financial year is submitted for tabling in compliance with the provisions of section 127(2) of the Municipal Finance Management Act, 56 of 2003 (MFMA).

Although chapter 6 of (sections 38-49), of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), herein after referred to as MSA provide for performance management. Section 40 inter alia stipulate that the municipality must establish mechanism to monitor and review its management system.

Further Regulation 13 of the Local Government: Municipal Planning and Performance Management Regulations, 2001 published in terms of the Municipal Systems Act and the Performance Management Policy and Procedure developed by the City of Tshwane in accordance thereof these provisions reiterate that reporting or giving feedback is to assist in monitoring, which aims to provide managers, decision-makers and other stakeholders with regular feedback on the implementation progress made so that corrective measures may be put into place, where necessary.

Having regard to the aforesaid and with specific reference to the contents of the report, Group Legal Services Department take note and support the approval of the recommendations.

5.6 COMMENTS OF THE GROUP HEAD: COMMUNICATIONS, MARKETING AND EVENTS

The purpose of this report is to present the audited Annual Report of the City of Tshwane for the 2022/23 financial year to Council. It is noted within the report that Council resolutions concerning the audited Annual Report for the 2022/23 financial year will be disseminated to the public via the City of Tshwane website and newspaper notices, inviting the public to provide feedback. The Communication, Marketing, and Events (CME) Department acknowledges this and commits to ensuring that these resolutions are promptly published on the Tshwane website and in relevant newspapers.

It is important to emphasise that timely submission of information to CME is crucial for adhering to its standard operational procedures in executing these tasks. With that said, the CME fully supports the report and its recommendations.

5.7 COMMENTS OF THE OFFICE OF THE CHIEF OPERATIONS OFFICER

Cognisance is taken regarding the contents of the report. Compliance with the prescribed format, legislation and use of externally audited results is assumed in the compilation of this report.

5.8 COMMENTS OF THE OFFICE OF THE GOVERNANCE AND SUPPORT OFFICER

The purpose of the report is to table the Audited Annual Report of the City of Tshwane for the 2022/23 financial year that consolidates information from its municipal entities for the period of July 2022 to June 2023, developed in line with the requirements of section 127(2) of the Municipal Finance Management Act, 56 of 2003 (MFMA) and section 46 of the Municipal Systems Act, 32 of 2000 (MSA).

Cognisance is taken of the contents of the report as well as the recommendations, and support approval thereof.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

All human resource matters raised in the Audited Annual Report which require attention must be addressed within the limits of the resources of the city.

6.2 FINANCES

The report does not have any financial implications.

6.3 CONSTITUTIONAL AND LEGAL FACTORS

The development of the Annual Report complies with the relevant and applicable legislation thus far and once considered by Council, will immediately be distributed to the legislated stakeholders in accordance to Section 127 of the MFMA.

6.4 COMMUNICATION

The Council Resolution regarding the Audited Annual Report for 2022/23 financial year will be made public through the City of Tshwane Website and newspaper notices to invite the public to make representations. The approved Audited Annual Report will also be made available to all relevant stakeholders as per the directives of the relevant legislation and will also be submitted to national and provincial treasury, and the provincial department responsible for local government in the province.

6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

The Process Plan for the development of the Annual Report was approved by Council on 29 June 2023. Although there were delays with regard to the submission of the Annual Financial Statements (AFS) to AGSA which impacted on the timeline on other milestones of the development of the report, the Audited Annual Report was developed in accordance to the timelines and processes set out in the process plan.

7. CONCLUSION

The Audited Annual Report for 2022/23 financial year presents the performance of the City of Tshwane for the financial year. It was developed in accordance with the guidelines of Circular 63 and the city made efforts to comply with all the legislative requirements. In order to improve performance, the city will implement improvement actions that are tailored to respond adequately to the root causes of underperformance.

The Special Mayoral Committee on 5 April 2024 resolved to recommend to Council as set out below:

During the Special Council meeting of 11 April 2024, after the Executive Mayor submitted the report, the Speaker called upon Mr X Zicwele, representative from the Office of the Auditor General, to present the Auditor General's audited Annual Report of the City of Tshwane and its entities.

The presentation is attached as Annexure C to the report.

After the presentation of Mr Zicwele, the Speaker called upon the Chairperson of the Audit and Performance Committee of the City of Tshwane and its entities, Mr Robert Cameron-Ellis, to respond to the Auditor General's Audited Annual Report of the City of Tshwane and its entities.

The mentioned response is attached as Annexure D to the report.

Before allowing clarity seeking questions from Councillors, the Speaker indicated that Mr Zicwele was not going to respond to the questions in the meeting but would provide comprehensive responses in writing to the questions posed.

Hereafter the Speaker allowed clarity seeking questions from the following Councillors:

KB Disoloane
AWF Middelberg
MKF Boshielo
PG Mthimunye
LKP Moloto
AM Randall
TE Mabusela
ET Modise
AM Maluleka
KG Makgaleng
MMC RK Mathebe

R Uys
SMM Mabotsa
O Nontununu

Hereafter the Speaker excused the representatives of the Office of the Auditor-General and the Chairperson of the Audit and Performance Committee of the City of Tshwane and its entities from the Council Chamber and invited them to join the other guests in the gallery.

Hereafter the Speaker put the report to Council whereafter the Council resolved as set out below.

ANNEXURES:

A. 2022 23 Annual Report 04 April 2024 V13 11;04am
B. Consolidated City of Tshwane 2023 - Annual Financial Statements (AFS) – General Recognised Accounting Practice (GRAP) - 03-04-2024. V5
C. Report of the Auditor General on the financial statements, Annual performance report, compliance with legislation and other legal and regulatory requirements of the City of Tshwane Metropolitan Municipality for the year ended 30 June 2023
D. Report from the Audit and Performance Committee of the City of Tshwane and its entities on the Annual report for the financial year ended 30 June 2023

RESOLVED:

1. That Council takes cognisance of the tabling of the consolidated Audited Annual Report of the City of Tshwane for the 2022/23 financial year; and

2. That Council refers the report to the Section 79 Oversight Committee: Municipal Public Accounts (MPAC) for further consideration.

COUNCIL
RESOLUTION
2024 -03- 27
BESLUIT
RAAD

CITY OF TSHWANE
IGNITING EXCELLENCE

CITY OF TSHWANE AUDITED

2022–2023 ANNUAL REPORT

TABLE OF CONTENTS

List of Tables

LIST OF FIGURES

CHAPTER 1: FOREWORDS, REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE AND EXECUTIVE SUMMARY

COMPONENT A: FOREWORD OF THE EXECUTIVE MAYOR

The vision of the political leadership in the City of Tshwane is to ensure that we build a capital city that works for all its people. A city with reliable and consistent supply of electricity and quality drinking water, where infrastructure is maintained and developed to ensure economic growth, a place that is clean and tidy and where residents are proud to call it their home. A core policy focus of the political leadership in Tshwane is to target five specific areas that will drive large scale change in the institution.

Financial recovery and sustainability – The city requires a complete turnaround with regards to financial management in order to sustain its future. Strict fiscal discipline, restoration of internal financial controls and cost cutting must become the norm to restore liquidity.
Energy Independence – With the mounting costs of loadshedding it is critical to drive energy independence so that we reduce electricity outages and provide more sustainable energy supply which will also aid financial recovery.
Enhanced service delivery – Getting the basics right such as regular infrastructure maintenance, repairing potholes and proper urban management restores trust in government and rebuilds the relationship that we have with residents.
Security of assets – Relentless theft and vandalism of assets has a crippling effect on service delivery. A reduction in the instances of cable theft, vandalism and destruction of property through visible policing and the deployment of technology are critically important.
Productivity and performance management – Improving staff morale, attitude and discipline towards the work of the city will drive better outcomes across multiple service delivery areas.

A focus area of intervention has been to drive continuous monitoring on the city's responsiveness to the Auditor-General's report where various deficiencies were identified. Through the Executive Audit Tracker committee the political leadership have exercised ongoing oversight on the manner in which the administration has sought to address the issues raised by the Auditor-General.

The audit outcome of the City of Tshwane has improved from adverse in 2022 to qualified in 2023. Although a qualified audit outcome is still negative, it represents a significant improvement in governance. In short, what we are doing is working. And if we continue in this direction, our next audit will at least be unqualified.

The past financial year has been exceptionally difficult for the city particularly within the political space as changes to the political leadership can lead to instability. However, I am pleased at the way the administration adjusted and moved through these transition periods. The theft and vandalism of municipal assets came to light particularly after a number of pylons collapsed in the East of the city causing multiple day electricity outages. While this was rapidly responded to it has once again highlighted the urgent need for increased security around critical infrastructure. Further to that the outbreak of cholera in Hammanskraal and the tragic deaths that occurred has once again highlighted the city's urgent need to ensure that the refurbishment of the Rooiwal Waste Water Treatment plant remains a priority which is why it has the largest budget line item. Collaboration between the Department of Water and Sanitation alongside the Development Bank of Southern Africa (DBSA) have also been critical to unlocking better support on this initiative.

Most notably the last financial year saw the appointment of a permanent City manager, My Johann Mettler. The city had last had a properly appointed City manager over three years ago. This vacuum in the administration had significantly hampered its effectiveness. Now with the ongoing recruitment of the Section 56 top managers the city will achieve a level of administrative stability it has not had in years.

With the multi-party coalition aligned to the core objectives that we must achieve and a strong top management in place I believe that the City of Tshwane is well positioned for its financial recovery and set on the path towards a much stronger future in which we create a capital city that works for all its people.

Cllr Cilliers Brink
EXECUTIVE MAYOR

Component B: Executive Summary

1.1 Municipal Manager's Overview

We entered the 2022/2023 financial year with some trepidation and uncertainty as the adverse audit findings by the Auditor General for the previous year raised various concerns with regard to our performance, our state of financial health (more specifically our revenue and liquidity), internal controls and historic findings that were not adequately addressed and the nonexistence of consequence management and accountability. This amongst others, informed our approach to deal strategically with these challenges.

Our approach was centred on the following:

- Restructuring the institution and streamlining management processes and accountability.
- Recruitment of senior staff directly reporting to the City Manager.
- Enhance revenue collection.
- Institute consequence management process throughout the institution.
- Strengthen the administrative and political interface.

Whilst addressing all these matters, we had to also ensure that services to our communities continue unabated in meeting the city's constitutional mandate.

Despite service delivery, financial and governance challenges we were confronted with, the city made encouraging progress in many areas of its mandate. Some of the strides made over the financial year under review include having:

- developed critical infrastructure to ensure economic growth and development,
- provided critical albeit rudimentary services in the informal settlements to mitigate the associated difficulties,
- supported the indigent households with a package of services that are critical for survival,
- started providing and ensuring a plan for the security of assets and infrastructure.

In order to enhance our revenue collection and cash flow, we have established a team with assistance from National Treasury to deal with the entire value chain in the revenue protection arena. This approach is progressing well and is also influencing the institutional restructuring to amongst others efficiency and value for money.

In the year under review, we have also come to recognise and appreciate the role communities can play in assisting in providing basic urban management services, such as amongst others, grass cutting, clean-up of illegal dumping etc. This partnership in some instances has already reinforced the shared ownership of problems and the willingness to contribute to the solutions.

Notwithstanding, as I present the Annual Report for the 2022/23 financial year, I have no doubt that the challenges faced by the city can be addressed despite the difficulties. Addressing these challenges requires the strength of leadership, dedicated focus on the implementation of effective improvement actions, financial prudence, improving the culture of the organisation and a strong team of managers and the workforce in general.

In conclusion, I want to thank Executive Mayor, Cllr Cilliers Brink, the Mayoral Committee, the senior management, and all staff members of the city for their unwavering support over the period reviewed. I also appreciate the support and guidance from the Audit and Performance Committee as well the support and cooperation of all the stakeholders and partners of the city in the many ways that they all have contributed to the progress presented in this report. In this regard, the role played by the Cities Support Programme deserves to be highlighted. They have made human resources available to bolster our revenue collection efforts, and our financial management processes and systems.

The contribution of each individual and each partner or stakeholder played a significant role without which the city may have not even made the little progress reported. Greater appreciation goes to the Tshwane residents for, among other things, paying their municipal accounts on time and contributing (in many ways) in making participatory governance a reality in the city.

Johann Mettler
CITY MANAGER

1.2 Municipal Functions, Population and Environmental Overview

Tshwane, a cosmopolitan metropolitan city with a multitude of opportunities, is the seat of government and provides a home away from home to over 135 foreign missions and organisations. The City of Tshwane has the largest land mass compared to all other municipalities in the country. Tshwane boasts critical sectors of the economy including manufacturing, agri-business, tourism, and research and development, which contribute significantly to the creation of many job opportunities and economic activities. Tshwane also contributes significantly to the Gauteng and national Gross Domestic Product (GDP). Classified as a Category A municipality by the Municipal Demarcation Board, in terms of Section 4 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Tshwane was established on 5 December 2000 through the integration of various municipalities and councils that had previously served the greater Pretoria regime and surrounding areas. The boundary of the city was further amended on 28 May 2008 through a proclamation in the *Government Gazette*, which incorporated the former Metsweding District Municipality, including Nokeng tsa Taemane (Cullinan) and Kungwini (Bronkhorstspruit), into the borders of Tshwane.

The above highlighted incorporation led to the emergence of the new City of Tshwane in May 2011 after the local government elections, which was in line with the Gauteng Global City Region Strategy to reduce the number of municipalities in Gauteng by the year 2016.

With the incorporation of the above-mentioned areas, the area covers up to 6 345 km². The size of Tshwane can be practically explained in that the city stretches almost 121 km from east to west and 108 km from north to south, making it (at that time) the third-largest city in the world in terms of land area, after New York and Tokyo/Yokohama. It also makes up more than 30% of Gauteng, which is 19 055 km² in extent.

The following table presents a high-level overview of the composition of Tshwane:

Table 1: High Level Composition of Tshwane

Category	Composition
Major residential areas	Akasia, Atteridgeville, Babelegi, Bronberg, Bronkhorstspruit, Centurion, Crocodile River, Cullinan, Eersterust, Ekangala, Elands River, Ga-Rankuwa, Hammanskraal, Laudium, Mamelodi, Pretoria, Rayton, Refilwe, Rethabiseng, Roodeplaat, Soshanguve, Temba, Winterveld and Zithobeni
Population	3.65 million in (2021)[1]
Area	6 345 km2 - Tshwane is the largest city in Africa and the third largest in the world based on land area.
Operating budget	R42.1 billion (2022/23)
Capital budget	R2.79 billion. (2022/23)
Municipal area GGDP[2]	R 616 billion (current prices)
GGDP per capita	R168 124 (current prices)

[1] IHS Markit Regional eXplorer verion 2320
[2] GGDP refer to the Gross Geographic Domestic Product

Category	Composition
GGDP growth	1.37% (2021)
Labour Force:	Labour Force 1.64 million people 1.14 million Employed. 64.3 % labour force participation rate
Unemployment	30.6%, (2017) (official definition)
Principal languages	English, Sepedi, Afrikaans, Xitsonga, and Setswana
Industrial estates	Babelegi, Bronkhorstspruit, Ekandustria, Ga-Rankuwa, Gateway, Hennopspark, Hermanstad, Irene, Kirkney, Klerksoord, Koedoespoort, Lyttelton Manor, Pretoria North, Pretoria West, Rooihuiskraal, Rosslyn, Samcor Park, Silverton, Silvertondale, Sunderland Ridge and Waltloo
Principal economic activities	Principal economic activities are Government and community services (35%), finance (28%) and manufacturing (11%). All figures are for 2021.[6]
Focus sectors	- Advanced manufacturing - Agri-business (agricultural production and processing) - Tourism - Research and Innovation
Interesting facts about Tshwane	- Home to over 135 foreign missions and organisations - Highest concentration of medical institutions per square kilometre in South Africa - Knowledge, research and development capital of South Africa - 28.3% of Gauteng's GDP (2017)[6] - 9.9% of national GDP (2017)[6] - 53% of transport equipment exported from South Africa originates in Tshwane

Demographics

Population statistics are important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income. The city acknowledges that the changes in the composition of the population is impacted by changes in various aspects such as population group, age and gender which are critical factors that influence the growing demand on food, energy, water, jobs and social support on the country's citizens and ultimately placing enormous pressure on the demand for public services.

The section provides a summary of City of Tshwane's demographic make-up which also include analysis of the population of a region. The distribution of the values within a demographic variable and across households are of interest, as are the trends over time.

The table below presents the total population of the City of Tshwane, with Gauteng and National total, 2011-2021 [numbers & percentage].

Table 2: Tshwane Population

Year	City of Tshwane	Gauteng	National Total	City of Tshwane as % of province	City of Tshwane as % of national
2011	2,860,000	12,000,000	52,000,000	*23.8%*	*5.5%*
2012	2,950,000	12,400,000	52,800,000	*23.9%*	*5.6%*
2013	3,040,000	12,700,000	53,700,000	*24.0%*	*5.7%*
2014	3,120,000	13,000,000	54,500,000	*24.0%*	*5.7%*
2015	3,200,000	13,300,000	55,300,000	*24.1%*	*5.8%*
2016	3,280,000	13,600,000	56,200,000	*24.1%*	*5.8%*

Year	City of Tshwane	Gauteng	National Total	City of Tshwane as % of province	City of Tshwane as % of national
2017	3,360,000	13,900,000	57,000,000	*24.2%*	*5.9%*
2018	3,440,000	14,200,000	57,900,000	*24.2%*	*5.9%*
2019	3,520,000	14,500,000	58,800,000	*24.2%*	*6.0%*
2020	3,600,000	14,800,000	59,600,000	*24.3%*	*6.0%*
2021	3,650,000	15,000,000	60,300,000	*24.3%*	*6.1%*
					Average Annual growth
2011-2021	***2.46***%	***2.27***%	***1.50***%		

Source: IHS Markit Regional eXplorer version 2320

With an estimated population of 3.65 million, the City of Tshwane Metropolitan Municipality housed 6.1% of South Africa's total population in 2021. Between 2011 and 2021 the population growth averaged 2.46% per annum which is close to double than the growth rate of South Africa as a whole (1.50%). Compared to Gauteng's average annual growth rate (2.27%), the growth rate in City of Tshwane's population at 2.46% was very similar than that of the province.

1.3 Service Delivery Overview

Over the financial year under review, the City of Tshwane placed premium focus towards broadening access to quality and impactful services as part of realizing its goals and objectives adopted by the current term of office. As a result, the status of the city's performance on service delivery presents a combination of some notable progress recorded in delivering against targeted services. Whilst the primary focus was on ensuring the delivery of sustainable supply of services, it continues to experience overwhelming challenges that hindered the adherence to its service delivery commitments.

In the financial year under review, some of the service delivery achievements and challenges observed include the following:

- Continued with efforts to alleviate the plight of informality through the consistent provision of rudimentary services in the form of waste collection, water and sanitation provided to the informal settlements. This resulted in:
    - a total of 148 informal settlements receiving rudimentary water services;
    - approximately 108 informal settlements were provided with rudimentary sanitation services.
    - A total of 172 known informal settlements receiving basic refuse removal services.
- In an effort to promote the predictability and consistency of water supply, a total of 24 774m of water pipelines was upgraded in the areas of Clubview, Hennopspark, Mamelodi x18, Riamer Park, Constantia Park and New Eesterust.
- Although a considerable reduction from 32.6% in the 2021/22 financial year to 32.0% in the financial year under review was recorded with regards to water losses, the results presented is still above the targeted levels of below 20%.
- Continued with the development of water services infrastructure and implemented the following infrastructure projects:

- **The New Parkmore LL Reservoir associated pipework:** which entails the construction of the new Parkmore LL Reservoir associated pipework in Region 6, with work spanning over ward 50 and ward 96. The Parkmore LL system will connect to the Garsfontein system that will service more than 20 000 households in Region 6. As of 30 June 2023, the progress was at 19% and construction is underway, and completion is expected at the end of the 2023/24 financial year.
- **The Refurbishment of Bronkhorstbaai and Summerplace Water Purification Plant:** This intervention is in Region 7. The project scope entails the refurbishment of Bronkhorstbaai and Summerplace water treatment plants, the installation of water pipes and increase of water treatment capacity. The project is currently at 98% completion, and it is anticipated to be completed at the end of December 2023. The project will benefit the community of Bronkhorstbaai, Summerplace and Kungwini Country Estate in Ward 102, Region 7.

- A total of 1 017 new households were connected to the mains electricity supply (applications-driven connections).
- Continued with the provision of sanitation services, mainly focusing on installing waterborne sanitation infrastructure, addressing sanitation service backlogs, extending the capacity of waste-water treatment works (WWTW), replacing, upgrading and constructing WWTW, and focusing on sewer reticulation.
  - provided 703 formal households with sewer connections (flush toilets).
- Recorded considerable progress in the maintenance and operations of its biodiversity and other areas such as resorts, with recorded a total of 97 726 resorts' visits and a total 303 014 nature reserves visitors who came to enjoy the tranquility offered by these amenities.
- Improving all health indicators while also targeting social determinants of health notably poverty, community empowerment and education forms remained some of the key commitment towards improving access to health care and providing comprehensive social services to the poor and marginalised.
- The city made significant strides on investment facilitation and continued providing dedicated support to Tshwane's entrepreneurs; Small, Medium, and Micro Enterprises (SMMEs) and cooperatives.

While there is some commendable progress made as stated above, the inability to meet the targeted deliverables in many areas over the financial year under review remains a concern. The city's inability to meet some of some of its key targets were recorded in various areas which amongst others include: sewer connections, lengthening of sewer network supply Pipelines collection rate, debt coverage, filling of vacancies, In this regard, the city continues to find ways of addressing the root causes of the impediments in order to ensure that all commitments made are realised.

1.4 Financial Overview of the City for the 2022/23 financial year

Over the past financial years the financial position of the city deteriorated. The city saw a decline in billed operating revenue and the collection rate. Furthermore, the payment of municipal accounts was marred by the culture of non-payment which was worsened during the pandemic.

In response to the growing non-payment of services, the city introduced #TshwaneYaTima campaign which has since been institutionalised to improve the collection of revenue. Council adopted a financial recovery plan aimed at ensuring financial stability in the long run.

With the approval of the 2023/24 Medium Term Revenue and Expenditure Framework the city approved a funding plan with focus on addressing distribution losses and focus on ensuring that services are rendered within affordable limits. Departments and municipal entities were requested to continue to find ways to ensure that services are rendered in an efficient, effective, and economic manner.

The city's operating financial performance improved as the budget deficit narrowed to R446 million in 2022/23. This resulted from a strategy to moderate operating expenditure while further optimising revenue management. Growth in service charges at only 4% was not impressive due to unprecedented levels of load shedding impacting electricity service charges.

After a vast credit rating review for the financial year 2022/23, Moody's came out on 6 March 2024 and placed under review for downgrade the City of Tshwane's Caa2 long-term and short-term rating of NP with a negative outlook. Effectively, this means that Moody's has affirmed the City of Tshwane's official credit rating opinion which was issued on 28 April 2023 for the 2021/22 financial year.

Moody's simultaneous affirmation and putting the City of Tshwane's credit rating opinion under review for downgrade was because of the City of Tshwane's failure to submit its audited annual financial statements of the 2022/23 financial year to the Johannesburg Stock Exchange (JSE) by the deadline of 29 February 2024, that is, seven months after the financial year-end of 30 June 2023.

Moody's continued by saying that the JSE further announced on the 1st of February 2024 that the City of Tshwane's listing of debt securities and the registration of the programme memorandum would be suspended if the City failed to submit its audited financial statements by the said deadline as stipulated in the JSE's debt listings requirements (DLRs); hence, the under review for downgrade opinion.

It is important to note that the city was granted extension for submission of the Annual Financial Statement by Council and National Treasury.

The city received a qualified audit opinion in the 2022/23 financial year, an improvement from the previous financial year's adverse opinion. Management is currently assessing the management report and internal controls and measures have been put into place to address matters of emphasis highlighted in the Auditor General's Report.

High-level overview of the city's financial performance is as follows:

- During the period under review the city invested R2,2 billion towards capital infrastructure, recording a capital spending of 79% against the budget of R2,8 billion.

- The city did not borrow from the debt capital markets capital expenditure was mainly from own funding and grants.
- The city expenditure on repairs and maintenance of infrastructure for the 2022/23 financial year amounted to R1,2 billion.
- The city ended with a positive cash and cash equivalents at year end of R835 million for 2022/23 financial year.
- Council approved the write off report which resulted in the reduction in the levels of unauthorized expenditure from R5,4 billion recorded in 2021/2022 financial year to R423 million recorded in the 2022/23 financial year.

1.5 Organisational Development Overview

The city acknowledges that the successful performance of an organisation is inherent in a highly effective workforce. This effectively implies that the existence of a fit for purpose workforce is a determining factor of the City of Tshwane's success in its efforts to provide reliable and impactful services whilst meeting its growth and development objectives. In addition, in an attempt to successfully deliver sustainable services, a sound, effective and visionary leadership is a necessity in promoting good governance processes whilst continuously strengthening and capacitating municipal personnel. Whilst over the financial year the city ensured concerted efforts mainly on the promotion of employment equity and policy alignment components; capacity development through training and skills development; developing and implementing relevant workforce policies; efforts were heightened in the and implementation of recruitment and selection processes. This was demonstrated through the filling of vacant top management positions to maximise efficiencies.

Furthermore, the capacity development efforts of the city's workforce are expressed through training and learning development, skills development, internships and apprenticeships. This is to ensure that individuals obtain relevant skills requisite to the delivery of all services rendered. In that regard, over the financial year under review, a total of 169 learners were placed in the Work Integrated Learning Programme and 91 students were placed in experiential training. With regards to the implementation of an apprenticeship scheme, a total of 327 apprentices were absorbed into the system in various skills areas such as electrical, plumbing, vehicle mechanics, welding, boiler making and fitting and turning.

The city acknowledges that in order to respond to today's ever demanding public service provision environment and to deliver high-quality public services, dedicated focus must be given to the development and management of human capital as a way of promoting a consistent customer oriented and service-minded workforce.

1.6 Auditor General Report Overview

The City of Tshwane received a qualified audit opinion on the regularity audit for the 2022/23 financial year. This presents an improvement from the adverse audit outcome recorded in the 2021/22 financial year. Although a qualified audit outcome is still undesirable, the move from an adverse to a qualified audit outcome is indicative of good progress made in addressing the root causes of the weaknesses that were identified in the environment over the previous audit cycle.

The basis for the audit results attained is amongst other things, the infrastructure assets, as well as community assets that were not correctly valued in accordance with GRAP 17, property, plant, and equipment. With regards to the Audit of Performance Objectives (AOPO), the findings are attributed to the inability to provide supporting evidence required for auditing and this is due to noted limitations in the data management systems and processes utilised to collect data and information relating to the actual performance achievement".

1.7 Statutory Annual Report Process

The table below presents the activities related to the Statutory Annual report process for the financial year under review.

Table 3: Statutory Annual Report Process

Nr.	Activity	Timeframe
1	Distribution of Departments and Entities Annual Report templates as per NT Circular 63	2nd Week of August 2023
2	Approval of the Annual Report process plan by EXCO and MAYCO	Approval by MAYCO on 21 June 2023
3	Finalise the 4th quarter SDBIP performance report for previous financial year for approval by EXCO	July 2023
4	Tabling of draft 4th quarter performance report at Audit and Performance Committee and Mayoral Committee	July 2023
5	Table Unaudited 4th quarter report to Council	Approved by Council on 27 July 2023
6	Receive signed declaration of final results and supporting information from departments regarding all Corporate SDBIP KPIs. Such would be results subsequent to the Internal Audit process.	Entire month of August 2023
7	Unaudited Annual Performance Report, Entities Annual Performance Reports and Annual Financial Statements tabled at EXCO/Audit and Performance Committee	11 and 25 August 2023 (before submission to the AGSA on 31 August)
7	Sign-off and submission of legislated Unaudited Annual Performance Report and financial statements to the Auditor General for external auditing purposes	31 August 2023
8	Re-Submission of Unaudited Annual Performance Report to AGSA	15 September 2023 (Subsequent to the proposal of the City of Tshwane's Audit and Performance Committee recommendation to postpone the submission of the Annual Financial Statements within three months
9	Receive the Management letter from the AGSA	March 2024
10	Incorporate responses from the AGSA report into the Consolidated Audited Annual Report	March 2024
11	Auditor General's Report considered by Audit and Performance Committee	March 2024
12	Audit and performance committee considers the Consolidated Audited Annual Report	March 2024
13	Mayoral Committee considers Consolidated Audited Annual Report of the City	March 2024
14	Consolidated Audited Annual Report tabled at Council	End March 2024
15	Submit the Council resolutions on the tabled Annual Report to: - Auditor General - NT and provincial treasury Internal Process to support MFMA Section 127 (5) (a) - Department of Cooperative Governance and Traditional Affairs - DLG (Province	within 5 days after Council adoption or (immediately after the Council Resolutions are made available by the Office of the Speaker)

Nr.	Activity	Timeframe
16	Newspaper notices and website notices seeking public comments on the Consolidated Audited Annual Report	April 2024
17	Invitation of public comments on the Consolidated Audited Annual Report (The process will be dictated by the lockdown regulations at the time)	April 2024
18	Public hearings and Council's oversight report on Consolidated Audited Annual Report tabled at Council	April 2024
19	Submit Oversight Report on Annual Report to: - Auditor General - NT and provincial treasury Internal Process to support MFMA Section 127 (5) (a) - Department of Cooperative Governance and Traditional Affairs DLG (Province	April 2024 – immediately after approval by Council
21	Newspaper notices and distribution of council resolutions on oversight report on Consolidated Annual Report to stakeholders as per the MFMA	April 2024
22	Submit Consolidated Annual Report and oversight report on Annual Report to provincial legislature	May 2024
23	The City Strategy & Organisational Performance Department to coordinate and manage the process for the printing for the 2022/23 Consolidated Audited Annual Report and distribution thereof	April-June 2024

Component C: Report of the Audit and Performance Committee for the reporting period end June 2023

Introduction

The Audit and Performance Committee of the City of Tshwane and its Municipal Entities (APC) presents its annual report for the year ended 30 June 2023 under sections 166(2) and (3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and section 94(7)(f) of the Companies Act, 2008 (Act 71 of 2008), read with the MFMA Circular 65, dated 23 November 2012, and the applicable Council resolutions.

The APC provides oversight assurance for the City of Tshwane (the City) and its entities, namely Tshwane Economic Development Agency (SOC) Limited (TEDA) and Housing Company Tshwane NPC (HCT).

The Audit and Performance Committee

The APC is constituted in terms of sections 166(1) and (2) and section 166(6) (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and section 94(7) of the Companies Act, 2008 (Act 71 of 2008), read with the applicable Treasury Regulations.

It is an independent advisory body that advises the Council, the political office bearers, the accounting officer and the management and staff of the municipality, or the board of directors, the accounting officer, and the management staff of the municipal entities, on matters relating to the following:

- Internal control.
- Internal audit.
- Risk management.
- Accounting policies.
- Adequacy, reliability and accuracy of financial reporting, records, and information.
- Performance management.
- Performance evaluation.
- Effective governance and oversight.
- Compliance with the MFMA, the Division of Revenue Act, 2016 (Act. 3 of 2016) and any other applicable legislation.
- Financial management.
- Issues raised by the Auditor-General South Africa (AGSA) in the audit report.
- Investigations into the financial affairs of the City and its entities.
- Any other matter referred to it by the City or its entities.

The APC makes recommendations to the accounting officers, but the accounting officers retain responsibility for implementing such recommendations.

The member qualifications and meeting attendance by APC members during the reporting period were as follows:

Member	Qualifications	Appointment date	Membership Status	Scheduled	Attended
Mr RE Cameron-Ellis	BCom (Hons) Accounting, CTA, CA(SA), CFE, Registered Auditor	25 August 2017	Chairperson	14	14
Ms P Mzizi	BCompt (Hons) Accounting, CTA, CA(SA), BCom (Hons) in Transport Economics	25 August 2017	Member	14	14
Ms T Njozela	MBA, BCompt (Hons), B Com, CIA, CRMA, CCSA	25 August 2017	Member	14	13
Mr Z Fihlani	CA (SA)	07 May 2020	Member	14	11
Ms V du Preez	BA, B Com, MBL – UNISA CIA (Certified Internal Auditor)	07 May 2020	Member	14	14
New committee appointed on 26 April 2023					
Mr RE Cameron-Ellis	BCom (Hons) Accounting, CTA, CA(SA), CFE, Registered Auditor	26 April 2023	Chairperson	12	12
Mr P Mongalo	MBA, BCom (Honours)	26 April 2023	Member	12	12
Ms L Sonqishe	MBA	26 April 2023	Member	12	12
Mr S Maharaj	CA (SA), MBA	26 April 2023	Member	12	11
Dr N Skeepers	PHD Engineering Management Master's degree in Occupational Health and Safety(Uni Queensland, Australia) MPhil HIV/AIDS, Stellenbosch	26 April 2023	Member	12	12

The APC followed a structured approach to its meetings, with four scheduled meetings dealing with the City, four dealing with the entities and city performance, four dealing with forensic and ethics issues, and dedicated sessions to approve financial statements and resolve emerging issues. Special meetings were held to monitor the effectiveness of the processes to address the findings of restating the 2022 AFS and addressing the adverse opinion received in that year.

The APC has formal terms of reference (the APC Charter), which the Council approved on 29 October 2015, with revisions approved by the Council on 29 November 2018 and 27 May 2021. The APC executed its duties under the 2021 Charter during the reporting period.

The APC reports quarterly on its activities, observations, concerns, and recommendations to the Mayoral Committee and the Municipal Public Accounts Committee (MPAC).

In 2022 the Section 79 Standing Committee on Public Accounts requested seven forensic audits on expenditure suspected to be irregular. Only ONE(1) of these has been completed as the forensic division continues to be delayed by budget and human resource restrictions. No other APC-related Council and APC-related MPAC resolutions still need to be addressed.

Effectiveness of Internal Control

The systems of internal control are the legislated responsibility of the accounting officers and senior executive management as required by the MFMA, the MFMA regulations, the Municipal Systems Act, the Companies Act, and the principles of the King IV Report on Corporate Governance read in conjunction with the National Treasury Audit and Risk Frameworks, MFMA Circular 65 and the International Standards for the Professional Practice of Internal Auditing.

The APC receives reports from first, second, and third-level providers of control assurance, including reports from Group Audit and Risk (GAR) and the Auditor General South Africa (AGSA).

The AGSA has raised persistent control deficiencies over the years. These include areas for improvement in controls relating to the preparation of financial statements, asset management, expenditure management, procurement and contract management, and information systems and technology.

The APC remains concerned about the following control and performance issues raised by both the AGSA and Internal Audit, often repeatedly, which need to be addressed head-on:

Culture: The City's organisational culture is not geared toward accountability and performance, resulting in several GAR and AGSA findings. The Accounting Officer and Executive management have embarked on a long-term project to change the organisational culture. However, the phrase "A City that works for all its people" has not yet caught the imagination of the City's employees.

Leadership: The AGSA has raised the issue of ineffective leadership at all City governing structures in her report for several years. The fundamental principles of economy, effectiveness and efficiency, and proper financial control must be addressed at every level. The appointment of a full complement of full-time S56 managers in the second half of 2023 will address some of the gaps in leadership. These appointments must be supported by leadership at the council and S79 committee level.

Consequence management: While there have been some improvements in consequence management—mainly because of the intervention of an Accounting Officer and political oversight—consequence management is still not adequately embedded in the City's culture. Line managers do not take responsibility for exercising consequence management, and the approach is splintered, slow and unsupported. Disciplinary action in serious cases is still significantly delayed. Recovery of selected losses has commenced but is still in its infancy. The City is inexperienced in making successful recoveries.

Revenue collection: Weak revenue management and collection has dogged the City for many years. This was evident in the ever-growing debtor's book and increasing provisions for irrecoverable debt. The City's liquidity crisis has prompted more focus on the Tshwane Ya Tima debt collection, which has resulted in the collection of what should have been easily collectable revenue in the first place. The campaign has unearthed significant deficiencies in the City's control environment, corruption in the administration of the debtors' book and a prevalence of illegal connections. These are now starting to be addressed.

The significant adjustments to the sundry debtor balances from the prior year also highlight the past lack of proper management of these assets and have prompted some control improvement. Responsibility and accountability systems need to be tightened.

Non-technical electricity losses and water losses remain unacceptably high: Non-technical losses electricity losses of R 1 659 015 883(2022: 1 367 428 655) were incurred. These are unacceptably high and are due to inaccurate metering, inaccurate meters, weak accounting processes, meters and billing data integrity, and illegal connections.

Water losses of R1 115 794 268 (2021-22: R 1 083 02 391) were incurred, representing 32.0% (2021-22: 32,6%) of total water purchased. Technical losses of R 892 635 414 (2021-22: R866 721 917) were due to the physical loss of water through the water distribution network. Non-technical losses of R 223 158 854 (2021-22: R216 680 474) were due to meter inaccuracies, meter estimations, non-metering of water and unauthorised consumption.
While strategies exist to reduce controllable electricity and water losses, they need to make the impact the Integrated Development Plan (IDP) requires. Significant funding is needed to ensure that these strategies result in sustainable annual savings and reduce the losses to an acceptable level. The corruption and lack of proper financial control in revenue management contribute to these losses, and more coordination between the revenue and the water and electricity departments is needed.

Responses to audit findings: The Municipal Continuous Audit Monitoring (MCAM) process used to address audit findings is not making any meaningful difference to the control environment. Internal Audits focus on the same high-risk areas and produce similar findings every year. Control design and control implementation in these areas remain inadequate or non-existent. The AGSA has many repeat findings in procurement, project management and basic accounting controls. The City needs to properly analyse the control weaknesses identified by internal and external audits and to design systems to prevent the risks inherent in each transaction cycle and category.

Basic recordkeeping and reconciliation: The intensive process of restating erroneous balances for the 2023 year thew the spotlight on balances that had been left unattended for many years. The City needs to ensure that each ledger account is properly reconciled, documented and allocated to a responsible official to avoid this repeating itself.

Systems design and implementation: Internal audit has a three year plan – that audits key areas at least once in the three years and high risk areas once a year. It assesses the system design and control implementation for each area audited. Despite this rhythm, for many important transaction cycles, there is little visible improvement in either systems design or control implementation between audits. The City's control environment is not improving.

The Annual Financial Statements and the AGSA's Report

Following the adverse audit opinion received in 2022, the APC met regularly with the Acting CFO and the accounting department to monitor progress in correcting the misstatements identified by the AGSA in 2022. These included the quality of the cash flow statement, the identification of unaccrued creditors for 2021, 2022 and future years, and the overvaluation of the "found assets" raised in 2022. As is obvious from the extensive lists of prior year adjustments, these were not the only errors in the City's accounting records. The proactive identification of other misstatements demonstrates the City's commitment to improved financial disciplines and better reporting. This correction process was not complete by the 30 August 2023 deadline for submission of the AFS for audit, and internal audit reports on the adjustment processes did not give sufficient assurance that all errors had been corrected. The APC, therefore, recommended that they not be provided to the AGSA for audit until such time as they were of sufficient standard for use by the public and institutional investors. It also became clear that the work required to properly value the "found assets" would take many months, defeating the requirement that AFS provide timely information to the market. In November 2023, the APC, therefore, recommended that the Accounting Officer submit the corrected AFS for audit, pointing out the remaining unquantified error in his approval letter.

The quality of the AFS finally presented for audit was significantly higher than those in 2022, with proper supporting work papers and internal coherence.

Following the resolution of two of the three biggest misstatements from 2022, the AGSA gave a qualified audit opinion on the 30 June 2023 Annual Financial Statements.
In addition to qualifying their report because of the unresolved valuation of the "found assets," the AGSA was not able to obtain sufficient appropriate audit evidence for nine other disclosures in the financial statements. The City's GRAP disclosures were also insufficient for two of these issues. The AGSA has regularly raised the inability to provide proper audit evidence quickly and accurately as a key audit matter. In 2023, this transformed into these nine audit qualifications. The delayed and incomplete responses to audit enquiries indicate a fragmented and undisciplined approach to controls and the retention of proper audit trails throughout the City. The City's drive towards obtaining an unqualified audit opinion means that it is now committed to resolving this issue holistically.

The AFS show a surplus of R1.1 billion for the 2023 year compared to a restated deficit of R1.3 billion in 2022. As at 30 June 2023, current liabilities (R19.4 billion) exceeded current assets (R8.2 billion) by R11.2 billion (2022: R12.9 billion) . This is a slight improvement in the illiquid position of ty. The City's liquidity and financial sustainability remain severely compromised. Drastic cuts were made to expenditure and the City is finally engaging with how to recover the outstanding debtors book. The cuts in expenditure have affected the City's ability to deliver basic services but have also identified ineffective expenditures and focused management's mind on what is essential. The unfunded budget for 2023 emphasises that eventually significant structural changes will have to be made to overcome these issues.

The delays in correcting the 2022 AFS and producing the final AFS for 2023 highlighted the need for a solid technical team capable of understanding accounting principles and financial reporting standards. Key resources were lost in 2022 and 2023 and not replaced. The Finance Department must have sufficient internal resources to interpret complex financial information, provide meaningful insights, and ensure the accuracy and relevance of the financial statements.

The AGSA reports on material irregularities (MIs) identified during the audit as required by the Public Audit Act and the Material Irregularities Regulations. For 2023, the AGSA identified only one additional MI. This concerns inadequate controls to identify consultants' non-performance, which can lead to fruitless expenditure.

It is pleasing that the City has resolved five of the ten MIs previously identified and is in the process of resolving the remainder. With the guidance of the AGSA, the City is learning how to address significant control deficiencies and implement appropriate consequence management. These skills must now be embedded in daily management so future smaller irregularities do not escalate.

Evaluation of Performance Information

There are two big issues with the City's performance information. Firstly the City does not perform well against the targets its sets itself. This has become the norm and there is no real sense of urgency to correct the problem. The APC has consistently raised concerns about the City's overall performance management. Departments have started to shift from simply reporting figures to reporting on the effectiveness of the process to improve organisational performance. However, the City's performance hovered below 50% when an acceptable performance is 85%. Department heads should be held accountable as the first line of assurance and should sign off on reported performance. Realistic targets should be set, and the risks of not achieving them should be managed so that the City's overall performance can be brought up to par. Performance needs to be closely monitored earlier in the year to allow management to implement corrective remedial actions and make proper adjustment of KPIs where necessary. Issues relating to supply chain and resource constraints are known challenges that must be properly managed well in advance of implementing the SDBIP.

Reporting under Circular 88 – which represents the Treasury's list of back-to-basics service delivery and governance indicators, is stabilising. However, the City has still not developed processes to use this performance reporting to identify issues and correct abnormalities.

The below-par performance on capital projects is also concerning, as it has a direct negative impact on service delivery. Only 56 (32%) of the 175 capital projects implemented in the 2023 financial year, with a capital budget allocation of R2.8 billion, achieved their targeted milestones at the end of the financial year. 107 projects were delayed and 12 being suspended. More effort is required to ensure consistent performance against planned capital expenditure, including quarterly tracking of annual targets.

Secondly, for many KPI's - what is reported on is not useful or reliable. The AGSA raised material findings on the usefulness and reliability of at least 15 reported KPI's. These include failure to substantiate the reported performance, poorly documented system descriptions, affecting KPIs' measurability, and poor review and monitoring of reported evidence, negatively impacting the reported performance's credibility and reliability. The APC is concerned with the lack of improvement in the implementation of controls designed to ensure the credibility of performance information and achievement and pre-determined objectives and targets.

COMPLIANCE WITH LAWS AND REGULATIONS

The APC receives regular reports about non-compliance with laws and applicable legislation. In particular, the AGSA has raised issues regarding the ineffectiveness of internal controls around revenue and asset management, as required by Sections 62(1) (d) of the MFMA.

Control deficiencies relating to expenditure management resulted in the AGSA concluding that the municipality did not have adequate systems for identifying and disclosing unauthorised, irregular and fruitless and wasteful (UIFW) expenditure. The identification of UIFW expenditure should not be left to internal and external auditors, but should be the direct responsibility of each manager, department head, procurement officer and legal advisor in the city.

RISK MANAGEMENT AND GOVERNANCE

The accounting officers of the City and its entities are legally responsible for establishing and maintaining effective, efficient, and transparent risk management systems, as per section 62 of the MFMA.

There are functioning risk management oversight structures. There are policies and procedures to guide implementation. There is a level risk awareness through various platforms to embed risk culture within the City. The City has a risk appetite framework. Key Risk indicators (KRIs) are monitored and reported upon every quarter..

Despite the above, critical strategic risks remain well above the desired tolerance levels, and have indeed evolved into issues. The plans to address them are often not practical, require funding which is not available, and are not implemented. The risk responses exist on paper but are not implemented. The City must now integrate risk management into business planning processes to allow proper budgeting for risk mitigation.

ICT GOVERNANCE

A Corporate Governance Information and Communication Technology Framework is in place. ICT governance is a critical element of corporate governance aimed at improving IT management overall and deriving improved value from investment in information and technology. Management is revising the ICT Strategy to align with the business processes and objectives.

IT controls and governance are high risk for the City, particularly given the increased complexity of cyber-attacks. The level of reporting is improving but still needs to be more suited to an entity of the size, complexity, and public importance of the City of Tshwane. The AGSA has raised ongoing concerns about the quality of ICT controls.

ICT project management is also high risk, mainly since ICT-related projects are costly for the City. Management must closely monitor the practices and compliance with the project management frameworks and standards. The delays in implementing the complex Municipal Standard Chart of Accounts (mSCOA)-compliant information systems and the SAP S4HANA Light Core Digital system have been overcome but there remain key areas where the new systems do not provide the information required or desired by the business process owners. Communication between the IT implementers and the users must be improved. The users of these renewed systems have also still to embrace the benefits of improved databases and processes offered.

The ICT division also faces challenges, such as funding constraints, scarce skills, human capital constraints, etc., which continue to pressure its effective operation.

Investigation of Fraud, Corruption and other Non-Compliance

The APC received updates on cases registered by Group Audit and Risk from the different sources as described below:

- The ethics and fraud hotline and other hotlines.
- Whistle-blower reports.
- Allegations reported through various structures (e.g. APC, MAYCO, MPAC, EXCO etc.).
- Reports from the AGSA and other functionary departments of the City and its entities; and
- Reports from fraud detection and internal audit reviews.

The APC received reports summarising the results of investigations into unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFW). These investigations under the Municipal Public Accounts Committee (MPAC) auspices are conducted as guided by section 32 of the MFMA. These investigations advise the Council on the statutory requirements to recover UIFW amounts or if declared unrecoverable, the amount to be written off (condoned). This is in addition to other statutory requirements such as instituting disciplinary action, registering cases for criminal action and other consequence management actions available to the municipality. There needs to be more progress in implementing the disciplinary actions and recovering funds arising from these reports.

Municipal Entities

Tshwane Economic Development Agency (SOC) Limited

For the 2022/23 regularity audit, TEDA received an unqualified audit opinion with one repeat finding on its performance reporting. The AGSA found inadequate systems and processes to verify the completeness of the “number of investments attracted into the pipeline” KPI. This entity serves as an example of how good governance and the correct tone at the top can ensure consistent performance against KPI’s and solid regulatory compliance.

Housing Company Tshwane NPC Limited

For the 2022/23 regularity audit, the entity received an unqualified audit opinion. The AGSA found shortcomings in both the AFS, and the reported performance information presented for audit, which were able to be adjusted for in the final versions. The AGSA also found that the Townlands development was not included in either the annual business plan or the annual performance report. This entity, too, is an example of how constant pressure to address control deficiencies leads to better results and compliance.

Internal Audit Function

Section 165 of the MFMA requires that each municipality and municipal entity have an internal audit unit. This unit advises the accounting officer and reports functionally to the APC.

The Internal Audit section had planned to reduce its reliance on external consultants and increase internal capacity. However, the City's liquidity constraints delayed new appointments, resulting in less capacity for Audit and Forensic Services than ideal. The Chief Audit Executive was absent, and an Acting Chief Audit Executive stood in.

Despite the above, the APC is satisfied that the Internal Audit section within the Group Audit and Risk Department has adequately discharged its functions and responsibilities during the 2022/23 financial year.

Auditor-General of South Africa (AGSA)

The APC met regularly with the AGSA to ensure there were no challenges or unresolved issues and that risks and issues that came to the APC's attention, including subsequent events, were communicated to the AGSA.

Based on the processes followed and assurances received from the AGSA, nothing has come to the attention of the APC about any matter that impacts the independence of the external auditors.

The APC notes the opinion of the Auditor-General South Africa on the group annual financial statements and agrees that the audited group annual financial statements and the report of the Auditor-General South Africa be accepted.

CONCLUSION

The Audit and Performance Committee thanks the Municipal Council, the Municipal Public Accounts Committee, the Mayoral Committee, Entity Boards of Directors, Accounting Officers, Chief Financial Officers, the Chief Audit Executive, the AGSA, and all levels of Management and Staff for their cooperation and support during the 2022/23 financial year.

RE: Cameron-Ellis **24 March 2024**

CHAIRPERSON
AUDIT AND PERFORMANCE COMMITTEE

Chapter 2 Governance

Introduction to Governance

Good governance in local government, in South Africa, is a critical contributor to the effective and efficient delivery of services. In the main, good governance refers to the capacity of city to formulate and implement sound policies and adaptation of systems and practices that reflect a deliberate and structured way to respond to the interests of local citizens, and to do that in a transparent and inclusive way. Institutional governance includes the formal institutional arrangements and procedures, as well as the informal arrangements and practices for the delivery of services and for driving growth and development in the locality of the city. For good governance to reign in the city, this requires a responsive and accountable executive, legislative and administrative authority.

In light of the above, over the financial year under review, the City of Tshwane remained committed in promoting effective and functional structures of good governance through continually operationalizing its adopted governance model. Although the processes of implementing the governance model were hindered by countless challenges due to the political instabilities over the financial year under review, the city remained committed in continuously putting efforts to ensure that all issues constraining political and administrative effectiveness are attended to in a way that is commensurate with its capabilities and resources. Against this background, this chapter of the annual report presents an account of governance matters in the City of Tshwane over the 2022/23 financial year. The following topics are discussed:

- Political and Administrative Governance
- Intergovernmental Relations
- Public Accountability and Participation
- Corporate Governance

Component A: Political and Administrative Governance

Introduction to Political and Administrative Governance

An accountable government is one that is transparent, responsive, and accessible to its citizenry. The city's governance model seeks to promote all the key tenets of good governance (accountability, transparency and responsiveness). In this regard, the model places more emphasis and clarity on the separation of powers between the executive. Similarly, in the quest to promote sound management practices; efficient and effective integrated services to achieve the growth and development objectives as outlined in the Integrated Development Plan (IPD), this model further provides clear separation of powers and functions between political and administrative leadership necessary to entrench accountability and transparency in the management of the affairs of the municipality.

The section outlines the structures that support the governance model both political and administrative structures in line with the governance model adopted by the City of Tshwane.

2.1 POLITICAL GOVERNANCE

In line with the requirements of the Local Government: Municipal Structures Act (117 of 1998), the City of Tshwane is compelled to have functional political structures which must discharge functions and powers assigned to them in terms of sections 156 and 229 of the Constitution. Following the local government elections held in November 2021, a multiparty coalition government was entered into in the City of Tshwane between the Democratic Alliance (DA), Action SA, the Freedom Front Plus, African Christian Democratic Party, Inkatha Freedom Party and the Congress of the People. This coalition agreement resulted in the DA securing a majority government for the City of Tshwane through the support of other political parties.

The Council remains the highest decision-making body and as dictated by the Municipal Structures Act. It utilizes the established oversight committees to execute a robust oversight function intended to promote good governance in the municipality.

This section presents the structures and the governance model that support the political decision-making process of Council.

CITY OF TSHWANE GOVERNANCE MODEL

The governance model adopted by the City of Tshwane is centred and anchored on the principles of cooperative governance and mutual support while recognising the independence of the participants. This model has been implemented and consistently applied in managing the business of the city. The participants in the governance model adopted by Council include the legislature, made up of the Speaker of Council, the Chief Whip and the Section 79 portfolio and standing committees. The executive branch which is made of the Executive Mayor and the Members of the Mayoral Committee (MMCs). The administration arm which is led by the City Manager.

The model ensures that the city executes its functions through the leadership of the Executive Mayor, while the legislature oversees the functions delegated to the executive branch for transparency and accountability. Council is also supported by the Chief Whip of Council who provides administrative and secretariat services to the Councillors and serves to maintain sound relations between the various political parties represented in Council. It is also the responsibility of the Chief Whip of Council to ensure the smooth working of the various portfolio and oversight committees of Council. The Chief Whip of Council must also ensure that Councillors are accountable to the wards and their political parties as well as ensuring that they do their constituency work. In support of the governance model implemented by the city, the Speaker plays a significant role in promoting participatory governance through facilitating public participation in the affairs of the city. Within the city's adopted governance model, the Speaker plays a critical role in the Code of Conduct of Council and effective running of Council meetings.

The following diagram presents the City's governance arrangements:

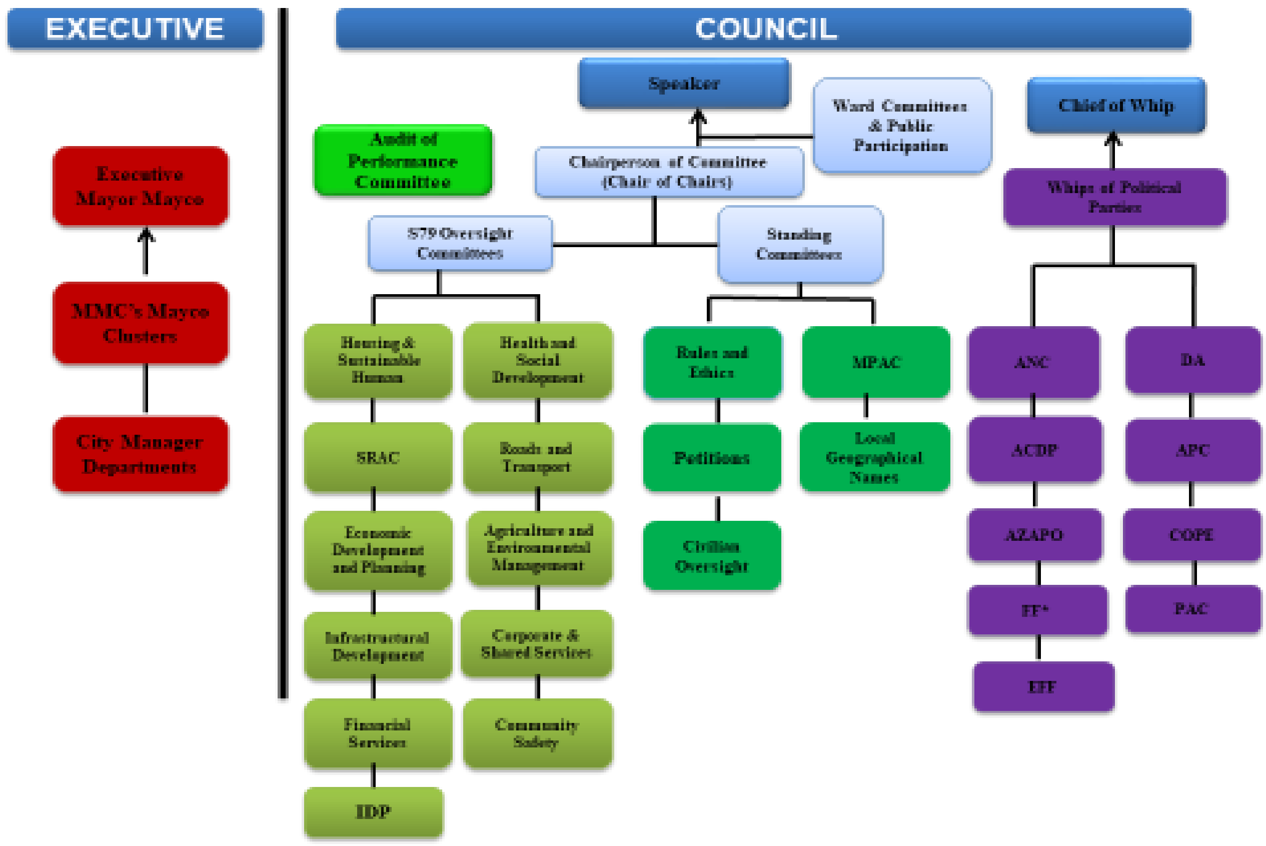


Figure 1: Governance model of the City of Tshwane

Composition of City of Tshwane's Governance Arrangements

Legislature

The legislature is made up of the Council, the Speaker of Council, the Chief Whip and two sets of Council committees, namely Section 79 Portfolio Committees and Standing Committees.

Council

The role and function of the City of Tshwane is guided by Section 19 of Structures Act and Section 4 of the Systems Act in line with Section 152 of the Constitution. In short, Council must among others, review on annual basis, the needs of the community, priorities to meet those needs, its processes for involving the community, its organisational and delivery mechanisms that will help meet the needs of the community and its overall performance in achieving the objectives referred to in Section 152 of the Constitution. The Council of the city remains the superior decision-making body of the municipality and part of that includes engaging in meaningful discussion on matters related to the City's development, endorsement of municipal strategic documents such as the IDP and Budget; Metropolitan Spatial Development Framework (MSDF) and compliance (accountability) performance reports. Although Council takes decisions concerning the exercise of all the powers and the performance of all the functions of the city through amongst others, delegating such powers and functions to political structures, office bearers, councillors and staff, or the administration, it may not delegate functions such as the approval of municipal by-laws, the IDP, the budget and tariffs.

Following the 2021 local government elections, a total of 214 Councillors were elected. 107 were directly elected in wards as representative for each ward across the 7 regions of the city. The remaining 107 Councillors were selected from various party lists through the Proportional Representation (PR) system. Council meets once per month and the procedures followed during its meetings are regulated by the City of Tshwane's Rules and Orders By-Law. Council executes the following key functions:

- Makes policies and bylaws that are informed by, and seek to satisfy, community needs with regard to the matters that it has the right to administer.
- Ensures the implementation of national, provincial and local legislation and policies by providing the necessary resources and authority to the administration.
- Establishes suitable control and reporting systems and procedures for monitoring and evaluating policy implementation in order to give account to the community with regard thereto.

- Ensures that the municipality meets its executive obligations, discharges its developmental duties, and realizes the constitutional objects of local government as elaborated in legislation.
- Enforce the codes of conduct for employees and Councillors.
- Cooperate with other spheres of government, organs of state within those spheres and municipalities.
- Build and promote good relations with the private sector, non-governmental and community organizations and other local organizations.

The table below presents a summary of Council seats allocation confirmed at the end of the 2022/23 financial year.

Table 4: Allocation of Council seats

Number	Party	Ward seats	Proportional representative seats	Total seats
1.	ANC	70	5	75
2.	DA	37	32	69
3.	EFF	-	23	23
4.	Action SA	-	19	19
5.	FF Plus	-	17	17
6.	ACDP	-	2	2
7.	AIC	-	1	1
8.	ATM	-	1	1
9.	COPE	-	1	1
10.	DOP	-	1	1
11.	GOOD	-	1	1
12.	IFP	-	1	1
13.	PA	-	1	1
14.	PAC	-	1	1
15.	RCT	-	1	1
Total seats		107	107	214

Political Leadership of the City

Speaker of Council

At the beginning of the term, Council elects the Speaker who is by legislation, the Chairperson in Council meetings. The Speaker of Council performs his/her duties and exercises the powers delegated and specified in section 160(1)(b) of the Constitution and section 36 of the Municipal Structures Act. The Speaker remains the head of the legislative arm of Council and also responsible for ensuring that Council committees (Section 79 committees) are established and function effectively and efficiently.

In the main, the role of the Speaker includes the following:

- Presiding the meetings of Council;
- Performing the duties and exercising the powers delegated to the Speaker in terms of the relevant legislation.
- Ensuring that Council meets at least monthly and maintain order during meetings; and,
- Ensuring that Council meetings are conducted in accordance with the rules and orders of Council.

Standing Committees

Standing Committees are permanent committees established to deal with Council related matters. They are delegated some decision-making powers and are required to submit reports to the Council. Councillors chair all standing committees, except the Audit Performance Committee, which is chaired by an independent person in line with the provisions in the Municipal Finance Management Act, (Act 56 of 2003) (MFMA).

The table below presents established Standing Committees and their Chairpersons:

Table 5: Chairpersons of the standing committees of the Council

Chairperson	Committee
Cllr Kholofelo Morudi	Municipal Public Accounts
Ald Dana Wannenburg	Civilian Oversight
Cllr Shaun Wilkinson	Petitions
Cllr Juanita du Plooy	Rules and Ethics
Cllr Leanne Jennifer de Jager	Local Geographical Names

Chief Whip of Council

The Chief Whip of Council is one of the political principals elected by Council in terms of Gazette 23964 dated 18 October 2002 and the Remuneration of Public Office Bearers Act, 20 of 1998. The role of the Chief Whip of Council covers both the political and administrative domains of Council, with emphasis on the political aspect. However, since the Chief Whip of Council by delegation "represents the legislative arm in Council matters and serve as the link between the executive arm and the legislative arm," this empowers the office to exercise oversight over the work of Council and its committees through the structures and support systems of the Whippery. The roles and responsibilities of the Whippery include the following:

- Ensuring that Council and committee meetings are attended by a quorum.
- Maintaining positive party-to-party relations and joint planning
- Ensuring that party members are familiar with the Standing Rules and Orders of Council
- Assessing the performance of Councillors
- Participating in the formulation of the municipality's corporate policy development and strategy
- Enforcing discipline among Councillors
- Advocating and championing issues that affect all Councillors.

Executive Mayor and Mayoral Committee

The Mayoral Committee and more specifically the Executive Mayor in accordance with his delegated powers, is obliged in terms of legislation to report to Council, through the Speaker (the Custodian of Council) on all matters not delegated to him, for consideration by Council, as well as to submit to Council for cognisance of those resolutions passed by him in terms of delegated powers. The Executive Mayor has an overarching strategic and political responsibility as the centre of the system of governance. In terms of the Municipal Structures Act, the Executive Mayor of the municipality must appoint a Mayoral Committee from the elected Councillors to assist him or her in executing the mandate of the municipality. The Executive Mayor may delegate specific responsibilities and powers to the Members of the Mayoral Committee (MMCs).

The table below presents the city's Mayoral Committee from 1 July 2022 to 13 February 2023:

Table 6: Members of the Mayoral Committee

Member of Mayoral Committee	Portfolio
Ald. Katlego Mathebe	Agriculture and Environmental Management
Cllr Andre' le Roux	Economic Development and Spatial Planning
Cllr Kingsley Wakelin	Corporate and Shared Services
Cllr Rina Marx	Health Services
Ald. Peter Sutton	Finance
Cllr Peggy de Bruin	Community and Social Development Services

Member of Mayoral Committee	Portfolio
Cllr Abel Tau	Human Settlements
Cllr Daryl Johnston	Utilities and Regional Operations
Ald. Grandi Theunissen	Community Safety
Cllr Dikeledi Selowa	Roads and Transport

POLITICAL INSTABILITIES RECORDED OVER 2022/23 FINANCIAL YEAR

On 13 February 2023 the then Executive Mayor, Alderman Randall Williams resigned as the Executive Mayor of the City of Tshwane. The resignation of Alderman Williams led to the dissolution of the Mayoral Committee presented above which resulted in all decisions taken at that time by the aforementioned Mayoral Committee invalid and the non-functioning of Council structure with effect from midnight on 13 February 2023. Consequently, the general welfare of Tshwane municipality was compromised due to the instability of the political leadership which resulted in Tshwane not being able to fulfill its executive obligation. The city remained leaderless until 28 February 2023 when the former Speaker of Council Dr Marunwa Makwarela, assumed the reigns of Executive Mayor and served for a short period and was succeeded by Councillor Cilliers Brink on 28 March 2023 as Executive Mayor, who announced new 10-member mayoral committee as follows:

Members of the Mayoral Committee

Member of Mayoral Committee	Portfolio
Cllr Ziyanda Zwane	Agriculture and Environmental Management
Ald. Hannes Coetzee	Economic Development and Spatial Planning
Cllr Kingsley Wakelin	Corporate and Shared Services
Cllr Rina Marx	Health Services
Ald. Peter Sutton	Finance
Cllr Peggy de Bruin	Community and Social Development Services
Cllr Ofentse Madzebela	Human Settlements
Cllr Themba Fosi	Utilities and Regional Operations
Ald. Grandi Theunissen	Community Safety
Ald. Katlego Mathebe	Roads and Transport

The diagram below presents the Executive Mayors for the City of Tshwane after the 2021 local government elections and an indication of those who served in the financial year under review.

Figure 2: Executive Mayors in the City of Tshwane from 2020/21 to 2022/23 FY

The figure below presents the city's Political Leadership and Member of Mayoral Committee for 2022/23 financial year:

Figure 3: City of Tshwane Political Leadership and Member of Mayoral Committee

Role and Functioning of Oversight Committees

In pursuit of promoting good governance in the city, Council is supported functionally by its Section 79 Oversight Committees and the Audit and Performance Committee (APC). These committees play a critical role in strengthening the oversight role of Council. Other administrative offices within the city's establishment support the functioning of these committees administratively. The executive functions are delegated to the Executive Mayor who is assisted by the Members of the Mayoral Committee (MMCs). The Executive Mayor is also assisted by the City Manager to execute administrative functions. The current Governance Model comprises 16 Section 79 Committees entrusted with the function of conducting oversight on behalf of Council. Section 79 Committees hold monthly meetings in accordance with the Annual Calendar of meetings as approved by Council.

The Section 79 Oversight Committees oversee the following portfolios:

- Services Infrastructure
- Transport
- Housing and Human Settlement
- Health
- Community and Social Development Services
- Community Safety
- Integrated Development Planning
- Agriculture and Environmental Management
- Economic Development and Spatial Planning
- Corporate and Shared Services
- Finance

Is this an exhaustive list of the portfolios overseen by the Section 79 Oversight Committees?

The responsibilities of the Section 79 Oversight Committees are as follows:

- Scrutinising reports that are referred to them by Council coming from the Executive Mayor and the Mayoral Committee, as well as advising Council accordingly.
- Overseeing the performance of the executive branch and departments on behalf of Council
- Providing a legislative advice

The following Councillors were elected as chairpersons of these committees:

Table 7: Chairpersons of Committees

Name	Committee
Cllr Nkele Molapo	Community Safety
Ald. Awie Erasmus	Finance
Cllr Cindy Bilson	Community and Social Development Services
Cllr Peter Meijer	Economic Development and Spatial Planning
Ald. Derrick Kissoonduth	Utility Services
Cllr Ronald Molake	Agriculture and Environmental Management
Ald. Sakkie du Plooy	Corporate and Shared Services
Cllr Brendon Govender	Roads and Transport
Cllr Mpho Mehlape-Zimu	Human Settlements
Cllr Wayne Helfrich	Health
Cllr Nicolaas Pascoe	Integrated Development Planning

AUDIT AND PERFORMANCE COMMITTEE (APC)

The Audit and Performance Committee is constituted in terms of sections 166(1) and (2) as well as section 166(6) (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and section 94(7) of the Companies Act, 2008 (Act 71 of 2008), read with the applicable Treasury Regulations. It is an independent advisory body which advises the municipal Council, the political office bearers, the Accounting Officer and the management and staff of the municipality, or the board of directors, the Accounting Officer and the management staff of the municipal entities, on matters relating to the following:

- Internal financial control and internal audits
- Risk management
- Accounting policies
- Adequacy, reliability and accuracy of financial reporting, records and information
- Performance management
- Performance evaluation
- Effective governance and oversight
- Compliance with the MFMA, the Division of Revenue Act, 2016 (Act. 3 of 2016) and any other applicable legislation
- Financial management
- Issues raised by the Auditor-General South Africa (AGSA) in the audit report
- Investigations into the financial affairs of the city and its entities
- Any other matter referred to it by the city or its entities.

Elaborative details regarding the activities performed by the Audit and Performance Committee (APC) over the financial year under review, are discussed under Chapter 1 of this report. The report also presents the progress made by the committee in executing its oversight role.

2.2 Administrative Governance

The city's administration arm is led by the City Manager as defined in Section 55 of the Municipal Systems Act. As City Manager, Mr. Johann Mettler, is supported by a group of Heads of Departments organised functionally into a structure referred to as the Executive Committee (ExCo) to execute statutory functions in support of the Executive Mayor in line with the principles of good governance and legislative requirements. After the local government elections held on 01 November 2021, the new coalition government reviewed the priorities of the city over the 2021-26 term of Council and committed to several priorities that should guide governance and service delivery in the city. The priorities of the coalition government include:

- Prioritization of the electrical grid and water infrastructure.
- Provide stringent financial management and oversight.
- A business-friendly city that promotes employment and economic growth.
- Enhancing city safety, security and emergency services.
- Maintaining a clean and protected natural environment.
- Maintenance and expansion of road infrastructure and public transportation.
- A caring city that supports the vulnerable and provides social relief.
- Modernization and digitization of city processes.
- A professional public service that drives accountability and transparency.
- Creating a healthy and vibrant city.

Over the financial year under review, the city observed a number of key senior positions of the Heads of Departments becoming vacant due to their fixed-term contract arrangement that had expired, including resignations. These critical positions at senior management level include the positions of Chief Financial Officer (CFO), Chief Operations Officer (COO), Chief of Police, Chief of Emergency, Chief Audit Executive, Governance and Support Officer (GSO) and the Group Head leading the City Strategy and Organisational Performance portfolio. This is a group of managers recognised under the Section 56 category and according to the city's structure, they report directly to the City Manager.

In May 2023, the city embarked on a recruitment drive and opened applications for these critical positions. The recruitment exercise is expected to be finalised at the end of 2023. The city remained committed in ensuring that critical positions are filled speedily to stabilize governance and instill a culture of high performance.

The following table presents a list the city's top management as at the end of the financial year under review:

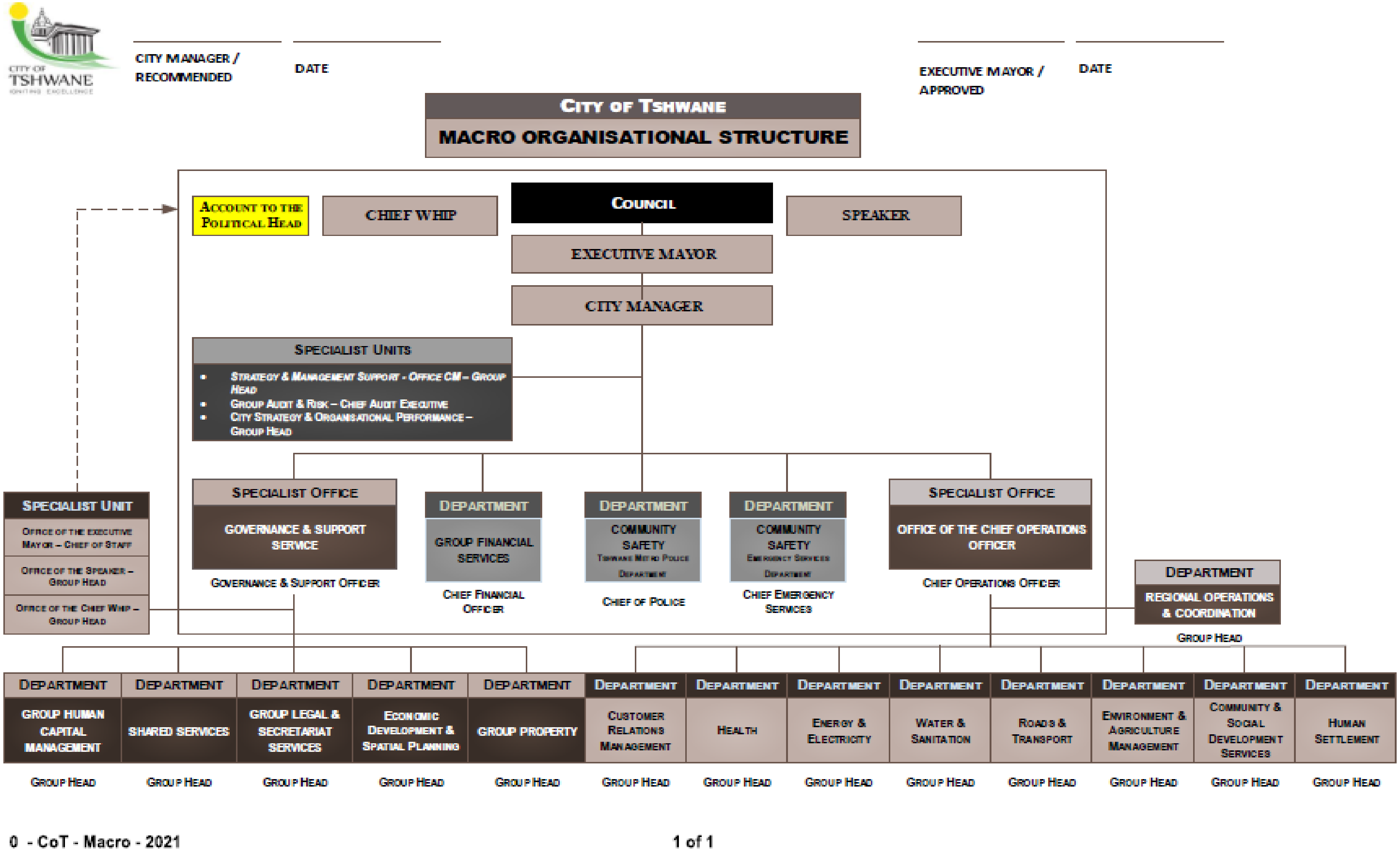
Table 8: City of Tshwane's Top Management

Department	Position	Name
Office of the City Manager	City Manger	Johann Mettler
Office of the City Manager	Acting Group Head	Ms. Lihle Mabaso
Office of the Executive Mayor	Chief of Staff	Jordan Griffiths
Office of the Speaker	Group Head	Judith Maluleka
Office of the Chief Whip	Group Head	Gadner Tefu
Office of the Chief Operations Officer	Acting Chief Operations Officer	Koena Nkoko
Water and Sanitation Services	Group Head	Stephens Notoane
Electricity and Energy	Acting Group Head	Dr. Frans Manganye
Roads and Transport	Group Head	Pheko Letlonkane
Human Settlement	Group Head	Me. Nonto Memela
Office of the Governance and Support Officer	Acting Governance Support Officer	Verusha Morgan: June – August 2022: Gerald Shingange: September – November 2022 Musa Khumalo: December 2022 – February 2023 Gerald Shingange: March – May 2023 Musa Khumalo: 01 – 30 June 2023
Economic Development and Spatial Planning	Group Head	Makgorometja Makgatha
City Strategies and Organisational Performance	Acting Group Head	Thabisa Mbungwana: July 2022 – September 2022 Siphumeze Cwayi: October 2022 – January 2023 Albertus Van Zyl: 01 February – 30 April 2023 Isaiah C. Engelbrecht: 01 May – 30 June 2023
Group Communication and Marketing	Acting Group Head	Selby Bokaba
Customer Relations Management	Group Head	Me. Thandi Radebe
Group Property	Group Head	Me. Verusha Morgan
Environmental and Agricultural Management	Group Head	Abel Malaka
Health	Acting Group Head	Livhuwani Nemuthenga
Community and Social Development Services	Acting Group Head	Felix Rajuili
Group Audit and Risk	Acting Group Head	Me. Llele Pooe
Group Financial Services	Acting Chief Financial Officer	Me. Nthabiseng Mokete
Tshwane Metro Police	Chief of Police	Basil Nkhwashu
Group Human Capital Management	Group Head	Gerald Shingange

Shared Services	Group Head	Musa Khumalo
Group Legal and Secretariat Services	Acting Group Head	Me. Minky Motseo
Emergency Services	Acting Chief of Emergency	Me. Tanja Terblanche
Regional Operational Centre	Group Head	Cali Phanyane

The following diagram presents the city's macro-organisational structure.

Figure 4: City of Tshwane Macro Organisational Structure



Shareholder Operations Unit

The Shareholder Operations Unit is responsible for providing support, monitoring, and overseeing the affairs of city-owned entities to ensure that the business of these entities is conducted in a manner that is in accordance with the requirements as per the guiding legislation and other prescribed or agreed conventions governing the existence and operation of entities. The entities of the City of Tshwane are structured as separate legal entities and are each headed by a board of directors.

The unit assists the city in managing the relationships between the city and the entities and its entities to comply with applicable legislation by providing regular advice and reports on compliance and recommending remedial action where required. The unit monitors the functioning of the entities and coordinates these with prevailing political imperatives, while ensuring alignment with departmental SDBIPs.

Municipal Entities

The City of Tshwane's coalition government committed to being *"A business-friendly city that promotes employment and economic growth* and "*A caring city that supports the vulnerable and provides social relief"* as some of their key priorities outlined in the IDP. The realisation of these priorities also stems from the service delivery contributions from the city's established municipal entities as part of fulfilling their mandate that it is aligned with the priorities of the City of Tshwane. This is accompanied by sound management practices and the promoting of good governance by all city departments including municipal entities.

Although they are separate legal entities, municipal entities are managed through shareholder arrangements and service delivery agreements developed in line with the growth and development objectives set by the city. The process of assessing and reviewing the entities model regarding its mandate and functionality is currently underway, as well as the role of the Shareholder Unit to ensure the functionality of the entities.

Elaborative details regarding feedback on the performance activities of the municipal entities for the financial year under review, are discussed under their parent departments in Chapter 3 of this report.

The following table lists the city's municipal entities and their chief executive officers:

Table 9: Municipal entities of the City

Municipal entity	Chief Executive Officer
Housing Company Tshwane (HCT)	Ms. Obakeng Nyundu
Tshwane Economic Development Agency (TEDA)	Mr Zane T. Mbeyamwa (Acting)

Regional Services

The city is implementing a reginal model of service delivery. This regionalisation of service delivery refers to the decentralisation of certain operations and maintenance functions to regional offices. The regional offices are led by the Regional Heads. While functions such as strategic planning and the implementation of capital projects remain the responsibility of city departments, daily functions such as maintenance and repairs, and information desks, among others, are delivered directly in the different regions by the regional offices.

Also delegated to the regional offices is the maintenance that is carried out in various amenities across the seven regions of the city. This maintainace delegated to the regions relating to the entities and other infrastructure or assets include the following:

- Maintenance of servitudes in residential areas within the city;
- Grass-cutting activities in road reserves spaces, cemeteries sports and recreational facilities in line with the set norms and standards;
- Cleaning of flower beds on traffic islands and city parks in an effort to create a natural space for Tshwane citizens;
- Resurfaced and resealing of reported potholes within standard municipal response times.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

Chapter 3 of the Constitution makes provision for co-operative governance and intergovernmental relations for all spheres of government. The city through its City Strategy and Organisational Performance (CSOP) Department, provides administrative support to the Executive Mayor in executing the intergovernmental and international relations' roles and functions. The city engages in Intergovernmental Relations (IGR) matters through coordination, consultations, negotiation and joint decision-making in line with the provisions of the Intergovernmental Relations Framework Act, No.13 of 2005. As an administrative capital of South Africa with a large concentration of higher education institutions and embassies, Tshwane has a unique international obligation of ensuring progressive realisation of objectives related to the efforts to deal with universal poverty, the provision of impactful services meant to improve the livelihoods of residents of the Tshwane region. Key support functions include:

- Research and the formation of administrative partnerships
- Hosting of international conferences
- High-level engagement with the diplomatic community and fostering mutual and healthy relations with other states.

The city's achievements in the area of intergovernmental relations in the 2022/23 financial year are the following:

- Extension of collaboration efforts with the City of Aarhus to a second phase with renewed focus and additional financial resources committed by the Danish Government to support joint projects under the phase.
- Leveraging more than R7 565 764.90 committed by external partners to support the city's strategic objectives and activities which include dedicated support from Gauteng Sports Confederation (GSC) for renovations and upliftment of sporting facilities at the community center in Dark City, Ekangala in Region 7.
- Securing a donation to support the Oppiebol Disability Foundation which is a commendable contribution towards the upliftment of disability programmes.

The City of Tshwane, through its Strategic Relations Coordination Division, entered into strategic partnership agreements with external organisations (academic, research, innovation, private sector), international organisations and other spheres of government which yielded the following:

- Provision of sound research support to form the basis for short to long term strategies in the city to tackle issues such as substance abuse, homelessness and alternative sources of energy; as well as surveys such as Quality of Life Survey and Customer Satisfaction Survey.
- Building capacity through advancement of training, skills development and joint organisation of seminars and workshops, symposia and technical conferences to improve competencies of city officials.
- Strengthening intergovernmental relations
- Leveraging resources (knowledge, in kind, financial) and investments geared towards development and economic growth of the City of Tshwane.
- Showcasing how innovation can bring solutions that can improve service delivery e.g., purification of water.

In the 2022/23 financial year, the city entered into partnership agreements with the following organisation:

- **United Nations Development Programme (UNDP)**, focusing on the following areas of cooperation:
  - Sharing and analysing information, identifying complementary programmes (such as sustainable environment and agriculture, waste management, sustainable tourism, innovation and knowledge management, sustainable tourism and enterprise development) to enhance the city's economic development and economic empowerment for all Tshwane residents.
  - Provide support through city's Human Capital and Management Development objectives and provide assistance on Governance issues, policy development and implementation.
  - Support human and social dynamics and related challenges through joint identification and implementation of projects /activities that will combat gender-based violence, address women's empowerment, support early childhood development, address refugee challenges and attend to all marginalized groups.
  - Support for localizing the implementation of United Nations Sustainable Development Goals.

- Joint organization of events/campaigns to raise awareness on development issues or share key information among stakeholders in achieving the United Nations Sustainable Development goals.
- Joint mobilization of resources to achieve above activities.

- **Santam, focusing on the following areas of cooperation:**
  - Collaborating on risk management support for flood, fire and drought related risk to the city.
  - Sharing of information on specific initiatives to be addressed by the partnership.
  - Support the integration and execution of initiatives expressed in the city's IDP.

- **University of Cape Town**, focusing on improving business processes to ensure that the city gets closer to realizing the commitment made in the 2022-2026 IDP which incorporates:
  - Clearly defining the business processes.
  - Improving efficiencies in licensing services.
  - Streamlining development planning application processes; infrastructure services provision applications; rates clearance application processes; SMME support applications processes and streamlining policy and by law review and development.

- **Hollard** focusing on assisting the city with fire hydrant inspection. This initiative is expected to deliver a number of benefits which include the following:
  - Improving the Municipality's ability to contain fires.
  - Inspection of fire hydrants produces reliable data on areas requiring intervention, e.g., where the water pressure and/or availability deviates from SABS standards.
  - Additionally, by upskilling unemployed youth who are appointed to conduct the inspections under the guidance of city officials, thereby contributing positively towards reducing the high youth unemployment rate in South Africa.

National Intergovernmental Structures

The Office of the Executive Mayor is the custodian of the City's international relationships matters. Over the financial year under review, the city collaborated with other spheres of government. This is a constitutional imperative which needs to be promoted. To this end, the city participates in the Gauteng International Relations Forum where valuable information on international programs and initiatives was sourced to improve service delivery efforts.

Provincial Intergovernmental Structures

The city through its City Strategy and Organisational Performance Department plays a coordination role in the Cities Support Programme (CSP) championed by the Department of National Treasury, to facilitate key initiatives programme and to ensure that the relevant business units participate where required. The intention of the Cities Support Programme is to improve the capacity of metropolitan municipalities and create an enabling intergovernmental system and policy environment in support of city-led transformation.

Furthermore, there were numerous engagements recorded over the financial year under review, to discuss provincial support for the city's strategic focus areas whereby the city worked with Gauteng Legislature on citizen responsibility campaigns (CRC). The purpose of these campaigns was to raise awareness of the rights and responsibilities of citizens in relation to the constitutional bill of rights.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

In line with the priority focusing the city's efforts to the achievement of "A professional public service that drives accountability and transparency", the city remained committed in promoting public participation and consultation based on constitutional and legal obligation and the governance model. To bring effect to this, the city has and will continue to promote participatory engagement with communities in all its processes, including the development of the IDP and Medium-Term Revenue and Expenditure Framework (MTREF). As part of coordinating this exercise, the Office of the Speaker mobilises the community to ensure effective public participation during consultation processes. Public participation cannot only be done as a compliance exercise, but also as a mechanism for direct engagement with communities for transparency and accountability. This takes into consideration open access to council strategic documents and performance information, or any other relevant information related to municipal business, in order to allow engagement by a broad range of stakeholders so as to influence and increase public awareness.

In the financial year under review, consultations were facilitated, among others, regarding the following:

- Drafting of By-laws prior to promulgation
- IDP and Medium-term Revenue and Expenditure Framework (MTREF)
- Tabling of the Annual Report

2.4 PUBLIC MEETINGS

Over the financial year under review, the city held public consultation engagements led by both political and administration principals. These sessions were organized in line with the policy and legislative framework that guides public participation. The sessions reached out to community members and other stakeholders with a critical focus dedicated mainly on the organized stakeholders; that encouraged local municipalities to pay attention to the issues of the general communities' issues.

The meetings were organised and delivered as follows:

TYPE	DATE	TIME	REGION	VENUE	MMC/ OFFICIAL PRESENTING	CHAIRPERSON
Virtual	13/04/ 2022	17:00	Region 7	Microsoft Teams	MMC Sutton	Cllr Mpho Mehlape-Zimu

TYPE	DATE	TIME	REGION	VENUE	MMC/ OFFICIAL PRESENTING	CHAIRPERSON
Virtual	19/04 2022	17:00	Region 1	Microsoft Teams	MMC De Bruin and MMC Marx	Cllr Peter Meijer
Virtual	20/04/2022	17:00	Region 2	Microsoft Teams	MMC Tau	Cllr Nkele Molapo
Virtual	21/04/2022	17:00	Region 3	Microsoft Teams	MMC Selowa	Cllr Shaun Wilkinson
In-person	22/04/2022	17:00	Region 5	East Lynne Library Main Hall	MMC Katlego Mathebe	Cllr Mpho Mehlapo-Zimu
In-person	23/04/ 2022	10:00	Region 1	Falala Community Hall	MMC De Bruin	Ald. Sakkie Du Plooy
In-person	23/04/2022	10:00	Region 1	Akasia Community Hall	MMC Marx	Cllr Juanita Du Plooy
In-person	23/04/2022	10:00	Region 2	Makgoba Sebothoma Community Hall	MMC Tau	Cllr Ronald Morake
In-person	23/04/2022	10:00	Region 2	Rooiwal Hall	MMC Johnston	Cllr Dana Wannenburg
In-person	23/04/2022	10:00	Region 4	Laudium Community Hall	MMC Le Roux	Cllr Nkele Molapo
In-person	23/04/2022	10:00	Region 5	Refilwe Community Hall	MMC Katlego Mathebe	Cllr Nick Pascoe
In-person	23/04/2022	10:00	Region 6	Stanza Bopape Hall	MMC Wakelin	Cllr Shaun Wilkinson
In-person	23/04/2022	10:00	Region 6	Nellmapius Hall transported to Stanza Bopape	MMC Wakelin	Cllr Shaun Wilkinson
In-person	23/04/2022	10:00	Region 7	Bronkhorstspruit Sports Centre	MMC Sutton	Ald. Awie Erasmus
In-person	23/04/2022	10:00	Region 7	Ekangala Community Hall	MMC Theunissen	Cllr Peter Meijer
In-person	24/04/2022	10:00	Region 1	Mabopane Indoor Centre	MMC De Bruin	Cllr De Jager
In-person	24/04/2022	10:00	Region 6	Mamelodi West Community Hall	MMC Wakelin	Cllr Kholofelo Morodi
In-person	25/04/2022	17:00	Region 4	Lyttleton Library	MMC Le Roux	Cllr Cindy Billson
In-person	26/04/2022	17:00	Region 4	Seshegong Secondary School	MMC Le Roux	Cllr Brendon Govender
In-person	27/04/2022	10:00	Region 3	Mbolekwa Hall	MMC Selowa	Cllr Derrick Kissoonduth
In-person	29/04/2022	17:00	Region 3	Sammy Marks Library Hall	MMC Selowa	Cllr Wayne Helfrich
Virtual	29/04/2022	17:00	Region 4	Microsoft Teams	MMC Le Roux	Cllr Cindy Billson
In-person	30/04/2022	10:00	Region 1	Block X Soshanguve	MMC De Bruin	Ward Cllr
In-person	01/05/2022	10:00	Region 1	Mabopane Indoor Sports	Albertus Van Zyl	Cllr de Jager
In-person	02/05/2022	10:00	Region 5	Onverwacht	Andy Manyama	Ward Cllr
Virtual	30/04/2022	10:00	Region 5	Microsoft Teams	Albertus van Zyl	Ald. Juanita du Plooy
Virtual	03/05/2022	17:00	Region 6	Microsoft Teams	MMC Kingsley and MMC Theunissen	Cllr Nick Pascoe
In-person	03/05/2022	10:00	Region 7	ABLTC – Sokhulumi	Speaker of Council presented by Dennis Mlangeni	Cllr de Jager and Cllr Wilkinson
In-person	04/05/ 2022	10:00	Region 2	ANSTC – Majaneng	Speaker of Council presented by Andy Manyama	Cllr de Jager and Cllr Wilkinson

Petitions Raised by the Community

The Office of the Speaker facilitates responses to petitions raised by the community. The turnaround time to resolve petitions is 90 days. However, most petitions are resolved within 60 days. The petitions are registered and referred to the Office of the Speaker for consideration and comment. Subsequently, inter-departmental meetings are convened with petitioners for clarity purposes and to request more information. The Office of the Speaker visits the petitioners to get clarity on the petitions and to perform site inspections. The petitioners are invited to the deliberations of the Petitions Committee and given the opportunity to discuss the matter before resolutions are taken. The resolutions are disclosed to petitioners and forwarded to relevant departments for implementation. The Office of the Speaker monitors the implementation of the resolutions together with petitioners. Although the city targeted to achieve 80% petitions resolution level as per the set norms and standards, only approximately 49.8% petitions resolution level was achieved.

Ward Committees

The Office of the Speaker plays a pivotal in the establishment and coordination of municipal Ward Committees. This takes into consideration training of all Ward Committees to ensure that they are properly skilled and capacitated to perform their duties adequately. Training programmes delivered may include the following:

- Core municipal process and Ward Committee involvement.
- Ward Committee Policy and Legislative Framework that inform and guides ward committee operations.
- Facilitating community development projects in line with the IDP through the advocacy of the Batho Pele principles aimed at transforming public service delivery.
- Conflict management through communication and interpersonal skills.

Although the Ward Committee By-Law has been drafted and approved by Council and promulgated, the process of establishing these Ward Committees has not yet been completed. The process is currently underway and anticipated to be finalized before the end of 2023/24 financial year.

Participation of Traditional Leaders in Accordance to Legislation

In terms of the Traditional Leadership and Governance Framework Act, 41 of 2003, the Role of Traditional Authorities relevant to municipalities includes, amongst others the following:

- Supporting municipalities in the identification of community needs
- Facilitating the involvement of the traditional community in the development or amendment of the integrated development plan of a municipality in whose area the community reside
- Recommending, after consultation with the relevant local and provincial Houses of Traditional Leaders, appropriate interventions to government that will contribute to development and service delivery within the area of jurisdiction of the Traditional Council

- Participate in development of policy and legislation at local level
- Participate in development of programmes of municipalities and of the Provincial and National spheres of government
- Promoting the ideals of co-operative governance, integrated development planning, sustainable development and service delivery
- Alerting any relevant municipality to any hazard or calamity that threatens the area of jurisdiction of the Traditional Council in question or the well-being of people living in such area of jurisdiction and contributing to disaster management in general.

On 4 February 2013, the MEC for Local Government in the Province of Gauteng identified the following two traditional leaders who may participate in the proceedings of the City of Tshwane Municipal Council:

1. Kgosi Kgomotso Cornelius Kekana, Amandebele-Ba-Lebele Community (Majaneng, Hammanskraal), Region 2.

2. Ikosi Mkhambi Petrus Mahlangu, Amandebele Ndzundza Sokhulumi Community (Sokhulumi), Region 7.

The city through the Office of the Speaker has endeavoured to strengthen and formalize a strong working relationship with the two recognized Traditional Leaders in line with the Provincial Gazette Extraordinary. Given their proximity to the people, the traditional leaders play a critical role in ensuring that customs and traditions are upheld in the communities they serve as guided by relevant legislative prescripts.

2.5 Integrated Development Planning (IDP) Participation and Alignment

IDP Participatory Framework for the 2022/23 IDP Review

Participatory local governance in South Africa serves the provisions set out in Section 152 of the Constitution of the Republic of South Africa, 1996. The Constitution advocates for a democratic and accountable local government for local communities in order to promote social and economic development. It further encourages involvement of communities and community-based organisations in matters of local government and requires the provision of services to the community within the policy and legislative framework.

The City of Tshwane engaged its communities on various communication platforms. The consultations included physical and virtual meetings for wards that had access to virtual meeting technology enablers where communities were able to participate and raise issues in terms of the IDP and Budget. The tools that were used for public consultations included the Website where the public could source documents and provide comments, newspaper notices that were published in three local newspapers (*Sowetan*, *Pretoria News* and *Beeld*) to inform residents about the reports' availability on the City of Tshwane's website for them to view and provide informed comments.

Submission of Community Needs Through Ward Councillors

Ward Councilors play a leading role in facilitating and guiding the IDP planning process within their various communities. Together with their respective Ward Committees and ward members, they must identify and prioritize the needs of their communities. It is equally important that communities and stakeholders participate in the prioritization of issues in their respective wards. As a result, the submission of community needs through their Ward Councilors was also considered as another mechanism to ensure that a wider audience of communities is included in the process. The Ward Councilors were requested to convene community and stakeholder meetings in their wards and to identify priority needs that the city should focus on for the current term of office.

In line with the needs gathered, projects are identified and are funded through operational expenditure funding whilst other projects are funded through Capex. In an effort to speed up service delivery, a project list was identified for implementation within a million-rand allocation initiative which was committed to in the 2020/21 financial year. However, due to the city's budgetary constraints, this massive initiative was temporarily frozen and once the city's finances are stabilized, it will resume.

COMPONENT D: CORPORATE GOVERNANCE

Tshwane Municipality has a strong and well-functioning governance system. All political and administrative structures are organized as per the guidance of relevant legislations. In the quest to promote sound management practices and the promoting good governance, Municipal Council engages various circulars from Cooperative Governance and Traditional Affairs (COGTA) and Treasury Departments, thus this assist in improving governance matters.

2.6 RISK MANAGEMENT

The city acknowledges that risk management and internal controls are the basis for sound corporate governance. It is for this reason that the Accounting Officer takes all reasonable steps to ensure that there is effective, efficient, and transparent risk management system in place in line with the requirements of section 62 of the MFMA. Led by the Chief Risk Officer, the city's Risk Management Unit engages in a systematic process of coordinating the identification, monitoring, analysis, reporting and responding to risks. Amongst others, the Unit is charged with the following responsibilities:

- Oversee the effective functioning of the city's clusters to ensure that proper processes are implemented to manage and mitigate risks;
- Empowering department's risk champions and management to perform effectively in their risk management responsibilities through proper communication and risk awareness initiatives;
- Coordinate the alignment of functional risk management methodologies and processes with the city's department/business Units across clusters;

- Ensuring that city departments execute their responsibilities in line with the risk management strategy and maintaining a co-operative relationship with management and risk champions;
- Ensure that management maintains a functional risk profile which is within the city's risk tolerance and appetite.

Over the financial year under review, the Enterprise Risk Management (ERM) policy waws reviewed and top strategic risks were identified and monitored in line with this policy. The reports of the unit are submitted to the various oversight committees in line with the reviewed ERM and Risks Framework to ensure that the oversight committees provide effective and efficient risk advisory services regarding the risk management systems.

Overview on Anti-Fraud and Corruption

The city’s Ethics Management and Forensic Services Division is responsible for the investigation, monitoring and implementation of anti-fraud and anti-corruption strategies. Over the financial year under review, the unit conducted awareness programs on fraud and corruption in various departments. The objective of the training was mainly to educate employees about specific topics or issues, such as cybersecurity, workplace safety and compliance. Additionally, awareness campaigns were also conducted focusing on members of the public as part of an outreach programme.

Business Continuity Management

Business continuity management (BCM) focus predominantly on minimizing the business disruptions and promoting resilience in the event of an incident that could bring business to a standstill. In order to achieve this, the city implements a Business Continuity Management in line with the approved policy approved. In an effort to capacitate employees for the implementation and maintenance of the business continuity and to raise awareness on the minimisation of the impact of disruptive incidents in the delivery of services, the city conducted employee awareness sessions. The implementation of BCM is currently being rolled out in phases across the city.

Overview of Supply Chain Management

As part of the resolve for a clean, accountable, and financially sound administration, with the highest standards of financial prudence, the city developed and implemented a Financial Sustainability Plan. One of the critical areas of focus identified in the city’s Financial Sustainability Plan is to “effect ongoing improvements in supply chain management”. In response to this priority, the city is committed to a number of reforms. Amongst others, these reforms include improving the performance of the Bid Committees, development, and implementation of effective procurement plans, improve demand planning, acquisition, logistics, contract management and risk management in the supply chain management value chain. Other interventions included promoting adherence to the city’s policies and set procedures.

By-Laws

Section 11 (3) (m) of the Local Government: Municipal Systems Act (MSA), 32 of 2000 provides municipal Councils with the legislative authority to pass and implement by-laws. All the By-laws are approved by Council in principle, subjected to a public participation process whereby the public and stakeholder groups are invited to provide comments and inputs, and engaged on the topic. Hereafter, Council approves the By-law which is then followed by promulgation in the Provincial Gazette before implementation. There were no new By-laws introduced and revised during the 2022/23 financial year.

Website

The content that was published on the City's website, in accordance with Section 75 of the MFMA, is summarised below.

Table 10: City of Tshwane Website: Content and Currency Material

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	14/04/23
All current budget-related policies	Not at all	
The previous annual report (Year -1)	Yes	05/05/23
The annual report (Year 0) published/to be published	Yes	05/05/23
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	No	
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	05/05/23
Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.		
		T2.10.1

Chapter 3 Service Delivery Performance

Introduction

Section 152 of the Constitution of the Republic of South Africa mandates the local sphere of government to provide sustainable services to communities. In line with this obligation, the City of Tshwane's 2022-2026 approved Integrated Development Plan (IDP) presents ten bold strategic priorities to guide the growth and development objectives and to anchor its efforts in driving sustainable and predictable provision of good quality services. These priorities were translated into tangible deliverables in the Service Delivery Budget and Implementation Plan (SDBIP) and guided the operations and the implementation of services over the 2022/23 financial year. Therefore, this chapter of the Annual Report provides feedback on service delivery performance and accounts on the progress made over the 2022/23 financial year against these commitments that are aligned to the priorities adopted for this political term. Some of these commitments include: the continuous maintenance and replacement of ageing infrastructure; sustainable provision of good quality basic services, driving economic growth and promoting job creation; provision of high-quality primary health care services; increased efforts in promoting security and safety; and the provision of affordable and reliable public transport services.

Whilst the primary focus was on the aforementioned commitments, the city also intensified its efforts towards improving the institutional arrangements through finalizing the process of filling of vacant top management positions to maximize its efficiencies. In support of service delivering improvements, the city also made efforts to extend the implementing performance management to other workforce levels that were previously not engaged in performance management. Elaborate details regarding institutional arrangements and capacitation of the workforce are covered in Chapter two and four of this Annual Report.

Although the 2022/23 financial year presented many challenges, the city remained resolute and made commendable strides in delivering against its commitments. Taking into consideration the audit outcome for the last financial year and the need to improve future audit outcomes, the city remained focused and ensured rigorous implementation of tailored improvement plans and management practices to enhance service delivery and address the root causes of the audit findings raised by the Auditor-General of South Africa (AGSA).

Component A: Basic Services

Introduction to Basic Services

The city acknowledges that the rapid growth of urban centers which results in population growth, places enormous pressure on its ability to meet the service delivery needs and demands of its citizenry. Notwithstanding this, the city remains committed to broadening access to quality and impactful basic services as part of realizing its goals and objectives.

Over the financial year under review, the city's commitments to the provision of basic services found expression in the work organized in the main, under the Strategic Priorities 1 and 5: *"Prioritization of the electrical grid and water infrastructure*" and *"Maintaining a clean and protected natural environment*". In line with these strategic priorities, the core basic services referred to herein include water and sanitation; housing; electricity and waste removal services. This also includes increasing accessibility of services to informal settlements by providing rudimentary water and sanitation services through standpipes and water tankers as well as chemical toilets. The provision of rudimentary services is meant to alleviate the challenges experienced by people residing in informal settlements.

With an estimated count of households totaling to 1 285 562 as revealed in the Statistics South Africa's General Household Survey report of 2022/23, compared to an estimated households count of 1 267 704 over the 2021/22 financial year, which translates to 1,39% growth in the number of households, the demand for the provision of basic services in the city increased. It is undisputable that this rise exacerbates the demands for services which adds to the backlog in the provision of services. In that regard, the city maintains that addressing backlogs remains one of the key focus areas whilst also responding to new demands for services. Over the financial year under review, the city recorded considerable progress in constructing and upgrading reservoirs to augment the capacity of water supply; improving the Waste-water Treatment Works (WWTW) and water purification plants; housing development; increasing the supply of rudimentary services to informal settlements; maintained the frequency of collection of waste and full coverage per collection in both formal and formal areas; and constructing, upgrading and refurbishment of substations to support the overwhelmed electricity network.

3.1 WATER AND SANITATION

INTRODUCTION TO WATER AND SANITATION

One of the key basic human right recognised in the South African Constitution, is the provision and universal access to clean, portable water and sanitation. In fulfilling this right and to restore the dignity of the residents of Tshwane, the city's commitments over the 2022/23 financial year in line with the key strategic priorities, included the provision of water and sanitation as basic services needed to support the residents. With a high backlog in the connection of households to water and sanitation services and new demands for these services, despite the limited resources and massive financial constraints, the city continued to broaden access in response to the growing demand. This called for the efficient and effective use of resources at the city's disposal in order to make strides in reducing the noted backlog while also adequately attending to the new demand for water and sanitation services in the communities in the Tshwane region.

The sections below present specific details regarding progress and challenges recorded in terms of the provision of water and sanitation as basic services over the 2022/23 financial year.

Water provision

The city's efforts with regards to the provision and broadening access to water services over the financial year under review, included connecting households to the mains water supply, installation of water meters, preventing and reducing water losses (unaccounted-for water), providing rudimentary water service to people residing in the informal settlements, building, and upgrading reservoirs, and addressing water supply backlogs.

The city acknowledges that the provision of sustainable basic services, including water services, plays a significant role in improving the living standards of the communities that it serves. In this regard, promoting effective planning and efficient implementation of its interventions are identified as the critical success factors requiring the dedicated effort of the city. Over the financial year under review, some of the key interventions prioritized towards improving the provision of sustainable water services included the continuous maintenance and upgrading of the rapidly ageing infrastructure, effecting new water connections to households, installation of new water meters, preventing and reducing water losses (unaccounted-for water), providing rudimentary water access points in the informal settlements, building reservoirs and addressing water supply backlogs.

The progress made against the aforementioned interventions that were implemented over the financial year under review, include the following:

- Water connections effected to a total of 3 050 households in the formal settlements across the city.
- A total of 148 informal settlements were provided with rudimentary water services.
- With efforts to promote the predictability and consistency of water supply, a total of 24 774m of water network pipelines was upgraded in the areas of Clubview, Hennopspark, Mamelodi x18, Riamer Park, Constantia Park and New Eesterust.
- Although a considerable reduction from 32.6% in the 2021/22 financial year to 32.0% in the financial year under review was recorded with regards to water losses, the figure presented is still above the targeted levels of below 20%.

The aforementioned efforts contributed significantly in promoting access to water services as well as improving the predictability and sustainability of water supply.

Bulk Water Supply

The city is also an exporter of bulk water to areas outside its jurisdiction. This includes the areas of Johannesburg with a total distribution of 2.7 megalitres per day(Mℓ/d), the Moretele Local Municipality receiving 6.9 Mℓ/d, the Madibeng Local Municipality with 30.2 Mℓ/d and Thembisile Local Municipality receiving approximately 12.3 Mℓd. The total bulk water exports amount to 52 Mℓ per day which translates to 5.1% of bulk inputs. The net average volume supplied by the City of Tshwane is 1 013 Mℓ/day. The diagram below shows the amount of water supplied daily by the city in and outside the Tshwane Region.

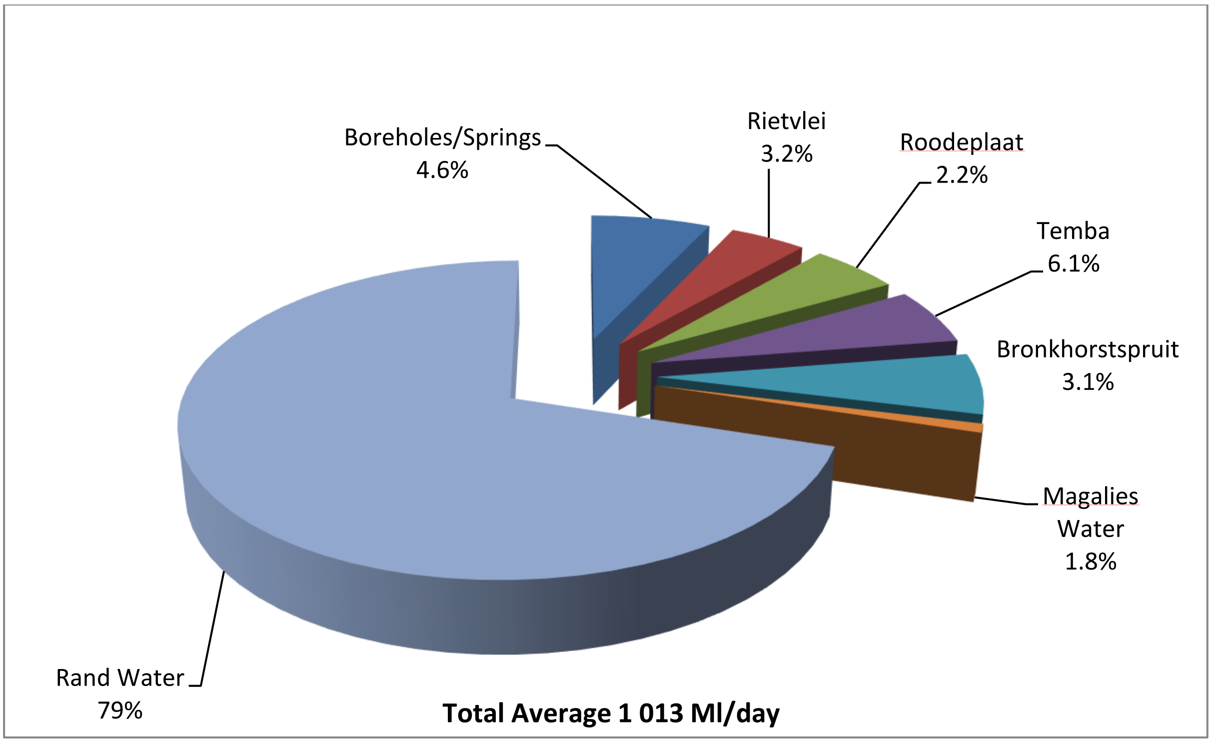


Figure 5: Total Average Water Supply

Provision of Water Supply to Meet Growing Demand

The provision of water supply to meet the growing demand requires the construction and upgrading of the water infrastructure. This is expressed in the form of lengthening the network and supply pipelines, replacement of worn-out network pipes, upgrading and supply of bulk water pipelines, refurbishment and upgrading of Water Treatment Plants and the reservoir extensions.

For the period under review, the city made notable strides with regards to the enhancement of the capacity of the reservoirs to meet the growing demand of water supply. The following infrastructure interventions attest to this:

- **New Parkmore LL Reservoir associated pipework:** The construction of the new Parkmore LL Reservoir associated pipework in Region 6, with work spanning over ward 50 and ward 96. The scope of the project entails the construction of an additional 10 Mℓ to meet the increased demand in the water supply for the Parkmore Low Level Reservoir service area, as well as the installation of the associated pipework. The Parkmore LL system will connect to the Garsfontein system that will service more than 20 000 households in Region 6. As of 30 June 2023, the progress was at 19% and construction is underway, and completion is expected at the end of the 2023/24 financial year.
- **Refurbishment of Bronkhorstbaai and Summerplace Water Purification Plant:** This intervention is in Region 7. The project scope entails the refurbishment of Bronkhorstbaai and Summerplace water treatment plants, the installation of water pipes and increase of water treatment capacity. The project is currently at 98% completion, and it is anticipated

to be completed at the end of December 2023. The project will benefit the community of Bronkhorstbaai, Summerplace and Kungwini Country Estate in Ward 102, Region 7.

The table below, presents statistical information regarding the provision of water services since the year 2006.

Table 11: Provision of Water Services

Indicator or service	Five-year plan (2006–2011)		Five-year plan (2011–2016)		Five-year plan (2016–2021)		Current 2022/23	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
New water meter connections (consumer applications)	21 000	18 571	9 560	10 300	26 700	17 846	3 000	3 050
Water backlog (number)	23 578	25 761	8 000	–	–	–	–	–
New water infrastructure (meter, bulk and network)	142 816 m	246 317 m	31 898 m	30 576 m	4 000	23 089	7 233m	24m
Water infrastructure upgraded (meter, bulk and network)	857 917 m	813 688 m	21 400 m	17 39 4,6 m	57 400	68 019	16 000m	24 773.4m

The table below presents statistical information regarding the upgrading of water connections from basic to full services.

Table 12: Upgrade of Water Connections from Basic to Full Services

KPI	Five -year programme target (2006–2011)	Five -year achievement (2006–2011)	Five-year programme target (2011–2016)	Achievement to date (2011–2015)	Achievement to date (2016–2021)
Number of full service metered connections installed (backlogs)	**Five-year target: 23 578** 2006/07: 1 816 2007/08: 5 624 2008/09: 12 293 2009/10: 3 155 2010/11: 690	**Achieved: 25 761** 2006/07: 942 2007/08: 11 168 2008/09: 6 794 2009/10: 6 857 2010/11: 0	**Five-year target: 15 312** 2011/12: 787 2012/13: 180 (967) 2013/14: 6 905 2014/15: 6 040 2017/18: 1 400	**Achieved: 1 319** 2011/12: 787 2012/13: 325 2013/14: 14 292 2014/15: 9 358 2015/16: 4502	**Achieved:** 2017/18: 5 516 2018/19: 5 644 2019/20: 6 048 2021/22: 4 089 2022/23: 3 042

The table below presents statistical information regarding water service delivery levels over the 2022/23 financial year as compared to 2021/22 financial year.

Table 13: Basic Services and Service Levels

Description	2021/22	2022/23
	Actual Households	Actual Households
	No.	No.
Water: **(above min level)**		
Piped water inside dwelling	674 595	674 595
Piped water inside yard (but not in dwelling)	_	674 595
Using public tap (within 200m from dwelling)	72 145	72 145
Other water supply (within 200m)	_	0

Description	2021/22	2022/23
	Actual Households	Actual Households
	No.	No.
Minimum Service Level and Above sub-total	746 740	964 458
Minimum Service Level and Above Percentage	77%	79.7%
Water: **(below min level)**		276 757
Using public tap (more than 200m from dwelling)	4,582	_
Other water supply (more than 200m from dwelling	213,136	_
No water supply		_
Below Minimum Service Level sub-total	217,718	_
Below Minimum Service Level Percentage	23%	_
Total number of households*	964,458	1 209 761
** - To include informal settlements*		***T 3.1.3***

Reduction of Unaccounted for Water

Reducing non-revenue water (NRW) proved to be an obstinate undertaking in previous years and the city continue to experience huge challenges in reducing the unaccounted-for water to the targeted levels. At the end of the financial year, non-revenue water stood at 32.0% compared to the last financial year's record of 32.6%. The current losses equate to a distribution loss of 111 356 713 kl/annum of water. Although the current losses present a slight reduction with regards to non-revenue water phenomenon as compared to last financial year, the percentage recorded it is still above the targeted levels of below 20%. In pursuit of reducing the challenge of water losses, the city focused on the following:

- Improving the turnaround time with regards to leak repair responsiveness (active and passive) to reduce wastage
- Installation of water meters in unmetered houses, conducting meter audits to improve information on the billing system and meter replacements to increase accuracy in meter readings
- Installation of pressure management systems to reduce high pressures and lower the leakages
- Selective pipe network replacements in areas with worn out network pipes
- Addressing the illegal connections and ensure that all parties participating in such are brought to book.
- Implementing tight water supply restrictions on non-paying customers

Comment on Water Use by Sector

In accordance with the city's current water and sewer Master Plan, which is based on the Municipal Spatial Development Framework (MSDF), Tshwane's portable water demand is set to increase over the next 40 to 50 years to approximately 2600 Ml/d, with associated increase in sewer return flows to 1600 Ml/d. The domestic water consumption is the largest sector of water use in the city as compared to other sectors. The table below, provides information relating to the utilisation of water by sector.

Table 14: Use of water by Sector

Total Use of Water by Sector (cubic meters)					
	Agriculture	**Forestry**	**Industrial**	**Domestic**	**Unaccountable water losses**
2022/23	0	0	64 137 197 m3/annum	128 121 134 m3/annum	111 356 713 kl/annum
					T3.1.2

Blue Drop Assessment

With regards to the blue drop status, in the previous financial year, the city ensured compliance with drinking water quality standards as stipulated by the South African National Standards (SANS) 241:2006 specification for drinking water. The scores are received from the National Department of Water and Sanitation. While there has been no scores presented to the city for a number of years including the financial year under review, the table below provides comparative information on the Blue Drop assessment scores for the city in the previous financial years. The last blue drop status was recorded in 2014.

Table 15: Feedback on Blue Drop scores as at 2014

Performance area	Tshwane Central and South (Rietvlei)	Nokeng	Tshwane North (Roodeplaat)	Temba	CBD (Findley)	Bronkhorstspruit	Bronkhorstbaai	Summer Place
2010 Blue Drop score	96,36%	61,25%	96,36%	96,36%	96,36%	41,25%	19,5%	Not assessed
2011 Blue Drop score	97,22%	83,01%	95,48%	82,35%	92,22%	81,24%	66,99%	Not assessed
2012 Blue Drop score	99,20%	90,75%	96,88%	93,5%	97,02%	95,33%	78,07%	66,33%
2013 Blue Drop (estimate)	99,50%	95%	97%	97%	98%	97%	95%	80%
2014 Blue Drop score	97,56%	-	97,22%	88,97%	96,04%	96,08%	90,67%	95,57%
2015 Blue Drop score	No score	-	No score	No score	No score	No score	No score	No score
2016 Blue Drop score	No score	0	No score	No score	No score	No score	No score	No score
2020 Blue Drop score	Suspended		No score, suspended					
System design capacity (Mℓ per day)	40	14	60	60	40	54	1	1
Operational capacity (percentage in terms of design)	92,5%	69%	75%	92%	94%	93%	100%	91%
Population served	1 193 194	63 595	643 860	500 875	5 000	121 228	2 000	500
Water safety planning	97%	84%	97%	97%	97%	97%	90%	84%
Treatment process management	100%	93%	100%	100%	75%	85%	51%	36%
Drinking water quality compliance	100%	100%	100%	86%	100%	100%	62%	18%

Performance area	Tshwane Central and South (Rietvlei)	Nokeng	Tshwane North (Roodeplaat)	Temba	CBD (Findley)	Bronkhorstspruit	Bronkhorstbaai	Summer Place
Microbiological compliance	99,9%	97,2%	99,2%	98,6%	99,9%	99,9%	94,3%	87,5%
Chemical compliance	99,9%	99,9%	99,9%	99,9%	99,9%	99,9%	99,1%	95,1%

The following table presents statistical information on the water service policy objectives taken from the IDP for the 2022/23 financial year:

Table 16: Water Service Policy Objectives from the IDP

Strategic Priority	Outline service targets	Year –1		Year 0		Year 1	Year 2	Year 3
		Target	Actual	Target	Actual	Target		
		2020/21	2020/21	2022/23	2022/23	2023/24	2024/25	2025/26
Service objective								
Priority 1: Prioritisation of the electrical grid and water infrastructure	Percentage of total water connections metered (C88: WS5.31)	85.75%	85%	85.00%	69.78%	85.50%	86%	86.50%
	Percentage of households with access to basic water supply (C88: WS2.1)	-	-	77%	95.98%	77.25%	77.50%	77.75%
								T3.1.6

3..1.1 WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION

In the City of Tshwane, it is acknowledged that access to safe and dignified sanitation services contributes significantly to securing human dignity, reducing health risks and protecting the environment. This realization led to the city focusing on ensuring that households have access to flush toilets connected to a public sewerage system, and in this regard, the city ensured that priority is also given to providing basic sanitation services whilst addressing backlogs progressively. Building the essential sanitation infrastructure, connecting households to sanitation services, providing rudimentary sanitation services to the informal settlements, as well as the upgrading and maintaining the existing infrastructure remained the key focus of the city. Although not to the expected level, the city connected some households to sewer in line with the minimum standards set whilst addressing backlogs progressively.

Addressing of Backlog

Responding to the sanitation backlogs is dependent on several factors which, among others, include full-service water supply, existence of formalised plans, provision of bulk infrastructure, availability of sewer reticulation and, most importantly, funding. In that regard, the city through its Water and Sanitation Department has set in place major programmes that are in line with the requirement of the Wastewater Master Plan and the Water Services Development Plan (WSDP) and which are also responding to National Government target of the provision of sanitation. In the financial year under review, major projects implemented in line with the WSDP, programmes related to the Wastewater Treatment Works Upgrade and Expansion Program were prioritized. Amongst others, they include the following:

- **Rooiwal Wastewater Treatment Works (WWTW) Upgrade:** The Rooiwal WWTWs scope include the upgrading of the inlet works an upgrading of the biological reactors mixing and aeration system; the upgrading of the anaerobic digesters on the Rooiwal East and West Plants; and lastly elevating the top sludge dewatering facility to ensure smooth flow of the balancing tank control systems around the North side of the plant. A total of R450,500,000.00 was allocated to this project and as at 30 June 2023, the progress was at 68% and once completed, it will benefit the communities of Temba, Hammanskraal and Marokolong in Region 2.

- **Refurbishment of Sunderland Ridge WWTW:** The project focused mainly on the re-instating of an additional 16 Mℓ/d of treatment capacity on module 2 to unlock much-needed capacity by maximising all existing infrastructure. The available capacity of this plant will thus increase from 40 Mℓ/d to 56 Mℓ/d. A significant improvement in the physical parameters of approximately 70 Mℓ/d but the rate of development in the area is high and the need for additional capacity is a fast-approaching reality, most notably, suspended solids has been realized. As at 30 June 2023, The overall progress is satisfactory and completion is anticipated to be in September 2024.

- **The refurbishment of the Klipgat Wastewater Treatment Works**: Situated in Region 1, the project scope includes the construction of the civil works, replacement of civil engineering structures related to treatment works, repair, rehabilitation of building structures on the premises as required, replacement of mechanical, replacement of electrical and electronic works. As at 30 June 2023, the overall progress was 92% and anticipated to be completed in November 2023.

  To date, the city has reduced the sanitation backlog with a count of households totalling 597 768, which was addressed through the provision of flush toilets and a total of 304 053 chemical toilets were distributed to the 108 recognised informal settlements in the financial year under review.

The table below summarises sanitation service delivery levels for the 2022/23 financial year:

Table 17: Sanitation Service Delivery Levels

Sanitation Service Delivery Levels				
***Households**				
Description	**2022/23**		**2022/23**	
	Target	**Actual**	**Target**	**Actual**
	Outcome	**Outcome**	**Outcome**	**Actual**
	No.	**No.**	**No.**	**No.**
***Sanitation/sewerage:* (above minimum level)**				
Flush toilet (connected to sewerage)		597 768		597 768
Flush toilet (with septic tank)		Unknown		Unknown
Chemical toilet				304 053
Pit toilet (ventilated)				13 126
Other toilet provisions (above min.service level)		13,377		13 377
Minimum Service Level and Above sub-total		611 145		928 324
Minimum Service Level and Above Percentage		64%		76.7%
***Sanitation/sewerage:* (below minimum level)**				0
Bucket toilet		0		0
Other toilet provisions (below min.service level)		344,568		0
No toilet provisions				
Below Minimum Service Level sub-total		344,568		0
Below Minimum Service Level Percentage		36%		0
Total households		955,713		**1 209 761**
Total number of households including informal settlements				*T 3.2.3*

The following table summarises the provision of bulk infrastructure per service since 2006.

Table 18: Provision of Water Services

Indicator or service	**Five-ear plan (2006–2011)**		**Five-year plan (2011–2016)**		**Five-year plan (2017–2022) 2021/22 FY**		**Five-year plan (2017–2022) Current (2022/23)**	
	Target	**Actual**	**Target**	**Actual**	**Target**	**Actual**	**Target**	**Actual**
Sanitation backlog (number)	13 852	9 516	12 823	10 058	1 000	412	1 000	703
New sanitation infrastructure (meter, bulk and network)	104 869 m	37 869 m	128 731 m	113 227	24 329	19 476	11 470	7 229
Sewer infrastructure upgraded (meter, bulk and network)	159 720 m	140 029 m	85 810 m	90 125	0	1462,15	16 000	24 773,4

The table below summarises achievements in sanitation provision.

Table 19: Sanitation services achievement since 2006

Five-year plan (2006–2011)	Five-year achievement (2006–2011)	Three-year programme target (2011–2016)	Three-year achievement (2011–2014)	Three-year achievement (2017-2022)
Target: 159 720	**Achieved: 140 029**	**Target: 74 769**	**Achieved: 88 904**	**Total Achieved : 2 587**
2006/07: 21 943	2006/07: 26 892	2011/12: 38 809	2011/12: 44 393	2017/18: 982
2007/08: 67 284	2007/08: 54 022	2012/13: 33 938	2012/13: 34 464	2018/19: 429
2008/09: 31 160	2008/09: 21 711	2013/14: 2 022	2013/14: 10 047	2019/20: 53
2009/10: 10 533	2009/10: 3 794		2015/16: 0	2021/22: 412
2010/11: 28 800	2010/11: 33 610			2022/23: 703

The following table presents statistical information on the sanitation service policy objectives taken from the IDP for the 2022/23 financial year.

Table 20: Sanitation Service Policy Objectives taken from the IDP

Strategic Priority	Outline service targets	Year -1		Year 0		Year 1	Year 2	Year 3
		Target	Actual	Target	Actual	Target		
		2021/22	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Service objective								
Priority 1: Prioritisation of the electrical grid and water infrastructure	Number of new sewer connections meeting minimum standards (C88: WS1.11)	1 000	412	1 000	703	753	400	400
	Percentage of households with access to basic sanitation (c88: WS1.1)	106	108	64%	82.93%	64.25%	64.50%	64.75%
								T3.2.6

3.2 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Electricity forms an integral part of daily life and plays a significant role in the betterment of human life. Apart from fulfilling human social needs, electricity is also a driving factor of the economy through enabling businesses to function, enhancing job opportunities; ensuring maximum availability of essential services such as health; supports the public transportation systems thus promotion effective mobility and travelling; and enhancing connectivity. In accordance with this demonstrated importance of electricity, the City of Tshwane ensures that the provision of affordable, predictable and sustainable access to electricity to its residents remains a key priority. Furthermore, in an effort to fulfil this priority, in its IDP for the 2022/2026 term of administration, amongst other things, the city committed to promoting access to reliable and sustainable supply of electricity; reduce unaccounted for electricity by a reasonable margin; increase efforts to connect households to the mains electricity supply; continuously upgrade, repair, refurbish and maintain the electricity infrastructure network to enhance the performance of the grid.

ACCESS TO ELECTRICITY

The city's efforts to broadening access to electricity include, amongst other things, addressing the electrification backlog by providing full-service connections to areas without access to electricity, also focusing on low-cost housing through the implementation of the Electricity-for-All programme. Important to note, the 2022/2023 to 2023/2024 Medium Term Revenue and Expenditure Framework (MTREF) proposed to cater for electricity objectives in the city was not sufficient to cover all the ideal electricity infrastructure demands in line with the national targets. As a result, a number of electricity infrastructure projects had to be scheduled for completion in the next financial year. Despite this obstacle, the city was able to make strides in delivering on some of its key electricity commitments. This includes amongst others, increasing the capacity of Free Basic Electricity (FBE) with a total of 49 898.5MWh to supply in prioritized areas across the 7 regions in the city, installed a total of 0,087MVA capacity of approved embedded energy generators on the municipal distribution network. The embedded energy generators assist the city with regards to reducing the load from transmission network to distribution network.

The table below summarises the status of access to electricity to households in the city.

Table 21: Access to Electricity over the 2022/23 Financial Year

Access to electricity			
Item	**Metering type**	**City of Tshwane licenced Area**	**Eskom supplied area**
1	Prepaid	280 615	235 512
2	Conventional	182 000	
3	Commercial and industrial	16 000	

Access to electricity			
Item	**Metering type**	**City of Tshwane licenced Area**	**Eskom supplied area**
Subtotal		478 615	235 512
Total		**714 127**	

New Connections

The city's *"New Connections"* programme provide up to 11 kV electricity supply to all consumers in the Tshwane area. This involves planning, processing and managing all electrical supplies, and the speedy and accurate compilation of a quotation in accordance with the applicable tariff document, conditions of supply, by-laws and safety standards. The entire project is application-driven, based on the needs of the consumers. Through the programme, customers submit applications for new electricity connections for various electricity capacity/sizes. On receiving the application, City's energy and electricity Technicians through the use the approved tariffs, conduct the site visit to determine the work that has to be done in order to make the connection available, the quotation is then generated and submitted to the customer. Once the customer receives the quotation and makes the payment, the process to make the infrastructure and place a meter for the connection commences.

In the 2022/23 financial year, through the electrification programme, a total of 1 017 new connections to households were completed and energized across the city. There was an observed under-performance with regards to various key performance areas, which amongst others, include, new electricity connections specifically to formal households, which was as a result of a number of construction projects not achieving their targeted milestone. These projects were planned to provide the bulk infrastructure necessary to provide for the access to electricity. Some of the reasons that led to some projects' milestones not realized at stipulated timeframe include insufficient financial resources necessary to support the access to electricity drive due to the city's financial constraints, the unavailability of critical material and the shortage of electricity pre-paid meters.

The following table presents statistical information on electricity service policy objectives taken from the IDP for 2022/23.

[3]*Table 22: Electricity Service Policy Objectives from the IDP*

Electricity service policy objectives from the IDP								
Strategic Priority	**Outline service Targets**	**Year -1**		**Year 0**		**Year 1**	**Year 2**	**Year 3**
		Target	**Actual**	**Target**	**Actual**	**Target**		
		2021/22	**2021/22**	**2022/23**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Service objective								
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Number of dwellings provided with connections to the mains electricity supply by the municipality (C88: EE1.11)	4 700	2 572	4 940	1 017	5 500	5 500	5 500
								T3.3.5

Implementing The Free Basic Electricity (FBE)

The Free Basic Electricity (FBE) Programme prioritises areas where there is no access to electricity, with a specific focus on low-cost housing, formalised areas and informal settlements. The programme contributes significantly to electricity access backlog reduction by advancing the provision of new electricity connections to houses which are not formally connected to the grid. It supports the provision of basic services in the form of electricity connections to households that were without electricity. The following areas benefited from the implementation of the Free Basic Electricity (FBE) Programme:

- Ga-Rankuwa and Rama City – Region 1
- Nellmapius and Itireleng (Informal Settlement) – Region 6
- Soshanguve – Region 1
- Zithobeni Ext 8 – Region 7

Improving Public Lighting

Public lighting and street lighting provide Tshwane residents with a great sense of safety and security through increased visibility at night by making street more inviting and appealing thus making public space more aesthetic. The provision of streetlights and high-mast lights in the city is a critical necessity and basic need that plays a significant role in improving visibility for communities, motorists, and pedestrians at night. Public lighting is achieved through the installation of streetlights, lamp posts, streetlamps and high-mast lights which are raised sources of light on the edge of a road or walkway. Depending on where the street is, the infrastructure is either connected through underground or overhead network wiring.

Over the financial year under review, a total of 1 055 new streetlights and 1 new high-mast light were installed and energised throughout Tshwane. The observed low figure recorded

[3]The KPI was exempted for reporting was exempted as per National Treasury letter dated 25 August 2023. Prior to the exemption, the city had already collected data for this KPI.

against the installation of high mast light was as a result of the construction project supporting this objective could not realize its milestones fully due to the slow delivery of the required material for the projects.

Bulk Electricity Infrastructure

Lack of adequate bulk infrastructure puts a strain on the pace of delivering the electrification programme. In order to connect and to reach out to more households, the city implements various bulk electricity infrastructure projects to ensure a sustainable electricity supply throughout Tshwane. In the 2022/23 financial year, the city undertaken a total of 8 bulk electricity infrastructure projects in an effort to strengthen the existing network and provide additional capacity for new developments, and 5 of those projects have commenced successfully. It is envisaged that this will enable the electricity supply in the city to keep up with the load demands attributed to economic growth and also maintain a reliable supply.

The following multi -year bulk electricity infrastructure projects have commenced to enable the electricity supply and to address the backlogs.

- **Wapadrand Substation (Pretoria East: Region 6) –** The scope of the project includes the full construction of a new substation, building and replacing all the electrical equipment that were previously damaged in the fire outbreak that occurred in the 2019/20 financial year. This will assist in restoring the substation to strengthen capacity of a total of 105MVA supporting surrounding areas that are fed from this substation.
- **Pyramid Substation refurbishment Project (Rooiwal: Region 2) –** The scope of the project entails the refurbishment of the substation with the aim to restore to a firm capacity of 20MVA and replace all the infrastructure damaged by fire. Key activities include: constructing a new facility to allow for sufficient storage for electrical engineering equipment, replacing of the 11kV Switchgear panels, 132kV Control & Protection Panels and building of an Outdoor Yard for High Voltage (HV)Equipment.
- **Mooikloof Substation refurbishment (Pretoria East: Region 6) –** This existing station is undergoing a refurbishment process with the purpose of replacing all the fire damaged equipment. The aim of restoring the substation is to enable a maximum capacity of 105MVA to address the capacity constraints in the surrounding areas.
- **Kentron Substation refurbishment Project (Rooihuiskraal: Region 4) –** The scope includes a refurbishment process whereby a total of capacity to 120MVA will be added into the substation to maximize capacity. The project milestones include: constructing new substation building, installation of new 11kV switchgear panels; 132kV Control and Protection panels; and control cables.
- **Wildebeest Infeed Station (Mooiplaats: Region 6) –** The project involve construction of new 400/132KV, 250MVA Infeed Station to lessen the bulk capacity constraints in Region 5 and 6 including surrounding areas that are being serviced by the station.


Figure 6: Wildebeest Infeed Station (Mooiplaats: Region 6

REDUCTION OF UNACCOUNTED FOR ELECTRICITY

The City of Tshwane electricity distribution losses have been on the increase by more than 20% losses recorded for the past 5 financial years, with an exception of a slight decrease recorded at 18.28% in 2018/19 and 19.44% in 2021/22 financial years. The electricity distribution losses are energy that is either lost in the systems (technical) losses, energy used but unbilled (streetlights and own use), and energy sold and not paid for (non-technical) losses, resulting in the difference between electricity purchased and electricity sold. Over the last 3 financial years: 2019/20, 2020/21 and 2021/22, the city's electricity losses amounted to 22/3%, 21.67%% and 19.44% respectively. Over the 2022/23 financial year (01 July 2022 to 30 June 2023), the city recorded approximately 21.46% of electricity distribution losses.

The diagram below illustrates a comparison of five years' electricity distribution losses.

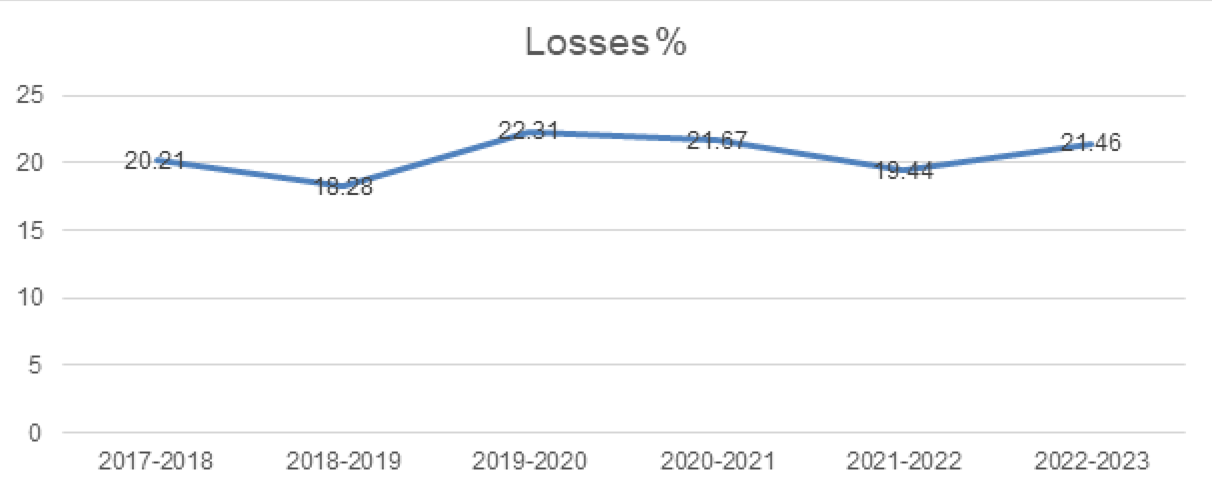


Figure 7: Comparison of Five Years' Electricity Distribution Losses

Technical losses - are electricity losses that occur when electricity is being distributed from the source of generation through transmission and distribution network to the final consumer. The wires (copper or aluminum) used to distribute electricity have certain resistance which resist the throughput of current, as a result there is certain portion of electricity that is lost due to distribution, and it is termed Technical Losses. The National Energy Regulator of South Africa's acceptable level for networks like that of Tshwane is estimated to be 7% (659 730 210 kWh) of the total distribution losses. However, the national utilities benchmark for the technical losses is to be capped at 6%.

Non-technical losses - recorded for the period under review is 455,135,855 kWh translating to 14.46%. The cumulative total for the 2022/23 financial year is 1,240,587,462 kWh which translates to 12.44%. The main drivers for the non-technical losses are administrative and technical errors, high estimates, negligence, theft of electricity, tampering with meters and connections which form part of illegal consumption.

To reduce the non-technical losses, the following initiatives are currently being implemented:

- **Consumer meter audit:** Low buy and non- consumption Prepaid Meters were audited on monthly bases throughout the city. The exercise was aimed at finding unmetered connections, eliminate incorrect billing and to identify meters that are tampered with. It was also meant to find faulty meters and discover cases of electricity theft.
- **Installation of non-destructive meter boxes** as part of revenue protection to ensure that the meters are secured and to avoid bridging of meters by customers.
- **Substation refurbishment and replacement of oil cables**: the objective is to reduce technical losses.

3.3 Waste Management

Introduction to Waste Management

The National Environmental Management Act (NEMA), 1998 (Act 107 of 1998), gives provision to the control and management practices of handling waste, which include, amongst others, promoting and ensuring the effective delivery of waste services. To bring effect to this, the City of Tshwane offers a comprehensive waste management service which includes collecting and transporting general waste to disposal sites on a weekly basis; providing a bulk waste collection service and managing waste disposal facilities; prevention and clearing of illegal dumping to prevent environmental pollution; and implementing waste minimisation and recycling strategies in efforts to reduce the need for landfill sites. Additionally, promoting compliance of landfill sites with licencing requirements is also at the centre of the city's commitments relating to waste management.

Waste Collection

The city provides refuse collection services to 2 351 formally registered and proclaimed areas and to 172 informal settlements at least once a week. Furthermore, weekly waste removal services are provided to business customers using green 240 ℓ and 1 000 ℓ capacity bins. Additionally, bulk waste removal and on-site waste management services are also provided through bulk containers (skips) and 20 m^3 containers for residential households, industries, hospitals, garden waste sites and corporate buildings on a daily or weekly basis, including *ad hoc* services.

The following table presents statistical information regarding waste management objectives as per the IDP for the 2022/23 financial year:

Table 23: Waste Management IDP Objectives

Strategic Priority	Outline service targets	Year -1		Year 0		Year 1	Year 2	Year 3
		Target	Actual	Target	Actual	Target		
		2021/22	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Service objective								
Priority 5: Maintaining a clean and protected natural environment	Percentage of formal areas provided with weekly waste collection services ((C88: ENV3.11)	100%	100%	100%	100%	100%	100%	100%
	Percentage of known informal settlements receiving basic refuse removal services	86%	92%	85%	100%	90%	90%	90%
	Percentage of households with basic refuse removal services or better (C88: ENV3.1)	86%	0%	86%	75.77%	87%	88%	89%
								T3.21.3

Addressing Illegal Dumping

Illegal dumping and littering have a significant negative environmental and economic impact to the city's outlook, and most importantly, it can pose immense threat to human health. It is for this reason that the city adopts various interventions and strategies to address illegal dumping challenges while preserving the societal conditions at considerable level and preventing the spread of diseases within the communities. To this effect, in the financial year under review, the city through its Environmental Management Department was confronted with limitations with regards to full implementation of its interventions meant to curb illegal dumping as a result of budgetary constraints. Despite this stated limitation, the city, however, embarked on a massive anti-illegal dumping education awareness campaign called Rekaofela, to sensitize communities about the importance of preventing illegal dumping. The campaign addressed issues believed to have been the cause of this agony, which amongst others, included the lack of bins in some communities, the issues related to backyard dwelling and sharing knowledge on other measures of handling waste with the aim to encourage communities to refrain from illegal dumping. Central to this, is the implementation of the Mayoral Tswelopele clean-up programme, which was launched in the previous financial year, was also carried out to curb the massive illegal dumping actions faced by the city.

Over the 2022/23 financial year, the city allocated a sum of R50,000,000 towards addressing all illegal dumping activities. However, due to the tight cost containment measures implemented by the city, some of the planned activities could not be carried out and also the milestones targeted for clearing illegal dumping hotspots could not be realized.

Landfill Sites

The city's waste disposal sites are carefully managed in order to protect the environment from contaminants which may be found in the waste stream. It has been an observed that, over the previous financial years, the city's landfill sites are wildly reaching the limits of their capacity. It is for this reason that, the city implements other recycling initiatives through the operations of waste buy-back centers situated in the areas of: Hammanskraal, Atteridgeville, Stinkwater and Ga-Rankuwa. These buy-back centres operate as satellite waste stations and assist the city by ensuring that all recyclable materials are reclaimed in a scalable manner. The noble initiative contributes immensely to the city's waste recycling initiatives. As at 30 June 2023, a total of 3559.23 tonnages of waste was diverted from municipal landfill sites to the municipal waste buy-back centres. This is commendable initiative given the current capacity status of the city's landfill sites.

Currently, the city has a total of four operational landfill sites while the other six are permanently closed. The details regarding the operational activities of the city's landfill sites are discussed below.

- **Soshanguve landfill site (Region 1)** –the site is nearly full and has a remaining useful life span of 3 to 5 years. There is no additional spare capacity for either future development of additional landfill cells or consideration to expand the site.
- **Ga--rankuwa landfill site (Region 1)** – the site presents the potential for extension and still has reasonable space. In that regard, the city has applied for a height extension of up to 18m which is subject to approval by the regulating authority - Gauteng Department of Agriculture and Rural Development (GDARD) and the agreement of the surrounding communities. This may increase the landfill site's carrying capacity to at least 15 years.
- **Hatherley landfill site (Region 6)** – this was the largest site in the Tshwane region but due to an increase in the number of burials, the capacity has decreased but still has a remaining useful lifespan of 10 to 15 years. The site presents development opportunities for securing additional cells on-site for waste crushing and compacted purposes.
- **Bronkhorstpruit landfill site (Region 7)** – this site has a predicted life span of between 6 to 8 years. The site is situated adjacent private open space that can be acquired by the city with the aim to increase the carrying capacity of the site for up to at least 15 to 20 years.

Figure 8: Graphical Illustration of some of the Landfill Sites of the City

3.4 Housing

The provision of adequate housing does not only translate to the provision of shelter, but also ensures that human dignity is protected and restored while giving citizens an opportunity to lead a normal life. In support of this notion, the City of Tshwane's efforts with regards to the provision of housing play a critical role in ensuring that people live in safe places, while meeting their basic human necessities such as food and water through the implementation of a comprehensive free basic municipal services programme to the qualifying households. In the quest to make a meaningful contribution towards the aspirations of Priority 7: *"A caring city that supports the vulnerable and provides social relief"*, in the financial year under review, the city made a bold decision to focus its efforts and resources towards the delivery of low-cost housing, issuing of title deeds, upgrading of informal settlements, facilitation and management of Council-owned rental stock, acquisition of land suitable for human settlements development and addressing housing backlogs.

Additionally, the city's Human Settlement Department is working closer with its housing entity: Housing Company Tshwane in executing some of the responsibilities related to Tshwane rental housing stock.

Low -Cost Housing

Being the third largest metropolitan municipality in the world spatially following New York and Tokyo, Tshwane continues to attract migrants, and this increases the demand for low-cost housing. This leads to other social issues such as homelessness, increased demand for other basic services and an increase in informal settlements. In this regard, in the financial year under review, the city completed a total of 553 low-cost housing units and of these units, 40 of them were mayoral suites and the other 513 were implemented by the Gauteng Provincial Department of Human Settlements as a contribution to the housing provision objective with the funding from the Urban Settlement Development Grant (USDG).

Households with Access to Basic Services

The City of Tshwane remains committed to promoting the constitutional obligation relating to the realisation of basic human rights. In accordance with this obligation, basic municipal services in the city are categorised as the necessary services that municipalities should provide to ensure an acceptable and reasonable quality of life to citizens. These services include water, sanitation, energy, waste collection and housing. The table below presents statistical information with regards to households in the city that have access to the aforementioned services.

Table 24: Households with Access to Basic Services as at 30 June 2023

Year end	Number of informal settlements provided with water	Total households (including in formal and informal settlements)
2022/23	148	1 484 710
	Number of Informal Settlements Provided with Sanitation	**Households in formal settlements**
	108	1 484 710
		T3.5.2

Efforts Regarding Land Acquisition

As part of the ongoing process of addressing the plight of informal settlement and providing sustainable human settlements, the city dedicated its efforts on exploring mechanisms to acquire land for human settlements development purposes. The areas identified to be suitable for the realisation of this ideal, are those with the potential to advance human settlements spatial transformation and can be used to restructure and revitalise towns and cities. The sources of funding included the Human Settlements Development Grant (HSDG), Urban Settlements Development Grant (USDG) and the Informal Settlements Upgrading Partnership Grant (ISUPG) and these grants serve the purpose of supplementing municipal human settlements programmes and other built environment programmes. In light of this, over the financial year under review, the city made commendable strides in acquiring land for human settlement development. In this regard, a total of 43 0577 hectares (ha) of land were acquired against a target of 15 hectares (ha). Furthermore, the performance indicator related to the acquisition of land was exempted for reporting as per the National Treasury letter dated 25 August 2023. Prior to the exemption, the city had already collected data with regards to the land acquisition.

Although these results demonstrate maximum success with regards to acquisition and expropriation activities, land acquired is considered as having occurred when a title deed is received or if there is proof of lodging properties with the Deeds Office. It is worth noting that, the city's capacity is limited with regards to property registration and the appointment of the conveyancers to facilitate the process.

The table below presents a summary of land acquired for human settlements in priority housing development areas over the financial year under review.

Table 25: Land Acquired for Human Settlement Development

No.	Property Description	Title Deed No.	Ownership Name	Legal Area	Zoning	Approval Date of Acquisition
1	Ptn 172 Kammeeldrift 298 -JR	T106509/2013	Folloutput Pty Ltd.	**8,7851**	Agricultural	21-Jun-23
2	Ptn 173 Kammeeldrift 298 -JR	T76706/1988	Jurie Johannes & Mutual Ester Ferreira	**8,5653**	Agricultural	21-Jun-23
3	Ptn 176 Kammeeldrift 298 -JR	T87225/1999	Bottcher Lothat Otto	**8,5653**	Agricultural	21-Jun-23
4	Ptn 177 Kammeeldrift 298 -JR	T3427/2017	Katlego Agri Pty ltd	**8 ,5700**	Agricultural	21-Jun-23
5	Ptn 180 Kammeeldrift 298 -JR	T84552/2004	Blue Moonlight ltd	**8,5700**	Agricultural	21-Jun-23
Total	**43,0557**					

Service Delivery Performance Highlights

Some of the notable performance highlights recorded over the financial year under review with regards to the provision of housing include the following:

- Ensured that a total of 1 543 stands were connected to sewer and 1 496 stands were connected to water through the reticulation infrastructure service, respectively. The water and sewer reticulation were connected in the areas of Mabopane Ext.2, Refilwe Ext. 10 and Mamelodi Ext.6.
- Facilitated the construction of a total of 553 social housing units.
- Constructed a total of 27.871km of new municipal road network
- Secured a total of 43,0577 hectares (ha) of land suitable for human settlement development purposes funded through the USDG, HSDG and ISUPG funding sources.
- Central to the city's mandate of ensuring restoration of human dignity and security of tenure, a total of 1 839 title deeds were issued to beneficiaries across the city including from the existing pool of backlog of 9 906 uncollected title deeds. The city is at advanced stages of implementing measures to address the challenges related to uncollected title deeds. These measures include, amongst others, the issuing of reminders to collect title deeds through various social media platforms like WhatsApp, advertising for collection of title deeds through different media platforms and door-to-door campaigns to sensitize and encourage beneficiaries to come and collect the title deeds.
- Despite the backlog of uncollected title deeds, the city managed to register a total of 1 917 title deeds.

Housing Company Tshwane (HCT)

The city's municipal entities form part of its institutional arrangements and perform other municipal services in accordance with the objectives outlined in the Integrated Development Plan. In the main, Housing Company Tshwane (HCT) municipal entity, is one of the established entities in terms of the Companies Act, (Act 71 of 2008) and in accordance with the section 86 (c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). HCT is charged with the responsibility of implementing and facilitating the Tshwane's social housing programme, specifically the rental stock with specific focus on the following:

- Developing and managing affordable rental housing opportunities close to employment nodes, transport nodes, social amenities and related public services for households earning between R11 301-R22 000.
- Providing rental housing accommodation for people who do not qualify for subsidies and are unable to participate in the formal, non-subsidised housing market.
- Providing property management and turnaround services for low to medium-density social or rental accommodation
- Develop, managing all rental stock owned by the city and other market related properties.

- Managing and providing the Finance Linked Individual Subsidy Program (FLISP) for new homeowners.

Over the past financial years, HCT has recorded considerable progress with regards to the delivery of its mandate. This was demonstrated through amongst other things, the realization of most of its targets in areas of property and tenant management services, increased occupancy rate, continuous commitment to the development of Black Economic Empowerment (BEE) companies and SMME's, contributing towards enhancing the city's financials through increasing occupancy rate of city's property by 95% for four successive years while facilitating and supporting community development initiatives.

In the financial year under review, HCT recorded the following progress against its commitments set for the financial year. This also include several hindrances which amongst others included the city's budgetary constraints which impacted negatively in the construction activities of some of the infrastructure projects.

- Managed to achieve 97% occupancy rate in the buildings that it manages on behalf of the city.
- The progress on the Chantelle X39 bulk infrastructure upgrade project was at 22% completion at the end of 2022/23 financial year whereby only 50 units were constructed out of the 96 units that were targeted for development. The poor performance recorded is attributed to the contractor suspending site due to delayed payments from the city.
- Managed to resolve 92% of maintenance complaints within the set turnaround time against a target of 90%.
- Rental revenue increased by 40% (8.6 million to R13, 1 million).

Comments on the Overall Performance of Housing

Notwithstanding the countless challenges that hindered the city's efforts in meeting all its plans, good progress was made in some of the commitments set to be delivered over the financial year under review with regards to the delivery of housing. Some of the critical milestones that are commendable include the issuing of tittle deeds to guarantee land ownership to a total of 1 839 beneficiaries and implementing measures to address the challenges related to uncollected title deeds which amongst others include issuing of reminders to collect title deeds through various social media platforms. Furthermore, commendable progress in the upgrade of bulk infrastructure in Chantelle ext. 39 is also accounted for. Connecting a total of 1 543 stands to sewer and 1 496 stands connected to water through the reticulation infrastructure service is one milestone worth highlighting. The city acknowledges that the growth in the population in the region continue to place massive strain on its ability to meet the growing demand for housing and address the existing backlog. Efforts regarding land acquisition which resulted in city securing a total of 43,0577 hectares (ha) of land against a target of 15 hectares for human settlements development purposes is another commendable achievement.

COMPONENT B: ROADS AND TRANSPORT

INTRODUCTION TO ROADS AND TRANSPORT

Effective and efficient transportation system is the engine of the economic activities in all urban communities all over the world. Over the years, some of the big cities across the country have seen a large increase in road traffic and transport demand due to various factors amongst others - demographics and an increase in the demand for goods and services. This implies that the demand for transport by users or commuters is not only directed to utilization of the service for its direct benefits, but also as a mechanism to access other services. Consequently, this could lead to the deterioration of road capacity and an overwhelmed transport system. With a city as geographically expansive as Tshwane, it is critical that there is a determined effort to ensure that there is an integrated transport system which promotes interconnectedness, reduced traffic congestion, enablement of service delivery and importantly increased commuters' satisfaction. This also takes into consideration the provision of reliable, affordable and impactful public transport services such as buses, which are used extensively in the city.

In this regard, the city's interventions aimed at promoting effective and effective road and transport service are anchored on Priority 6: "*Maintenance and expansion of road infrastructure and public transportation*. In support of this priority, the following key focus areas were committed to:

- Expand the development and maintenance of road infrastructure.
- Uphold 95% traffic light functionality at all times supported by point duty service.
- Provide affordable and reliable bus services through Tshwane Bus Services (TBS) and A Re Yeng in responding to commuters' needs.
- Continuously evaluate transport routes to ensure integration across all major transport nodes in the city.
- Prioritising the construction of stormwater infrastructure
- Restructuring the budget to prioritise the maintenance and upgrades of old municipal roads.
- Exploring mechanisms to make public transport services more affordable or free for active jobseekers, elderly and people living with disabilities.
- Work with communities to identify suitable land for taxi ranks to combat illegal taxi ranking within the city.

It is against the background presented above that this component of this chapter provides elaborative details on the progress made with regards to the delivery of roads and transport development and maintenance in the city. The content also addresses all the challenges experienced and the actions being taken to address those.

3.5 ROADS AND STORM WATER

Roads and stormwater infrastructure plays a critical role in the provision of a reliable and effectively functional transport system. Providing roads and stormwater infrastructure was identified as key priority in terms of both service delivery and economic infrastructure. Roads and stormwater infrastructure is a critical element of services required for the mobility, accessibility and also proclamation of townships. Over the financial year under review, the city committed to tangible deliverables which included the construction of new roads and storm water drains adding to the existing networks. The focus was also on the maintenance of the existing roads and storm water network, including street verge maintenance, and storm water system and culverts cleaning and rehabilitation to continuously effect considerable improvements.

Notwithstanding some of the challenges experienced of which some are attributed to various and amongst others, contractor and subcontractor' disputes which in some cases led to delays on the construction activities of many projects and the city's financial constraints which resulted in suspension of some capital projects. Despite these challenges, some of the notable milestones achieved towards improving roads and stormwater infrastructure include the following:

- A total of 18.165 km of roads constructed to the required standard.
- Managed to deliver a total of 0.591km of required municipal storm water drainage network.
- Through the Integrated Rapid Public Transport Network (IRPTN), a total of 2 x 900m bus dedicated lanes and the Mixed Traffic Lanes along Paul Kruger Street (Myburgh Street to Mansfield Avenue) were constructed.
- A total of 3. 543 km of municipal road was graded.
- Delivered a total of 1.429 km of storm water drainage systems
- Completed the resurfacing and resealing of a total 11.25 km of road across the city.

Addressing of backlogs

With regards to addressing the backlogs in the delivery of roads and stormwater services, the city initiated several infrastructure projects which commenced in the 2020/21 and 2021/22 and some were scheduled to be completed in the 2022/23 financial year. The key objective for the implementation of these projects was to enhance the roads and stormwater drainage systems by building more drainage channels to address flooding issues, minimisation of soil erosion and promote the dissipation of stormwater run-offs. While other targeted projects still need to go through the procurement processes and construction had to be suspended due to the city's major budgetary constraints.

The following construction projects were implemented and completed in effort to improve traffic mobility and reduced flooding and property damage in all aspects:

Table 26: Roads and Stormwater Project Completed in the 2022/23 Financial Year

Project Name	Region	Ward	Completed Work Done
BRT Line 2C-January Masilela between Atterbury & Lynnwood Rd	6	44 & 46	100% completion of construction for sidewalks and 100% completion of construction on intersection upgrade
Construction of Major Stormwater Systems Klip kruisfontein	1	39	Construction of a total of 2.050km of asphalt and 9 units of speedhumps have been completed
The upgrading of Mabopane Block B	1	36	Completed with the construction of 1km of road surfacing and a total of 0.984km of stormwater systems and completion of 9 speedhumps
Upgrading of Internal Roads Mabopane Block R (Phase 1)	1	22	Completed the construction of base Layers and brick paving

Despite the financial challenges, the city continued implementing its other commitments related to effective delivery maintenance of roads and transport network. This include:

- Continuous maintenance of tarred and gravel roads especially those residing in the informal settlements;
- Rehabilitation and resurfacing of paved roads with efforts to prevent deterioration of existing infrastructure which could adversely affect road capacity; and
- Continued with the gravelling and re-gravelling of roads to eliminate gravel roads within the city.

The table below represents the service levels relating to stormwater during the 2022/23 financial year.

Table 27: Stormwater Infrastructure

Stormwater Infrastructure in Kilometers				
	Total Stormwater Measures	New Stormwater Measures	Stormwater Measures Upgraded	Stormwater Measures Maintained
2022/23	0.591Km	0.591Km	0	0
				T 3.9.2

The following table depicts storm water cost of construction/maintenance during the 20222/23 financial year.

Table 28: Cost of Construction/Maintenance

Cost of construction/maintenance R' 000			
	Storm water measures		
	New	Upgraded	Maintained
2022/23	R0	R113 457 210.00	R0
			T 3.9.3

The following table presents statistical information on road service policy objectives taken from the IDP for the 2022/23 financial year:

Table 29: Roads Service Policy Objectives as per the IDP

Strategic Priority	Outline service targets	Year -1		Year 0		Year 1	Year 2	Year 3
		Target	Actual	Target	Actual	Target	Target	Target
		2021/22	2021/22	2022/23	2022/23	2023/24	2024/25	2025/25
Service objective								
Priority 6: Maintenance and expansion of road infrastructure and public transportation	Kilometres of roads constructed to the required standard	4.2 km	5.355 km	10 km	18.165 km	10km	10km	30km
	Kilometres of required municipal storm water drainage network constructed	20 km	26.544 km	0.591 km	0.591 km	10km	10km	30km
								T3.7.6

3.6 Transport

Introduction to Transport

The City of Tshwane acknowledges that delivering an effective and efficient public transport system is driven by a complex set of factors relating not just to the level of demand for transport to meet commuters' needs, but also the consideration the extent of the service, affordability and reliability. In fulfilling this ideal, the city ensures the provision of a safe, reliable and affordable public transport through the provision of its bus operations - (Tshwane Bus Services (TBS) and A Re Yeng) in accordance with its Comprehensive Integrated Transport Plan (CITP) which was developed in line with the requirements of the National Land Transport Act, (Act No. 5 of 2009), Municipal Planning and Performance Management Regulations 2001 (Regulation 796) and the Gauteng Transport Framework Revision Act.

The city's approach with regards to the delivery of an effective and efficient public transport system is guided by various legislative prescripts. As a result, the provision of transport services takes into consideration the following critical inputs in the system:

- Transport Planning and Operations
- Transport Infrastructure Design, Construction and Maintenance
- Tshwane Bus Services
- Tshwane A Reng services
- Tshwane Airport Services
- Integrated Public Transport Network (Specialised Unit)

Performance with regards to Tshwane Rapid Transport (TRT)

The Tshwane Rapid Transit (TRT) programme was introduced as one of the catalytic public transport interventions aimed at providing access to affordable, safe and reliable transport. This programme was introduced as one critical component of the Integrated Rapid Transport Network (IRPTN), which represents public transport services that are rapid, with designated lanes and are faster than other forms of public transport. The TRT integrates with other modes across the city through transfers from one mode to another inclusive of minibus taxis, Tshwane Bus Service (TBS) including the Gautrain higher-speed express. Over the years, since the introduction of this rapid transport system, the city has realized a reasonable reduction of traffic congestion and pollution around Tshwane, and this was achieved through rigorous adherence to the Preventative and Corrective Maintenance of the Urban Traffic Control System requirements all along the BRT Routes in and around the Central Business District (CBD).

Since the introduction of the Tshwane Rapid Transit, the following milestones have been achieved:

- Maximum operations of a total of 12 fully functional stations that features dedicated three bus-only lanes that are built on line 1A on Paul Kruger between Nana Sita and Wonderboom station, line 2A on Nana Sita from Paul Kruger streets to Loftus Stadium and line 2B with movement from Nana Sita street - from Loftus stadium to Menlyn Maine, Pretoria East.
- In collaboration with the Tshwane's traffic service exercising their traffic control duties, 90.76% of TRT busses adhered to the scheduled travel time, and
- Ensured maximum accessibility of bus service stops for TRT buses that are low entry.

Tshwane Bus Services (TBS)

The Tshwane Bus Services (TBS) is a specialized unit of the City of Tshwane's transport services and has been in existence since 1907. Although the planned target to procure a minimum of 100 buses to replace the current aging fleet was not achieved due to financial constraints, the TBS continued fulfilling its significant role and provided much needed transport service in response to the public transport demand. Considering the inception year and with a fleet size of 254 old buses, it is unarguable that TBS is in urgent need of replacing the current fleet to reduce the maintenance costs associated with repairing and maintaining old buses.

TBS operates on 92 routes radiating from the Central Business District (CBD), with the average route length of 14km. The weekday services are provided over 14 hours, with the first service starting at 04:15 am and the last service at 19:40. On Saturdays the service runs over a period of 8 hours. The morning peak headways range from 5 minutes to 30 minutes. The operations are within reach for commuters at a maximum radius of 30km from the CBD. In total, TBS has 189 routes comprising 96 school routes, 92 normal routes and one contracted route. On a daily basis, there's a total of 920 planned trips which comprises of 160 shifts.

Although there can be several factors along the route of travel that can affect the overall reliability of a transit which include, but not limited to, stay time at bus stops due to a number of passengers boarding and disembarking, weather conditions which may result in traffic congestion, load shedding, etc., TBS ensures maximum adherence to the scheduled times to achieve commuters' satisfaction and trust in the service.

The table below presents the municipal bus service data for the 2022/23 financial year:

Table 30: Municipal Bus Service Data

Nr.	Details	2022/23	
		Estimate No.	Actual No.
1	Passenger journeys	4 483 840	5 729 101
2	Seats available for all journeys	2 328 480	2 328 480
3	Average Unused Bus Capacity for all journeys	0	0
4	Size of bus fleet at year end	254	253
5	Average number of Buses off the road at any one time	70	50
6	Proportion of the fleet off road at any one time	27.5 %	19.7%
7	No. of Bus journeys scheduled	230 400	483 840
8	No. of journeys cancelled	11	11
9	Proportion of journeys cancelled	0.2%	0.2%
			T.3.8.2

3.7 Tshwane Airport Services (Wonderboom Airport (WBA)

The City of Tshwane is the license holder of the Wonderboom National Airport which has been in existence for over 84 years. The airport provides services and facilities to users that covering various aspects of aviation and facilitates air transportation, recreation, and aircrew training activities. In terms of aeronautical movements, the airport is considerably busy, and this is mainly due to the volume of aircrew training traffic that are undertaken. The airport is not only occupied and utilised by aircraft owners, pilots, and student pilots, it also provides a variety of other aviation related activities ranging from repairs and maintenance, design, manufacturing, and avionics that contributes immensely to job creation and local economic development.

Over the 2022/23 financial year, the airport recorded a total number of 26 840 passenger landings and departures, with a total of 99 370 pilots flying in and out of the airport. The Wonderboom National Airport is conveniently situated next to the N4 Platinum highway which links up with the N1 and other alternative routes easily accessible.

Owing to the devastating effects of the Covid-19 pandemic where poor economic performance was recorded nationally and globally, the airline travel movements were restricted, and non-aeronautical activities were inactive. This led to adverse loss of revenue for the airport and massive economic decline.

It is worth noting that, as at 30 June 2023, post the latest Covid-19 levels, the aeronautical operations at Wonderboom National Airport have returned to full operations, and the aircrafts landings have advanced with a total of 170 daily. Furthermore, the airport operating license has been upgraded from Category 2 to Category 5 by the South African Civil Aviation Authority (SACAA), following the annual aerodrome license renewal positive audit outcomes. This upgrade to a higher-level category (5), effectively means that the airport's administrative systems, operational procedures, infrastructure, serviceability of aeronautical facilities and equipment, security measures and other aviation elements went above the minimum thresholds of civil aviation standards and were all found ultra satisfactory by SACAA.

The WBA continues to serve as a world class aviation education platform to the city's local communities wherein learners and students from various schools across Tshwane visit the airport for observing aircraft operations and attending career expos.

Wonderboom National Airport Situated in the North-East of Pretoria

Wonderboom Airport's Performance Highlights

The Wonderboom National Airport hosted the 2nd Edition of the AERO South Africa General Aviation Trade Exhibition in July 2022. The event was held in partnership with Messe Frankfurt South Africa - a world recognized biggest organizers of trade fairs, congresses and events. This was the first exhibition hosted post the end of the Covid-19 pandemic which caused the grounding of aviation industry operations locally and globally. The three-day trade event was attended by 72 exhibitors (8 International and 64 local) showcasing the industry's latest innovations from aviation sectors, across 5 106 sqm of the Airport land. The July 2022 AERO South Africa exhibition attracted 3 503 visitors as well as 103 aircraft fly-ins.

COMMENTS ON THE PERFORMANCE OF ROADS TRANSPORT OVERALL

Over the financial year under review, a number of roads and transport objectives were adversely impacted by the city's financial constraints and that led to the suspension of the capital projects and re-scheduling to complete some of their milestones in the next financial year. Although the suspension of projects under all circumstances is not encouraged nor supported a as it is very costly to the project and the realization of some of the roads and transport objectives, the city remained committed to the provision of an efficient and sustainable transport infrastructure and system. This was demonstrated through the construction of a total of 2 x 900m bus dedicated lanes and the Mixed Traffic Lanes along Paul Kruger Street (Myburgh Street to Mansfield Avenue) and operationalizing the Integrated Rapid Public Transport Network (IRPTN) plan.

Furthermore, another commendable stride worth noting, the city's Wonderboom National Airport strengthened its strategic positioning in the aviation sector upon securing an upgrade of its aerodrome license from Category 2 to Category 5 in line with the civil aviation standards. This commendable milestone not only uplifted the airport's competences; it also boosts Tshwane's market confidence to attract the much-needed investment for air commerce and subsequent growth of the airport thus enhancing local economic development.

Component C: Planning and development

Introduction to planning and development

In ensuring that the city's urban landscape reflects the capital city that "*Ignites Excellence*", great emphasis is placed on spatial transformation which is a necessary tool for growth and development. To give effect to this, in its strategic posturing at the beginning of the current term of administration, the City of Tshwane identified "spatial restructuring" as one of its key transformation areas. This is organised under Priority 2: "*A business-friendly city that promotes employment and economic growth*" of the ten anchor priorities of the city's programme for the term. The Tshwane's spatial transformation agenda is clearly articulated in the system of spatial development frameworks, which include the Metropolitan Spatial Development Framework (MSDF) and the recently approved Regional Spatial Development Frameworks (RSDFs). These spatial development imperatives are the city's spatial representation and find expression in the Integrated Development Plan (IDP) which remains the supreme plan of the city which gives overall framework for development.

In order to achieve its spatial, economic growth and development goals; creating more opportunities for the people of Tshwane, ensuring integrated and sustainable communities, accelerate investment and opportunities, the city committed to deliver on the following as an attempt to realize the objects of the above stated strategic priority:

- Targeting minimum spend of 95% of the city's capital budget to drive development and promoting job creation in the private sector.
- Prioritization of capital expenditure to areas that will support strategic urban developments to activate economic growth and expansion.
- Development of infrastructure to support informal traders with dedicated trading zones.
- Continue regenerating the Inner City and advance economic growth through implementation of focused programmes.
- Utilising MSDF as a spatial restructuring tool to redress the municipality's spatial forms by redirecting and encouraging growth in investment nodes.
- Continue developing and supporting the Fresh Produce Market to become an economic hub.
- Strengthen infrastructure development in the Special Economic Zones such as Silverton to support the expansion of the automotive sector.
- Facilitate support to small scale farmers to enhance food security.
- Prioritizing job creation in all infrastructural investment projects.
  • Provision and increase access to- information and communications technology, including Wi-Fi for township businesses.

3.8 Planning

Introduction to Planning

In support of the key strategic priority aimed at realising Tshwane's spatial, economic growth and development goals, the following key principles were considered:

- Managing spatial development within the Tshwane region in order to ensure optimal land use.
- Providing a professional land use management function and information that facilitate development while providing legal protection of existing land use rights.
- Applying building control in a professional manner to ensure a healthy and safe city.
- Placing outdoor advertising signs in accordance with legal and safety requirements to not compromise the aesthetic environment.
- Delivering services to the communities of Tshwane through assessment and approval of building plans

Land Use Management and Toponomy

The city through its Spatial Planning Department, regulates the use of land in line with the requirements of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) and Regulations, Land-use By-Laws and the Tshwane Land Use Management Scheme to achieve the Tshwane 's desired urban form. In this regard, over the financial year under review, the number of township establishments not finalized within 90 days recorded was 270 which presents a reduction when compared to the 379 recorded in last financial year. With regards to rezoning, the number of rezoning applications not finalized within 90 days was reduced to 489 from the 911 applications received and resolved in the last financial year. Also, a reduction in the consent use applications not finalized in 30 days was observed. This was reduced from 592 recorded in the 2021/22 financial year to 520 permission applications in the financial year under review.

Precinct Plan to Augment Urban Regeneration

In the financial year under review, the city identified a number of precinct plans to be developed and reviewed in areas that needed urban regeneration and to address other spatial planning interventions. The following precinct plans were completed in the 2022/23 financial year:

Table 31: Precinct Plans Developed

Nr.	Name	Status
1	Pretoria West Precinct Plan	Approved for implementation
2	Groenkloof Nature Reserve Precinct Plan	Approved for implementation
3	Rosslyn (Akasiaboom) Precinct Plan	Undergoing the public participation during the development of this report
4	Rosslyn (Inland Port) Precinct Plan	Undergoing the public participation process during the development of this report
6	Pyramid South Precinct Plan	Undergoing the public participation process during the development of this report
7	Centurion Precinct Plan	Undergoing the public participation process during the development of this report
8	Clydesdale Precinct Plan	Draft precinct plan has been finalised and undergoing approval process

Nr.	Name	Status
9	Fresh Produce Market Precinct Plan	Public participation process finalised and processed for Council approval
11	Garsfontein Precinct Plan	Commenting process currently underway and planned for approval by end second quarter of 2023/24 financial year

BUILT ENVIRONMENTAL MANAGEMENT

The city provides built environmental management services that guide the principles for designing, building of structures, and ensuring that all regulatory building and development standards are adhered to as per the Tshwane Town Planning Scheme. The table below presents a summary of all built environmental management activities recorded in the previous financial years including the year under review.

Table 32: Building Control, Building Plan Applications and Inspection Management

Particulars	2018/19	2019/20	2020/21	2021/22	2022/23	Total achieved
Building plan applications received	11 472	8 662	10 490	9 868	9 319	49 811
Building plan applications approved	9 824	6 878	7 128	8 379	8 501	40 710
Site development plans submitted	813	631	666	726	785	3 621
Site development plans approved	552	375	366	453	1 262	1 746
Encroachment and height relaxation applications received	2 447	1 911	2 551	2 374	2 972	12 255
Encroachment and height relaxation applications approved	2 384	1 734	1 926	2 434	3 061	11 539
Building-related inspections conducted	29 138	18 585	15 792	24 629	16 372	104 516
Building-related kilometres travelled	291 246	202 259	230 167	256 788	286 372	1 266 832
Contravention notices served	586	596	997	1 408	1 187	4 774
Occupation certificates issued – residential	8 060	5 148	1 762	1 498	1 675	16 381
Occupation certificates issued – non-residential	121	101	43	21	40	326
Occupation certificates issued – additions and alterations to existing residential and non-residential buildings	1 417	1 114	884	1 005	1 486	5 906
Approved construction area (N)	**1 911 602**	**1 409 571**	**1 516 463**	**1 577 216**	**1 843 618**	**6 414 852**

The table below provides feedback with regards to built environment and enforcement inspectorate undertaken over the financial year under review.

Table 33: Built Environment and Enforcement Inspectorate

REGIONAL: ILLEGAL LAND USE (TPS)	R2	R3	R4	R5	R6	R7	TOTAL
Complaints received	128	306	162	3	282	0	1071
Investigations and follow-ups	163	728	260	3	642	0	2255
Notices served	144	324	140	3	281	0	1101
Non-compliance to notice - Refer to Municipal Courts	56	13	55	0	22	0	185
Referals to Dept of Finance to activate NPU	76	107	61	0	57	0	359
Convictions	4	5	0	0	0	0	10
OUTDOOR ADVERTISING ON PRIVATE PROPERTY							
Complaints received	0	24	16	0	67	0	107
Investigations and follow-ups	15	41	6	0	408	0	584
Notices served	5	28	11	0	86	0	289
Non-compliance to notice - Refer to Municipal Courts	2	0	0	0	0	0	2
Referals to Dept of Finance to activate NPU	0	0	0	0	0	0	0

Outdoor Advertising

The city passed the Outdoor Advertising By-law in 2006. The by-law was designed to regulate outdoor advertising from all public spaces within the municipal jurisdiction. Generally, outdoor advertising in South Africa is managed through an application process in line with the South African Manual for Outdoor Advertising Control (SAMOAC) of 2010, the South African National Roads Agency Limited (SANRAL), outdoor advertising regulations, the Ribbon Development Act, No. 21 of 1940 which was acclaimed as one of the most far-sighted proclamations at the time.

Over the financial year under review, the city managed more than 550 outdoor advertising contracts with an annual income generation of more than R60m. Through the formulation of new outdoor advertising By-laws which will introduce new outdoor advertising sign classes and updating existing sign classes, this will assist in enhancing more outdoor advertising opportunities for the city and ultimately boost municipal revenue.

3.9 Local Economic Development (LED)

Introduction to Local Economic Development

Acknowledging of the role that the city must play in the development of the local economy, the provision of a wide-ranging support to all efforts of economic growth and development is critical. In support of this notion, the city's interventions with regards to promoting local economic development were geared towards providing effective support to small businesses for sustainability; attracting and enhancing investments, creating income earning opportunities, developing industry-related skills and job creation; continuously supporting Tshwane's entrepreneurs; small, medium, and micro enterprises (SMMEs) and cooperatives. With the support of the Tshwane Economic Development Agency (TEDA), the municipal entity that also contributes towards the objective of local economic development, the aforementioned interventions yielded the following results:

- Supported a total of 859 SMMEs through various business support initiatives.
- Attracted investment to the value of R1.7billion
- Supported 173 co-operatives (business skills training and technical skills training were provided to agricultural co-operatives)
- Processed a total of 1 238 formal business applications (formal and informal)
- Issued a total of 487 informal business permits to Informal Traders
- Generated R114,955,658,25 worth of revenue through Outdoor Advertising, Building Control and Law Enforcement activities.
- Instituted 1 383 enforcements to contravenes of the SPLUMA Land-use By-Laws.

Performance Highlights

Ranyaka Building Business Programme

Since its inception in June 2022, the Ranyaka Building Business (RBB) has made remarkable strides, providing training and capacity building to youth owned small, medium, and micro enterprises (SMMEs) from the greater Tshwane area, even though the programmes were not only confined to youth owned enterprises, but majority of the beneficiaries were young people. Ranyaka Building Business is a Non-Profit Organisation (NGO) Programme aimed at developing local entrepreneurs. Additionally, the programme successfully onboarded 20 key businesses, offering vital support in the form of business support, mentorship, and coaching. Furthermore, through the support of this programme, the growth within these SMMEs has been truly remarkable, with an impressive increase of almost 50% in their overall business operations. The dedication and resilience of the entrepreneurs have translated into substantial improvements in their profitability with a remarkable 60% growth in turnover and profits. These achievements not only validate the effectiveness of the RBB Programme, but also instill hope to other aspiring entrepreneurs.

In the 2022/23 financial year, RBB held a graduation ceremony to award 20 SMMEs for their contribution to the growth and local economic development. This demonstrated SMMEs ability to defy the odds by demonstrating their potential for sustainable growth and prosperity while overcoming obstacles and thrive in challenging circumstances.

Figure 9: Graduants at the Ranyaka Graduation Ceremony

Food Acceptability training ceremony to Informal Traders and Food Handlers

The city in collaboration with Small Enterprise Development Agency (SEDA), delivered a training awareness programme to food handlers, food premises owners and informal traders with the purpose of providing informal traders an opportunity to secure certificates for food acceptability and compliance purposes from the Department of Health, since they could not afford the food handling training provided by the Health Department. A total of 68 food handlers received training and were awarded with food acceptability compliance certificate to enable them to trade.

Figure 10: Informal Traders Certificate Ceremony

Construction Of Phase 2 of Marabastad Informal Traders Market

The Marabastad Informal Traders Market project for the formalization of Informal Traders commenced in the 2021/22 financial year to provide Informal Traders with trading opportunities and to expose them to their target market. In the financial year under review, the city identified the need to upgrade the 2nd Phase of this project and build informal trade stalls across which will be used to improve informal trading working conditions. The informal trader stalls will provide City of Tshwane with an opportunity to see how the Informal Trades are performing and identify ways in which the sector can become more competitive in the market and become independent. The area identified is the 11th Street Meat in Marabastad and the project include the construction for meat traders, bulk tomato stalls, a tuck-shop, food stalls, restaurants, the refurbishment of the meat-chopping facility and the installation of high-beam lights.

Figure 11: Marabastad Informal Traders Market

Expanded Public Works Programme (EPWP)

EPWP is a nationwide programme intended to create employment and skills opportunities for the unemployed and marginalized. The City of Tshwane implements EPWP through the implementation of various projects including capital projects. The implementation of this programme is in line with the city's EPWP Policy whose aim is to:

- focus on the infrastructure, social and environment sectors which will offer the best opportunities for the unskilled labour
- focus on unemployed, under-skilled and under-qualified persons

In the period under review, a total of 20 893 income earning opportunities were created through EPWP interventions implemented across the city.

TSHWANE FRESH PRODUCE MARKET

The role of the Tshwane Market is to provide a central distribution system for the trading of agricultural products for the city. The market strives to maintain its position in national fresh produce markets in South Africa and plays an important socio-economic role, such as improved access to quality food, providing better marketing opportunities for farmers as well as providing employment and business opportunities to communities. Contributing to the the objects of strategic priority 5 outlined in the IDP, the Tshwane Market committed to the following objectives:

- Enhance food security efforts for the City of Tshwane by attracting agricultural products to the market.
- Provide infrastructure and services which satisfy the market user's needs.
- To contribute towards the city's economic growth and city's job creation targets.

In the pursuit of the above stated objectives, the Tshwane Market achieved the following results for the 2022/23 financial year:

- A total of 6,196 suppliers delivered approximately 621,170 tonnes of fresh produce to the Tshwane Market.
- Realised a market share of 18.41% as at June 2023 within the fresh produce market sector.
- A total of 13,665 buyers procured market products worth a value of R4 168 156 436 from the Tshwane Market.

The table below presents statistical information regarding the local economic development service policy objectives taken from the IDP for the 2022/23 financial year.

Table 34: Local Economic Development Service Policy Objectives as per the IDP

Strategic Priority	Outline service targets	Year -1		Year 0		Year 1	Year 2	Year 3
		Target	Actual	Target	Actual	Target		
		2021/22	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Service objective								
Priority 3. A business friendly city that promotes employment and economic growth.	Rand value of investment facilitated into the city (annual)	1 600 000 000	2 200 000 000	R1.6 billion	R1.7 billion	R1.8billion	R1.9billion	R2billion
	Number of work opportunities created through public employment programmes (incl. EPWP, CWP and other related employment programmes)	17 975	15 304	17 964	20 893	18200	18400	18600
	Number of co-operatives supported through the co-operative development program	120	159	140	173	160	170	180
								T3.11.7

TSHWANE ECONOMIC DEVELOPMENT AGENCY (TEDA)

The Tshwane Economic Development Agency was established as an entity in an effort to accelerate economic growth and development as well as job creation in Tshwane. TEDA continues striving to fulfil its mandate supporting the city to realise the IDP's economic growth priorities and commitments. These include providing effective support to SMMEs, promoting trade and investment, providing business development support programmes for co-operatives, and coordinating and facilitating skills development programmes and other flagship programmes of the city.

The key strategic objectives pursued by TEDA are as follows:

- To promote, facilitate and coordinate trade and investment for strategic infrastructure and to create value for the City
- To identify, design, develop and manage projects with strategic economic and social benefits for the greater Tshwane community
- To develop and maintain Tshwane as a unique (sector specific) tourist destination
- To develop and maintain a strategic immovable and property asset portfolio for maximum return on investment
- To develop, facilitate and promote viable foreign and local investment for Tshwane
- To build TEDA as a strong and effective organisation in the context of good governance and best practice

KEY SERVICE DELIVERY ACHIEVEMENTS FOR THE 2022/23 FINANCIAL YEAR

The following are notable performance highlights of TEDA for the financial year under review:

- Over the financial year under review, TEDA facilitated a total of four investment projects into the city primarily in the automotive and components sector. The facilitation of investments in the Tshwane Automotive Special Economic Zone remained a key economic activity in facilitating the creation and retention of sustainable employment opportunities, which successfully increased investment to an unwavering R3 028 billion rand over the period under review.
- TEDA facilitated stakeholder engagements with SMMEs within the seven regions of Tshwane to tackle challenges confronted by these small businesses.
- Assisted a total of 65 Tshwane-based companies with export development opportunities.
- Attracted and retained investment in Tshwane as a platform to accelerate job creation and economic growth through securing a total of R 4 746billion rand value of landed investment projects in Tshwane.
- During the period of 21-25 September 2022, TEDA in collaboration with the Commercial Aerospace Manufacturing Association of South Africa (CAMASA), Aerosud and the Gauteng Department of Economic Development participated in the Africa Aerospace and Defense (AAD) expo. The expo brought together industry players in aerospace and

defence whereby four Tshwane companies participated and exhibited their products and services at the Africa Aerospace and Defence Exhibition.

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

Over the financial year under review, the city made commendable progress towards achieving its economic growth and development objectives. Some of the notable progress recorded includes providing continuous support to co-operatives and SMMEs to address the challenges confronted by these small businesses, and encouraged growth by making it easy to do business in Tshwane. Another important highlight recorded is the revision of the city’s MSDF during the financial year under, during a period where bleak economic performance was recorded nationally. Other commendable strides include TEDA’s impressive efforts of securing investments amounting to R4 746billion and successfully increased investment to an unwavering R10.3 billion over three years primarily in the automotive and components sector.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The City of Tshwane recognizes community and social development as a vehicle with significant benefits to the communities with regards to improving their socio-economic situation. While the city takes a universal approach towards community and social development, priority is given to the poor, vulnerable and marginalised communities. In support of this principle, the city implements a host of community and social services in an attempt to promote social cohesion, sustainable communities whilst restoring the dignity of the people. These services are rendered through the implementation of a number of programmes dedicated to various groups in the communities such groups include women, the youth, people living with disabilities, children, and other vulnerable groups in the communities.

Against this background, this section presents details regarding progress made and challenges recorded on the provision of community and social services over the 2022/23 financial year. The discussion focuses mainly on the following thematic areas:

- Libraries
- Cemeteries and Crematoriums
- Social Development and Childcare Programmes

3.10 LIBRARIES

Generally, libraries do not only serve the purpose of providing information and knowledge, but also serve as a centre for socializing through learning, they provide communities with an opportunity to explore and learn from different cultures through research and knowledge sharing. In that regard, in the City of Tshwane, information dissemination is through books and other information resources to enhance library facilities, including the delivery of various activities and events related to reading development and promotion. The city's efforts in respect of the provision of library information services in the financial year under review included the following:

- Creating and strengthening the culture of reading in communities especially children.
- Implementing various learning related programmes in an effort to provide Tshwane residents with opportunities for personal creative development.
- Ensuring access to information relevant to community interests.
- Providing adequate information services to local enterprises, businesses, associations and interest groups.
- Facilitating the development of information and computer literacy skills.

Library Programmes Implemented

In pursuit of the above stated commitments, over the financial year under review, the city implemented various library programmes to ensure maximum provision of library information services and to promote a culture of reading in communities. The details are discussed below.

- **Born to Read** – The activities in support of this programme were rolled-out at various libraries across the 7 regions in the city from 09 – 28 February 2023. The primary focus for the year under review was to promote reading amongst mothers to encourage residents to integrate books in their baby/children's lives at an early age. Furthermore, the programme was also meant to support and strengthen reading and learning in the local early childhood development centers, libraries and the pre-primary schools.
- **Tshwane World Read Out Loud Programme -** Held on 01 February 2023 at St. Joseph Kulani Primary School at Winterveld, Region 1, the programme was a collaborative effort where various schools across participated and the theme for the programme was in recognition of the "Every day's a story" written by one of Tshwane's renowned authors: Tumisang Shongwe.

3.11 Cemeteries and Crematoriums

The city acknowledges that cemeteries remain part of the human environment and are observed as deceased connection place with their loved ones whilst upholding the historical significance to the local community. The rapid increase in population leading to an increased mortality rate exacerbates the lack of availability of new burial spaces in the city. Over the years, the city has been confronted with numerous challenges relating to the development of cemeteries due to lack of suitable land for cemetery establishment especially in densely populated residential areas. The city's cemeteries and burial services are rendered in seven regions with burial sites continuously depleting.

The city's burial services also include the daily operations of the Rebecca Street Crematorium in Pretoria West, Region 3. The planning for a second crematorium in Pretoria East is underway of which construction has commenced and expected completion date is at the end of next financial year.

Over the financial year under review, the city developed a Cemetery Establishment Programme and the programme is meant to deal with challenges relating to the provisioning of burial services over a long-term period. This programme is implemented in stages and include the following:

- Identification of sites presenting the potential to be developed into new or extension of existing cemeteries.
- Undertaking of geotechnical and geo-hydrological investigations to ensure suitability for burial purposes.

- Request for approval of land portions owned by the city that need to be reserved for the establishment and/ or extension of cemeteries.
- Acquisition of properties not owned by the city to establish cemeteries.
- Conducting Environmental Impact Assessments (EIAs) to acquire prerequisite Environmental Authorization for the establishment of cemeteries.
- Through the relevant channels, engage in the processing of land development application processes necessary for the establishment of cemeteries that include sub-division and rezoning; and

Progress to date with regards to the implementation of the commitments presented above regarding the Cemetery Establishment Programme include, reservation of land earmarked for burial purposes, environmental studies conducted and development of designs which are currently underway.

The table below presents the city's cemeteries and their lifespan.

Table 35: City of Tshwane Cemeteries and their Life Span

Nr.	Cemetery	Site Description	Land Availability in Hectares (Ha)	Life Span (Years)	Region
4	Honingnestkrans Cemetery	Honingnestkrans 269-jr	48.7	20-25yrs	2
5	Tshwane North Cemetery	Sterkwater 106-jr	20.30	10yrs	
6	Lotus Gardens Cemetery	Pretoria town and townlands 351-jr	18.50	10 years	3
7	Zandfontein Cemetery	Zandfontein 317-jr	22.91	30-40 years	
11	Cullinan Cemetery	Cullinan 638-jr	2.33	5 years	5
12	Refilwe Cemetery	Refilwe x05	2.22	2 years	
13	Rayton Cemetery	Elandshoek 337-jr	1.05	5 years	
14	Pretoria East Cemetery	Garstfontein 374-jr	51.6 hectares	15 years	6
15	Hatherley Cemetery	Hatherley 331-jr	98.1 hectares	20 years	
16	Kungwini Cemetery	Leeuwfontein 487-jr	12.96	40 years	7
17	Bronkhorspruit Cemetery	Nooitgedacht 525-jr	9.5	15 years	

3.12 Social Development

Introduction to Social Development

The South African government adopted the National Development Plan (NDP): Vision 2030. The plan identifies that the improvement of the quality of public services as a critical enabler in achieving transformation. One of the most critical focus areas of the plan is elimination of poverty and the reduction of inequalities. As part of its contribution to this national imperative, the City of Tshwane delivers comprehensive social development and empowerment programmes in pursuit of building cohesive communities and promoting inclusivity. This includes empowerment programmes for women, youths, and vulnerable children. The delivery of these programmes assists communities greatly in strengthening their emotional well-being and giving them a sense of self-importance. In the financial under review, the city continued with its commitment to the provision of support to vulnerable residents through the provision of comprehensive free basic municipal services, which include 12 kℓ of water, 100 kW/h of electricity and services packaged as part of the indigent programme.

Social Development Programmes Implemented

Improving the livelihoods of the vulnerable groups is an obligation that the city continues to uphold. This is expressed through providing support in the form of health assistance, food, shelter, and homeless upliftment projects and in some cases, forging partnerships with several Non-Governmental Organisations (NGOs) across Tshwane to deliver these support programmes.

Some of the milestones recorded with regards to the delivery of social development programmes over the financial year under review, include the following:

- Participation in World Homeless Day event held in December 2022, which is an annual international event to raise awareness on the plight of the homeless. A total of 500 beneficiaries attended the event and took part in various sporting activities. The event was a partnership with the Gauteng Social Development, where over 10 NGOs were active participants in support of the plight of homelessness.
- Implementation of the Homelessness Programme whereby a total of 2 913 homeless beneficiaries from the 8 centers across 7 regions were assisted by Social Workers through the provision of various social services. The support services provided during the programme included food provision, health services, psychosocial support, substance abuse programme, family reunification, skills development and linking beneficiaries with various employment opportunities.
- Signing a Memorandum of Understanding (MOUs) with 9 NGOs across the city in an effort to address the challenges facing homelessness. The agreement led to the acquisition of three properties and handed them over to NGOs to be utilized as homeless shelters.
- Continued with providing support the Council-managed Early Childhood Centers (ECDs).
- With regards to Gender Based Violence (GBV) and women programmes, Gender Forums were established across the city which led to communities members getting training on the soft skills and steps to be undertaken when confronted with GBV situations.

Indigent Programme

The city implements its indigent support programme in line with the Municipal Indigent Policy which is intended to guide initiatives to improve the lives of indigents through the provision of free basic municipal services. These services include water and sanitation, electricity, refuse removal and burial support. Owing to a number of socio-economic factors, some households are unable to afford municipal services thus this noble support programme offered by the city. The city's Indigent Policy sets clear qualifying criteria guidelines for eligible households. The criteria include the following:

- The gross monthly income of all the members of the household does not exceed the joint amount of two state old age pensions excluding child support grant and foster care grant.
- The applicant as well as any other members of the household does not own other fixed property than the one in which they reside.
- The person/applicant applying on behalf of a household must be eighteen (18) years or older, except if the child is appointed executorship by a court of law.
- The person/applicant applying on behalf of a household must reside at that property except when a guardian applies on behalf of a child headed household.
- The person/applicant applying should be the registered owner or municipal tenant as defined in the indigent policy except when a guardian applies on behalf of a child headed household.
- The person/applicant must be a South African Citizen
- A child from a child headed household who is eighteen (18) years and older may apply to have the household registered as indigent.

Against this background, through its social package of services organized under the indigent programme, the city reached out to a total of 123 594 indigent households while a total of 23 285 indigent households exited from the indigent register. Furthermore, the city's Indigent Policy is currently undergoing a review with the aim to accommodate and respond to emerging socio-economic needs.

The following table presents statistical information regarding social development service policy objectives taken from the IDP for the 2022/23 financial year:

Table 36: Social Development Service Policy Objectives as per the IDP

Strategic Priority	Outline Service Targets	Target	Actual	Target	Actual	Target		
		2022/22	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Strategic objective								
Priority 7: A caring city that supports the vulnerable and provides social relief.	Number of indigent households supported by the City through its social packages	3 000	4 187	3 000	123 594	3000	3000	3000
	Number of indigent households exited from the indigent register	4000	5 822	4000	23 285	4000	4000	4000
								T3.6.5

Comments on the Overall Performance of Community and Social Services

Over the financial year under review, the city continued to demonstrate its commitment to the provision of comprehensive social development services. Additionally, the continued support given to the indigent households through the provision of a social package of services including amongst others, free electricity and water services is making a significant contribution in reducing the impact of poverty. Other notable interventions delivered include, the funding support provided to the Early Childhood Development Centres to enhance their educational programmes and the development and promotion of safety of children.

Component E: Environmental Protection

Introduction to Environmental Protection

With the effects of global warming continuously on the rise which could sometimes lead to the environment deteriorating and causing harm to human health, the city acknowledges the importance of protecting the environment which requires sustainable ways to realize maximum environmental welfare. In support of this notion, the city's interventions with regards to promoting effective environment management and protection are anchored in Priority 5 outlined in its IDP *"Maintaining a clean and protected natural environment".* In response to this priority, the city's efforts with regards to environmental protection and promoting sustainability through protecting the natural resources were geared towards reduction of waste that goes to the landfills, maintenance of biodiversity and resorts, reviewing of the waste management By-law, preventing illegal dumping and stabilizing the waste collection and waste disposal services.

The city's approach to environmental management and protection is guided by various legislative prescripts. As a result, the city is obligated to provide the following environmental management services to its citizens:

- Environmental policy monitoring and compliance
- Environmental planning and open space management
- Air quality management
- Environmental education
- Recreational parks and nursery services
- Burial facilities
- Nature conservation and resorts operation

In addition to the above stated environmental management services that the city delivered to its citizens, various opex and capex projects were implemented in the financial year under review. These projects contributed immensely towards improving the aesthetic outlook of the city's resorts facilities and the necessary repairs and maintenance were also carried out to ensure that these amenities are kept in optimal working condition for utilization by Tshwane residents. The following projects were implemented and completed:

- Upgrading of both workers and public ablution facilities at the Wonderboom Nature Reserve for the promotion of good hygiene practices while complying with the health and safety regulations
- Procurement of waste containers with efforts to manage waste effectively for municipal resorts to stay clean and environmentally friendly while meeting legislative and regulatory requirements.
- Acquisition of furniture and equipment for offices and accommodations facilities for resorts and nature reserves across the city

The sections below present specific details regarding progress made and challenges recorded with regards to environmental management services provided by the city over the 2022/23 financial year.

BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES)

In the City of Tshwane, the importance of biodiversity for the human well-being is highly recognised. As a result, preserving and protecting all the city's biodiversity landmarks is fundamental for a healthy ecosystem and as part of a broader effort to ensuring that the residents of Tshwane enjoy these landmarks. The portfolio of biodiversity and resorts management in the city covers a host of nature reserves and nature areas which include mountains and ridges, rivers and wetlands, alien plants removal, bird sanctuaries), resorts and their swimming pools, biodiversity compliance and implementation of ecological management plans. The resorts that are located in the nature areas and activities can be enjoyed in the nature areas. Therefore, the resorts are not simply considered to be simple typical hospitality facilities but integral parts of the nature areas and are managed in such a way that their usage is within the carrying capacity and sustainable use of the nature areas.

Over the financial year under review, the total amount of wildlife managed in the nature reserves was 1 955 species. This includes two species of the big five namely, rhino and buffalo. Alien plant removal is also regarded as a high priority, as a result, the city acknowledges that to combat this challenge is to enhance awareness. In the financial year under review, the city's nature reserves recorded a total of 303 014 visitors who came to enjoy the tranquility offered by these amenities. The income generated through nature reserves' visits amounted to a total of R16 205 886,78 injected into the city's fiscus for the year under review.

The table below presents the city's Nature Reserves and their sizes in hectares (Ha):

Table 37: Tshwane Nature Reserves as at 30 June 2023

No	Nature Reserve	Size in Hectares (Ha)
1.	Rietvlei Nature Reserve	4624.63
2.	Colbyn Wetland Nature Reserve	66
3.	Faerie Glen Nature Reserve	124
4.	Groenkloof Nature Reserve	668.2
5.	Klapperkop Nature Reserve	239.5
6.	Voortrekker Monument Nature Reserve	237.3
7.	Frank Struben Nature Reserve	4
8.	Austin Roberts Nature Reserve	17
9.	Wonderboom Nature Reserve	126
10.	Bronkhortsspruit Nature Reserve	870.3


Figure 12: Tshwane's Nature Reserves

City of Tshwane's Resorts Operations

The Tshwane Resorts Operations consists of 12 resorts (1, 265.38 hectares) situated across all regions in the city. Some of the infrastructure and buildings have been heavily vandalized due to insufficient security and personnel which remained a challenge in the 2022/23 financial year. To this effect, the city manages a total of four (4) recreational resorts, six (6) swimming pool resorts and two (2) angling areas situated across all regions in the city. At the end of June 2023, a total of 97 726 resorts' visits were recorded and that generated approximately R 14,751,387.61.

The table below presents resorts within Tshwane jurisdiction and their land mass:

Table 38: Tshwane Resorts

No	Resorts	Type	Size per Ha
1.	Klip Kruisfontein Resort	Swimming Pool	19
2.	Fountains Valley Resort	Swimming Pool	54
3.	Joos Becker Caravan Park	Recreational	6
4.	Ga-Mothakga Resort	Swimming Pool	30
5.	Kwaggaspruit Resort	Swimming Pool	30
6.	Rooihuiskraal Historical Terrain	Recreational	17.7
7.	Zwartkop Lapa Resort	Recreational	19
8.	Derdepoort Resort	Swimming Pool	127
9.	Rietvlei Angling Area	Angling Area	60
10.	Moretele Resort	Swimming Pool	23
11.	Bronkies Angling Area	Angling Area	870.38
12.	Die Draai Resort	Recreational	9.3

The table below presents visitors' numbers recorded per resort recorded in the 2022/23 financial year:

Table 39: Number of Visitors per Facility

Facility	Visitors Recorded in 2022/23 FY
Klip Kruisfontein Resort	2617
Fountains Valley Resort	13774
Joos Becker Caravan Park	784
Ga-Mothakga Resort	14711
Kwaggaspruit Resort	5543
Rooihuiskraal Historical Terrain	9283
Zwartkop Lapa Resort	1640
Derdepoort Resort	20652
Rietvlei Angling Area	16185
Moretele Resort	6947
Bronkies Angling Area	4996
Die Draai Resort	594
Total	**97 726**

Air Quality Management

Access to a clean environment is a fundamental right of every citizen in Tshwane. To realize this imperative, the city strives to reduce air pollution and improve air quality In line with the air quality standards prescribed by the National Environmental Management: Air Quality Act, 2004, No. 39 of 2004 and the constitutional obligation outlined in section 24 of the Constitution of the Republic of South Africa. In this regard, the city operates an Air Quality Monitoring network which consists of 9 ambient air quality monitoring stations located across different parts of the city and 5 of these stations are fully functional. The city utilizes the air quality monitoring stations to assess and keep track of the impacts of industrial and residential activities on the ambient air quality, and to determine the main sources of pollution which guides the interventions to be implemented to address all anomalies identified.

Progress with regards to the City's Air Quality Management

Progress made with regards to enhancing and managing the air quality over the financial year under review include the following:

- Development of an air quality monitoring index in line with the Air Quality Management Plan to track the status of monitoring stations daily against various air quality pollutants

(Ozone (O_3), Sulphur Dioxide (SO_2), Nitrogen dioxide (NO_2), Particulate Matter (PM_{10} and $PM_{2.5}$).
- Enforcement and compliance monitoring programme, particularly for high emitting sectors, and penalize non-compliance with monetary fines and revocation of operational licenses (as per Atmospheric Emissions Licenses (AELs). Ensure that AELs are enforced to ensure compliance with the National Ambient Air Quality Standards (NAAQS).
- Conducted education and awareness programs in an effort to raise awareness across Tshwane communities on the causes and impacts of air pollution. Focus was mainly on the household energy usage, raising awareness on the dangers of emitting industries to those in close proximity.
- Participated in events commemorating international days of air quality in partnership with various industries, universities, and Non-Governmental Organization (NGOs) with emphasis on the importance of clean air and the urgency to act to improve air quality and protect human health.

Comments on the Overall Performance of Environmental Management

Recognized as one of the largest metropolitan cities in the world in terms of geographical land mass, Tshwane contains a diversity of nature's fauna and flora which should be protected and safeguarded at all costs. It is for this reason that over the financial year under review, premium focus was placed on the maintenance of biodiversity and resorts, while continuing with other commitments related to the reduction of waste that goes to the landfill sites, reviewing of the waste management By-law, preventing illegal dumping and stabilizing the waste collection and waste disposal services. In line with these commitments, considerable progress was recorded which in other areas such as resorts' visits with an increase in revenue for the city by a total amount of R16 205 886,78 added to the city's fiscus. Furthermore, enforcing compliance to environmental management laws and standards assisted the city in managing its operations in an environmentally sustainable manner while maximizing access of these amenities for Tshwane residents to continue to enjoy.

Component F: Health

Introduction to Health

In line with Schedule 4B of the Constitution of the Republic of South Africa and as defined by the National Health Act, 2003 No. 61 of 2003, municipalities are responsible for providing reasonable, impactful high-quality health care and social services to everyone in need of them, regardless of their age, gender and ethnic group. In fulfilling this obligation, the city is boldy committed to the agenda of social transformation and expresses this commitment by providing comprehensive basic healthcare services to Tshwane residents. In the financial year under review, the key health services priorities included the provision of a high-quality Primary Health Care (PHC) service at Tshwane Clinics, promoting public awareness campaigns with regards to major health care matters such as HIV/ AIDS, Tuberculosis (TB), STI services, drug and substance abuse services.

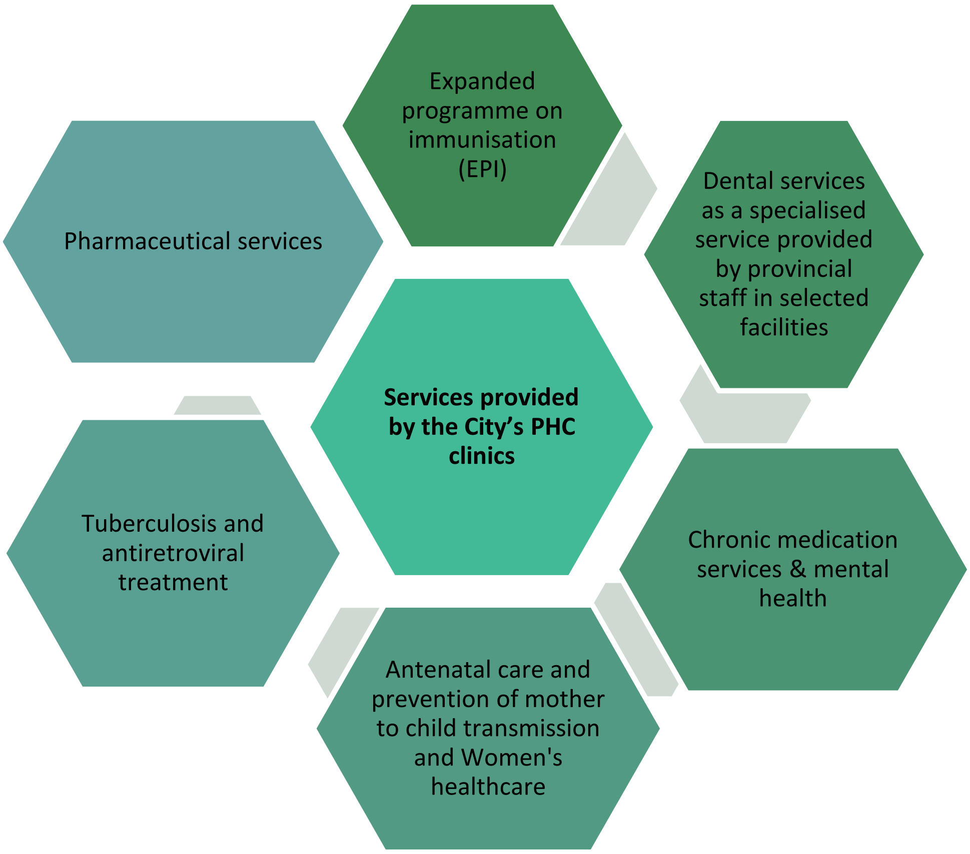
Furthermore, in addition to the commitments presented above regarding the provision of primary health care service, over the financial year under review, the city also expanded its efforts to the implementation and monitoring of service level indicators in line with Priority 10 outlined in the IDP "*Creating a healthy and vibrant city".* These include the provision of immunization service for children under 1 year of age in Tshwane's Primary Healthcare (PHC) fixed clinics resulting in 12 123 children immunised, the implementation of the Prevention of Mother-To-Child Transmission (PMTCT) programme with 0.4% recorded against a national target of less than 2%. The commendable progress with regards to the HIV services is attributed to among others, intensified efforts in the implementation of HIV and AIDS interventions with increased Pre-Exposure Prophylaxis (PrEP) medication distribution and therapy to protect those exposed to the risk of HIV infection. As at 30 June 2023, the HIV transmissions recorded a reduction with 141 665 test undertaken against an estimated target of 189 881 and of these tests taken, a total of 5 734 tested positive.

Furthermore, the city demonstrated commitment with regards to the implementation of inland water tests to obtain quantitative information on the physical, chemical, and biological characteristics of water to determine compliance with drinking water standards. For the financial year under review, the number of inland water samples tested conducted for monitoring purposes is 240 against a target of 200.

3.13 Clinics

Access to Healthcare

Ensuring access to healthcare services means that healthcare services should be available and accessible in a timely manner. This effectively means that clinics should be reasonably located for people to access and not travel longer distances. In an attempt to increase access to health care, the city's clinics provide Primary Health Care (PHC) services to Tshwane residents utilising a total of 24 fixed local authority clinics, with one satellite clinic and one mobile clinic, while extended services are rendered in 14 clinics on Saturdays from 08:00 to 13:00. In the 2022/23 financial year, these clinics recorded a total of 1 262 778 patient visits. While the city's health practitioners try their utmost best to ensure maximum attention to patients' needs with regards to healthcare services, common complaints continue to exist which are attributed to, amongst others, standing in long queues, poor service and poor clinic infrastructure. The City's Primary Health Care (PHC) facilities provide the following services:



Services Provided by the City's PHC Clinics

The table below outlines the clinic service data trends over the two financial year periods:

Table 40: Service Data for Clinics

Service data for clinics					
	Details	2021/22	2022/23		2022/23
		Actual number	Estimate number	Actual number	Estimate number
1	Number of patient visits on an average day	1 295 068	1 295 068	1 262 778	1 262 778
2	Total medical staff available on an average day	-	-	-	-
3	Average patient waiting time	-		-	-
4	Number of HIV/AIDS tests undertaken in the year	189 881	189 881	141 665	141 665
5	Number of tests in 4 above that proved positive	10303 7.4%	10303 7.4%	5 734	5 734

	Service data for clinics				
	Details	2021/22	2022/23		2022/23
		Actual number	Estimate number	Actual number	Estimate number
6	Number of children younger than 1 year that are immunised	13 932	13 932	12 123	12 123
7	Child immunisations above compared with the population of children younger than 1 year	47.3%	7.3%	51%	51%
					T 3.17.2

Primary Healthcare Clinic Operations in the Tshwane District

Table 41: Tshwane District Primary Health Care Facilities per Region in the 2022/23 Financial Year

Tshwane regions	Health post	Mobiles	Satellites	Clinics	Community health centres
Region 1	4	1	0	2	2
Region 2	1	0	0	1	1
Region 3	1	0	0	9	4 (2 specialised)
Region 4	1	1	1	5	-
Region 5	-	0	0	2	(1 specialised)
Region 6	1	0	0	6	1
Region 7	1	0	0	0	1
Total	9	**2**	**0**	**24**	9 (3 specialised)

Complaints Management

In addition to the above stated complaints related to mainly healthcare services, the city through its Municipal Health Section established a complaints management constituent to address all health and environmental health issues in accordance to the applicable complaints Standard Operation Procedures (SOPs). The SOPs indicates that complaints must be registered in the Electronic Information Management System (EIMS) for monitoring and tracking purposes. Some of these complaints are related to food safety, prevention of communicable diseases, health surveillance of PHC premises and chemical safety. In line with the SOPs, once a complaint is registered, it must be investigated within 5 working days upon receipt and the complainant must receive feedback from the investigating Environmental Health Practitioner.

The non-MHS related complaints such as water quality monitoring, are referred further to relevant departments for attention and action. For those complaints requiring further legal action, they are referred to the Legal Compliance service of MHS for referral to court and prosecution where necessary. The table below presents recorded complaints in the financial year under review as per the Municipal Health Services Record Management Systems.

Table 42: MHS and Non-MHS Complaints Recorded in 2022/23 Financial Year

Nature of Complaint	Number Of Complaints Received
Chemical safety	0
Disposal of the dead	1
Environmental Pollution Control (Noise Control)	382
Food safety	20
Health surveillance of premises	93
Prevention of communicable diseases	28
Vector control	19
Waste management	15
Water quality monitoring	3
TOTAL	**561**

The table below presents trends in relation to clinic service data recorded in the 2022/23 financial year.

Table 43: Service Data for Clinics

Service data for clinics						
	Details	2021/22	2022/23		2022/23
		Actual number	Estimate number	Actual number	Estimate number
1	Number of patient visits on an average day	1 295 068	1 295 068	1 262 778	1 262 778
2	Total medical staff available on an average day	-	-	-	-
3	Average patient waiting time	-		-	-
4	Number of HIV/AIDS tests undertaken in the year	189 881	189 881	141 665	141 665
5	Number of tests in 4 above that proved positive	10303 7.4%	10303 7.4%	5 734	5 734
6	Number of children younger than 1 year that are immunised	13 932	13 932	12 123	12 123
7	Child immunisations above compared with the population of children younger than 1 year	47.3%	7.3%	51%	51%
					T 3.17.2

The following table presents statistical information regarding the service objectives for clinics taken from the IDP for the 2022/23 financial year.

Table 44: Clinic Policy Service Objectives as per the IDP

Strategic Priority	Outline service targets	Year -1		Year 0		Year 1	Year 2	Year 3
		Target	Actual	Target	Actual	Target		
		2021/22	2021/22	2022/23	2022/23	2023/24	2024/24	2025/26
Service objective								
Priority 10: Creating a healthy and vibrant city	Percentage of City of Tshwane clinics providing prevention of mother to child transmission (PMTCT) health services	100%	100%	100%	100%	100%	100%	100%
	Percentage of City of Tshwane PHC fixed clinics providing immunization for children under 1 year of age	100%	100%	100%	100%	100%	100%	100%
	Percentage of City of Tshwane PHC fixed clinics implementing PMTCT program	100%	100%	100%	100%	100%	100%	100%
	Percentage of City of Tshwane PHC fixed clinics providing HIV testing facilities for pregnant women	100%	100%	100%	100%	100%	100%	100%
								T3.17.3

Management of Information System for Tshwane District

Investing in resilient health systems that are efficient as part of enhancing Municipal Health Services efforts, remain one of the city's key priorities. In line with Section 74 of the National Health Act, 2003 and the District Health Management Information System Policy, the Tshwane Health District utilises the National Department of Health's approved management information systems, such as the District Health Information System, ART Tier.net and the Electronic Tuberculosis (TB) Register, as well as other in-house-developed custom-specific systems, such as the Rx Solution – which is the electronic patients administration system. These solutions assist public health managers to track, monitor and evaluate the performance of priority health programmes and implement mitigation measures where necessary.

The table below presents a list of health management information systems utilised:

Table 45: Health Management Information Systems

Nr.	Health information systems	Functions	System implemented and access points
1.	Web-DHIS – PHC and Municipal Health Services (MHS)	Statistical system – Management Information System	Web-based access by all clinics in the city
2.	Electronic TB Register.net and ART Tier.net	TB and ART data management	Electronically managing all TB records and activities in 25 PHC clinics
3.	Rx Solution – patient administration and pharmacy Rx stores	Patient registration and admission system, and pharmaceutical stock management	Electronically management pharmaceutical stock of 25 PHC clinics

Nr.	Health information systems	Functions	System implemented and access points
4.	Data-care Electronic Patient Register	Electronic patient clinical records (Rosslyn Clinic and Karenpark Clinic)	Two PHC clinics backed up database on central server.
5.	MHS – management information systems	MHS Management Information System – MIS MHS and ESRI software (MHS Solutions)	Web-based access to all MHS regions
6.	New e-health project	Development and implementation of an integrated departmental e-health solution	This software is aimed at providing health services electronically – information pertaining electronic health and medical records can be accessed through e-health.

3.14 Provision of Comprehensive Primary Healthcare Services

Provision Of Essential Drugs

The City's Primary Health Care (PHC) facilities receives medicines and surgical items from the district Regional Pharmacy and surgical stores. The PHC facilities recorded a medicine availability rate averaging 94% throughout the financial year, which presents a decline of 1% as compared to the previous financial year. This was achieved by adhering to Standard Treatment Guidelines (STGs) and the use of medicines in the national essential medicines list. All city's PCH facilities have stock visibility solution devices to report stock availability on a weekly basis.

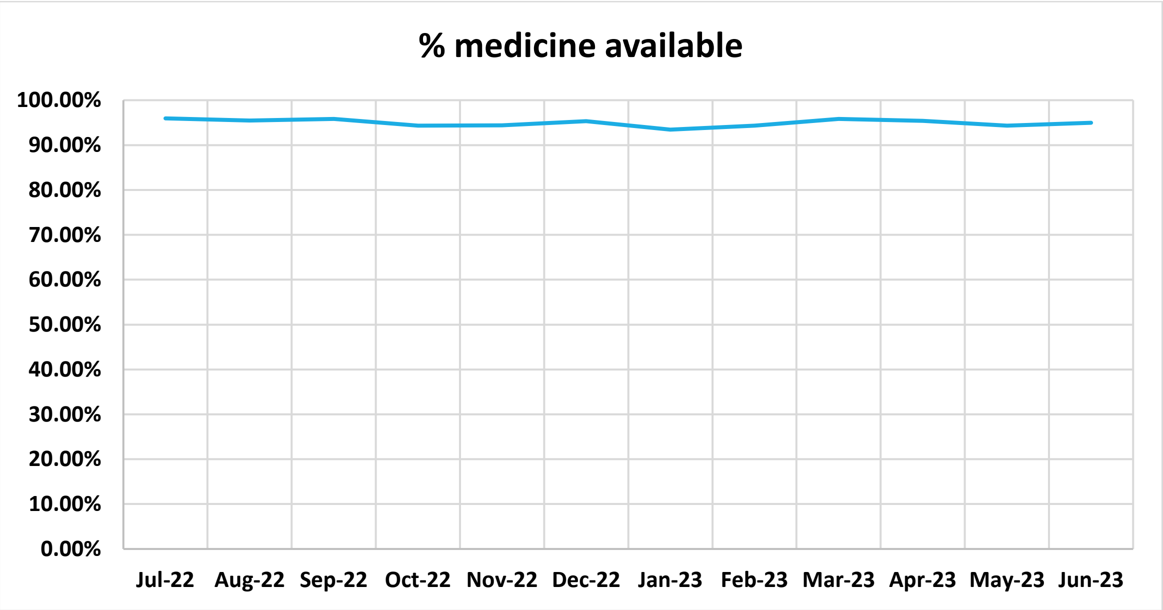


Figure 13: Percentage of Medicine Availability at City's Primary Healthcare Facilities

Medicines in Tshwane's PHC clinics are dispensed with the guidance of a Qualified Post Basic Pharmacist Assistants (PBPA). In the period under review, a total of 1 192 761 prescriptions were issued within the 24 Tshwane's PHC clinics. The figure recorded with regards to medical dispensaries presents an increase of approximately 70 789 more prescriptions as compared to the 2021/22 financial year whereby a total of 1 121 973 dispensaries were recorded. The increase in medical dispensaries is attributed to the temporary relaxation of Dablapmeds (chronic medication) patients receiving their doses twice a year with 6 months prescriptions as compared to the 12 months prescriptions that was received during the Covid-19 era. The Central Chronic Medicine Dispensing and Distribution Programme (CCMDD), now Dablapmeds, was introduced in the country in 2014, and allows stable chronic patients an opportunity to collect their medication at pick up points convenient for them in terms of accessibility and operating hours. Since its introduction to the whole Tshwane district, the Dablapmeds has reduced the number of clinic' visits and by the end of 2022/23 financial year, a total of 364 993 patients were enrolled on this programme as compared to 2021/22 financial year enrolment of 355 859 patients recorded. Of these 364 993, a total of 146 461 patients were registered to receive their medication from external pick-up points contracted with the National Department of Health in the district. These pick-up points are distributed across the 7 Tshwane regions with region 6 having the most and region 5 the least as illustrated in the table below.

Table 46: Medicine's Pick-up Points per Region

Region	2020/21	2021/22	2022/23
1	34	43	44
2	17	18	19
3	34	33	36
4	26	26	26
5	2	3	3
6	44	47	48
7	3	7	8
Total	**160**	**177**	**184**

Medicine Expenditure

The medicines and surgical items used at PHC facilities are supplied by the Gauteng Provincial Department of Health through Tshwane Regional Pharmacy and Tshwane Supply Chain, respectively. For the 2022/23 financial year, the city's PHC facilities recorded R138 000 000 expenditure for these commodities. This amount does not include the medicines that are supplied through Dablapmeds and about R1 182 610 (0.86% against a target of 1%) worth of stock could not be used due to expiry or damage from fridge and power failures. The facilities strive to keep this amount to a minimum by regular checking of stock for expiry dates and redistribution to other facilities that can utilise the stock before expiry. For the 2022/23 financial year, the city contributed a total amount of R323 829 to procure items that could not be supplied by the provincial health. Overall, a total amount of R41 105 071 was spent by the city to render pharmaceutical services.

3.15 ENVIRONMENTAL HEALTH

Section 32 of The National Health Act, 2003 (Act 61 of 2003) stipulates that municipalities must ensure the provision of effective and equitable Municipal Health Services (MHS) in their respective areas and in accordance with section 24 of the Constitution, which advocates that everyone has the right to an environment that is clean and not harmful to their health or well-being. Municipalities have a constitutional and legal obligation to always ensure a clean and safe environment for their communities, as a result the city's Environmental Health Practitioners rendering this service ensure maximum compliance to health regulations, By-laws, and other health related legislation, through promote awareness through educational programmes, law enforcement and certification to compliant premises. The Municipal Environmental Health service focuses on the monitoring of water quality, food safety, chemical safety, environmental pollution control, vector control, prevention and surveillance of communicable diseases, health surveillance of premises and waste management; but they exclude port health, malaria control and control of hazardous substances.

It is essential that the environment in which people live, learn, work and play is safe and free from elements that are likely to cause poor health in communities. Dealing with the burden of diseases requires active participation of the communities and individuals in order to achieve the desired results by maintaining a healthy environment.

MONITORING AND PREVENTING COMMUNICABLE DISEASES

The monitoring and preventing communicable diseases remain one of the key priorities of the Municipal Health Services (MHS). In an effort to cease the occurrence and manifestation of environmental-related or communicable diseases, the city ensures regular communication with key health and environment sections such as the Primary Health Care, Health Promotion, Waste Management, Water and Sanitation, City Planning, and Cemetery Services. This is to ensure that all complaints and notifications pertaining environmental health are received and investigated. In the financial year under review, the greatest concern of MHS is the higher number of Salmonella Typhi fever reported and the Cholera outbreak that was experienced during May and June 2023. The Tshwane Outbreak Response Team consisting of Municipal Health Services MHS, Primary Health Services, Health Promotion, School Health, Gauteng Department of Health (GDoH), Tshwane Emergency Services (EMS) and National Institute for Communicable Diseases (NICD) were actively involved in the investigation of the source of the outbreak. From the information gathered during the Cholera outbreak it was determined that the source of the outbreak was from imported cases (people who had a travel history to Zimbabwe and Limpopo). In a total of 347 water samples collected and analysed by MHS, none of the samples tested positive for the presence of Vibrio Cholera.

Tshwane's Cholera Outbreak

The year 2023 marked an era where Tshwane communities experienced the devastating episode of the Cholera outbreak in the Northern areas, specifically in Hammanskraal, Region 2. The Cholera outbreak, which was following on the heels of the Covid-19 pandemic, brought about a scare not only to Tshwane communities, but the whole country and the world at large. This outbreak led to loss of lives affecting all age groups, from children to the elderly, whilst some patients were treated to waterborne disease during this period. In response to the debacle, the Tshwane health department together the Gauteng Health Department formed part of the Technical Team activated by the Minister of Water and Sanitation, Senzo Mchunu to assist in related matters including an intense investigation into the water quality through identifying the main courses for the outbreak which included numerous tests conducted.

Measles Outbreak

Measles is considered to be highly infectious and affects people of all ages, with children under five years remaining vulnerable and at high risk of measles complications. Following the declaration of the measles outbreak on 16 November 2022, with confirmed 772 confirmed cases detected across country from four of the 9 provinces – Limpopo, Mpumalanga, Free State and Gauteng. To deal with this outbreak, the National Department of Health recommended a National Measles Campaign in an effort to interrupt the transmission amongst communities. The focus was primarily targeting children from 6 months to15 years, and the confirmed date for this drive was planned for 6-17 February 2023. However, it was moved to
28 December 2022, and activated even before the delivery of supplies due to the increasing number of cases. The health care facilities were requested to make use of their routine stock for the campaign to limit transmissions. During this outbreak, a total of 13 measles cases were confirmed intermittently spread in Tshwane.

Sampling Management

The city's Municipal Health Services ensure maximum compliance with the requirements of the Foodstuffs, Cosmetic and Disinfectants Act, 1972 (Act 54 of 1972) which gives provision to the procedure that must be followed to in order to determine the level of compliance of food and water. Samples must be submitted to the laboratory for analysis of the safety of domestic water supplies, food safety in terms of production, processing or preparation and assess the related risks The objective of the sampling program of the Municipal Health Services in line with the Foodstuffs, Cosmetic and Disinfectants Act is to:

- prevention of waterborne diseases
- prevent any food borne diseases
- ensure safe and healthy food supply
- ensure safe and healthy production of food
- monitoring of water for potable use

- monitoring of rivers and streams
- prevention of communicable disease, such as Vibrio Cholera

The storage, production and distributing of food and related stuff have a potential to risk due to the possibility of bacteriological contamination that is likely to be found in food. The bacteriological contamination is linked to foodborne illness and when a person becomes ill from consuming spoiled food. An annual sampling program for food and water was conducted for all regions across the city of which the same principle applies to water sampling where samples are submitted to the laboratory for analysis. This assists in detecting various forms of water contamination and control measures be implemented once pollutants are detected.

The table below indicates sample results for the 2022/23 financial year:

Data Element: MHS sampling programme	Annual compliance 2022/2023	Annual compliance 2022/2023
Food	49%	37%
Swabs	87%	57%
Surface water	77%	32%
Domestic water (Water services)	74%	70%
Domestic water (Non-Water services)	79%	64%

The figure below illustrates feedback regarding annual compliance of all samples collected in the 2022/23 financial year:

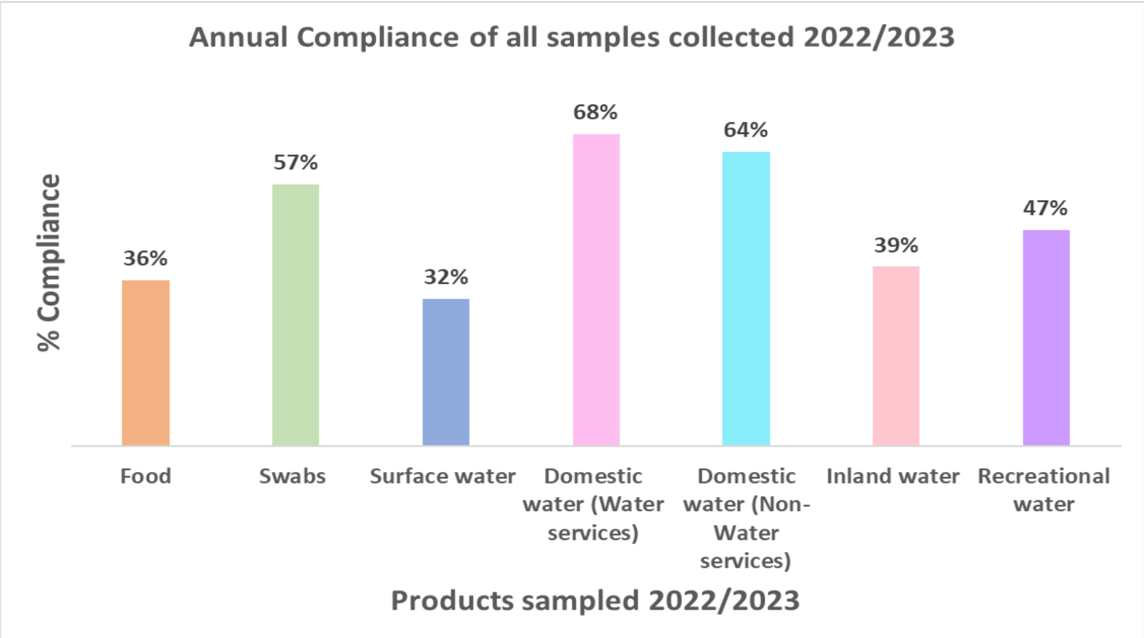


Figure 14: Annual Compliance of all Samples Collected in the *2022/23 Financial Year*

Food Handlers Training Programme

In an effort to ensure a proactive and preventive impactful healthcare service, the city's Municipal Health Services continues to render food handlers training awareness programmes to food premises owners, their staff, informal food traders, caterers and other persons involved in food handling. Over the 2022/23 financial year, a total of 889 food handlers received training awareness and were awarded with certificates valid for a period of two (2) years. The objective of the training is to increase awareness on preventive and proactive measures to be undertaken to ensure compliance of food handlers in the workspaces and to promote good hygiene practices in line with the regulation 10 of R638 Regulations.

Figure 15: Training of Informal Food Traders at Bronkhorstspruit Sports Centre

COMMENTS ON THE OVERALL PERFORMANCE OF HEALTH

In the financial year under review, the city demonstrated a high degree of commitment towards the promotion of healthcare to Tshwane residents through the implementation of various health programmes with notable results achieved. The ccommendable progress that has been observed in several different areas with high performance recorded include:

- Intensified efforts in the implementation of HIV and AIDS interventions with increased Pre-Exposure Prophylaxis (PrEP) medication distribution and therapy to protect those exposed to the risk of HIV infection.
- Ensured full investigation of all complaints and notifications pertaining environmental health are received and investigated in collaboration with other key health, social and environment sectors such as the Primary Health Care, Health Promotion, Waste Management, City Planning, and Cemetery Services.
- Ensured appropriate utilisation of essential medication to realise maximum patient satisfaction with healthcare needs.
- Continuously providing a bouquet of basic health services in clinics, which include antenatal care and PMTCT, STI, HIV and tuberculosis treatments, dispensing chronic medication, female healthcare services, mental health and dental services.

- Promoting food safety and good hygiene practices through delivering training awareness programmes to food handlers, including informal trading vendors to ensure that food consumption in outlets operating within the city are suitable for consumption in line with the specified regulations.
- Ensured effective implementation of communicable disease control programme and this was demonstrated through rapid response to the outbreak of infectious diseases such as Cholera and Malaria with effort to limit the transmissions.

In the light of the interventions presented above, it is evident that the City of Tshwane continues to place health care at the centre of its development agenda. Improving the performance of all health indicators, while also targeting social elements of health particularly poverty, education, and community empowerment forms part of the city's efforts to improve health care.

COMPONENT G: SECURITY AND SAFETY

INTRODUCTION TO SECURITY AND SAFETY

The city does not only strive to create a space that is safer, cleaner, free from disorder and lawlessness for its communities, it also seeks to create an environment that residents can be proud to live in. Furthermore, the city recognizes security and safety as a cross-cutting issue and acknowledges that reducing levels of crime and violence will contribute to the achievement of other developmental outcomes set out by the current term of administration. In accordance to this, the city's efforts with regards to security and safety as identified IDP, are organized under Priority 4: "*Enhancing city safety, security, and emergency services*", and over the financial year under review, the following initiatives were committed to:

- Increased personnel and visible policing across Tshwane and particularly around the Inner City.
- Enhance efficiencies with the multi-disciplinary task team to combat land invasions.
- Improved strategy to address the cable theft agony.
- Intensify Joint operations efforts with the Department of Home Affairs and South African Police Services (SAPS) to address illegal immigration.
- Expansion of emergency services through the construction of a new emergency services station.
- Continuous awareness and education campaigns regarding safety incidents (fire, rescue, disaster).
- Utilization of modern surveillance technologies to enhance safety in communities.
- Effective management and collection systems to increase revenue from traffic fines.
- Development and implementation of an integrated and multi-dimensional Operations Centre in partnership with relevant community stakeholders.

Against the introduction presented above, this component of this chapter provides the status and progress made with regards to security and safety focusing on the following key services:

- Metropolitan police services
- Emergency services (fire and ambulance services)
- Disaster management services

3.16 METRO POLICE SERVICES

The Tshwane Metro Police Service is entrusted with the responsibility to render effective, efficient, and sustainable policing services in the city. The primary role of the Metro Police Service is outlined Section 64E of the South African Police Service Act, No. 83 of 1998, with a clear distinction from the functions executed by the country's law enforcement agency, South African Police Service (SAPS). The functions performed by Tshwane Metro Police Division (TMPD) include the following:

- Visible policing to reduce crime, for: pedestrians patrols, motorcycle patrols, bicycle patrols, motor vehicle patrols, equestrian and canine patrols, with efforts order to enhance crime detection as well as traffic and by-law enforcement and surveillance.
- Regenerating the Inner City by regulate parking spaces and improve parking bay management.
- Establishing a centralised command and control centre (24/7 centre) that functions as an interface between the public and applicable city departments.
- Preventing substance (drugs and alcohol) abuse through a holistic and multi-disciplinary approach with other safety and security partners in order to integrate resources and implement a coordinated attack on the drivers of drug and substance abuse.
- Preventing violence against women and children through the Tshwane Metro Police Service's educational and awareness initiatives. This is aimed at promoting the rights of women and children enshrined in the Constitution in order to reduce gender-based violence in Tshwane.
- Strengthening intergovernmental relations to improve policing.

Over the financial year under review, the progress made include the following:

- Held a total of 995 road policing interventions.
- Carried out a total of 581 by-law policing operations and interventions were executed to reduce by-law transgressions.
- Held a total of 1 657 crime prevention interventions.
- Delivered a total of 290 metro police educational awareness interventions which focused on the empowerment of vulnerable groups and 122 school outreach programmes were conducted.
- More than 52 669 road traffic accidents during the year were attended to.

The following table presents statistical information relating to Metro Police Service Data for the 2022/23 financial year.

Table 47: Metro Police Service Data

Metropolitan Police Service Data						
	Details	2020/21	2021/22	2022/23		2023/24
		Actual number	Actual number	Estimated number	Actual number	Estimated number
1	Number of road traffic accidents during the year	39 991	50 187	+-53 000	52 669	+- 57 000
2	Number of by-law infringements attended to	1 196	3 367	3 500	0	-
3	Number of police officers in the field on an average day	265	484	484	174	174
4	Number of police officers on duty on an average day	277	530	530	315	315
						T3.20.2

The table below presents statistical information regarding Metro Police Service Objectives taken from IDP for the 2022/23 financial year:

Table 48: Metro Police Objectives Policy Objectives Taken From IDP

Police policy objectives taken from IDP								
Strategic Priority	Outline Service Targets	Year -1		Year 0		Year 1	Year 2	Year 3
		Target	Actual	Target	Actual	Target		
		2021/22	2021/22	2022/23	20222/23	2023/24	2024/25	2025/26
Service objective								
Priority 4: Enhancing city safety, security and emergency services.	[4]Number of increase in interventions to root out crime and related incidents (annual)	2881	3172	2 910	3233	-	-	-
								T3.20.3

Metro Police Services Highlights

- The city entered into agreements with both the Johannesburg and Ekurhuleni Metro Police Services Department to join forces regarding the cross-border policing operations in accordance to the requirements of Subsection 64(f) of the South African Police Service Act *(as amended).* The intention behind this noble initiative is to enhance policing activity, prevent crimes and other illicit activities that are carried out across cities' boundaries.

[4] The service targets for the outer years were not included in the IDP Outcome Indicator Scorecard

- Singed a Memorandum of Understanding (MoA) with the Traffic Free Flow (TFF) agency of OUTsurance Insurance company regarding the points persons project in order to deliver effective and efficient traffic services by optimally deploying resources to direct traffic at busy intersections during peak traffic hours across the city.
- Entered into a MoA with the Hatfield City Improvement District (CID) to enhance safety within the Hatfield precinct through the provision of a satellite station and bicycle units.
- Singed a Memorandum of Understanding (MoU) with the South African National Roads Agency Ltd (SANRAL) to allow for the exemption of e-tolls for police vehicles in order to ensure effective law enforcement and police visibility on national roads (freeways).

In addition to the above stated highlights, the city further enhanced efficiencies with regards to its cable theft operations. This was demonstrated the procurement of cable theft protecting technology and equipment. The total project cost amounted to R 10,000,000 and the equipment procured ranges from cable sensors, drones, night vision goggles, GPS devices, digital cameras and other surveillance cable monitors.

3.17 Fire Services

Introduction to Fire Services

Fire incidents are identified as common problems to Tshwane communities, and it is acknowledged that in most cases, such incidents are caused by small human mistakes. In the main, the city's fire services mandate is guided and implemented through the prescripts of the Fire Brigade Services Act, No. 99 of 1987. The city through its Fire Safety Division, renders the fire safety activities which include rapid response to fire incidents in an effort to prevent and minimize loss of life, protection of the city's property through preventing, eliminating, and reducing hazards, emergency medical treatment, fire protection and disaster risk management services to all people who live, work, play and do business in and around Tshwane.

Compliance with the Fire Safety law

Taking into consideration the aforementioned fire activities, the city has an obligation to monitor adherence to fire and safety compliance regulations in a number of structures and buildings across Tshwane. This is conducted through random fire risk assessments to these premises to ensure that all safety measures are upheld. These fire safety law enforcement assessments are conducted in line with the requirements of the Fire Brigade Services Act, No. 99 of 1987, and as at 30 June 2023, a total of 10 229 fire safety audits and assessments were carried out, of which 2 694 were related to compliance notices being issued to non-compliant parties. The table below provides a breakdown of categories related to fire safety activities that were carried out in the financial year under review.

Table 49: Fire Safety Audit Activities and Fire Risk Assessment Activities carried out in 2022/23

Category	Number
Fire safety audit activities and fire risk assessment activities	2 834
Fire safety activities carried out relating to hazardous substances	3 114
Fire safety plan assessments	1 587
Closure of dangerous buildings	None
Compliance with the law	2 694
TOTAL	**10 229**

The following table presents statistical performance information relating to Fire Service Data recorded over the 2022/23 financial year:

Table 50: Fire Service Data

No.	Details	2019/20		2021/22		2022/23	
		Estimated number	Actual number	Estimated number	Actual number	Estimated number	Actual Number
1	Total number of fires attended to in the year	4 491	4 474	4 474	3 920	3 920	3 191
2	Total number of other incidents attended to in the year	3 110	2 719	2 719	1 667	1 667	1 495
3	Average turnaround time to habitable structural fires in built-up areas in 14 minutes, all categories	75%	77,86%	75%	77.33%	75%	76.31%
4	Firefighters in posts at year end	501	496	496	476	476	466
5	Total number of fire appliances at year end (fire and rescue)	104	142	142	194	194	124
6	Average number of appliances off the road during the year	40	80	80	65	65	103
							T.3.21.2

The following table presents statistical information regarding the fire service policy objectives as per the IDP for the 2022/23 financial year:

Table 51: Fire Service Policy Objectives in accordance with the IDP

Strategic Priority	Outline service targets	Year -1		Year 0		Year 1	Year 2	Year 3
		Target	Actual	Target	Actual	Target		
		2021/22	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Service objective								
Priority 4: Enhancing city safety, security and emergency services.	Percentage of compliance with the required attendance times for structural firefighting incidents (C88: FD1.11)	75%	79.98%	75%	76.55%	75%	75%	75%
	Number of municipal critical infrastructure plans that are in place to deal with impending and actual disasters	0	0	10	11	10	10	10
								T3.21.3

Highlights

Fire Protection Association Workshop

The city successfully hosted the Fire Protection Association Workshop on 25 August 2022, at Tshwane Emergency Services Headquarters in Pretoria. The purpose of the workshop was to bring together fire protection officers and fire protection associations in and around Tshwane to elaborate on matters relating to rural firefighting and the preventative measures to be implemented when confronted with such hazardous and life-threatening situations. It was resolved in the workshop that a veld and forestry fire strategy for Tshwane be developed, which will bring a balance in managing and controlling veld fires in such a way that residents and their assets, as well as the city's environmental values such as biodiversity and catchment areas, are protected. Various stakeholders from city departments, the National Department of Agriculture and Rual Development and representatives of fire protection associations in Tshwane.

Firefighter Pass Out Parade

The city held a Firefighter Pass Out Parade on 5 September 2022 at the Lucas van den Berg Stadium in Pretoria West to hand over certificates to firefighters who successfully completed their Firefighter II training at the Tshwane's training academy. The parade also recognised Emergency Services employees who retired in the year 2022 by handing over certificates as a rewards for their loyalty and commitment demonstrated for a number of years they have been serving the city.

Firefighters showcased their parade formation and drill skills in the presence of the then Executive Mayor, Ald Randall Williams and Members of the Mayoral Committee (MMC), departmental management, city officials and a host of guests from various organisations who were in attendance.

Figure 16: Firefighters Showcasing their Parade

Official Opening of Mamelodi Fire Station

In its efforts to improve the efficiencies in the provision of firefighting services, the city officially opened the Mamelodi Fire Station on 6 December 2022 which is currently fully operational. The occupancy certificate for the station was issued in November 2022 and the station is strategically located to render much-needed emergency services to the communities of Mamelodi and the surrounding areas.

International Firefighters' Day

The commemoration of International Firefighters' Day was held on 4 May 2023 with a parade marching from Bosman Fire Station to Church Square. The MMC for Community Safety, Ald. Grandi Theunissen, and the acting Chief of Emergency Services, Mr Moshema Mosia were in attendance. The event attracted spectators who came to witness the parade of firefighters in different fire and rescue regalias and a fleet of firefighting vehicles that turned Church Square into a colorful and beautiful sight of emergency services resources and personnel.

Figure 17: Firefighters during the Parade

International Radiological and Nuclear Smuggling and Detection Course

The city's Emergency Services Division' ten members attended an International Radiological and Nuclear Smuggling and Detection Course in support of law enforcement operations in Botswana, from 13 to 17 June 2022. This was followed by the second group of two members from the division who also attended similar course, also in Botswana, from 14 to 19 May 2023. The course received full funding sponsorship from the Embassy of the United States of America in South Africa. The course provided awareness with regards to the threat of radiological nuclear smuggling.

Figure 18: The city's Emergency Services Nuclear Course Attendees

3.18 EMERGENCY MEDICAL OPERATIONS

The primary focus with regards to the city's Emergency Medical Operations is to respond responding to emergency medical incidents timeously with relent resources and safely triaging, treatment, and transporting patients to definitive medical care institutions where necessary. However, following the Gauteng Department of Health declining Tshwane's application of an operating licence, the city's Mayoral Committee resolved that the City of Tshwane would no longer render the emergency medical operations with effect from effective from 16 May 2023.

This unfortunate ordeal led to the full suspension of services and all city-owned ambulances were repurposed as utility vehicles subsequently necessitated for the deployment of Emergency Medical Operations officials to the Fire and Rescue Operations Division and other units within the Emergency Management line department.

3.19 DISASTER MANAGEMENT

The city's disaster management operations are guided by the prescripts of the Disaster Management Act, 2002 (Act 57 of 2002) and the Municipal Disaster Risk Management Policy Framework. In line with these legislative frameworks, the city aims to ensure an integrated, coordinated approach to disaster risks in Tshwane. This, in the main, entails ensuring safer and resilient communities through the coordination of all hazard prevention, readiness towards responding to all disaster related incidents and disaster risk assessment in order to evaluate the extent of disaster and develop preventative measures.

Community Awareness Campaign

The city recognises the critical role of education with regards to disasters and safety measures within the residential environment by delivering various community awareness campaigns at various levels. These campaigns assist in capacitating learners with knowledge and ultimately share that with their families and communities. The table below presents the disaster management school awareness campaigns undertaken across Tshwane in the financial year under review:

Table 52: School Awareness Campaigns Undertaken

Date	Business/ Institution	Region	Ward	Ward councilor	Absent/ Present	Theme	Number of attendees
19/07/ 2022	JS Segolela Pre-primary School	7	104 Zithobeni	Principal: Agnes Mashia	Present	"Stay safe this winter season" winter awareness campaign	153
20/07/ 2022	Mabopane Taxi Rank Informal Settlement	1	29 Mabopane	Cllr Thabo Mathibidi	Present	"Stay safe this winter season" winter awareness campaign	82
21/07/ 2022	Laezonia Informal Settlement	4	48 Laezonia	Cllr Themba Fosi	Present	"Stay safe this winter season" winter awareness campaign	150
22/07/ 2022	Mamelodi SNS Community	6	23 Mamelodi	Lerato Mokoena Cllr Henrick Mashao	Present	"Stay safe this winter season" winter awareness campaign	49
05/09/ 2022	Oratile Primary School (Olievenhoutbosch, Choba Informal Settlement)	4	77	Cllr Innocent Thabatha	Present		
02/08/ 2022	Booysen Beertjies Kleuterskool	3	55	Principal	Present	Winter awareness campaign	95
03/08/ 2022	Nellmapius Primary School Extension 1	6	86	Principal	Present	Winter awareness campaign	720
04/08/ 2022	Chokoe Primary School	5	99	Principal	Present	Winter awareness campaign	700
05/08/ 2022	Stinkwater Informal Settlement	2	95	Cllr William Kgopa	Present	Winter awareness campaign	70
25/08/ 2022	Laudium Primary School	4	61	Principal	Present	Winter awareness campaign	300
19/07/ 22	JS Segolela Pre-primary School	7	104 Zithobeni	Principal: Agnes Mashia	Present	"Stay safe this winter season" winter awareness campaign	153
20/07/ 2022	Mabopane Taxi Rank Informal Settlement	1	29 Mabopane	Cllr Thabo Mathibidi	Present	"Stay safe this winter season" winter awareness campaign	82
21/07/ 2022	Laezonia Informal Settlement	4	48 Laezonia	Cllr Themba Fosi	Present	"Stay safe this winter season" winter awareness campaign	150

Date	Business/ Institution	Region	Ward	Ward councilor	Absent/ Present	Theme	Number of attendees
22/07/ 2022	Mamelodi SNS Community	6	23 Mamelodi	Lerato Mokoena Cllr Henrick Mashao	Present	"Stay safe this winter season" winter awareness campaign	49
02/08/ 2022	Booysen Beertjies Kleuterskool	3	55	Principal	Present	Winter awareness campaign	95
03/08/ 2022	Nellmapius Primary School Extension 1	6	86	Principal	Present	Winter awareness campaign	720
04/08/ 2022	Chokoe Primary School	5	99	Principal	Present	Winter awareness campaign	700
05/08/ 2022	Stinkwater Informal Settlement	2	95	Cllr William Kgopa	Present	Winter awareness campaign	70
25/08/ 2022	Laudium Primary School	4	61	Principal	Present	Winter awareness campaign	300
27/08/ 2022	Capital Park Primary School	3	58	Principal	Present	Winter awareness campaign	674
05/09/ 2022	Orifile Primary School	4	106	Principal	Present	Water safety tips, fire (winter) safety tips and emergency number	605
07/09/ 2022	Botlhale Day Care	2	75	Principal	Present	Water safety tips, fire (winter) safety tips, use of heating sources and emergency number	60
08/09/ 2022	Kutung Primary School	1	35	Principal	Present	Water safety tips, fire (winter) safety tips, use of heating sources and emergency number	847
09/09/ 2022	Leratong Day Care	1	37	Principal	Present	Water safety tips, fire (winter) safety tips, use of heating sources and emergency number	179
15/09/ 2022	Salvakop Community	3	80	Principal	Present	Water safety tips, fire (winter) safety tips and emergency number	100
20/09/ 2022	Laerskool Voortrekker Eeufees	1	2	Principal	Present	Water safety tips, fire (winter) safety tips, use of heating sources and emergency number	700
28/09/ 2022	Lynnwood Ridge Primary School	6	46	Principal	Present	Winter awareness campaign	700
19/10/ 2022	Onverwacht Primary School	5	100	Principal	Present	Floods and summer awareness campaign	412
21/10/ 2022	Kieriebeentjies Kleuterskool	6	91	Principal	Present	Floods and summer awareness campaign	55
25/10/ 2022	Foxtrot Primary School	5	100	Principal	Present	Floods and summer awareness campaign	237
26/10/ 2022	Karabo Educare Centre	1	24	Principal	Present	Floods and summer awareness campaign	92
27/10/ 2022	Star Learning Centre	1	2	Principal	Present	Floods and summer awareness campaign	50

Date	Business/ Institution	Region	Ward	Ward councilor	Absent/ Present	Theme	Number of attendees
28/10/ 2022	Mkhambi Primary School	7	105	Principal	Present	Floods and summer awareness campaign	303
09/11/ 2022	Kasteeltjieland	3	55	Principal	Present	Floods and summer awareness campaign	100
10/11/ 2022	MamaShele Day Care	1	29	Principal	Present	Floods and summer awareness campaign	59
11/11/ 2022	Smartkids Academy	1	88	Principal	Present	Floods and summer awareness campaign	79
17/11/ 2022	Mikateko Early Learning	3	62	Principal	Present	Floods and summer awareness campaign	55
18/11/ 2022	Odirile Day Care Centre	2	8	Principal	Present	Floods and summer awareness campaign	48
29/11/ 2022	Ebhenezer Early Learning	5	100	Principal	Present	Floods and summer awareness campaign	144
20/01/ 2023	Lowe Primary School	1	30	Principal	Present	Floods and thunderstorms awareness campaign	178
10/02/ 2023	Rosslyn Primary School, Nkwe Estate	1	37	Principal	Present	Floods and thunderstorms awareness campaign	
21/02/ 2023	Laezonia Primary School	4	48	Principal	Present	Floods and thunderstorms awareness campaign	
22/02/ 2023	Skampaneng Primary School	2	8	Principal	Present	Floods, thunderstorms and wetlands	
23/02/ 2023	Mokonyama Primary School	2	74	Principal	Present	Floods and thunderstorms awareness campaign	
24/02/ 2023	Noemsie Preschool	4	79	Principal	Present	Floods and thunderstorms awareness campaign	
03/03/ 2023	Steve Tswete Secondary School	4	106 Olievenhout bosch	Principal	Present	Career expo for Grade 12 learners	176
06/03/ 2023	Meetseng Primary School	1	36 Soshanguve	Principal	Present	Thunderstorms, floods, fire and emergency number	978
07/03/ 2023	Reneilwe Primary School	2	74 Temba	Principal	Present	Thunderstorms, floods, fire and emergency number	853
08/03/ 2023	Banareng Primary School	3	72 Atteridgevill e	Principal	Present	Thunderstorms, floods, fire and emergency number	100
09/03/ 2023	Hillside Primary School	4	61 Laudium	Principal	Present	Thunderstorms, floods, fire and emergency number	37
10/03/ 2023	Chokoe Primary School	5	100 Refilwe	Principal	Present	Thunderstorms, floods, fire and emergency number	95

Date	Business/ Institution	Region	Ward	Ward councilor	Absent/ Present	Theme	Number of attendees
13/03/ 2023	Nellmapius Primary School	6	15 Nellmapius	Principal	Present	Thunderstorms, floods, fire and emergency number	52
14/03/ 2023	Mshuluzane Mayisela Primary School	7	102 Zithobeni	Principal	Present	Thunderstorms, floods, fire and emergency number	760
14/04/ 2023	Soshanguve Informal Settlement	1	37	CDW	Present	Pre-winter awareness campaign	150
17/04/ 2023	Sizanani Special School	7	105	Principal	Present	Pre-winter awareness campaign	273
18/04/ 2023	Kodumela Primary School	2	96	Principal	Present	Pre-winter awareness campaign	484
19/04/ 2023	Marula Primary School	1	22	Principal	Present	Pre-winter awareness campaign	719
20/04/ 2023	Kutumela Molefe Primary School	6	100	Principal	Present	Pre-winter awareness campaign	1 154
21/04/ 2023	Tswaranang Child Care Centre	6	15	Principal	Present	Pre-winter awareness campaign	35
16/05/ 2023	Kiddies Paradise ELC	3	58	Principal	Present	Pre-winter awareness campaign	20
17/05/ 2023	Thutopele ELC	7	105	Principal	Present	Pre-winter awareness campaign	254
17/05/ 2023	Enkangala Section I community	7	105	Councilor	Absent	Pre-winter awareness campaign	95
19/05/ 2023	Little Leaders Exclusive	4	70	Principal	Present	Pre-winter awareness campaign	65
23/05/ 2023	Soshanguve ELC Forum	1	36	Principal	Present	Pre-winter awareness campaign	353
08/06/ 2023	Bopanang Early Childhood Development Forum	3	63	Principal	Present	Child protection week and winter awareness campaign	510
09/06/ 2023	Togetherness Child Care Givers Institutions Forum	1	89	Principal	Present	Child protection week and winter awareness campaign	916
13/06/ 2023	Mahlatse ECD Forum	5	105	Principal	Present	Child protection week and winter awareness campaign	572
14/06/ 2023	Demedro Day Care Centre	6	10	Principal	Present	Child protection week and winter awareness campaign	403
15/06/ 2023	Pull Together ECD Forum	5	100	Principal	Present	Child protection week and winter awareness campaign	420
23/06/ 2023	Kameeldrift Informal Settlement	5	87	Councilor	Absent	Celebrating Youth Month	80

Date	Business/ Institution	Region	Ward	Ward councilor	Absent/ Present	Theme	Number of attendees
30/06/ 2023	Kiddie Junction Preschool	2	5	Principal	Present	Winter awareness campaign	80

Comment on the Performance of Security and Safety Services Overall

In pursuit of responding sufficiently to the city's priority number 4 as it is presented in Integrated Development Plan (IDP) "*Enhancing city safety, security and emergency services*", the Tshwane's Metro Police Services and Emergency Services remained committed and continued to serve Tshwane communities with the utmost level of professionalism and impeccable customer-oriented service. This was demonstrated through joining forces with other neighboring metropolitan municipalities to enhance cross-border policing operations with efforts to prevent crimes and other illicit activities that are carried out across cities' boundaries. Furthermore, through the delivery of disaster and safety educational campaigns, the city proved without reasonable doubts that it values the importance of education whilst promoting a culture of risk avoidance and at the same time establishing good relations with communities.

3.20 Sports

Apart from its contribution to physical, psychological, and emotional well-being, sport also plays a significant role in healthy social development and interaction. In support of this, the City of Tshwane is committed to supporting and promoting the development of a sustainable and diverse sport programmes in an effort to encourage participation and develop talent.

Sport Programmes Undertaken

The following sport programmes took place in the 2022/23 financial year:

- **Athletics Coaching Course** - A total of 171 Athletics Coaches from across the city attended and completed a level one coaching course for various sports and 80 of them were women. The course was fully funded by the city.
- **Spar Grand Prix Fun Walk and Run Series 2022** – The City has over the years partnered with Spar in hosting the race which has been in existence since 1992. The 2022 instalment was held on 6 August 2022 at the Supersport Park in Centurion, Region 4 with an attendance of over 3000 participants both women and men.
- **Aerobics Marathon** - The city successfully hosted the Aerobics Marathon event held on 27 August 2022, in which 30 women instructors were honored for their contribution in uplifting communities particularly in aerobics also as part of the Women's Month celebrations. The event was also used to officially launch the city's "Move for Health" Aerobics program which will be implemented across the city throughout the financial year. Over 300 participants participated from across all the seven regions.

Component H: Sports, Recreation, Arts and Culture

Introduction to sports, Recreation, Arts and Culture

Sport and recreation in the city are recognised as vital instruments for positive social outlook and community development. In line with the IDP Priority 10 *"Creating a healthy and vibrant city"*, the city delivers a range of sport and recreational services and implements various arts and culture development programmes in pursuit of building integrated communities. To fulfil the aspirations underpinning the aforementioned priority, over the financial year under review, the city committed to support, promote the development of a sustainable and diverse sport and recreation programmes aimed at encouraging participation, develop talent and contribute to the health and wellbeing of the residents.

3.21 Arts, Culture and Recreational Programmes

Arts and culture promote social cohesion and maximize socio-economic benefits of communities. Through arts and culture, communities are able to express their unique identity, demonstrate various cultural practices, values, and perspectives. Over the financial year under review, the following arts, culture and recreational programmes were delivered and supported.

Atteridgeville Heritage Celebrations - On 17 September 2022, the city in partnership with Phelindaba Arts and Culture Forum hosted the Heritage celebration at Saulsville Arena. The main objective of the event was to recognize the cultural aspects and continue to utilize it as an instrument of transforming the country. Various activities were carried out as an expression of diverse and creative cultures. This ranged from cultural food, language, and art performances.

National Heritage Day Carnival - Led by the Gauteng Department of Sport, Arts, Culture and Recreation, this national event was held at the Union Buildings on 24 September 2022 in Tshwane as a commemoration of Heritage Month under the theme "Celebrating the Legacy of Solomon Linda and South Africa's Indigenous Music". The focus was predominantly on showcasing South Africa's indigenous music with a spotlight on 'Isicathamiya' music and its immense contribution to the sport, arts, culture and heritage society, A carnival procession heritage showcasing the heritage element through clothing, float designs, dance and music. featuring colourful and flamboyant dance, moved from the Union Buildings to Burgers Park in Tshwane. Various municipalities which were also in attendance include the City of Johannesburg, West Rand District Municipality, Ekurhuleni Metropolitan Municipality and Sedibeng District Municipality.

Olievenhoutbosch Youth Art Outreach Programme

The city in partnership with Centurion Arts Association, conducted the Olievenhoutbosch Youth Art Outreach Programme held at the new Olievenhoutbosch library during the period of July to September 2022. The main objective of the programme was to promote and develop up-and-coming artists specifically from Tshwane and assisting them in discovering their talents. The Centurion Arts Association plays a critical role in promoting the arts and culture fraternity in the City of Tshwane through involving local communities and community leaders, social workers, teachers, and pastors in various arts culture and culture programmes carried out.

Nellmapius Got Talent

The city joined the Nellmapius local art, culture and heritage development forum in presenting the 'Nellmapius Got Talent" Programme on 16 and 17 July 2022 held at Nellmapius Library. The programme was more than just participation and winning prizes; it played a major role in uncovering and nurturing the natural talents of local artists. The main objectives of the programme were as follows:

- Create a platform for Nellmapius upcoming artists to showcase their talent and reinforcing the local talent within the community and schools;
- Give participants an opportunity to learn, build their self-esteem and confidence ;
- Prevent juvenile delinquency among children, teens and young adults in the community through arts and culture.

Enough with Our Sisters - The city in partnership with Sister T Promotions (renowned Events Coordinator from Mabopane), hosted the 'Enough with Our Sisters' event on 9 August 2022 at Morula Sun in Mabopane. The main objective of the event was to raise awareness about domestic violence in society, also to create employment opportunities for women artists in the city. The event attracted close to 1 000 supporters from across the country with visitors coming from as far as Durban. Throughout the last few years, the city's Community and Social Development Services Department has been providing support to numerous campaigns on domestic abuse. It was revealed through this event that the plight of domestic abuse remains a challenge in modern society, and it is an open secret that violence against women continue to exist in communities.

Itseng Ngwao Street Festival - In support of the creative arts industries, on 3 and 4 September 2022 the city collaborated with a local group of artists in Mamelodi East, Region 6 - Dibata Tsa Mmino, in hosting a street festival while showcasing various arts and cultural activities. Dibata Tsa Mmino is a registered Non-Profit Organisation (NGO) specialising in creative arts and has been in existence for over 11 years and performs in numerous events in and around Mamelodi township with a total of 25 active members. The city continues to provide various form of support to NGOs of this nature with the objective to uplift the youths and nurture their talents.

Tshwane University of Technology (TUT) HELLO Community Arts Development Programme 2022 - The city supported the Tshwane University of Technology (TUT) Faculty of Arts and Design in hosting the annual HELLO Community Arts Development Programme for creative arts practitioners during 15–17 September 2022 at Saulsville Arena. The programme was aimed at aiding the Phelindaba Arts and Culture Forum to uplift their creative arts positioning. The city provided TUT with financial support and assisted in delivering programmes designed to provide a platform where skills and knowledge on theatre management were exchanged between community arts groups, students and University staff, specifically from the Department of Performing Arts. The programme focused predominantly on the development of skills in the areas of composition and use of theatrical space, picturization and the creation of stage imagery, collaboration and communication with actors, designers and the creation of character style.

2022 Tribute Concert by Drakensberg Promotions

The city supported the iconic tribute festival which is an annual event hosted by Drakensberg Promotions at Moretele Recreation Resort in Mamelodi on 15 October 2022. The event attracts thousands of music lovers from far and wide across the South Africa region and has been identified by the city as a flagship project also it is recognized nationally and provincially, after being halted in 2020 due to Covid-19 outbreak. The concert is aimed at paying tribute to famous South African musical icons such as Don Laka, Mafikizolo, Master KG, Ami Faku, Mango Groove, Ringo Madlingozi, Makhadzi and other artists recognised locally. Small businesses in the hospitality, transport, tourism industries benefitted from the concert.

Comment on the Performance of sports, Recreation, Arts and Culture

Considering the importance of building social cohesion and promoting inclusivity, the city remained resolute with regards to the continuous development of a sustainable and diverse Sport, Recreation, Arts and Culture fraternity. This was expressed through the provision and support to various sport and arts and culture programmes undertaken across the city over the financial year under review. It must be noted that, over the financial year under review, there were no new sports facilities constructed, also the maintenance and upgrading projects of the existing stadiums were halted due to a number of challenges of which some were related to non-performance of contractors, however planned completion for these projects is scheduled for 2023/24 financial year. Notwithstanding, the city remained committed in ensuring that sport and recreation, as well as arts and culture, are unarguably important vehicles that contribute significantly in enhancing social cohesion.

Component I: Corporate Policy Offices and Other Services

Introduction to Corporate Policy Offices and Other Services

The City of Tshwane's Corporate Policy Offices render an enterprise-wide and integrated support functions critical for the effective management and governance of the affairs of the city and remain a foundation of effective service delivery. These corporate support services provided ranges from information technology services, including the provision of IT support; business operation services including fleet management transportation; corporate communication and marketing; corporate property management and facilities management and strategic customer relations management which entail an effective operational customer care walk-in centres. Additionally, these offices play a significant role in assisting with the implementation of various of policies and strategies aimed at achieving the vision of the city, ***"Building a capital city that works for all its people".***

It is against the background presented above that this component of this chapter provides elaborative details on the feedback on the support services rendered by these corporate offices in an effort to enhance service delivery and standards to improve customer confidence in the most effective, efficient and professional manner.

3.22 Information and Communication Technology

Introduction to the Information and Communication Technology

As an enabler, Information and Communication Technology (ICT) allows for better customer engagement and improvements in the management of processes, which ultimately lead to improved delivery of services. To give effect to this, the City of Tshwane's Shared Services Department, ensures maximum connectivity support to the line function departments in an effort to expand technological internal efficiencies through enhanced ICT operations and providing effective and reliable fleet management services. Over the financial year under review, the City's connectivity efforts were geared towards modernisation and digitisation of city processes, and the following key interventions were committed to:

- Continue with managing and co-ordinating the programmes of the Smart and Innovative City Programme in support of service delivery.
- Enhancing online systems processes to improve efficiencies specifically in the built environment space (building and land applications).
- Maximising economies of scale and ensuring reliability of support functions like ICT operations to city's line departments.
- Expand the use of virtual platforms to facilitate customer engagements, resolve disputes and conduct public meetings with efforts to improve customer centricity.

- Digitisation of supply chain management system to optimize process integration in an effort to to phase out the conventional tender processes.
- Continue with the expansion of utilisation of e-Tshwane platforms in an effort to bringing services closer to the people and promote interaction between the city and its residents.
- Continued expansion of city's free Wi-fi sites in most strategic zones and publicly accessible spots to achieve wide-scale connectivity.
- Expand the use of e-Tshwane platforms to enable residents to manage their utility accounts easily online, maximisation of prepaid meters application applications and overall provision of integrated city services whilst reaching out a wider citizenry.

E-Support Initiatives Implemented

In an effort to enhance the technological efficiencies, in the financial year under review the City implemented the following e-initiatives programmes:

- **Electronic Document and Record Management System (**EDRMS): Since its inception, the EDRMS has enabled access through various Internet applications such as WhatsApp.to assist Tshwane residents manage their accounts at the convenience, apply for new services, improved access with critical links such e-Recruitment which provides an citizens to apply for job online. As at 30 June 2023, a total of 203,654 users have been successfully connected and all line function departments are utilising this system. To date, a total of 404,019 users were active with 668,858 accounts registered.
- **Intranet Geo-Information Portal (Maps & GIS)**: As easy-to-use platform that organizes applications, data, and tools through information-driven initiatives. The new Intranet Geo-Information Portal (also referred to as Maps & GIS) maximizes engagement, collaboration, and information integration. This portal was configured, using ArcGIS Hub, to assist line city departments to leverage their existing geo-information when implementing services.
- **Metropolitan Spatial Development Framework (MSDF):** specifically designed to enable line departments to easily access detail information on the MSDF and easy access of geo-information to assist in daily operations and service delivery requirements, allowing more efficient response on reports to improving service delivery.
- **Green Infrastructure Benefit Index (GIBI):** This solution was aimed spatially enabling and at guiding needs-based green infrastructure service delivery projects. This entails that the data structure designs, implementation and uploading of the raster datasets are easily managed onto the city's GIS Image Server.

Over the financial year under review, the following milestones were recorded:

- Installed an additional 9 free Wi-Fi hotspots at various regions across Tshwane.
- Continued with the maintenance of 703 existing f Wi-Fi hotspots and high sites.
- Implemented an Integrated **e-Health Information Management System** which will assist in facilitating the attainment of the integrated healthcare requirements and managing healthcare data to be deployed across all CoT clinics and integrated to the National Department of Health. This system allows for all requirements relating to

collection and recording of patient’s data during clinic visits, storing, managing and transmitting a patient's electronic medical records.

- **Finalised the replacement of the Application Processing System (APS) with the Land Development Application Management:** the system has been deployed into production. e-Tshwane and all built environment applications can now be sent for APS processing. The applications process that can be performed and processed online on the e-Tshwane portal include approval of building plans and site development plans; application for provisional authorization to erect structures and permission to utilize buildings before certificate of occupancy has been issued.

3.23 Tshwane’s Corporate Fleet Management

Tshwane’s fleet management operations offer the best services to line function departments. This is demonstrated through ensuring that vehicles are maintained and always available for utilisation as and when required, thus, enabling line function departments to provide services to the community of Tshwane at large.

In an effort to improve efficiencies, over the financial year under review the city managed to procure a total of 244 new vehicles that are currently being deployed to line departments and these include waste compactor vehicles, emergency services water tackers, plumber truck vehicles and light commercial vehicles to be used by client departments, such as the Roads and Transport Department, the Energy and Electricity Department and the Water and Sanitation Department. Additionally, these vehicles include five Tshwane Metro Police Department high-performance and highway patrol vehicles fitted with moving violation recorders.

Furthermore, the city’s fleet management operations successfully de-fleeted all CB54 contract leased vehicles that were due for de-fleeting as that were due for de-fleeting as per lease contract terms and conditions, with the exception of thirteen (13) Emergency Management Services (EMS) specialised equipment which will be inherited as each individual contract ends.

Figure 19: Fleet vehicles procured

3.24 Property Management

The city through its Group Property Department ensures fulfilment of legislative obligations underpinning the management of assets and liabilities, safeguard and maintains these assets to the extent necessary in an effort to maximise value. To give effect to this, Tshwane's Group Property manages and oversees the establishment, stabilisation, efficiency, consolidation and sustainability of corporate property management, facilities management, asset disposal management and property administration initiatives. This also takes into consideration the management of immovable assets in line with the city's approved Immovable Property Asset Strategy, which comprises the following key objectives:

- Ensuring maximum return on investment with regards to the immovable property asset portfolio.
- Providing the right building at the right place to meet service delivery demands with efforts to realise value for money.
- Using immovable property assets to encourage new developments, regenerate spatial integration and stimulate local economic development in the Tshwane region.
- Implementing mechanisms to reduce the environmental impact of buildings to ensure long-term sustainability.
- Developing a sustainable, responsive immovable property asset portfolio.
- Managing and monitoring the city's immovable property asset funds in an effort to realise value on the balance sheet and contribute to the City's financial sustainability.
- Enhance the contribution of immovable property assets to the City of Tshwane vision, corporate planning.
- Ensuring availability of resources to provide maximum cleaning and maintenance services at City owned buildings.

Overhauling of Some of City Buildings

The C de Wet building situated in Es'kia Mphahlele street Pretoria Central received a major remodelling over the financial year, whereby all its entire three floors have been newly renovated, based on new floor plans, as part of office space optimisation whilst improving its outlook. Plans were submitted to Building Control for approval and the renovation activities included repainting, refacing cabinets and installation of new ceilings and light fixtures.

Acquisition of the Midtown building

The city finalised the acquisition deal of the Midtown Building situated in Sisulu street Pretoria. The project was allocated a budget of a total of R35 million paid to the appointed transferring attorneys and subsequently to that, the guarantees were provided to the attorneys appointed by the seller. The acquisition of this property enhances the City of Tshwane property portfolio and ultimately increase employee occupancy.

Lease of Council Property

In the financial year under review, Tshwane's Group Property accumulated properties to the value of R81,572,819.87 injected into the city's fiscus. Furthermore, a total of 24 properties with a value of R362,570.00 and 9 properties to the value of R295,014,00 per month have been released to the market for long-term leasing purposes. Each of the properties has been released with a highest and best use proposition directly aligned to the city's metropolitan and regional spatial development framework.

The table below presents the properties released to the market for development and long-term lease across Regions:

Table 53: Properties Released to the Market

No	Suburb	Erf number	Region	Tender reference
1	Nellmapius X3	1759	6	GPM07-2022/23
2	Nellmapius X3	1940	6	GPM07-2022/23
3	Nellmapius X4	3988	6	GPM07-2022/23
4	Nellmapius X4	4154	6	GPM07-2022/23
5	Nellmapius X8	9311	6	GPM07-2022/23
6	Olievenhoutbosch X26	6526	4	GPM09-2022/23
7	Laudium X3	2741	4	GPM09-2022/23
8	Farm Prinshof (also known as the Melgisedek building)	349-JR/103	3	GPM13-2022/23

No	Suburb	Erf number	Region	Tender reference
8	Kudube Unit 7	5919	2	GPM14-2022/23
10	Kudube Unit 7	6513	2	GPM14-2022/23
11	Olievenhoutbosch X24	4924	4	GPM08-2022/23
12	Olievenhoutbosch X24	4926	4	GPM08-2022/23
13	Olievenhoutbosch X24	4927	4	GPM08-2022/23
14	Rosslyn X2	372	1	GPM10-2022/23
15	Rosslyn X2	373	1	GPM10-2022/23
16	Rosslyn X2	374	1	GPM10-2022/23
17	Mabopane U	2197	1	GPM15-2022/23
18	Gezina	Portion of 762	3	GPM11-2022/23
19	Rietgat	Portion of 611JR/R	1	GPM12-2022/23
20	Elandspoort	Portion 1 of Erf 3415	3	GPM23-2022/23
21	Pretoria	1185	3	GPM24-2022/23
22	Soshanguve South X10	20829	1	GPM25-2022/23
23	GaRankuwa Unit 21	817	1	GPM26-2022/23
24	Atteridgeville X25	15072	3	GPM27-2022/23

3.25 Customer Relations Management

Tshwane's Customer Relations Management (CRM) remains the first point of contact with customers through Call Centres and Customer Care Walk-in Centres. Over the year, the city's CRM primary was to prioritise improving the efficiency and effectiveness of customer relations management and ensure the focus is on the customer' needs by:

- Taking strategic lead to improve the efficiency and effectiveness of customer relations in a coordinated and integrated manner
- Championing organisational culture to drive customer centricity
- Enhancing customer experience throughout the value chain

Service delivery performance highlights

Celebrating Customer Care Week

During the week of 3 to 7 October 2022, the city participated in and celebrated National Customer Care Week to raise awareness of effective and efficient customer service and the vital role it plays in successful business practices and the improvement of customer perceptions. Against the theme, "Celebrate Service", the main objective was to give recognition to the people on the frontlines who make a difference in the lives of customers and to raise awareness on customer service and the vital role it plays in successful business practice and the improvement of customer perceptions.

Call Centre Responsiveness

The City's Call Centre answers an average of 70 000 calls and attend to an average of 60 000 emails' queries, monthly. In addition, there are dedicated Call Centre Agents specifically delegated to respond and attend to all queries send through social media platforms. Efforts to resolve these queries, include:

- Responding to calls in the English language as a medium of communication and allow customers to also register their queries in their preferred languages to ensure that their needs are catered for, adequately
- The turnaround time target regarding call responsiveness is 80%. The calls answered within 20 seconds and email turnaround time is 72 hours as per standard or best practice.

3.26 Communication and Marketing

Introduction to Communication and Marketing

The city's Communication, Marketing and Events (CME) manages the role of positioning Tshwane as a strong brand locally, within the country and globally, including its overall reputation and image, thus, enhancing its brand as an investment and tourism destination. This is demonstrated through utilising effective communication, marketing, public relations, events and stakeholder platforms. In an effort to enhance the communication space, the City keep abreast of innovative developments in the media landscape, especially the use of social media platforms. These communication platforms remain at the centre of the interface between the city and its stakeholders.

Over the years, CME has kept abreast of innovative developments in the media landscape, with a specific focus on digital communication, especially using social media platforms and rebuilding and refining these platforms in order to enhance the city's communication. The outcomes are visible in more followers on social media platforms such as Twitter and Facebook, more traffic on the website and intranet, as well as more positive comments from users, but more queries are also being received via these platforms. The overall impact has improved meaningful engagement with our residents and South Africans in general. Additionally, CME render communication support to line departments with regards to corporate communication in functions related to centralised media buying, documents publishing on the municipality's website, drive and package all corporate programmes and events such as the State of the Capital Address (SOCA).

The CME services also include the provision of language services as a means to accommodate and promote multilingualism in line with the guidelines of the city's Language Policy.

Service Delivery Performance Highlights

Progress with regards to the Corporate Communication services over the financial year under review include the following:

- **Revamping of the Official Website**: CME embarked on a process to revamp its website which went live in December 2022. The process included a built in popular website software called WordPress, a new website which presents a fresh and a lean design with dynamic functionality. The site is now a more micro-service site and provides a collection of information modelled around customer centricity to make it easier for customers to interact with the city. Some of the features include the following:
    - A marquee or a scroll that profiles service delivery campaigns.
    - Easy navigation that focuses more on services, including automated platforms such as e-Tshwane where customers can log on and pay their accounts at their convenience – access sites related to tourism, face of the city and other related business matters such as tender process, and most importantly how to contact various service points.
    - To improve user functionality, the newly revamped website presents the use of icons that describe the content behind the tabs, such as municipal services, service interruptions and power alerts, including the social media platforms where customers can be engaged from a corporate communication and customer relations point of view.

Communication Support to City's Service Delivery Campaigns

- **#Tshwane-Ya-Tima disconnections campaign**: This massive disconnection campaign was launched in the 2021/22 financial year in an effort to recover funds from businesses and residential properties with huge municipal debts and addressing the culture on non-payment. During the months of In August and September 2022, the **Amnesty Programme** formed part of the communication campaign where the City appealed to consumers who were illegally connected to the electricity and/or water network to apply for amnesty to avoid fines and criminal charges. It is worth mentioning that the Communication, Marketing and Events played a prominent role in introducing and championing this campaign on its digital platforms and offering other communication support service to the Office of the Executive Mayor who are the drivers of this programme.
- **Cholera outbreak**: During the month of May 2023, Tshwane citizens specifically residents of Hammanskraal, experienced a devastating episode of a cholera outbreak which not resulted in loss of lives and illnesses, but also necessitated for coordinated multigovernmental response to mitigate the spread of cholera and assist affected residents. CME's media and communication teams issued statements and social media messaging around the clock to alert and inform residents of measures put in place to assist them to avoid drinking water from taps and how to treat water for use in and around the house.

COMMENT ON THE OVERALL PERFORMANCE OF CORPORATE SUPPORT OFFICES

Over the financial year under review, the city's corporate support offices demonstrated its efforts by providing continuous support to the city's line function departments to ensure maximum functionality and business continuity. Some of the critical highlights include:

- Profiled the City of Tshwane as a strong brand locally, within the country and globally, thus enhancing Tshwane as an attractive investment and tourism destination.
- Increased the revenue generated through campaigns which amongst others include the #TshwaneYaTima, also enhancing the city's fiscus through property portfolio.
- Enhancing the technological efficiencies through implementation of various e-initiatives programmes.
- Championed an organisational culture that drives customer centricity.
- Made efforts to improve customer experience.

Component K: Organisational Performance Scorecard

Contextualising the Scorecards

Over the financial year under review, the Service Delivery and Budget Implementation Plan (SDBIP) Scorecard of the City of Tshwane was organised in terms of various tables for each category of indicators as indicated below:

- The SDBIP Performance Targets
- Reporting Indicators
- Compliance Indicators

The table referenced "SDBIP Performance Indicators" presents the indicators with clear targets set to be achieved over the financial year under review. The table referenced as "Reporting Indicators" presents indicators where the phenomenon or service tracked cannot be predetermined and thus targets cannot be set but the phenomenon tracked can be reported as-and-when it happens or as observed. The table referenced "Compliance Indicators" presents indicators that are for compliance purposes and serving governance (transparency) requirements.

The city also included a table presenting the performance on the indicators placed at Integrated Development Plan (IDP) level which the C88 Reform refer to as Outcome Indicators. This is in compliance with the C88 Reform requirement which requires that performance on the C88 Outcome Indicators be reported annually for the duration of the IDP (5 year) period. Performance on these indicators is drawn from or is contributed mainly the by the SDBIP indicators.

Furthermore, this section of the report was compiled separately and submitted to the Auditor General South Africa (AGSA) on 15 September 2023, for external auditing purposes. The preparation and submission of this section of the Annual Report, was in compliance with the requirements of section 46 (1) of the Local Government: Municipal System Act, 2003 (Act 32 of 2000) which requires that an Annual Performance Report be prepared. This section of the Annual Report also fulfils the prescripts of section 45 (b)of the Local Government: Municipal System Act, 2003 (Act 32 of 2000) which requires that the Annual Performance Report or measures be audited by the Auditor General.

In pursuit of improving its performance, the city amongst others, implemented these measures:

- Continuously monitored its performance through the in-year performance monitoring reports developed at the end of each quarter of the financial year. This served as an early warning measure.
- Despite many challenges experienced, the city continuously made efforts to improve performance on areas that showed undesirable performance.

- one township under number of informal settlements that have been upgraded to phase 2.

Summary of Performance Results

The approved adjusted SDBIP scorecard for the 2022/23 financial year consists of a total of **93** performance indicators which are indicators where performance targets were set. On 25 August 2023, the National Treasury issued a letter exempting some MFMA Circular No.88 indicators from reporting over the 2022/23 financial year. A total of 9 performance indicators were exempted for reporting and were not assessed and not reported as per the directive of the letter from National Treasury. Owing to systems challenges which do not permit data integrity, the city was unable to account on one performance indicator.

A total of **83** performance indicators with set targets were assessed. Of the **83** performance indicators that were assessed, performance recorded is as follows:

- A total of **44** targets were achieved, translating to **53.01%** target achievement.
- A total of **39** targets were not achieved, translating to **46.99%** negative variance.

Details of the city’s Performance Scorecard 2022/23 financial year are expressed in the table below.

Table 54: SDBIP Performance Scorecard (Performance Indicators) for the 2022/23 Financial Year

Strategic Priority	Department	Code	Key Performance Indicator	Actual Achievement 2021/22	Baseline (as per adjusted SDBIP)	Annual Target for 2022/23 (as per adjusted SDBIP)	Annual Results 2022/23	Variance	Reasons for Variances	Mitigation Measures Planned /Undertaken to Address Root Causes of Variances
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	N/A	Number of kiloliters of water purchased	293 241 967 kl	293 241 967 kl	297 242 243 kl	282 526 826 kl	14 715 417 kl	The intention of the KPI is to reduce bulk water purchases. So the target is achieved since the volume purchased is lower than the annual target. Low demand from consumers and long rainy season.	Not applicable. Reduced consumption leads to lower spending (expenses) on bulk purchases.
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS2.11	Number of new water connections meeting minimum standards	4 089	4 089	3 000	3 050	50	The performance is in line with what was planned. More applications for water connections received for the year.	More connections means more consumers will be billed for water which increases revenue. The KPI is also application driven.
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS1.11	Number of new sewer connections meeting minimum standards	412	412	1 000	703	-297	The contractor failed to deliver in accordance with the terms and conditions of the contract.	The city initiated its intent to cancel the project in May 2023.
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	N/A	Length of new water pipelines Installed	N/A	New	3 600m	24m	-3 576m	The contractor failed to perform in line with the terms and conditions of the contract.	A report was submitted to the Bid Adjudication Committee (BAC) for termination of the contract.

Strategic Priority	Department	Code	Key Performance Indicator	Actual Achievement 2021/22	Baseline (as per adjusted SDBIP)	Annual Target for 2022/23 (as per adjusted SDBIP)	Annual Results 2022/23	Variance	Reasons for Variances	Mitigation Measures Planned /Undertaken to Address Root Causes of Variances
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	N/A	Length of water pipelines replaced/Upgraded	N/A	New	16 000m	24 773.4m	8 773.4m	The contractors put additional resources and effort hence target is exceeded.	Not Applicable. More water pipeline upgrades means reduced water losses which is good for the municipality.
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	N/A	Length of new sewer pipelines installed	N/A	New	11 470m	7 229m	-4 241m	The contractor failed to deliver in accordance with the terms and conditions of the contract.	The city initiated its intent to cancel the project in May 2023.
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: EE1.11	Number of dwellings provided with connections to the mains electricity supply by the municipality	2 572	2 572	4 940	KPI has been exempted for reporting as per the National Treasury letter dated 25 August 2023. The KPI was exempted due to changes in definitions which would affect how the indicator is reported and accounted for.			
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: EE4.12	Installed capacity of approved embedded generators on the municipal distribution network	991 kVA	991 kVA	5.5MVA	0.08728 MVA	-5.41272MVA	This service is demand drive. Customers must apply to obtain approval for installation and commissioning embedded generators. The lesser the applications, the lesser the approvals for installation and commissioning of embedded generators thus leading to limited capacity of embedded generators to account for.	The city will always respond to the demand as per the applications received.

Strategic Priority	Department	Code	Key Performance Indicator	Actual Achievement 2021/22	Baseline (as per adjusted SDBIP)	Annual Target for 2022/23 (as per adjusted SDBIP)	Annual Results 2022/23	Variance	Reasons for Variances	Mitigation Measures Planned /Undertaken to Address Root Causes of Variances
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: EE1.13	Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	61%	61%	80%	71.06%	-8.94%	Unavailability of critical stores materials, tools of trade and other critical resources.	The efforts put in place to improve the financial position of the city, should impact positively on the availability of the required resources to deliver on this KPI.
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: EE2.11	Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	6.94%	18.14%	14%	Owing to systems challenges which do not permit data integrity, the City is unable to account reliably on the performance measured by this Indicator.			
Priority 1: Prioritisation of the electrical grid and water infrastructure.	ROC	C88: EE3.11	Percentage of unplanned outages that are restored to supply within industry standard timeframes	41.80%	42%	50%	KPI has been exempted for reporting as per the National Treasury letter dated 25 August 2023			
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM1.11	Total Capital Expenditure as a percentage of Total Capital Budget	N/A	New	100%	74%	-26%	Delay in Supply Chain processes Poor performance of contractors on some of the projects Delay in submission and payment of invoices	Departments must improve project planning and timeously finalise procurement processes Poor performance of contractors must be investigated, and corrective measures implemented through contract management
Priority 2: Provide stringent financial	Group Financial Services	FM1.12	Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	N/A	New	100%	97%	-3%	Expenditure underperformed against budget due to major items such as employee related costs,	Expenditure planning should be improved.

Strategic Priority	Department	Code	Key Performance Indicator	Actual Achievement 2021/22	Baseline (as per adjusted SDBIP)	Annual Target for 2022/23 (as per adjusted SDBIP)	Annual Results 2022/23	Variance	Reasons for Variances	Mitigation Measures Planned /Undertaken to Address Root Causes of Variances
management and oversight.									bulk purchases and contracted services.	
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM1.13	Total Operating Revenue as a percentage of Total Operating Revenue Budget	N/A	New	100%	96%	-4%	The variance is mainly attributed to the underperformance of electricity revenue due to a decline in demand for electricity caused by factors such as 916 hours of load shedding during the financial year, technical losses, and billing issues.	The electricity revenue value chain needs to be reviewed to improve metering and billing. Audit of faulty meter replacement.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM1.14	Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget	N/A	New	100%	92,7%	-7.3%	Underperformance mainly due to electricity revenue that was negatively impacted by low demand due to loadshedding.	The electricity revenue value chain needs to be reviewed to improve metering and billing. Audit of faulty meter replacement.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM1.21	Funded budget (Y/N) (Municipal)	N/A	New	N	N	N/A	The budget is unfunded due to insufficient cash back reserves and the under collection of revenue.	The City will work towards improving cash back resources in the new financial year. The Tshwane Ya Tima is expected to extensively increase revenue collection in order to improve liquidity.

Strategic Priority	Department	Code	Key Performance Indicator	Actual Achievement 2021/22	Baseline (as per adjusted SDBIP)	Annual Target for 2022/23 (as per adjusted SDBIP)	Annual Results 2022/23	Variance	Reasons for Variances	Mitigation Measures Planned /Undertaken to Address Root Causes of Variances
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM2.21	Cash backed reserves reconciliation at year end	N/A	New	R700m	-R6 027 933 262	-R5 327 933 262	This has not been achieved due to the following factors: The City does not have adequate cash reserves required to cover statutory and related obligations. The City does not generate enough net cash residues after accounting for revenue and other receipts and applying these against payments.	The Tshwane Ya Tima is expected to extensively increase revenue collection in order to improve liquidity.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM3.11	Cash/Cost coverage ratio	0.2	New	0.18	0.15	-0.3	Not achieved. This is due to a lack of sufficient liquidity to be able to dispense all creditor payments on due dates.	The Tshwane Ya Tima is expected to extensively increase revenue collection in order to improve liquidity.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM3.12	Current ratio (current assets/current liabilities)	N/A	New	0.61	0.42	-0.19	Not achieved. This is due to a lack of sufficient liquidity to be able to dispense all creditor payments on due dates.	The Tshwane Ya Tima is expected to extensively increase revenue collection in order to improve liquidity.
Priority 2: Provide stringent financial	Group Financial Services	FM3.13	Trade payables to cash ratio	N/A	New	>1	0.12	-0.88	Not achieved. This is due to a lack of sufficient liquidity to be able to dispense all	The Tshwane Ya Tima is expected to extensively increase revenue collection

Strategic Priority	Department	Code	Key Performance Indicator	Actual Achievement 2021/22	Baseline (as per adjusted SDBIP)	Annual Target for 2022/23 (as per adjusted SDBIP)	Annual Results 2022/23	Variance	Reasons for Variances	Mitigation Measures Planned /Undertaken to Address Root Causes of Variances
management and oversight.									creditor payments on due dates.	in order to improve liquidity.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM3.14	Liquidity ratio	N/A	New	0.04	0.05	0.01	The City did not generate enough cash during the current financial year in order to reach the set targets. Although the ratio is still below the norm	The Tshwane Ya Tima is expected to extensively increase revenue collection in order to improve liquidity. The current cost containment policy must be extended to effectively reduce expenditure in order to preserve liquidity.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM4.11	Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure	N/A	New	0%	39%	11.5%	The 11.5% UIFWE as a result of an increased expenditure of Fruitless and Wasteful expenditure vs the previous financial year	Implementation of Section 32 process via Audit and Risk.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM4.31	Creditors payment period	N/A	New	30 days (100%)	136 Days	106 days	The set target of 45 days was not achieved due to severe liquidity on an ongoing basis.	The Tshwane Ya Tima is expected to extensively increase revenue collection to improve liquidity.
Priority 2: Provide stringent financial	Group Financial Services	FM5.11	Percentage of total capital expenditure funded from own funding (Internally generated funds +	N/A	New	24.5%	25.5%	1.0%	Achieved.	None required.

Strategic Priority	Department	Code	Key Performance Indicator	Actual Achievement 2021/22	Baseline (as per adjusted SDBIP)	Annual Target for 2022/23 (as per adjusted SDBIP)	Annual Results 2022/23	Variance	Reasons for Variances	Mitigation Measures Planned /Undertaken to Address Root Causes of Variances
management and oversight.			Borrowings)							
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM5.12	Percentage of total capital expenditure funded from capital conditional grants	N/A	New	75.5%	72.5%	-3%	Grants were not fully spent at the end of the financial year due to delays in supply chain management processes and poor performance of contractors among other reasons.	Project and contract management must be improved to ensure that projects are executed, and poor performance of contractors are addressed.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM5.21	Percentage of total capital expenditure on renewal/upgrading of existing assets	N/A	New	18.0%	48%	30%	Performance on capital expenditure projects for renewal and upgrading of existing assets was better than all other projects	Target exceeded and no measure required
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM5.22	Renewal/Upgrading of Existing Assets as a percentage of Depreciation/Asset impairment	N/A	New	19.3%	40%	20.97%	Performance on capital expenditure projects for renewal and upgrading of existing assets was below budget	The city must improve project planning and timeously finalise procurement processes Poor performance of contractors must be investigated, and corrective measures implemented through contract management
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM5.31	Repairs and Maintenance as a percentage of property, plant, equipment and investment property	N/A	New	3.2%	2.2%	-1%	Expenditure underperformed against budget	The city will prioritise repairs and maintenance over a medium-term period.

Strategic Priority	Department	Code	Key Performance Indicator	Actual Achievement 2021/22	Baseline (as per adjusted SDBIP)	Annual Target for 2022/23 (as per adjusted SDBIP)	Annual Results 2022/23	Variance	Reasons for Variances	Mitigation Measures Planned /Undertaken to Address Root Causes of Variances
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM6.12	Percentage of awarded tenders [over R200k], published on the municipality's website	N/A	New	100%	99%	-1%	Tenders for a specific quarter are only published on the Website after the specific quarter.	Monthly update of the website with awarded tenders.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM6.13	Percentage of tender cancellations	N/A	New	0%	43%	43%	Inability to adjudicate and award tenders due to bidders not meeting the evaluation requirements.	Continuous training of bidders on completion of tender documents. Training of Bid Specification Committees to ensure that requirements are clear/realistic.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.11	Debtors payment period	N/A	New	30 Days	60 Days	184 Days	Rate payers' ability to pay for municipal services is constrained by economic conditions of high unemployment rates.	An extensive campaign to register qualifying rate payers on the Indigent and Affordability Registers is being pursued. The Tshwane Ya Tima campaign is also under way to increase collection levels.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.12	Collection rate ratio	N/A	New	95%	90%	-5%	Rate payers' ability to pay for municipal services is constrained by economic conditions of high unemployment rates.	An extensive campaign to register qualifying rate payers on the Indigent and Affordability Registers is being pursued. The Tshwane Ya Tima campaign is also under way to increase collection levels.
Priority 2: Provide stringent	Group Financial Services	FM7.31	Net Surplus /Deficit Margin for Electricity	N/A	New	8.6%	-3.7%	-4.9%	The reason behind the variation is the decline of -7,1% on the	Through the Energy and Electricity, losses programme is

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financial management and oversight.									demand side resulting in lower sales.	implementing the audit and replacement of meter LPU.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.32	Net Surplus /Deficit Margin for Water	N/A	New	19.9%	15.2%	4.7%	Reduced water demand and usage because of Rand Water restrictions.	Water is a scarce resource in the country, the level of water restrictions by Rand Water have a negative impact on water revenue. The city will continue to explore measures to reduce distribution losses.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.33	Net Surplus /Deficit Margin for Wastewater	N/A	New	60.4%	57.3%	3.1%	Revenue was lower than projected, mainly on Cross-border Bulk Sewerage, due to the following factors: The supply of water to neighboring municipalities such as Madibeng, Moretele, and others was supplied by Tshwane, but they are now supplied directly by Magalies water, the city no longer receives that revenue.	Wastewater is linked to the usage of water.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.34	Net Surplus /Deficit Margin for Refuse	N/A	New	5,7%	21%	15,3%	Revenue target achieved.	N/A

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Priority 2: Provide stringent financial management and oversight.	Group Financial Services	N/A	% Service Debtors to Revenue ratio	29.80%	29.80%	14.8%	20.3%	5.5%	Achieved	N/A
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	N/A	% of Debt Coverage	25.7%	25.70%	27.0%	13.0%	-14.0%	The under-achievement of the indicator was as a result of the high default rate	This collection rate requires the City to strictly implement debt and credit control policy measures. The ongoing #Tshwane Ya Tima campaign should be intensified to support the improvement in revenue collection.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED2.12	Percentage of the municipality's operating budget spent on indigent relief for free basic services.	6.68%	6.68%	7.7%	5.98%	-1.72%	The reason for the is the qualifying households not coming forward to register as indigent.	Accelerated community awareness.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED2.11	Percentage of budgeted rates revenue collected	92%	92%	95%	84%	-11%	Rate payers' ability to pay for municipal services is constrained by economic conditions of high unemployment rates.	An extensive campaign to register qualifying rate payers on the Indigent and Affordability Registers is being pursued. The Tshwane Ya Tima campaign is also under way to increase collection levels

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Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED3.21	Percentage of revenue clearance certificates issued within 10 working days from time of completed application received	87.42% issued 3 days after full payment is received	87.42% issued 3 days after full payment is received	95%	97%	2%	Achieved All completed application received were processed.	N/A
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process	186 days	186 days	120 days	141 days	21 days	Not Achieved. Delays within the committee systems (BEC and BAC)	Special committee sittings to be arranged to fast track tender evaluations and awards to comply with the 120 days compliance requirements.
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED3.32	Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission	52%	52%	50%	39%	11%	The percentage payment was not achieved due to severe liquidity on an ongoing basis.	The Tshwane Ya Tima is expected to extensively increase revenue collection to improve liquidity. The cost containment policy in place to ensure funds are spend on core service delivery.
Priority 3. A businessfriendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	N/A	Rand value of investment facilitated into the city (annual)	R2.2 billion	R2.2 billion	R1.6 billion	R1.7 billion	R0.1 billion	Changes in the economic and financial environment affects project budget on the daily basis.	Management will be continuing with the effective and efficient system and processes.
Priority 3. A business friendly city that promotes employment	Economic Development and Spatial Planning	N/A	Number of co-operatives supported through the co-operative development program	159	159	140	173	34	Due to additional number of cooperatives that attended the planned workshops	The performance registered will serve as the basis and a guide for target setting in the next cycles of planning

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and economic growth.										
Priority 3. A business friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: HS2.22	Average number of days taken to process residential building plan applications of 500 square meters or less	20.38 Days	20.38 Days	30 Days	KPI has been exempted for reporting as per the National Treasury letter dated 25 August 2023			
Priority 3. A business friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: LED3.13	Average number of days taken to process building plan applications of 500 square meters or more	23.91 Days	23.91 Days	60 Days	22.7 Days	37.3 Days	Effective and efficient systems and processes implemented by management, to improve compliance with the legislative framework	Management will be continuing with the effective and efficient system and processes.
Priority 3. A business friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: LED3.11	Average time taken to finalize business license applications	6.55 Days	6.55 Days	21 Days	2.83 Days	18.17 Days	Effective and efficient systems and processes implemented by management, to improve compliance with the legislative framework	Management will be continuing with the effective and efficient system and processes.
Priority 3. A businessfriendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: LED3.12	Average time taken to finalize informal trading permits	1.68 Days	1.68 Days	21 Days	2.25 Days	18.75 Days	Effective and efficient systems and processes implemented by management, to improve compliance with the legislative framework	Management will be continuing with the effective and efficient system and processes
Priority 3. A businessfriendly city that	Group Human Capital	C88: LED1.31	Number of individuals connected to	123	123	120	120	0	N/A	N/A

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promotes employment and economic growth.			apprenticeships and learnerships through municipal interventions							
Priority 3. A businessfriendly city that promotes employment and economic growth.	Community & Social Development	C88: LED1.21	Number of work opportunities created through public employment programmes (incl. EPWP, CWP and other related employment programmes)	15 304	15 304	17 964	20 893	2 929	More work opportunities were created through the presidential stimulus programme and the EPWP integrated grant. This is a grant received from the National Treasury, this grant provided an opportunity to increase the uptake on EPWP participants.	N/A
Priority 4: Enhancing city safety, security and emergency services.	Tshwane Metro Police Department	N/A	Number of By-Law Policing Operations/ Interventions executed	589	589	504	581	77	The variance is as a result of unplanned operations which are conducted in response to unforeseen demands and activities within the community of Tshwane.	The city will always respond to the unforeseen demand and use the results recorded in setting targets in the next cycle of planning
Priority 4: Enhancing city safety, security and emergency services.	Tshwane Metro Police Department	N/A	Number of Road Policing Operations/ Interventions executed	934	934	806	995	189	The variance is as a result of unplanned operations which are conducted in response to unforeseen demands and activities within the community of Tshwane.	The city will always respond to the unforeseen demand and use the results recorded in setting targets in the next cycle of planning

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Priority 4: Enhancing city safety, security and emergency services.	Tshwane Metro Police Department	N/A	Number of Crime Prevention Operations/ Interventions executed	1 649	1 649	1 600	1657	57	The variance is as a result of unplanned operations which are conducted in response to unforeseen demands and activities within the community of Tshwane.	The city will always respond to the unforeseen demand and use the results recorded in setting targets in the next cycle of planning
Priority 4: Enhancing city safety, security and emergency services.	Emergency Services	C88: FD1.11	Percentage compliance with the required attendance time for Structural firefighting incidents	79.98%	79.98%	75%	76.55%	1.55%	Resources are strategically deployed to ensure effective readiness responding to all emergencies in all fire stations.	N/A
Priority 4: Enhancing city safety, security and emergency services.	Emergency Services	N/A	Number of municipal critical infrastructure plans that are in place to deal with impending and actual disasters	10	10	10	11	1	Continuous engagements with the client department demonstrates, their understanding in the completion and the essence of the CICP. The response by completing more than the target is a proactive approach in the objective of having CICPs for all substations.	N/A
Priority 5: Maintaining a clean and protected	Environmental and Agricultural Management	N/A	Percentage of formal areas provided with weekly waste collection services	100%	100%	100%	100%	0%	N/A	N/A

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natural environment.										
Priority 5: Maintaining a clean and protected natural environment.	Environmental and Agricultural Management	C88: ENV3.11	Percentage of known informal settlements receiving basic refuse removal services	92%	92%	85%	100%	15%	The positive variance is as a result of the fact that the city reach out to more informal settlements than targeted	N/A
Priority 6: Maintenance and expansion of road infrastructure and public transportation	ROC	C88: TR6.11	Percentage of unsurfaced road graded	115.05%	115.05%	50%	116.339%	66.339%	The overachievement on the KPI does not imply that over 100% of the gravel roads in the City were graded. It implies that some roads were graded repeatedly over a period of 12 months, based on the need, callouts (requests by councilors, residents) and regional maintenance plans	N/A
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	ROC	C88: WS3.11	Percentage of callouts responded to within 24 hours (sanitation/waste water)	67.30%	67.30%	70%	KPI has been exempted for reporting audit as per the National Treasury letter dated 25 August 2023			
Priority 6: Maintenance and expansion	ROC	C88: WS3.21	Percentage of callouts responded to within 24 hours(water)	41.25%	41.25%	50%	KPI has been exempted for reporting audit as per the National Treasury letter dated 25 August 2023			

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of road infrastructure and public transportation.										
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	ROC	C88: TR6.21	Percentage of reported pothole complaints resolved within standard municipal response time	20.57%	21%	50%	33.4%	-16.6%	Hotmix asphalt was in some cases not consistently available throughout the year. There were delayed payments to Bitumen service providers due to the financial liquidity challenges of the City. Inclement weather in the summer months of the year, also contributed towards backlogs.	Procure and supply Hotmix asphalt for the regional maintenance teams through tender ROC 06 2020/21 - Tender for the supply, delivery and offloading of Asphalt.
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR4.21	Percentage of Municipal bus services 'on time' (TBS)	86.50%	87%	80%	74.02%	-5.98%	Late delivery of fuel causes congestion at the pump, resulting in buses leaving late. Load shedding delays.	Continuous engagement with the Group Shared Services Department for timeous delivery of fuel. Management team to engage on how to mitigate load shedding challenges.
Priority 6: Maintenance and expansion of road infrastructure	Roads & Transport	C88: TR4.21	Percentage of Municipal bus services 'on time' (A Re Yeng)	80.67%	81%	90%	90.76%	0.67%	Achieved – The TMPD assisted with traffic control	N/A

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and public transportation.										
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR5.31	Percentage of scheduled municipal bus service stops that are universally accessible (A Re Yeng)	99%	100% (…that are low entry)	60%	KPI has been exempted for reporting audit as per the National Treasury letter dated 25 August 2023			
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR5.11	Number of scheduled public transport access points added (IRPTN Feeder Stops and BRT Stations)	2	2	10	0	-10	Poor performance by the Contractor to execute works on the identified feeder stops	The city will make use of contractors/service providers in an existing panel of contractors/service providers
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR5.11	Number of scheduled public transport access points added (by TBS _Bus Stops)	2	2	8	8	0	N/A	Expansion of network to unserved areas.
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	N/A	Kilometres of roads constructed to the required standard	5.355 km	5.355 km	10 km	18.165 km	8.165 km	Target achieved, Project performed better than expected	N/A

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Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	N/A	Kilometres of required municipal storm water drainage network constructed	26.544 km	26.544 km	0.591 km	0.591 km	0	N/A	N/A
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	N/A	Number of Intermodal Facilities completed	0	0	1	0	-1	Delays experienced in the progression of the planned work which are attributed to the undesirable performance of the contractor.	A new process to do design for future construction has started
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Human Settlements	C88: TR6.13	KMs of new municipal road network	22.883 km	22.883 km	10 km	27.871 km	17.871 km	The overachievement was as a result of projects that could not be completed in the past years but were able to be unlocked and concluded in the 2022/23 FY. Thorntree view project achieved a total of 15.8km (rounded off), Soshanguve ext.5 project achieved a total of 12.05 km (rounded off).	The city will strive to achieve targets set in each financial year so that there are no excessive performance resulting from projects that could not be completed in the previous financial years.

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Priority 7: A caring city that supports the vulnerable and provides social relief.	Community & Social Development	N/A	Number of indigent households supported by the City through its social package per year	4 187	4 187	3000	123 594	120 594	More households were registered in the indigent database	The city will consider the efficiencies and other contributors that led to the higher number of registrations when setting targets for the next cycle of planning
Priority 7: A caring city that supports the vulnerable and provides social relief.	Community & Social Development	N/A	Number of indigent households exited from the indigent register per year	5 822	5 822	4 000	23 285	19 285	More households who were in the indigent database for 2 years were exited through indigent policy. The Section was responding to AGSA audit finding of registered indigent households who have been on the indigent register for more than 24 months and benefitting unduly. According to Clause 12, sub-clause 12.2 stipulates that "All indigent households will be de-registered after 24 months.	N/A
Priority 7: A caring city that supports the vulnerable and	Human Settlements	N/A	Number of informal settlements with access to rudimentary sanitation services	108	108	106	108	2	Services were added to new informal settlements and other informal settlements were separated in	New informal settlements were added thus causing the addition of services in response to Section 27 of the Constitution of the

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provides social relief.									terms of their specific locations and names.	Republic of South Africa (Act 108 of 1996). The department is continuously engaging with Tshwane Metro Police Department (TMPD), Land Invasion Unit to monitor and prevent land invasion as well as to derail the mushrooming of unplanned informal settlements
Priority 7: A caring city that supports the vulnerable and provides social relief.	Human Settlements	N/A	Number of informal settlements with access to rudimentary water services	150	150	138	148	10	Services were added to new informal settlements and other informal settlements were separated in terms of their specific locations and names.	New informal settlements were added thus causing the addition of services in response to Section 27 of the Constitution of the Republic of South Africa (Act 108 of 1996). The department is continuously engaging with Tshwane Metro Police Department (TMPD), Land Invasion Unit to monitor and prevent land invasion as well as to derail the mushrooming of unplanned informal settlements
Priority 7: A caring city that	Human Settlements	C88: HS1.13	Hectares of land acquired for human settlements in Priority	0	0	15 ha	KPI has been exempted for reporting as per National Treasury letter dated 25			

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supports the vulnerable and provides social relief.			Housing Development Areas				August 2023. The KPI was exempted due to changes in definitions which would affect how the indicator is reported and accounted for.			
Priority 7: A caring city that supports the vulnerable and provides social relief.	Human Settlements	C88: HS1.11	Number of subsidised housing units constructed using various Human Settlements Programmes	760	760	282	KPI has been exempted for reporting as per National Treasury letter dated 25 August 2023			
Priority 7: A caring city that supports the vulnerable and provides social relief.	Human Settlements	N/A	Number of serviced sites - Water	4 343	4 343	1 494	1 496	2	The projects that were targeted for achievement in the past year performed slightly higher than expected with additional two (2) stands. The projects that contributed to the achievement are: Mamelodi (Phomolong) ext. 6 (531 stands), Refilwe ext.10 (725 stands), and Mabopane (EW) ext. 2 (241 stands	N/A
Priority 7: A caring city that supports the vulnerable and	Human Settlements	N/A	Number of serviced sites - Sewer	4 343	4 343	1 538	1 543	5	The projects that were targeted for achievement in the past year performed slightly higher than	N/A

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provides social relief.									expected with additional five (5) stands. The achievement was recorded from the following projects: Mamelodi (Phomolong) ext. 6 (462 stands), Refilwe ext.10 (460 stands), Nelmapius ext 22 (380 stands) and Mabopane (EW) ext. 2 (241 stands)	
Priority 7: A caring city that supports the vulnerable and provides social relief.	Human Settlements	C88: HS1.32	Number of informal settlements upgraded to Phase 2	10	10	20	20	0	N/A	N/A
Priority 9: A professional public service that drives accountability and transparency.	Office of the City Manager	C88: GG3.11	Number of repeat audit findings	78	78	0	78	0	Achievement of the indicator is dependent on performance of stakeholder departments	MCAM, chaired by the City Manager, sits frequently where each department with a finding presents its Action Plan and reports on the status of implementation until all the findings are resolved.
Priority 9: A professional public service that drives accountability	Office of the City Manager	N/A	Number of EXCO meetings held in this quarter	31	31	12	23	11	EXCO had to deviate from the initial plan due to operational issues.	The number of EXCO meetings is determined by the urgency of issues at hand.

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and transparency.										
Priority 9: A professional public service that drives accountability and transparency.	Customer Relations Management	C88: GG2.31	Percentage of official complaints responded to through the municipal complaint management system	93.56%	93.56%	90%	86%	-4%	1.The system related challenge attributed to the below summary; •CRM slow (not SINCHrelated) Loadshedding/ Power outages Temba network down VPN system connection ICT system maintenance Dependency on departments to resolve queries within the stipulated SOPs Dependency on departments to resolve and update the system Resource constraints	1.ICT Steering Committee revitalisation: Currently the focus is on one on one on sessions resolving issues individually. 2.Continuously communicating with GICT and requesting ICT infrastructure and support: Assessments take place every morning after which immediate communication takes place with ICT and the SINCH team to resolve any issues. 3.Report from Group Head: CRM to Shared Services indicating all the challenges, with specific reference to SINCH and network. 4.Requested additional ICT LTE routers for business continuity and escalated the non-connectivity of existing routers. 5.Integrate interaction points to have unified multichannel with one view of the customer through SAP Optimisation project.

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										6. Operational Performance Task Team meeting every two weeks with all role players to identify gaps, challenges and mitigation to resolve outstanding customer issues.
Priority 9: A professional public service that drives accountability and transparency.	Office of the Chief Whip	C88: GG3.12	Percentage of Councilors who have declared their financial interests	49.53%	49.53%	100%	55.61%	0%	Owing to the change of political parties in the city, the declaration of interest on time by Councillors is affected	During adjustment period, the KPI was reviewed and moved to Reporting level as Councillors are mandated by law to declare their financial interest once a year
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: GG2.11	Percentage of ward committees with 6 or more ward committee members (excluding the ward Councillor)	0%	0%	100%	0%	-100%	The Office of the Speaker has not established the Ward Committees yet.	The Office of the Speaker is currently in the initial phase of the Ward Committee implementation plan. We are focusing on conducting a civic education and awareness campaign to inform and educate the public about the process flow as intended. This phase will be followed by the second phase, which is the registration and nomination process scheduled for October. Subsequently, the election process is envisaged to take place in

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										November and December 2023 if time permits.
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: GG2.12	Percentage of wards that have held at least one Councillor convened community meeting	40.18%	40.18%	100%	KPI has been exempted for reporting as per National Treasury letter dated 25 August 2023			
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	N/A	Percentage compliance to employment equity plan	82%	82%	100%	49.10%	-50.9%	Moratorium placed on vacancies has negative impact on the filling of vacancies.	For the period under review, there are no mitigation measures possible.
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: GG1.21	Staff vacancy rate	40%	40%	≤30%	36.66%	6.66%	The filling of vacancies is held in abeyance due to the liquidity position of the city.	Filling of critical positions premised on availability and approval of the requisite budget.
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: GG1.22	Percentage of vacant posts filled within 3 months	21%	21%	75%	36.75%	-38.25%	The filling of vacancies is held in abeyance due to the liquidity position of the city	Filling of critical positions premised on availability and approval of the requisite budget

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Priority 10: Creating a healthy and vibrant city.	Health	N/A	Percentage of City of Tshwane PHC fixed clinics providing immunization for children under 1 year of age	100%	100%	100%	100%	0%	N/A	N/A
Priority 10: Creating a healthy and vibrant city.	Health	N/A	Percentage of City of Tshwane PHC fixed clinics implementing PMTCT program	100%	100%	100%	100%	0%	N/A	N/A
Priority 10: Creating a healthy and vibrant city.	Health	N/A	Percentage of City of Tshwane PHC fixed clinics providing HIV testing facilities for pregnant women	100%	100%	100%	100%	0%	N/A	N/A
Priority 10: Creating a healthy and vibrant city.	Health	C88:ENV5.21	Number of inland water samples tested for monitoring purposes	431	431	200	240	40	Overperformance due to additional staffing resource through hiring Contract EHP's.	N/A

REPORTING INDICATORS AS PER THE NATIONAL TREASURY CIRCULAR 88

The following table presents a summary of the Reporting Indicators in the SDBIP Scorecard. These KPIs does not required target setting since their phenomenon or service concerned were be reported as-and-when it happens. Important to note, the were no adjustment effected in these set of indicators.

Table 55: Reporting Indicators

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	16.26%	No target setting required as this is a quarterly reporting indicator	10.35%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: HS2.21	Number of ratable residential properties in the subsidy housing market entering the municipal valuation roll	KPI has been exempted for reporting as per the National Treasury letter dated 25 August 2023		
Priority 2: Provide stringent financial management and oversight.	Group Human Capital	C88: GG5.12	Quarterly salary bill of suspended officials	R10,890,795.78	No target required as this is a reporting indicator that requires no targets set	R10,034,784.66
Priority 7: A caring city that supports the vulnerable and provides social relief.	Human Settlements	C88: HS1.31	Number of informal settlements assessed (enumerated and classified)	0	No target setting required as this is a annual reporting indicator	0
Priority 9: A professional public service that drives	Group Human Capital	C88: GG5.11	Number of active suspensions longer than three months	8	No target setting required as this is a annual reporting indicator	18

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
accountability and transparency.						

COMPLIANCE INDICATORS AS PER THE NATIONAL TREASURY CIRCULAR 88

The Compliance Indicators are those indicators tracked for compliance purposes and are serving governance (transparency) requirements. There are no targets set for these indicators and no adjustment made for the financial year under review.

Table 56: Compliance Indicators

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: C56 (EE)	Number of customers provided with an alternative energy supply (e.g. LPG or paraffin or biogel according to supply level standards)	0	No target setting required as this is a reporting indicator	0
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88:C57 (EE)	Number of registered electricity consumers with a mini grid-based system in the municipal service area	0	No target setting required as this is a reporting indicator	0
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: C58 (EE)	Total non-technical electricity losses in MWh (estimate)	1 741 102 778 MWh	No target setting required as this is a reporting indicator	1 240 587 462 MWh
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: C59 (EE)	Number of municipal buildings that consume renewable energy	0	No target setting required as this is a reporting indicator	3

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water and Sanitation	C88: C60 (WS)	Total number of sewer connections	412	No target setting required as this is a reporting indicator	498 786
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Human Settlements	C88: C61 (WS)	Total number of chemical toilets in operation	5 805	No target setting required as this is a reporting indicator	5 863
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Human Settlements	C88: C63 (WS)	Total volume of water delivered by water trucks	1 386 100 000 kl	No target setting required as this is a reporting indicator	2 528 100 kl
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C26 (GG)	R-value of all tenders awarded	R738,494,645.90	No target setting required as this is a reporting indicator	R6,812,558,695
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	[C88: C27 (GG)	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	9	No target setting required as this is a reporting indicator	1
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C28 (GG)	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	R488,884, 847.07	No target setting required as this is a reporting indicator	1
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C71 (LED)	Number of procurement processes where disputes were raised	0	No target setting required as this is a reporting indicator	R388,122,393
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C77 (LED)	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	R517,416,750.74	No target setting required as this is a reporting indicator	R1,521,701,247.93

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C78 (LED)	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	R221,077,891.4	No target setting required as this is a reporting indicator	R335,934,935.48
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C79 (LED)	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement	R738,494,642.90	No target setting required as this is a reporting indicator	R760,711,518.44
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C93 (FM)	Number of awards made in terms of SCM Reg 32	New	No target setting required as this is a reporting indicator	2
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C94 (FM)	Number of requests approved for deviation from approved procurement plan	New	No target setting required as this is a reporting indicator	0
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C95 (FM)	Number of residential properties in the billing system	New	No target setting required as this is a reporting indicator	615 304
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C96 (FM)	Number of non-residential properties in the billing system	New	No target setting required as this is a reporting indicator	87 656
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: C97 (FM)	Number of properties in the valuation roll	New	No target setting required as this is a reporting indicator	702 723
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C29 (GG)	Number of approved applications for rezoning a property for commercial purposes	74	No target setting required as this is a reporting indicator	702 723

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C76 (LED)	Number of SMMEs and informal businesses benefitting from municipal digitization support programs rolled out directly or in partnership with other stakeholders	0	No target setting required as this is a reporting indicator	0
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C80 (LED)	Date of the last Council adopted Development Charges policy	None	No target setting required as this is a reporting indicator	0
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C81 (LED)	Number of new business license applications	148	No target setting required as this is a reporting indicator	436
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C82 (LED)	Value of Commercial Projects Constructed by adding all of the estimated costs of construction values on building permits	R0	No target setting required as this is a reporting indicator	R1,507,816,010.00
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C83 (LED)	Number of building plans approved after first review	8 697	No target setting required as this is a reporting indicator	1 365
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C84 (LED)]	Number of building plans submitted for review	13 810	No target setting required as this is a reporting indicator	9 139
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C85 (LED)	Number of business licenses renewed	84	No target setting required as this is a reporting indicator	1 119

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C87 (LED)	Number of firms in the formal sector split across 1-digit SIC codes	0	No target setting required as this is a reporting indicator	0
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: C88 (LED)	Number of businesses registered with the South African Revenue Service within the municipal area	0	No target setting required as this is a reporting indicator	0
Priority 4: Enhancing city safety, security and emergency services.	Emergency Services	C88: C67 (FD)	Number of paid full-time firefighters employed by the municipality	412	No target setting required as this is a reporting indicator	607
Priority 4: Enhancing city safety, security and emergency services.	Emergency Services	C88: C72 (FD)	Date of the last municipal Disaster Management Plan tabled at Council	30 June 2022	No target setting required as this is a reporting indicator	30 June 2022
Priority 4: Enhancing city safety, security and emergency services.	Emergency Services	C88: C73 (FD)	Number of structural fires occurring in informal settlements	295	No target setting required as this is a reporting indicator	292
Priority 4: Enhancing city safety, security and emergency services.	Emergency Services	C88: C74 (FD)	Number of dwellings in informal settlements affected by structural fires (estimate)	862	No target setting required as this is a reporting indicator	623
Priority 4: Enhancing city safety, security and emergency services.	Emergency Services	C88: C75 (FD)	Number of people displaced within the municipal area	4 297	No target setting required as this is a reporting indicator	684

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 4: Enhancing city safety, security and emergency services.	Tshwane Metro Police Department	C88:C25 (GG)	Number of protests reported	N/A	No target setting required as this is a reporting indicator	258
Priority 5: Maintaining a clean and protected natural environment.	ROC	C88: C52 (HS)	Number of maintained sports fields and facilities	123	No target setting required as this is a reporting indicator	43
Priority 5: Maintaining a clean and protected natural environment.	ROC	C88: C53 (HS)	Square meters of maintained public outdoor recreation space	8 062 762 sqm	No target setting required as this is a reporting indicator	209927372.2 sqm
Priority 5: Maintaining a clean and protected natural environment.	Office of the Executive Mayor	C88: C90 (ENV)	Date of the last Climate Change Needs and Response Assessment tabled at Council	None	No target setting required as this is a reporting indicator	None
Priority 5: Maintaining a clean and protected natural environment.	Office of the Executive Mayor	C88: C91 (ENV)	Date of the last Climate Change Response Implementation Plan tabled at Council	26 May 2022	No target setting required as this is a reporting indicator	26 May 2022
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: C65 (TR)	Total number of scheduled public transport access points	3 834	No target setting required as this is a reporting indicator	3 841

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: C66 (TR)	Number of weekday passenger trips on scheduled municipal bus services	7 131 192	KPI has been exempted for reporting audit as per the National Treasury letter dated 25 August 2023	
Priority 7: A caring city that supports the vulnerable and provides social relief.	Community & Social Development	C88: C69 (FD)	Number of 'displaced persons' to whom the municipality delivered assistance	0	No target setting required as this is a reporting indicator	104
Priority 7: A caring city that supports the vulnerable and provides social relief.	Human Settlements	C88: C55 (HS)	Number of housing recipients issued with title deeds	3 120	No target setting required as this is a reporting indicator	1 839
Priority 7: A caring city that supports the vulnerable and provides social relief.	Group Financial Services	C88: C86 (LED)	Number of households in the municipal area registered as indigent	157 081	No target setting required as this is a reporting indicator	123 594
Priority 9: A professional public service that drives accountability and transparency.	Community & Social Development	C88: C54 (HS)	Number of municipality-owned community halls	41	No target setting required as this is a reporting indicator	49
Priority 9: A professional public service that drives accountability and transparency.	Roads & Transport	C88: C64 (TR)	R-value of all direct municipal vehicle operational costs for public transport	R342 844 027	No target setting required as this is a reporting indicator	R582 447 232

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 9: A professional public service that drives accountability and transparency.	Office of the Chief Whip	C88: C8 (GG)	Number of Councilors completed training	153	No target setting required as this is a reporting indicator	210 160
Priority 9: A professional public service that drives accountability and transparency.	Group Legal Services	C88: C11 (GG)	Number of litigation cases instituted by the municipality	9	No target setting required as this is a reporting indicator	3
Priority 9: A professional public service that drives accountability and transparency.	Group Legal Services	C88: C12 (GG)	Number of litigation cases instituted against the municipality	453	No target setting required as this is a reporting indicator	489
Priority 9: A professional public service that drives accountability and transparency.	Group Audit and Risk	C88: C13 (GG)	Number of forensic investigations instituted	239	No target setting required as this is a reporting indicator	113
Priority 9: A professional public service that drives accountability and transparency.	Group Audit and Risk	[C88: C14 (GG)	Number of forensic investigations conducted	45	No target setting required as this is a reporting indicator	48
Priority 9: A professional public service that drives accountability and transparency.	Group Audit and Risk	C88: GG5.1	Number of alleged fraud and corruption cases reported per 100 000 population	10.88	No target setting required as this is a reporting indicator	3.38

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C9 (GG)	Number of municipal officials completed training	11 185	No target setting required as this is a reporting indicator	4 607
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C10 (GG)	Number of work stoppages occurring	5	No target setting required as this is a reporting indicator	5
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C15 (GG)	Number of days of sick leave taken by employees	143 261.9	No target setting required as this is a reporting indicator	156 909.73
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C15 (GG)	Number of days of sick leave taken by employees	143 261.9	No target setting required as this is a reporting indicator	177 441.55
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C16 (GG)	Number of permanent employees employed	18 798	No target setting required as this is a reporting indicator	19 532
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C17 (GG)	Number of temporary employees employed	4 248	No target setting required as this is a reporting indicator	12 213

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C23 (GG)]	Number of disciplinary cases for misconduct relating to fraud and corruption	11	No target setting required as this is a reporting indicator	261
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C42 (GG)	Number of registered engineers employed in approved posts	28	No target setting required as this is a reporting indicator	11
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C43 (GG)	Number of engineers employed in approved posts	318	No target setting required as this is a reporting indicator	224
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C44 (GG)	Number of disciplinary cases in the municipality	137	No target setting required as this is a reporting indicator	425
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C45 (GG)	Number of finalized disciplinary cases	127	No target setting required as this is a reporting indicator	150
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C46 (ENV)	Number of approved waste management posts in the municipality	1 653	No target setting required as this is a reporting indicator	1 653

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: C47 (ENV)	Number of waste management posts filled	1 424	No target setting required as this is a reporting indicator	1 321
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: GG1.2	Top Management Stability	48.52%	No target setting required as this is a reporting indicator	23.68%
Priority 9: A professional public service that drives accountability and transparency.	Office of the Executive Mayor	C88: C89 (GG)	Number of meetings of the Executive or Mayoral Committee postponed due to lack of quorum	0	No target setting required as this is a reporting indicator	0
Priority 9: A professional public service that drives accountability and transparency.	Office of the Executive Mayor	C88: C2 (GG)	Number of Executive Committee or Mayoral Executive meetings held	24	No target setting required as this is a reporting indicator	31
Priority 9: A professional public service that drives accountability and transparency.	Office of the Executive Mayor	C88: C6 (GG)	Number of formal (minuted) meetings between the Mayor, Speaker and MM were held to deal with municipal matters	1	No target setting required as this is a reporting indicator	3
Priority 9: A professional public service that drives accountability and transparency.	Tshwane Metro Police Department	C88: C18 (GG)	Number of approved demonstrations in the municipal area	214	No target setting required as this is a reporting indicator	222

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: C19 (GG)	Number of recognized traditional and Khoi-San leaders in attendance (sum of) at all council meetings	2	No target setting required as this is a reporting indicator	2
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: C22 (GG)	Number of Council meetings held	24	No target setting required as this is a reporting indicator	25
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: C24 (GG)	Number of council meetings disrupted	1	No target setting required as this is a reporting indicator	2
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: C92 (GG)	Number of agenda items deferred to the next council meeting	1	No target setting required as this is a reporting indicator	182
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: C3 (GG)	Number of Council portfolio committee meetings held	67	No target setting required as this is a reporting indicator	99
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: C4 (GG)	Number of MPAC meetings held	8	No target setting required as this is a reporting indicator	8

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	Annual Target for 2022/23	Annual Results 2022/23
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: C5 (GG)	Number of recognized traditional leaders within your municipal boundary	2	No target setting required as this is a reporting indicator	2
Priority 9: A professional public service that drives accountability and transparency.	Office of the City Manager	C88: C1 (GG)	Number of signed performance agreements by the MM and section 56 managers	10	No target setting required as this is a reporting indicator	10
Priority 9: A professional public service that drives accountability and transparency.	Office of the City Manager	[C88: C7 (GG)	Number of formal (minuted) meetings - to which all senior managers were invited - held	27	No target setting required as this is a reporting indicator	25
Priority 10: Creating a healthy and vibrant city.	Health	C88: C20 (ENV)	Number of permanent environmental health practitioners employed by the municipality	89	No target setting required as this is a reporting indicator	85
Priority 10: Creating a healthy and vibrant city.	Health	C88: C21 (ENV)	Number of approved environmental health practitioner posts in the municipality	95	No target setting required as this is a reporting indicator	94

INTEGRATED DEVELOPMENT PLAN (IDP) OUTCOME INDICATORS

These are indicators placed at Integrated Development Plan (IDP) level which the C88 Reform refer to as Outcome Indicators. Performance on these indicators is mainly drawn from the SDBIP indicators.

Table 57: IDP Outcome Indicators

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	N/A	Number of kiloliters of water purchased	297 242 243 kl	1 269 304 840 kl	297 242 243 kl	282 526 826 kl
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS5.31	Percentage of total water connections metered	84.75%	87%	85.00%	69.78%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS4.11	Percentage of water treatment capacity unused	25%	25%	25%	49.03%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88:WS4.21	Percentage of industries with trade effluent inspected for compliance	90%	92%	92%	80.86%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS4.31	Percentage of wastewater treatment capacity unused	0%	0%	0%	100.04%

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS5.21	Infrastructure leakage index	6,2	4	6,0	21.10%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS2.11	Number of new water connections meeting minimum standards	3 000	15 000	3 000	3 050
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS2.1	Percentage of households with access to basic water supply	77%	78%	77%	95.98%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS1.11	Number of new sewer connections meeting minimum standards	1 000	2 953	1 000	703
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS4.1	Percentage of drinking water samples complying to SANS241	95%	95%	95%	94.64%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS4.2	Percentage of wastewater samples compliant to water use license conditions	60%	60%	60%	75.59%

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Water & Sanitation	C88: WS1.1	Percentage of households with access to basic sanitation	64%	65%	64%	82.93%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: EE1.1	Percentage of households with access to electricity	93%	95.5%	93,5%	87.18%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: EE1.11	Number of dwellings provided with connections to the mains electricity supply by the municipality	4 700	27 600	4 940	1 017
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: EE4.12	Installed capacity of approved embedded generators on the municipal distribution network	5 000kVA	33 000kVA	5 500kVA	0.08728 MVA
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88:EE3.21	Percentage of planned maintenance performed (HV Network)	60%	80%	80%	N/A
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: EE1.13	Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	80%	80%	80%	68.72%

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 1: Prioritisation of the electrical grid and water infrastructure.	Electricity & Energy	C88: EE2.11	Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	17,78%	14%	14%	7%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	ROC	C88: EE3.11	Percentage of unplanned outages that are restored to supply within industry standard timeframes	44%	65%	65%	37.8%
Priority 1: Prioritisation of the electrical grid and water infrastructure.	ROC	C88: EE3.1	System Average Interruption Duration Index	20	30	30	28.04
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM1.1	Percentage of expenditure against total budget	New KPI	No Target reporting indicator	No Target reporting indicator	N/A
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM1.2	Municipal budget assessed as funded (Y/N) (National)	New KPI	N/A	N	N
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM2.1	Percentage of total operating revenue to finance total debt	New KPI	29%	32%	28.3

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM2.2	Percentage change in cash backed reserves reconciliation	New KPI	100%	100%	100.52%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM3.1	Percentage change in cash and cash equivalent (short term)	New KPI	0.7:1	0.5:1	0:15.33
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM4.2	Percentage of total operating expenditure on remuneration	New KPI	30%	30%	27.7%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM3.14	Liquidity ratio	New KPI	6% to 8%	6% to 8%	6.9%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM4.1	Percentage change of unauthorized, irregular, fruitless and wasteful expenditure	New KPI	0%	0%	11%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM4.31	Creditor's payment period	35 days	30 days	30 days	49.96 days

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM5.1	Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure	New KPI	< 45% (less than)	< 45% (less than)	-28.6%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM5.2	Percentage change of renewal/upgrading of existing Assets	New KPI	39%	-13%	-8.4%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM5.3	Percentage change of repairs and maintenance of existing infrastructure	New KPI	5%	3%	3.1%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM6.12	Percentage of awarded tenders [over R200k], published on the municipality's website	New KPI	100%	100%	99%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM6.13	Percentage of tender cancellations	New	0%	0%	34.69%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.1	Percentage change in Gross Consumer Debtors' (Current and Non-current)	1% year-on-year increase	15% year-on-year decrease	15% year-on-year decrease	16.25%

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.11	Debtors' payment period	78 days	30 days	30 days	60 days
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.12	Collection rate ratio	90%	95%	93%	84%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.2	Percentage of Revenue Growth excluding capital grants	New KPI	6%	6%	6.30%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	FM7.3	Percentage of net operating surplus margin	New KPI	0%	0%	1.54%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	N/A	% of a municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	85%	85%	85%	85%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	N/A	% Service Debtors to Revenue ratio	17.2 %	35.4%	34.9%	20.3%

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	N/A	Cost Coverage ratio	0.6 (mid-year)	0.8	0.7	-0.02
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	N/A	% of Debt Coverage	24%	19.1%	18.0%	13.0%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED2.12	Percentage of the municipality's operating budget spent on indigent relief for free basic services.	9%	9%	9%	6%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED2.11	Percentage of budgeted rates revenue collected	90%	90%	90%	84%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED3.21	Percentage of revenue clearance certificates issued within 10 working days from time of completed application received	92%	95%	95%	102%
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process	120	120	120	160.82 days

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 2: Provide stringent financial management and oversight.	Group Financial Services	C88: LED3.32	Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission	42%	90%	90%	39%
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	N/A	Rand value of investment facilitated into the city (annual)	R10.36billion	R8.6billion	R1.6billion	R1.7billion
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	N/A	Number of co-operatives supported through the co-operative development program	1232	740	140	173
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: HS2.22	Average number of days taken to process residential building plan applications of 500 square meters or less	30 Days	30 Days	30 Days	15.72 Days
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: LED3.13	Average number of days taken to process building plan applications of 500 square meters or more	60 Days	60 days	60 Days	22.7 Days
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: LED3.11	Average time taken to finalize business license applications	21 Days	21 Days	21 Days	2.83 Days

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 3. A business-friendly city that promotes employment and economic growth.	Economic Development and Spatial Planning	C88: LED3.12	Average time taken to finalize informal trading permits	21 Days	21 Days	21 Days	2.25 Days
Priority 3. A business-friendly city that promotes employment and economic growth.	Group Human Capital	C88: LED1.31	Number of individuals connected to apprenticeships and learnerships through municipal interventions	600	600	120	120
Priority 3. A business-friendly city that promotes employment and economic growth.	Community & Social Development	C88: LED1.21	Number of work opportunities created through public employment programmes (incl. EPWP, CWP and other related employment programmes)	63 070	91 361	17 964	20 893
Priority 4: Enhancing city safety, security and emergency services.	Emergency Services	C88: FD1.11	Percentage compliance with the required attendance time for structural firefighting incidents	New KPI	75%	75%	76.55%
Priority 4: Enhancing city safety, security and emergency services.	Emergency Services	N/A	Number of municipal critical infrastructure plans that are in place to deal with impending and actual disasters	New KPI	50	10	11
Priority 5: Maintaining a clean and protected natural environment.	Environmental and Agricultural Management	C88: ENV2.1	Tonnes of municipal solid waste sent to landfill per capita	0.714	0.72	0.72	725 137

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 5: Maintaining a clean and protected natural environment.	Environmental and Agricultural Management	C88: ENV3.1	Percentage of households with basic refuse removal services or better	100%	100%	100%	75.77%
Priority 5: Maintaining a clean and protected natural environment.	Environmental and Agricultural Management	C88: ENV3.11	Percentage of known informal settlements receiving basic refuse removal services	90%	90%	90%	100%
Priority 5: Maintaining a clean and protected natural environment.	Environmental and Agricultural Management	C88: ENV1.12	Percentage of AQ monitoring stations providing adequate data over a reporting year	75%	75%	75%	43%
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	ROC	C88: TR6.11	Percentage of unsurfaced road graded	72.03%	80%	80%	30.18%
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	ROC	C88: TR6.12	Percentage of surfaced municipal road lanes which has been resurfaced and resealed	0.07%	0.07%	0.07%	0.0%
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	ROC	C88:EE3.21	Percentage of planned maintenance performed (on MV and LV Network)	32%	80%	80%	0

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	ROC	C88: WS3.11	Percentage of callouts responded to within 24 hours (sanitation/ wastewater)	74.36%	70%	70%	63.45%
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	ROC	C88: WS3.21	Percentage of callouts responded to within 24 hours(water)	36.99%	35%	35%	50.37%
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	ROC	C88: TR6.21	Percentage of reported pothole complaints resolved within standard municipal response time	35%	80%	80%	20.16%
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR4.21	Percentage of scheduled municipal Tshwane Bus Services 'on-time'	90%	90%	90%	74.02%
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR4.21	Percentage of scheduled municipal A RE YENG Bus Services 'on-time'	90%	90%	90%	90.76%

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR5.31	Percentage of scheduled municipal TBS buses that are low entry	90%	90%	90%	**0**
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR5.31	Percentage of scheduled municipal A RE YENG buses that are low entry	90%	90%	90%	0
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR5.11	Number of scheduled public transport access points added (by TBS Bus Stops)	60	70	10	0
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR5.11	Number of scheduled public transport access points added (by IRPTN Feeder Stops and BRT Stations)	41 A Re Yeng Feeder stops	60 A Re Yeng Feeder stops	28 A Re Yeng Feeder stops	8 A Re Yeng Feeder stops
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	N/A	Kilometers of roads constructed to the required standard	89.37km	100km	10km	18.165 km

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	N/A	Kilometers of required municipal storm water drainage network constructed	68,62km	100km	1 km	0.591 km
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	C88: TR6.13	KMs of new municipal road lanes built	178,74km	200km	20km	0
Priority 6: Maintenance and expansion of road infrastructure and public transportation.	Roads & Transport	N/A	Number of Intermodal Facilities Completed	0	4	1 (Wonderboom Building Works)	0
Priority 7: A caring city that supports the vulnerable and provides social relief.	Community & Social Development	N/A	Number of indigent households supported by the City through its social package per year	1 889	10 000	3 000	123 594
Priority 7: A caring city that supports the vulnerable and provides social relief.	Community & Social Development	N/A	Number of indigent households exited from the indigent register per year	4 000	20 000	4 000	23 285
Priority 7: A caring city that supports the vulnerable and provides social relief.	Human Settlements	C88: HS1.11	Number of subsidized housing units constructed using various Human Settlements Programmes	1 800	4 117	1 268	543

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 7: A caring city that supports the vulnerable and provides social relief.	Human Settlements	C88: TR6.13	KMs of new municipal road network	14.43 km	45 km	10 km	27.871 km
Priority 9: A professional public service that drives accountability and transparency.	Water & Sanitation	C88: WS5.1	Percentage non-revenue water	33%	29%	30%	32%
Priority 9: A professional public service that drives accountability and transparency.	Office of the City Manager	C88: GG3.1	Audit Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Awaiting final Audit Outcome for the 2022/23 FY
Priority 9: A professional public service that drives accountability and transparency.	Office of the City Manager	C88: GG3.11	Number of repeat audit findings	0	0	0	78
Priority 9: A professional public service that drives accountability and transparency.	Customer Relations Management	C88: GG2.31	Percentage of official complaints responded to (received and processed) through the municipal complaints management system	0	90%	90%	86%
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: GG2.12	Percentage of wards that have held at least one Councilor-convened community meeting	0	KPI has been exempted for reporting as per the National Treasury letter dated 25 August 2023		

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 9: A professional public service that drives accountability and transparency.	Office of the Speaker	C88: GG2.1	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	0	100%	100%	0%
Priority 9: A professional public service that drives accountability and transparency.	Electricity & Energy	C88: EE4.4	Percentage total electricity losses	≤17%	≤15.5%	≤16,5%	21.46%
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	N/A	Percentage compliance to employment equity plan	95%	100%	100%	49.10%
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: GG1.22	Percentage of vacant posts filled within 3 months	60%	83%	75%	36.75%
Priority 9: A professional public service that drives accountability and transparency.	Group Human Capital	C88: GG1.1	Percentage of municipal skills development levy recovered	20%	20%	20%	18.5%
Priority 10: Creating a healthy and vibrant city.	Health	N/A	Percentage of City of Tshwane PHC fixed clinics providing immunization for children under 1 year of age	100%	100%	100%	100%

Strategic Priority	Department	Code	Key Performance Indicator	Baseline	5 Year Target	Annual Target for 2022/23	Actual 2022/23
Priority 10: Creating a healthy and vibrant city.	Health	N/A	Percentage of City of Tshwane PHC fixed clinics implementing PMTCT program	100%	100%	100%	100%
Priority 10: Creating a healthy and vibrant city.	Health	N/A	Percentage of City of Tshwane PHC fixed clinics providing HIV testing facilities for pregnant women	100%	100%	100%	100%
Priority 10: Creating a healthy and vibrant city.	Health	C88: ENV5.2	Recreational water quality (inland)	72%	100%	100%	100%

Key Performance Indicators Removed from the SDBIP Scorecard

The following indicators were removed from the SDBIP Scorecard due to lack of systems that support reliable reporting in a way that is consistent with the information or data requirements that support the Circular 88 reform standards as per the relevant addendum issued by National Treasury.

Table 58: Indicators Removed from the SDBIP Scorecard

Department	KPI	Reason
Energy and Electricity	Percentage of planned maintenance performed (HV Network)	KPI removed due to the impact that loadshedding has on the entire network of the city. All efforts are placed on reactive maintenance and no planned maintenance is possible as resources are channeled to reactive maintenance. An appropriate KPI which will deal with the reactive maintenance is contained in the departmental business plan.
ROC	Percentage of surfaced municipal road lanes which has been resurfaced and resealed.	The project to confirm the total kilometres of surfaced roads in the city has not been concluded yet. Therefore, it will not be possible to report as per Circular 88 requirements. The department will continue to report on KPI TR6.12(1), Kilometres of municipal road lanes resurfaced and resealed, at departmental business plan level.
ROC	Percentage of planned maintenance performed (on MV and LV Network)	KPI removed due to the impact that loadshedding have on the entire network of the city. All efforts are placed on reactive maintenance and no planned maintenance is possible as resources are channeled to reactive maintenance. An appropriate KPI which will deal with the reactive maintenance is contained in the departmental business plan.

Department	KPI	Reason
Roads and Transport	Percentage of scheduled municipal bus service stops that are universally accessible (TBS)	KPI removed as the city is unable to report fully on the specific requirement as prescribed by Circular 88 due to unavailability of appropriate systems and infrastructure at its bus stops. TBS currently meets the 1st condition since most of our bus fleet complies with accessibility provisions. The 2nd condition cannot be met as TBS bus stops do not have boarding bridges at its bus stops. Thirdly, TBS does not have a mechanism in place to track the total number of stops a scheduled bus makes. Therefore, we request that it be removed for TBS.
Roads and Transport	KMs of new municipal road network	The indicator is removed from the Roads and Transport department and is covered under Human Settlements department with adjusted targets.
Human Settlements	Kilometres of roads constructed to the required standard	The KPI is removed and replaced by the KPI which measures "KMs of new municipal road network ".
Human Settlements	Number of title deeds registered to beneficiaries	KPI is removed, until a time when systems are in place between City of Tshwane, Deeds Office, and Provincial Government to be able to report on the KPI reliably.

CHAPTER 4 ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION TO ORGANISATIONAL DEVELOPMENT PERFORMANCE

In today's ever demanding public service provision environment, the successful performance of an organisation depends on amongst other things, a highly effective workforce. It is for this reason that, the City of Tshwane in line with Priority 9 outlined in its IDP, "*A professional public service that drives accountability and transparency*", places a premium focus in the development and management of human capital as a way of promoting a consistent customer oriented and service-minded workforce. Furthermore, in line with the priority stated above and acknowledging that for it to meet the ever-growing service delivery demands of its citizens as well as the growth and development objectives, the city has over the years, focused on implementing interventions that are adding value to its performance. Amongst others, these include workforce policy development, alignment and implementation, capacity development through training and skills development; and implementing recruitment and selection processes that will enable to identification and appointment of suitable qualified employees in order to delivery effectively. Although a moratorium was placed on all recruitment actions since the 2020/21 financial year due to financial constraints, in May 2023, the city started the processes of recruitment to fill the critical top management positions in terms of section 56 of Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). This was aimed at ensuring stability in the management core.

Furthermore, in response to some of the mayoral priorities set out for the current political term and in contribution to the realisation of the city's Vision*: 'A prosperous capital city through fairness, freedom, and opportunity",* the city reviewed and approved its policy on the Recruitment, Selection and Appointment of Staff. While commendable progress was recorded in areas related to capacity development through training and skills development, promotion of employment equity, the city also experienced a myriad of challenges that impacted negatively on the achievement of some of the desired results and continued in seeking ways through which its organisational development performance can be improved progressively.

Against this background, this chapter of the annual report provides an account on the organisational development performance matters of the City of Tshwane over the 2022/23 financial year. The following topics are discussed:

- Municipal Personnel
- Managing the Municipal Workforce
- Capacitating the Municipal Workforce
- Managing the Workforce Expenditure

4.1 MUNICIPAL PERSONNEL

INTRODUCTION TO MUNICIPAL PERSONNEL

The provision of high-quality public services by municipalities requires high quality municipal personnel. In this regard, there is a positive correlation between good municipal performance and effective municipal personnel. Therefore, proper management of personnel is critical to the effective and efficient functioning of a municipality. In recognition of this imperative, the City of Tshwane, dedicates efforts to promote effective management of personnel. Amongst other things, the city implements skills development and training programmes to capacitate the workforce, runs wellness programmes and many personnel management interventions aimed at continuously improving the management and productivity of the personnel.

The City of Tshwane is a big complex organisation providing a wide range of public services from town and spatial planning; water and electricity supply; refuse collection, health services; law enforcement and traffic policing; construction and maintenance of roads and stormwater drainage infrastructure and other corporate services such as property management and information and communication technology. Furthermore, the city acknowledges that to successfully deliver the above stated services, a sound, effective and visionary leadership is a necessity. The city also acknowledges that continuous strengthening and capacitating the municipal personnel must be given the attention deserved. As a result, the proper management of personnel is critical to the effective and efficient functioning of the municipality.

Against the introduction presented above, this section of this chapter provides the status and progress made with regards to municipal personnel development and management over the financial year under review (2022/23 financial year).

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The City of Tshwane has a big workforce totalling about 19 532 permanent employees and 12 213 temporary employees. In November 2022, the city reviewed and approved its Recruitment, Selection and Appointment of Staff Policy. The policy guides and sets out principles on personnel management in line with other human resources policies. It further outlines the performance assessment rewards systems. It must be noted that in the financial year under review, no employee received performance rewards.

Furthermore, in pursuing the objectives of its talent management strategy, the city continued to strengthen its efforts meant to enhance employee wellbeing through fostering a positive work atmosphere and promote engagements; demonstrating appreciation to employees; and providing competitive remuneration packages and a healthy work-life balance. This was expressed through the provision of various effective training and learning programmes in line with the city's Workplace Skills Plan (WSP) and relevant legislation to develop competencies and improve organizational sustainability. Over the financial year under review, a total of 4607 employees were capacitated through different training and learning interventions in terms of Workplace Skills Plan of the city. A total of 10007 learning opportunities were ceased by these employees.

The following table presents statistical information pertaining to the total number of employees per occupational level as of 30 June 2023.

Table 59: Employee Totals, Turnover and Vacancies

Job Level	Employees			
	2022/23			
	Posts (A)	Employees (B)	Vacancies (fulltime equivalents) (C)	Vacancies (as a % of total posts) C / A x 100
	No.	No.	No.	%
Unskilled (1-3)	7 325	6 029	1 296	17,69%
Semi-skilled (4-8)	8 399	5 679	2 720	32,38%
Skilled technical (9-13)	12 510	6 248	6 262	50,06%
Professionally qualified (14 -18)	2 135	1 236	899	42,11%
Senior Management (19 – 22)	460	339	121	26,30%
Top management (23 – 25)	10	1	9	90%
Total	**30 839**	**19 532**	**11 307**	**36,66%**

Employees with Disabilities

The city is committed to providing fair opportunities to people with disability. It must be noted that the city's current occupational levels of employees with disability are not satisfactory, and this is mostly attributed to the moratorium that was placed on all recruitment. Notwithstanding this drawback, the city continues to strive for better representation of people with disabilities in the establishment. Over the previous financial years, the provision of internship opportunities was also expanded to provide learning and experiential opportunities to students with disabilities. Of the total number of permanent officials (19 532), 170 are persons with disability. Of the 339 senior management officials, 10 are disabled.

Vacancy Rate

The city's vacancy rate is based on permanent employees only, and that excludes councillors, temporary workers, and students. The vacancy rate is a percentage determined by dividing the number of permanent employees by the number of permanent approved positions on the organisational structure. As at 30 June 2023, the total number of vacancies in the city was 11 306, translating to 36.66% against an annual target of 30%. The high vacancy rate is amongst others, attributed to the moratorium placed on filling of vacancies which has a negative impact on capacitating the city adequately to deliver services effectively. The vacancy rate for the 2021/22 financial year recorded was 40%, however this figure was distorted based on the interpretation of definitions. The actual records ought to have been 34,59%, as such a slight incline to 36,66% demonstrating the city's inability to fill vacancies.

Posts Filled at an Organisational Level

The following table presents the number of posts filled per department. There has been a drastic decrease in the number of posts filled in several departments as compared to the previous financial year. This is due to the moratorium placed regarding filling of vacancies.

Table 60: Number of Posts Filled at an Organisational Level

Department/function	2021/22		2022/23	
	Number of posts	Number of posts filled	Number of posts	Number of posts filled
Office of the City Manager	136	323	136	148
Office of the Executive Mayor	212	80	212	83
Office of the Speaker	263	188	263	191
Office of the Chief Whip	64	41	64	45
Office of the Chief Operations Officer	56	10	56	11
Energy and Electricity	1 288	899	1 288	865
Roads and Transport	1 472	1 076	1 472	1 037
Housing and Human Settlement	111	205	111	192
Office of the Governance and Support Officer	26	4	26	4
Economic Development and Spatial Planning	797	530	797	538
City Strategies and Organisational Performance	94	44	94	42
Group Communication and Marketing	114	65	114	64
Customer Relations Management	485	369	485	352
Group Property	210	253	210	232
Environmental and Agriculture Management	2 374	1 842	2 374	1 755
Health	825	611	825	535
Community and Social Development Services	477	363	477	340
Group Audit and Risk	239	98	239	95
Group Financial Services	2 117	1 736	2 117	1 772
Tshwane Metro Police	9 308	3 826	9 308	5 264
Group Human Capital Management	497	321	497	308

Department/function	2021/22		2022/23	
	Number of posts	Number of posts filled	Number of posts	Number of posts filled
Shared Services	488	262	488	253
Group Legal and Secretariat Services	200	126	200	114
Emergency Services	1 718	994	1 718	973
Regional Operational Centre	6 172	3 832	6 172	3 728
Water and Sanitation	1 097	751	1 097	591
TOTAL	**30 839**	**18 881**[5]	**30 839**	**19 532**

The following table presents a summary of positions filled versus those advertised over the 2022/23 financial year.

Table 61: Positions Filled vs those Advertised

Positions advertised /filled	Q1	Q2	Q3	Q4	Total	Remarks
Positions advertised	0	8	0	7	15	None
Positions filled	0	8	0	8	8	The senior management positions were readvertised in May in line with the legislative recruitment processes. However, the three mentioned positions are not section 56 appointments. There were no senior managers appointed for the requested period of 1 November 2022 until 30 June 2023 Delay in filling of Section 56 positions due to resignation of Executive Mayor in February 2023 and dissolvement of MayCo. Positions were re-advertised in May 2023 and newly elected MayCo members were tasked to assist with selection process. Appointments were only finalised from October 2023 onwards.
Average days (weekends included therefore average on allowed 90 days)	0	70	0	0	70	None
Total days to fill all positions	**0**	**560**	**0**	**0**	**560**	**None**

Occupational Health and Safety (OHS)

In line with the legal requirements of the Occupational Health and Safety Act, 85 of 1993 (OHSA), and the Compensation for Occupational Injuries and Diseases Act, 130 of 1993**,** the city through its Group Human Capital Management Department provides occupational health and safety services to line function departments. These services amongst others, include the occupational health and safety legal compliance, medical assessments to evaluate employees' fitness for duty, evaluation of drivers' competence to operate Council vehicles, building compliance safety as well as assisting with counselling employees who

[5] This figure excluded a category of employees which were not catered for by the definitions of "Permanent and Temporary employees". This has since been reviewed the actual figure ought to have been 20170. The vacancy rate for 2021/22 was supposed to be 34,59% instead of 40%. The non- filling of vacancies in 2022/23 led to an increase of the vacancy rate to 36,66%

are facing psycho-social challenges. The city further has an obligation to report, investigate and record all incidents related to injury or disease, as well as implementing and monitoring corrective and/or preventive measures thereof.

Employment Equity (EE)

The city's recruitment processes are informed by its approved Employment Equity Plan for the term 2022-2023, which was developed in line with the requirements of the Department of Labour, the Employment Equity Act, 1998 (Act 55 of 1998), and other relevant legislation.

The objectives of the plan are to –

- achieve equity in the workplace;
- demonstrate the City's intention to create a working environment that is conducive to the recruitment, development and retention of a diversified workforce;
- identify opportunities to appoint people with disabilities and women in senior positions; and
- mainstream development programmes for women, youth and people with disabilities.

It must be noted that, over the financial year under review, the city recorded 49.10% compliance against a target of 100% compliance with the Employment Equity Plan (EAP). The non-achievement of the target is attributed to the city's budgetary constraints which necessitated for the institutionalization of the moratorium on the filling of vacancies.

The table below presents Employment Equity targets at an organisational level as of 30 June 2023.

Table 62: Employment Equity Actuals against EAP Targets as at June 2023 at Organisational Level

Occupational levels	Male				TOTAL				Foreign nationals		Totals
	A	C	I	W	A	C	I	W	Male	Female	
EAP	46,60%	1,40%	1,30%	6,10%	37,50%	1,10%	0,70%	5,20%			99,90%
Top management	0	1	0	0	0	0	0	0	0	0	1
Percentage	0,00%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	100%
Gap	46,60%	98,60%	-1,30%	-6,10%	37,50%	-1,10%	0,70%	5,20%	0,00%	0,00%	-
Senior management	172	8	6	22	100	2	4	25	0	0	339
Percentage	50,74%	2,36%	1,77%	6,49%	29,50%	0,59%	1,18%	7,37%	0,00%	0,00%	100%
Gap	4.14%	0.96%	0.47%	0.39%	-8.00%	-0.51%	0.48%	2.17%	0.00%	0.00%	-
Professionally qualified	476	14	8	190	417	17	9	105	0	0	1236

Occupational levels	Male				TOTAL				Foreign nationals		Totals
	A	C	I	W	A	C	I	W	Male	Female	
Percentage	38.51%	1.13%	0.65%	15.37%	33.74%	1.38%	0.73%	8.50%	0.00%	0.00%	100%
Gap	-8.09%	-0.27%	-0.65%	9.27%	-3.76%	0.28%	0.03%	3.30%	0.00%	0.00%	100%
Skilled technical	2674	79	24	679	2381	64	26	321	0	0	6248
Percentage	42.80%	1.26%	0.38%	10.87%	38.11%	1.02%	0.42%	5.14%	0.00%	0.00%	100%
Gap	-3.80%	-0.14%	-0.92%	4.77%	0.61%	-0.08%	0.28%	0.06%	0.00%	0.00%	-
Semi-Skilled	2804	36	10	132	2412	64	13	208	0	0	5679
Percentage	49.37%	0.63%	0.18%	2.32%	42.47%	1.13%	0.23%	3.66%	0.00%	0.00%	100%
Gap	2.77%	-0.77%	-1.12%	-3.78%	4.97%	0.03%	0.47%	.1.54%	0.00%	0.00%	-
Unskilled	4356	38	2	30	1591	8	0	4	0	0	6029
Percentage	72.25%	0.63%	0.03%	0.50%	26.39%	0.13%	0.00%	0.07%	0.00%	0.00%	100%
Gap	25.65%	-0.77%	-1.27%	-5.60%	11.11%	-0.97%	0.70%	5.13%	0.00%	0.00%	-
Total permanent	10482	176	50	1053	6901	155	52	663	0	0	19532
Non-Permanent employees	3854	21	0	4	8306	24	0	4	0	0	12213
GRAND TOTAL	14336	197	50	1057	15207	179	52	667	0	0	31745

4.2 Managing the Municipal Workforce

Introduction to Managing the Municipal Workforce

The city implements a comprehensive workforce management system that encompasses a range of activities within the broader framework of human resource management. Key to the city's workforce management system is an integrated set of processes used to optimize the productivity of employees. Some of the critical activities of the workforce management in the city include employee performance management, leave management, forecasting and budgeting, administration of benefits and payroll management etc.

In manging the workforce, the city is guided by the relevant local government legislation which gets to be translated to policies which are implemented following various operational guidelines. These policies reinforce the rules, standards, and expectations for both the employer and employees. The city, through its continuous improvement process ensures the development and implementation of Standard Operating Procedures (SOPs) which provides a standardised approach in assisting employees to work efficiently and effectively when executing their responsibilities. The roles and responsibilities of employees are documented in a job profile and are customised into job descriptions to match the operational requirements of the department. In the main, in managing the workforce, the city utilises the job descriptions as instruments that primarily focuses on all activities meant to be executed, guide and build a productive workforce. This ultimately assist in improving the efficiencies and productivity levels. Additionally, the city acknowledges that one of the critical pillars to develop the workforce and to maximise productivity, is training and development. As a result, through performance review and appraisals mechanisms implemented by the city, gaps identified in these appraisals are addressed through the training and development processes. This further allows employees to acquire and improve skills to enhance work performance and assist them to realise their full potential.

Furthermore, the city's interventions with regards to fostering success and demonstration of business continuity and stability, are anchored on Strategic Priority 9: *"A professional public service that drives accountability and transparency"*. In pursuit of this ideal, dedicated efforts were placed on prioritisation of filling of the critical top management positions despite the moratorium on the filling of positions caused by financial constraints. Additionally, in inculcating a culture of appropriate conduct and high ethical standards, the city implements consequence management procedures which allow for the correction and improvement of employee behaviour. In that regard, the city through its Group Human Capital Department accounts on all human capital governance issues and provides update quarterly reports to various oversight committees such as the Audit Performance Committee (APC) for further scrutiny and recommendations to improve efficiencies.

Furthermore, with regards to the monitoring of individual performance, the city instituted the reinforcement of signing of Individual Performance Agreements for permanent employees in the financial year under review. This noble initiative was implemented in line with the individual performance management policy approved by Council in the 2021/22 financial year. This programme will be rolled out in 3 phases over a period of 3 consecutive financial years having started with TASK levels 17 and upwards in the current 2023/24 financial year. Once all employees are on board the system, it will be maintained as standard practice in the future. The Performance Management and Development System (PMDS) will also form a critical pillar in building and developing a credible productivity framework for the city that will enhance and improve productivity levels. It will also form the foundation of inculcating a solid high-performance culture. Dialogues have been held with all Departments at management level and they are being continued to lower levels in ensuring that there is buy-in at all levels. There are also workshops that have been held with all officials on TASK levels 17and 18 with regards to the rolling out of the PMDS.

Policies

The development and approval of all human capital policies follow a rigorous approach which include the consideration of incorporating critical human capital interdependencies and cross-cutting issues as guided by the legislative framework. Within the Group Human

Capital Management Department, a Policy Coordination Committee functions to ensure that all human capital management policies and SOPs are developed in line with the requirements of the human capital management norms and standards. The tables below outline human capital policies developed and reviewed in the 2022/23 financial year.

Table 63: Human Resources Policies Developed and Reviewed in the 2022/23 Financial Year

Nr	Name of policy	Date completed/ Date adopted by Council or comment on failure to adopt	Status
1	Employment Equity Policy	2014	The review process is underway, and it is anticipated that the policy will be approved in the third quarter of the 2023/24 financial year.
2	Code of Good practice on the Prevention and Elimination of Harassment in the workplace	New	In progress and anticipated to be approved in the second quarter of the 2023/24 financial year.
3	Talent Management Policy	August 2022	Approved, at Local Labour Forum (LLF) Subcommittee for further engagement. Implementation is expected to resume in the third quarter of the 2023/24 financial year.

Injuries, Sickness and Suspensions

According to Section 24 of the Occupational Health and Safety Act, 85 of 1993, the city is compelled to comply with the reporting of any major injury and sicknesses incidents that occur in the workplace. In line with the provisions of Section 24, a notifiable incident refers to a case where the death of a person is declared; when employees are confronted with serious injury or illness; when an employee suffers the loss of a limb and unable to work for a period of no less than 14 days; and when they're permanently unable to continue with activities for which they're employed for.

Notably, any incident involving a motor vehicle or an incident that occurred on a public road is not classified as a Section 24 incident. For the purpose of documentation and reporting in line with the requirements of Section 24 of the Occupational Health and Safety Act, incidents involving a motor vehicle or an incident that occurred on a public road are classified as serious incidents and are included in the monthly/quarterly statistics.

The table below presents the Section 24 incidents reported during the 2022/23 financial year and compared to the incidents recorded in the previous financial years.

Table 64: Section 24 Incidents Reported

Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Incidents reported	34	24	8	7	3	0	14
Fatalities	1	1	1	1	0	0	2

The table below presents Motor Vehicle Accidents (MVAs) incidents reported during the 2022/23 financial year compared to the previous financial years.

Table 65: Motor Vehicle Incidents Reported

Financial year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total MVAs reported	11	12	2	5	3	0	9
Fatalities	1	4	0	0	3	0	3

Sick Leave Records

The city's sick leave categories are regulated in line with the requirements of the Collective Agreement Conditions of Service established through the South African Local Bargaining Council (SALGBC) for all employees. Since the introduction of the electronic leave system in the 2018/19 financial year, the number of employees using the system has increased. This system has improved the management and functioning of the leave system and all the employees excluding those without e-mail facilities have migrated from the conventional leave system to e-leave solution.

The table below presents statistical information pertaining to the total number of employees who took sick leave during the 2022/23 financial year, excluding Injury on Duty (IODs) leave days.

Table 66: Sick leave Records at an Organisational Level

Number of Days and Cost of Sick Leave (excluding injuries on duty)							
A	B	C	D	E	F	G	H
Occupational Levels (Per City of Tshwane's Employment Equity Levels)	Total Number of Employees in post at the beginning of the Year	Total Number of Employees who used /took Sick Leave	Total Number of Sick Leave Days Taken	Total Number of Leave Days Taken Without Medical Certificate	Proportion of Sick Leave Without Medical Certification % E / D x 100 = F	Average Sick Leave taken per Employee D / C = G	Total Estimated cost R'000
Top Management Level	10	4	22	11	50	5.5	188,628.81
Senior Managers	6	2	11	0	0	5.5	114,455.99
Top Management Permanent	76	39	288.57	42.31	14.66	7.40	2,123,790.07
Director Level	254	175	1,717.98	205.27	11.95	9.82	8,400,054.03
Deputy Level	367	274	2,914.44	459.48	15.77	10.64	13,063,726.52
Salaries (Permanent)	17,760	12,764	143,344.27	25,728.78	17.94	11.23	244,189,321.89
5/8 Workers	12	11	103	25	24.27	9.36	115,434.95
SWA Employees	217	110	1,397.94	84.88	6.07	12.71	2,529,552.02
Internal/Hourly	3	2	4	5	125	2	882.00
EPWP	5,330	28	68	17	25	2.42	9,750.90
Political Office	1	1	2	4	200	2	9,601.62

Number of Days and Cost of Sick Leave (excluding injuries on duty)							
A	B	C	D	E	F	G	H
Occupational Levels (Per City of Tshwane's Employment Equity Levels)	Total Number of Employees in post at the beginning of the Year	Total Number of Employees who used /took Sick Leave	Total Number of Sick Leave Days Taken	Total Number of Leave Days Taken Without Medical Certificate	Proportion of Sick Leave Without Medical Certification % E / D x 100 = F	Average Sick Leave taken per Employee D / C = G	Total Estimated cost R'000
Salaries (Temporary)	1.373	150	596.25	181.38	30.57	3.98	1,084,720.97
Special Activities	746	30	76	26	34.21	2.53	107,905.14
Student in Training	80	15	25	30	120	1.67	18,282.88
							NT T4.3.2 & NT T4.3.3

Comment on Suspensions and Cases of Financial Misconduct

The suspensions issued in the financial year under review include cases of gross dishonesty, financial misconduct, bribery solicitation, kidnapping, insubordination, violence, and assaults. Suspensions were issued to staff at various levels of occupation including general workers and senior management level staff members. The processing of these cases has progressed to different levels. With some, dates for the disciplinary hearing are yet to be set, some have dates already scheduled and some are at arbitrator level. Others are still being investigated and attorneys have been appointed to deal with some few cases.

The table below provides a summary of active suspensions as at 30 June 2023.

Table 67: Active Suspensions

Rank	Department	Description of alleged misconduct	Date of suspension
Group Head	Group Legal Services	Financial Misconduct	30-Nov-19
Divisional Head	Group Property Management	Gross Negligence	01-Apr-21
Director	Group Human Capital Management	Financial Misconduct	22-Jul-22
Director	Group Human Capital Management	Gross Dishonesty	10-Mar-23
Superintendent	Tshwane Metro Police	Gross Dishonesty & Failure Disclose 47 Criminal Records	27-Jul-22
Sergeant	Tshwane Metro Police	Gross Dishonesty & Failure Disclose 47 Criminal Records	27-Jul-22
Sergeant	Tshwane Metro Police	Gross Dishonesty & Failure Disclose 47 Criminal Records	27-Jul-22
Constable	Tshwane Metro Police	Solicited a bribe	27-Jul-22
Constable	Tshwane Metro Police	Solicited a bribe	15-Aug-22
Constable	Tshwane Metro Police	Solicited a bribe	15-Aug-22
Constable	Tshwane Metro Police	Solicited a bribe	15-Aug-22

Rank	Department	Description of alleged misconduct	Date of suspension
Constable	Tshwane Metro Police	Solicited a bribe & Kidnapping	28-Sep-22
Constable	Tshwane Metro Police	Solicited a bribe & Kidnapping	28-Sep-22
Constable	Tshwane Metro Police	Armed robbery and kidnapping	06-Oct-22
Constable	Tshwane Metro Police	Business robbery and possession of stolen goods	19-Oct-22
Constable	Tshwane Metro Police	Business robbery and possession of stolen goods	19-Oct-22
Constable	Tshwane Metro Police	Soliciting a bribe	19-Oct-22
Sergeant	Tshwane Metro Police	Armed robbery and kidnapping	22-Oct-22
Product Control Officer	Economic Development and Spatial Planning	Assault, Violence, and Insubordination	26-Jun-23
Product Control Officer	Economic Development and Spatial Planning	Assault, Violence, and Insubordination	26-Jun-23
Product Control Officer	Economic Development and Spatial Planning	Assault, Violence, and Insubordination	26-Jun-23

4.3 Capacitating the Workforce

Introduction to Workforce Capacity Development

The city acknowledges that its success in delivering high quality, impactful services and driving effective sustainable development depends increasingly on the knowledge, skills, competencies and abilities of its workforce. Therefore, it is equally important that the city continue to invest meaningfully in the capacity development of its employees. As a result, through the individual performance assessment system aimed at determining how best employees perform their duties in line with the human capital standards, the city is able to identify the training, learning and development needs of its workforce. The capacity development efforts of the city's workforce are expressed through training and learning development, skills development, internships, and apprenticeships. Training in the city is mostly provided through the Tshwane Leadership Management Academy (TLMA). This academy plays a major role in the provision of relevant, effective training and learning programmes whilst improving employees' skills acquisition and provision of internship and apprenticeship programmes thus contributing immensely to structural transformation and economic growth by enhancing employability.

Skills Development and Training

In the effort to develop competency and enhance the workforce capacity, the city provides relevant, effective training and learning programmes that meet service and sustainability requirements. These training and learning programmes provided by the city, are based on the requirements to address the priorities determined in accordance with the Workplace Skills Plan and relevant legislation. Additionally, through the outcomes of the individual performance assessments conducted during the coaching and mentoring sessions and departmental skills need assessments, relevant courses are identified in an effort to develop employees and to enhance their lifelong career development.

In pursuit of broadening access to training and responding to the need to provide opportunities to job seekers and graduates to gain the much needed work experience, the city enrolls interns and leaners to experiential learning and internship programmes. In this regard, a total of 169 learners were placed in the Work Integrated Learning Programme and 91 students were placed in experiential training in the financial year under review.

Apprenticeship and Internship Programmes

The capacity development efforts of the city also include the implementation of an apprenticeship scheme which benefits between 300 and 350 apprentices per annum (annual intake of 120 apprentices for a three-year apprenticeship). The apprenticeship scheme is designed to ensure that the city has a constant supply of qualified artisans in skills areas most in demand within the municipality i.e., electrical, plumbing, vehicle mechanics, welding, boiler making and fitting and turning. The apprenticeship programme is funded by the city supported by discretionary grant funding awarded by the Local Government Sector Education and Training Authority (LGSETA). With regards to Internship and Experiential Learning (including Work Integrated Learning), the city aims to capacitate interns to convert the previously acquired theoretical knowledge from their field of study into activities related to professional practice, and to apply newly acquired practical knowledge and skills, through a mentor and mentee arrangement. The Work Integrated Learning programme has expanded through partnerships with Technical Vocational Education and Training (TVET) Colleges across the Tshwane region. It is worth noting that in the financial year under review, the city entered into a Memorandum of Understanding (MoU) and Service Level Agreement (SLA) with the Tshwane University of Technology (TUT) to accommodate more students in the Internship and Experiential Learning and to expand their skills in their areas of study.

Over the financial year under review, the city had a total of 327 apprentices in the system and the intake was structured in phases outlined in the table below.

Table 68: Number of apprenticeships per phase as at 30 June 2023

Gender	Phase 1	Phase 2	Phase 3
Female	**53**	**65**	29
Male	94	60	26
Total	**147**	**125**	**55**

Bursary Programmes

As part of its efforts to build the capacity required to deliver effective and high-quality services to the residents, annually, the city offers bursaries to its employees and non-employees. However, in the 2022/23 financial year, due to stringent budgetary restrictions there were no new bursaries offered. A total of 149 active bursaries were maintained and funded for employees in various study fields. Additionally, a total of 10 bursaries are maintained for non-employees.

Employee Bursaries

Total Number of Study fields	Male				Female				Total number of employees across various study fields.
	A	C	I	W	A	C	I	W	
57	45	3	1	2	94	2	2	0	149

Table 69: Non-Employee Bursaries

Study fields	Male				Female				Total number of per field
	A	C	I	W	A	C	I	W	
Bachelor of Commerce in Accounting Science	1	0	0	0	0	0	0	0	1
Bachelor of Commerce in Law	1	0	0	1	0	0	0	0	2
Bachelor of Social Work	1	0	0	0	0	0	0	0	1
Bachelor of Arts in History and Philosophy	1	0	0	0	0	0	0	0	1
Diploma in Transportation Management	1	0	0	0	0	0	0	0	1
Bachelor of Laws	1	0	0	0	0	0	0	0	1
Diploma: Small Business Management		0	0	0	1	0	0	0	1
Bachelor of Commerce in Economic and Management Sciences		0	0	0	1	0	0	0	1
ND: Nature Conservation	1	0	0	0	0	0	0	0	1
TOTAL	**7**	**0**	**0**	**1**	**2**	**0**	**0**	**0**	**10**

4.4 Managing Workforce Expenditure

Financial Competency Development

The city strives to comply with the requirements of the Local Government: Municipal Finance Management Act, 56 of 2003 by extending learning and development opportunities to senior management. The senior management's MFMA training is aimed at strengthening municipal financial competency levels and financial governance, amongst others. The training is offered by University of Pretoria.

The table below presents progress with regards to financial competency development for senior managers.

Table 70: Progress report on the Financial Competency

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	2	3	0	1	0
Chief Financial Officer	1	2	3	1	1	1
Senior Managers	8	0	8	3	0	3
Any other financial officials	4	0	4	0	0	0
Supply Chain Management officials						
Heads of Supply Chain Management units	1	0	1	1	0	1
Supply Chain Management Senior Managers	2	0	2	0	0	0
TOTAL	**17**	**4**	**21**	**5**	**2**	**5**

Introduction to Managing Workforce Expenditure

With the cost of labor continuously on the rise, the city ensures that there are mechanisms in place to keep its workforce expenditure in a healthy state and part of this process includes the management of the workforce expenditure in line with the approved budget. It is for this reason that, despite the moratorium placed on filling of vacancies, priority was given to the advertising and recruitment of Section 56 managers with efforts to shape up the organisational culture and improve the governance and institutional performance. Over the 2022/23 financial year, the city recorded an expenditure of R11 327 911 182.00. Important to note, employee related costs comprise of several line items such as employee salary; payroll taxes; Unemployment Insurance Fund (UIF); supplemental benefits related to medical aid and travel allowance; and other expenses such as the deduction of union membership subscription. This expenditure excluded the remuneration of Councilors and that of contracted workers.

The table below presents the human resource expenditure in terms of staff and contracted services.

Table 71: Staff vs Contracted Services Expenditure

Description	2021/22 Expenditure	2022/23 Budgeted	Actual expenditure 2022/23
Salaries And Wages	6,877,318,826.39	7,492,864,264.50	7,064,824,293.18
Contracted Services	4,096,945,290.78	4,603,013,285.33	4,353,687,588.48
TOTALS	**10,974,264,117.17**	**12,095,877,549.83**	**11,418,511,881.66**

Employees whose Salary Levels Exceed the Grade

The city follows a job evaluation process whenever there are salary disparities. Several positions were upgraded through a job evaluation process which was endorsed by the provincial audit committee. The table below provides information relating to employees whose salary levels exceed the grade.

Table 72: Employees whose Salary Levels Exceed the Grade

Employees whose salary levels exceed the grade determined by job evaluation							
Nr	**Date of approved report**	**Name of report**	**Department**	**Division**	**Position on approved structure**	**Benchmark level**	**Cost implications**
1	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Group Property Management Department	Property Management Services	Engineer Technician	T12	48,984.00
2	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00
3	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Support & Administration	Constable Gr III	T07	20,352.00
4	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00
5	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable Gr III	T07	20,352.00

Employees whose salary levels exceed the grade determined by job evaluation							
Nr	**Date of approved report**	**Name of report**	**Department**	**Division**	**Position on approved structure**	**Benchmark level**	**Cost implications**
6	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00
7	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00
8	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00
9	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00
10	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Group Property Management Department	Property Asset Management & Advisor	Registry Officer	T07	63,288.00
11	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Shared Services Department	Corporate Fleet Management	Messenger	T02	39,960.00
12	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Group Property Management Department	Prop Assets Man & Advis S	Secretary	T09	33,336.00
13	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Water and Sanitation Department	W&S Infrastructure Planning & Implementation	Support Services Officer	T12	48,984.00
14	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Health Department	Clinics	Supplementary Radiographer	T06	13,680.00

Employees whose salary levels exceed the grade determined by job evaluation							
Nr	**Date of approved report**	**Name of report**	**Department**	**Division**	**Position on approved structure**	**Benchmark level**	**Cost implications**
15	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Health Department	Clinics	Secretary	T09	107,988.00
16	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Group Property Management Department	N/A	General Worker	T01	52,440.00
17	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Group Financial Services Department	Supply Chain Management	General Worker	T01	4,776.00
18	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Emergency Services Department	Fire and Rescue	Fire Fighter / Snr / Leading	T07	133,272.00
19	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Admin Officer	T07	63,288.00
20	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00
21	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Environment & Agriculture Management Dep	Office of the Group Head	Messenger	T02	6,240.00
22	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00
23	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00

Employees whose salary levels exceed the grade determined by job evaluation							
Nr	**Date of approved report**	**Name of report**	**Department**	**Division**	**Position on approved structure**	**Benchmark level**	**Cost implications**
24	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	45,840.00
25	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Training and Innovation	Constable Gr III	T07	20,352.00
26	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable Gr III	T07	7,560.00
27	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Water and Sanitation Department	Bulk & Waste Water Serv	Assistant Process Controller	T02	55,008.00
28	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable / Sergeant	T07	63,288.00
29	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Region 7	Region 7	Admin Officer	T07	11,400.00
30	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable / Sergeant	T07	63,288.00
31	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable / Sergeant	T07	63,288.00
32	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable / Sergeant	T07	63,288.00

Employees whose salary levels exceed the grade determined by job evaluation							
Nr	**Date of approved report**	**Name of report**	**Department**	**Division**	**Position on approved structure**	**Benchmark level**	**Cost implications**
33	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable / Sergeant	T07	63,288.00
34	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable / Sergeant	T07	63,288.00
35	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable Gr III	T07	45,840.00
36	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Environment & Agriculture Management Dep	Div: Waste Management Services	General Worker	T01	20,364.00
37	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Region 5	Region 5	General Worker	T01	14,064.00
38	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Region 5	Region 5	General Worker	T01	31,680.00
39	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Region 5	Region 5	Messenger	T02	14,412.00
40	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Environment & Agriculture Management Dep	Div: Waste Management Services	Supervisor	T02	118,164.00
41	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Regional Operations and Coordination (ROC): Region 5	Region 5	General Worker	T01	5,364.00

Employees whose salary levels exceed the grade determined by job evaluation							
Nr	**Date of approved report**	**Name of report**	**Department**	**Division**	**Position on approved structure**	**Benchmark level**	**Cost implications**
42	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Regional Operations and Coordination (ROC): Region 5	Region 5	Store Assistant	T02	39,960.00
43	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Office of the Speaker Department	Council & Committee Secretariat Ser	Computer Officer	T07	49,284.00
44	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Tshwane Metro Police Department	Regional Policing	Constable / Sergeant	T07	21,504.00
45	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Roads & Transport Department	Tshwane Bus Services (TBS)	Operator	T06	13,680.00
46	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Water and Sanitation Department	Bulk & Waste Water Serv	Admin Officer	T07	21,084.00
47	19/11/2019	Development and implementation of a new salary structure for the City of Tshwane	Water and Sanitation Department	Bulk & Waste Water Serv	Admin Officer	T07	29,796.00

5 FINANCIAL PERFORMANCE

FINANCIAL OVERVIEW

The city approved the consolidated budget of R45 billion for the operating and capital budget for the 2022/23 financial year. During the period under review the city invested R2,2 billion towards capital infrastructure, recording a capital spending of 79% against the budget of R2,8 billion. The expenditure on repairs and maintenance of infrastructure for the 22/23 financial year amounted to R1,2 billion. The city ended with a positive cash and cash equivalents at year end of R835 million for 22/23 financial year. The city's operating financial performance improved as the budget deficit narrowed to R446 million in 2022/23. The collection rate was recorded at 90%.

STATEMENT OF FINANCIAL PERFORMANCE

Revenue

Figures in Rand	2023	2022 Restated	% 'Increase (decrease)
Total revenue	**42 394 510 189**	**39 586 745 398**	**7,1%**

Total revenue for the year under review amounted to R42,3 million an increase of 7,1% from the 2021/22 financial year. The increased revenue is mainly resulting from the increase of rates and services charges and interest on arrear debtors. Government grants increased by 9.8% (including capital grants). As depicted on the graph below the operating revenue is mostly generated from service charges (55%), property rates (21%) and government grants and subsidies (19%). Contribution from the other sources of revenue is (5%).

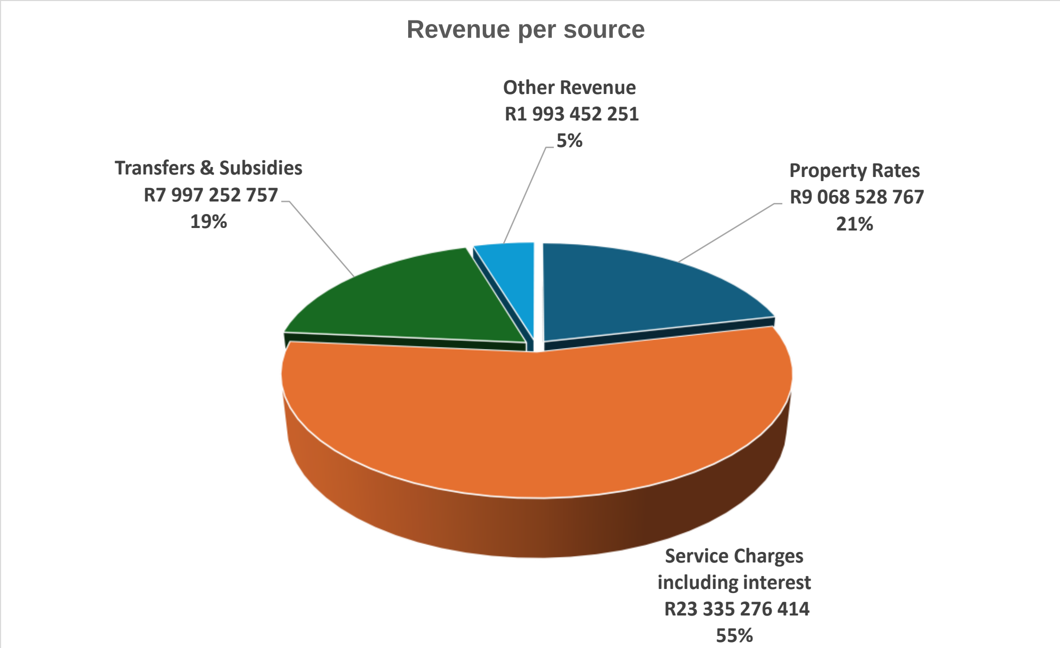

Figure 20: Revenue per Source

Expenditure

Figures in Rand	2023	2022 Restated	% 'Increase (decrease)
Total expenditure	**41 257 630 986**	**40 863 102 957**	**1,0%**

The total expenditure amounted to R41,2 billion an increase of 1% compared against the 21/22 financial year. The operating expenditure as a percentage of budget was 93% for the 22/23 financial year. Significant cost increases relate to finance cost and debt impairment, other expenditure items such as depreciation, general expenses recorded a decrease against the previous financial year.

As depicted in the graph below the major expenditure item is bulk purchases making up 36% of the total expenditure followed by employee related cost at 28%, contracted services contribute 10% and debt impairment, depreciation and finance cost together amounts to 20% to the total expenditure.

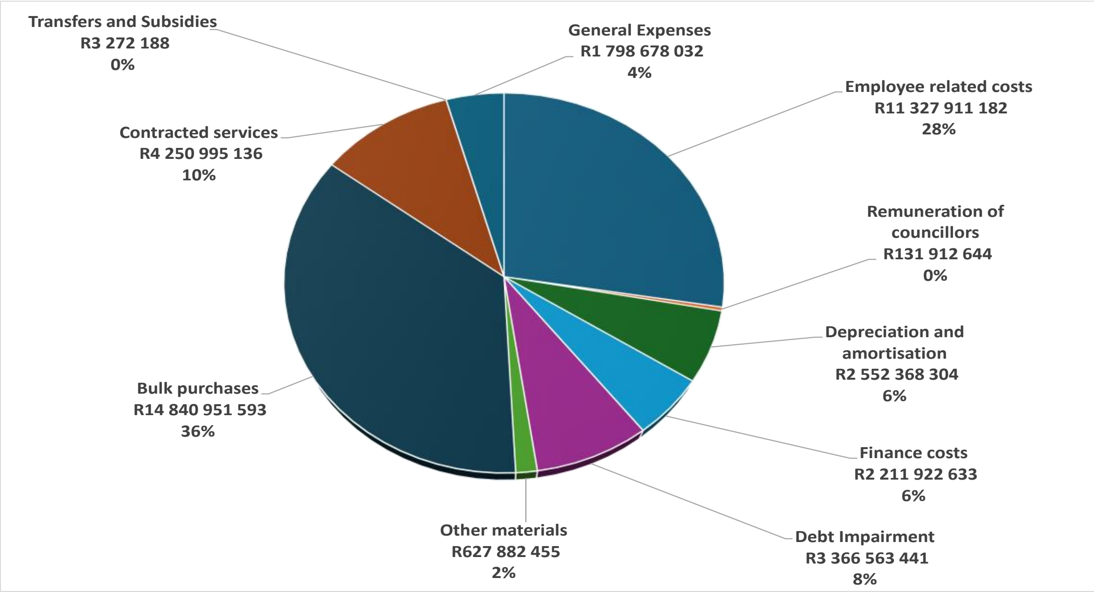

Figure 21: Revenue Expenditure of the city

Operating Surplus (deficit)

Figures in Rand	2023	2022 Restated	% 'Increase (decrease)
Surplus (deficit) including capital transfers	1 136 902 464 -	1 277 948 513	-189,0%

The city recorded a surplus of R1,1 billion in the 22/23 financial year compared against a deficit of R1,2 billion in the previous financial year. The City ended the year under review with a deficit of R446 million excluding capital transfer.

Statement of Financial Position

Figures in Rand	2023	2022 Restated	% 'Increase (decrease)
Current Assets	8 240 828 748	8 467 832 378	-2,7%
Non-Current Assets	59 206 232 188	59 517 191 289	-0,5%
Current Liabilities	19 412 971 323	21 346 819 551	-9,1%
Non-Current Liabilities	14 738 534 251	14 481 583 777	1,8%
Net Assets	33 295 555 362	32 156 620 339	3,5%

The city's current asset decreased by 2,7% from 2021/22 financial year, mainly investment and receivables from exchanged. Non-current assets decreased mainly property plant and equipment. The decline of 9,1% on current liabilities is attributed to decrease of the current portion of long-term loans and reclassification of vat liability.

Cashflow Statement

Figures in Rand		2023		2022 Restated
Net cash flows from operating activities		**3 772 055 265**		**4 336 606 920**
Net cash flows from investing activities	-	**2 480 164 284**	-	**3 123 376 168**
Net cash flows from financing activities	-	**1 425 191 222**	-	**856 486 119**
Net increase/(decrease) in cash and cash equivalents	-	**133 300 241**		**356 744 633**
Cash and cash equivalents at the beginning of the year		969 078 258		612 333 625
Cash and cash equivalents at the end of the year		**835 778 017**		**969 078 258**

The city generated from its operating activities a cash of R3,7 billion during the 2022/23 financial year, a decline from the 2021/22 financial year. The year started with a cash balance of R969 million and ended with cash of R835 million. Investing activities includes capital spending of 79% against a total budget of R2,2 billion. Financing activities includes R1,3 billion repayment of the long-term loans.

Financial Ratios

The table below presents the financial ratios depicting the city's financial position for the 2022/23 and 2021/22 financial years.

Table 73: Financial Ration of the city

Description of financial indicator	2021/22 Restated Outcome	2022/23 Audited Outcome	Observations
Asset Management			
Repairs and Maintenance as a % of Property, Plant and Equipment	2,2%	2,3%	Repairs and maintenance expenditure for the year slightly exceeded the previous year outcome, but remains far beneath the National Treasury's norm of 8%. The City needs to prioritise expenditure on repairs and maintenance to sustain the longevity of assets
Debtors Management			
Collection Rate	94,9%	90,0%	The audited outcome ratio of 90,0% is below the National Treasury's accepted norm of 95,0% and the restated ratio for the financial year 2021/22. Growth in the gross debtors closing balance was almost twice the growth in billed revenue during the 2022/23 financial year. Strict credit control meausres are being implemented to improve the collection rate.
Net Debtors Days	65 days	60 days	Net debtors days ratio for 2022/23 is above the acceptable National Treasury norm of 30 days. The net debtors ratio of 60 days indicates that it takes two months for the City to recover the revenue owed to it for services rendered. The high net debtors days ratio impacts negatively on the City's cash flow. The City continues to embark on the TshwaneYaTima campaign.
Liquidity Management			
Current Ratio	0,4	0,4	The audited 2022/23 current ratio of 0,4:1 is equal to the 2021/22 restated outcome of 0,4:1. These ratios are lower than the National Treasury's minimum norm of 1,5:1, and an indication of technical insolvency according to National Treasury.
Liability Management			
Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	4,7%	7,2%	Although the audited outcome of 7,2% is within the norm, it is more than the 2021/22 outcome of 4,7% because of a substantially large amount of long term debt redemption in 2022/23.
Debt (Total Borrowings) / Revenue	36,2%	30,4%	The City's debt to revenue ratio remained within the National Treasury norm. The decrease is because the City did not obtain new long-term debt (borrowing) in the 2022/23 financial year.
Distribution Losses			
Electricity Distribution Losses (Percentage)	19,4%	21,5%	Electricity distribution losses as reported in the audited Consolidated Annual Financial Statements show a 2,1% increases from the 2021/22 distribution losses as non-technical losses continued to increase.
Water Distribution Losses (Percentage)	32,6%	32,0%	Non-revenue water (water distribution losses) show a 0,6% decrease from the 2021/22 distribution losses as both technical and non-technical losses declined.
Budget Implementation			
Capital Expenditure Budget Implementation Indicator	75,5%	80,0%	The ratio shows that the City was able to spend 79,1% of its budgeted capital expenditure by the end of 2022/23.
Operating Expenditure Budget Implementation Indicator	104,1%	98,3%	The operating expenditure budget implementation indicator was 98,3% at the end of 2022/23, an improvement compared to the over-expenditure recorded in the 2021/22 restated outcome. This expenditure is just within the norm of 95-100%.
Operating Revenue Budget Implementation Indicator	96,0%	97,2%	The actual operating revenue budget implementation indicator of 97,2% based on the 2022/23 audited outcome is within the norm and slightly higher than the 2021/22 audited outcome. This outcome was mainly due to better performance in operating revenue sources other than services charges and property rates.

6 REPORT OF THE AUDITOR-GENERAL

Report of the auditor-general to the Gauteng Provincial Legislature and the council on the City of Tshwane Metropolitan Municipality and its entities

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Qualified Opinion

1. I have audited the consolidated and separate financial statements of the City of Tshwane Metropolitan Municipality and its entities (the group) set out on pages 01 to 170 which comprise the consolidated and separate statement of financial position as at 30 June 2023, the consolidated and separate statement of financial performance, the consolidated and separate statement of changes in net assets, the consolidated and separate cash flow statement and the consolidated and separate statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate consolidated and separate financial statements , including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 30 June 2023, and the group's financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP),the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act no. 5 of 2022 (Dora).

BASIS FOR QUALIFIED OPINION

Property, Plant and Equipment

3. Infrastructure assets, as well as community assets were not correctly valued in accordance with GRAP 17, Property, plant, and equipment. Previously capitalised assets were incorrectly componentised and revalued, resulting in the value of the asset group recorded in the asset register being inflated. I was unable to determine the impact on the net carrying amount of infrastructure and community assets as it was impracticable to do so.

Payables from Exchange Transactions

4. I was unable to obtain sufficient appropriate audit evidence that the retention creditors and other creditors had been properly accounted for, due to the status of the accounting records. I was unable to confirm the retention creditors and other creditors by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to retention creditors stated at stated at R603 896 538 and R590 658 461 other creditors stated atR1 692 067 064 (2022: R1 292 477 639) and R1 674 153 118 (2022: R1 287 019 761) as disclosed in note 23 to the consolidated and separate financial statements.

Employee Related Costs

5. Employee related costs were not recorded as required by GRAP 1, *Presentation of financial statements.* Employee related costs as disclosed in note 36 to the consolidated and separate financial statements was overstated by R415 584 692 due to the cumulative effect of the following individually immaterial misstatements:

   - Overtime payments stated at R618 335 286 and R615 944 148 were overstated by R413 652 014 due to employees being paid for more hours than worked.
   - Basic salaries stated at R7 694 969 897 and R7 627 684 729 were overstated by R1 932 678 due to employees being paid salaries after their services ended.

6. I was unable to obtain sufficient appropriate evidence to confirm costs relating to Travel, motor car, accommodation, subsistence, and other allowances stated R304 636 439 and R303 885 005, and other allowances totalling R591 268 524, due to an inadequate system of internal control over employment contracts. I was unable to confirm the allowances by alternative means. Consequently, I was unable to determine any further adjustments to be made to employee related costs disclosed at R11 327 911 182 and R11 242 050 360 in note 36 to the consolidated and separate financial statements.

Other Receivables from Exchange

7. I was unable to obtain sufficient appropriate audit evidence that other receivables from exchange had been properly accounted for, due to the status of the accounting records. I was unable to confirm the other receivables from exchange by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to other receivables from exchange stated at R822 076 156 and R818 343 098 as disclosed in note 6 to the consolidated and separate financial statements.

Other Receivables from Non-Exchange Transactions

8. The municipality did not present other receivables from non-exchange in accordance with GRAP 104, financial instruments. The municipality did not disclose the portion of the other receivables from exchange transactions that are past due but not impaired in the prior year and current year, on public contributions and subsidies and year-end grant

debtor. I was unable to determine the full extent of the understatement in the other receivables from non-exchange transactions disclosure note as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence on the presentation and disclosure of the Aarto fine debtor, due to status of accounting records. I could not confirm the accuracy of the presentation and disclosure by alternative means. Consequently, I was unable to determine whether any adjustment relating to Aarto fine debtor, stated at R595 205 627 in the consolidated and separate financial statements, was necessary as disclosed in note 6 to the consolidated and separate financial statements.

Contingencies

9. During 2022-23, I was unable to obtain sufficient appropriate audit evidence for contingencies due to the status of accounting records. I was unable to confirm contingencies by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of contingencies. My audit opinion on the financial statements for the period ended 30 June 2022 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the contingencies for the current period as well as differences identified in the current year disclosure note. Consequently, I was unable to determine whether any adjustment relating to contingency, stated at R7 395 987 837 (2022: R3 860 311 472) in the consolidated and separate financial statements respectively, was necessary as disclosed in note 59 to the consolidated and separate financial statements.

Commitments

10. The municipality did not disclose commitments as required by GRAP 17, *Property, plant, and equipment*. The municipality did not disclose commitments on capital projects in progress. Consequently, commitments were understated by R549 750 429 in the consolidated and separate financial statements.

Fruitless and Wasteful Expenditure

11. The municipality did not have an adequate system for identifying and disclosing all fruitless and wasteful expenditure incurred, as required by section 125 (2)(d) of the MFMA. Consequently, fruitless, and wasteful expenditure was understated by R1 488 636 238 (2022: R1 003 859 860).

Irregular Expenditure

12. The municipality did not have an adequate system for identifying and disclosing all irregular expenditure incurred, as required by section 125 (2)(d) of the MFMA. In addition, I was unable to obtain sufficient appropriate audit evidence that irregular expenditure for the current year had been properly accounted for, due to the status of the accounting records. I was unable to confirm the irregular expenditure by alternative

means. Consequently, I was unable to determine the full extent of the adjustment necessary to the balance of irregular expenditure stated at R13 066 874 624 (2022: R12 719 414 300) and R13 031 789 317 (2022: R12 688 348 957) as disclosed in note 56 to the consolidated and separate financial statements.

Segment Reporting

13 The municipality did not prepare the segment reporting disclosure in accordance with GRAP 18, *Segment reporting*. Disclosures relating to assets and liabilities of each reportable segment and the basis for each measurement were not included in disclosure note 72 to the financial statements. In addition, the consolidated and separate financial statements did not include an accounting policy for segment reporting, and comparative figures were not disclosed in disclosure note 72 to the consolidated and separate financial statements. Due to the nature matters raised, I could not determine the correct information and amounts that should be processed as it was impracticable to do so.

Risk Management

14 The municipality did not correctly disclose amounts in note 67 to the consolidated and separate financial statements as they contained material differences and could not be substantiated nor reconciled to the amounts reported in the consolidated and separate financial statements. Due to the extent of difference identified in the disclosure note, I could not determine the correct amounts that should be processed as it was impracticable to do so.

Context for Opinion

15 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 consolidated and separate financial statements section of my report.

16 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.

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

Key Audit Matters

18 Except for the matters described in the basis for qualified opinion section or the material uncertainty relating to going concern section, I have determined that there are no key audit matters to communicate in this auditor's report.

Material Uncertainty relating to going Concern

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

20 I draw attention to note 51 to the financial statements, which indicates an unfavourable liquidity position, and a recent negative rating by Moody's, which is unchanged compared to the previous rating. As stated in note 51, these events or conditions, along with the other matters as set forth in note 51, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

EMPHASIS OF MATTERS

Material Impairments

21 As disclosed in note 5 to the financial statements, material losses of R16 468 028 573 were incurred as a result of doubtful debts on consumer consumables.

Material Losses – Electricity Losses

22 As disclosed in note 64 to the financial statements, material electricity losses of R2 462 201 794 (2021-22: R2 136 888 812) was incurred, which represents 21.46% (2021-22: 19.44%) of total electricity purchased. Technical loss of R803 185 911 (2021-22: R769 460 158) were due to the electricity that was lost when it was distributed from the source of generation through the transmission and distribution network to the consumers. Non-technical losses of R1 659 015 883 (2021-22: R1 367 428 654) were due to administrative and technical errors, negligence, theft of electricity, tampering with meters and connections which form part of illegal consumptions and faulty meters.

Material Losses – Water Losses

23 As disclosed in note 63 to the financial statements, material water losses of R1 115 794 268 (2021-22: R1 083 402 391) was incurred, which represents 32% (2021-22: 32.6%) of total water purchased. Technical losses of R892 635 414 (2021-22: R866 721 917) were due to the physical loss of water through the water distribution network. Non-technical losses of R223 158 854 (2021-22: R216 680 474) were due to meter inaccuracies, meter estimations, non-metering of water and unauthorised consumption.

Restatement of Corresponding Figures

24 As disclosed in note 71 to the consolidated and separate financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2023.

OTHER MATTER

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

UNAUDITED DISCLOSURE NOTES

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

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

29 My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 based on these consolidated and separate financial statements.

30 A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

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

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

Strategic priority	Page numbers	Purpose
Prioritisation of the electrical grid and water infrastructure	149 - 151	Provide key service delivery linked to local government mandate to provide water and sanitation as well as electricity services
Maintaining a clean and protected natural environment	162 - 163	Provide key service delivery linked to local government mandate to provide a clean environment
Maintenance and expansion of road infrastructure and public transportation	163 - 166	Provide key service delivery linked to local government mandate to provide roads and transport services
A caring city that supports the vulnerable and provides social relief	167 - 170	Provide key service delivery linked to local government mandate to provide housing and related infrastructure services

33 I evaluated the reported performance information for the selected strategic priorities 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.

34 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.

- 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 is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

35 I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

36 The material findings on the reported performance information for the selected strategic priorities are as follows:

Priority 1: Prioritisation of the electrical grid and water infrastructure

Various Indicators

37 Supporting evidence was not provided for auditing due to limitations in the systems and processes utilised to collect actual achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved. Furthermore, supporting evidence was not provided on how the achievement of the planned indicators would be measured.

Name of indicator	Planned Target	Reported achievement
Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	14,00%	0%
Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	80%	71,06%

Priority 5: Maintaining a clean and protected natural environment

Various Indicators

38 Based on audit evidence, the actual achievements for 2 indicators did not agree with what was reported. I could not determine the actual achievements, but I estimated them to be materially overstated.

Name of indicator	Planned Target	Reported achievement
Percentage of formal areas provided with weekly waste collection services	100%	100%
Percentage of known informal settlements receiving basic refuse removal services	85%	100%

Priority 6: Maintenance and expansion of road infrastructure and public transportation

Various Indicators

39 Supporting evidence was not provided for auditing due to limitations in the systems and processes utilised to collect actual achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved. Furthermore, supporting evidence was not provided on how the achievement of the planned indicators would be measured.

Name of indicator	Planned Target	Reported achievement
Percentage of unsurfaced road graded	50%	116,339%
Percentage of reported pothole complaints resolved within standard municipal response time	50%	33,40%
Percentage of Municipal bus services 'on time' (TBS)	80%	74,2%
Percentage of Municipal bus services 'on time' (A Re Yeng)	90%	90,76%

Kms of New Municipal Road Network

40 An achievement of 27,87km was reported against a target of 10km. however, the audit evidence did not support this achievement. i could not determine the actual achievement, but i estimated it to be materially less than reported. consequently, it is likely that the target was not achieved.

Priority 7: A caring city that supports the vulnerable and provides social relief

Various Indicators

41 Some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved. Furthermore, supporting evidence was not provided on how the achievement of the planned indicators would be measured.

Name of indicator	Planned Target	Reported achievement
Number of indigent households supported by the City through its social package per year	3 000	123 594
Number of informal settlements upgraded to Phase 2	20	20
Number of informal settlements with access to rudimentary water services	138	148
Number of serviced sites – Water	1494	1496
Number of serviced sites – Sewer	1538	1543

Number of Informal Settlements with Access to Rudimentary Sanitation Services

42 An achievement of 106 was reported against a target of 108. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

Other Matters

I draw attention to the matters below:

Achievement of Planned Targets

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

44 The municipality plays a key role in delivering services to South Africans. The tables that follow provide information on the achievement of planned targets and lists the key service delivery 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 149 to 166.

Priority 1: Prioritisation of electrical grid and water infrastructure

Targets achieved: 22% *Budget spent: Not reported*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Number of kilolitres of water purchased	297242 243 kl	282 526 417 kl
Number of new sewer connections meeting minimum standards	1 000	703
Installed capacity of approved embedded generators on the municipal distribution network	5.5 MVA	0.082728MVA

Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	80%	71.06%
Length of new water pipelines installed	3 600m	24m
Length of new sewer pipelines installed	11 470	7 229m

Priority 6: Maintenance and expansion of road infrastructure and public participation

Targets achieved:50% *Budget spent: Not reported*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Percentage of reported pothole complaints resolved within standard municipal response time	50%	33.4%
Kilometres of required municipal stormwater drainage network constructed	1 km	0.591 km

Material Misstatements

45 I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for prioritisation of the electrical grid and water infrastructure; maintaining a clean and protected natural environment; maintenance and expansion of road infrastructure and public transportation environment and a caring city that supports the vulnerable and provides social relief. Management did not correct all the misstatements and I reported material findings in this regard.

Report On Compliance With Legislation

46 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.

47 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.

48 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.

49 The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual Consolidated and Separate Financial Statements, Performance Reports and Annual Reports

50 The consolidated and separate financial statements were not submitted to the Auditor-General for auditing within two months after the end of the financial year, as required by section 126(1) (a) of the MFMA.

51 The consolidated and separate financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted consolidated and separate financial statements were not adequately corrected and/or the supporting records could not be provided subsequently, which resulted in the consolidated and separate financial statements receiving a qualified audit opinion.

Asset Management

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

Expenditure Management

53 Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA.

54 Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with section 112 (1) of the MFMA.

55 Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the fruitless and wasteful expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed fruitless and wasteful expenditure was caused by the incurrence of interest on late payments.

56 Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred. The majority of the disclosed unauthorised expenditure was caused by overspending on non-cash items.

Procurement and Contract Management

57 Sufficient appropriate audit evidence could not be obtained that all contracts and/or quotations were awarded in accordance with the legislative requirements as the procurement process followed was not substantiated by supporting documentation.

58 Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). Similar non-compliance was also reported in the prior year.

59 Sufficient appropriate audit evidence could not be obtained that contracts were only awarded to service providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43.

60 Contracts above R30 million did not include a condition for mandatory subcontracting to advance designated groups, as required by the 2017 Preferential Procurement Regulation 9(1).

Consequence Management

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

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

63 Allegations of financial misconduct laid against officials of the municipality were not investigated, as required by section 171(4) (a) of the MFMA.

Strategic Planning and Performance Management

64 Annual performance objectives and indicators were not established by agreement for Housing Company Tshwane and included in its multi-year business plan, as required by section 93B(a) of the MSA.

65 The performance management system and related controls were inadequate as they did not describe how the performance monitoring, review, reporting, and improvement processes should be managed, as required by municipal planning and performance management regulation 7(1).

66 KPIs were not set for each of the development priorities and objectives, as required by section 41(1) (a) of the MSA and municipal planning and performance management regulation 9(1) (a).

Environmental Management

67 The Rooiwal, Temba, and Daspoort wastewater treatment works were not safeguarded and maintained to prevent defective, depleted, malfunctioning, and vandalised infrastructure and theft to operate as intended as required by section 63(1)(a) of the MFMA.

Human Resource Management

68 The senior managers did not sign performance agreements within the prescribed period, as required by section 57(2) (a) of the MSA.

Other Information in the Annual Report

69 The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

70 My opinion on the consolidated and separate 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.

71 My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

72 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

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

74 The accounting officer did not exercise adequate oversight responsibility over financial reporting and compliance with legislation, as well as the related internal controls. Effective and appropriate measures were not implemented in a timely manner to prevent and detect; material errors in the submitted annual consolidated and separate financial statements, and annual performance report as well as to prevent and detect non-compliance with legislation.

75 The municipality developed an action plan to address the prior year's significant findings, but adherence to the plan was not adequately monitored on a timely basis by the appropriate level of management, resulting in numerous material findings relating to the consolidated and separate financial statements, performance report and compliance with laws and regulations.

76 Senior management did not adequately ensure that the consolidated and separate financial statements and performance report prepared are accurate and complete and agreed to supporting schedules, as numerous misstatements were identified on the consolidated and separate financial statements and performance report submitted for audit. Daily and monthly control activities that support accurate and reliable reporting, such as reconciliations, were generally lacking.

77 Senior management did not implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support the annual consolidated and separate financial statements and performance report. The audit team experienced difficulties (delays in submission) during the audit due to poor record keeping in certain areas and the lack of supporting evidence for recorded balances and transactions that are reviewed by senior management.

78 Senior management did not always ensure that adequate controls were designed, implemented, and monitored relating to compliance with laws and regulations resulting in material non-compliance with laws and regulations. In addition, there was inadequate implementation of consequence management for poor performance and transgressions.

Material Irregularities

79 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 Irregularity Identified during the Audit

80 The Material Irregularity Identified is as follows:

Inadequate Controls Designed to Monitor the Work of the Consultant

81 Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the

payment of funds, as there were no controls to verify the work done by the consultant before processing payments in the 2021-22 financial year in contravention of section 65(2)(a) of the MFMA.

82 The non-compliance is likely to result in a material financial loss, if not recovered.

83 The accounting officer was notified of the material irregularity on 19 April 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter.

84 The accounting officer appointed a panel of service providers in June 2023. In addition, he had committed to finalise the value for money audit by October 2023, however, due to the lack of required skills to perform value for money audit by the initial service provider, the committed date could not be met. A request for quotation was issued to another service provider in November 2023 and it is anticipated that a final report will be finalised by March 2024.

85 The accounting officer plans to take action based on the outcome of the audit.

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

STATUS OF PREVIOUSLY REPORTED MATERIAL IRREGULARITIES

Overpayment on the Fuel Purchase

87 Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the payment of funds, as the municipality overpaid three suppliers for the supply and delivery of fuel between February 2019 and June 2020 in contravention of section 65(2)(a) of the MFMA.

88 The non-compliance is likely to result in a material financial loss, if not recovered. The amount is disclosed in note 71 as a comparative to the 2020-21 annual consolidated financial statements.

89 The accounting officer was notified of the material irregularity on 8 June 2021.

90 I recommended that the accounting officer should take the following actions to address the material irregularity by 8 August 2022. The accounting officer failed to implement the below recommendations:

- appropriate action should be taken to ensure that the investigation into all overpayments is finalised.
- appropriate action should be taken to recover all financial losses suffered by the municipality from the three suppliers.

- Disciplinary or when appropriate criminal proceedings should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct procedures and Criminal Proceedings

91 I notified the accounting officer of the following remedial actions to address the material irregularity, which should have been implemented by 4 March 2023:

- The investigation into the non-compliance with section 65(2)(a) of the MFMA must be completed to determine if any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA.

- Disciplinary proceedings must commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the provincial treasury, and the National Treasury, as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- Effective and appropriate steps must be taken to monitor and support the recovery process of the financial loss through the litigation process and a progress report to this effect must be provided to the AGSA at the due date for the implementation of the remedial action.

92 The accounting officer instituted legal action to recover the financial loss suffered and the matter is currently before a court of law.

93 On 14 March 2023 and 4 April 2023, the accounting officer’s responses and substantiating documentation on the implementation of the remedial action were received. Further information was received on 21 June 2023. I evaluated the accounting officer’s responses and substantiating documentation received. As some of the actions taken to address the material irregularity were still in progress and not yet completed, I granted the accounting officer an additional six months up to 4 February 2024 to implement the remedial actions.

94 On 5 February 2024, the accounting officer’s response was received on the progress made in completing the outstanding action on the implementation of the remedial actions.

95 I am in the process of assessing the progress made with the implementation of the actions to address remedial actions.

Interest Not Levied on Outstanding Sundry Consumer Debtors

96 Interest was not charged on outstanding sundry consumer debtors between 1 July 2019 and 30 June 2020 as required by section 64 (2) (g) of the MFMA and the approved credit control and debt collection policy of the municipality.

97 The non-compliance is likely to result in a material financial loss, if not recovered.

98 The accounting officer was notified of the material irregularity on 8 June 2021.

99 I recommended that the accounting officer should take the following actions to address the material irregularity by 8 August 2022. The accounting officer failed to implement the below recommendations:

- Quantify the full extent of the interest that should have been charged in accordance with the credit control and debt collection policy of the municipality.
- The non-compliance should be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA
- Disciplinary or, when appropriate, criminal proceedings should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial misconduct procedures and Criminal Proceedings.
- Appropriate action should be taken to ensure that interest is levied against all sundry debtors in accordance with the municipality's credit control and debt collection policy as required by section 64(2) (g) of the MFMA. This should include interest that was not previously charged in accordance with the policy.

100 I issued a directive to the accounting officer to determine the amount of the financial loss and recover such loss, or make progress with the recovery of the loss, from the responsible person(s) by 15 May 2023. In addition, I notified the accounting officer of the following remedial actions to address the material irregularity, which should have been implemented by the same date:

- The investigation into the non-compliance with section 64(2)(g) of the Municipal Finance Management Act, 2003 ("MFMA") and Credit Control and Debt Collection policy must be completed to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.
- Disciplinary proceedings must commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

101 On 13 May 2023, the accounting officer's response with substantiating documentation on the implementation of the remedial action was received. Further information was requested on the actions implemented which were received on 14 July 2023 and 11 August 2023. I evaluated the responses and substantiating documentation received. To implement the remedial action, the municipality revised its credit control and debt collection policy to provide for the charging of interest on outstanding sundry debtor accounts and implemented the policy retrospectively by charging R133 million of interest to the sundry debtors with outstanding balances.

102 A further request for information was issued on 15 November 2023 on the steps taken to finalise the investigation into the non-compliance and to identify any responsible officials for consequence management. On 6 February 2024, a supplementary response was received whereby the accounting officer indicated that the Group Audit and Risk department has been requested on 22 November 2023 to appoint a service provider to investigate the non-compliance and to identify any responsible officials. The appointment of the service provider is in process.

103 I will follow up in my next audit on the outcome of the investigation and the additional actions taken to implement the remedial action.

Procurement of Software Licenses not Utilised

104 Resources of the municipality were not utilised economically as the municipality paid for maintenance and support costs on software licenses procured between September 2019 and December 2020 but not used, as required by section 62(1)(a) of the MFMA.

105 The municipality is likely to suffer a material financial loss if the maintenance and support costs spent on software licenses not used are not recovered.

106 The non-compliance is likely to result in a material financial loss, if not recovered.

107 The accounting officer was notified of the material irregularity on 30 November 2022.

108 A credit note of R22 310 000 was issued by the service provider in December 2022 that will be used towards future annual maintenance.

109 The accounting officer has taken the following actions to address the material irregularity:

- Terminated software licenses that were not in use.

- Negotiated a new maintenance base on licenses that remained in use with the service provider that resulted in the reduction of corresponding annual maintenance from R63 180 487 to R52 150 540, resulting in a saving of R11 029 947.

- Instituted an audit into the utilisation of software licenses which was finalised in July 2023.

- Initiated discussions relating to the design of controls to prevent re-occurrence, recovery of any remaining financial losses, and agreement on pricing options for the new contract which is expected to be finalised in March 2024.

- Outcome of the authorisation review license assessment and proposals among others presented by the service provider will be considered to determine the need for future license requirements when finalising the new contract.

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

VANDALISM OF THE BULK WATER INFRASTRUCTURE AT REFILWE MANOR

111 An effective system of internal control for assets was not in place as assets were stolen and vandalised between December 2018 and January 2020 in contravention of section 63(2)(c) of the MFMA.

112 The non-compliance is likely to result in a material financial loss of R 4 970 982 if not recovered. The amount is disclosed in note 71 as a comparative to the 2020-2021 annual consolidated and separate financial statements.

113 The accounting officer was notified of the material irregularity on 30 November 2021.

114 The accounting officer has taken the following actions to address the material irregularity:

- appointed a security company through the contractor in December 2020.

- The contractor acknowledged responsibility for the damages due to vandalism at Refilwe Manor in January 2021 and has since replaced some electrical and mechanical items. In addition, the service provider has purchased all the material required for the completing of pump stations.

- Repairs of the reservoir were completed in December 2022.

- The municipality has a policy that adequately covers roles and responsibilities relating to the safeguarding of assets.

115 The following actions are in the process of implementation by the accounting officer:

- The accounting officer had committed to complete pump stations 12 and 15 by November 2022, however, the committed date was not met pending an electricity connection which is required before the finalisation of the pump stations. In addition, due to community disruptions, the accounting officer has committed to complete pump stations 12 and 15 by 30 April 2024

- Electrical cables and transformers have been installed, however, connection to the main feeder line has not been undertaken. This is required to prevent further theft and vandalism. The accounting officer plans to have the connection installed before the end of March 2024.

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

Pollution of Water Resources Not Prevented At Rooiwal Waste Water Treatment Works (WWTW)

117 The municipality did not take reasonable measures at the Rooiwal Wastewater Treatment Works (WWTW) to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act 107 of 1998.

118 The Rooiwal WWTW has not been functional since 2010 due to neglected maintenance that has resulted in the discharge of inadequately treated effluent into the Apies River and Leeuwkop Dam over a number of years. The Apies River feeds the Leeuwkop Dam, which is the extraction point of the Temba water treatment plant.

119 This has resulted in the continued and long ongoing discharge of inadequately treated effluent, exceeding the discharge limits, into main water resources such as the Apies River and Leeuwkop Dam as well as groundwater pollution of the surrounding environment, and also has a devastating effect on the water, its eco-systems and the people who use the water. These contaminated water resources provide water for consumption and recreational services for the surrounding communities, as well as water to neighbouring farmers for consumption by livestock and irrigation of crops (boreholes and irrigation ponds).

120 The accounting officer was notified of the material irregularity on 15 December 2021.

121 The accounting officer included the planning of Rooiwal phase II in the integrated developmental plan of the municipality. The accounting officer had initiated section 33 of the MFMA process, which was expected to be finalised by February 2023. Subsequently, the accounting officer put the section 33 of the MFMA process on hold as the municipality adopted a new approach to address issues at Rooiwal WWTW.

122 The process to complete the Rooiwal Phase 1 project will require a new consulting engineering firm to be appointed. The scope of work for the appointment of the consulting engineering firm to render professional services has been compiled. The preparation of specification was expected to be finalised by March 2023; however,

the accounting officer has considered an alternative approach for the execution of Rooiwal Phase 1, and this will be the appointment of an Implementing agent to oversee the execution of the project.

123 The accounting officer has taken the following actions to address the material irregularity:

- Ensured continuous repairs and maintenance of the machinery and equipment at the Rooiwal WWTW.
- Service providers were appointed in August 2021 for the provision of water tanker services to Hammanskraal residents affected by the water quality issues.
- Appointed a contractor for the phase I upgrade and refurbishment at the Rooiwal WWTW. However, the contractor's contract was terminated in July 2022 due to poor performance.
- An early business case was submitted to Infrastructure South Africa in April 2023 and the accounting officer is awaiting feedback.
- A total of R450 million has been allocated for Rooiwal WWTW Phase 1 project on the 2023-24 Medium Term Revenue and Expenditure Framework, with R150 million split from 2023-24 to 2025-26 financial years. The allocated budget will be utilised for the completion of the Rooiwal WWTW phase I upgrade and the execution of new upgrades identified to improve the quality of the effluent discharged.
- A preliminary technical meeting between the municipality and the Development Bank of Southern Africa (DBSA) took place in June 2023 to discuss the scope of works and possible signing of memorandum of understanding for the execution of the project.
- A mayoral committee meeting took place in July 2023 to consider the appointment of DBSA as the implementing agent. DBSA was appointed as an implementing agent in September 2023 and a service level agreement between DBSA and the municipality was finalised in October 2023
- DBSA appointed a general building turnkey contractor for the design and construction of the Rooiwal WWTW in February 2024.

124 The following actions are in the process of implementation at the municipality:

- DBSA is in the process to appoint a professional service provider and mechanical engineering turnkey contractor.
- The accounting officer is in the process to submit intermediate business case application to Infrastructure South Africa.

- Application for funding will be submitted to Budget Facility for Infrastructure upon approval of the intermediate business case by Infrastructures South Africa.

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

Payment made for an Informal Trading Facility that was not Constructed

126 A payment of R4 990 281 was made on 30 June 2016 to a contractor for an informal trading facility that was not constructed at Barolak Taxi rank as effective internal controls relating to expenditure management were not in place as required by section 65 (2) (a) of the MFMA.

127 The non-compliance is likely to result in a material financial loss of R4 990 281 if not recovered. The amount is disclosed in note 71 as a comparative to the 2020-21 consolidated and separate financial statements .

128 The accounting officer was notified of the material irregularity on 25 March 2021.

129 The actions taken to resolve the material irregularity by the accounting officer were as follows:

- Commissioned a forensic investigation to determine the officials responsible, and the investigation was completed in November 2021. The investigation concluded that three officials are responsible for the payment made for an informal trading facility that does not exist. One official resigned before finalisation of the investigation and the other resigned after the investigation was finalised.
- Had committed to take disciplinary action against the third implicated official on or before March 2022. The disciplinary process could not be finalised by the committed date due to the request for an extension by the implicated official. The disciplinary process commenced in October 2022. The employee representative requested an extension until April 2023 due to ill health and the implicated official subsequently resigned in June 2023.
- Summons were issued against the service provider and two ex-officials in March 2023; however, they could not locate one of the officials at his last known address. The application for substituted services has been served and was heard in December 2023.
- The service provider and one of the ex-officials have indicated their intention to defend the summons issued through filing pleas.
- A criminal case that was opened in December 2021 is still ongoing.
- To prevent a re-occurrence, the accounting officer strengthened controls relating to the monitoring of projects and processing of payments.

130 The material irregularity is resolved.

Payment to an Incorrect Beneficiary

131 A payment amounting to R53 444 860 was made to an incorrect beneficiary on 30 August 2019 as effective internal controls relating to expenditure management were not in place as required by section 65(2) (a) of the MFMA.

132 The non-compliance is likely to result in a material financial loss of R53 444 860 if not recovered. The amount is disclosed in note 77 to the 2019-20 consolidated and separate financial statements .

133 The accounting officer was notified of the material irregularity on 5 March 2021.

134 The National Prosecuting Authority recovered an amount of R 23 169 447 and paid it over to the municipality in November 2021.

135 The actions taken to resolve the material irregularity by the accounting officer were as follows:

- Had committed to award a banking tender to allow host-to-host for payments by March 2022. A service provider was appointed in April 2022.
- Human resource third-party beneficiaries are created on the banking system and the banking details are locked and cannot be edited when payments are made effective September 2019.
- A phase one investigation into the matter by the internal forensic services unit was concluded in February 2020, which identified that unauthorised monitoring software was installed into 70 workstations and it further recommended that an investigation be conducted to identify the person responsible for the installation of the monitoring software over the network. The accounting officer did not conduct a phase 2 investigation as the matter had already been referred to the Directorate for Priority Crimes in September 2019 for investigation.
- The criminal case that was opened in September 2019 is still ongoing.

136 The material irregularity is resolved.

Salary Payments made to Employees for Work not Done

137 The municipality paid salaries to employees between November 2019 and October 2020 for work not done due to proper recruitment process not being followed as no work was allocated to employees. This resulted in non-compliance with section 65(2) (a) of the MFMA.

138 The non-compliance is likely to result in a material financial loss of R88 412 643, if not recovered. The municipality disclosed R34 048 301 and R53 846 760 in note 71

to the 2020-21 consolidated and separate financial statements as the current and prior year financial loss respectively.

139 The accounting officer was notified of the material irregularity on 20 May 2021.

140 The actions taken to resolve the material irregularity by the accounting officer were as follows:

- Commissioned a forensic investigation to identify officials responsible for payments made without any work having been performed and the likelihood of recovering monies paid. The accounting officer initially committed to finalise the investigation by March 2022, but it was only finalised in July 2022.
- A criminal case was opened in December 2022 against the former governance and support officer and the member of the municipal council who are no longer in the employment of the municipality. The case was transferred to Pretoria Central Specialised Commercial Crime Unit in May 2023.
- Finalised the disciplinary process that was initiated in October 2022 and dismissed the implicated official in August 2023. The official lodged a dispute with the South African Local Government Bargaining Council and the matter is set for hearing in April 2024.
- The criminal case that was opened in December 2022 is still on going.
- To prevent a re-occurrence, the accounting officer has strengthened controls relating to the appointment of contract workers.

141 The material irregularity is resolved.

Inadequate System of Internal Controls To Safeguard Assets (Baviaanspoort Wastewater Treatment Works)

142 The municipality did not take all reasonable steps to ensure that it has adequate systems of internal controls for the purpose of safeguarding its assets, as assets were stolen and vandalised resulting in contravention of section 63(2)(c) of the MFMA.

143 The non-compliance resulted in a material financial loss of R3 904 346 for the municipality based on the value of the assets that were stolen and vandalised on 10 February 2016 as disclosed in note 74 to the 2018-19 consolidated and separate financial statements .

144 The accounting officer was notified of the material irregularity on 17 December 2019.

145 The actions taken to resolve the material irregularity by the accounting officer were as follows:

- Reported the matter to SAPS for investigation in February 2016. Two arrests were made in March 2016. The perpetrators were sentenced to 12 years and 10 years, respectively.

- Some of the minor assets that were stolen or vandalised were insured and in February 2017, the insurance company reimbursed the municipality with R174 716 for the loss.

- Commissioned an investigation which was finalised in November 2021, which concluded that the site did not have sufficient controls in place to mitigate theft and vandalism of assets because no security policy and guidelines were in place.

- Increased security personnel in all buildings housing motor control equipment and electrical transformers were reinforced with grating in September 2019.

- Approved the appointment of a contractor to erect a security fence in December 2019 to prevent further losses. The erection of the security fence was completed in March 2021.

- Had initially committed to appoint a security company to safeguard assets and prevent further losses by March 2020. However, due to budget constraints, the accounting officer deployed security personnel from other departments within the municipality from December 2020 as an interim measure.

- A security company was appointed in February 2022 to safeguard assets of the municipality for a period of three years.

- Referred the matter to the internal forensic services division for investigation in February 2020, which was completed in June 2020. However, it did not cover adherence to the asset management policy of the municipality at the time of the incident, verification and quantification of the financial loss as well as whether there was any fraud, corruption or misconduct related to the material irregularity.

- The accounting officer had also committed to develop a policy or guideline, which will inform the municipality on roles and responsibilities relating to security, frequency of monitoring, and evaluation activities by March 2022. The municipality has a policy that adequately covers roles and responsibilities relating to the safeguarding of assets.

- Had committed to initiate the process to recover funds lost by March 2022; however, due to the late involvement of legal representatives of the municipality, the recovery process could not be initiated. A legal firm was given instructions in February 2023 to assess the feasibility of a successful civil claim and criminal prosecution based on the outcome of the investigation.

- The legal firm provided a legal view in May 2023 which concluded that the debt might have prescribed if raised by the security company.

- The accounting officer could not continue with the recovery of the financial loss suffered as the reduction of security personnel at the reservoir was as a result of mayoral committee resolution taken in June 2016.

146 The material irregularity is resolved.

Rental Account at Bothongo Plaza not Paid Within 30 Days

147 The municipality did not make payments within 30 days for the rental of the Bothongo Plaza building resulting in interest charged and paid on 30 July 2020 in contravention of section 65(2)(e) of the MFMA.

148 The non-compliance is likely to result in a financial loss amounting of R7 106 066 if not recovered. The amount is disclosed in note 71 as a comparative to the 2020-21 consolidated and separate financial statements .

149 The accounting officer was notified of the material irregularity on 20 May 2021.

150 I recommended that the accounting officer should take the following actions to address the material irregularity by 8 June 2022. The accounting officer failed to implement the below recommendations:

- The non-compliance with section 65(2)(e) of the MFMA should be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

- Any person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss.

- Disciplinary or, when appropriate, criminal proceeding should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial misconduct procedures and criminal proceedings.

151 I issued a directive to the accounting officer to determine the amount of the financial loss and recover such loss, or make progress with the recovery of the loss, from the responsible person(s) by 1 November 2022. In addition, I notified the accounting officer of the following remedial actions to address the material irregularity, which should be implemented by the same date:

- The investigation into the non-compliance with section 65(2)(e) of the MFMA should be completed to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

- Any person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss.

- Disciplinary proceeding should commence, without undue delay, against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- If it appears that the municipality suffered the financial loss through criminal acts or possible criminal acts or omission, this must be reported to the South African Police service, as required by section 32(6)(b) of the MFMA.

152 On 4 and 28 November 2022, the accounting officer's responses and substantiating documentation on the implementation of the remedial action were received. Additional information that was required to finalise the assessment was received on 17 January 2023.

153 In implementing the remedial action, the accounting officer requested the Group Audit and Risk Department to conduct an investigation into the non-compliance to identify any responsible official(s) for consequence management. The investigation found that fruitless and wasteful expenditure was incurred resulting from interest charged on arrear rental not settled. The investigation further found that no official(s) could be held liable for interest incurred, as the non-payment of the rental and subsequent interest charged resulted from a dispute between the municipality and the landlord of Bothongo Plaza.

154 The material irregularity is resolved.

155 In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.

156 The municipality is conducting a number of investigations based on allegations of procurement irregularities and financial misconduct. Some of these investigations had been finalised while others were still in progress at the date of this auditor's report.

Johannesburg

12 March 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 consolidated and separate financial statements and the procedures performed on reported performance information for selected strategic priorities and on the municipality's compliance with selected requirements in key legislation.

Consolidated and Separate Financial Statements

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

- identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 group 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate 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.

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the qualified consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
MFMA	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure Section 1 - Definition: service delivery and budget implementation plan Sections 14(1), 14(2)(a), 14(2)(b), 122(1), 122(2), 126(1)(a), 126(1)(b), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), MFMA 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 63(1), 65(2)(e), 11(1), 65(2)(a), 65(2)(b), 87(8), 62(1)(d), 29(1), 29(2)(b), 62(1)(1)(f)(i), 62(1)(f)(iii), MFMA 62(1)(f)(ii), 62(1)(f)(i), 64(2)(f), 64(2)(b), 64(2)(c), 64(2)(g), 53(1)(c)(ii), 1, 72(1)(a)(ii), 24(2)(c)(iv), 171(4)(a), 171(4)(b), 32(2)(b), 170, 1 - paragraph (a), (b) & (d) of the definition: irregular expenditure, 32(2), 32(2)(b), 32(6)(a), 32(7), 171(4)(a), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117
SCM Regulations	Regulations 5, 44, 46(2)(e), 46(2)(f), 12(1)(c), 16(a), 17(a)& (c), 17(a) & 17(b), 13(c), 43, 19(a) &(b), 36(1)(a), 12(3), 27(2)(a)&(e), 22(1)(b) & 22(2), 28(1)(a)(i), 21(b), 29(1) (a) & (b), 29(5)(a)(ii) & (b)(i), SCM reg. 13(c), 43, 38(1) (c.), 38(1)(d)(ii) & (g)(iii), 38(1)(e.), 38(1)(g)(i), 38(1)(g)(ii), 32
Municipal budget and reporting regulation	Regulations 71(1), 71(2), 72
Municipal investment regulation	Regulations 6, 7, 12(2), 12(3)
Dora	Sections 16(1), 11(6)(b), 12(5), 16(3)
NEMWA	Section 20(b)
Environmental Conservation Act (ECA)	Section 20(1)
National Water Act (NWA)	Section 22(1)(b)
MSA	Sections 56(a), 57(6)(a), 66(1)(a), 67(1)(d), 57(2)(a), 74(1), 96(b), 29(1)(b)(ii), 26(h), MSA 42, MSA 25(1), 25(1), 26(a), 26(c), 26(i), 41(1)(a), 43(2), 41(1)(b), 93B(a), 93B(b), 34(a) and 41(1)(c)(ii), 34(b), 38(a), 3(4)(b) and 15(1)(a)(ii), 3(5)(a), 3(6)(a), 3(3) MSA schedule 1: Code of conduct for councillors section 5(2), 7(1) & (2) MSA schedule 2: Code of conduct for municipal staff members section 5(1) and 5A(1) & (2). SCM reg. 46(2)(e) MSA schedule 1: Code of conduct for councillors section 5(2), 7(1) & (2) MSA schedule 2: Code of conduct for municipal staff members section 5(1) and 5A(1) & (2)
Municipal performance regulations for municipal managers and managers directly accountable to municipal managers	Regulations 2(3)(a), 4(4)(b), 8(3)

Legislation	Sections or regulations
Regulations on appointment and conditions of employment of senior managers	Regulations 17(2), 36(1)(a), 2(1)(e), 2(3)(a)
Municipal Property Rates Act	Section 3(1)
Municipal planning and performance management regulations	Regulations 15(1)(a)(i), 9(1)(a), 10(a), 12(1), 8, 7(1)
Financial misconduct regulations	Regulations 5(2), 5(3), 5(4), 6(8)(b), 10(1), 5(6), 8(4)
PRECCA	Section 34(1)
Disciplinary regulations for senior managers	Regulations 8(4) 5(6), 5(2), 5(3), 5(4)
PPR 2017	Regulations 8(5), 8(2), 9(1), 5(6), 5(7), 5(1) & 5(3), 6(8), 7(8), 10(1)&(2) & 11(1), 6(1) and 7(1)
PPR 2022	Regulations 4(1) and 5(1), 4(4) & 5(4)
PPPFA	Sections 2(1)(a), 2(1)(a), 2(1)(f)

APPENDICES

Appendix A: Councillors, committee allocation and council attendance

DA PR	DA PR COUNCILLORS	NUMBER OF COUNCIL MEETINGS	NUMBER OF COUNCIL MEETINGS ATTENDED
DA prop	Barendrecht JW	**30**	**29**
DA prop	Brink C	**30**	**15**
DA prop	Cox SK	**30**	**14**
DA prop	De Kock IA	**30**	**29**
DA prop	Du Plooy J	**30**	**27**
DA prop	Kgaboesele F	**30**	**29**
DA prop	Lee TW	**30**	**29**
DA prop	Mabena TW	**30**	**29**
DA prop	Mabusela MR	**30**	**27**
DA prop	Madileng MT	**30**	**24**
DA prop	Madzebatela ON	**30**	**29**
DA prop	Makgaleng KG	**30**	**29**
DA prop	Makhafula MA	**30**	**29**
DA prop	Mathebe RK	**30**	**29**
DA prop	Mehlape-Zimu MM	**30**	**28**
DA prop	Meyer CA **appointed with effect from 22.12.2021**	**30**	**29**
DA prop	Millar PE	**30**	**26**
DA prop	Mohlamme TT	**30**	**29**
DA prop	Moloto LKP	**30**	**29**
DA prop	Moss D	**30**	**4**
DA prop	Motale SK	**30**	**29**

DA prop	Motau LG	**30**	**26**
DA prop	Mthimunye PG	**30**	**26**
DA prop	Nortje HJ	**30**	**28**
DA prop	Phokoje STT	**30**	**29**
DA prop	Pietersen IJ	**30**	**29**
DA prop	Selowa D	**30**	**25**
DA prop	Semfeng KD	**30**	**26**
DA prop	Thwala DS	**30**	**29**
DA prop	Uys R	**30**	**28**
DA prop	Vilakazi TC	**30**	**26**
DA prop	Wakelin KH	**30**	**29**
DA prop	Wannenburg DG	**30**	**29**
DA prop	Williams RM	**30**	**27**
DA WARD	**DA WARD COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
DA	Basson EM	**30**	**27**
DA	Bekker CF	**30**	**17**
DA	Bekker JC	**30**	**28**
DA	Bilson C	**30**	**28**
DA	Breytenbach AS	**30**	**29**
DA	Breytenbach GA **elected with effect from 04.05.2022**	**30**	**29**
DA	Chapman BW	**30**	**29**

DA	De Jager LJ	**30**	**29**
DA	De Klerk MI	**30**	**29**
DA	Duvenage Y	**30**	**29**
DA	Dzumba KY	**30**	**27**
DA	Farquharson DJ	**30**	**29**
DA	Fosi TE	**30**	**29**
DA	Fourie RP	**30**	**25**
DA	Frimmel J	**30**	**29**
DA	Helfrich WP	**30**	**29**
DA	Johnston D	**30**	**29**
DA	Kruger-Muller ME	**30**	**28**
DA	Kruyshaar LP	**30**	**28**
DA	Lawrence BW	**30**	**29**
DA	Lesch A	**30**	**1**
DA	Maas S	**30**	**27**
DA	McDonald CN	**30**	**29**
DA	Mtakati N	**30**	**27**
DA	Muller S	**30**	**29**
DA	Nel EJ	**30**	**29**
DA	Pienaar CF	**30**	**27**
DA	Smith FJ	**30**	**29**
DA	Strydom CE	**30**	**29**

DA	Sutton P	**30**	**29**
DA	Uys J	**30**	**28**
DA	Van Buuren JG	**30**	**29**
DA	Van den Heever CM	**30**	**29**
DA	Van Heerden PW	**30**	**29**
DA	Van Niekerk AM	**30**	**29**
DA	Viljoen HJ	**30**	**29**
DA	Visser GP	**30**	**29**
DA	WILKINSON S	**30**	**29**
DA	Griffiths JL **resigned with effect from 22.12.2021**	**30**	
DA	Coetzee JJ **resigned with effect from 31.01.2022**	**30**	
DA	Nel PA **passed away on 21.04.2022**	**30**	
ANC PR	**ANC PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
ANC prop	Boshielo MKF	**30**	**30**
ANC prop	Maepa Dr KL	**30**	**11**
ANC prop	Maluleka AM	**30**	**28**
ANC prop	Modise ET	**30**	**13**
ANC prop	Mogale TJ	**30**	**26**
ANC prop	Nhlapo BJ	**30**	**25**
ANC WARD	**ANC WARD COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
ANC	Aphane LM	**30**	**30**
ANC	Baloyi JJ	**30**	**29**
ANC	Boikanyo TS	**30**	**25**
ANC	Chiloane EP	**30**	**29**

ANC	Chiota PP	**30**	**29**
ANC	Kekana ME	**30**	**29**
ANC	Kgatle TF	**30**	**29**
ANC	Kgopa WN	**30**	**30**
ANC	Kgopotso KP	**30**	**30**
ANC	Lelaka SP	**30**	**29**
ANC	Lewele MH	**30**	**30**
ANC	Mabaswa MC	**30**	**30**
ANC	Mabena VE	**30**	**28**
ANC	Mabolawa NS	**30**	**30**
ANC	Machava PL	**30**	**28**
ANC	Madonsela MI	**30**	**30**
ANC	Mahlangu JT (Deceased)	**30**	**6**
ANC	Mahlangu N	**30**	**28**
ANC	Majola DE	**30**	**30**
ANC	Makena SM	**30**	**28**
ANC	Makola MJ	**30**	**30**
ANC	Malefane TP	**30**	**27**
ANC	Malope P	**30**	**30**
ANC	Mampuru SF	**30**	**23**
ANC	Marishane MS	**30**	**30**
ANC	Masemola TM	**30**	**28**
ANC	Masemola VI	**30**	**28**

ANC	Masha MK	**30**	**30**
ANC	Mashao DH	**30**	**30**
ANC	Mashapa MA	**30**	**29**
ANC	Mashapa TPK	**30**	**28**
ANC	Mashego PJ	**30**	**30**
ANC	Mashigo FZ	**30**	**30**
ANC	Mashola MS	**30**	**29**
ANC	Masia CS	**30**	**30**
ANC	Masilela JK	**30**	**23**
ANC	Masina BM	**30**	**30**
ANC	Masuku EN	**30**	**30**
ANC	Masupha NR	**30**	**29**
ANC	Mathibedi MT	**30**	**30**
ANC	Matjeke AB	**30**	**27**
ANC	Matshiane OP	**30**	**28**
ANC	Mazibuko MS	**30**	**30**
ANC	Mbokane EP	**30**	**30**
ANC	Mlotshwa ME	**30**	**28**
ANC	Moabelo SS	**30**	**30**
ANC	Mocumi NT	**30**	**27**
ANC	Modise VP	**30**	**29**
ANC	Mokgalotsi NA	**30**	**25**
ANC	Moloi ED	**30**	**25**

ANC	Mothoa LH	**30**	**29**
ANC	Ndlovu M	**30**	**26**
ANC	Ngoveni C	**30**	**30**
ANC	Ntohla ZS	**30**	**28**
ANC	Patel N	**30**	**21**
ANC	Phalwane V	**30**	**29**
ANC	Phasha MV	**30**	**29**
ANC	Phiri KS	**30**	**10**
ANC	Rakabe MPJ	**30**	**30**
ANC	Rambau TV	**30**	**29**
ANC	Ramphile MI	**30**	**30**
ANC	Ratau SM	**30**	**30**
ANC	Sebola AM	**30**	**30**
ANC	Seelane NJ	**30**	**30**
ANC	Sethole RS	**30**	**30**
ANC	Setimo Z	**30**	**30**
ANC	Shume TJ	**30**	**30**
ANC	Thabatha TI	**30**	**30**
ANC	Thema FM	**30**	**30**
ANC	Tsela DK	**30**	**27**
ANC	Tsiane SPC	**30**	**22**

EFF PR	EFF PR COUNCILLORS	NUMBER OF COUNCIL MEETINGS	NUMBER OF COUNCIL MEETINGS ATTENDED
EFF prop	Chauke HQ	**30**	**30**
EFF prop	Dibakwane RK	**30**	**30**
EFF prop	Disoloane KB	**30**	**29**
EFF prop	Leshabana LP	**30**	**28**
EFF prop	Mabogwana MO	**30**	**30**
EFF prop	Mamatepa SP	**30**	**30**
EFF prop	Manamela MS	**30**	**27**
EFF prop	Mashabela TM	**30**	**1**
EFF prop	Mathevula BK	**30**	**29**
EFF prop	Matlala PP	**30**	**29**
EFF prop	Matlhabane RL	**30**	**30**
EFF prop	Mhlongo NM	**30**	**26**
EFF prop	Mnisi NP	**30**	**29**
EFF prop	Mogale TP	**30**	**2**
EFF prop	Moloisane ST	**30**	**25**
EFF prop	Monchusi RGM	**30**	**24**
EFF prop	Motubatse HE	**30**	**30**
EFF prop	Mtshali RM	**30**	**28**
EFF Prop	Nkgadima TS	**30**	**22**
EFF prop	Notununu O	**30**	**29**
EFF prop	Ramabodu OS	**30**	**26**

EFF prop	Rasweswe UB	**30**	**26**
EFF prop	Ratikwane GK	**30**	**30**
EFF prop	Seanego SN	**30**	**29**
EFF prop	Sekanka DS	**30**	**16**
ACTION SA PR	**ACTION SA COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
ACTION SA prop	Baloyi MS	**30**	**6**
ACTION SA prop	Barron M	**30**	**2**
ACTION SA prop	Boikanyo MM	**30**	**13**
ACTION SA prop	Bosch A	**30**	**29**
ACTION SA prop	Coetzee JJ	**30**	**15**
ACTION SA prop	De Bruin GP	**30**	**29**
ACTION SA prop	Du Toit FM	**30**	**2**
ACTION SA prop	Fröhlich HL	**30**	**29**
ACTION SA prop	Gafane H	**30**	**11**
ACTION SA prop	Govender B	**30**	**29**
ACTION SA prop	Kgosiemang JK	**30**	**29**
ACTION SA prop	Kissoonduth A	**30**	**26**
ACTION SA prop	Le Roux A	**30**	**29**
ACTION SA prop	Mahlangu DT	**30**	**11**

ACTION SA prop	Malosi T	**30**	**28**
ACTION SA prop	Mathabatha JK	**30**	**26**
ACTION SA prop	Matlou MH	**30**	**29**
ACTION SA prop	Mhlana MM	**30**	**15**
ACTION SA prop	Modiba JT	**30**	**1**
ACTION SA prop	Molapo N	**30**	**14**
ACTION SA prop	Monama MF	**30**	**29**
ACTION SA prop	Morodi KV	**30**	**29**
ACTION SA prop	Pillay NA **appointed with effect from 21.02.2022**	**30**	**29**
Action SA prop	Ramjee P	**30**	**26**
ACTION SA prop	Sebotsane TG	**30**	**28**
ACTION SA prop	Skhosana SM	**30**	**12**
ACTION SA prop	Tau AM until 10/11/220	**30**	**7**
ACTION SA prop	Elson GH **resigned with effect from 31.01.2022**	**30**	
VF⁺ PR	**VF⁺ PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
VF⁺ prop	Du Plooy IP	**30**	**29**
VF⁺ prop	Erasmus BHJ	**30**	**29**
VF⁺ prop	Erasmus LA	**30**	**29**
VF⁺ prop	Erasmus M	**30**	**29**
VF⁺ prop	Grebe RJ	**30**	**28**
VF⁺ prop	Harmse D	**30**	**29**
VF⁺ prop	Jacobs WA	**30**	**29**

VF⁺ prop	Janse van Rensburg LD	**30**	**29**
VF⁺ prop	Joubert M	**30**	**29**
VF⁺ prop	Marx GEC	**30**	**29**
VF⁺ prop	Meijer PWW	**30**	**29**
VF⁺ prop	Nefdt AC	**30**	**29**
VF⁺ prop	Pascoe NC	**30**	**29**
VF⁺ prop	Sparg A	**30**	**29**
VF⁺ prop	Surgeon MA	**30**	**29**
VF⁺ prop	Theunissen UG	**30**	**26**
VF⁺ prop	Van der Spuy DJJ	**30**	**29**
ACDP PR	**ACDP PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
ACDP prop	Morake R	**30**	**29**
ACDP prop	Moshidi T	**30**	**29**
AIC PR	**AIC PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
AIC prop	Manhique RM	**30**	**25**
ATM PR	**ATM PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
ATM prop	Ndzwanama M	**30**	**29**
COPE PR	**COPE PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
COPE prop	Makwarela M	**30**	**15**
COPE prop	Moalusi O	**30**	**12**
COPE prop	Sefanyetso JT	**30**	**1**
DOP PR	**DOP PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
DOP prop	Mokone VS	**30**	**13**

DOP prop	Kobo MA	**30**	**6**
GOOD PR	**GOOD PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
GOOD prop	Mabotsa SMM	**30**	**28**
IFP PR	**IFP PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
IFP prop	Zwane DZ	**30**	**27**
PA PR	**PA PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
PA prop	Williams-Moses D **appointed with effect from 24.03.2022**	**30**	**30**
PA prop	Nokete S **resigned with effect from 28.02.2022**	**30**	
PAC PR	**PAC PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
PAC prop	Tshabadi MS	**30**	**28**
RCT PR	**RCT PR COUNCILLORS**	**NUMBER OF COUNCIL MEETINGS**	**NUMBER OF COUNCIL MEETINGS ATTENDED**
RCT prop	Middelberg AWF	**30**	**28**

Appendix B: Committees and Purpose of Committees

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
1.	**Section 79 Standing Committee: Petitions** ***Purpose***: rms of the Section 59 of the Local Government: Municipal Systems Act, 2000 (act 32 of 2000) the following powers are delegated to the Section 79 Petitions Committee: • Drafting policies and other procedural framework documents in order to deal with petitions received by the Municipality. • Considering Departmental reports and the recommendations concerned with all petitions submitted to the Municipality. • Resolving problems set out in reports, and monitoring, coordinating and resolving the issues raised in petitions, where such problems and	**ANC:** Aphane,LM,M (ABSENT 19 OCT 23) Mabolawa, NS Mashigo, FZ Shume, TJ Tsiane, SPC (ABSENT 19 OCT 23) **DA:** Wilkinson, S **(Chairperson)**	10 meeting held	

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
	issues could otherwise have been dealt with by the Administration in accordance with the delegation of powers to officials. • Considering how petition issues should be dealt with, and reporting and recommending thereon to the Mayoral Committee or Committee of Council, reports and the recommendations concerned with all petitions submitted to the Municipality. • Resolving problems set out in reports, and monitoring, coordinating and resolving the issues raised in petitions, where such problems and issues could otherwise have been dealt with by the Administration in accordance with the delegation of powers to officials. • Considering how petition issues should be dealt with, and reporting and recommending thereon to the Mayoral Committee or Committee of Council, reports and the recommendations concerned with all petitions submitted to the Municipality. • Resolving problems set out in reports, and monitoring, coordinating and resolving the issues raised in petitions, where such problems and issues could otherwise have been dealt with by the Administration in accordance with the delegation of powers to officials. • Considering how petition issues should be dealt with, and reporting and recommending thereon to the Mayoral Committee or Committee of Council, where such matters could otherwise not have been dealt with by the Administration in accordance with the delegation of powers to officials.	Lawrence, B Moloto, LKP Vilakazi, TC **EFF:** Mtshali, RM **ASA:** Ramjee, J **FF+:** Sparg, A		
2.	**Section 79 Standing Committee: Rules and Ethics** ***Purpose:*** • Responsible for the initiating and drafting of policy and procedure material to the rules of conduct for Councillors, inclusive of the Rules and Orders By-laws of the CoT and any amendments thereto, and to recommend thereon to the Council. • Carry out investigations, submit findings and make appropriate recommendations to the Council pertaining to the alleged contravention of the Code of Conduct for Councillors as contained in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). • Investigate and make recommendations to the Council on any alleged contraventions by a Councillor of any policy document of the Council, statutory provision or any other obligatory provisions applicable to members of the Council.	**DA:** Du Plooy, J **(Chairperson)** **ANC:** Madonsela, MI Mahlangu, N Majola, DE Ramphile, MI **DA:** Barendrecht, JW Basson, EM Johnston, D Motau, T **ACDP:** Moshidi, T **ASA:** Prajay, R **FF PLUS:** Van Der Spy, DJJ	4 meetings held 10 February 23 meeting cancelled 17 March 23 Cancelled 14 April 23 Cancelled 15 Sept 23 Cancellec 10 Nov 23 Cancelled	 4 4 3 3 4 4 4 4 4 2 2

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
3.	**Section 79 Standing Committee: Public Accounts** ***Purpose:*** • To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report; • In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports; • To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor-General's recommendations have been implemented; • To promote good governance, transparency and accountability on the use of municipal resources; • To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and • To perform any other functions assigned to it through a resolution of council within its area of responsibility.	**ACTION SA** Morodi, K **(Chairperson)** **ANC:** Boshielo, MKF Kgatle, TF Maluleka, AM Marishane, MS Masuku, EN (ABSENT 3 NOV 23) **DA** Farquharson, DJ Selowa, D Mabusela, MR Muller, S Semfeng, KD (ABSENT 3 NOV 23) **EFF:** Leshabana, LP **FF+:** Joubert, M	9 meetings held 6 April 23 postponed	 9 8 9 9 8 8 9 8 9 9 8 7 9
4.	**Section 79 Standing Committee: Local Geographical Names** ***Purpose:*** • Submit recommendations pertaining to the naming and renaming of public places and street names and other assets of the Tshwane Municipality to the Council via the Mayoral Committee, after the necessary consultation. • Submit recommendations to the Council (via the Mayoral Committee) pertaining to those matters not vested in the Municipality in order to advise the relevant Committees instituted on Provincial and National level.	**ANC** Makena, SM Mampuru, SF Patel, N Rambau, TV Ratau, SM **DA** De Jager, L Bekker, JB Mthimunye, PG Motau, LG Nel, EJ **EFF** Nkgadima, TS Mabogwana, MO **ASA** Gafane, G **FF PLUS**	9 Meetings held 10 March 23 Cancellation 6 April 23 No meeting	 7 7 6 8 7 9 9 7 9 9 6 8 8

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
		Erasmus, BHJ **ACDP** MoshidI, T		9 5
5.	**Section 79 Standing Committee: Civilian Oversight** ***Purpose***: The Committee is responsible to – • at the request of the Council, advise the Council on matters relating to the Metropolitan Police; • advise the Municipal Manager with regard to the performance of his or her functions in respect of the Metropolitan Police; • perform such functions as the member of the Executive Council, the Council or the Municipal Manager may consider necessary or expedient to ensure civilian oversight of the Metropolitan Police; • promote accountability and transparency in the Metropolitan Police; • monitor the implementation of policy and directives issued by the Municipal Manager and report to the Council or Municipal Manager thereon; • perform such functions as may from time to time be assigned to the committee by the Council or the Municipal Manager; and • evaluate the functioning of the Metropolitan Police and report to the Council or Municipal Manager thereon	**DA** Wannenburg, D **(CHAIRPERSON)** **ANC** MathibedI, MT **EFF** Rasweswe, UB **CIVILIAN MEMBERS** Mashaba, SP Paladh, V Van, ASJ Lesch A	4 Meeting held 22 March 23 Cancelled No reports 18 April 23 Cancelled 10 Nov 23 cancelled	4 4 1 3
		SECTION 79 OVERSIGHT COMMITTEES:		
1.	**Section 79 Oversight Committee: Environmental Management** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	**ACDP** Cllr R Morake **(Chairperson)** **ANC** Cllr MA Mashapa Cllr VI Masemola Cllr DH Mashao Cllr NJ Seelane Cllr KS Phiri (replaced by) Cllr Lelaka **DA** Cllr Bekker (replaced by) Cllr Y Dzumba Cllr HJ Viljoen Cllr ME Kruger – Muller Cllr Frimmel	15	 14 15 11 11 8 2 11 1 9 5 9 8

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
		Cllr SK Cox (replaced by) Cllr M De Klerk **EFF** Cllr RGM Monchusi Cllr O Nontununu **ACTION SA** Cllr SM Skhosana (replaced by) Cllr T Malosi **VF PLUS** Cllr D Harmse		2 7 8 10 0 11 11
2.	**Section 79 Oversight Committee: Corporate and Shared Services** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	Cllr IP du Plooy **(Chairperson)** **ANC** Cllr V Phalwane Cllr TM Masemola Cllr RS Sethole Cllr OP Matshiane Cllr DK Tsela **DA** Cllr HJ Nortje Cllr JW Barendrecht Cllr KD Semfeng Cllr STT Phokoje Cllr RP Fourie **EFF** Cllr SN Seanego Cllr HQ Chauke **ACTION SA** Cllr MF Monama **GOOD** Cllr SM Mabotsa	6	6 6 5 4 2 6 6 3 3 3 5 6 4 6 4

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
3.	**Section 79 Oversight Committee: Utility Services** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	 **Action SA** Ald D Kissoonduth (Chairperson until 31 May 2023) Cllr MF Monama (Chairperson from 1 July 2023) **ANC** Cllr WN Kgopa Cllr JK Masilela Cllr MT Mathibedi (member until 31 August 2022) Cllr ED Moloi (member from 1 September 2022) Cllr C Ngoveni Cllr MPJ Rakabe **DA** Cllr GA Breytenbach Cllr LP Kruyshaar Cllr TW Mabena Cllr D Moss (member until 31 August 2023) Cllr M Madileng (member from 1 October 2023) Cllr CA Meyer **EFF** Cllr OS Ramabodu Cllr DS Sekanka Cllr M Surgeon **(VF Plus)** Cllr O Moalusi **(COPE)** Cllr M Ndzwanana **(ATM)**	10 10 10 0 10 10 1 8 10 10 10 10 10 2 7 10 10 10 10 3 7	 6 0 7 6 1 2 8 8 9 8 10 2 7 10 3 5 9 2 4
4.	**Section 79 Oversight Committee: Community and Social Development Services** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	Cllr C Billson **(DA – Chairperson)** **ANC** Cllr NA Mokgalotsi Cllr TP Malefane Cllr ME Mlotshwa Cllr AM Sebola Cllr SP Lelaka (member from 1 May 2023) Cllr MT Mathibedi (member until 31 April 2023) **DA** Cllr N Mtakati Cllr SK Motale Cllr Y Duvenage Cllr T Vilakazi (member from 1 November 2022)	14 14 14 14 14 4 10 14 14	14 11 5 8 11 2 0 10 12

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
		Cllr BW Lawrence (member until 31 October 2022) **EFF** Cllr MO Mabogwana Cllr MS Manamela **(Action SA)** Cllr N Pillay (member from 1 September 2023) Cllr M Barron (Action SA) (member until 31 August 2023) Cllr AC Nedft **(VF Plus)** Cllr R Manhique **(AIC)**	14 8 6 14 14 12 2 14 14	12 7 6 12 6 8 2 10 6
5.	**Section 79 Oversight Committee: Roads and Transport** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the • Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	**ACTION SA** GOVENDER, B (**CHAIRPERSON**) **ANC** MOGALE, TJ MOABELO, SS NTOHLA, ZS PHASHA, MV THABATHA, TI **DA** BARENDRECHT, JW BEKKER, CF (Member until March 2023) MILLAR, PE DZUMBA, KY (Member until September 2022) NORTJE, HJ THWALA, DS **EFF** CHAUKE, HQ RATIKWANE, GK **FF PLUS** JACOBS, WA **IFP** ZWANE, DZ (Member until March 2023) **ACDP** MOSHIDI, T (Member from May 2023)	6	4 5 6 5 5 4 6 6 1 5 6 1 3 3 6 1 2
6.	**Section 79 Oversight Committee: Housing and Human Settlement** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council;			

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
	• An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.			
7.	**Section 79 Oversight Committee: Economic Development and Spatial Planning** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council. • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	Cllr PW Meijer Chairperson **ANC** Cllr PJ Mashego Cllr BM Masina Cllr KP Kgopotso Cllr Z Setimo Cllr FM Thema **DA** Cllr IJ Pietersen Cllr BW Lawrence Cllr TT Mohlamme Cllr ON Madzebatela (replaced by) Cllr SK Cox (replaced by) Cllr KPL Moloto Cllr RM Williams **EFF** Cllr BK Mathevhula Cllr RK Dibakwane **ACTION SA** Cllr SM Skhosana (replaced by) Cllr HL Frochlick **PA** Cllr DT Willimas-Moses	12	12 8 11 9 7 10 10 12 10 5 4 4 5 9 10 1 2

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
8.	**Section 79 Oversight Committee: Health** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	**DA** Cllr W Helfrich (Chairperson) **ANC** Cllr PL Machava Cllr VP Modise Cllr MJ Makola Cllr BJ Nhlapo Cllr ME Kekana **DA** Cllr AL de Kock Replaced Cllr JC Bekker) Cllr BW Chapman Cllr LKP Moloto Cllr PW van Heerden **EFF** Cllr TM Masshabela (replaced Cllr N Mhlongo Cllr O Nontununu **ACTION SA** Cllr MH Matlou **FF PLUS** Cllr RJ Grebe **DOP** Cllr MA Kobo (replaced Cllr T Moshidi)	5	5 3 3 5 2 4 2 5 5 0 4 5 5 1
9.	**Section 79 Oversight Committee: Group Financial Services** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	FF PLUS Cllr LA Erasmus (Chairperson) **ANC** Cllr E Modise (replaced Cllr KL Maepa) Cllr NT Mocumi Cllr TS Boikanyo Cllr TPK Mashapa Cllr MH Lewele **DA** Cllr FJ Smith Cllr F Kgaboesele Cllr GP Visser Cllr J Uys Cllr A Lesch (replaced Cllr R Williams) **EFF** Cllr DS Sekanka Cllr ST Moloisane **Action SA** Cllr T Modiba (replaced Cllr A Bosch) **RCT** Cllr AWF Middelberg	8	8 2 6 6 5 8 8 7 8 8 0 0 5 0 6

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
10.	**Section 79 Oversight Committee: Community Safety**		6	
	Purpose:	**ACTION SA**		
	• to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council;	MOLAPO, N **(CHAIRPERSON)** (Member until		
	• An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and	SEBOTSANE, TG (**CHAIRPERSON)** Member from June 2023)		1
	In relation to its core function, an advisory legislative role.	**ANC:**		3
		CHIOTA, PP		6
		MABASWA, MC		4
		MASIA, CS		5
		MASHOLA, MS		4
		MASUPHA, NR		
		DA:		
		MAKHAFULA, MA		6
		PIENAAR, F		5
		STRIJDOM, CE		6
		THWALA, DS		6
		VAN NIEKERK, AM		5
		EFF:		
		MNISI, NP		4
		RAMABODU, OS		2
		FF Plus:		
		ERASMUS, M		5
		DOP		
		MOKONE, VS (Member until May 2023)		
		KOBO, MA (Member from June 2023)		1
11.	**Section 79 Oversight Committee: Integrated Development Planning**	Cllr NC. Pascoe Chairperson	9	8
	Purpose:	**ANC**		
	• to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council;	Cllr JJ Baloyi		5
		Cllr MK Masha		7
		Cllr M Ndlovhu		3
		Cllr EN Masuku (replaced by		4
	• An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and	Cllr VP Modise		3
		Cllr MS Mazibuko		6
	In relation to its core function, an advisory legislative role.	**DA**		
		Cllr AS Breytenbach		6
		Cllr JG Van Buuren		7
		Cllr ON Madzebatela (replaced by)		4

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
		Cllr S Maas Cllr T Fosi (replaced by) Cllr De Kock Cllr TW Mabena **EFF** Cllr SP Mamatepa Cllr HE Motubatse **ACTION SA** Cllr HL Frohlich **GOOD** Cllr SM Mabotsa		1 4 3 8 7 7 8
12.	**Section 79 Electoral Committee (*Ad-Hoc)*** ***<u>Purpose:</u>*** An Oversight role with regard to the establishment of the Ward Committee By-Law and the process of the Ward Committee Elections			

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
1.	**Section 79 Standing Committee: Petitions** ***<u>Purpose</u>***: rms of the Section 59 of the Local Government: Municipal Systems Act, 2000 (act 32 of 2000) the following powers are delegated to the Section 79 Petitions Committee: • Drafting policies and other procedural framework documents in order to deal with petitions received by the Municipality. • Considering Departmental reports and the recommendations concerned with all petitions submitted to the Municipality. • Resolving problems set out in reports, and monitoring, coordinating and resolving the issues raised in petitions, where such problems and issues could otherwise have been dealt with by the Administration in accordance with the delegation of powers to officials. • Considering how petition issues should be dealt with, and reporting and recommending thereon to the Mayoral Committee or Committee of Council, reports and the recommendations concerned with all petitions submitted to the Municipality. • Resolving problems set out in reports, and monitoring, coordinating and resolving the issues raised in petitions, where such problems and issues could otherwise have been dealt with by the Administration in accordance with the delegation of powers to officials. • Considering how petition issues should be dealt with, and reporting and recommending thereon to the Mayoral Committee or Committee of Council, reports and the	**<u>ANC:</u>** Aphane,LM,M (ABSENT 19 OCT 23) Mabolawa, NS Mashigo, FZ Shume, TJ Tsiane, SPC (ABSENT 19 OCT 23) **<u>DA:</u>** Wilkinson, S (**Chairperson)** Lawrence, B Moloto, LKP Vilakazi, TC **<u>EFF:</u>** Mtshali, RM **<u>ASA:</u>** Ramjee, J **<u>FF+:</u>** Sparg, A	10 meeting held	

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTE[NDED BY] COUNCILLORS
	recommendations concerned with all petitions submitted to the Municipality. • Resolving problems set out in reports, and monitoring, coordinating and resolving the issues raised in petitions, where such problems and issues could otherwise have been dealt with by the Administration in accordance with the delegation of powers to officials. • Considering how petition issues should be dealt with, and reporting and recommending thereon to the Mayoral Committee or Committee of Council, where such matters could otherwise not have been dealt with by the Administration in accordance with the delegation of powers to officials.			
2.	**Section 79 Standing Committee: Rules and Ethics** ***Purpose:*** • Responsible for the initiating and drafting of policy and procedure material to the rules of conduct for Councillors, inclusive of the Rules and Orders By-laws of the CoT and any amendments thereto, and to recommend thereon to the Council. • Carry out investigations, submit findings and make appropriate recommendations to the Council pertaining to the alleged contravention of the Code of Conduct for Councillors as contained in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). • Investigate and make recommendations to the Council on any alleged contraventions by a Councillor of any policy document of the Council, statutory provision or any other obligatory provisions applicable to members of the Council.	**DA:** Du Plooy, J **(Chairperson)** **ANC:** Madonsela, MI Mahlangu, N Majola, DE Ramphile, MI **DA:** Barendrecht, JW Basson, EM Johnston, D Motau, T **ACDP:** Moshidi, T **ASA:** Prajay, R **FF PLUS:** Van Der Spy, DJJ	4 meetings held 10 February 23 meeting cancelled 17 March 23 Cancelled 14 April 23 Cancelled 15 Sept 23 Cancellec 10 Nov 23 Cancelled	4 4 3 3 4 4 4 4 4 2 2
3.	**Section 79 Standing Committee: Public Accounts** ***Purpose:*** • To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report; • In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations	**ACTION SA** Morodi, K **(Chairperson)** **ANC:** Boshielo, MKF	9 meetings held 6 April 23 postponed	9

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTE[NDED BY] COUNCILLORS
	made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and annual reports; • To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor-General's recommendations have been implemented; • To promote good governance, transparency and accountability on the use of municipal resources; • To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and • To perform any other functions assigned to it through a resolution of council within its area of responsibility.	Kgatle, TF Maluleka, AM Marishane, MS Masuku, EN (ABSENT 3 NOV 23) **DA** Farquharson, DJ Selowa, D Mabusela, MR Muller, S Semfeng, KD (ABSENT 3 NOV 23) **EFF:** Leshabana, LP **FF⁺:** Joubert, M		8 9 9 8 8 9 8 9 9 8 7 9
4.	**Section 79 Standing Committee: Local Geographical Names** ***Purpose:*** • Submit recommendations pertaining to the naming and renaming of public places and street names and other assets of the Tshwane Municipality to the Council via the Mayoral Committee, after the necessary consultation. • Submit recommendations to the Council (via the Mayoral Committee) pertaining to those matters not vested in the Municipality in order to advise the relevant Committees instituted on Provincial and National level.	**ANC** Makena, SM Mampuru, SF Patel, N Rambau, TV Ratau, SM **DA** De Jager, L Bekker, JB Mthimunye, PG Motau, LG Nel, EJ **EFF** Nkgadima, TS Mabogwana, MO **ASA** Gafane, G **FF PLUS** Erasmus, BHJ **ACDP** Moshidl, T	9 Meetings held 10 March 23 Cancellation 6 April 23 No meeting	 7 7 6 8 7 9 9 7 9 9 6 8 8 9 5
5.	**Section 79 Standing Committee: Civilian Oversight** ***Purpose*:** The Committee is responsible to –	**DA** Wannenburg, D **(CHAIRPERSON)** **ANC** Mathibedl, MT	4 Meeting held 22 March 23 Cancelled No reports	 4

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTE[NDED BY] COUNCILLORS
	• at the request of the Council, advise the Council on matters relating to the Metropolitan Police; • advise the Municipal Manager with regard to the performance of his or her functions in respect of the Metropolitan Police; • perform such functions as the member of the Executive Council, the Council or the Municipal Manager may consider necessary or expedient to ensure civilian oversight of the Metropolitan Police; • promote accountability and transparency in the Metropolitan Police; • monitor the implementation of policy and directives issued by the Municipal Manager and report to the Council or Municipal Manager thereon; • perform such functions as may from time to time be assigned to the committee by the Council or the Municipal Manager; and • evaluate the functioning of the Metropolitan Police and report to the Council or Municipal Manager thereon	**<u>EFF</u>** Rasweswe, UB **<u>CIVILIAN MEMBERS</u>** Mashaba, SP Paladh, V Van, ASJ Lesch A	18 April 23 Cancelled 10 Nov 23 cancelled	4 1 3
		SECTION 79 OVERSIGHT COMMITTEES:		
1.	**Section 79 Oversight Committee: Environmental Management** ***<u>Purpose:</u>*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	**<u>ACDP</u>** Cllr R Morake **(Chairperson)** **<u>ANC</u>** Cllr MA Mashapa Cllr VI Masemola Cllr DH Mashao Cllr NJ Seelane Cllr KS Phiri (replaced by) Cllr Lelaka **<u>DA</u>** Cllr Bekker (replaced by) Cllr Y Dzumba Cllr HJ Viljoen Cllr ME Kruger – Muller Cllr Frimmel Cllr SK Cox (replaced by) Cllr M De Klerk **<u>EFF</u>** Cllr RGM Monchusi Cllr O Nontununu	15	 14 15 11 11 8 2 11 1 9 5 9 8 2 7 8 10

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTE[NDED BY] COUNCILLORS
		ACTION SA Cllr SM Skhosana (replaced by) Cllr T Malosi **VF PLUS** Cllr D Harmse		 0 11 11
2.	**Section 79 Oversight Committee: Corporate and Shared Services** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	Cllr IP du Plooy **(Chairperson)** **ANC** Cllr V Phalwane Cllr TM Masemola Cllr RS Sethole Cllr OP Matshiane Cllr DK Tsela **DA** Cllr HJ Nortje Cllr JW Barendrecht Cllr KD Semfeng Cllr STT Phokoje Cllr RP Fourie **EFF** Cllr SN Seanego Cllr HQ Chauke **ACTION SA** Cllr MF Monama **GOOD** Cllr SM Mabotsa	6	6 6 5 4 2 6 6 3 3 3 5 6 4 6 4

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTE COUNCILLORS
3.	**Section 79 Oversight Committee: Utility Services**		10	
		Action SA		
	Purpose:	Ald D Kissoonduth (Chairperson until	10	6
		31 May 2023)		
	• to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council;	Cllr MF Monama (Chairperson from	10	0
		1 July 2023)		
	• An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and	**ANC**	0	
		Cllr WN Kgopa		7
	In relation to its core function, an advisory legislative role.	Cllr JK Masilela	10	6
		Cllr MT Mathibedi (member until 31 August 2022)	10	1
		Cllr ED Moloi (member from 1 September 2022)	1	2
		Cllr C Ngoveni	8	8
		Cllr MPJ Rakabe	10	8
			10	
		DA		
		Cllr GA Breytenbach		9
		Cllr LP Kruyshaar	10	8
		Cllr TW Mabena	10	10
		Cllr D Moss (member until 31 August 2023)	10	2
		Cllr M Madileng (member from 1 October 2023)	2	7
		Cllr CA Meyer	7	10
			10	
		EFF		
		Cllr OS Ramabodu		3
		Cllr DS Sekanka	10	5
			10	
		Cllr M Surgeon **(VF Plus)**		9
			10	
		Cllr O Moalusi **(COPE)**		2
			3	
		Cllr M Ndzwanana **(ATM)**		4
			7	
4.	**Section 79 Oversight Committee: Community and Social Development Services**	Cllr C Billson **(DA – Chairperson)**	14	14
		ANC		
	Purpose:	Cllr NA Mokgalotsi		
		Cllr TP Malefane		
	• to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council;	Cllr ME Mlotshwa	14	11
		Cllr AM Sebola	14	5
		Cllr SP Lelaka (member from 1 May 2023)	14	8
	• An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and	Cllr MT Mathibedi (member until 31 April 2023)	14	11
			4	2
		DA	10	0
	In relation to its core function, an advisory legislative role.	Cllr N Mtakati		
		Cllr SK Motale		
		Cllr Y Duvenage	14	10
		Cllr T Vilakazi (member from 1 November 2022)	14	12

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTE COUNCILLORS
		Cllr BW Lawrence (member until 31 October 2022)	14	12
			8	7
		EFF	6	6
		Cllr MO Mabogwana	14	12
		Cllr MS Manamela	14	6
		(Action SA)	12	8
		Cllr N Pillay (member from 1 September 2023)	2	2
		Cllr M Barron (Action SA) (member until 31 August 2023)		
			14	10
		Cllr AC Nedft **(VF Plus)**	14	6
		Cllr R Manhique **(AIC)**		
5.	**Section 79 Oversight Committee: Roads and Transport**	**ACTION SA**	6	
		GOVENDER, B (**CHAIRPERSON**)		4
	Purpose:	**ANC**		
		MOGALE, TJ		5
	• to scrutinise reports in relation to its core function referred to	MOABELO, SS		6
	it by Council emanating from the	NTOHLA, ZS		5
	• Executive Mayor and/or Mayoral Committee and advising	PHASHA, MV		5
	Council;	THABATHA, TI		4
	• An oversight role in relation to its core function on the			
	performance of the Executive on behalf of Council; and	**DA**		
		BARENDRECHT, JW		6
	In relation to its core function, an advisory legislative role.	BEKKER, CF (Member until March 2023)		6
		MILLAR, PE		1
		DZUMBA, KY (Member until September 2022)		5
		NORTJE, HJ		6
		THWALA, DS		1
		EFF		
		CHAUKE, HQ		
		RATIKWANE, GK		3
		FF PLUS		3
		JACOBS, WA		
				6
		IFP		
		ZWANE, DZ (Member until March 2023)		
				1
		ACDP		
		MOSHIDI, T (Member from May 2023)		
				2
6.	**Section 79 Oversight Committee: Housing and Human Settlement**			
	Purpose:			

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTE COUNCILLORS
	• to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.			
7.	**Section 79 Oversight Committee: Economic Development and Spatial Planning** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council. • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	Cllr PW Meijer Chairperson **ANC** Cllr PJ Mashego Cllr BM Masina Cllr KP Kgopotso Cllr Z Setimo Cllr FM Thema **DA** Cllr IJ Pietersen Cllr BW Lawrence Cllr TT Mohlamme Cllr ON Madzebatela (replaced by) Cllr SK Cox (replaced by) Cllr KPL Moloto Cllr RM Williams **EFF** Cllr BK Mathevhula Cllr RK Dibakwane **ACTION SA** Cllr SM Skhosana (replaced by) Cllr HL Frochlick **PA** Cllr DT Willimas-Moses	12	12 8 11 9 7 10 10 12 10 5 4 4 5 9 10 1 2

<table>
<tr><th>Nr.</th><th>COMMITTEE AND PURPOSE</th><th>COUNCILLORS SERVING ON COMMITTEE</th><th>MEETINGS HELD</th><th>MEETINGS ATTE[NDED BY] COUNCILLORS</th></tr>
<tr><td>8.</td><td>Section 79 Oversight Committee: Health

<u>Purpose:</u>

• to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council;
• An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and

In relation to its core function, an advisory legislative role.</td><td><u>DA</u>
Cllr W Helfrich
(Chairperson)
<u>ANC</u>
Cllr PL Machava
Cllr VP Modise
Cllr MJ Makola
Cllr BJ Nhlapo
Cllr ME Kekana
<u>DA</u>
Cllr AL de Kock
Replaced Cllr JC Bekker)
Cllr BW Chapman
Cllr LKP Moloto
Cllr PW van Heerden
<u>EFF</u>
Cllr TM Masshabela (replaced Cllr N Mhlongo
Cllr O Nontununu

<u>ACTION SA</u>
Cllr MH Matlou

<u>FF PLUS</u>
Cllr RJ Grebe

<u>DOP</u>
Cllr MA Kobo (replaced Cllr T Moshidi)</td><td>5</td><td>5

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<tr><td>9.</td><td>Section 79 Oversight Committee: Group Financial Services

<u>Purpose:</u>

• to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council;
• An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and

In relation to its core function, an advisory legislative role.</td><td><u>FF PLUS</u>
Cllr LA Erasmus
(Chairperson)
<u>ANC</u>
Cllr E Modise (replaced Cllr KL Maepa)
Cllr NT Mocumi
Cllr TS Boikanyo
Cllr TPK Mashapa
Cllr MH Lewele
<u>DA</u>
Cllr FJ Smith
Cllr F Kgaboesele
Cllr GP Visser
Cllr J Uys
Cllr A Lesch (replaced Cllr R Williams)
<u>EFF</u>
Cllr DS Sekanka
Cllr ST Moloisane
<u>Action SA</u>
Cllr T Modiba (replaced Cllr A Bosch)
<u>RCT</u>
Cllr AWF Middelberg</td><td>8</td><td>8

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Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTE COUNCILLORS
10.	**Section 79 Oversight Committee: Community Safety** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	**ACTION SA** MOLAPO, N **(CHAIRPERSON)** (Member until SEBOTSANE, TG (**CHAIRPERSON)** Member from June 2023) **ANC:** CHIOTA, PP MABASWA, MC MASIA, CS MASHOLA, MS MASUPHA, NR **DA:** MAKHAFULA, MA PIENAAR, F STRIJDOM, CE THWALA, DS VAN NIEKERK, AM **EFF**: MNISI, NP RAMABODU, OS **FF Plus:** ERASMUS, M **DOP** MOKONE, VS (Member until May 2023) KOBO, MA (Member from June 2023)	6	 1 3 6 4 5 4 6 5 6 6 5 4 2 5 1
11.	**Section 79 Oversight Committee: Integrated Development Planning** ***Purpose:*** • to scrutinise reports in relation to its core function referred to it by Council emanating from the Executive Mayor and/or Mayoral Committee and advising Council; • An oversight role in relation to its core function on the performance of the Executive on behalf of Council; and In relation to its core function, an advisory legislative role.	Cllr NC. Pascoe Chairperson **ANC** Cllr JJ Baloyi Cllr MK Masha Cllr M Ndlovhu Cllr EN Masuku (replaced by Cllr VP Modise Cllr MS Mazibuko **DA** Cllr AS Breytenbach Cllr JG Van Buuren Cllr ON Madzebatela (replaced by)	9	8 5 7 3 4 3 6 6 7 4

APPENDIX C: THIRD-TIER

Nr.	COMMITTEE AND PURPOSE	COUNCILLORS SERVING ON COMMITTEE	MEETINGS HELD	MEETINGS ATTENDED BY COUNCILLORS
		Cllr S Maas Cllr T Fosi (replaced by) Cllr De Kock Cllr TW Mabena **EFF** Cllr SP Mamatepa Cllr HE Motubatse **ACTION SA** Cllr HL Frohlich **GOOD** Cllr SM Mabotsa		1 4 3 8 7 7 8
12.	**Section 79 Electoral Committee (*Ad-Hoc*)** ***<u>Purpose:</u>*** An Oversight role with regard to the establishment of the Ward Committee By-Law and the process of the Ward Committee Elections			

ADMINISTRATIVE STRUCTURE

Department	Position	Name
Office of the City Manager	City Manger	Johann Mettler
Office of the City Manager	Acting Group Head	Ms. Lihle Mabaso
Office of the Executive Mayor	Chief of Staff	Jordan Griffiths
Office of the Speaker	Group Head	Judith Maluleka
Office of the Chief Whip	Group Head	Gadner Tefu
Office of the Chief Operations Officer	Acting Chief Operations Officer	Koena Nkoko
Water and Sanitation Services	Group Head	Stephens Notoane
Electricity and Energy	Acting Group Head	Dr. Frans Manganye
Roads and Transport	Group Head	Pheko Letlonkane
Human Settlement	Group Head	Me. Nonto Memela

Office of the Governance and Support Officer	Acting Governance Support Officer	Verusha Morgan: June – August 2022: Gerald Shingange: September – November 2022 Musa Khumalo: December 2022 – February 2023 Gerald Shingange: March – May 2023 Musa Khumalo: 01 – 30 June 2023
Economic Development and Spatial Planning	Group Head	Makgorometja Makgatha
City Strategies and Organisational Performance	Acting Group Head	Thabisa Mbungwana: July 2022 – September 2022 Siphumeze Cwayi: October 2022 – January 2023 Albertus Van Zyl: 01 February – 30 April 2023 Isaiah C. Engelbrecht: 01 May – 30 June 2023
Group Communication and Marketing	Acting Group Head	Selby Bokaba
Customer Relations Management	Group Head	Me. Thandi Radebe
Group Property	Group Head	Me. Verusha Morgan
Environmental and Agricultural Management	Group Head	Abel Malaka
Health	Acting Group Head	Livhuwani Nemuthenga
Community and Social Development Services	Acting Group Head	Felix Rajuili
Group Audit and Risk	Acting Group Head	Me. Llele Pooe
Group Financial Services	Acting Chief Financial Officer	Me. Nthabiseng Mokete
Tshwane Metro Police	Chief of Police	Basil Nkhwashu
Group Human Capital Management	Group Head	Gerald Shingange
Shared Services	Group Head	Musa Khumalo
Group Legal and Secretariat Services	Acting Group Head	Me. Minky Motseo
Emergency Services	Acting Chief of Emergency	Me. Tanja Terblanche
Regional Operational Centre	Group Head	Cali Phanyane

APPENDIX D: FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	No
Building regulations	Yes	No
Child care facilities	Yes	No
Electricity and gas reticulation	Yes	No
Firefighting services	Yes	No
Local tourism	Yes	No
Municipal airports	Yes	No
Municipal planning	Yes	No
Municipal health services	Yes	No
Municipal public transport	Yes	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	No
Stormwater management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 4, Part B functions:		
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes – issuing of licenses but not control of food quality	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
***If municipality: indicate (yes or No), *If entity: Provide name of entity**	TD	

Appendix E: Ward Reporting

The City did not establish the Ward Committees for the 202/23 financial year.

APPENDIX F: WARD INFORMATION

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Economic Development and Spatial Planning	(710276) Design and construction of new entry and exits for Tshwane market	60	R 2 000 000	Redesign of entrance, exits and associated works	Project completed and invoice submitted for payment	Yes
Economic Development and Spatial Planning	(710276) Supply and installation of public lights Tshwane Market	58;60	R 2 400 000	Upgrading of public lights in the market	Lights were delivered, project executed and completed. Invoice submitted for payment.	Yes
Economic Development and Spatial Planning	(710276) Upgrading of ripening center	58;60	R 2 000 000	Procured 4 forklifts to upgrade Ripening Centre	Last delivery of forklift received. Invoice submitted for payment	Yes
Economic Development and Spatial Planning	(710276) Upgrading of perforated roller doors at Tshwane market	58;60	R 2 300 000	Upgrading of 18 perforated trading roller doors at Tshwane Market	completed	Yes
Economic Development and Spatial Planning	(710276) Supply and installation of generators for Tshwane Market Facilities	58;60	R 1 300 000	Decommission, supply and install of 500kva generator	Appointment letter received very late	No
Economic Development and Spatial Planning	(713085) Marabastad Informal Traders Formalisation	58	R 7 000 000	Construction of trading stall for informal traders	completed	Yes
Economic Development and Spatial Planning	(712868) Upgrading of the market trading system	60	R 250 000		Payment for desktops delivered 2020/21.Awaiting for PO to be released and process the payment. Invoice received and sent for payment	Yes
Energy and Electricity	(710163) Refurbishment of Mooikloof Substation	91	R 30 000 000	Refurbishment of Mooikloof 132/11kV Substation	Project on track. Testing of 11kV switchgear panels and protection & control panels completed.	No
Energy and Electricity	(710163) Refurbishment Of Kwagga Infeed Substation	55	R 4 000 000	Re-instatement of damaged Kwagga 300 MVA 275/132kV transformer and associated HV Equipment	Project suspended to 2023/24 as contractor is unable to deliver equipment in the current financial year.	No
Energy and Electricity	(710163) Refurbishment of Pyramid Sub Station	96	R 25 000 000	Refurbishment of Pyramid 132/11kV Substation	Delays due to safety agent not being appointed.	No
Energy and Electricity	(712279) Wapadrand 132/11kV Substation	101;85	R 35 000 000	Refurbishment of Wapadrand 11/132kV Substation	The project experienced delays on manufacturing of the switchgear due to malfunctioning relays and delays on unpaid invoices.	No
Energy and Electricity	(712872) Network Control Centre Reconfiguration	58	R 21 278 718	Installation of the 3x9 Video Wall Display Systems, revamp of the Network Control Centre, installation of the 2x2 Message Broadcasting Solution Display Systems (FRC), and supply and installation of 2 controllers.	Milestone delayed. SLA signed by Legal department and acting COO on 19.05.2023, received signed SLA from Service Provider on 02 June 2023 for USD EE 15 2020/21 contract. Limited remaining project time for	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					2022/23 FY did not meet the required Lead times of equipment	
Energy and Electricity	(712279) Wildebees 400/132kV, 315MVA Infeed station	101	R 2 000 000	Complete the bulk earthworks and construction of substation platform. Place orders for material. Complete detail construction designs.	No work done. The project affected by the delays in acquiring the land and EIA approval for the substation site.	No
Energy and Electricity	(714008) Electricity Distribution Loss	34	R 49 999 998	To decrease unaccounted energy losses by 6%	Procured 20 indoor RMU for metering units and 40 outdoor metering RMU	No
Energy and Electricity	(712279) Ifafi 88/11kV Substation	7	R 6 000 000	Appointed contractor complete construction designs. Contractor establish site and start with construction.	Project not started due to delays in finalizing the appointment of contractor.	No
Energy and Electricity	(711862) Prepaid Electricity Meters - Conventional	City Wide	R 7 478 287	Procure 3700 electricity prepaid meters.	Expenditure on track. Procured 5 990 single phase meters .	No
Energy and Electricity	(711862) Prepaid Electricity Meters - Replacement	City Wide	R 79 201 544	Procure 18 300 electricity prepaid meters.	Expenditure on track. Procured 25 800 single phase meters and 4 400 3phase meters	
Energy and Electricity	(710325) Communication Upgrade: Optical Fibre network	City Wide	R 8 000 000	Installation of fibre optic and interface cards	Equipment delivered;Purchase order requisition to to supply and install RTU's has been completed and contractor is already on site.	No
Energy and Electricity	(710176) Dangerous and obsolete switchgear	City Wide	R 5 000 000	To replace 10 old and obsolete switchgear units.	All the invoices are processed, close off report and capitalization of AUC's in progress.	No
Energy and Electricity	(710556) Region 2 (Public Lighting)	49	R 3 500 000	80 Streetlights and 0 Highmast Lights	0 Streetlights and 0 Highmast Lights	Yes
Energy and Electricity	(710556) Region 4 (Public Lighting)	61	R 1 500 000	0 Streetlights and 4 Highmast lights	0 Highmast Lights, 40% of the infrastructure construction completed.	No
Energy and Electricity	(710556) Region 5 (Public Lighting)	99	R 4 000 000	80 Streetlights and 0 Highmast lights	0 Streetlights and 0 Highmast Lights. Unavailability of Eskom Connection points is hindering the commissioning of two projects	No
Energy and Electricity	(710556) Region 6 (Public Lighting)	101	R 4 000 000	274 Streetlights and 0 Highmast lights	21 Streetlights and 0 Highmast Light	No
Energy and Electricity	(710556) Region 7 (Public Lighting)	105	R 3 000 000	40 Streetlights and 0 Highmast Lights	51 Streetlights, Project Completed	No
Energy and Electricity	(710556) Region 3 (Public Lighting)	7	R 3 000 000	99 Streetlights and 5 Highmast lights	0 Highmast Lights, 60% completion of the manufacturing of the assets.	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Energy and Electricity	(710556) Region 1 (Public Lighting)	89	R 5 000 000	257 Streetlights and 0 Highmast lights	93 Streetlights and 1 Highmast lights , busy with TECO.ing projects	No
Energy and Electricity	(710178) Electricity for All - Region 5	99	R 25 500 000	Construction of electrical backbone infrastructure network realizing 500 connections	95% of MV & LV electrical backbone network infrastructure is completed. 251 connections achieved in Pienaarspoort. Delayed due to the non-payment of the suppliers of critical materials.	No
Energy and Electricity	(710178) Electricity for All - Region 7	105	R 27 000 000	Construction of electrical backbone infrastructure network realizing 600 connections	90% of MV & LV electrical backbone network infrastructure is completed. 10 connections achieved in Zithobeni ext 10. Delayed due to the non-payment of the suppliers of critical materials.	No
Energy and Electricity	(712279) Soshanguve - JJ 132KV Power Line	26	R 2 000 000	Complete the casting of tower foundations and start with installation of tower structures. Delivery of all materials.	Contractor not yet appointed. Tender at evaluation stage.	No
Energy and Electricity	(712279) Kentron 132/11kV Substation	78	R 40 000 000	Complete construction of substation building. Receive delivery of the outdoor yard equipment, 11kV switchgear panels, Control and Protection panels.	Construction of building behind schedule. The contractor busy with the excavation for the substation building foundation. The manufacture of the 11Kv Switchgear panels and 132kV Control and Protection panels complete. Delivery will be made upon completion of the building.	No
Energy and Electricity	(710178) Electricity for All - Region 6	101	R 51 300 000	Construction of electrical backbone infrastructure network realizing 1200 connections	90% of MV & LV electrical backbone network infrastructure is completed. connections achieved 327 connections in Nellmapius Ext 22. Delayed due to the non-payment of the suppliers of critical materials.	No
Energy and Electricity	(710178) Electricity for All - Region 1	32	R 26 319 013	Construction of electrical backbone network infrastructure network realizing 1150 connections	90% of MV & LV electrical backbone network infrastructure is completed. 60 connections achieved in Soshanguve ext 6; 340 connections achieved in Rama City and 1114 connections in Ga-rankuwa ext 14.	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Energy and Electricity	(710178) Electricity for All - Region 3	55	R 54 200 000	Construction of electrical backbone network infrastructure realizing 700 connections	90% of MV & LV electrical backbone network infrastructure completed. Delayed due to the non-payment of the suppliers of critical materials.	No
Energy and Electricity	(710178) Electricity for All - Region 4	70	R 30 896 929	Construction of electrical backbone network infrastructure realizing 600 connections	85% of MV & LV electrical backbone network infrastructure is completed. Delayed due to the non-payment of the suppliers of critical materials.	No
Energy and Electricity	(712279) Monavoni 132/11KV Substation	77	R 1 000 000	Complete the bulk earthworks and civil works (construction of the substation building and outdoor yard equipment foundations). Place orders and start manufacture of electrical equipment.	Work on site not yet started. Contractor has not yet submitted contractual documents (performance guarantee and insurance documents)	No
Energy and Electricity	(710177) Low Voltage Network Within Towns (Renewal)	City Wide	R 9 000 000	To upgrade 14 low voltage networks.	All the invoices are processed, close off report and capitalization of AUC's in progress.	No
Energy and Electricity	(712908) Electricity vending infrastructure	City Wide	R 5 000 000	Upgrading of servers/hardware that host Suprima & Meter Data Management System (PCMA)	Servers to host vending management systems has been procured and delivered. Installation and commissioning completed..	No
Energy and Electricity	(712861) Replacement of Obsolete Testing Equipment and Instruments.	City Wide	R 4 000 000	One fully equipped cable location test instruments trailer, one MV cable fault location instrument and one transformer test instrument.	Created a purchase order to procure 2 testing trailer and test instrument. Delivery expected mid June 2023.;Supply and delivery of delivery of MV test trailers. Invoices submitted for processing.	Yes
Energy and Electricity	(712688) Energy Efficiency and Demand Side Management	City Wide	R 8 280 000	1500 streetlights retrofitted with 100W LED; Planning for Installation of CHP, solar PV and energy efficiency interventions at Zeekoegat WWTW; Installation of 25 smart meters in City's facilities and Retrofitting of 200 streetlights luminaires at Innovation HUB.	Additional 935 LED luminaires reserved and installed. 20% of the project submitted for capitalization.;Project suspended to 2023/24	No
Energy and Electricity	(712483) New Connections	City Wide	R 32 600 388	To deliver 1000 new connections	101 New Connections;121 New connections completed;149 New connections completed	Yes

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Energy and Electricity	(712006) Replacement of Obsolete And Non-functional Equipment	City Wide	R 2 500 000	Installation and commissioning of protection relays city wide in the MV and HV substations.	installation and commissioning of protection relays at PMP, Saulsville and Scientia substations completed. Completion/handover certificates submitted. Invoice submitted to DH for approval and capturing.;Relay installation in progress, last order of protection relays delivered.	No
Energy and Electricity	(710484) Secondary Substations	56	R 3 000 000	Complete and commission 1 secondary substation	Noord Wes Substation has been isolated to prepare for refurbishment. Mark Plein Substation – New T4 has been installed to assist with improved operation of the substation.	No
Energy and Electricity	(710481) Strengthening 11kV Overhead Network	City Wide	R 8 000 000	To construct a total of 7km of 11kV overhead lines	All final payments have been processed.	No
Energy and Electricity	(710480) Strengthening 11kV Cable network	City Wide	R 12 000 000	To upgrade a total of 8km of 11kV cable network.	Phase 1 of the project to install new feeder cables between Atteridgeville Primary Substation and Lotus Gardens Substation has been completed. A total of 5100m of cable has been installed. Due to a SAP error, an amount of R6m could not be accessed during the financial year.	No
Energy and Electricity	(710006) Payments to Townships for Reticulated Towns (City Wide)	City Wide	R 4 000 000	This project caters for private township developments and is totally application driven. All applications received will be completed once the service agreements are concluded.	This project is application driven. One application was received for Kleksoortd x 30 & 31. Service agreements were drafted, and the Department must supply 3600m x 300mm/3C 11kV ALU cables from Tshwane stores for external services.	No
Energy and Electricity	(710005) Upgrading/Strengthening of Existing Network Schemes - City Wide	City Wide	R 5 500 000	Installation of 120 new low voltage service connection points.	6 New services connection point completed	Yes
Office of the COO	(712533) Temba & Hammanskraal West Walkways	49;73;74;75;76;8	R 13 780 000	Construction of 5000m2 of side walks.	Work have progressed well and 6100m^2 have been installed. With additional work taken into	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					account overall completion is at 90%.	
Office of the COO	(714048) Tshwane Automotive SEZ Phase 1 Bulk Infrastructure Roll out	86	R 113 492 828	Provision of bulk engineering infrastructure for phase 1 (water, sewer, roads, storm water and electricity)	65% of snags completed, however not yet signed off by the City.;Open trenches across Simon Vermoten and Bronkhortspruit completed. Installation of bend PI18 Drawing no WW-305 & PI29 achieved.	No
Environment and Agricultural Management	(713040) Furniture and Equipment for offices, overnight accommodation and facilities within resorts	City Wide	R 1 000 000	Supply, delivery and installations of furniture and office equipment in 12 resorts		No
Group Financial Services	(713063) Turnaround of Municipal Water Services - Reduction of Water Losses and Revenue Enhancement.	City Wide	R 14 725 838	Construction of water reticulation and water mains at Hercules West and relining of Garstfontein concrete reservoir.	Ancillary work at Hercules West delayed due to delay in issuing the insurance for the works. The City has issued insurance for Hercules West PRV. And the wayleave is currently being processed. ;Ancillary works at Hercules West has been delayed due to delay in issuing the insurance for works. ;Construction of road and parking area delayed due to delay in issuing insurance and wayleave..;Installation of water reticulation and water mains at Hercules West has been delayed due to the delay in issuing the insurance for the works. The City has issued insurance for the works. And the wayleave is currently being processed. It is anticipated that construction work will commence during the 3rd week of July 2023.;Installation of water reticulation and water mains delayed due to delay in issuing the insurance. The City has issued the insurance. And the wayleave has been processed.;Non-availability of the insurance	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					delayed the approval of the wayleave.;Site establishment halted due to delay in issuing the insurance.;The contractor has completed 20% of preliminary and general items to date. The project has been delayed due to the delay in issuing the insurance. The City has issued the insurance and the wayleave is currently being processed.;The earthwork at Hercules West have been delayed due to the delay in issuing the insurance, however the contractor has placed orders for materials to be used on site while awaiting insurance approval from the City for the works. ;The relining of Garstfontein delayed due to the delay in the approval of Adjustment Budget. ;The relining of Garstfontein reservoir was delayed due to delay in the approval of the Adjustment Budget,;Verification of the water balance at Hercules West is ongoing. It is estimated that the installation of PRV at Hercules West could reduce System Input Volume/water losses by 194 kl/day minimum and 383 kl/day maximum = R2 417,24/per day minimum and R4 772,18/per day maximum @R12,46 Rand Water Bulk tarriff.	
Group Financial Services	(712450) Insurance replacements	City Wide	R 10 000 000	Replacement of vehicles written-off (Insurance Claims)	2 x WBS number to the value of R 9 908 402. 55 for 8 claims created. Actuals to the value of R 9 835 440.68 reflects on 2 WBS numbers. Corporate Fleet is responsible for the procurement process of CoT vehicles stolen or written-off	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Group Financial Services	(712449) Insurance replacements (CTMM Contribution)	City Wide	R 15 000 000	Replacement of capital assets as per insurance claims.	132 WBS numbers with a total value of R 14 672 102. 00 have been created. The 132 WBS numbers created cover 164 claims. Approval letters typed and submitted to departments. Commitments on claims not finalized to be cancelled. Actuals to the value of R 6 132 970.90 reflects on 58 claims. Procurement is the responsibility of the Department where the loss occurred.	No
Health Services	(714057) Medical Equipment	City Wide	R 500 000	Delivered medical equipment		No
Health Services	(713049) New Clinic Lusaka	10	R 30 000 000	Complete roof cover	Completed activities are layer works, building columns reinforcement, building columns concrete, floor slab, brickwork – foundation, structural steel, roof slab, steel fixing for the roof slab, the concrete casting of the roof slab, building of main walls, installing of roof trusses, water pipes. For the month of June, No construction activities were undertaken as a result of subcontractors closing off the site due to non-payment from the Main Contractor. Overall cumulative construction physical progress to date is 90%.	No
Entities	(714023) Timberlands Construction Of 607 Social Housing Units	58;81	R 38 018 013	Termination process of the contractor is underway, new tender process to appoint and contractor and construction of bulk infrastructure	The contactor has cancelled the contract. The matter is still under arbitration,HCT is awaiting final verdict.	No
Entities	(714023) Chantelle x39 construction of 600 social housing units	4	R 175 893 031	Complete brickwork for level 2 and construction of third floor brickwork for 600 units.	The contractor has suspended all site activities due to non payment.	No
Entities	(714023) Townlands Project - Construction of 1,200 social housing units	58	R 148 800 000	Completion of Townlands project	Contract A suspended works for last remaing blocks due to non payment.Block 1,2,3,4,5and 7 has tenants. Contract B has also	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					suspended works since January 2023 due to non payment.	
Entities	Furniture and Office Equipment	Administrative HQ	R 1 500 000			
Human Settlements	(710863) Water reticulation - Portion 1 of erf 14582 Mamelodi (Elephants Community)	15	R 514 086	Formal handover of drawings for the constructed underground water infrastructure to the Water and Sanitation Department	Project completed	Yes
Human Settlements	(710863) Water provision - Pretorius Park	91	R 250 000	Site establishment and construction of 200m meters of bulk water upgrade pipeline	Milestone not achieved. The designs scope was reduced due to several developments in the area that will benefit from the bulk upgrades.	No
Human Settlements	(710864) Sewer reticulation - Garankuwa X10	30;32	R 1 500 000	Construction of a 600m sewer reticulation network	No construction on site. Appointed contractor's contract expired. As-built drawings, closeout report and final account still outstanding	No
Human Settlements	(710868) Acquisition of land	55	R 20 061 408	Land acquisition for human settlement purpose Region 5	Council Approval obtained on 21 June 2023. Group Property & Legal Services currently facilitating the transfer	
Human Settlements	(710864) Sewer provision - Kudube X9	75	R 26 150 000	Completion of two pump stations.	The project is at 95% completion. Awaiting ESKOM connection for commissioning	No
Human Settlements	(710864) Sewer reticulation - Mamelodi X6 erf 34041 (Phomolong)	40	R 4 309 408	Construction of sewer reticulation for 500 stands	Construction of sewer link connection is completed. 480 stands connected to the newly constructed sewer link.	No
Human Settlements	(710864) Sewer reticulation - Soshanguve MM	96	R 1 200 000	Appointment of contractor and site establishment	Site establishment, 20% excavation, bedding, pipe works, blanket & backfilling	No
Human Settlements	(710865) Construction of roads & stormwater - Soshanguve ext19	88	R 1 000 000	Approval of designs and appointment of contractor	Designs resubmitted to Roads & Transport department for approval	No
Human Settlements	(710864) Sewer reticulation - Refilwe X10	100	R 9 336 550	Construction of sewer reticulation for 700 stands	90.40% of excavation, bedding, pipe laying, backfilling, compaction and 39.5% pressure test completed. 139 of 170 manholes, 379 of planned 785 house connection completed.	No
Human Settlements	(710864) Sewer reticulation - Pienaarspoort	100	R 816 600	Planning and design of sewer reticulation	Project close out and final account finalised	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Human Settlements	(710863) Water provision - Soshanguve MM	96	R 1 500 000	Appointment of contractor and site establishment	Site establishment, excavation, bedding, pipe lying,blanket & backfilling	No
Human Settlements	(710863) Water provision - Pienaarspoort Extension 20	100	R 2 000 000	Mutual contract termination and final account finalization	Project close out and final account finalised	No
Human Settlements	(710863) Water provision - Refilwe ext 10	100	R 10 458 000	Construction of water reticulation for 700 stands	100% of excavation, bedding, pipe laying, backfilling, compaction and 90% of pressure test completed. 100% of water valves and manhole chamber completed. 640 of planned 785 house connection completed.	No
Human Settlements	(710864) Sewer provision - Nellmapius X22 -stand 12223 & 12224	101;40	R 1 300 000	Installation of 30 house connections. Construction of 8 manholes. Construction of 50 toilet top structures. Project complete	Construction of sewer reticulation pipelines has been completed. All manholes and house connections have been installed. Toilet top structures have been constructed. Contractor is busy with snagging	Yes
Human Settlements	(710863) Water provision - Garankuwa X10	30;32	R 2 078 160	Construction of a 600m water reticulation network	No construction on site. Appointed contractor's contract expired. As-built drawings, closeout report and final account still outstanding	No
Human Settlements	(710863) Water provision - Refilwe X7	100	R 250 000	Procurement of a contractor	The Engineer is finalizing compilation of a tender document for procurement of a contractor.	No
Human Settlements	(710864) Sewer reticulation - Refilwe X7	100	R 250 000	Procurement of a contractor	The Engineer is finalizing compilation of a tender document for procurement of a contractor.	No
Human Settlements	(710864) Bulk Sewer Line - Winterveldt	25	R 3 921 840	Appointment of contractor	Tender document finalized and submitted to SCM to serve at BSC	No
Human Settlements	(710863) Water provision - Rama City (20 ML Reservoir)	4	R 2 900 000	Termination of consulting engineers	Milestone not achieved. The report was withdrawn at EXCO	No
Human Settlements	(710863) Booysens X4 (30ML Reservoir)	55	R 3 500 000	Construction of vertical concrete walls, floor slab and roof slab	Clearing and grubbing 1370m of the access road to the reservoir. Contractor is currently mobilising for the resumption of activities on the reservoir	No
Human Settlements	(710863) Olievenhoutbosch X60 Bulk Water	77	R 5 000 000	Appointment of contractor. Installation of 400m of bulk water line	Site establishment, excavation of 800m trench.Exposing and inspection of the existing water	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					reticulation. BAC resolution for rectification of appointment letter received.	
Human Settlements	(710864) Sewer provision - Mabopane X12	22	R 1 000 000	Mutual termination of contract. Town-planning processes to deal with obstructions	Mutual termination in progress. Consultant and contractor to finalising the termination report and final account.	No
Human Settlements	(710864) Sewer provision - Pretorius Park	91	R 250 000	Completion of 448 meters of bulk sewer upgrade pipeline	Milestone not achieved. The designs scope was reduced due to several developments in the area that will benefit from the bulk upgrades	No
Human Settlements	(710864) Sewer reticulation - Andeon X37	55	R 1 000 000	Design development. Procurement of contractor	Consultant is addressing design comments received from Water and Sanitation Department	No
Human Settlements	(710864) Sewer reticulation - Booysens X4	55	R 3 000 000	Construction of 1200m of pipeline. Installation of 120 house connections.	CCTV camera inspections currently being undertaken. Setting out of the sewer pipeline route on the northern side of the reticulation. Progress affected by the delayed delivery of pipes and the required plant upon resumption of works	No
Human Settlements	(710863) Water Provision - Mamelodi X6 erf 34041 (Phomolong)	40	R 513 130	Construction of water reticulation for 500 stands	531 stands has been reticulated and connected to existing water network as set out in the contract and completed to justify practical completion. Overall progress is 50%.	No
Human Settlements	(710863) Water reticulation - Booysens X4	55	R 1 000 000	Construction of 1200m of pipeline. Installation of 120 house connections.	Setting out of the water pipeline route on the northern side of the reticulation. Progress affected by the delayed delivery of pipes and the required plant upon resumption of works	No
Human Settlements	(710863) Water reticulation - Andeon X37	55	R 2 000 000	Design development and procurement of contractor	Consultant is addressing design comments received from Water and Sanitation Department	No
Human Settlements	(710863) Water provision- Mabopane X12	22	R 3 000 000	Mutual termination of the contract. Town planning processes.	Mutual termination in progress. Consultant and contractor to finalising the termination report and final account.	No
Human Settlements	(710864) Sewer reticulation - Winterveldt	19	R 8 900 388	Finalization of tender document for the appointment of the	Tender document submitted to SCM to serve at BSC	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
				contractor and appointment of contractor		
Human Settlements	(710864) Refilwe Manor Sewer pump station	100	R 1 500 000	Installation of pipework and sluice gates. Installation of electrical and mechanical fittings. Practical completion	No activities, awaiting installation of pumps. Electrical connection to the pump stations has not provided as yet	No
Human Settlements	(710863) Bulk water pipeline - Booysens X4	55	R 1 000 000	Construction of 700m of pipeline. Construction of 3 chambers.	Excavation, laying and backfilling of 200m of 800 diameter pipe. Progress affected by the delayed delivery of pipes and the required plant upon resumption of works line.	No
Human Settlements	(710863) Refilwe Manor 10ml reservoir	100	R 673 360	Completion of the Refilwe Manor 10ML reservoir	Project complete	Yes
Human Settlements	(710864) Sewer provision - Rama City	32	R 5 226 148	Connection of 1214 stands	Milestone not achieved. The contractor tender document is waiting to serve at Bid Specification Committee	No
Human Settlements	(710863) Zithobeni X8&9 - Bulk water main line	102	R 500 000	Connection to bulk water supply for Zithobeni X8&9 completed.	Milestone not achieved. The contractor tender document is waiting to serve at Bid Specification Committee	No
Human Settlements	(710863) Bulk Reservoir - Fort West X4&5	7	R 1 407 209	Contract close-out, final account for the consulting engineer. Procurement process for the appointment of new consulting engineer to finalise designs and appointment of contractor for the construction of bulk water line and 8,5Ml reservoir	No construction on site. Appointed consultant's contract expired	No
Human Settlements	(710864) Sewer provision - Zithobeni X8	102	R 4 431 642	Upgrading of 1545 m of bulk sewer pipeline	Milestone not achieved. Site establishment completed. Setting out at 60%	No
Human Settlements	(710865) Construction of roads & stormwater - Soshanguve South X13	37	R 13 714 592	Bid specifications completed for new contractor to complete remaining roads and stormwater infrastructure.	Milestone not achieved, currently awaiting for approved drawings from roads and transport department. Bid specifications in progress.	No
Human Settlements	(710865) Construction of roads & stormwater - Soshanguve South X12	37	R 5 000 000	Bid specifications completed for new contractor to complete remaining roads and stormwater infrastructure.	Milestone not achieved, currently awaiting for approved drawings from roads and transport department. Bid specifications in progress.	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Human Settlements	(710865) Construction of roads & stormwater - Fort West X5	7	R 1 200 000	Appointment of consulting engineer for the conditional assessment of the completed roads in Fort West Extension 5, design review, finalisation of the as-built drawings for the capitalisation of infrastructure at Fort West Extension 5	No construction on site. Appointed contractor's contract expired	No
Human Settlements	(710865) Construction of roads & stormwater - Zithobeni X8&9	102	R 3 570 338	Bulk earthworks and layer works	Milestone not achieved. The construction drawings are in progress for approval	No
Human Settlements	(710865) Construction of roads & stormwater - Zithobeni Heights	102	R 4 540 410	Submission of as-builts for 3 intersections and approval of designs for 22km internal roads	Milestone not achieved. The construction drawings are delayed as the bulk storm water drainage servitude has to be re-surveyed after Mayoral Committee approved of the transfer of servitude to comply with property requirements.	No
Human Settlements	(710865) Construction of roads & stormwater - Olievenhoutbosch X60	77	R 1 067 830	Appointment of a contractor	Meeting held on the 15th of June 2023 to discuss issues delaying approval of designs. Partial approval resolved as the approach to be adopted.	No
Human Settlements	(710865) Construction of roads & stormwater - Thorntree View	90	R 136 226 061	Construction of 2.5km stormwater channels, 10km roads & stormwater systems in Thorntree View (Soshanguve Extension 6 & 7)	Construction of: base course: 220m (Ext 7); subbase: 900m (Ext 6), 460m (Ext 7); kerbs & edge beam: 700m (Ext 6), 230m (Ext 7); manholes & Kis: 7 (Ext 6), stormwater pipes: 80m (Ext 6), 40m (Ext 7). Overall progress achieved: 69	No
Human Settlements	(710865) Construction of roads & stormwater - Refilwe Manor X9	100;99	R 500 000	Finalisation and approval of detail designs. Procurement of a Contractor	Awaiting approval of WULA and EIA applications. Consultant has resubmitted the drawings for approval by the Roads and Transport Department	No
Human Settlements	(710865) Construction of roads & stormwater - Winterveldt	19;24	R 500 000	Approval of designs and appointment of contractor	Designs resubmitted to Roads & Transport department for approval	No
Human Settlements	(710863) Water provision - Winterveldt Water Reticulation	19;24	R 4 000 000	Finalization of tender document and appointment of contractor	Tender document finalized and submitted to SCM to serve at BSC	No
Human Settlements	(711712) Development of Saulsville hostels	7	R 1 000 000	Termination of consulting engineers	Project halted. The contract lapsed.	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Shared Services	(714094) Broadband - Ready for Occupation	Administrative HQ	R 10 000 000	Deployment of City wide broadband	Solar equipment purchased for TDK, Centurion and Temba.	Yes
Shared Services	(714038) Sap integrated vending solution	Administrative HQ	R 10 000 000	Implementation of SAP Vending solution		No
Shared Services	(714038) SAP 4 Hanna	Administrative HQ	R 75 000 000	Implementation of S4HANA		No
Shared Services	(710213S) Cyber Security	Administrative HQ	R 5 000 000	E-mail gateway tool	Installation completed. Project completed.	Yes
Shared Services	(712028) Integrated E- Health Management System	Administrative HQ	R 10 000 000	Implementation of e-Health system	The outstanding modules are still being tested. The team is working with a clinician and a pharmacist to make certain the solution is configured accordingly. From the demonstrations made to the department, bugs and fixes are being attended to. Finalizing the training refresher strategy.	No
Shared Services	(710344) Implementation Of Storage Area Network	Administrative HQ	R 10 000 000	Procurement of storage unit	Unit delivered, and rack mounted. 40GB interfaces provided for connectivity between units and sites. Unit connected to network and operational.	Yes
Shared Services	(710268) Computer Equipment Deployment - End user computer hardware equipment	City Wide	R 13 961 351	Procurement and deployment of 650 computers	578 of Computers deployed for this FY.	Yes
Shared Services	(710200) Upgrade of IT Networks	City Wide	R 10 000 000	Procurement and installation of network equipment	Equipment delivered on 22 June 2023. Asset tagging process was concluded. 115 switches in a process of being installed. Invoices submitted for payment.	No
Shared Services	(712950) Disaster Recovery System Storage	Administrative HQ	R 10 000 000	Procurement and installation of 18 disaster recovery system storage equipment	Unit delivered, and rack mounted. Implementation underway to utilise capacity. Unit connected to network and configuration nearing completion.	Yes
Roads and Transport	(712591) Menlyn Taxi Interchange (Gobie)	46	R 2 870 000	Detailed design in progress	Detailed designs hasn't started due to delays in finalizing the concept design. The Environmental Department requires GDART opinion before they can provide final comments on the concept design	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Roads and Transport	(712591) Menlyn Taxi Interchange (Dallas)	46	R 170 000	Wula application response for Dallas Taxi Holding Facility	WULA application in progress.	No
Roads and Transport	(712591) Belle Ombre - Phase 2 (Overflow car park, Electric Fencing etc)	58	R 3 800 000	15% Completion of construction works for Belle Ombre - Phase 2 (Overflow car park, Electric Fencing etc)	5% progress achieved. The contractor did not reach the targeted annual due to multiple community disruptions of construction works on site	No
Roads and Transport	(712591) Line 3: CBD to Atteridgeville - Section 2 (Pretoria West - Atteridgeville)	3;58;60;63;7	R 1 000 000	100% completion of the detailed designs	Annual Scope of 100% completion of detailed designs has not been achieved due to poor performance of the service provider. The contract has now expired therefore Work cannot continue.	No
Roads and Transport	(712591) Line 3: CBD to Atteridgeville - Section 1 (CBD - Pretoria West)	3;58;60	R 1 000 000	100% completion of the detailed designs	Annual Scope of 100% completion of detailed designs has been achieved.	Yes
Roads and Transport	(712591) Wonderboom Intermodal Facility (Hector Pieterson Station)	50	R 2 728 345	100% completion of the Wonderboom Intermodal Facility (Hector Pieterson).	Project Capitalization has been delayed due to the non achievement of completion of works certificate by the Contractor.	No
Roads and Transport	(712591) APTMS: Future Lines Implementation of Advanced Public Transport Management system	City Wide	R 1 700 000	Delivery of video wall at the Interim Control Centre	Milestone not achieved due to delays in appointment of the service provider. BAC process is underway	No
Roads and Transport	(712591) Wonderboom Intermodal Facility (Building Works)	58	R 47 190 799	Completion of Wonderboom Intermodal Facility(Building Works)	Completion Certificate is not achieved due to slow performance from the Contractor. 88% completion of the Wonderboom Building Works.	No
Roads and Transport	(712591) Denneboom Depot	38;86	R 8 857 077	100% completion of detailed designs and documentation.	100% completion of detailed designs and documentation.	Yes
Roads and Transport	(712591) Denneboom Intermodal facility	86	R 8 465 164	Intermoda1 Facility- completion of detailed designs; Interim Facility- Site Establishment	Intermodal Facility- The Detailed designs are in progress. Interim Facility-The Appointment report served at the BAC on 11 May 2023 and was recommended for the appointment of the Contractor. Currently waiting for the issuing	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					of the Appointment letter from the City Manager's office.	
Roads and Transport	(712591) NMT Line 2B (Hatfield to Menlyn)	82	R 3 740 000	Project close out and capitalisation	HV Template for the capitalization of the project to be submitted once the asset management service provider has been appointed.	No
Roads and Transport	(712591) The Design, Supply, Installation, Operation and Maintenance of an automated fare Collection (AFC) System	Administrative HQ	R 11 000 000	100% installation and commissioning of Wonderboom AFC equipment and selling points at Line 2C, last phase installation of AFC equipment including masts and access points at Belle Ombre depot. Commissioning of disaster recovery servers for AFC back office and first phase migration from EMV to ABT.	Delays in the completion of ABT integration, however 100% of software development has been completed. Minor snags are currently being resolved	No
Roads and Transport	(712591) BRT Line 2C-Lynnwood Rd (btw January Masilela & Simon Vermooten)	44;46;85	R 8 700 000	5% completion of construction work	10% progress achieved.	No
Roads and Transport	(712591) BRT Line 2C-January Masilela (btw Atterbury & Lynnwood Rd)	44;46	R 56 682 311	20% completion of construction for side walks (NMT) and 15% completion of construction on intersection upgrade (Cnr Glenwood and January Masilela road)	100% completion of construction has been achieved	Yes
Roads and Transport	(712591) Line 2B: Atterbury Rd (btw Lynnwood Rd to Lois Avenue)	82	R 10 127 539	20% Completion of the construction works	10% Completion of the construction works achieved. Site has been established and the commencement of works has been granted. Milestone could not be achieved due to the delays in wayleave approval.	No
Roads and Transport	(712591) Line 2B: Lynnwood Rd (btw University Rd to Atterbury)	56;82	R 22 414 760	20% Completion of the construction works	5% Completion of the construction works. Site has been established and the commencement of works has been granted. Milestone could not be achieved due to the delays in wayleave approval.	No
Metro Police Department	(714095) Cable Theft Technology	City Wide	R 10 000 000	8 x LDV double cabs, 10 x Pistol-to-Carbine conversion, 1 x ICT server with 2 x switches, 16 x	Procurement, delivery, and invoicing of 4 x Laptops, 8 x Quadracycles (Quad Bikes), 7 x	Yes

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
				quadra cycles, 8 x quadra cycle trailers, 3 x night vision goggles, 6 x PC's, 4 x laptops with additional screens.	Double Cab LDV's.;Tender TMPD08-2022.23 - advertisement closed 21 February 2023. Awaiting evaluation and award. 1. Awaiting delivery: 4 x Laptops, 7x LDV's, 8 x Quadra cycles 2. Invoicing of: 3 x Night Vision Goggles, 6 x PC's.	
City Manager	(712500) Laptops	City Wide	R 100 000	Procurement of 4 laptops. Adjustment Budget	Requested copy of ICT tender to obtain quotations - no tender in place	No
Regional Operations & Coordination (ROC)	(714081) Electrical infrastructure testing and maintenance equipment	Administrative HQ	R 7 937 123	Procurement of 12 test instruments for MV network testing	27 Testing equipment were ordered in the month of June. All 27 were delivered between the 23rd and 28th of June. The invoice was received from the Service Provider. On the 30th the invoice was signed, service entry was done and sent to creditors.	Yes
Shared Services	(710869) Purchase of Vehicles (City Wide)	City Wide	R 106 000 000	Procurement of vehicles City Wide	206 vehicles, 31 quadbikes and 7 waste hooklift trucks have been procured and received for the FY. ;PO rectified. Receiving of vehicles is in progress.	Yes
Community and Social Development Services	(712773) Capital Funded from Operating (Capital Moveables)	Administrative HQ	R 13 142 976	Purchasing of 30 000 library books, ITC equipment and library furniture	Ordering and delivery of books, ITC equipment and library furniture completed.	Yes
Community and Social Development Services	(712916) Upgrade Refilwe Stadium	100	R 32 000 000	Construction of main pavilion with roof and change rooms, construction of soccer pitch and athletics track, paving of parking areas and internal roads. Completing project	Progress behind schedule by about 50 days. Contractor has cash flow and capacity challenges.	No
Community and Social Development Services	(712915) Upgrading of Caledonian Stadium (Inner City Park)	81	R 22 000 000	Upgrading of existing clubhouse, grandstand and bleachers. Bulk earth works and commence with construction of sport centre	All construction activities halted by the contractor due to cash flow and capacity challenges. Late payment by CoT due to late approval of Adjustment Budget.	No
Roads and Transport	(712946) Upgrading of roads and stormwater systems in Cullinan - Phase 0	100	R 7 814 856	Final payment for work done and capitalisation	Milestone not applicable. Partial practical completion certificate was issued on the 11th January 2023.The contractor suspended the works on the 16th January	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					due to none payment. Snag items still needs to be completed.	
Roads and Transport	(710143) Major Stormwater Systems Klip kruisfontein	39	R 100 000	Payment of contract price adjustment. Phase 2 completed.	The project has been completed.	Yes
Roads and Transport	(712611) Upgrading of Mabopane Block B	21	R 15 500 000	2km of road surfacing and 1,2 walkways	Project Completed	Yes
Roads and Transport	(712611) Upgrading of Mabopane Block A	19	R 8 000 000	2km construction of road surfacing	Project delayed due to rain Damage, Contractor is busy Re-do the Base which was damage by the rain.;Project delayed due to rin damaage, Contractor is busy Re-do the Base.	No
Roads and Transport	(711863) Internal Roads Mabopane Block R (Phase 1)	22	R 32 000 000	Construction of 4.821Km of roads and the walkways (8km)	Milestones achieved, construction of 4.0km brick paving completed.	Yes
Roads and Transport	(711863) Internal Roads Ga-Rankuwa Zone 4	30;31	R 24 443 716	Construction of 3.5 Km of roads	Milestones were not achieved due to the poor performance by the contractor, the contractor completed 1.3 km of asphalt road surfacing.	No
Roads and Transport	(712894) Upgrading of Road from gravel to tar in Ekangala (Ward 103 and 104)	103	R 17 152 718	Construction of 2.5km of roads	Ekangala Ward 103: The contractor received letter on intension to terminate the contract. Ekangala Ward 104: The contract also received a letter to intend to terminate the contract.	No
Roads and Transport	(712946) Upgrading of roads and stormwater systems in Cullinan - Phase 1	100	R 13 100 000	Construction of 1.4km of roads and stormwater.	Milestone not achieved. Partial practical completion certificate was issued on the 11th January 2023.The contractor suspended the works on the 16th January due to none payment. Snag items still needs to be completed.	No
Roads and Transport	(712944) Upgrading of roads and stormwater systems in Refilwe	100	R 12 292 626	Construction of 0.9km of roads and 0.5km stormwater.	Milestone not achieved. The project is delayed due to contractor been inactive even after the client has honored the payment.	No
Roads and Transport	(712520) Flooding backlog: Ramotse (Network 1A, 1C & 1F)	73	R 427 935	Final payment and capitalisation of asset	1st phase of the project is completed.	Yes
Roads and Transport	(711213) Stormwater Drainage Mahube Valley	17	R 6 498 194	Completion of road furniture and markings for Mahube Valley	Milestones achieved; a certificate of completion has been issued on 14 April 2023.	Yes

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Roads and Transport	(710223) Rehabilitation Of Bridges	City Wide	R 2 659 578	Final payment and capitalisation of asset	Milestone not applicable. The project is at the Documentation stage. The document is complete and awaits approval.	No
Roads and Transport	(710115) Contributions: Services For Township Development	City Wide	R 45 929 451	Make contributions to developers for installing services on behave of CoT	All 10 Developers invoices processed.	Yes
Roads and Transport	(714065) Upgrading of Tshwane Bus Services Depots & Machinery	60	R 1 000 000	Installation of workshop equipment	The service provider is unable to deliver the remaining equipment due to unavailability of the remaining items in the country	No
Entities	Furniture and Office Equipment	Administrative HQ	R 451 783	Procurement of office furniture and equipment	Completed	Yes
Group Human Capital Management	(712953T) Construction of Plumbing Workshop	Administrative HQ	R 2 199 998	Complete operationalisation of the plumbing workshop	Awaiting appointment of contractor;BEC has asked that the tender been re-advertised as there was a discrepancy with the specifications;Still awaiting appointment of contractor before items can be ordered.	No
Environment and Agricultural Management	(713045) Provision of waste containers	City Wide	R 5 000 000	Provision of waste containers as per applications received		No
Water and Sanitation	(712147) Upgrade water pump station (City Wide)	City Wide	R 10 000 000	Refurbishment of The Wilds and Brickfield booster water pump stations	Brickfields project underway	No
Water and Sanitation	(712147) Upgrade of sewerage pump stations (City Wide)	City Wide	R 4 000 000	Approval of tender specification, advertisement and appointment of professional service provider.	Milestone not achieved. Department submitted project specification for Erasmia pump station to SCM for quotation processes. Th City Wide specification is submitted for departmental approval.	No
Water and Sanitation	(711335) Refurbishment Of Laudium Bulk Pipeline	61	R 15 700 000	Commissioning and handover of the refurbishment of Laudium Bulk Pipeline.	Milestone not achieved. The contractor is finalizing pipe bridge crossing, steel pipe x-rays, scour chamber connection fittings and awaiting rand water wayleave approval. The contractor is also busy locating Atteridgeville bulk line. Atteridgeville line and Laudium feeder. Rand Water site inspection was held on 13 June	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					2023 and pipes are exposed as requested.	
Water and Sanitation	(712147) New Vlakplaats Pump station	58	R 1 000 000	Construction of 400m of palisade fence	The contract for the consultant has expired. Only preliminary designs were approved.	No
Water and Sanitation	(714046) Salvokop Reservoir – Conduit Hydropower Plant	60	R 200 000	Procurement stages: Project Specification for Contractor Appointment: Submission to Supply Chain Management Dept. - 100%. Construction Stages: Purchasing of Materials i.e., Turbine - await delivery from overseas ; components and installation of piping systems, Construction of pipe plinths and pipe systems. Electrical network systems procurement & installation.	Not achieved. The amended tender specification must serve again at the next BSC meeting.	No
Water and Sanitation	(710411K) Ekangala WWTW: Upgrade of existing infrastructure	103	R 100 000	Submission and approval of concept and viability report. Approval of design report.	Milestone not achieved due to PSP delays and internal capacity constrains related to personnel approving and revising the designs. Department will not extend contract for the professional service provider. Project specification will be prepared and submitted on 14 July 2023 for approval.	No
Water and Sanitation	(712121SL) Silver Lakes outfall sewer upgrade	101	R 100 000	Appointment of consultant, contractual obligations and inception of project.	Milestone not achieved: Specification for PSP appointment was prepared, however, project not budgeted for in the 2023/24 FY.	No
Water and Sanitation	(714053) Laboratory Equipment	City Wide	R 8 800 000	Appointment of suppliers and procurement of equipment for laboratories	Equipment Deliver on the 28/06/2023 and goods receipt done. Also in a process of completing the non-compliance documents from supply chain and finance	No
Water and Sanitation	(712896) Water Conservation and Demand Management	City Wide	R 90 000 000	4500 New water meter connections: 45 000 water meter replacements and procurement of water meters and fittings.	78 New water connections completed	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Water and Sanitation	(711921F) Bronkhorstspruit Water Purification Plant Refurbishment	102	R 500 000	Appointment of consultant, contractual obligations and inception of project	Revised Tender specification in line with the new SCM policy was forwarded to EPMU 19 June 2023. Specification was referred back. Revised spec will be sent back to EPMU by 05 July 2023 for review an d further handling	No
Water and Sanitation	(712970) Mamelodi Ext 11 water (Bulk and reticulation) and sanitation services	10	R 3 000 000	24m of pipe was installed, the contractor abandoned site on 25 August 2022 and a termination was drafted and submitted for approval and comments.	Milestone not achieved. The tender specification will be submitted on 29 June 2023 for comments.	No
Water and Sanitation	(711335) Cathodic protection to all Steel pipes (City wide)	59	R 1 000 000	Appointment of consultant, approval of concept and viability report, approval of detailed design report	The milestone was not achieved. The project is undergoing procurement through the existing panel. The evaluation report served at BAC on 20 April 2023. The BAC resolutions were issued on 22 June 2023. The Department is currently awaiting appointment letters to be issued	No
Water and Sanitation	(710411) Waste Water Treatment facilities upgrades Minor Capital Projects (City wide)	City Wide	R 4 000 000	Construction of 1795m perimeter fence. Delivery of 6 self-priming pumps.	Construction of perimeter fencing for Rietgat WWTW has been delayed. The tender was approved by the BAC in March 2023 but SCM had to obtain a VAT certificate. Tender was resubmitted to the BAC by SCM in June 2023.	No
Water and Sanitation	(711921E) Bronkhorstbaai: Refurbishment and upgrade of Water Purification Plant	102	R 65 000 000	Construction of pump house, installation of clear water tank, water distribution box, pressed steel tank, commissioning of abstraction point and project completion.	Milestone not achieved. There project completion is delayed due to rain and the project will only be completed on 14 August 2023.	No
Water and Sanitation	(712534) New Parkmore LL Reservoir and HL Reservoir	44	R 10 000 000	Appointment of the contractor, construction of reservoir foundation, columns and roof	The milestone was not achieved. The work permit was approved on 12 May 2023. The Site hand-over was on 20 April 2023.Physical progress is at 8% with site establishment and clearing completed.	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
Water and Sanitation	(712534) Relining/upgrading reservoirs	58	R 3 000 000	Appointment of contractor, contractual obligations and site establishment.	Tender WS 27 2022/23 for contactor served at Bid Adjudication Committee and was approved. Resolution for contractor appointment is yet to be issued.	No
Water and Sanitation	(712534) Installation of telemetry, bulk meters and control equipment at reservoirs (City Wide)	City Wide	R 15 000 000	Telemetry Interfacing and backup generators at various pump stations	25 telemetry panels installed	No
Water and Sanitation	(712534) Replace reservoir fencing (City Wide)	City Wide	R 1 000 000	The installation of 560m of fence at identified water infrastructure site.	The submission of capitalization documents will be done as soon as payment of the last invoice is done.	Yes
Water and Sanitation	(711404) Replacement Of deficient Sewers Programme	City Wide	R 27 800 000	8 249m of deficient sewer pipes replaced Tshwane wide in the 2022/23 financial year.	Tshwane Wide 3-Year Contract Area A (Second allocation): No second allocation was allocated to the contractor due to no response with the required contractual obligations prior to the commencement of the works.;Tshwane Wide 3-Year Contract Area B (Second allocation): The milestone target of 536m of deficient sewer pipes replaced was exceeded. 1 162m of pipes were replaced in June 2023. Practical Completion has been achieved on 30 June 2023.;Tshwane Wide 3-Year Contract Area C (Second allocation): The milestone target of 551m of deficient sewer pipes replaced was exceeded. 832m of pipes were replaced in June 2023. Practical Completion has been achieved on 30 June 2023.	Yes
Water and Sanitation	(710878K) Sewer reticulation Kudube 5	75	R 38 000 000	Installation of 3280m of sewer pipes and 500 house connections	Milestone achieved. The total length on the ground is 3410m below the projected planned annual deliverable, no more sewer pipe to be installed. Sewer house connection and toilet top structure are ongoing onsite. The	Yes

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					contractor submitted the CCTV report. Practical completion was achieved on the 23 May 2023. Contractor submitted a request for site inspection for certificate of completion.	
Water and Sanitation	(710878) Ekangala Block A - F sewer reticulation and toilets	104	R 65 000 000	Installation of 8515m of sewer pipes and 400 toilet structures	Milestone not achieved. 32m of pipes was installed. The contractor is not performing due to cashflow. The contractor has been put on terms.	No
Water and Sanitation	(710411D) Rooiwal WWTW Phase 1: Upgrading of Existing Infrastructure	96	R 14 800 000	Appointment of consultant. Delivery of belt presses. Design review	The milestone was not achieved. A total of R450 million has been allocated for Rooiwal WWTW Phase 1 project on the 2023/24 Medium Term Revenue and Expenditure Framework, with R150 million split from 2023/24 to 2025/26 financial year. This new development has resulted in the City consideration an alternative approach for the execution of Rooiwal Phase 1, and this will be that of appointing an Implementing Agent to overseeing the execution of the project.	No
Water and Sanitation	(710411C) Klipgat WWTW: Upgrading of existing infrastructure to 40Ml/d	22	R 70 000 000	Installation of mechanical and electrical equipment to buildings, commissioning and trial operation, data recording	Physical progress is at 91% completion. Compilation of close-out documentation has started and will be finalized upon completion of the works. The capitalization of the works is moved to the next financial year since the completion date is revised to 15 November 2023. Security 98% Civil works 925% Mechanical works 91% Electrical works 90% Building works 99%	No
Water and Sanitation	(710411A) Sunderland Ridge WWTW Phase1: Upgrade of existing infrastructure	70	R 19 000 000	Mechanical equipment refurbishment assessment, supplier orders for long lead	Milestone delayed: Security Fence, 1 847m (67%) is cleared over 2 770m.	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
				items, completion of fence and (80%) contractor's equipment approvals	954.7m length of mesh panels installed. Module 1 Effluent and Sludge pump Station sumps (2 off): 90% emptied and cleaned. Module 2 Activated Sludge Module: 25% dewatered up to sludge level. Sludge more than expected. Module 2 Secondary Settling Tanks: 50% SST 1, & 1&4 dewatered and cleaned. Module 2 PAS Pump Station No.1 and all interconnecting channels of Module 1 and 2 (100%) emptied and cleaned. 10% Refurbishment of the central mounted distribution arms on each Bio-Filter to ensure even distribution of the influent over the entire filter bed.	
Water and Sanitation	(710026) Replacement Of Worn-Out Water Network Pipes 2022_23	100	R 75 000 000	18 335m of worn-out water network pipelines replaced Tshwane wide in the 2022/23 financial year, Pretoria-North/Dorandia 297m, Sekampaneng 103m, Mamelodi x18: 1 550m, Mountain View Phase 3 / Daspoort Phase 1: 1 010m, Constantia Park: 3 350m, Greater Sinoville Phase 1: 7 310m, Clubview Phase 4A: 1 950m, Riama Park 1 430m, Eersterust x6 1 535m.	Ashlea Gardens / Alphen Park Phase 2B & 3: The contractor is still busy completing house connections, repair work, pressure testing of replaced pipes and re-instatement work.;Clubview Phase 4A: The milestone target of 570m of worn-out water network pipes replaced was exceeded. 785m of pipes were replaced in June 2023.;Constantia Park / Moreleta Park: The milestone target of 400m of worn-out water network pipes replaced was not achieved. Only 98m of pipes were replaced in June 2023.;Eersterust: The	No

Department	Project Name	Ward	Budget 2022/2023	Planned Annual Deliverable	Milestone Comment	Project complete? Yes/No
					milestone target of 540m of worn-out water network pipes replaced was not achieved. Only 352m of pipes were replaced in June 2023. The contractor has fallen further behind schedule.;Greater Sinoville Area Phase 1: 60m of worn-out water network pipes were replaced in June 2023. All pipes included in the scope of works have now been replaced. The contractor is still busy completing the connections and re-instatement works.;Riama Park: The milestone target of 390m of worn-out water network pipes replaced was basically achieved. 388m of pipes were replaced in June 2023.;Sekampaneng: The contractor is still busy with construction work. Therefore, the target of completing the Closing Stage has not been achieved.	
Water and Sanitation	(710022) Township Water and Sanitation Services Development: Tshwane Contributions (City Wide)	87	R 10 000 000	Completion of the Pebble Rock Wastewater Treatment Plant and inlet works	The milestone to complete the WWTW and Inlet works was not achieved due to Curro missing the deadline for singing the Services Agreement.	No
Total			**R 2 816 190 047**			

Appendix G: Recommendations of the Municipal Audit Committee (2022/23 FY)

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
1.	31 August 2022 AFS Review, 11 November 2022 AOPI & Entities, and 25 November 2022 CoT Main Meeting	**RECOMMENDATIONS UPLIFTED BY THE AUDIT COMMITTEE REGARDING INTERNAL AUDIT FUNCTION (GAR)** It appears that because the department do not have a permanent Chief Audit Executive, the decisions that are being undertaken regarding the budget cuts are not exhaustive to ensure that the ability of internal audit is not impacted. Despite the assurance	NO

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
		that the ACAE has the ability to engage and provide clarity on the requirements of the department, the committee continue to raise it as a concern for the department to have a permanent Chief Audit Executive. Budget cuts and resource constraints continue to limit the ability for Internal Audit to provide a comprehensive assurance on the city 's overall control environment. If the city does not do anything to capacitate the department, fund training, membership requirements and fund key audit projects identified through the risk assessment process, the value of internal audit continue to be compromised. Internal audit it's a unique institution with emerging professional requirements, and if not adhered to, its objectivity gets to be compromised. This include resource repository, offered by the relevant professional bodies (The Institute of Internal Auditors, The Institute of Risk Management South Africa and The Association of Certified Fraud Examiners) and professional and technical trainings that are not undertaken due to limited budget. It is also a concern of the committee that the financial limitations, pose a risk to the city to benefit on the value that can be derived from data analytics and continuous auditing. The committee further highlighted that the city is impacted on its revenue obligations and in the absence of these relevant tools that should be procured for internal audit; the city will not be able to change the status quo. **RECOMMENDATIONS OF APC ON INDIVIDUAL ENGAGEMENTS BY INTERNAL AUDIT** **PETITION MANAGEMENT AUDIT** Petitions were not followed-up and not responded to within the prescribed time. This implies that complaints received from communities are not attended to and this indicates the City's failure to respond to urgent complaints. In addition, the Petitions Committee was not active, and this led to inadequate submissions of petitions serving at the Committee. **MUNICIPAL COURTS** Incorrect data was found to be captured incorrectly on the TRAFMAN system. This results in traffic infringements being cancelled and loss of revenue for the municipality. In addition, repeat offenders were not prosecuted as warrant of arrests were not enforced as required. Most of the court cases were struck off the roll without being prosecuted. **RECOMMENDATIONS OF APC ON SDBIP PERFORMANCE (AOPI) AND PERFORMANCE ON CAPITAL PROJECTS ON CAPITAL PROJECT PERFORMANCE** The APC recommends that Internal Audit must change the audit approach in Q2 and conduct a detailed root causes analysis that will unveil why the City continues to receive findings on reliability and usefulness and reasons why most targets are not achieved. The continuous regression of the audit outcomes clearly indicates a serious weakness regarding the effective implementation of controls. A change of attitude towards controls by management is necessary, and implementation of consequence management, where no appropriate actions are being taken, must be done. **RECOMMENDATIONS UPLIFTED BY THE AUDIT COMMITTEE REGARDING THE FINANCIAL STATEMENTS FOR THE COT AND ITS ENTITIES** **DELAYS IN THE SUBMISSION OF THE ANNUAL FINANCIAL STATEMENTS (AFS)** The APC recommended that, notwithstanding the adverse audit opinion, there is still room to turn around the situation, a drastic and very clear plan must be implemented by EXCO. Close monitoring to implementation of those action is critical. Furthermore, management must ensure that a basic system of internal controls should be put in place and effectively implemented to improve the current situation. It is high time that a Control Self-Assessment (CSA) is undertaken by management to continuously assess the state and effectiveness of internal control systems. This will be a critical starting point in identifying gaps in the control environment that have contributed to this advised audit outcome.	

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
		UNCERTAINTY RELATING TO THE CITY'S FINANCIAL SUSTAINABILITY The APC foresees that significant structural changes will also need to be made to overcome these difficulties. The Financial Recovery Plan (FRP) which was meant to assist the City to improve its financial status has not been implemented and reported on for the past 18 months. **GOING-CONCERN** Given the liquidity challenges that the city is faced with, the risk of going concern needs to be clearly disclosed and articulated to enable transparent reporting to the stakeholders. More disclosure therefore is required considering the low revenue collection, poor credit control measures and overall cash flow challenges. The City should consider reviewing its expenditure patterns and possibly adjust some of the service delivery KPI's and capital projects. **MATERIAL IRREGULATIES** The MI's highlighted significant shortcomings in the City's internal controls as well as in its ability to respond appropriately to system failures and malfeasance. A more streamlined and effective manner of dealing with systematic failures need to be developed. **RECOMMENDATIONS OF APC ON OBSERVATIONS ABOUT THE OVERALL CONTROL ENVIRONMENT** The APC is concerned with poor internal control environment in the City which gave rise to the municipality obtaining an adverse opinion in 2021-22 financial year. **EXPENDITURE ON GRANTS** The APC recommends that the municipality improves on the spending of grants in order to avoid withholding of grants by National Treasury. **LIQUIDITY** Liquidity challenges faced by the City remains a great concern. Poor revenue collection is also a biggest contributor to liquidity challenges faced by the municipality. The City is faced with a lawsuit by ratepayers for overcharging rates and taxes and the APC is concerned with the financial exposure to this. The slow implementation of mSCOA compliance system in the municipality is a concern as this will assist the municipality to better manage its finances. **TSHWANE AIRPORT AND FRESH PRODUCE MARKET** Tshwane Airport and Fresh Produce Market have not been profitable and efficiently run, the City should explore other options/ alternatives to make them more profitable. **HUMAN RESOURCES** The APC is concerned about the continuous escalation on overtime expenditure and non-management by Departmental Heads. Although departments have committed in the Financial Recovery Plan (FRP) to reduce overtime expenditure by 50%, departments have failed to achieve that. Collaboration is required between Human Resources and departments to reduce overtime expenditure.	

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
		The APC is concerned about the failure by Senior Management to sign performance agreements and submit financial declarations/disclosures. Consequence Management should be implemented to that effect. The APC recommends that monthly Payroll Certifications should be performed diligently to mitigate the risk of ghost employees in the system. **RECOMMENDATIONS OF APC ON THE (QUARTER 1 RISK ADVISORY REPORT) RISK OVERSIGHT** That ERMAS to ensure the correct classification of emerging and materialized risks in the report. That the key risk indicators as stated in the Risk Appetite Framework be confirmed with the Human Settlement department as some did not look correct. There is a concern that there was no Enterprise-Wide Risk management audit done by Internal Audit in the current financial year. The audit is part of the cancellations (due to financial constraints) that were approved by the APC in the same meeting. **RECOMMENDATIONS OF APC ON FORENSIC SERVICES: UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE (UIFW)** The Divisional Head: Ethics Management and Forensic Services reported a challenge with the staff capacity in the investigation of the Unauthorized, Irregular and Fruitless and Wasteful Expenditure (UIFW). The capacity constraints were also reported to the Financial Disciplinary Board (FDB). This weakness (inability to conduct the UIFW expenditure investigation) poses the risk of the city failing to institute financial misconduct disciplinary action. This would fail to comply with the The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. The capacity limitations in the forensic division should be addressed, the recruitment of forensic accountants and the director of fraud investigations should be treated as high priority vacancies and be concluded. The structure should also be reviewed to suit the requirements of the City.	
2.	17 February 2023 AOPI Entities,23 March 2023 CoT Main Meeting	**RECOMMENDATIONS UPLIFTED BY THE AUDIT COMMITTEE REGARDING INTERNAL AUDIT FUNCTION (GAR)** **BUDGET CONSTRAINTS** Budget constraints limit the ability of Internal Audit to provide a comprehensive assurance on the city's overall risks and internal controls. Limited capacity and resources resulted in key audit areas being cancelled from the audit plan/ coverage and effectiveness of risk management compromised as assurance was not provided in these areas. **IIASA PROFESSSIONAL MEMBERSHIP** Registration with a professional institute is a requirement for Internal Auditors, however, this is inhibited by the slow/ non-payment of professional fees, in addition auditors are unable to attend technical training to keep up with the latest developments in the profession. **PAYROLL MANAGEMENT** Terminated employees were not timeously deleted from the SAP system which resulted in payments made after resignation. In addition, excessive overtime was paid to employees, more than the required 60 hours per month. This is not in line with the overtime policy. Group life deductions were also calculated incorrectly. **EFFECTIVE IMPLEMENTATION OF THE FINANCIAL RECOVERY PLAN**	NO

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
		Key Performance Indicators (KPI's) for Financial Recovery Plan were misaligned and not well defined. Critical KPI's linked to the City's liquidity were omitted from the Financial Recovery Plan. The Financial Recovery Plan was not adequately and effectively implemented. **GRANT MANAGEMENT- Q2** Conditional grants were under-utilized. **SCM DEVIATIONS & IRREGULAR EXPENDITURE** Deviations from and ratification of minor breaches of procurement processes were not in line with Regulation 36. There were also instances where the SCM Regulation 36 was not correctly applied. **RECOMMENDATIONS OF APC ON PERFORMANCE AUDIT (SERVICE DELIVERY)** **NATURE CONSERVATION AND PROTECTION AND ENVIRONMENTAL COMPLIANCE** Critically endangered and vulnerable ecosystems are not protected. Security in the nature conservation facilities is weak which results in criminal activities and poaching of animals. The City is not complying with National Environmental Management Act, and this resulted in non-compliance fines issued by the GDARD. **FLEET MANAGEMENT** Fleet taken to the service providers for repairs and maintenance was not collected. These vehicles were kept for prolonged period and not collected back, as a result when the new service providers were appointed these vehicles were re-directed to the new contractors without being repaired. Quality Assessors were not finalizing quotations timely which resulted in delay in repairs and maintenance of fleet. Damaged and/or redundant fleet was not disposed since 2020. City's fleet is not licensed timeously, and vehicle misuse is not managed/ prevented. **OUTDOOR MANAGEMENT** Targets for Outdoor Management is not achieved resulting in low collection of revenue. **STAKEHOLDER MANAGEMENT** Policy and Strategy were found to be outdated. **RECOMMENDATIONS OF APC ON OBSERVATIONS ABOUT THE OVERALL CONTROL ENVIRONMENT** **GHCM** Overtime reduction remains a concern as the City is unable to lower/ control expenditure. The departments committed to reducing overtime expenditure by 50%, however, this has not been implemented. Other avenues such as implementation of the shift system should be explored and put in place. **GROUP FINANCE** The Committee is concerned with the recurring audit findings from the AGSA which ultimately resulted in an Adverse Opinion. The Committee expressed concern in management's commitment to corrective actions and implement corrective actions that will address the deficiencies in controls.	

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
		In addition, the appointment of the Revenue Enhancement Team without signing the Service Level Agreement is a concern as the City could be paying for contracted employees that are not properly utilised and not assisting with revenue collection. **GROUP PROPERTY** The risk exposure on the community of Tshwane due to poor OHS in COT buildings which might result in reputational risk for the City. **RECOMMENDATIONS OF APC ON SDBIP PERFORMANCE (AOPI) AND PERFORMANCE ON CAPITAL PROJECTS** The City needs to implement control measures to ensure an effective and efficient performance management system. Key enablers such as operating tools, budget and human resources should be available to ensure the reliability and validity and performance information reported on a quarterly basis. Improvement plans that have been sponsored to improve the Cities overall performance and credibility of reported performance should be adhered to. Furthermore, an emphasis must be placed towards the implementation of proper planning principles. Late procurement of services should not be accepted, and an improvement of overall Bid evaluation processes is critical. This affects project implementation and effectively contributes toward the increasing UIFW. Principles of economic procurement of resources (quality, quantity, price, and time) must be applied consistently Business review sessions at an organizational level should be held, this will assist in ensuring that corrective action plans are developed, and implementation thereof is tracked at an Executive Level. Accountability for unsatisfactory performance should therefore be enforced. **RECOMMENDATIONS UPLIFTED BY THE AUDIT COMMITTEE REGARDING THE REVIEW OF THE 2021-22 ANNUAL FINANCIAL STATEMENTS FOR THE COT AND THE ENTITIES** The APC has over the years raised concerns about the capacity that exist within finance, which will allow the city to procure credible financial statements on time. This area requires immediate attention. The training and appointment of experienced personal with relevant skills is critical. The APC emphasise the urgent need for the city produce quarterly financial statements to ensure that there is readiness to produce credible Annual Financial statements that are GRAP compliant. **RECOMMENDATIONS OF APC ON RISK OVERSIGHT** There is a lot of focus on the materialized risks or issues on the risk register. The City needs to focus on identifying emerging risks and future uncertainties that have an effect on the achievement of the objectives and how to manage those. The issues and materialized risks identified must also be managed as failure to do so will bring the City down. The focus on identifying emerging risk is a key process that the Risk management Unit should continue with for example emerging risk like the grey listing, political instability, which may lead to the City placed under administration. There should be much focus on the Auditor General report. **RECOMMENDATIONS OF APC ON FORENSIC SERVICES: UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE (UIFW)** The Divisional Head: Ethics Management and Forensic Services reported a challenge with the staff capacity in the investigation of the Unauthorized, Irregular and Fruitless and Wasteful Expenditure (UIFW). The capacity constraints were also reported to the Financial Disciplinary Board (FDB). This weakness (inability to conduct the UIFW expenditure investigation) poses the risk of the city failing to institute financial misconduct disciplinary action. This would fail to comply with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. The capacity limitations in the forensic division should be addressed, the recruitment of forensic accountants and the director of fraud investigations should be treated as high priority vacancies and be concluded. The structure should also be reviewed to suit the requirements of the City.	

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
3.	07 July 2023 Main Meeting	**RECOMMENDATIONS UPLIFTED BY THE AUDIT COMMITTEE REGARDING INTERNAL AUDIT FUNCTION (GAR)** **PROFESSIONAL MEMBERSHIP** Delays in processing the professional membership for Internal Auditors, Risk Practitioners and Forensic Auditors. The non-payment is due to the financial position/ liquidity of the City. The Committee further indicated that this is viewed in a serious light considering that the auditors across the department are actively engaging on the work without fulfilling the professional requirements and this in contravention with the National Treasury Framework. In addition, auditors are unable to attend technical training to keep abreast with the latest developments in the profession. This has far reaching consequences because should the auditors, risk practitioners and forensic auditors found not in conformance with the Standards and requirements of the respective professional institution/ bodies, it will be impossible to report and institute disciplinary action against non-complying individuals. **RECOMMENDATIONS OF APC ON TO INTERNAL FINANCIAL CONTROLS** **FINANCIAL STATEMENT REVIEW (Q3)** Concerning that financial statements that were provided to IA were of a poor quality despite the commitment to produce financial statements on a quarterly basis. This will have an impact on the readiness and accuracy of the Annual Financial Statements given the audit opinion by the AG. **PROCURE TO PAY- PAYABLES** The Process of Procure to Pay was not adhered to as there were instances where invoices were submitted prior to the purchase orders. This means that the service providers are allowed to start work without receiving the purchase orders. Secondly, vendor reconciliations were not prepared. These are repeat findings and there's still no improvement in this area. **GROUP PROPERTY: LEASE REVENUE** We noted weaknesses on how the "Beneficial Occupation Agreement Clause" is applied. Although tenants submit invoices on the maintenance work carried out in the properties they occupy during the Beneficial Occupation Agreement, Group Property doesn't perform inspections to verify if indeed maintenances were carried out as a result revenue could be lost by not billing customers with the hope that maintenance and repairs were done in the properties. Credit control is not implemented on tenants with outstanding debts. **SCM- TENDERS** We noted that there's poor records management on Tenders. During the audit we found that some of the tender files didn't include documents such as Declarations, Appointment Letters, CSD reports and Minutes of the BEC meetings.	NO

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
		We also noted that there were bids that were unfairly disqualified during the evaluation stage of the Tenders. There were also instances where functionality points were calculated incorrectly by the BEC Committees. **TRAFFIC FINES** City is in non-compliance with the Government Gazette on Administrative Adjudication of Rods Traffic Offences which requires traffic infringements to be served within 40 days from the date of infringement. We also noted that majority of the AARTO fines were served manually were either cancelled or not captured on the e-Natis system. **TOWING FEES** Pounded/ towed vehicles were not registered, and revenue not accounted for. The register is not updated when vehicles are released/ collected, as a some of the vehicles which were in the register couldn't be physically traced. **RECOMMENDATIONS OF APC TO COMPLIANCE MATTERS** **SCM- DEVIATIONS, CONTRACT EXPANSIONS AND VARIATIONS** We reviewed deviations, expansions and variations and noted that contract extensions were requested after contracts had expired instead of 6 months prior to expiry as required by the SCM policy. We also noted that there were delays in approving Bid Specifications and Advertising of Tenders and this leads to contract extensions. **PERFORMANCE AUDIT (SERVICE DELIVERY)** **MANAGEMENT OF RUDIMENTARY SERVICES (SANITATION)** Although the City is providing rudimentary services, it was established that the program is not adequate funded. The city should speed up with the implementation of the land invasion strategy to control the mushrooming of informal settlements and curb this expenditure. Service providers who supply rudimentary sanitation services were not adhering to the SLA, and no action was taken to correct that. **MANAGEMENT OF INLAND WATER SAMPLE TESTING** The City has insufficient number of Environmental Health Practitioners. **TRAINING AND DEVELOPMENT** Bursaries were allocated to students outside the boundaries of Tshwane and to private institutions, and this is not in line with our training policy. In addition, we noted that the City did not spend the Skills Development Levy allocated to it by the LGSETA. **RELIABILITY OF EVIDENCE** The internal controls designed to ensure the adequacy, accuracy, completeness, and validity or supporting documentation and reported performance results were not effectively implemented. **FINDINGS RELATING TO RELIABILITY OF EVIDENCE**	

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
		SOME OF THE CONTRIBUTING FACTORS TOWARDS UNRELIABLE OF AUDIT EVIDENCE ARE SUMMARIZED BELOW Listing provided still have duplicates which affects the completeness and accuracy of reported results. Variances were noted between the listing, reported performance results and the supporting evidence. Inappropriate audit evidence submitted to substantiate the reported results. **FURTHERMORE, THE REASONS FOR THE NON-ACHIEVEMENT OF TARGETS INCLUDE AMONGST OTHER THE FOLLOWING** Delays in supply chain management. Late payment of service providers. Unavailability of material and stores; and. Reprioritization of resources to other projects **RECOMMENDATIONS OF APC ON SDBIP PERFORMANCE (AOPI) AND PERFORMANCE ON CAPITAL PROJECT** Management's efforts to effectively implement controls to improve the credibility of the data presented to the public are not yielding results. Repeat audit findings are raised continuously. Furthermore, some of the AGSA finding that were raised in the 2021-2022 audit report have not been resolved satisfactorily, consequently another negative audit opinion on performance information is imminent, if drastic actions are to be taken to thoroughly review evidence and put all efforts to improve performance overall. There is consistent poor performance on the implementation of capital projects, which directly impacts service deliver, financial sustainability and the Cities ability to address socio-economic issues affecting the people of Tshwane. It is recommended that the City Manager and EXCO must closely review the performance results and come up with a turnaround strategy to improve the overall organisational performance. Performance management must be taken seriously, and consequence management instituted for poor performance. **RECOMMENDATIONS UPLIFTED BY THE AUDIT COMMITTEE REGARDING THE REVIEW THE 2022-23 ANNUAL FINANCIAL STATEMENTS FOR THE COT AND THE ENTITIES** The APC has over the years raised concerns about the capacity that exist within finance, which will allow the city to procure credible financial statements on time. This area requires immediate attention. The training and appointment of experienced personal with relevant skills is critical. The APC emphasise the urgent need for the city produce quarterly financial statements to ensure that there is readiness to produce credible Annual Financial statements that are GRAP compliant. **RECOMMENDATIONS OF APC ON OBSERVATIONS ABOUT THE OVERALL CONTROL ENVIRONMENT** The Audit and Performance Committee (APC) is concerned with the consistent non-improvement of internal controls in the municipality. To improve the financial situation of the City drastic measures should be undertaken to improve internal controls. This is critical for the operations of the municipality as this will also drive the city towards a clean administration. Internal controls are key in ensuring that services are to the community in an efficient manner. This is also important in achieving strategic objectives of the municipality as well as mitigating the possible risks that are currently faced by the City. **RECOMMENDATIONS OF APC ON THE RISK OVERSIGHT**	

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
		The city needs to focus on identifying more possible risks than the materialized risks that it is currently struggling to manage. Emerging risks should be continuously identified during the year as addition to the existing risks and issues identified. **RECOMMENDATIONS OF APC ON FORENSIC SERVICES: UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE (UIFW)** The Divisional Head: Ethics Management and Forensic Services reported a challenge with the staff capacity in the investigation of the Unauthorized, Irregular and Fruitless and Wasteful Expenditure (UIFW). The capacity constraints were also reported to the Financial Disciplinary Board (FDB). This weakness (inability to conduct the UIFW expenditure investigation) poses the risk of the city failing to institute financial misconduct disciplinary action. This would fail to comply with the The Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. The capacity limitations in the forensic division should be addressed, the recruitment of forensic accountants and the director of fraud investigations should be treated as high priority vacancies and be concluded. The structure should also be reviewed to suit the requirements of the City. **RECOMMENDATIONS OF APC ON ICT GOVERNANCE AND CONTROLS (IT AUDITS)** **CYBER SECURITY: WIRELESS INTERNET MANAGEMENT (INFRASTRUCTURE SECURITY)** We visited regions to evaluate IT Infrastructure Security and noted that some of the infrastructure has been vandalized and some not properly secured to prevent theft. **PHYSICAL ACCESS AND ENVIRONMENTAL CONTROL GOVERNANCE AND SECURITY MANAGEMENT** Access to Customer Care Centers was not adequate environmental controls were also weak in those areas. **HOUSING COMPANY TSHWANE NPC LIMITED (HCT)** **AUDIT OF PERFORMANCE INFORMATION FOR QUARTER THREE (3)** Management needs to ensure that they develop the TID and define some of the KPIs and update the system description to be clear and specific. Some of the KPIs are still unclear and ambiguous. Based on our assessment some of the KPIs are not verifiable, as detailed below Some KPIs not stipulating the timeframes when the various activities will be undertaken in order to assess the achievement of targets for activities relating to the KPI to be completed. Some KPIs are not specific regarding the method / formular for calculating performance. Based on our assessment some of the KPIs are not verifiable, as detailed below: Some KPIs not stipulating the timeframes when the various activities will be undertaken in order to assess the achievement of targets for activities relating to the KPI to be completed. Some KPIs are not specific regarding the method / formular for calculating performance. **TSHWANE ECONOMIC DEVELOMENT AGENCY SOC LIMITED (TEDA)** **AUDIT OF PERFORMANCE INFORMATION FOR QUARTER THREE (3)**	

NU	Date of Committee Meetings	Committee Recommendations	Recommendations adopted in 2022/23
		Based on assessment we noted that there are indicators in the adjusted business plan that are not well defined because the system descriptions are not adequately documented, to indicate the detailed input, process of collation, reporting of evidence and proper calculation of the targets achieved. Based on our assessment some of the KPIs were not verifiable, Unit of measurement or method of calculating performance to be specified. The process or means of verification to be clear and specific to validate or confirm achievement of the KPI. **SUMMARY OF STATUS OF APC RECOMMENDATIONS ESCALATED TO MAYCO PER DEPARTMENT** In prior periods, The APC recommended to the City Manager that issues raised are expected to be resolved within 120 days. Should the issues not be resolved within the stated time, action taken to address these should be escalated to Board.	

Appendix H: Long-Term Contracts and Public-Private Partnerships

Long-term contracts (20 largest contracts entered into) during the 2022/23 financial year)					
Tender Number	**Name of service provider (entity or City of Tshwane department)**	**Description of services rendered by the service provider**	**Duration**	**Name of Department**	**Contract value (rand value)**
GPM 15-2021/22	Gofa-One Business Enterprise	Tender invitation for the long-term lease and development of the following City-owned property: • Holding 21, Monavoni AH	30 years	Group Property Management	R40 825 p/m (Income) Total R14 697 000

APPENDIX I (I): MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE (HOUSING COMPANY TSHWANE)

Division	Focus Area	Key Performance Indicator	2022/23 Target	Baseline	Project Name	Budget	Annual Target	Annual Actual	Comments Work done / Reasons for non-performance	Mitigation plan
Property Management	Deliver good property and tenant management services and facilitating and supporting community development initiatives	Occupancy rate as a % of housing units under management	95%	95%	All stock under property management	R53,511,726 (Rental revenue)	95%	89%	**Not Achieved** Delay in tenanting Townlands impacted KPI performance	Occupancy rate % for Townlands will be incorporated in the calculation of the KPI performance
		% of repairs and maintenance budget spent at all buildings under management.	90% of annual budget	90% of annual budget	All stock under management	R15,039,573	90%	96%	**Achieved** Cleaning materials, waste bins and floodlights were acquired	N/A
	Deliver good property and tenant management services and facilitating and supporting community development initiatives	% of maintenance request resolved within the turnaround time in accordance with the HCT Property Management policy.	80%	80%	All stock under property management	R1,401,416 Employee cost	80%	92%	**Achieved**	N/A

Division	Focus Area	Key Performance Indicator	2022/23 Target	Baseline	Project Name	Budget	Annual Target	Annual Actual	Comments Work done / Reasons for non-performance	Mitigation plan
Stakeholder Management		% of complaints resolved within the stipulated time frames as per tenant management policy	75% Complaints resolved	New KPI	All stock under property management including the transferred rental stock	1,167,847	75%	88%	**Achieved** Cumulative there were 25 complaints and 22 were resolved timeously.	N/A
Finance & SCM	Revitalize Urban growth/dismantling poverty and inequality	% of goods and services procured from BBBEE compliant entity's and SMMEs	40% of total expenditure	31%	Goods and services	147,218,219	40%	50.64%	**Achieved** Capex spending on active greenfield projects contributed significantly	N/A
	Enhance our financial sustainability	% of Capital budget spent	95% of the Capital budget spent	90%	Budget management	311,309,662	95%	40.85%	**Not achieved** Less capex spending on active greenfield projects contributed significantly to nonachievement.	Capex budget for 2023/2024 has been aligned to the capex commitments
		% of Operational budget spent	95% of the Operational budget spent	90%	Budget management	86,025,794	95%	95.84%	**Achieved** Repairs and maintenance budget was fully utilized.	N/A

Division	Focus Area	Key Performance Indicator	2022/23 Target	Baseline	Project Name	Budget	Annual Target	Annual Actual	Comments Work done / Reasons for non-performance	Mitigation plan
		Rental revenue collected as a percentage of amount billed	95%	New	Townlands	33,915,532	95%	111.80%	**Achieved** Effective credit control	N/A
		Rental revenue collected as a percentage of amount billed	95%	90%	Eloff	3,979,849	95%	102.40%	**Achieved** Effective credit control	N/A

APPENDIX I (II): MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE (TSHWANE ECONOMIC DEVELOPMENT AGENCY)

Key IDP priority	TEDA KPIs	2020/21		2021/22		2022/23	
		Target	**Actual**	**Target**	**Target**	**Target**	**Actual**
Attracting investments and encouraging growth by making it easy to do business in Tshwane	Rand value of landed investment projects into the City of Tshwane	R2 billion	R1,443 billion	-	3.4 billion	R5bn	R4 746bn
	Number of job opportunities facilitated in Tshwane	500	810	300	760	-	4 485 (various investment projects)
Revitalising and supporting Tshwane's entrepreneurs	Number of capacity-building workshops held for Tshwane companies	6	6	5	5	0	0
	Number of foreign outward missions facilitated by TEDA	4	30	8	9	0	0

Key IDP priority	TEDA KPIs	2020/21		2021/22		2022/23	
		Target	Actual	Target	Target	Target	Actual
	Number of Tshwane-based companies assisted with export development	55	273	50	81	65	65
Infrastructure-led growth to catalyse and revitalise existing nodal economies	Number of precinct plans developed	2	2	0	0	0	0
	Number of marketing campaigns developed and implemented (new)	8	17	0	0	0	0
	Number of inward tourism missions hosted	4	5	0	0	0	0
Facilitate trade and investment	Number of investment or trade events hosted/Timberland undertaken (virtual/physical)	0	0	1 (New)	2	0	0
	Number of external investment projects attracted into the pipeline	11	11	14	14	17	18
	Estimated rand value of business agreements signed between Tshwane-based companies and external companies	R6 million	R8,8 million	R10 million	R921 million	R250 million	R1 billion

Appendix J: Disclosure of Financial Interest

Disclosures of Financial Interests		
Period 1 July 2022 to 30 June 2023 - Year 0 (Current Year)		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Cilliers Brink	Yes/ Submitted
Speaker	Mncedi Ndzwanana	Yes/ Submitted
Chief Whip	Christiaan Mauritz van den Heever	Yes/ Submitted
Member of Mayco /Exco	Douglas Ziyanda Zwane	Yes/ Submitted
	Johannes Jacobus Coetzee	Yes/ Submitted
	Umberto Grandi Theunissen	Yes/ Submitted
	Kingsley’s Hope Wakelin	Yes/ Submitted
	Peter Sutton	Yes/ Submitted
	Gertruida Elizabet Catharina Marx	Yes/ Submitted
	Ofentse Nathaniel Madzebatela	Yes/ Submitted
	Thembsmandla Elijah Fosi	Yes/ Submitted
	Granny Peggy de Bruin	Yes/ Submitted
	Rachel Katlego Mathebe	Yes/ Submitted
Municipal Manager	Johann Mettler	Yes/ Submitted
Acting Chief Financial Officer	Nthabiseng Merline Mokete	Yes/ Submitted
Acting Governance and Support Officer	Verusha Morgan/ Musawakhe Oscar Khumalo/ Gerald Mbulelo Shingange	Yes/Submitted

Disclosures of Financial Interests		
Period 1 July 2022 to 30 June 2023 - Year 0 (Current Year)		
Position	**Name**	**Description of Financial interests*** **(Nil / Or details)**
Acting Chief Operations Officer	Kwena Joseph Nkoko	Yes/Submitted
Other Section 56 (s56) Officials		
Acting Chief Audit Executive	Luthando Gobingca/ Mmakagiso Poo	Yes/Submitted
Acting Chief of Emergency	Moshema Petrus Mosia	Yes/Submitted
Acting Chief of Police	Basil Nkwashu/ Risenga Rackon Mahlaule	Yes/ Submitted
Acting Group Head: Communication, Marketing and Events	Selby Moeketsi Bokaba	Yes/Submitted
Acting Group Head: Strategies and Performance Management	Albertus Gideon van Zyl Siphumeze Cwayi/	Yes/ Submitted
*Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Revenue Collection Performance by source				
Description – R'000	2021/22	2022/23		
	Actual	Original Budget	Adjustments	Actual
Property rates	8,573,481	9,102,662	9,101,842	9,068,529
Property rates – penalties & collection charges		–	–	
Service Charges – electricity revenue	13,489,573	15,697,113	15,677,660	13,890,967
Service Charges – water revenue	4,957,673	5,554,721	5,445,662	5,087,220
Service Charges – sanitation revenue	1,497,223	1,502,943	1,612,221	1,608,410
Service Charges – refuse revenue	1,396,663	1,727,398	1,775,382	1,495,430
Service Charges - other		–	–	
Rentals of facilities and equipment	144,636	185,329	167,563	166,269
Interest earned – external investments	144,393	52,870	66,085	217,399
Interest earned – outside debtors	724,130	839,462	890,808	1,253,250
Dividends received		–	–	
Fines	115,987	274,803	228,836	151,567
Licences and permits	41,245	54,534	44,728	45,135
Agency services		–	–	
Transfers recognised - operational	5,388,941	4,496,044	4,619,121	4,760,313
Other revenue	1,149,599	2,663,961	2,665,030	2,988,741
Gains on disposal of PPE	317,486	–	–	377,195
Environmental Protection		–	–	
Total Revenue (excluding capital transfers and contributions)	**38,007,409**	**42,151,840**	**42,294,940**	**41,110,425**

Appendix L: Conditional Grants Received: Excluding MIG

Conditional Grants: excluding MIG						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
National Grants:						
Local Government Finance Management Grant	2,200,000	2,200,000	1,789,003	410,887	410,887	
Expanded Public Works Programme Incentive	15,496,000	15,496,000	15,496,000			
Public Transport Network Grant	753,681,000	753,681,000	702,246,665	51,434,335	51,434,335	
Programme and Project Preparation Support Grant	51,532,000	51,532,000	37,322,703	14,209,297	14,209,297	
Neighborhood Development Partnership Grant	150,215,000	150,215,000	149,251,557	963,443	963,443	
Energy Efficiency and Demand Side Management	9,000,000	9,000,000	8,355,674	644,326	644,326	
Urban Settlement Development Grant	1,044,111,000	1,044,111,000	878,335,895	165,775,105	165,775,105	
Informal Settlements Upgrading Partnership Grant	593,685,000	593,685,000	491,282,521	102,402,479	102,402,479	
Provincial Grants:						
Primary Health Care	61,258,000	61,258,000	61,258,000			
HIV and AIDS Grant	25,612,000	25,612,000	25,612,000			
Sport and Recreation: Community Libraries	21,750,000	23,809,276	22,193,538	-443,538	1,615,738	
Human Settlement Development Grant	34,800,000	65,929,789	4,563,872	30,236,128	61,365,917	
Mamelodi Bus Operations Subsidy	61,000,000	61,000,000	43,733,768	17,266,232	17,266,232	

Conditional Grants: excluding MIG						
Details	**Budget**	**Adjustments Budget**	**Actual**	**Variance**		**Major conditions applied by donor (continue below if necessary)**
				Budget	**Adjustment Budget**	
Other Specify:						
HCT- SHRA	194,999,705	324,693,032	140,317,904	54,681,801	184,375,128	
Total	3,019,339,705	3,182,222,097	2,581,759,210	437,580,495	600,462,887	
This includes Neighborhood 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.						

The inputs for this Appendix will only be finalised and incorporated after the release of the audited AFS by the AGSA.

Appendix M (i): Capital Expenditure: New Assets Programme

Capital Expenditure – New Assets Programme*							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Infrastructure	**1,203,186,723**	**1,307,592,551**	**1,285,913,410**	**987,456,131**	**1,095,265,781**	**1,235,799,566**	**1,269,869,750**
Roads Infrastructure	**426,247,774**	**437,643,251**	**447,325,715**	**395,738,727**	**370,570,261**	**437,875,000**	**508,369,750**
Roads	359,547,550	339,428,251	378,314,916	351,185,832	344,329,846	360,351,509	427,369,750
Road Structures	59,618,234	79,715,000	65,210,799	43,762,666	17,740,415	54,523,491	58,000,000
Road Furniture	7,081,991	18,500,000	3,800,000	790,229	8,500,000	23,000,000	23,000,000
Capital Spares	-	-	-	-	-	-	-
Storm water Infrastructure	**85,629,734**	**8,700,000**	**7,026,129**	**1,776,233**	**14,000,000**	**59,500,000**	**76,000,000**
Drainage Collection	-	-	-	-	-	-	-
Storm water Conveyance	85,629,734	8,700,000	7,026,129	1,776,233	14,000,000	59,500,000	76,000,000
Attenuation	-	-	-	-	-	-	-
Electrical Infrastructure	**242,499,246**	**303,278,718**	**342,978,718**	**314,878,630**	**330,366,378**	**343,000,000**	**334,000,000**
Power Plants	-	4,000,000	200,000	-	3,000,000	7,000,000	-
HV Substations	14,469,860	61,000,000	44,000,000	12,847,536	70,000,000	80,000,000	150,000,000
HV Switching Station	-	-	-	-	-	-	-

Capital Expenditure – New Assets Programme*							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
HV Transmission Conductors	-	10,000,000	2,000,000	-	20,000,000	17,000,000	25,000,000
MV Substations	35,848,710	33,000,000	28,000,000	34,979,065	44,000,000	39,500,000	27,000,000
MV Switching Stations	-	-	-	-	-	-	-
MV Networks	98,287,129	100,200,000	164,200,000	163,369,728	101,866,378	112,500,000	41,000,000
LV Networks	93,893,547	95,078,718	104,578,718	103,682,301	91,500,000	87,000,000	91,000,000
Capital Spares	-	-	-	-	-	-	-
Water Supply Infrastructure	**252,084,515**	**311,724,305**	**257,170,736**	**136,331,297**	**266,383,658**	**277,739,580**	**221,500,000**
Dams and Weirs	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-
Reservoirs	54,738,391	68,496,813	52,496,813	21,663,002	76,127,569	77,600,027	40,000,000
Pump Stations	-	1,500,000	1,800,000	-	300,000	-	-
Water Treatment Works	-	1,000,000	8,800,000	857,446	-	-	-
Bulk Mains	16,769,825	33,000,000	22,500,000	293,166	39,273,867	45,226,133	50,500,000
Distribution	85,152,446	117,727,492	81,573,923	27,724,437	70,682,222	94,913,420	41,000,000
Distribution Points	95,423,853	90,000,000	90,000,000	85,793,247	80,000,000	60,000,000	90,000,000
PRV Stations	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Sanitation Infrastructure	**186,070,798**	**229,546,277**	**214,912,809**	**126,305,897**	**93,545,484**	**90,184,986**	**130,000,000**
Pump Station	-	18,000,000	31,150,000	27,201,816	3,000,000	4,770,000	20,000,000

Capital Expenditure – New Assets Programme*							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Reticulation	180,713,045	192,351,407	177,567,939	99,104,081	87,314,372	72,414,986	55,000,000
Waste Water Treatment Works	-	4,000,000	3,000,000	-	1,031,112	2,000,000	55,000,000
Outfall Sewers	5,357,753	15,194,870	3,194,870	-	2,200,000	11,000,000	-
Toilet Facilities	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Solid Waste Infrastructure	**8,695,084**	**5,000,000**	**4,799,302**	**3,999,913**	**17,500,000**	**22,000,000**	**-**
Landfill Sites	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-	-
Capital Spares	8,695,084	5,000,000	4,799,302	3,999,913	17,500,000	22,000,000	-
Rail Infrastructure	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rail Lines	-	-	-	-	-	-	-
Rail Structures	-	-	-	-	-	-	-
Rail Furniture	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Coastal Infrastructure	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Capital Expenditure – New Assets Programme*							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Sand Pumps	-	-	-	-	-	-	-
Piers	-	-	-	-	-	-	-
Revetments	-	-	-	-	-	-	-
Promenades	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Information and Communication Infrastructure	**1,959,572**	**11,700,000**	**11,700,000**	**8,425,434**	**2,900,000**	**5,500,000**	-
Data Centres	-	10,000,000	10,000,000	8,425,434	-	-	-
Core Layers	-	-	-	-	-	-	-
Distribution Layers	1,959,572	1,700,000	1,700,000	-	2,900,000	5,500,000	-
Capital Spares	-	-	-	-	-	-	-
				0			
Community Assets	**30,178,949**	**77,262,000**	**56,842,976**	**34,661,482**	**43,794,000**	**34,454,000**	**15,750,000**
Community Facilities	**30,178,949**	**77,262,000**	**56,842,976**	**34,661,482**	**43,794,000**	**34,454,000**	**15,750,000**
Halls	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-
Clinics/Care Centres	14,595,624	49,000,000	30,000,000	9,686,813	7,500,000	-	-
Fire/Ambulance Stations	3,175,606	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-

Capital Expenditure – New Assets Programme*							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Libraries	12,407,720	14,562,000	13,142,976	12,936,590	12,294,000	14,454,000	15,750,000
Cemeteries/Crematoria	-	-	-	-	-	-	-
Police	-	10,000,000	10,000,000	9,647,918	-	-	-
Parks	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-
Markets	-	3,700,000	3,700,000	2,390,160	-	-	-
Stalls	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	24,000,000	20,000,000	-
Capital Spares	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Heritage assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Monuments	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-

Capital Expenditure – New Assets Programme*							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Investment properties	**30,434,783**	**25,000,000**	**-**	**-**	**25,100,000**	**25,000,000**	**-**
Revenue Generating	-	-	-	-	-	-	-
Improved Property	-	-	**-**	-	**-**	**-**	**-**
Unimproved Property	-	-	-	-	-	-	-
Non-revenue Generating	30,434,783	25,000,000	**-**	-	**25,100,000**	**25,000,000**	**-**
Improved Property	30,434,783	25,000,000	-	-	25,100,000	25,000,000	-
Unimproved Property	-	-	**-**	-	**-**	**-**	**-**
Other assets	**271,171,919**	**235,017,717**	**364,011,044**	**142,391,663**	**79,982,852**	**107,783,096**	**125,376,913**
Operational Buildings	**5,848,170**	**-**	**-**	**-**	**-**	**-**	**-**
Municipal Offices	5,848,170	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Housing	**265,323,749**	**235,017,717**	**364,011,044**	**142,391,663**	**79,982,852**	**107,783,096**	**125,376,913**
Staff Housing	-	-	-	-	-	-	-

Capital Expenditure – New Assets Programme*							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Social Housing	265,323,749	235,017,717	364,011,044	142,391,663	79,982,852	107,783,096	125,376,913
Capital Spares	-	-	-	-	-	-	-
Biological or Cultivated Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Biological or Cultivated Assets	-	-	-	-	-	-	-
Intangible Assets	**8,950,701**	**-**	**-**	**-**	**-**	**-**	**-**
Servitudes	-	-	-	-	-	-	-
Licences and Rights	**8,950,701**	**-**	**-**	**-**	**-**	**-**	**-**
Water Rights	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-
Computer Software and Applications	8,950,701	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-
Computer Equipment	**9,758,414**	**20,200,000**	**21,100,000**	**16,694,968**	**10,000,000**	**15,000,000**	**10,000,000**
Computer Equipment	9,758,414	20,200,000	21,100,000	16,694,968	10,000,000	15,000,000	10,000,000
Furniture and Office Equipment	**879,846**	**1,603,566**	**1,951,783**	**1,728,731**	**13,006,733**	**2,221,783**	**831,783**
Furniture and Office Equipment	879,846	1,603,566	1,951,783	1,728,731	13,006,733	2,221,783	831,783
Machinery and Equipment	**45,378,653**	**23,317,123**	**27,717,123**	**26,479,542**	**14,865,876**	**18,000,000**	**7,550,000**

Capital Expenditure – New Assets Programme*							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Machinery and Equipment	45,378,653	23,317,123	27,717,123	26,479,542	14,865,876	18,000,000	7,550,000
Transport Assets	**9,729,366**	**-**	**-**	**-**	**50,000,000**	**50,000,000**	**50,000,000**
Transport Assets	9,729,366	-	-	-	50,000,000	50,000,000	50,000,000
Land	**-**	**5,000,000**	**20,061,408**	**12,115,000**	**26,200,000**	**22,400,000**	**-**
Land	-	5,000,000	20,061,408	12,115,000	26,200,000	22,400,000	-
Zoo's, Marine and Non-biological Animals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	**1,609,669,355**	**1,694,992,957**	**1,777,597,744**	**1,221,527,517**	**1,358,215,242**	**1,510,658,445**	**1,479,378,446**
New	1,609,669,355	1,694,992,957	1,777,597,744	1,221,527,517	1,358,215,242	1,510,658,445	1,479,378,446
Renewal	675,597,084	500,193,563	506,974,935	495,545,158	370,694,584	355,513,611	284,413,490
Upgrade	434,606,843	597,918,631	531,617,368	510,632,195	618,777,082	468,505,926	584,500,000
	2,719,873,282	**2,793,105,151**	**2,816,190,047**	**2,227,704,869**	**2,347,686,908**	**2,334,677,982**	**2,348,291,936**
M(ii)	1,110,203,927	1,098,112,194	1,038,592,303	1,006,177,353	989,471,666	824,019,537	868,913,490

APPENDIX M (II): CAPITAL EXPENDITURE: UPGRADE/RENEWAL PROGRAMME

Capital Expenditure: Renewal/Upgrade Programmes							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Infrastructure	**889,448,528**	**773,512,196**	**734,020,064**	**709,533,276**	**821,971,666**	**775,519,537**	**803,913,490**
Roads Infrastructure	**378,524,753**	**157,332,367**	**144,300,724**	**117,612,731**	**109,300,000**	**96,115,550**	**309,413,490**
Roads	374,361,090	155,332,367	142,300,724	116,061,136	107,300,000	86,115,550	234,413,490
Road Structures	4,163,663	-	-	-	2,000,000	10,000,000	75,000,000
Road Furniture	-	-	-	-	-	-	-
Capital Spares	-	2,000,000	2,000,000	1,551,595	-	-	-
Storm water Infrastructure	**-**	**-**	**-**	**-**	**7,000,000**	**15,300,000**	**17,000,000**
Drainage Collection	-	-	-	-	5,000,000	6,300,000	7,000,000
Storm water Conveyance	-	-	-	-	2,000,000	9,000,000	10,000,000
Attenuation	-	-	-	-	-	-	-
Electrical Infrastructure	**147,907,709**	**281,179,829**	**237,679,829**	**272,494,219**	**284,894,584**	**292,013,611**	**91,000,000**
Power Plants	-	-	-	-	-	-	-
HV Substations	49,705,131	144,000,000	99,000,000	92,630,063	141,000,000	125,000,000	75,000,000
HV Switching Station	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-
MV Networks	2,519,368	7,500,000	7,500,000	7,087,139	5,000,000	5,000,000	-

Capital Expenditure: Renewal/Upgrade Programmes							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
LV Networks	95,683,210	127,179,829	127,179,829	165,190,699	133,194,584	162,013,611	16,000,000
Capital Spares	-	2,500,000	4,000,000	7,586,318	5,700,000	-	-
Water Supply Infrastructure	**179,599,467**	**134,100,000**	**172,278,160**	**164,120,972**	**98,500,000**	**107,000,000**	**120,000,000**
Dams and Weirs	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-
Reservoirs	2,860,891	4,000,000	4,000,000	1,488,816	19,000,000	16,000,000	20,000,000
Pump Stations	-	4,000,000	10,000,000	9,996,512	-	-	-
Water Treatment Works	67,996,687	36,100,000	65,500,000	62,901,897	500,000	15,000,000	-
Bulk Mains	-	13,000,000	15,700,000	15,590,685	-	-	-
Distribution	108,741,889	77,000,000	77,078,160	74,143,062	79,000,000	76,000,000	100,000,000
Distribution Points	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Sanitation Infrastructure	**165,674,264**	**159,900,000**	**135,800,000**	**114,562,437**	**272,277,082**	**213,090,376**	**226,500,000**
Pump Station	-	-	-	-	-	-	-
Reticulation	12,927,262	13,000,000	27,800,000	27,368,115	15,000,000	19,000,000	30,000,000
Waste Water Treatment Works	152,747,002	146,800,000	107,900,000	87,194,322	257,277,082	194,090,376	196,500,000
Outfall Sewers	-	100,000	100,000	-	-	-	-
Toilet Facilities	-	-	-	-	-	-	-

Capital Expenditure: Renewal/Upgrade Programmes							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Capital Spares	-	-	-	-	-	-	-
Solid Waste Infrastructure	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Landfill Sites	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Rail Infrastructure	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rail Lines	-	-	-	-	-	-	-
Rail Structures	-	-	-	-	-	-	-
Rail Furniture	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Coastal Infrastructure	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sand Pumps	-	-	-	-	-	-	-
Piers	-	-	-	-	-	-	-
Revetments	-	-	-	-	-	-	-
Promenades	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-

Capital Expenditure: Renewal/Upgrade Programmes							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Information and Communication Infrastructure	**17,742,335**	**41,000,000**	**43,961,351**	**40,742,917**	**50,000,000**	**52,000,000**	**40,000,000**
Data Centres	17,742,335	30,000,000	30,000,000	29,886,521	30,000,000	30,000,000	30,000,000
Core Layers	-	11,000,000	13,961,351	10,856,396	20,000,000	22,000,000	10,000,000
Distribution Layers	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-
Community Assets	**57,050,730**	**88,300,000**	**69,515,164**	**68,150,068**	**2,000,000**	**-**	**-**
Community Facilities	**22,679,503**	**31,300,000**	**20,015,164**	**16,504,813**	**-**	**-**	**-**
Halls	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-
Fire/Ambulance Stations	1,346,241	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-
Cemeteries/Crematoria	611,000	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-

Capital Expenditure: Renewal/Upgrade Programmes							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Nature Reserves	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-
Markets	(4,400)	11,300,000	11,550,000	11,298,441	-	-	-
Stalls	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	20,726,662	20,000,000	8,465,164	5,206,372	-	-	-
Capital Spares	-	-	-	-	-	-	-
Sport and Recreation Facilities	34,371,227	57,000,000	49,500,000	51,645,255	2,000,000	-	-
Indoor Facilities	-	-	-	-	-	-	-
Outdoor Facilities	34,371,227	57,000,000	49,500,000	51,645,255	2,000,000	-	-
Capital Spares	-	-	-	-	-	-	-
Heritage assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Monuments	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-
Investment properties	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenue Generating	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-

Capital Expenditure: Renewal/Upgrade Programmes							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Non-revenue Generating	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-
Other assets	**15,635,573**	**22,299,998**	**15,057,075**	**12,423,352**	**33,500,000**	**16,500,000**	**33,000,000**
Operational Buildings	**15,635,573**	**16,299,998**	**12,057,075**	**12,423,352**	**33,500,000**	**16,500,000**	**33,000,000**
Municipal Offices	272,647	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-
Training Centres	6,996,562	999,998	2,199,998	1,304,158	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-
Depots	8,366,363	15,300,000	9,857,077	11,119,194	33,500,000	16,500,000	33,000,000
Capital Spares	-	-	-	-	-	-	-
Housing	**-**	**6,000,000**	**3,000,000**	**-**	**-**	**-**	**-**
Staff Housing	-	-	-	-	-	-	-
Social Housing	-	6,000,000	3,000,000	-	-	-	-
Capital Spares	-	-	-	-	-	-	-

Capital Expenditure: Renewal/Upgrade Programmes							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Biological or Cultivated Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Biological or Cultivated Assets	-	-	-	-	-	-	-
Intangible Assets	**125,034,230**	**90,000,000**	**90,000,000**	**87,432,714**	**107,000,000**	**7,000,000**	**7,000,000**
Servitudes	-	-	-	-	-	-	-
Licences and Rights	**125,034,230**	**90,000,000**	**90,000,000**	**87,432,714**	**107,000,000**	**7,000,000**	**7,000,000**
Water Rights	-	-	**-**	-	**-**	**-**	**-**
Effluent Licenses	-	-	**-**	-	**-**	**-**	**-**
Solid Waste Licenses	-	-	**-**	-	**-**	**-**	**-**
Computer Software and Applications	125,034,230	90,000,000	**90,000,000**	87,432,714	**107,000,000**	**7,000,000**	**7,000,000**
Load Settlement Software Applications	-	-	**-**	-	**-**	**-**	**-**
Unspecified	-	-	**-**	-	**-**	**-**	**-**
Computer Equipment	**20,374,850**	**8,000,000**	**8,000,000**	**15,424,021**	**-**	**-**	**-**
Computer Equipment	20,374,850	8,000,000	8,000,000	15,424,021	-	-	-
Furniture and Office Equipment	**375,018**	**1,000,000**	**1,000,000**	**883,866**	**-**	**-**	**-**
Furniture and Office Equipment	375,018	1,000,000	1,000,000	883,866	-	-	-
Machinery and Equipment	**2,300,000**	**15,000,000**	**15,000,000**	**6,377,791**	**25,000,000**	**25,000,000**	**25,000,000**

Capital Expenditure: Renewal/Upgrade Programmes							
Description	2021/22	2022/23			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2023/24	2024/25	2025/26
Machinery and Equipment	2,300,000	15,000,000	15,000,000	6,377,791	25,000,000	25,000,000	25,000,000
Transport Assets	**(15,000)**	**100,000,000**	**106,000,000**	**105,952,265**	-	-	-
Transport Assets	(15,000)	100,000,000	106,000,000	105,952,265	-	-	-
Land	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Land	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-
Total Capital Expenditure on renewal & upgrade projects	**1,110,203,927**	**1,098,112,194**	**1,038,592,303**	**1,006,177,353**	**989,471,666**	**824,019,537**	**868,913,490**

APPENDIX N: CAPITAL PROGRAMMES BY PROJECT (CAPITAL PROJECTS EXPENDITURE)

Capital Programme by Project: 2022/23					
	Original Budget	Adjustment Budget	Actual	Variance (Act - Org) %	Variance (Act - Adj) %
Infrastructure	**2,081,104,747**	**2,019,933,474**	**1,696,989,407**	**82%**	**84%**
Roads Infrastructure	**594,975,618**	**591,626,439**	**513,351,459**	**86%**	**87%**
Roads	494,760,618	520,615,640	467,246,968	94%	90%
Road Structures	79,715,000	65,210,799	43,762,666	55%	67%
Road Furniture	18,500,000	3,800,000	790,229	4%	21%
Capital Spares	2,000,000	2,000,000	1,551,595	78%	78%
Storm water Infrastructure	**8,700,000**	**7,026,129**	**1,776,233**	**20%**	**25%**
Drainage Collection	-	-	-		
Storm water Conveyance	8,700,000	7,026,129	1,776,233	20%	25%
Attenuation	-	-	-		
Electrical Infrastructure	**584,458,547**	**580,658,547**	**587,372,849**	**100%**	**101%**
Power Plants	4,000,000	200,000	-	0%	0%
HV Substations	205,000,000	143,000,000	105,477,599	51%	74%
HV Switching Station	-	-	-		
HV Transmission Conductors	10,000,000	2,000,000	-	0%	0%
MV Substations	33,000,000	28,000,000	34,979,065	106%	125%
MV Switching Stations	-	-	-		
MV Networks	107,700,000	171,700,000	170,456,867	158%	99%
LV Networks	222,258,547	231,758,547	268,873,000	121%	116%
Capital Spares	2,500,000	4,000,000	7,586,318	303%	190%
Water Supply Infrastructure	**445,824,305**	**429,448,896**	**300,452,269**	**67%**	**70%**
Dams and Weirs	-	-	-		
Boreholes	-	-	-		
Reservoirs	72,496,813	56,496,813	23,151,817	32%	41%
Pump Stations	5,500,000	11,800,000	9,996,512	182%	85%
Water Treatment Works	37,100,000	74,300,000	63,759,343	172%	86%

Capital Programme by Project: 2022/23					
	Original Budget	Adjustment Budget	Actual	Variance (Act - Org) %	Variance (Act - Adj) %
Bulk Mains	46,000,000	38,200,000	15,883,851	35%	42%
Distribution	194,727,492	158,652,083	101,867,499	52%	64%
Distribution Points	90,000,000	90,000,000	85,793,247	95%	95%
PRV Stations	-	-	-		
Capital Spares	-	-	-		
Sanitation Infrastructure	**389,446,277**	**350,712,809**	**240,868,334**	**62%**	**69%**
Pump Station	18,000,000	31,150,000	27,201,816	151%	87%
Reticulation	205,351,407	205,367,939	126,472,196	62%	62%
Waste Water Treatment Works	150,800,000	110,900,000	87,194,322	58%	79%
Outfall Sewers	15,294,870	3,294,870	-	0%	0%
Toilet Facilities	-	-	-		
Capital Spares	-	-	-		
Solid Waste Infrastructure	**5,000,000**	**4,799,302**	**3,999,913**	**80%**	**83%**
Landfill Sites	-	-	-		
Waste Transfer Stations	-	-	-		
Waste Processing Facilities	-	-	-		
Waste Drop-off Points	-	-	-		
Waste Separation Facilities	-	-	-		
Electricity Generation Facilities	-	-	-		
Capital Spares	5,000,000	4,799,302	3,999,913	80%	83%
Rail Infrastructure	**-**	**-**	**-**		
Rail Lines	-	-	-		
Rail Structures	-	-	-		
Rail Furniture	-	-	-		
Drainage Collection	-	-	-		
Storm water Conveyance	-	-	-		
Attenuation	-	-	-		
MV Substations	-	-	-		

Capital Programme by Project: 2022/23					
	Original Budget	Adjustment Budget	Actual	Variance (Act - Org) %	Variance (Act - Adj) %
LV Networks	-	-	-		
Capital Spares	-	-	-		
Coastal Infrastructure	**-**	**-**	**-**		
Sand Pumps	-	-	-		
Piers	-	-	-		
Revetments	-	-	-		
Promenades	-	-	-		
Capital Spares	-	-	-		
Information and Communication Infrastructure	**52,700,000**	**55,661,351**	**49,168,351**	**93%**	**88%**
Data Centres	40,000,000	40,000,000	38,311,955	96%	96%
Core Layers	11,000,000	13,961,351	10,856,396	99%	78%
Distribution Layers	1,700,000	1,700,000	-	0%	0%
Capital Spares	-	-	-		
Community Assets	**165,562,000**	**126,358,140**	**102,811,551**	**62%**	**81%**
Community Facilities	**108,562,000**	**76,858,140**	**51,166,295**	47%	67%
Halls	-	-	-		
Centres	-	-	-		
Crèches	-	-	-		
Clinics/Care Centres	49,000,000	30,000,000	9,686,813	20%	32%
Fire/Ambulance Stations	-	-	-		
Testing Stations	-	-	-		
Museums	-	-	-		
Galleries	-	-	-		
Theatres	-	-	-		
Libraries	14,562,000	13,142,976	12,936,590	89%	98%
Cemeteries/Crematoria	-	-	-		
Police	10,000,000	10,000,000	9,647,918	96%	96%

Capital Programme by Project: 2022/23					
	Original Budget	Adjustment Budget	Actual	Variance (Act - Org) %	Variance (Act - Adj) %
Parks	-	-	-		
Public Open Space	-	-	-		
Nature Reserves	-	-	-		
Public Ablution Facilities	-	-	-		
Markets	15,000,000	15,250,000	13,688,601	91%	90%
Stalls	-	-	-		
Abattoirs	-	-	-		
Airports	-	-	-		
Taxi Ranks/Bus Terminals	20,000,000	8,465,164	5,206,372	26%	62%
Capital Spares	-	-	-		
Sport and Recreation Facilities	57,000,000	49,500,000	51,645,255	91%	104%
Indoor Facilities	-	-	-		
Outdoor Facilities	57,000,000	49,500,000	51,645,255	91%	104%
Capital Spares	-	-	-		
Heritage assets	**-**	**-**	**-**		
Monuments	-	-	-		
Historic Buildings	-	-	-		
Works of Art	-	-	-		
Conservation Areas	-	-	-		
Other Heritage	-	-	-		
Investment properties	**25,000,000**	**-**	**-**	**0%**	
Revenue Generating	-	-	-		
Improved Property	-	-	-		
Unimproved Property	-	-	-		
Non-revenue Generating	25,000,000	-	-	**0%**	
Improved Property	25,000,000	-	-	0%	

Capital Programme by Project: 2022/23					
	Original Budget	Adjustment Budget	Actual	Variance (Act - Org) %	Variance (Act - Adj) %
Unimproved Property	-	-	-		
<u>Other assets</u>	**257,317,715**	**379,068,119**	**154,815,014**	**60%**	**41%**
Operational Buildings	**16,299,998**	**12,057,075**	**12,423,352**	**76%**	**103%**
Municipal Offices	-	-	-		
Pay/Enquiry Points	-	-	-		
Building Plan Offices	-	-	-		
Workshops	-	-	-		
Yards	-	-	-		
Stores	-	-	-		
Laboratories	-	-	-		
Training Centres	999,998	2,199,998	1,304,158	130%	59%
Manufacturing Plant	-	-	-		
Depots	15,300,000	9,857,077	11,119,194	73%	113%
Capital Spares	-	-	-		
Housing	**241,017,717**	**367,011,044**	**142,391,663**	**59%**	**39%**
Staff Housing	-	-	-		
Social Housing	241,017,717	367,011,044	142,391,663	59%	39%
Capital Spares	-	-	-		
<u>Biological or Cultivated Assets</u>	**-**	**-**	**-**		
Biological or Cultivated Assets	-	-	-		
<u>Intangible Assets</u>	**90,000,000**	**90,000,000**	**87,432,714**	**97%**	**97%**
Servitudes	-	-	-		
Licences and Rights	**90,000,000**	**90,000,000**	**87,432,714**	**97%**	**97%**
Water Rights	-	-	-		

Capital Programme by Project: 2022/23					
	Original Budget	Adjustment Budget	Actual	Variance (Act - Org) %	Variance (Act - Adj) %
Effluent Licenses	-	-	-		
Solid Waste Licenses	-	-	-		
Computer Software and Applications	90,000,000	90,000,000	87,432,714	97%	97%
Load Settlement Software Applications	-	-	-		
Unspecified	-	-	-		
Computer Equipment	**28,200,000**	**29,100,000**	**32,118,990**	**114%**	**110%**
Computer Equipment	28,200,000	29,100,000	32,118,990	114%	110%
Furniture and Office Equipment	**2,603,566**	**2,951,783**	**2,612,597**	**100%**	**89%**
Furniture and Office Equipment	2,603,566	2,951,783	2,612,597	100%	89%
Machinery and Equipment	**38,317,123**	**42,717,123**	**32,857,332**	**86%**	**77%**
Machinery and Equipment	38,317,123	42,717,123	32,857,332	86%	77%
Transport Assets	**100,000,000**	**106,000,000**	**105,952,265**	**106%**	**100%**
Transport Assets	100,000,000	106,000,000	105,952,265	106%	100%
Land	**5,000,000**	**20,061,408**	**12,115,000**	**242%**	**60%**
Land	5,000,000	20,061,408	12,115,000	242%	60%
Zoo's, Marine and Non-biological Animals	**-**	**-**	**-**		
Zoo's, Marine and Non-biological Animals	-	-	-		
Total Capital Expenditure on new assets	**2,793,105,151**	**2,816,190,047**	**2,227,704,869**	**80%**	**79%**

APPENDIX O: CAPITAL PROGRAMMES BY WARD

Capital Programmes by Project by Ward: 2022/23			
Department	**Capital Projects**	**Ward (s) affected**	**Works Completed**
Economic Development and Spatial Planning	(710276) Supply and installation of public lights Tshwane Market	58;60	Yes
	(710276) Upgrading of ripening center	58;60	Yes
	(710276) Upgrading of perforated roller doors at Tshwane market	58;60	Yes
	(710276) Supply and installation of generators for Tshwane Market Facilities	58;60	No
	(713085) Marabastad Informal Traders Formalisation	58	Yes
	(712868) Upgrading of the market trading system	60	Yes
Energy and Electricity	(710163) Refurbishment of Mooikloof Substation	91	No
	(710163) Refurbishment Of Kwagga Infeed Substation	55	No
	(710163) Refurbishment of Pyramid Sub Station	96	No
	(712279) Wapadrand 132/11kV Substation	101;85	No
	(712872) Network Control Centre Reconfiguration	58	No
	(712279) Wildebees 400/132kV, 315MVA Infeed station	101	No
	(714008) Electricity Distribution Loss	34	No
	(712279) Ifafi 88/11kV Substation	7	No
	(711862) Prepaid Electricity Meters - Conventional	City Wide	No
	(711862) Prepaid Electricity Meters - Replacement	City Wide	
	(710325) Communication Upgrade: Optical Fibre network	City Wide	No
	(710176) Dangerous and obsolete switchgear	City Wide	No
	(710556) Region 2 (Public Lighting)	49	Yes
	(710556) Region 4 (Public Lighting)	61	No
	(710556) Region 5 (Public Lighting)	99	No

Capital Programmes by Project by Ward: 2022/23			
Department	**Capital Projects**	**Ward (s) affected**	**Works Completed**
	(710556) Region 6 (Public Lighting)	101	No
	(710556) Region 7 (Public Lighting)	105	No
	(710556) Region 3 (Public Lighting)	7	No
	(710556) Region 1 (Public Lighting)	89	No
	(710178) Electricity for All - Region 5	99	No
	(710178) Electricity for All - Region 7	105	No
	(712279) Soshanguve - JJ 132KV Power Line	26	No
	(712279) Kentron 132/11kV Substation	78	No
	(710178) Electricity for All - Region 6	101	No
	(710178) Electricity for All - Region 1	32	No
	(710178) Electricity for All - Region 3	55	No
	(710178) Electricity for All - Region 4	70	No
	(712279) Monavoni 132/11KV Substation	77	No
	(710177) Low Voltage Network Within Towns (Renewal)	City Wide	No
	(712908) Electricity vending infrastructure	City Wide	No
	(712861) Replacement of Obsolete Testing Equipment and Instruments.	City Wide	Yes
	(712688) Energy Efficiency and Demand Side Management	City Wide	No
	(712483) New Connections	City Wide	Yes
	(712006) Replacement of Obsolete And Non-functional Equipment	City Wide	No
	(710484) Secondary Substations	56	No
	(710481) Strengthening 11kV Overhead Network	City Wide	No
	(710480) Strengthening 11kV Cable network	City Wide	No

Capital Programmes by Project by Ward: 2022/23			
Department	**Capital Projects**	**Ward (s) affected**	**Works Completed**
	(710006) Payments to Townships for Reticulated Towns (City Wide)	City Wide	No
	(710005) Upgrading/Strengthening of Existing Network Schemes - City Wide	City Wide	Yes
Office of the Chief Operating Officer	(712533) Temba & Hammanskraal West Walkways	49;73;74;75;76;8	No
	(714048) Tshwane Automotive SEZ Phase 1 Bulk Infrastructure Roll out	86	No
Group Financial Services	(713063) Turnaround of Municipal Water Services - Reduction of Water Losses and Revenue Enhancement.	City Wide	No
	(712450) Insurance replacements	City Wide	No
	(712449) Insurance replacements (CTMM Contribution)	City Wide	No
Health Services	(714057) Medical Equipment	City Wide	No
	(713049) New Clinic Lusaka	10	No
Municipal Entities	(714023) Timberlands Construction Of 609 Social Housing Units	58;81	No
	(714023) Chantelle x39 construction of 600 social housing units	4	No
	(714023) Townlands Project - Construction of 1,200 social housing units	58	No
	Furniture and Office Equipment	Administrative HQ	
Human Settlements	(710863) Water reticulation - Portion 1 of erf 14582 Mamelodi (Elephants Community)	15	Yes
	(710863) Water provision - Pretorius Park	91	No
	(710864) Sewer reticulation - Garankuwa X10	30;32	No
	(710868) Acquisition of land	55	
	(710864) Sewer provision - Kudube X9	75	No
	(710864) Sewer reticulation - Mamelodi X6 erf 34041 (Phomolong)	40	No
	(710864) Sewer reticulation - Soshanguve MM	96	No
	(710865) Construction of roads & stormwater - Soshanguve ext19	88	No

Capital Programmes by Project by Ward: 2022/23			
Department	**Capital Projects**	**Ward (s) affected**	**Works Completed**
	(710864) Sewer reticulation - Refilwe X10	100	No
	(710864) Sewer reticulation - Pienaarspoort	100	No
	(710863) Water provision - Soshanguve MM	96	No
	(710863) Water provision - Pienaarspoort Extension 20	100	No
	(710863) Water provision - Refilwe ext 10	100	No
	(710864) Sewer provision - Nellmapius X22 -stand 12223 & 12224	101;40	Yes
	(710863) Water provision - Garankuwa X10	30;32	No
	(710863) Water provision - Refilwe X7	100	No
	(710864) Sewer reticulation - Refilwe X7	100	No
	(710864) Bulk Sewer Line - Winterveldt	25	No
	(710863) Water provision - Rama City (20 ML Reservoir)	4	No
	(710863) Booysens X4 (30ML Reservoir)	55	No
	(710863) Olievenhoutbosch X60 Bulk Water	77	No
	(710864) Sewer provision - Mabopane X12	22	No
	(710864) Sewer provision - Pretorius Park	91	No
	(710864) Sewer reticulation - Andeon X37	55	No
	(710864) Sewer reticulation - Booysens X4	55	No
	(710863) Water Provision - Mamelodi X6 erf 34041 (Phomolong)	40	No
	(710863) Water reticulation - Booysens X4	55	No
	(710863) Water reticulation - Andeon X37	55	No
	(710863) Water provision- Mabopane X12	22	No
	(710864) Sewer reticulation - Winterveldt	19	No
	(710864) Refilwe Manor Sewer pump station	100	No

Capital Programmes by Project by Ward: 2022/23			
Department	**Capital Projects**	**Ward (s) affected**	**Works Completed**
	(710863) Bulk water pipeline - Booysens X4	55	No
	(710863) Refilwe Manor 10ml reservoir	100	Yes
	(710864) Sewer provision - Rama City	32	No
	(710863) Zithobeni X8&9 - Bulk water main line	102	No
	(710863) Bulk Reservoir - Fort West X4&5	7	No
	(710864) Sewer provision - Zithobeni X8	102	No
	(710865) Construction of roads & stormwater - Soshanguve South X13	37	No
	(710865) Construction of roads & stormwater - Soshanguve South X12	37	No
	(710865) Construction of roads & stormwater - Fort West X5	7	No
	(710865) Construction of roads & stormwater - Zithobeni X8&9	102	No
	(710865) Construction of roads & stormwater - Zithobeni Heights	102	No
	(710865) Construction of roads & stormwater - Olievenhoutbosch X60	77	No
	(710865) Construction of roads & stormwater - Thorntree View	90	No
	(710865) Construction of roads & stormwater - Refilwe Manor X9	100;99	No
	(710865) Construction of roads & stormwater - Winterveldt	19;24	No
	(710863) Water provision - Winterveldt Water Reticulation	19;24	No
	(711712) Development of Saulsville hostels	7	No
Shared Services	(714094) Broadband - Ready for Occupation	Administrative HQ	Yes
	(714038) Sap integrated vending solution	Administrative HQ	No
	(714038) SAP 4 Hanna	Administrative HQ	No
	(710213S) Cyber Security	Administrative HQ	Yes
	(712028) Integrated E- Health Management System	Administrative HQ	No

Capital Programmes by Project by Ward: 2022/23			
Department	**Capital Projects**	**Ward (s) affected**	**Works Completed**
	(710344) Implementation Of Storage Area Network	Administrative HQ	Yes
	(710268) Computer Equipment Deployment - End user computer hardware equipment	City Wide	Yes
	(710200) Upgrade of IT Networks	City Wide	No
	(712950) Disaster Recovery System Storage	Administrative HQ	Yes
Roads and Transport (IRPTN)	(712591) Menlyn Taxi Interchange (Gobie)	46	No
	(712591) Menlyn Taxi Interchange (Dallas)	46	No
	(712591) Belle Ombre - Phase 2 (Overflow car park, Electric Fencing etc)	58	No
	(712591) Line 3: CBD to Atteridgeville - Section 2 (Pretoria West - Atteridgeville)	3;58;60;63;7	No
	(712591) Line 3: CBD to Atteridgeville - Section 1 (CBD - Pretoria West)	3;58;60	Yes
	(712591) Wonderboom Intermodal Facility (Hector Pieterson Station)	50	No
	(712591) APTMS: Future Lines Implementation of Advanced Public Transport Management system	City Wide	No
	(712591) Wonderboom Intermodal Facility (Building Works)	58	No
	(712591) Denneboom Depot	38;86	Yes
	(712591) Denneboom Intermodal facility	86	No
	(712591) NMT Line 2B (Hatfield to Menlyn)	82	No
	(712591) The Design, Supply, Installation, Operation and Maintenance of an automated fare Collection (AFC) System	Administrative HQ	No
	(712591) BRT Line 2C-Lynnwood Rd (btw January Masilela & Simon Vermooten)	44;46;85	No
	(712591) BRT Line 2C-January Masilela (btw Atterbury & Lynnwood Rd)	44;46	Yes
	(712591) Line 2B: Atterbury Rd (btw Lynnwood Rd to Lois Avenue)	82	No

Capital Programmes by Project by Ward: 2022/23			
Department	**Capital Projects**	**Ward (s) affected**	**Works Completed**
	(712591) Line 2B: Lynnwood Rd (btw University Rd to Atterbury)	56;82	No
Metro Police Department	(714095) Cable Theft Technology	City Wide	Yes
City Manager	(712500) Laptops	City Wide	No
Regional Operations & Coordination (ROC)	(714081) Electrical infrastructure testing and maintenance equipment	Administrative HQ	Yes
Shared Services	(710869) Purchase of Vehicles (City Wide)	City Wide	Yes
Community and Social Development Services	(712773) Capital Funded from Operating (Capital Moveables)	Administrative HQ	Yes
	(712916) Upgrade Refilwe Stadium	100	No
	(712915) Upgrading of Caledonian Stadium (Inner City Park)	81	No
Roads and Transport	(712946) Upgrading of roads and stormwater systems in Cullinan - Phase 0	100	No
	(710143) Major Stormwater Systems Klip kruisfontein	39	Yes
	(712611) Upgrading of Mabopane Block B	21	Yes
	(712611) Upgrading of Mabopane Block A	19	No
	(711863) Internal Roads Mabopane Block R (Phase 1)	22	Yes
	(711863) Internal Roads Ga-Rankuwa Zone 4	30;31	No
	(712894) Upgrading of Road from gravel to tar in Ekangala (Ward 103 and 104)	103	No
	(712946) Upgrading of roads and stormwater systems in Cullinan - Phase 1	100	No
	(712944) Upgrading of roads and stormwater systems in Refilwe	100	No
	(712520) Flooding backlog: Ramotse (Network 1A, 1C & 1F)	73	Yes
	(711213) Stormwater Drainage Mahube Valley	17	Yes
	(710223) Rehabilitation Of Bridges	City Wide	No
	(710115) Contributions: Services For Township Development	City Wide	Yes

Capital Programmes by Project by Ward: 2022/23			
Department	**Capital Projects**	**Ward (s) affected**	**Works Completed**
	(714065) Upgrading of Tshwane Bus Services Depots & Machinery	60	No
Group Human Capital Management	(712953T) Construction of Plumbing Workshop	Administrative HQ	No
Environment and Agricultural Management	(713045) Provision of waste containers	City Wide	No
Water and Sanitation	(712147) Upgrade water pump station (City Wide)	City Wide	No
	(712147) Upgrade of sewerage pump stations (City Wide)	City Wide	No
	(711335) Refurbishment Of Laudium Bulk Pipeline	61	No
	(712147) New Vlakplaats Pump station	58	No
	(714046) Salvokop Reservoir – Conduit Hydropower Plant	60	No
	(710411K) Ekangala WWTW: Upgrade of existing infrastructure	103	No
	(712121SL) Silver Lakes outfall sewer upgrade	101	No
	(714053) Laboratory Equipment	City Wide	No
	(712896) Water Conservation and Demand Management	City Wide	No
	(711921F) Bronkhorstspruit Water Purification Plant Refurbishment	102	No
	(712970) Mamelodi Ext 11 water (Bulk and reticulation) and sanitation services	10	No
	(711335) Cathodic protection to all Steel pipes (City wide)	59	No
	(710411) Waste Water Treatment facilities upgrades Minor Capital Projects (City wide)	City Wide	No
	(711921E) Bronkhorstbaai: Refurbishment and upgrade of Water Purification Plant	102	No
	(712534) New Parkmore LL Reservoir and HL Reservoir	44	No
	(712534) Relining/upgrading reservoirs	58	No
	(712534) Installation of telemetry, bulk meters and control equipment at reservoirs (City Wide)	City Wide	No
	(712534) Replace reservoir fencing (City Wide)	City Wide	Yes

Capital Programmes by Project by Ward: 2022/23			
Department	**Capital Projects**	**Ward (s) affected**	**Works Completed**
	(711404) Replacement Of deficient Sewers Programme	City Wide	Yes
	(710878K) Sewer reticulation Kudube 5	75	Yes
	(710878) Ekangala Block A - F sewer reticulation and toilets	104	No
	(710411D) Rooiwal WWTW Phase 1: Upgrading of Existing Infrastructure	96	No
	(710411C) Klipgat WWTW: Upgrading of existing infrastructure to 40Ml/d	22	No
	(710411A) Sunderland Ridge WWTW Phase1: Upgrade of existing infrastructure	70	No
	(710026) Replacement Of Worn-Out Water Network Pipes 2022_23	100	No
	(710022) Township Water and Sanitation Services Development: Tshwane Contributions (City Wide)	87	No

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	**Water**	**Sanitation**	**Electricity**	**Solid Waste Collection**
Schools (NAMES, LOCATIONS)				
None	None	None	None	None
None	None	None	None	None
None	None	None	None	None
Clinics (NAMES, LOCATIONS)				
None	None	None	None	None
None	None	None	None	None
None	None	None	None	None
None	None	None	None	None
				TP

Appendix Q: Service Backlogs Experienced by the Community where Another Sphere of Government is Responsible for Service Provision

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the City can act on an agency basis)	
Services and locations	
Scale of backlogs	**Impact of backlogs**
Informal housing counts: 210 informal settlements, with approximately 405 247 households	The continuation of urban sprawl and undermining of the City of Tshwane by-laws. It is difficult for the City to provide services due to a lack of bulk infrastructure services.
Backyard units: 168 215	Backyard rental is the second largest rental sector. The undermining of the City of Tshwane by-laws and a major drain on basic services and infrastructure. It is difficult for the City to sustain the service infrastructure in the present form.
National Housing Needs Register (also know as Demand Database) : 228 649	There is a high demand for houses that far exceeds the supply capacity of the government due to limited land, budget and service infrastructure.
Residents in old hostels: 25 228	Hostels were introduced to house black male workers cheaply in urban areas and are seen as "artefacts of the era of apartheid". The challenge that the new democratic government faces is to transform the hostels into family units that will be integrated into a sustainable human settlement. The issue of cost is at the centre as many of the people living in hostels are unemployed and living in poverty.

Appendix R: Declaration of Loans and Grants made by the Municipality

Declaration of Loans and Grants made by the municipality: 2022/23				
All Organisation or Person in receipt of loans*/Grants* provided by the municipality	**Nature of project**	**Conditions attached to the funding**	**Value 2022/23 R' 000**	**Total Amount committed over previous and future years**
Long term loan issued by the Municipality	N/A	N/A	N/A	N/A
Municipal Entity Subsidies:				
Housing Company Tshwane	Operating Subsidy	None	35,519,573.03	
Tshwane Economic Development Agency	Operating Subsidy	None	61,931,998.65	
Other transfers:				
Section 21 Schools Learning, Training and Support	Section 21 Schools Support		288,000.00	

Declaration of Loans and Grants made by the municipality: 2022/23				
All Organisation or Person in receipt of loans*/Grants* provided by the municipality	**Nature of project**	**Conditions attached to the funding**	**Value 2022/23 R' 000**	**Total Amount committed over previous and future years**
Executive Mayor Donations	EM Charitable Donations		1,430,165.55	
**Loans/Grants – whether in cash or in kind*				*TR*

Appendix S: National and Provincial Outcomes for Local Government

Outcomes or output	Progress to date (2022/23 financial year)	Number or percentage achieved (2022/23 financial year)
Output: Improvement of access to basic services	Provided water connections to 3 050 formal households against a target of 3 000 Provided basic water services to 148 informal settlements against a target of 138 informal settlements	101.66% formal households with water connections 107.24% informal settlements received rudimentary water connections
	Provided sanitation connections to 703 households against a target of 1 000 connections Provided basic sanitation services to 108 informal settlements against a target of 106 informal settlements	70.3% formal households received sanitation connections 101.88% informal settlements received rudimentary sanitation services
	Provided electricity connections to 1 017 formal households against a target of 4 940 (application driven),	20.58% of the targeted households received electricity connections and 7% against 14% of the targeted households for connections to the mains electricity through the Free Basic Electricity Programme (FBE)
	Provided 100% service of weekly waste removal from 2 351 areas Provided a total of 172 known informal settlements receiving basic refuse removal services.	100% of the 2 351 registered areas received waste removal service
Output: Implementation of the Community Work Programme	Created 20 893 new income-earning opportunities against a target of 17 964	116.30% income earning opportunities created
Output: Administrative and financial capability	Recorded a cost coverage of 0.15 against a target of 0.18 ratio Recorded a debt coverage of 13.0% against a target of 27.0%	0.15 cost coverage 13.0% debt covered

Outcomes or output	Progress to date (2022/23 financial year)	Number or percentage achieved (2022/23 financial year)
	Recorded service debtors to revenue of 20.3% against a target of 14.8%	20.3% service debtors covered

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements
for the year ended 30 June 2023

General Information

Nature of business and principal activities

The principal activities of the City of Tshwane Metropolitan Municipality are to:
- Provide democratic and accountable government to the local communities;
- Ensure sustainable services delivery to communities;
- Promote social and economic development;
- Provide local communities equitable access to the municipal services;
- Promote and undertake development in the municipality;
- Promote a safe and healthy environment; and
- Encourage the involvement of communities in local government affairs.

Mayoral committee

Executive Mayor	Cllr Cilliers Brink
Speaker	Cllr Mncedi Ndzwanana
Chief Whip	Ald Christo van den Heever
Member of the Mayoral Committee	Ald Sutton Peter
	Ald Mathebe Rachel Katlego
	Cllr Wakelin Kingsley
	Cllr Marx Gertruida Elizabeth Catha
	Cllr De Bruin Granny Peggy
	Ald Theunissen Umberto Grandi
	Ald Coetzee Johannes Jacobus
	Cllr Fosi Thembsmandla Elijah
	Cllr Zwane Douglas Ziyanda
	Cllr Madzebatela Ofentse Nathaniel

General Information

Other councillors

Cllr Dzumba Yvonne Kwena	Cllr Boshielo Mokhokela Kgope Frans	Cllr Seelane Nomvula Joyce	Cllr Maluleka Aaron Mokgale
Cllr Mashego Rasello Terence	Cllr Lelaka Sylvia Paulina	Cllr Tshabadi Molwamtwa Samuel	Cllr Masupha Nathaniel Rabasotho
Cllr Tsela Donald Khotso	Cllr Kgosiemang Jairus Kgosietsile	Cllr Mbokane Ellen Phumzile	Cllr Tsiane Sizwe Paulos Clifton
Cllr Moss Darryl	Cllr Patel Naeem	Cllr Mathibedi Moses Thabo	Cllr Masha Mogauwane Kenneth
Cllr Modise Veronica Palesa	Cllr Mazibuko Macalene Stanley	Cllr Moabelo Sarah Salamina	Cllr Fourie Roelof Petrus
Cllr Wakelin Kingsley'S Hope	Cllr Bosch Adru	Cllr Aphane Lerato Marcia	Cllr Sebola Abbiot Masopo
Cllr Joubert Mari	Cllr Phasha Mmakgoko Veron	Cllr Sethole Rose Sisi	Cllr Uys Reyaan
Cllr Kgatle Tshepo Floyd	Cllr Kgopotso Kholofelo Patience	Cllr Nhlapo Bafana Johan	Cllr Hlatshwayo Phumzile Brian
Cllr Mampuru Sekokobale Fortune	Cllr Mashapa Tebogo Patrick Kholofe	Cllr Matjeke Alfred Boas	Cllr Wilkinson Shaun
Cllr Leshabana Leofi Phillip	Cllr Mashego Phasudi Jeffrey	Cllr Masemola Thabang Mabitse	Cllr Strydom Catharina Elizabeth
Cllr Boikanyo Tshepang Sagious	Cllr Viljoen Henning Johannes	Cllr Molapo Nkele	Cllr Nkosi Fikile Emily
Cllr Molaba Polo Francinah	Cllr Sekanka Daniel Salthie	Cllr Mabogwana Magwaile Oliver	Cllr Breytenbach Andries
Cllr Mokgalotsi Nkoata Ananias	Cllr Makena Silias Mothupi	Cllr Uys Jacqueline	Cllr Marishane Mmina Tau Seabelo
Cllr Farquharson David James	Cllr Thabatha Tembeni Innocent	Cllr Van Buuren Johan Gerhard	Cllr Mashola Molatelo Samuel
Cllr Le Roux André	Cllr Mashigo Fiki Zophonia	Cllr Moloi Eunice Dineo	Cllr Masilela Joel Kgomotso
Cllr Smith Frans Johannes	Cllr Makola Maloke Joseph	Cllr Motubatse Hlowane Elisa	Cllr Muller Siobhan
Cllr Chiloane Enos Papiki	Cllr Ratau Saul Mokube	Cllr Zwane Douglas Ziyanda	Cllr Visser Gert Petrus
Cllr Bekker Johannes Christoffel	Cllr Madonsela Mashiba Isaac	Cllr Millar Peter Edward	Cllr Duvenage Yolanda
Cllr Makgaleng Katlego Godwill	Cllr Surgeon Mark Andrew	Cllr Mnisi Nondlandla Patricia	Cllr Breytenbach Aletta Susanna
Cllr De Jager Leanne Jennifer	Cllr Kekana Mavis Elizabeth	Cllr Nel Elma Johanna	Cllr Isak Petrus Du Plooy
Cllr Mtakati Nosipho	Cllr Jacobs Wesley Andre	Cllr Barendrecht John Willem	Cllr Mabaswa Mamma Cathrine

City of Tshwane Metropolitan Municipality
Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

General Information

Other councillors

Cllr Thema Floyd Makete	Cllr De Kock Issabel Alta	Cllr Grebe Roche Jacques	Cllr Lawrence Benjamin William
Cllr Helfrich Wayne Peter	Cllr Dibakwane Rebecca Khibidu	Cllr Malope Petrus	Cllr Ntohla Zacharia Sekete
Cllr Masemola Vusi Isaac	Cllr Setimo Zacharea	Cllr Meijer Peter Wynand Warnar	Cllr Phalwane Violet
Cllr Van Heerden Pieter Willem	Cllr Harmse Dehan	Cllr Pietersen Isak Jacobus	Cllr Rakabe Malesela Phohlo John
Cllr Mamatepa Seakakgole Peter	Cllr Malosi Thabo	Cllr Motau Lema Godfrey	Cllr Machava Patricia Lerato
Cllr Marx Gertruida Elizabeth Catha	Cllr Ngoveni Conride	Cllr Nortje Hendrik Jacobus	Cllr Ramphile Mpati Isaac
Cllr De Bruin Granny Peggy	Cllr Matlou Malesela Hendrick	Cllr Maas Shane	Cllr Matshiane Oupa Patrick
Cllr Mohlamme Thabiso Thabiso	Cllr Mathevula Benjamin Khazamula	Cllr Moloisane Segotlheng Trevor	Cllr Mtshali Raisibe Meriam
Cllr Morake Ronald	Cllr Matlhabane Ramokgushwane Lucas	Cllr Ratikwane Godwin Kaekae	Cllr Mabotsa Sarah Makaoka Mabotsa
Cllr Thwala Dumisani Sibusiso	Cllr Williams Moses Debyre Theresa	Cllr Pillay Novina Abegail	Cllr Basson Elizabeth Maria
Cllr Malefane Tshepo Patrick	Cllr Coetzee Johannes Jacobus	Cllr Mabitsela Mosima Maria	Cllr Notununu Odwa
Cllr Baloyi Jan Japane	Cllr Du Plooy Juanita	Cllr Mahlangu Nthabiseng	Cllr Seanego Sydney Ngoako
Cllr Mashapa Matome Adam	Cllr Erasmus Barend Hendrik Josephe	Cllr Meyer Christopher Anru	Cllr Manhique Rubesta Monyamane
Cllr Ramabodu Obakeng Samuel	Cllr Kruger Muller Marika Elizabeth	Cllr Mabena Tlhabajane William	Cllr Mashao Diamond Hendrick
Cllr Erasmus Lourens Abraham	Cllr Mc Donald Casper Nicolaas	Cllr Mabena Vusi Ephraim	Cllr Monama Mmabora Flora
Cllr Pienaar Christiaan Frederik	Cllr Mocumi Neo Tiragalo	Cllr Kgaboesele Frank	Cllr Mothoa Lesibana Hans
Cllr Mabusela Madumetja Rodney	Cllr Billson Cindy	Cllr Mthimunye Pogiso Glen	Cllr Manamela Makgopha Simon
Cllr Monchusi Rebecca Getrude Mmamo	Cllr Makhafula Madimetja Alfred	Cllr Frimmel Jarad	Cllr Chauke Hlamalani Queen
Cllr Moloto Lucas Kwena Pratt	Cllr Rambau Tshililo Victor	Cllr De Klerk Malcom Ian	Cllr Masuku Esther Nonzingo
Cllr Motale Sandy Kgaogelo	Cllr Janse Van Rensburg Lenor Dalee	Cllr Barron Marcia	Cllr Matlala Pinye Pilot
Cllr Barron Marcia	Cllr Sparg Anne Marie	Cllr Kruyshaar Leon Pieter	Cllr Madzebatela Ofentse Nathaniel

City of Tshwane Metropolitan Municipality
Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

General Information

Other councillors

Cllr Morodi Kholofelo Vivian	Cllr Makwarela Murunwa	Cllr Chapman Barend William	Cllr Rasweswe Unique Boitumelo
Cllr Semfeng Karabo Darius	Cllr Lewele Mpho Hans	Cllr Van Niekerk Albertus Martinus	Cllr Kgopa William Nkholo
Cllr Sebotsane Thabang Gamolemo	Cllr Nefdt Alette Catharina	Cllr Bekker Chris Francois	Cllr Moshidi Thabang
Cllr Erasmus Morne	Cllr Majola Duduzile Elsa	Cllr Mlotshwa Manakedi Elisa	Cllr Van Der Spuy Dirk Johannes Jac
Cllr Johnston Daryl	Cllr Pascoe Nicolaas Cornelius	Cllr Masina Bongani Mcdonald	Cllr Ndzwanana Mncedi
Cllr Shume Thulang Joseph	Cllr Middelberg Alexander Willem Fr	Cllr Masia Christopher Sikhumbuzo	Cllr Mogale Tlangi Jina
Cllr Michael Ndlovu	Cllr Lesch Andrew	Cllr Kgaugelo Stephans Phiri	Cllr Mark Mabitsi Boikanyo
Cllr Hlubi Gafane	Cllr Jacob Kekole Mathabathe	Cllr Henriette Louise Frohlich	Cllr Brendon Govender
Cllr Derick Thulani Mahlangu	Cllr Prajay Ramjee	Cllr Japhta Tshepiso Modiba	Cllr EugeneThipe Modise
Cllr Ofentse Moalusi	Cllr Makgabo Alex Kobo	Cllr Martin Tsintsi Madileng	Cllr Sylvester Tennyson Theophilus Phokoje
Cllr Tsung-Wei Lee	Cllr Mpho Malethakwe Mehalpe-Zimu	Cllr Daniel Gabriel Wannenburg	Cllr Odwa Notununu
Cllr Tshegofaso Molefe Mashabela	Cllr Tautona Sipho Nkadima	Cllr Komaseroto Benjamin Disoloane	

Grading of local authority Category A Grade 6 urban municipality (demarcation code - TSH)

Chief Financial Officer Gareth Mnisi

Accounting Officer Johann Mettler

Registered office
Tshwane House
320 Madiba street
Pretoria
0002

General Information

Postal address	PO Box 408 Pretoria 0001
Bankers	ABSA
Auditors	Auditor General South Africa (AGSA) Registered Auditors
Legislation governing the Municipality's operations	Local Government: Municipal Finance Management Act (Act 56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Housing Act (Act 107 of 1997) Constitution of the Republic of South Africa, 1996 Property Rates Act (Act 6 of 2004) Division of Revenue Act (Act 3 of 2016)
Entities to be consolidated at year end	Consistent with the prior financial year the following municipal entities will be included in the Consolidated Annual Financial Statements Housing Company Tshwane NPC (Registration nr 2001/029821/08) Tshwane Economic Development Agency Soc Ltd (TEDA) (Registration nr 2 006/019396/07)

Index

The reports and statements set out below comprise the audited consolidated annual financial statements presented to the municipal council:

Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
USDG	Urban Settlement Development Grant
HCT	Housing Company Tshwane
TEDA	Tshwane Economic Development Agency
TASEZ	Tshwane Automotive Special Economic Zone

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 audited consolidated annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the audited consolidated 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 audited consolidated annual financial statements and is given unrestricted access to all financial records and related data.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, standards are set for internal control aimed at reducing the risk of error or deficit. 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 group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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, the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited consolidated annual financial statements, except for the property, plant and equipment.

The group conducted a verification exercise for all its infrastructure assets and this exercise resulted in an additional newly identified assets, which were brought into the group’s assets registers during the 2021/22 financial year. Based on a high-level assessment conducted by management, it appears that the newly identified assets includes components of existing assets resulting in a possible overstatement of the fixed asset register. Management is in a process of correcting the error and the process could not be completed in the current year and will overlap into the next auditing cycle of 2023/24.

The accounting officer has reviewed the group’s cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, he is satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future. We would however like to bring to the attention of the users that uncertainty exists at reporting date due to the group’s declining liquidity levels and inability to secure external funding. These conditions may cast significant doubt on the group’s ability to continue as a going concern. Refer to Going Concern note 51 for additional information and measures

The audited consolidated annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

We certify that the salaries, allowances and benefits of councillors as disclosed in note 37 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government’s determination in accordance with the Act.

The audited consolidated annual financial statements set out on pages 8 to 170, which have been prepared on the going concern basis, were approved on 30 November 2023 and were signed on its behalf by:

Johann Mettler
City Manager

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	Group 2023	Group 2022 Restated*	Municipality 2023	Municipality 2022 Restated*
Assets					
Current Assets					
Inventories	3	936 609 648	829 307 765	936 609 648	829 307 765
Investments	4	753 936 842	870 166 084	753 936 842	870 166 084
Consumer receivables: Exchange	5	3 719 518 347	3 458 481 678	3 719 518 347	3 458 481 678
Consumer receivables: Non exchange	5	1 323 281 963	1 574 489 424	1 323 281 963	1 574 489 424
Other receivables from exchange transactions	6	822 076 156	677 662 918	818 343 098	706 641 902
Other receivables from non-exchange transactions	6	248 968 523	477 534 075	248 968 523	477 534 075
Long-term receivables - short term	7	177 873 136	319 764 045	177 873 136	319 764 045
Current tax receivable	10	622 062	176 480	-	-
Cash and cash equivalents	11	257 942 071	260 249 909	207 659 969	217 481 812
		8 240 828 748	**8 467 832 378**	**8 186 191 526**	**8 453 866 785**
Non-Current Assets					
Long-term receivables	7	184 980 377	172 956 380	184 980 377	172 956 380
Redemption fund asset	9	207 895 138	14 621 844	207 895 138	14 621 844
Living resources	12	301 779	323 268	301 779	323 268
Investment property	13	2 065 375 530	2 113 395 023	2 065 375 530	2 113 395 023
Property, plant and equipment	14	51 170 804 926	51 881 960 616	50 201 004 919	51 123 337 379
Intangible assets	15	1 131 649 776	1 074 827 766	1 131 016 720	1 074 470 077
Heritage assets	16	3 371 581 600	3 371 581 600	3 371 581 600	3 371 581 600
Investments in controlled entities	17	-	-	1 000	1 000
Investments in joint venture	18	825 075 388	729 982 089	825 075 388	729 982 089
Interest rates swaps	19	247 940 777	156 939 067	247 940 777	156 939 067
Deferred tax	20	626 897	603 636	-	-
		59 206 232 188	**59 517 191 289**	**58 235 173 228**	**58 757 607 727**
Total Assets		**67 447 060 936**	**67 985 023 667**	**66 421 364 754**	**67 211 474 512**
Liabilities					
Current Liabilities					
Loans and bonds	21	408 869 661	2 235 416 404	408 869 661	2 235 416 404
Finance lease obligation	22	40 441 700	100 016 320	39 610 903	99 250 104
Operating lease liability	8	810 296	396 340	-	-
Payables from exchange transactions	23	12 666 394 851	11 008 808 841	12 637 290 077	11 039 036 254
VAT payable	24	2 911 786 655	4 333 104 396	2 910 527 205	4 333 554 139
Consumer deposits	25	764 132 255	781 190 973	764 132 255	781 190 973
Employee benefit obligation	26	1 824 961 857	2 002 977 730	1 821 514 428	1 998 133 432
Unspent conditional grants and receipts	27	509 350 120	622 893 250	509 350 120	622 893 250
Provisions	28	-	413 854	-	-
Service concession arrangement	29	286 223 928	261 601 443	286 223 928	261 601 443
		19 412 971 323	**21 346 819 551**	**19 377 518 577**	**21 371 075 999**
Non-Current Liabilities					
Redemption fund liability	9	247 075 556	162 174 781	247 075 556	162 174 781
Interest rates swaps	19	9 560 148	11 907 174	9 560 148	11 907 174
Loans and bonds	21	9 091 315 444	8 619 508 047	9 091 315 444	8 619 508 047
Finance lease obligation	22	58 263 799	83 804 055	57 970 625	82 680 083
Operating lease liability	8	204 666	709 414	-	-
Employee benefit obligation	26	1 743 862 300	2 010 297 310	1 743 862 300	2 010 297 310
Provisions	28	1 330 175 817	1 395 981 272	1 330 175 817	1 395 981 272
Service concession arrangement	29	2 258 076 521	2 197 201 724	2 258 076 521	2 197 201 724
		14 738 534 251	**14 481 583 777**	**14 738 036 411**	**14 479 750 391**
Total Liabilities		**34 151 505 574**	**35 828 403 328**	**34 115 554 988**	**35 850 826 390**

* See Note 71

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

		Group		Municipality	
Figures in Rand	Note(s)	2023	2022 Restated*	2023	2022 Restated*
Net Assets		**33 295 555 362**	**32 156 620 339**	**32 305 809 766**	**31 360 648 122**
Accumulated surplus		33 295 555 362	32 156 620 339	32 305 809 766	31 360 648 122
Total Net Assets		**33 295 555 362**	**32 156 620 339**	**32 305 809 766**	**31 360 648 122**

* See Note 71

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Performance

		Group		Municipality	
Figures in Rand	Note(s)	2023	2022 Restated*	2023	2022 Restated*
Revenue					
Revenue from exchange transactions					
Service charges	30	22 082 026 846	21 341 134 097	22 082 536 989	21 341 584 955
Rental of facilities and equipment	35	166 269 283	144 635 711	152 934 706	135 351 089
Interest received (trading)		1 253 249 568	724 129 956	1 253 249 568	724 129 956
License and permits		45 134 784	41 244 557	45 134 784	41 244 557
Share of profit in associates: TASEZ	18	95 093 299	308 855 551	95 093 299	308 855 551
Other income	31	1 240 554 155	889 741 732	1 239 515 183	889 163 744
Interest received - investment		217 357 236	144 393 245	216 193 227	143 574 545
Total revenue from exchange transactions		**25 099 685 171**	**23 594 134 849**	**25 084 657 756**	**23 583 904 397**
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	32	9 068 528 767	8 573 481 923	9 069 425 546	8 574 328 398
Interest - Taxation revenue		41 804	33 192	-	-
Transfer revenue					
Government grants & subsidies	33	7 997 252 757	7 285 763 894	7 924 635 258	7 189 558 445
Public contributions and donations		77 434 592	17 344 513	9 434 592	17 344 513
Fines, Penalties and Forfeits	34	151 567 098	115 987 027	151 567 098	115 987 027
Total revenue from non-exchange transactions		**17 294 825 018**	**15 992 610 549**	**17 155 062 494**	**15 897 218 383**
Total revenue		**42 394 510 189**	**39 586 745 398**	**42 239 720 250**	**39 481 122 780**
Expenditure					
Employee related costs	36	(11 327 911 182)	(11 237 412 077)	(11 242 050 360)	(11 157 463 097)
Remuneration of councillors	37	(131 912 644)	(129 577 084)	(131 912 644)	(129 577 084)
Depreciation and amortisation	39	(2 552 368 304)	(2 952 063 575)	(2 550 371 952)	(2 949 604 160)
Finance costs	41	(2 211 922 633)	(1 673 304 864)	(2 211 768 972)	(1 673 075 316)
Debt Impairment	42	(3 366 563 441)	(2 774 333 980)	(3 365 289 194)	(2 772 904 927)
Other materials	43	(627 882 455)	(611 959 165)	(627 882 455)	(611 959 165)
Bulk purchases	44	(14 840 951 593)	(14 633 109 038)	(14 840 951 593)	(14 633 109 038)
Contracted services	45	(4 250 995 136)	(4 087 772 448)	(4 306 048 849)	(4 225 109 263)
Transfers and Subsidies	46	(3 272 188)	(8 051 388)	(100 723 760)	(102 761 036)
General Expenses	47	(1 798 678 032)	(1 956 403 291)	(1 772 289 359)	(1 932 313 649)
Total expenditure		**(41 112 457 608)**	**(40 063 986 910)**	**(41 149 289 138)**	**(40 187 876 735)**
Operating surplus (deficit)		**1 282 052 581**	**(477 241 512)**	**1 090 431 112**	**(706 753 955)**
Loss on disposal of assets		(130 512 703)	(432 395 862)	(130 323 273)	(432 176 357)
Gain/(loss) on foreign exchange		292 877	(394 113)	292 877	(394 113)
Fair value adjustments		108 297 255	267 407 051	108 011 734	267 407 051
Actuarial gains/(losses)	26	191 170 625	50 079 895	191 170 625	50 079 895
Impairment loss	40	(230 333 951)	(294 707 514)	(230 333 951)	(294 707 514)
Interest rate swap valuation		(84 087 481)	(389 105 504)	(84 087 481)	(389 105 504)
		(145 173 378)	**(799 116 047)**	**(145 269 469)**	**(798 896 542)**
Surplus (deficit) before taxation		**1 136 879 203**	**(1 276 357 559)**	**945 161 643**	**(1 505 650 497)**
Taxation	49	23 261	(1 590 954)	-	-
Surplus (deficit) for the year		**1 136 902 464**	**(1 277 948 513)**	**945 161 643**	**(1 505 650 497)**

* See Note 71

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus
Group	
Opening balance as previously reported	32 209 985 720
Adjustments	
Prior year adjustments	1 224 583 132
Balance at 01 July 2021 as restated*	**33 434 568 852**
Changes in net assets	
Surplus for the year	(1 277 948 513)
Total changes	(1 277 948 513)
Restated* Balance at 01 July 2022	**32 158 652 898**
Changes in net assets	
Surplus for the year	1 136 902 464
Total changes	1 136 902 464
Balance at 30 June 2023	**33 295 555 362**
Note(s)	
Municipality	
Opening balance as previously reported	38 527 950 601
Adjustments	
Correction of errors	(5 661 651 982)
Balance at 01 July 2021 as restated*	**32 866 298 619**
Changes in net assets	
Deficit for the year	(1 505 650 497)
Total changes	(1 505 650 497)
Opening balance as previously reported	36 585 718 690
Adjustments	
Correction of errors (refer to note 71)	(5 225 070 567)
Restated* Balance at 01 July 2022 as restated*	**31 360 648 123**
Changes in net assets	
Surplus for the year	945 161 643
Total changes	945 161 643
Balance at 30 June 2023	**32 305 809 766**

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Cash Flow Statement

		Group		Municipality	
Figures in Rand	Note(s)	2023	2022 Restated*	2023	2022 Restated*
Cash flows from operating activities					
Receipts					
Cash receipts from customers		28 061 478 323	28 319 774 259	28 048 072 668	28 310 178 569
Grants and subsidies received		8 150 399 878	7 369 771 481	8 077 782 379	7 262 814 497
Cash Interest income		1 401 661 865	885 724 967	1 400 512 117	884 885 782
Cash receipts from other revenue sources		1 493 754 226	980 162 119	1 493 768 573	979 727 461
		39 107 294 292	37 555 432 826	39 020 135 737	37 437 606 309
Payments					
Cash paid to employees		(11 978 442 230)	(11 151 058 765)	(11 891 664 922)	(11 070 511 348)
Cash paid to suppliers		(21 486 288 207)	(20 653 773 528)	(21 545 052 686)	(20 764 257 443)
Transfers and grants		(9 456 187)	(15 051 387)	(100 723 759)	(102 761 035)
Finance costs		(1 860 606 821)	(1 398 905 719)	(1 860 453 160)	(1 398 676 171)
Taxation		(445 582)	(36 507)	-	-
		(35 335 239 027)	(33 218 825 906)	(35 397 894 527)	(33 336 205 997)
Net cash flows from operating activities	50	**3 772 055 265**	**4 336 606 920**	**3 622 241 210**	**4 101 400 312**
Cash flows from investing activities					
Purchase of property, plant and equipment	14	(2 172 405 186)	(2 993 441 865)	(2 030 871 337)	(2 763 252 935)
Proceeds from sale of property, plant and equipment	14	550 000	-	550 000	-
Purchase of other intangible assets	15	(101 144 198)	(167 180 043)	(101 144 197)	(167 180 043)
Proceeds from sale of other intangible assets	15	58 261	-	58 261	-
Net movements in investments		(14 763 161)	(160 103 569)	(14 763 161)	(160 104 569)
Movement in redemption fund	9	(192 460 000)	197 349 309	(192 460 000)	197 349 309
Net cash flows from investing activities		**(2 480 164 284)**	**(3 123 376 168)**	**(2 338 630 434)**	**(2 893 188 238)**
Cash flows from financing activities					
Repayment of loans and bonds	21	(1 354 739 344)	(543 138 745)	(1 354 739 344)	(543 138 745)
Finance lease payments	22	(85 114 876)	(149 266 116)	(84 348 676)	(148 517 262)
Interest rate swaps		14 662 998	(164 081 258)	14 662 998	(164 081 258)
Net cash flows from financing activities		**(1 425 191 222)**	**(856 486 119)**	**(1 424 425 022)**	**(855 737 265)**
Net increase/(decrease) in cash and cash equivalents		**(133 300 241)**	**356 744 633**	**(140 814 246)**	**352 474 809**
Cash and cash equivalents at the beginning of the year		969 078 258	612 333 625	926 310 161	573 835 352
Cash and cash equivalents at the end of the year	11	**835 778 017**	**969 078 258**	**785 495 915**	**926 310 161**

* See Note 71

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Group						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	24 482 175 904	28 750 130	**24 510 926 034**	22 082 026 846	**(2 428 899 188)**	[1],[28]
Rental of facilities and equipment	185 328 567	(17 765 283)	**167 563 284**	166 269 283	**(1 294 001)**	[2],[28]
Interest received (trading)	839 461 560	51 346 325	**890 807 885**	1 253 249 568	**362 441 683**	[3]
Licences and permits	54 534 476	(9 806 075)	**44 728 401**	45 134 784	**406 383**	
Share of profit in associate: TASEZ	-	-	**-**	95 093 299	**95 093 299**	
Other income - (rollup)	1 010 866 674	1 069 396	**1 011 936 070**	1 240 554 155	**228 618 085**	[4],[27],[28]
Interest received - investment	52 869 584	13 215 730	**66 085 314**	217 357 236	**151 271 922**	[5],[27],[28]
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	9 102 662 104	(819 900)	**9 101 842 204**	9 068 528 767	**(33 313 437)**	[28]
Interest - Taxation revenue	-	-	**-**	41 804	**41 804**	
Transfer revenue						
Government grants & subsidies	6 149 138 250	123 077 093	**6 272 215 343**	6 413 406 961	**141 191 618**	[6],[27],[28]
Public contributions and donations	-	-	**-**	77 434 592	**77 434 592**	[17]
Fines, Penalties and Forfeits	274 803 177	(45 967 439)	**228 835 738**	151 567 098	**(77 268 640)**	[17]
Total revenue	**42 151 840 296**	**143 099 977**	**42 294 940 273**	**40 810 664 393**	**(1 484 275 880)**	
Expenditure						
Personnel	(12 633 285 079)	(4 676 975)	**(12 637 962 054)**	(11 327 911 182)	**1 310 050 872**	[8],[27],[28]
Remuneration of councillors	(163 862 988)	10 000 000	**(153 862 988)**	(131 912 644)	**21 950 344**	[9]
Depreciation and amortisation	(2 642 244 469)	15 448 875	**(2 626 795 594)**	(2 552 368 304)	**74 427 290**	[10],[27],[28]
Impairment loss/ Reversal of impairments	-	-	**-**	(230 333 951)	**(230 333 951)**	[26]
Finance costs	(1 508 149 599)	31 231 215	**(1 476 918 384)**	(2 211 922 633)	**(735 004 249)**	[11],[27],[28]
Debt Impairment	(2 306 620 209)	-	**(2 306 620 209)**	(3 366 563 441)	**(1 059 943 232)**	[12],[28]
Other materials	(677 408 572)	22 903 667	**(654 504 905)**	(627 882 455)	**26 622 450**	[13]
Bulk purchases	(15 777 290 691)	50 000 000	**(15 727 290 691)**	(14 840 951 593)	**886 339 098**	[14]
Contracted Services	(4 334 203 788)	(288 848 069)	**(4 623 051 857)**	(4 250 995 136)	**372 056 721**	[15],[28]
Transfers and Subsidies	(38 057 939)	6 467 851	**(31 590 088)**	(3 272 188)	**28 317 900**	
General Expenses	(2 067 361 852)	34 312 133	**(2 033 049 719)**	(1 798 678 032)	**234 371 687**	[16],[27],[28]
Total expenditure	**(42 148 485 186)**	**(123 161 303)**	**(42 271 646 489)**	**(41 342 791 559)**	**928 854 930**	
Operating deficit	**3 355 110**	**19 938 674**	**23 293 784**	**(532 127 166)**	**(555 420 950)**	
Loss on disposal of assets	(47 092)	(193 161)	**(240 253)**	(130 512 703)	**(130 272 450)**	[27]
Gain on foreign exchange	-	-	**-**	292 877	**292 877**	
Fair value adjustments	-	-	**-**	108 297 255	**108 297 255**	[17]
Actuarial gains/losses	-	-	**-**	191 170 625	**191 170 625**	[17]
Loss on redemption fund	-	-	**-**	(84 087 481)	**(84 087 481)**	[17]
	(47 092)	**(193 161)**	**(240 253)**	**85 160 573**	**85 400 826**	
Deficit before taxation	**3 308 018**	**19 745 513**	**23 053 531**	**(446 966 593)**	**(470 020 124)**	
Taxation	(515 021)	260 000	**(255 021)**	(23 261)	**231 760**	
Surplus for the year from continuing operations	**3 823 039**	**19 485 513**	**23 308 552**	**(446 943 332)**	**(470 251 884)**	

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Capital transfers and contributions	2 074 545 455	52 585 298	**2 127 130 753**	1 583 845 796	**(543 284 957)**	
Surplus/(Deficit) after capital transfers	**2 078 368 494**	**72 070 811**	**2 150 439 305**	**1 136 902 464**	**(1 013 536 841)**	

Capital expenditure per funding source	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
Public Transport Infrastructure and Systems Grant (PTIS)	269 700 000	(79 254 005)	**190 445 995**	165 411 332	**(25 034 663)**	18
Neighbourhood Development Partnership Grant (NDPG)	10 215 000	3 565 000	**13 780 000**	13 425 742	**(354 258)**	19
Urban Settlements Development Grant (USDG)	1 012 788 000	-	**1 012 788 000**	847 012 895	**(165 775 105)**	20
Energy Efficiency Demand Side Management (EEDSM)	8 280 000	-	**8 280 000**	8 277 414	**(2 586)**	21
Community Library Services (CLS)	14 562 000	(1 419 024)	**13 142 976**	12 936 590	**(206 386)**	22
Informal Settlements Upgrading Partnership Grant	564 000 750	-	**564 000 750**	464 163 555	**(99 837 195)**	23
Housing Company Tshwane - Social Housing Regulatory Authority (SHRA)	194 999 705	129 693 327	**324 693 032**	140 317 904	**(184 375 128)**	23
Public contributions and donations	50 000 000	-	**50 000 000**	39 912 042	**(10 087 958)**	24
Internally generated funds	180 840 687	458 218 607	**639 059 294**	536 247 395	**(102 811 899)**	25
Borrowings	487 719 010	(487 719 010)	**-**	-	**-**	25
Total sources of capital funds	**2 793 105 152**	**23 084 895**	**2 816 190 047**	**2 227 704 869**	**(588 485 178)**	
Reconciliation						

Municipality

Statement of Financial Performance

Revenue by source						
Service charges	24 482 175 906	28 750 129	**24 510 926 035**	22 082 536 989	**(2 428 389 046)**	[1]
Rental of facilities and equipment	114 051 558	-	**114 051 558**	152 934 706	**38 883 148**	[2]
Interest received (trading)	839 209 993	51 374 701	**890 584 694**	1 253 249 568	**362 664 874**	[3]
Licences and permits	54 534 476	(9 806 075)	**44 728 401**	45 134 784	**406 383**	
Share of profit in associate: TASEZ	-	-	**-**	95 093 299	**95 093 299**	
Other income	1 010 190 799	-	**1 010 190 799**	1 239 515 183	**229 324 384**	[4]
Interest received - investment	51 615 688	13 644 615	**65 260 303**	216 193 227	**150 932 924**	[5]
Property rates	9 102 662 104	(819 900)	**9 101 842 204**	9 069 425 546	**(32 416 658)**	
Government grants & subsidies	6 149 138 250	123 077 093	**6 272 215 343**	6 413 406 961	**141 191 618**	[6]
Public contributions and donations	-	-	**-**	9 434 592	**9 434 592**	
Fines, Penalties and Forfeits	274 803 177	(45 967 439)	**228 835 738**	151 567 098	**(77 268 640)**	
Total revenue	**42 078 381 951**	**160 253 124**	**42 238 635 075**	**40 728 491 953**	**(1 510 143 122)**	
Expenditure by type						
Employee related costs	(12 536 236 059)	(8 553 951)	**(12 544 790 010)**	(11 242 050 360)	**1 302 739 650**	[8]
Remuneration of councillors	(163 862 988)	10 000 000	**(153 862 988)**	(131 912 644)	**21 950 344**	[9]
Depreciation and amortisation	(2 623 014 866)	(2)	**(2 623 014 868)**	(2 550 371 952)	**72 642 916**	[10]
Finance costs	(1 507 813 010)	31 051 399	**(1 476 761 611)**	(2 211 768 972)	**(735 007 361)**	[11]
Debt Impairment	(2 305 356 818)	-	**(2 305 356 818)**	(3 365 289 194)	**(1 059 932 376)**	[12]
Other materials	(671 005 857)	18 456 515	**(652 549 342)**	(627 882 455)	**24 666 887**	[13]
Bulk purchases	(15 777 290 691)	50 000 000	**(15 727 290 691)**	(14 840 951 593)	**886 339 098**	[14]
Contracted Services	(4 307 123 410)	(297 162 700)	**(4 604 286 110)**	(4 306 048 849)	**298 237 261**	[15]
Transfers and Subsidies	(135 859 511)	6 817 851	**(129 041 660)**	(100 723 760)	**28 317 900**	

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

General Expenses	(2 048 025 753)	33 627 557	**(2 014 398 196)**	(1 772 289 359)	**242 108 837**	[16]
Total expenditure	**(42 075 588 963)**	**(155 763 331)**	**(42 231 352 294)**	**(41 149 289 138)**	**1 082 063 156**	
Operating deficit	**2 792 988**	**4 489 793**	**7 282 781**	**(420 797 185)**	**(428 079 966)**	
Loss on disposal of assets	-	(193 161)	**(193 161)**	(130 323 273)	**(130 130 112)**	
Gain on foreign exchange	-	-	**-**	292 877	**292 877**	
Fair value adjustments	-	-	**-**	108 011 734	**108 011 734**	[17]
Actuarial gains/losses	-	-	**-**	191 170 625	**191 170 625**	[17]
Impairment loss	-	-	**-**	(230 333 951)	**(230 333 951)**	[26]
Loss on redemption fund	-	-	**-**	(84 087 481)	**(84 087 481)**	[17]
	-	**(193 161)**	**(193 161)**	**(145 269 469)**	**(145 076 308)**	
Deficit before taxation	**2 792 988**	**4 296 632**	**7 089 620**	**(566 066 654)**	**(573 156 274)**	
Surplus for the year from continuing operations	**2 792 988**	**4 296 632**	**7 089 620**	**(566 066 654)**	**(573 156 274)**	
Capital transfers and contributions	1 879 545 750	(77 108 029)	**1 802 437 721**	1 511 228 297	**(291 209 424)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**1 882 338 738**	**(72 811 397)**	**1 809 527 341**	**945 161 643**	**(864 365 698)**	

Capital expenditure per funding source	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	
Public Transport Infrastructure and Systems Grant (PTIS)	269 700 000	(79 254 005)	**190 445 995**	165 411 332	**(25 034 663)**	18
Neighbourhood Development Partnership Grant (NDPG)	10 215 000	3 565 000	**13 780 000**	13 425 742	**(354 258)**	19
Urban Settlements Development Grant (USDG)	1 012 788 000	-	**1 012 788 000**	847 012 895	**(165 775 105)**	20
Energy Efficiency Demand Side Management (EEDSM)	8 280 000	-	**8 280 000**	8 277 414	**(2 586)**	21
Community Library Services (CLS)	14 562 000	(1 419 024)	**13 142 976**	12 936 590	**(206 386)**	22
Informal Settlements Upgrading Partnership Grant	564 000 750	-	**564 000 750**	464 163 555	**(99 837 195)**	23
Public contributions and donations	50 000 000	-	**50 000 000**	39 912 042	**(10 087 958)**	24
Internally generated funds	179 437 121	419 652 378	**599 089 499**	533 206 162	**(65 883 337)**	25
Borrowings	487 719 010	(487 719 010)	**-**	-	**-**	25
Total sources of capital funds	**2 596 701 881**	**(145 174 661)**	**2 451 527 220**	**2 084 345 732**	**(367 181 488)**	

Budget information - City

The group deems a 10% deviation on operational revenue and expenditure and a 5% or more for capital expenditure between budget and actual amounts to be material. These percentages are based on management's estimate and is considered to be appropriate. All material differences are explained in the notes to the annual financial statements.

Explanation of variance on revenue and expenditure

Revenue

[1] Revenue from electricity is lower than projected due to various factors such loadshedding with more people making use of alternative electricity sources and due to low meter-reading rate resulting from faulty meters.

[2] The revenue from business rentals was better than projected budget.

[3] Interest earned on outstanding debtors is over the budget due to increase in arrear debtors.

[4] Other income was better than projected, mainly on Market Fees, Admission Fees, Transport Fees, Township development contribution. Most items in this group are demand driven.

[5] Interest earned on investments was more than what was projected in the budget.

[6] The variance on Government grants is as a result of under performance on Public Transport Network Grant, Human Settlements Development Grant, and Project Preparation Grant. Revenue recognition is based on performance.

[7] The underperformance on fines, penalties and forfeits revenue is attributed to the lower collection of AARTO fine.

Expenditure

[8] Employee related costs performance against budget reflects a savings mainly on salaries due to vacant positions not filled and a savings resulting from recalculation of leave provision and revaluation of provision for employee benefits.

[9] The savings on remuneration of councillors is due to non payment of councillors remuneration increases.

[10] Depreciation increased due to higher than projected additional assets added to the fixed assets register and capitalised for the year under review.

[11] The over expenditure on interest payable is due to reclassification of leases and interest levied on late payment of invoices.

[12] Debt impairment exceed the budget as a result of high default rate on consumer accounts.

[13] The savings on other material is due to under expenditure on various line items ranging from stationery to materials and supplies.

[14] Bulk purchases reflects a savings due to decreased unit purchased for both electricity and water services.

[15] Contracted Services is under the budget mainly due to reclassification of Tshwane House rental and due to the under expenditure on housing top structures. containment.

[16] General expenditure is under the budget on various line items including savings on rental of buildings, uniforms and rental of equipment due to implementation of cost.

[17] This refers to Share of profit in Joint Venture: TASEZ, Impairment, Fair value adjustment, Actuarial gains and redemption fund which were not budgeted for

Capital

[18]Wonderboom Intermodal Facility (Building Works) - Expenditure has been affected by lack of performance by the contractor.

[19]Tshwane Automotive SEZ Phase 1 Bulk Infrastructure Roll out - Most of the snags have not yet been completed and signed off by the City's engineers, thus the under expenditure.

[20]The under expenditure relates to delay in the commissioning of some of the projects i.e Ekangala Block A - F sewer reticulation project

[21]Energy Efficiency and Demand Side Management - Financial milestones achieved.

[22]Capital Funded from Operating (Capital Movables) - All library books, ITC equipment and library furniture delivered.

[23]Under expenditure on Informal Settlements Upgrading Partnership Grant is due to land acquisition delayed negotiations with landowners & changes brought by not agreeing on the selling price.

[24]Wapadrand 132/11kV Substation - The project experienced delays on manufacturing of the switchgear.

[25]The underspending was caused by delays in the conclusion of the services agreement for Township Water and Sanitation Services Development and for Kameelfontein Extension 1

[26]This refers to impairment of assets which was also not budgeted for.

[27] Budget differences - TEDA

Statement of Comparison of Budget and Actual Amounts

The entity's approved budget is R63,553,293 excluding operational capital budget of R451,783. The approved budget covers the period from 01 July 2022 to 30 June 2023. The budget and accounting bases are the same. The financial statements are prepared on the accrual basis using a classification on the nature of expenses in the statement of financial performance.

A reconciliation between the actual amounts on the comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cash flow statement for the period ended 30 June 2023 is presented below. The financial statements and budget documents are prepared for the same period. There is a basis difference between the budget and the cash flow statement presented by the reconciliation statement below which is attributed to the purchase of property, plant and equipment and taxation.

TEDA considers 10% a material variance in monitoring spending trends. A detail explanation of the variance is important in order to aid planning and decision making. The budget is as per the economic classification and explanation on revenue collection and expenditure is as follows:

Revenue Analysis

Revenue for the entity constitute of the grant received from CoT, other income, interest income from a favourable bank balances and interest income from taxation.

- Grant revenue from CoT is transferred to TEDA every quarter in four equal installments. For the reporting period ended 30 June 2023, 100% of the budgeted revenue has been invoiced. The operational grant is not conditional, thus the unspent portion of the grant is regarded as a saving.
- Other income represents funds received from ad hoc sources and R240,074 has been earned as at the reporting date and is as expected.
- Interest income earned for the period is at 127% compared to budget and it is as expected given the prevailing high interest rate.
- TEDA managed to earn interest income from the overpayment of the provisional tax amounting to R41,804.

Expenditure Analysis

Total expenditure for the period is at 100% of the total budget with a variance of +0.4% excluding taxation and capital expenditure, below is detailed expenditure analysis:

- Remuneration of employees is at 100% as the former CEO legal matter has been settled.
- Remuneration of board of directors is at 100% as expected and per the board annual work plan.
- Depreciation and amortisation is a non-cash item and the expense is at 98% and is as planned.
- Trade and investment promotion spending is at 50%.
- Projects spending is R258,230 towards the agro processing hub in line with budget.
- General expenses spending is at 103% and savings from prior years have been appropriated for this purpose.
- Finance cost refers to finance leases interest where spending is at R153,660.
- Loss on assets written-off is R33,282 as at the reporting period and is as expected.
- Taxation expense driven by deferred tax and for the period under review there is an assessed loss with no actual tax liability.

[28] Budget differences - HCT

Rental of facilities and equipment

The variance of 75% (underperformance), was due to delay on tenanting Townlands project and the fact that the entity has not invoiced the transfers from COT (Group property & Human Settlement) in the current financial year. The transfer agreements were approved, and HCT has finalised the transfer process for Group Property stock to HCT through conveyancing process. The entity tenanted Townlands on the 1 December 2022 and billed R3,1 million.

Interest received - outstanding debtors

interest received of 37% (underperformance),was due to the delay in sourcing Group Property debtor’s book from the transferred stock.

Interest received - external investments

Interest on investment was higher than the budget by 9%, due to more cash invested in a call account. As at 30 Jun 2023 the call account balance was R3.4 million @ the interest of 8.1% compounded daily.

Other revenue

Other revenue lower than the budget by 13% as a result of less leasing administration fees, electricity recoveries and bad debts recovered

Donated Group Property Assets

The entity did not budget for Group Property Stock.This resulted to over revenue performance of 100%.

Fair Value adjustment

The entity did not budget for fair value adjustment. This resulted to over fair value adjustment of 100%.

Employee Costs

The variance of 12% underspending was due to delay in filling vacant critical positions waiting for the City of Tshwane to lift the moratorium on filling vacant critical positions.

Remuneration of directors

The variance of 16% underspending was due to less Board meetings as per the Board Calendar. Furthermore, the reduction of Non-Executive Directors declined from 7 to 5 members.

Debt impairment

The variance of over budget by 1% was due to non- payment of levies by Clarina tenants. Clarina building is a complex transferred to Housing Company Tshwane by the City. The complex is utilized to provide alternative accommodation to ex- Schubart Park residents.

Depreciation and amortisation

Overbudget of 10% as a result of re-classification from Assets under construction to Building.

Other material

The variance of 12% underspending was due the delay in procurement process to appoint panel of service providers for plumbing and electrical consumables for repairs and maintenance of the buildings. The consumables were only bought in quarter 4 cumulatively.

Contracted services

Contracted services were fully utilised (15% overspending) due to conveyancing costs incurred on Group Properties stock transferred to the Entity.

General Expenses

The variance was attributable to non-spending by 15% on operating expenses on items such as uniforms, travel and accommodation, printing and stationery, advertising, and promotion.

Loss on disposal of assets

Management did not budget for loss on disposal of assets. This resulted in the overspending of 100%.

Transfer recognised - Capital

The variance of 61% underperformance was due to less grant allocated to the entity by the City of Tshwane and grant not claimed for Chantelle project from Social Housing Regulatory Authority (SHRA).

1. Significant account policies

The principal accounting policies applied in the preparation of these audited consolidated annual financial statements are set out below.

1.1 Basis of preparations

The audited consolidated annual financial statements have been prepared in accordance, and are in compliance 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 audited consolidated 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.

1.2 Presentation currency

These audited consolidated annual financial statements are presented in South African Rand, which is the functional currency of the group.

1.3 Going concern assumption

These audited consolidated annual financial statements have been prepared based on the expectation that the group will continue to operate as a going concern for at least the next 12 months (refer to note 51). The basis presumes that funds will be available for future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of these financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the City of Tshwane's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements where applicable.

1.5 Investment property

Investment property is carried at cost, less accumulated depreciation and impairment. Transaction costs are included in the initial measurement.

Depreciation is calculated on a straight-line basis.

Cost model

Item	**Useful life**
Property - land	indefinite
Property - buildings	9 - 47 years

1.6 Property, plant and equipment

Property, plant and equipment is measured at cost, less accumulated depreciation and impairment.

Depreciation is calculated at cost, using the straight-line method.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item including individual components	**Useful life**
Land	Indefinite
Operational Buildings	3 - 80 years
Transport assets	3 - 15 years
Infrastructure	3 - 100 years
Community Assets	3 - 100 years

1.6 Property, plant and equipment (continued)

Other property, plant and equipment	
• Housing	10 - 119 years
• Computer equipment	3 - 10 years
• Furniture and Office equipment	2 - 15 years
• Machinery and Equipment	2 - 20 years
• Library Materials	5- 20 years
Service Concession: Community	Indefinite
Service Concession: Tshwane house	30 years
Leased assets	
• Vehicles, equipment, etc	3 - 20 years

The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

The residual value and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the charge is accounted for a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The 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 group tests for impairment where there is an indication that an asset might be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount) it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to surplus or deficit for the year.

1.7 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight-line-basis over its anticipated useful live. Generally, costs associated with developing computer software programs are recognised as an expense as incurred. However, costs that are clearly associated with an identifiable and unique product, which will be controlled by the group and have a probable benefit exceeding the cost beyond one year, are recognised as an intangible asset.

Expenditure which enhances and extends the benefits of computer software programs beyond the original life of the software is capitalised. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives. Costs associated with the maintenance of existing computer software programs are expensed as incurred.

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.

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.

1.7 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Computer software	4 -30 years
Servitudes	Indefinite

Servitudes when registered do not expire after a period of time. There is no time condition coupled to it, therefore the indefinite useful life.

Intangible assets are derecognised:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss (difference between the net disposal proceeds and the carrying amount) arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.8 Heritage assets

Heritage assets are measured at cost less accumulated impairment.

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.

The group assess at each reporting date whether there is an indication that a heritage asset may be impaired. If any such indication exists, the group estimates the recoverable amount or the recoverable service amount of the heritage asset.

1.9 Living resources

Living resources consist of animals kept and maintained for recreational purposes i.e. cattle, poultry, fellow deer, goats, horses, pigs and sheep, as well as service animals i.e. dogs and horses.

Non-living resources, other than land, is not recognised as assets.

A living resource shall be recognised as an asset if, and only if:
(a) it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
(b) the cost or fair value of the asset can be measured reliably.

A living resource that qualifies for recognition as an asset shall be measured at its cost less accumulated depreciation and impairment.

Where a living resource is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Item	Useful life
Cattle (Bull, Cow, Calf)	11 - 20 year
Poultry	10 - 15 years
Fellow deer	7 - 9 years
Goat (Ram, Ewe, Lamb)	7 - 20 years
Horse (Recreation)	4 - 20 years
Pig	6 - 8 years
Sheep (Ram, Ewe, Lamb)	2 - 20 years
Dog (Law Enforcement)	5 - 15 years
Horse (Law Enforcement)	9 - 17 years

1.10 Interest in joint venture

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost and the carrying amount is increased or decreased to recognise the investor’s share of the surplus or deficit of the investee after the date of acquisition. The investor’s share of the investee’s surplus or deficit is recognised in the investor’s surplus or deficit. Adjustments to the carrying amount may also be necessary for changes in the investor’s proportionate interest in the investee arising from changes in the investee’s equity that have not been recognised in the investee’s surplus or deficit.

The most recent available financial statements of the associate or joint venture are used by the entity in applying the equity method. When the end of the reporting period of the entity is different from that of an associate or a joint venture the entity either:

(a) obtains, for the purpose of applying the equity method, additional financial information as of the same date as the financial statements of the entity; or

(b) uses the most recent financial statements of the associate or joint venture adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the entity’s financial statements.

1.11 Financial instruments

Classification

The group 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
Investments	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Long-term receivables	Financial asset measured at amortised cost
Consumer receivables: Exchange	Financial asset measured at amortised cost
Consumer receivables: Non exchange	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Redemption fund asset	Financial asset measured at fair value
Interest rates swaps	Financial asset measured at fair value

The group 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
Loans and bonds	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Bank overdraft	Financial liability measured at amortised cost
Service concession arrangement	Financial liability measured at amortised cost
Interest rate swaps	Financial liability measured at fair value
Redemption fund liabilities	Financial liability measured at fair value

Initial recognition

The group recognises a financial asset or a financial liability in its statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The group measures a financial asset and financial liability initially at its fair value.

1.11 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

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, 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.

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.

Fair value 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.

1.12 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, which consist of fines and property rates.

Recognition

The group recognises statutory receivables using the policy on Revenue from non-exchange transactions (Property rates and transfers).

Initial measurement

The group initially measures statutory receivables at their transaction amount.

Subsequent measurement

The group 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.

1.13 Tax

Current tax assets and liabilities

Tax for current and prior periods is, to the extent unpaid is recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.13 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

The City of Tshwane Metropolitan Municipality is exempt from tax in terms of Section 10(1)cB(i)(ff) of the Income Tax Act, 1962 (Act58 of 1962).

1.14 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.

Finance leases - lessee

The group leases certain property, plant and equipment. Leases of property, plant and equipment where the City of Tshwane assumes substantially all the risks and rewards of ownership are classified as finance leases.

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.

The finance lease assets are depreciated at the same rates as owned property unless the group will not obtain ownership. Where there is no reasonable certainty that the group will obtain ownership by the end of lease term, the leased assets are depreciated over the shorter of the lease and its useful life.

The finance lease liabilities are derecognised when the entity’s obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

1.15 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.

Inventories (consumable stores, raw materials) are measured at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Subsequently inventories are measured at the lower of cost and net realisable value.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to the moving average price linked to each item on the accounting system.

Water inventory:

Water is regarded as inventory when the group purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the group has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes, etc). However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the group but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the statement of financial position. The basis of determining the cost of water purchased and not yet sold at the reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates.

Derecognition/write-off of inventory:

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.

1.16 Impairment of non-cash-generating assets

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The group assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the group estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

The City classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

The group does not have any cash generating assets, as its primary objective is service delivery

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

1.16 Impairment of non-cash-generating assets (continued)

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the group would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

1.17 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of a group after deducting all of its liabilities.

1.18 Employee benefits

Short-term employee benefits

Short-term employee benefits include items such as:
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

Informal practices give rise to a constructive obligation where the group has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the group's informal practices would cause unacceptable damage to its relationship with employees.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an group provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans consist of;
- Municipal Employees Pension Fund
- South African Local Authorities Pension Fund
- Government Employees Pension Fund
- Joint municipal Pension Fund
- Germiston Municipal Fund

Post-employment benefits: Defined contribution plans

1.18 Employee benefits (continued)

When an employee has rendered services to the group during a reporting period, the group recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, a group recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employee render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The group accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the group’s informal practices.

The group recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

Actuarial assumptions

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

1.19 Provisions and contingencies

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.

The group's provisions consist of;

- Landfill sites

1.19 Provisions and contingencies (continued)

- Clearing of alien vegetation
- Quarries
- Legal proceedings

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 (8.9%) is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.20 Revenue from exchange transactions

- it is probable that the economic benefits or service potential associated with the transaction will flow to the group;
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Service charges

Service charges relating to electricity and water are based on consumption. Sanitation charge is calculated based on the wastewater discharged into the municipal sewer system. Waste removal is based on the size of the bin and the number of times it is collected. Meters are read and billed on a monthly basis and revenue is recognised when invoiced. Estimates of consumption are made monthly when meter readings have not been performed. The estimates of consumption are recognized as revenue when invoiced. Adjustments to estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognised as revenue in the invoicing period. Waste removal services are billed on a monthly basis.

Rental of facilities and equipment

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Interest income

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Interest earned on investments is recognised on a time proportionate basis that takes into account the effective yield on the investments. Interest earned on outstanding debtors is recognised on a time proportionate basis.

1.21 Revenue from non-exchange transactions

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Fines, penalties and forfeits

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Potential revenue from fines is measured at the best estimate of the inflow of resources to the municipality.

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

Public contributions, sponsorships and donations, including goods in-kind

Gifts, sponsorships and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the group and the fair value of the assets can be measured reliably.

Government grants and subsidies

1.21 Revenue from non-exchange transactions (continued)

Revenue received from conditional grants are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. A liability is recognised when the criteria, conditions or obligations have not been met.

1.22 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.

1.23 Accounting by principals and agents

The City is a party to a principal-agent arrangement. The City acts as Principal for the Ekurhuleni Water Care Company (ERWAT) which was appointed as an implementing agent for the phase 1 upgrade and urgent refurbishment at the Rooiwaal wastewater treatment works and related project, in terms of section 110(2) of Local Government: Municipal Finance Management Act; for a three-year period by the City of Tshwane (CoT) which commenced during the first quarter of the prior financial year.

Recognition

The group, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The group, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Where accounting errors have been identified in the current financial year the correction is made retrospectively as far as it is practical and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as it is practical and the prior year comparatives are restated accordingly.

1.25 Unauthorised expenditure

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.

1.26 Fruitless and wasteful expenditure

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in surplus or deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense.

1.27 Irregular expenditure

Irregular expenditure is accounted for as an expense in surplus or deficit in the period it occurred.

1.28 Housing development fund

Section 15(5) and 16 of the Housing Act (Act 107 of 1997), which came into operation on 1 April 1998, require that the municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund. The Housing Act also requires in terms of Section 14(4)(d)(iii)(aa) read with, inter alia, Section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the municipality for housing development subject to the approval of the MEC responsible for housing. Loans from National and Provincial Government that were used to finance housing selling schemes were extinguished on 1 April 1998 and transferred to the Housing Development fund. The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The Housing Development Fund must have its own separate bank account or allocated investments and must be backed by cash or related assets.

- Any contributions to or from the fund must be shown as transfers in the statement of changes in net assets.
- Interest earned on the investments backing up this fund must be recorded as part of interest earned in surplus or deficit for the year and can be transferred via the statement of changes in net assets to the Housing Development Fund.

1.29 Internal reserves

Self insurance reserve

A self-insurance reserve was established and subject to external insurance where deemed necessary, covers claims that might occur. Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

Contributions to and from the reserve are transferred via the statement of changes in net assets to the reserve in line with the amount provided for in the operating budget.

- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in surplus or deficit for the year. These premiums do not affect the Self-insurance reserve.
- Claims received from external insurers are utilised in the calculation of a profit or loss on the scrapping of damaged assets and are therefore effectively recorded in surplus or deficit for the year.
- Claims received to meet repairs of damages on assets are reflected as income in surplus or deficit for the year.

The Self-insurance reserve is based on recognised insurance industry principles. In determining the level of capacity required an agreed methodology has been adopted. The calculation of the required capacity of the Self-insurance reserve is consistently applied annually based on the following methodology:

- Determination of the forecast surplus (free) capacity within the Self-insurance reserve.
- The following liabilities are taken into account in determining this surplus capacity: Reported known outstanding claims and statistically forecast losses for the remainder of the underwriting period (IBNR = claims incurred but not yet reported).
- Probability and quantification of a catastrophic loss.
- Comparison of the surplus (free) capacity to the declared value of the highest service delivery asset to determine the shortfall that exists based on the assumption that sufficient capacity will be built up to cover that asset through the self-insurance reserve over an agreed period of time.
- Spread the shortfall over a 5-year period (in terms of the Long-Term Insurance Strategy).
- Adjust for inflation with the agreed relevant indices.
- Determine the annual premium contribution to reach the target capacity over a five-year period.
- Apply a probability and affordability factor to the ideal premium contribution to determine the budgeted premium contribution over a five-year period.

Compensation for occupational injuries and diseases (COID) reserve

The municipality has been exempted from making contributions to the Compensation Commissioner for Occupational Injuries and Diseases (COID). In terms of this exemption the municipality established a COID Reserve to offset claims from employees. Amounts are transferred to the COID reserve from the accumulated surplus based on the statutory rate of contributions set out in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993) as well as additional amounts deemed necessary to ensure that the balance of the reserve is adequate to offset potential claims.

Contributions to the COID reserve are based on 1% of the annual remuneration of employees that qualify for COID benefits. All employees earning more than a predetermined amount per annum are reinsured by what is called a "COID Wrap Around" policy. Claims are paid as determined by the Compensation Commissioner and are reflected in surplus or deficit for the year. Claims are settled by transferring a corresponding amount from the COID reserve to the accumulated surplus in the statement of changes in net assets.

The Compensation Commissioner required a ceded investment or guarantee. This amount is calculated annually by the Department of Labour. The municipality opted to supply the Compensation Commissioner with a bank guarantee.

1.30 Budget information

A 10% deviation on operational revenue and expenditure versus the final budget are deemed to be material and for capital expenditure the percentage deviation is 5%. This percentage is based on management's estimate and is considered to be appropriate. All material differences are explained in the notes to the consolidated annual financial statements.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives. The approved budget covers the fiscal period from 1 July 2022 to 30 June 2023.

1.31 Related parties

The City controls two municipal entities (TEDA and HCT) and has investment in associates (TASEZ). These forms part of related parties. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Management is considered a related party, and comprises Councillors, Executive Mayor, Mayoral Committee Members, City Manager and all other Section 56 and 57 employees (refer to notes 36, 37,and 46).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Municipality (refer to note 58).

The municipality discloses the nature of the related party relationship as well as information about those transactions and outstanding balances as a note to the financial statements.

1.32 Service concession arrangements: Entity as grantor

Recognition of asset and liability

The entity recognises an asset provided by the operator and an upgrade to an existing asset of the entity, as a service concession asset if the entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the entity controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a “whole-of-life” asset).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category, and are clearly identified from owned and/or leased assets.

Where the entity recognises a service concession asset, and the asset is not an existing asset of the entity (grantor), the entity (grantor) also recognises a liability.

The entity does not recognise a liability when an existing asset of the entity is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

Measurement of asset and liability

The entity initially measures the service concession asset as follows:
- Where the asset is not an existing asset of the entity, the asset is measured at its fair value.
- Where the asset is an existing asset of the entity and it meets the recognition criteria of a service concession asset, the asset is reclassified as a service concession asset, and the asset is accounted for in accordance with the policy on Investment property, Property, plant and equipment, Intangible assets, or Heritage assets, as appropriate.

The entity initially measures the liability at the same amount as the service concession asset, adjusted by the amount of any other consideration from the entity to the operator, or from the operator to the entity.

Service concession consists of;
- Denneboom Station Public Transport Interchange
- Tshwane House
- Tshwane Broadband Network

Financial liability model

The finance charge and charges for services provided by the operator in a service concession arrangement are accounted for as expenses.

1.33 Value Added Tax

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis in accordance with Section 15(2) of the VAT Act (Act 89 of 1991). The municipality accounts for VAT on the cash basis.

Revenue, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is reported separate from other receivables or payables in the statement of financial position.

1.34 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.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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 group; or
- the number of production or similar units expected to be obtained from the asset by the group.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

[Specify judgements made]

2. New standards and revised standards

2.1 Standards and interpretations issued, but not yet effective

The group has not applied the following standards and interpretations, which have been published and are mandatory for the group’s accounting periods beginning on or after 01 July 2023 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 referred 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 asset 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 aligned with 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.

It is unlikely that the standard will have a material impact on the group's audited consolidated annual financial statements.

Guideline: Guideline on Accounting for Landfill Sites

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, Other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

It is unlikely that the standard will have a material impact on the group's audited consolidated annual financial statements.

2. New standards and revised standards (continued)

GRAP 25 (as revised): Employee Benefits

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

Key amendments to GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The impact of this revisions is currently being assessed.

iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

The impact of this revisions is currently being assessed.

2. New standards and revised standards (continued)

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 IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. 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 Standard affect:
- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the revisions is not yet set by the Minister of Finance.

The group expects to adopt the revisions for the first time when the Minister sets the effective date for the revisions.

The impact of this standard is currently being assessed.

iGRAP 21: The Effect of Past Decisions on Materiality

Background

The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3) applies to the selection of accounting policies. Entities apply the accounting policies set out in the Standards of GRAP, except when the effect of applying them is immaterial. This means that entities could apply alternative accounting treatments to immaterial items, transactions or events (hereafter called “items”).

The Board received questions from entities asking whether past decisions to not apply the Standards of GRAP to immaterial items effect future reporting periods. Entities observed that when they applied alternative accounting treatments to items in previous reporting periods, they kept historical records on an ongoing basis of the affected items. This was done so that they could assess whether applying these alternative treatments meant that the financial statements became materially “misstated” over time. If the effect was considered material, retrospective adjustments were often made.

This Interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods.

iGRAP 21 addresses the following two issues:
- Do past decisions about materiality affect subsequent reporting periods?
- Is applying an alternative accounting treatment a departure from the Standards of GRAP or an error?

It is unlikely that the interpretation will have a material impact on the group's audited consolidated annual financial statements.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

3. Inventories

Raw materials, components	521 919 193	540 769 490	521 919 193	540 769 490
Water for distribution	33 675 455	20 425 710	33 675 455	20 425 710
Fuel (Diesel, Petrol)	240 188 955	127 231 168	240 188 955	127 231 168
ARY Card stock	789 893	921 437	789 893	921 437
Materials	1 154 268	1 078 076	1 154 268	1 078 076
Coal (power stations)	138 881 884	138 881 884	138 881 884	138 881 884
	936 609 648	**829 307 765**	**936 609 648**	**829 307 765**

No inventory is pledged as security.

Inventory Write-downs

Inventory to the value of R6 224 143 (2022: R5 156 779) was scrapped during the year and expenses.

Surplus inventory (items identified during stock take)	51 145	31 864	51 145	31 864
Shortages	(1 909 730)	(401 502)	(1 909 730)	(401 502)
Theft	(3 163 637)	(3 059 352)	(3 163 637)	(3 059 352)
Adjustment of inventory cost	(48 941)	(885 560)	(48 941)	(885 560)
Damaged inventory	(234 307)	(576 210)	(234 307)	(576 210)
Obsolete Inventory	(918 673)	(266 019)	(918 673)	(266 019)
	(6 224 143)	**(5 156 779)**	**(6 224 143)**	**(5 156 779)**

4. Investments

Short-term investments (highly liquid)	577 835 946	708 828 349	577 835 946	708 828 349
Short-term investments	176 100 896	161 337 735	176 100 896	161 337 735
	753 936 842	**870 166 084**	**753 936 842**	**870 166 084**
Current assets				
Short-term investments	176 100 896	161 337 735	176 100 896	161 337 735
Short-term investments (refer to note 11)	577 835 946	708 828 349	577 835 946	708 828 349
	753 936 842	**870 166 084**	**753 936 842**	**870 166 084**

The investments listed below are all permitted in terms of Regulation 308 (Local Government: Municipal Finance Management Act 2003: Municipal Investment Regulations).

The value (indicated below) was obtained from balance certificates or statement from the various financial institutions.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

4. Investments (continued)

Amortised cost of listed investments and management's valuation of unlisted investments:				
Unlisted investments: Insurance Policy DGA 30118 no 28 (insurance policy) (unceded) (highly liquid)	950 162	820 812	950 162	820 812
Insurance Policy DYA 301182 no 29 (insurance policy) (unceded) (highly liquid)	3 763 784	2 572 912	3 763 784	2 572 912
ABSA Money Market investment no 32 (interest capitalised monthly) (unceded)(highly liquid)	44 987 779	40 266 412	44 987 779	40 266 412
ABSA Money Market investment no 33 (interest capitalised monthly) (unceded)(highly liquid)	15 760 961	14 182 786	15 760 961	14 182 786
ABSA Money Market investment no 34 interest capitalised monthly) (unceded) highly liquid)	11 807 956	10 622 643	11 807 956	10 622 643
ABSA Money Market investment no 35 (interest capitalised monthly) (unceded)(highly liquid)	259 921	233 869	259 921	233 869
Ninety One Money Market investment no 37(interest capitalised monthly)(unceded) (highly liquid)	39 967 603	37 361 337	39 967 603	37 361 337
Ninety One Money Market investment no 38 (interest capitalised monthly)(unceded) (highly liquid)	12 774 425	11 941 411	12 774 425	11 941 411
Ninety One Money Market investment no 39 (interest capitalised monthly)(unceded) (highly liquid)	1 711 313	1 599 720	1 711 313	1 599 720
Stanlib Money Market investment no 40 (interest capitalised monthly) (unceded)(highly liquid)	145 589 008	135 134 408	145 589 008	135 134 408
Standard Bank Money Market investment no. 41 (Interest capitalised monthly)(Unceded) (Highly Liquid)	4 518 898	4 194 400	4 518 898	4 194 400
Standard Bank Money Market investment no. 108 (Interest capitalised monthly)(Unceded) (Highly Liquid)	44 707 712	41 782 200	44 707 712	41 782 200
Standard Bank Money Market investment no. 260 (Interest capitalised monthly)(Unceded) (Highly Liquid)	100 485 307	94 324 782	100 485 307	94 324 782
Standard Bank Call Investment no 408	20 650	19 328	20 650	19 328
Standard Bank Call Investment no 414	23 295	1 437	23 295	1 437
Standard Bank Call Investment no 415	48 651 071	21 803	48 651 071	21 803
Nedbank Call Investment no 508	-	1 972	-	1 972
ABSA Call Investment no 338	49 253 354	16 606	49 253 354	16 606
First National Bank no 527	-	1 437	-	1 437
Stanlib Contingency Fund Investment no 106/411	-	295 409	-	295 409
ABSA Term Investment no 499	-	160 518 876	-	160 518 876
ABSA Term Investment no 526	-	818 860	-	818 860
Money market investment no 531	-	249 607 030	-	249 607 030
Nedbank Term Investment no 485	48 022 267	-	48 022 267	-
ABSA Term Investment no 541	10 748 565	-	10 748 565	-
ABSA Term Investment no 489	873 150	-	873 150	-
ABSA Term Investment no 500	18 064 307	-	18 064 307	-
First National Bank	444 237	-	444 237	-
Nedbank 40215	150 551 117	63 825 634	150 551 117	63 825 634
	753 936 842	**870 166 084**	**753 936 842**	**870 166 084**

Average rate of return				
On long-term investments	7.80 %	4.25 %	7.80 %	4.25 %
On short-term investments	7.50 %	3.38 %	7.50 %	3.38 %

Secured and unsecured investments				
Unsecured investments (unceded)	753 936 842	870 166 084	753 936 842	870 166 084

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

4. Investments (continued)

Investments that the city can easily convert into cash within 6 months of the next financial year and those investments that are on call in nature (cash on call).

5. Consumer debtors (contractual and statutory)

Financial instruments

Gross balances				
Rates	4 165 075 994	4 082 665 084	4 165 075 994	4 082 665 084
Electricity	3 517 541 373	3 283 106 934	3 517 541 373	3 283 106 934
Water	6 036 865 600	4 786 721 981	6 036 865 600	4 786 721 981
Waste water	725 721 038	680 274 373	725 721 038	680 274 373
Sewerage	1 198 235 428	909 957 235	1 198 235 428	909 957 235
Refuse	1 635 530 230	1 362 265 630	1 635 530 230	1 362 265 630
Interest	4 514 781 689	3 666 695 693	4 514 781 689	3 666 695 693
Arrangement debtors (refer to note 7)	(282 922 469)	(413 809 190)	(282 922 469)	(413 809 190)
	21 510 828 883	**18 357 877 740**	**21 510 828 883**	**18 357 877 740**
Less: Allowance for impairment				
Rates	(2 841 794 031)	(2 508 175 660)	(2 841 794 031)	(2 508 175 660)
Electricity	(2 524 573 637)	(2 182 786 238)	(2 524 573 637)	(2 182 786 238)
Water	(4 640 447 687)	(3 454 626 979)	(4 640 447 687)	(3 454 626 979)
Waste water	(497 826 464)	(490 801 709)	(497 826 464)	(490 801 709)
Sewerage	(924 131 536)	(655 456 838)	(924 131 536)	(655 456 838)
Refuse	(1 220 229 771)	(993 189 085)	(1 220 229 771)	(993 189 085)
Interest	(3 819 025 447)	(3 039 870 129)	(3 819 025 447)	(3 039 870 129)
	(16 468 028 573)	**(13 324 906 638)**	**(16 468 028 573)**	**(13 324 906 638)**
Net balance				
Non-exchange				
Rates	1 323 281 963	1 574 489 424	1 323 281 963	1 574 489 424
Exchange				
Electricity	992 967 736	1 100 320 696	992 967 736	1 100 320 696
Water	1 396 417 913	1 332 095 002	1 396 417 913	1 332 095 002
Waste water	227 894 574	189 472 664	227 894 574	189 472 664
Sewerage	274 103 892	254 500 397	274 103 892	254 500 397
Refuse	415 300 459	369 076 545	415 300 459	369 076 545
Interest	695 756 242	626 825 564	695 756 242	626 825 564
Arrangement debtors	(282 922 469)	(413 809 190)	(282 922 469)	(413 809 190)
	3 719 518 347	3 458 481 678	3 719 518 347	3 458 481 678
	5 042 800 310	**5 032 971 102**	**5 042 800 310**	**5 032 971 102**
Statutory receivables included in consumer debtors above are as follows:				
Rates	1 323 281 963	1 574 489 424	1 323 281 963	1 574 489 424

Statutory Receivables General Information

Transaction arising from statute: Property Rates are levied in terms of the Local Government Municipal Property Rates Act No.6 of 2004, approved Property Rates Policy and by-laws.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

5. Consumer debtors (contractual and statutory) (continued)

Determination of transaction amount – Tariffs are reviewed annually as part of the MTREF process and applied as per Property Rates Policy which is guided by the Local Government Property Rates Act No.6 of 2004.

Interest or other charges levied/charged: According to the Credit Control and Debt Collection Policy, interest is levied on arrear municipal debt in excess of 59 days. Interest is levied monthly at the prime lending rate of the Municipality's Banker as at 01 January and 01 July of each year for the six months following these two respective dates.

Discount rate applied to the estimated future cash flows: The prime lending rate is applied as stipulated in Interest or other charges levied/charged above.

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables: Reversal will be due to the amount being settled which will automatically be excluded from future impairment calculations.

Significant Impairment losses recognised: The impairment figure is disclosed above.

Included in above is receivables from exchange transactions				
Electricity	992 967 736	1 100 320 696	992 967 736	1 100 320 696
Water	1 396 417 913	1 332 095 002	1 396 417 913	1 332 095 002
Waste water	227 894 574	189 472 664	227 894 574	189 472 664
Sewerage	274 103 892	254 500 397	274 103 892	254 500 397
Refuse	415 300 459	369 076 545	415 300 459	369 076 545
Interest	695 756 242	626 825 564	695 756 242	626 825 564
Arrangement debtors	(282 922 469)	(413 809 190)	(282 922 469)	(413 809 190)
	3 719 518 347	**3 458 481 678**	**3 719 518 347**	**3 458 481 678**
Included in above is receivables from non-exchange transactions (taxes and transfers)				
Rates	1 323 281 963	1 574 489 424	1 323 281 963	1 574 489 424
Net balance	**5 042 800 310**	**5 032 971 102**	**5 042 800 310**	**5 032 971 102**

Rates				
Current (0 -30 days)	756 785 685	943 490 104	756 785 685	943 490 104
31 - 60 days	85 605 871	99 949 126	85 605 871	99 949 126
61 - 90 days	96 013 181	107 788 360	96 013 181	107 788 360
91 - 120 days	81 448 285	84 293 710	81 448 285	84 293 710
121 - 150 days	80 793 712	71 768 183	80 793 712	71 768 183
151 - 180 days	72 771 792	79 687 902	72 771 792	79 687 902
181 - 365 days	406 149 943	404 218 478	406 149 943	404 218 478
> 365 days	2 585 507 525	2 291 469 221	2 585 507 525	2 291 469 221
	4 165 075 994	**4 082 665 084**	**4 165 075 994**	**4 082 665 084**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

5. Consumer debtors (contractual and statutory) (continued)

Electricity				
Current (0 -30 days)	813 801 077	965 822 340	813 801 077	965 822 340
31 - 60 days	68 544 211	101 754 252	68 544 211	101 754 252
61 - 90 days	75 940 406	116 501 951	75 940 406	116 501 951
91 - 120 days	49 251 784	78 487 606	49 251 784	78 487 606
121 - 150 days	43 963 224	46 295 258	43 963 224	46 295 258
151 - 180 days	46 578 018	74 082 344	46 578 018	74 082 344
181 - 365 days	341 526 337	425 516 126	341 526 337	425 516 126
> 365 days	2 077 936 316	1 474 647 057	2 077 936 316	1 474 647 057
	3 517 541 373	**3 283 106 934**	**3 517 541 373**	**3 283 106 934**

Water				
Current (0 -30 days)	1 040 186 868	1 380 160 571	1 040 186 868	1 380 160 571
31 - 60 days	125 969 313	112 034 574	125 969 313	112 034 574
61 - 90 days	203 043 780	188 369 150	203 043 780	188 369 150
91 - 120 days	140 936 835	112 668 886	140 936 835	112 668 886
121 - 150 days	175 983 057	111 787 315	175 983 057	111 787 315
151 - 180 days	118 860 573	145 899 585	118 860 573	145 899 585
181 - 365 days	849 554 444	917 853 616	849 554 444	917 853 616
> 365 days	3 382 330 730	1 817 948 284	3 382 330 730	1 817 948 284
	6 036 865 600	**4 786 721 981**	**6 036 865 600**	**4 786 721 981**

Waste water				
Current (0 -30 days)	85 366 979	153 053 109	85 366 979	153 053 109
31 - 60 days	11 957 944	14 691 085	11 957 944	14 691 085
61 - 90 days	53 993 918	18 487 340	53 993 918	18 487 340
91 - 120 days	8 084 373	6 388 310	8 084 373	6 388 310
121 - 365 days	5 727 528	3 894 641	5 727 528	3 894 641
151 - 180 days	5 608 717	3 665 327	5 608 717	3 665 327
181 - 365 days	71 875 189	45 334 470	71 875 189	45 334 470
> 365 days	483 106 390	434 760 091	483 106 390	434 760 091
	725 721 038	**680 274 373**	**725 721 038**	**680 274 373**

Sanitation				
Current (0 -30 days)	246 499 526	281 995 574	246 499 526	281 995 574
31 - 60 days	20 897 249	23 910 313	20 897 249	23 910 313
61 - 90 days	38 700 175	33 488 120	38 700 175	33 488 120
91 - 120 days	27 992 292	21 899 725	27 992 292	21 899 725
121 - 150 days	33 503 717	23 475 514	33 503 717	23 475 514
151 - 180 days	24 361 671	25 517 990	24 361 671	25 517 990
181 - 365 days	159 921 220	142 743 524	159 921 220	142 743 524
> 365 days	646 359 578	356 926 475	646 359 578	356 926 475
	1 198 235 428	**909 957 235**	**1 198 235 428**	**909 957 235**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

5. Consumer debtors (contractual and statutory) (continued)

Refuse				
Current (0 -30 days)	278 168 269	362 070 480	278 168 269	362 070 480
31 - 60 days	22 723 158	23 519 477	22 723 158	23 519 477
61 - 90 days	41 240 709	30 464 637	41 240 709	30 464 637
91 - 120 days	29 297 196	22 831 906	29 297 196	22 831 906
121 - 150 days	28 406 285	19 931 760	28 406 285	19 931 760
151 - 180 days	27 382 463	25 091 957	27 382 463	25 091 957
181 - 365 days	158 490 134	122 910 797	158 490 134	122 910 797
> 365 days	1 049 822 016	755 444 616	1 049 822 016	755 444 616
	1 635 530 230	**1 362 265 630**	**1 635 530 230**	**1 362 265 630**

Interest				
Current (0 -30 days)	349 590 467	254 016 753	349 590 467	254 016 753
31 - 60 days	71 615 284	59 291 739	71 615 284	59 291 739
61 - 90 days	132 212 820	76 453 791	132 212 820	76 453 791
91 - 120 days	91 928 662	57 914 310	91 928 662	57 914 310
121 - 150 days	87 770 454	53 431 664	87 770 454	53 431 664
151 - 180 days	73 470 960	61 400 605	73 470 960	61 400 605
181 - 365 days	447 269 949	335 321 927	447 269 949	335 321 927
> 365 days	3 260 923 093	2 768 864 904	3 260 923 093	2 768 864 904
	4 514 781 689	**3 666 695 693**	**4 514 781 689**	**3 666 695 693**

Ageing: Total gross receivables				
Current (0 -30 days)	3 570 398 871	4 340 608 919	3 570 398 871	4 340 608 919
31 - 60 days	407 313 030	435 150 566	407 313 030	435 150 566
61 - 90 days	641 144 990	571 553 350	641 144 990	571 553 350
91 - 120 days	428 939 426	384 484 462	428 939 426	384 484 462
121 - 150 days	456 147 977	330 584 336	456 147 977	330 584 336
151 - 180 days	369 034 194	415 345 709	369 034 194	415 345 709
181 - 365 days	2 434 787 215	2 393 898 939	2 434 787 215	2 393 898 939
> 365 days	13 485 985 649	9 900 060 649	13 485 985 649	9 900 060 649
	21 793 751 352	**18 771 686 930**	**21 793 751 352**	**18 771 686 930**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022
5. Consumer debtors (contractual and statutory) (continued)				
Summary of consumer receivables by customer classification				
Consumers				
Household/residential	13 528 158 688	11 744 960 588	13 528 158 688	11 744 960 588
Industrial/Commercial	5 606 185 876	4 615 748 276	5 606 185 876	4 615 748 276
National and Provincial Government	982 961 785	1 068 196 668	982 961 785	1 068 196 668
Other	1 676 445 003	1 342 781 398	1 676 445 003	1 342 781 398
	21 793 751 352	**18 771 686 930**	**21 793 751 352**	**18 771 686 930**
Households				
Current (0 -30 days)	2 075 775 204	2 971 512 944	2 075 775 204	2 971 512 944
31 - 60 days	228 449 817	227 065 033	228 449 817	227 065 033
61 - 90 days	423 401 690	359 679 703	423 401 690	359 679 703
91 - 120 days	292 540 505	226 253 980	292 540 505	226 253 980
121 - 150 days	329 648 929	210 449 133	329 648 929	210 449 133
151 - 180 days	254 119 529	273 681 587	254 119 529	273 681 587
181 - 365 days	1 661 933 047	1 597 928 135	1 661 933 047	1 597 928 135
> 365 days	8 262 289 967	5 878 390 073	8 262 289 967	5 878 390 073
	13 528 158 688	**11 744 960 588**	**13 528 158 688**	**11 744 960 588**
Industrial/ commercial				
Current (0 -30 days)	1 139 975 855	747 996 434	1 139 975 855	747 996 434
31 - 60 days	125 475 044	122 767 829	125 475 044	122 767 829
61 - 90 days	186 304 787	163 491 555	186 304 787	163 491 555
91 - 120 days	113 634 382	119 596 999	113 634 382	119 596 999
121 - 150 days	110 089 335	91 920 648	110 089 335	91 920 648
151 - 180 days	98 974 377	113 788 711	98 974 377	113 788 711
181 - 365 days	588 035 409	513 536 535	588 035 409	513 536 535
> 365 days	3 243 696 687	2 742 649 565	3 243 696 687	2 742 649 565
	5 606 185 876	**4 615 748 276**	**5 606 185 876**	**4 615 748 276**
National and provincial government				
Current (0 -30 days)	330 115 658	376 351 648	330 115 658	376 351 648
31 - 60 days	47 382 946	19 321 639	47 382 946	19 321 639
61 - 90 days	24 987 840	29 914 067	24 987 840	29 914 067
91 - 120 days	15 405 688	21 630 935	15 405 688	21 630 935
121 - 150 days	11 983 588	19 911 625	11 983 588	19 911 625
151 - 180 days	11 453 800	30 745 392	11 453 800	30 745 392
181 - 365 days	107 545 162	124 954 518	107 545 162	124 954 518
> 365 days	434 087 103	445 366 844	434 087 103	445 366 844
	982 961 785	**1 068 196 668**	**982 961 785**	**1 068 196 668**

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

5. Consumer debtors (contractual and statutory) (continued)

Other				
Current (0 -30 days)	68 800 051	848 434 718	68 800 051	848 434 718
31 - 60 days	5 760 639	25 081 851	5 760 639	25 081 851
61 - 90 days	5 257 111	41 570 297	5 257 111	41 570 297
91 - 120 days	6 283 861	15 379 543	6 283 861	15 379 543
121 - 150 days	3 913 136	3 940 070	3 913 136	3 940 070
151 - 180 days	4 126 497	22 714 617	4 126 497	22 714 617
181 - 365 days	62 151 180	135 500 559	62 151 180	135 500 559
> 365 days	1 520 152 528	250 159 743	1 520 152 528	250 159 743
	1 676 445 003	**1 342 781 398**	**1 676 445 003**	**1 342 781 398**

Reconciliation of allowance for impairment				
Balance at beginning of the year	(13 324 906 638)	(10 568 459 224)	(13 324 906 638)	(10 568 459 224)
Contributions to allowance	(2 184 410 696)	(2 012 966 267)	(2 184 410 696)	(2 012 966 267)
Adjustments to allowance - review of impairment at year end	(1 181 978 384)	(884 599 052)	(1 181 978 384)	(884 599 052)
Debt impairment written off against allowance during the financial year	223 267 145	141 117 905	223 267 145	141 117 905
	(16 468 028 573)	**(13 324 906 638)**	**(16 468 028 573)**	**(13 324 906 638)**

Consumer debtors past due and impaired

The ageing of amounts past due and impaired is as follows:

0-30 Days	934 906 267	675 937 777	934 906 267	675 937 777
31-60 Days	238 498 111	283 284 605	238 498 111	283 284 605
61-90 Days	459 754 257	422 090 073	459 754 257	422 090 073
91-120 Days	310 569 724	284 615 217	310 569 724	284 615 217
121-150 Days	354 825 972	259 654 527	354 825 972	259 654 527
151-180 Days	281 046 582	329 294 231	281 046 582	329 294 231
181-365 Days	1 969 511 174	2 115 414 278	1 969 511 174	2 115 414 278
Above 365 Days	11 918 916 486	8 954 615 930	11 918 916 486	8 954 615 930
	16 468 028 573	**13 324 906 638**	**16 468 028 573**	**13 324 906 638**

Consumer debtors past due and not impaired

0-30 Days	804 352 564	713 638 699	804 352 564	713 638 699
31-60 Days	169 341 352	184 302 038	169 341 352	184 302 038
61-90 Days	189 465 640	203 392 504	189 465 640	203 392 504
91-120 Days	116 891 524	136 740 363	116 891 524	136 740 363
121-150 Days	102 369 953	101 504 688	102 369 953	101 504 688
151-180 Days	91 394 949	129 009 784	91 394 949	129 009 784
181-365 Days	465 000 393	533 938 014	465 000 393	533 938 014
Above 365 Days	1 272 955 253	1 217 641 806	1 272 955 253	1 217 641 806
	3 211 771 628	**3 220 167 896**	**3 211 771 628**	**3 220 167 896**

Consumer debtors past due and not impaired	-	-	-	-

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

6. Other receivables from exchange and non-exchange transactions

Other receivables from exchange transactions				
Financial instruments				
Overpayment to creditors	31 271 153	31 271 153	31 271 153	31 271 153
Trade debtors	1 889 277	1 588 423	-	-
Deposits	1 681 185	1 642 979	-	-
Sundry rentals	502 118 719	484 875 366	502 316 431	485 073 001
Sundry debtors	944 773 653	598 001 841	944 773 653	628 996 735
Miscellaneous	302 547 399	293 283 156	301 811 735	292 854 309
	1 784 281 386	1 410 662 918	1 780 172 972	1 438 195 198
Other receivables from exchange transactions				
Non - Financial instruments				
Lease revenue	27 150 807	27 653 220	27 150 807	27 653 220
Pre-payment Sanral	113 323 994	113 323 994	113 323 994	113 323 994
Prepayments	1 245 753	89 548	-	-
	3 679 012 173	2 931 121 445	140 474 801	140 977 214
Other receivables from exchange transactions	1 784 281 386	1 410 662 918	1 920 647 773	1 579 172 412
Impairment allowance: Exchange	(1 103 925 784)	(874 066 762)	(1 102 304 675)	(872 530 510)
	822 076 156	**677 662 918**	**818 343 098**	**706 641 902**

Other receivables from non-exchange transactions				
AARTO fine debtor	595 205 627	485 005 618	595 205 627	485 005 618
Public contributions and subsidies	141 264 620	141 264 620	141 264 620	141 264 620
Year End Grant debtor	28 560 319	295 250 569	28 560 319	295 250 569
	765 030 566	921 520 807	765 030 566	921 520 807
Impairment: Non-exchange	(516 062 043)	(443 986 732)	(516 062 043)	(443 986 732)
	248 968 523	**477 534 075**	**248 968 523**	**477 534 075**

Reconciliation of other receivables allowance				
Opening balance	(1 318 053 494)	(1 597 942 291)	(1 316 517 242)	(1 596 484 940)
Impairment adjustment at year end	(81 970 159)	441 146 706	(81 970 159)	441 146 706
Contribution to allowance (monthly contribution)	(435 784 463)	(1 151 455 356)	(434 387 336)	(1 150 135 869)
Write off against allowance	1 189 390	2 645 377	-	1 525 305
Correction contribution allowance	214 508 019	(166 381 373)	214 508 019	(166 381 373)
Corrections of write off's against allowance	-	1 153 812 929	-	1 153 812 929
Amounts recovered	122 880	120 514	-	-
	(1 619 987 827)	**(1 318 053 494)**	**(1 618 366 718)**	**(1 316 517 242)**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

6. Other receivables from exchange and non-exchange transactions (continued)

Sundry rentals past due and impaired

The ageing of amounts past due but not impaired is as follows:

0-30 Days	12 022 362	10 470 506	12 022 362	10 470 506
31-60 Days	6 163 901	5 092 071	6 163 901	5 092 071
61-90 Days	5 777 622	4 774 660	5 777 622	4 774 660
91-120 Days	5 981 202	4 543 819	5 981 202	4 543 819
121-150 Days	5 061 264	31 156 658	5 061 264	31 156 658
151-180 Days	26 278 238	24 519 196	26 278 238	24 519 196
181-365 Days	3 623 420	4 176 196	3 623 420	4 176 196
Above 365 Days	322 696 911	285 678 165	322 696 911	285 678 165
	387 604 920	**370 411 271**	**387 604 920**	**370 411 271**

Sundry rentals past due and not impaired

0-30 Days	6 266 003	6 416 108	6 266 003	6 416 108
31-60 Days	2 951 415	3 246 178	2 951 415	3 246 178
61-90 Days	2 603 253	2 910 550	2 603 253	2 910 550
91-120 Days	2 539 642	2 647 598	2 539 642	2 647 598
121-150 Days	2 015 389	17 370 086	2 015 389	17 370 086
151-180 Days	9 887 688	9 504 693	9 887 688	9 504 693
181-365 Days	957 290	1 121 493	957 290	1 121 493
Above 365 Days	80 674 228	71 419 541	80 674 228	71 419 541
	107 894 908	**114 636 247**	**107 894 908**	**114 636 247**

AARTO - Past due and impaired

0-30 Days	5 128 145	2 924 158	5 128 145	2 924 158
31-60 Days	6 351 898	4 489 751	6 351 898	4 489 751
61-90 Days	4 520 419	3 710 901	4 520 419	3 710 901
91-120 Days	5 668 590	4 221 605	5 668 590	4 221 605
121-150 Days	5 179 106	4 561 918	5 179 106	4 561 918
151-180 Days	4 322 341	4 448 938	4 322 341	4 448 938
181-365 Days	27 991 141	22 198 743	27 991 141	22 198 743
Above 365 Days	315 635 782	256 166 097	315 635 782	256 166 097
	374 797 422	**302 722 111**	**374 797 422**	**302 722 111**

AARTO - Past due and not impaired

AARTO - past due and not impaired	-	-	-	-

Sundry debtors past due and impaired

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

6. Other receivables from exchange and non-exchange transactions (continued)

0-30 Days	22 885 472	24 812 226	22 885 472	24 812 226
31-60 Days	2 674 390	13 735 113	2 674 390	13 735 113
61-90 Days	36 251 771	25 301 909	36 251 771	25 301 909
91-120 Days	560 792	9 592 678	560 792	9 592 678
121-150 Days	7 525 390	2 987 092	7 525 390	2 987 092
151-180 Days	17 911 379	16 497 239	17 911 379	16 497 239
181-365 Days	179 200 008	109 957 264	179 200 008	109 957 264
Above 365 Days	343 048 207	250 922 168	343 048 207	250 922 168
	610 057 409	**453 805 689**	**610 057 409**	**453 805 689**

Sundry debtors past due but not impaired

Sundry debtors past due and not impaired	-	-	-	-

7. Long-term receivables

Financial instruments measured at amortised cost:

Consumer: Arrangement debtors (refer to note 5)	282 922 469	413 809 189	282 922 469	413 809 189
Housing loans	11 794 759	11 157 377	11 794 759	11 157 377
Loan to sport clubs	955 216	937 106	955 216	937 106
Sale of land	70 983 319	70 365 009	70 983 319	70 365 009
Non-current portion of long-term receivables	366 655 763	496 268 681	366 655 763	496 268 681
Current portion of long-term receivables	(177 873 136)	(319 764 045)	(177 873 136)	(319 764 045)
Impairment allowance	(3 802 250)	(3 548 256)	(3 802 250)	(3 548 256)
Net long-term receivables	**184 980 377**	**172 956 380**	**184 980 377**	**172 956 380**

Reconciliation of impairment allowance				
Balance at the beginning of year	(3 548 256)	(74 188 644)	(3 548 256)	(74 188 644)
Contributions to allowance (monthly)	(2 742 470)	(82 706 042)	(2 742 470)	(82 706 042)
Adjustment to contribution - review of impairment	2 488 476	153 346 430	2 488 476	153 346 430
	(3 802 250)	**(3 548 256)**	**(3 802 250)**	**(3 548 256)**

Consumer: Arrangement debtors

A policy exists granting consumer receivables an opportunity to make arrangements to pay off their arrear debt over a period of 12, 24 or 36 months with a deposit payable.

Housing loans

Housing loans were granted to qualifying individuals in terms of the Provincial Administration's Housing Program. These loans attracted interest of 13.5% per annum and are repayable over periods of 20 and 30 years. These loans have various terms applicable. No new loans were issued in the current financial year.

Loans to sport clubs

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

7. Long-term receivables (continued)

Sport clubs that qualified signed a 99 year lease hold agreement with the municipality at a nominal amount and were provided with financial assistance from the municipality to build or improve a facility for which the funds are repayable over the lease term agreement and the Club has no claim to the improvements made to the facility after the expiration of the lease hold agreement.

Sale of land debtors

Vacant properties are sold through a process administered by Group Property Management. Contracts are signed and advices for the opening of individual accounts, which indicate the amount of the deposit (10%) and VAT (14% up to March 2018, and 15% from 1 April 2018) issued. The interest rate used is the Municipality's mortgage bond rate which currently is 9%. Interest is calculated monthly on the outstanding balance of the property.

As from 1 March 2014 all land sales are conducted on payment of the full amount to the Municipality by the purchaser. No extended payment terms are offered and full payment is required on registration.

8. Operating lease

Non-current liabilities	(204 666)	(709 414)	-	-
Current liabilities	(810 296)	(396 340)	-	-
	(1 014 962)	**(1 105 754)**	**-**	**-**

Operating lease expense	27 011 339	9 672 795	22 749 706	6 438 932

Minimum lease payments due				
- within one year	22 566 668	12 206 945	17 599 698	7 179 096
- in second to fifth year inclusive	26 305 285	7 955 569	24 984 341	1 667 654
	48 871 953	**20 162 514**	**42 584 039**	**8 846 750**

The City is leasing office equipment for a period of three years from various service providers in accordance with the National Treasury Transversal contract- RT3-2015 and RT3-2018. The City of Tshwane, may at its sole discretion extend this Agreement for a maximum period of 24 (twenty four) months on the same terms and conditions, except for the rental fee which shall be reduced by 75% (seventy five percent) of the specified amount therein.

TEDA

Operating lease commitment is the rental of offices used by TEDA situated at: 3rd Floor, Lakeview building, 1277 Mike Crawford Road, Centurion effective from 1st November 2019 for a period of 5 years. TEDA was previously located at 5th Floor; The Anker Building; 1279 Mike Crawford Road; Centurion for the period of three years which ended on the 31st October 2019. No contingent rent is payable.

HCT

The entity entered into a lease with Dalitso Business Equipment for the copier machines and the lease was negotiated for a 3 year term commencing from 01 September 2020 to 31 August 2023. The lease payments for the period amounts to R150,552. At the end of the lease the machine reverts back to the owner Dalitso Business Equipment. The entity also entered into the lease with SKG Towers (Pty) Ltd for the rental of Office space and the lease was negotiated for the period of 3 years, commencing from 01 October 2021 to 31 September 2024. The SKG lease payments amounts to R4,111,081. The total operating lease payments amounts to R4,261,633.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

9. Redemption fund

The City has in place a Redemption fund that is generally known as a Sinking fund. The objective of the Sinking fund is to make provisions for the redemption of the City's bullet loans and repayment of bond liabilities when they fall due. The Sinking Fund is a ring-fenced pool of funds that arises from contributions by the City and investment income from the same fund (margin call, FFO collateral, and the interest rate swaps) that serve to provide capital to repay bullet loans and bond liabilities when they fall due.

Some of the benefits of having a Sinking Fund are:

- Mitigation of Liquidity Risk: The fund removes the need to raise money in the debt capital markets to repay long-term debt.
- Reduced cost of funding, and
- Enhancing the City's credit rating status by lowering levels of both net direct risk and net overall risk which are actively monitored by Rating Agencies.

The City of Tshwane has a redemption fund account (fixed deposit account) held at Nedbank. The City recently benefited from the redemption fund when it repaid one of its bonds (R830 000 000) that matured on the 3rd of April 2023.

A liability swap is a financial derivative consisting of an interest rate swap used to change the interest rate exposure assumed by a party to the transaction, the liability that arises from exposure to a particular interest rate structure.

Generally, liability swaps involve exchanging a fixed rate for a floating rate. This simply means that if interest rates decline below the fixed rate, then the City will report the swap as a liability on its balance sheet at fair value.

The fair value of the swap is the net difference between the fixed interest rate and the floating interest rate legs with liability losses being generated through an accounting entry rather than the actual sale of an asset or security.

It must be noted that the forward interest rates utilized in swap contracts are variable and are projected based on the swap zero rates stripped out of the swap curve compiled by the Johannesburg Stock Exchange (JSE) and can only be accessed by subscription on the JSE.

Financial assets measured at fair value				
Cash collateral - FFO Securities (Pty) Ltd	15 435 138	14 621 844	15 435 138	14 621 844
Margin call collateral investment	192 460 000	-	192 460 000	-
Non-current assets	**207 895 138**	**14 621 844**	**207 895 138**	**14 621 844**
Total Assets	**207 895 138**	**14 621 844**	**207 895 138**	**14 621 844**
Financial liabilities measured at fair value				
Swaps	(247 075 556)	(162 174 781)	(247 075 556)	(162 174 781)
Non-current liability	**(247 075 556)**	**(162 174 781)**	**(247 075 556)**	**(162 174 781)**

30 June 2023	**Fair value**	**Estimated fair value gain/(loss)**
Assets: other financial assets - redemption fund	(39 180 418)	(84 900 775)

30 June 2022	**Fair value**	**Estimated fair value gain/(loss)**
Assets: other financial assets - redemption fund	147 552 937	(65 755 942)

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

9. Redemption fund (continued)

Reconciliation of cash flow movement on redemption fund asset				
Opening balance - Current	14 662 998	25 243 356	14 662 998	25 243 356
Opening balance - Non-current	-	413 658 520	-	413 658 520
	14 662 998	438 901 876	14 662 998	438 901 876
Withdrawal	-	(398 995 522)	-	(398 995 522)
Investment	178 610 296	-	178 610 296	-
Non-cash	-	(25 243 356)	-	(25 243 356)
	193 273 294	**14 662 998**	**193 273 294**	**14 662 998**

Closing balance				
Current	-	-	-	-
Non-current	207 895 138	14 621 844	207 895 138	14 621 844
	207 895 138	**14 621 844**	**207 895 138**	**14 621 844**

Reconciliation of cash flow movement on redemption fund liability				
Opening balance	(162 174 781)	-	(162 174 781)	-
Fair value adjustment	(84 900 775)	(162 174 781)	(84 900 775)	(162 174 781)
	(247 075 556)	**(162 174 781)**	**(247 075 556)**	**(162 174 781)**

10. Current tax receivable

Balance at beginning of the period	(176 480)	(1 671 882)	-	-
Current tax for the period recognised in surplus or deficit	-	1 531 909	-	-
Provisional tax paid	(445 583)	(1 900 739)	-	-
Normal income tax refund from SARS	-	1 864 232	-	-
	(622 063)	**(176 480)**	**-**	**-**

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	663 921	654 345	661 985	651 735
Cashbook balances	248 762 094	247 161 641	206 997 984	216 830 077
Short-term deposits	8 516 056	12 433 923	-	-
Cash and bank (per statement of financial position)	**257 942 071**	**260 249 909**	**207 659 969**	**217 481 812**

Cash and cash equivalents for cash flow purposes:				
Cash and cash equivalents for the purpose of the cash flow statement consist of:				
Cash and bank	257 942 071	260 249 909	207 659 969	217 481 812
Short-term investments (highly liquid) (refer to note 4)	577 835 946	708 828 349	577 835 946	708 828 349
Cash and cash equivalents (per cash flow statement)	**835 778 017**	**969 078 258**	**785 495 915**	**926 310 161**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

11. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Absa - 4060738263	71 181 344	126 227 172	42 256 209	78 614 920
FNB - 51420107207	26 348 477	33 314 442	26 348 477	33 013 079
Standard - 410801453	63 695 520	50 282 434	63 404 535	49 405 727
Tshwane Market-Absa - 4068829119	68 997 808	4 062 488	68 997 808	40 062 488
Nedbank-1454121963	5 990 955	15 736 198	5 990 955	15 733 863
Total	**236 214 104**	**229 622 734**	**206 997 984**	**216 830 077**

TEDA had the following bank accounts

Account number / description	**Bank statement balances**		**Cash book balances**	
	30 June 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**
Absa Bank - Account Type- Primary Account - 4093241083	3 072 399	9 474 529	3 072 399	9 474 529
Investec Bank- Investment Account-1100521102531	5 062 750	4 727 324	5 062 750	4 727 324
Total	**8 135 149**	**14 201 853**	**8 135 149**	**14 201 853**

TEDA is a municipal entity controlled by the City of Tshwane Metropolitan Municipality which monitors and control the use of available funds and the operational grant limited to the approved business plan.

*The entity has a primary bank account with Absa bank which is used to meet the entity's obligations.
^The entity has a short-term deposit account with Investec Bank.

HCT had the following bank accounts

Account number / description	**Bank statement balances**		**Cash book balances**	
	30 June 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**
9110 408 066 - Eloff deposit	428 994	233 789	428 994	233 789
4065 722 829 - Eloff cheque	696 022	1 321 128	696 022	1 321 128
4057 481 879 - Cheque	5 592 419	12 171 768	5 592 419	12 171 768
4091 569 887 - Townlands phase 1	31 701 291	3 879 894	31 701 291	3 879 894
4101 588 183 - Townlands phase 2	272 984	3 250 456	272 984	3 250 456
10089094-ZAR-2201-01 Tenants deposit call	2 050 578	1 341 540	2 050 578	1 341 540
10372656-ZAR-2201-01 Call deposit	1 006 657	1 003 781	1 006 657	1 003 781
10810943-ZAR-2201-01 Call deposit - maintenance reserve	396 070	5 361 278	396 070	5 361 278
Total	**42 145 015**	**28 563 634**	**42 145 015**	**28 563 634**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

12. Living resources

Group	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Animals	603 222	(301 443)	301 779	621 428	(298 160)	323 268

Municipality	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Animals	603 222	(301 443)	301 779	621 428	(298 160)	323 268

Reconciliation of living resources - Group - 2023

	Opening balance	Fair value gain on initial recognition of asset	Disposals	Depreciation	Total
Animals	323 268	45 463	(30 466)	(36 486)	301 779

Reconciliation of living resources - Group - 2022

	Opening balance	Fair value gain on initial recognition of asset	Disposals	Depreciation	Total
Animals	323 815	70 431	(30 011)	(40 967)	323 268

Reconciliation of living resources - Municipality - 2023

	Opening balance	Fair value gain on initial recognition of asset	Disposals	Depreciation	Total
Animals	323 268	45 463	(30 466)	(36 486)	301 779

Reconciliation of living resources - Municipality - 2022

	Opening balance	Fair value gain on initial recognition of asset	Disposals	Depreciation	Total
Animals	323 815	70 431	(30 011)	(40 967)	323 268

Animals consist of animals kept and maintained for recreational purposes i.e. cattle, poultry, fellow deer, goats, horses, pigs and sheep, as well as service animals i.e. dogs and horses.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

12. Living resources (continued)

Change in estimates

The effect of changing the remaining useful lives during 2022/2023 has decreased the depreciation charge for the current and future periods. The total number of assets affected is 11 (2021/2022: 5).

Effect change in estimates				
Animals	3 699	1 323	3 699	1 323

Change in estimate

The effect of changing the remaining useful lives during 2022/2023 has decreased the depreciation charge for the current and future periods. The total number of assets affected is 7 (2021/2022: 20).

Effect change in estimates				
Buildings	40 694	9 513	40 694	9 513

13. Investment property

Group	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	944 932 704	(4 691 147)	940 241 557	945 405 067	-	945 405 067
Investment property	339 897 948	(241 174 372)	98 723 576	340 087 946	(237 379 501)	102 708 445
Community service concession agreement	1 166 133 414	(139 723 017)	1 026 410 397	1 166 133 414	(100 851 903)	1 065 281 511
Total	**2 450 964 066**	**(385 588 536)**	**2 065 375 530**	**2 451 626 427**	**(338 231 404)**	**2 113 395 023**

Municipality	2023			2022		
	Cost	Accumulated depreciation/ Accumulated impairment	Carrying value	Cost	Accumulated depreciation/ Accumulated impairment	Carrying value
Land	944 932 704	(4 691 147)	940 241 557	945 405 067	-	945 405 067
Buildings	339 897 948	(241 390 986)	98 506 962	340 087 946	(237 657 021)	102 430 925
Community service concession agreement	1 166 133 414	(139 506 403)	1 026 627 011	1 166 133 414	(100 574 383)	1 065 559 031
Total	**2 450 964 066**	**(385 588 536)**	**2 065 375 530**	**2 451 626 427**	**(338 231 404)**	**2 113 395 023**

Reconciliation of investment property - Group - 2023

	Opening balance	Disposals	Impairments	Depreciation	Total
Land	945 405 067	(472 363)	(4 691 147)	-	940 241 557
Buildings	102 708 445	(97 184)	-	(3 887 685)	98 723 576
Community service concession agreement	1 065 281 511	-	-	(38 871 114)	1 026 410 397
	2 113 395 023	**(569 547)**	**(4 691 147)**	**(42 758 799)**	**2 065 375 530**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

13. Investment property (continued)

Reconciliation of investment property - Group - 2022

	Opening balance	Disposals	Impairments	Depreciation	Total
Land	945 890 582	(485 515)	-	-	945 405 067
Buildings	137 366 903	-	(30 728 100)	(3 930 358)	102 708 445
Community service concession agreement	1 104 152 624	-	-	(38 871 113)	1 065 281 511
	2 187 410 109	**(485 515)**	**(30 728 100)**	**(42 801 471)**	**2 113 395 023**

Reconciliation of investment property - Municipality - 2023

	Opening balance	Additions	Disposals	Impairments	Depreciation	Total
Land	945 405 067	-	(472 363)	(4 691 147)	-	940 241 557
Buildings	102 708 445	-	(97 184)	-	(3 887 686)	98 723 575
Community service concession agreement	1 065 281 511	-	-	-	(38 871 113)	1 026 410 398
	2 113 395 023	**-**	**(569 547)**	**(4 691 147)**	**(42 758 799)**	**2 065 375 530**

Reconciliation of investment property - Municipality - 2022

	Opening balance	Additions	Disposals	Impairments	Depreciation	Total
Land	945 890 582	-	(485 515)	-	-	945 405 067
Buildings	137 366 903	-	-	(30 728 100)	(3 930 358)	102 708 445
Community service concession agreement	1 104 152 624	-	-	-	(38 871 113)	1 065 281 511
	2 187 410 109	**-**	**(485 515)**	**(30 728 100)**	**(42 801 471)**	**2 113 395 023**

Expenditure incurred to repair and maintain investment property				
General expenses	605 039	765 063	605 039	765 063
Carrying value of investment property where construction or development has been halted either during the current or previous reporting period(s)				
Management decision to discontinue project, referred for forensic investigation	30 757 050	-	30 757 050	-

Amounts recognised in surplus or deficit

Rental revenue from Investment property	-	95 008 442	-	95 008 442

Included in Investment property is assets under construction:

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

13. Investment property (continued)

2023	Included within Land	Included within Buildings	Total
Opening balance	35 000 000	30 757 049	65 757 049
Disposal	-	-	-
Transfers	-	-	-
Impairment	-	-	-
	35 000 000	**30 757 049**	**65 757 049**

2022	Included within Land	Included within Buildings	Total
Opening balance	35 000 000	61 485 149	96 485 149
Disposal	-	-	-
Transfers	-	-	-
Impairment	-	(30 728 100)	(30 728 100)
	35 000 000	**30 757 049**	**65 757 049**

14. Property, plant and equipment

Group	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 097 584 343	(3 122 427)	2 094 461 916	2 092 896 516	-	2 092 896 516
Buildings	2 974 264 776	(1 083 779 987)	1 890 484 789	2 786 894 714	(1 040 802 046)	1 746 092 668
Transport assets	1 475 547 197	(917 738 716)	557 808 481	1 347 059 337	(810 894 093)	536 165 244
Infrastructure	69 905 508 035	(28 890 817 942)	41 014 690 093	68 307 227 779	(26 959 115 080)	41 348 112 699
Community	6 872 618 020	(3 726 679 085)	3 145 938 935	6 762 048 025	(3 435 131 331)	3 326 916 694
Other property, plant and equipment	2 525 652 916	(2 178 649 137)	347 003 779	2 583 478 738	(2 085 358 006)	498 120 732
Tshwane house	1 129 911 631	(232 262 595)	897 649 036	1 129 911 631	(194 598 278)	935 313 353
Laboratory equipment	2 253 708 546	(1 108 557 572)	1 145 150 974	2 218 687 233	(1 047 788 994)	1 170 898 239
Leased assets	1 423 042 762	(1 345 425 839)	77 616 923	1 449 304 289	(1 221 859 818)	227 444 471
Total	**90 657 838 226**	**(39 487 033 300)**	**51 170 804 926**	**88 677 508 262**	**(36 795 547 646)**	**51 881 960 616**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

14. Property, plant and equipment (continued)

Municipality	2023			2022		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 092 884 343	(3 122 427)	2 089 761 916	2 088 796 516	-	2 088 796 516
Buildings	2 015 149 982	(1 082 922 785)	932 227 197	2 035 810 327	(1 037 823 319)	997 987 008
Transport assets	1 473 191 692	(915 957 099)	557 234 593	1 344 617 854	(809 181 839)	535 436 015
Infrastructure	69 905 508 035	(28 890 817 942)	41 014 690 093	68 307 227 779	(26 959 115 080)	41 348 112 699
Community	6 872 618 020	(3 726 679 085)	3 145 938 935	6 762 048 025	(3 435 131 331)	3 326 916 694
Other property, plant and equipment	2 513 241 531	(2 172 486 315)	340 755 216	2 571 965 406	(2 079 506 403)	492 459 003
Tshwane house	1 129 911 631	(232 262 595)	897 649 036	1 129 911 631	(194 598 278)	935 313 353
Housing assets	2 253 708 546	(1 108 557 572)	1 145 150 974	2 218 687 233	(1 047 788 994)	1 170 898 239
Leased assets	1 422 833 725	(1 345 236 766)	77 596 959	1 449 095 252	(1 221 677 400)	227 417 852
Total	**89 679 047 505**	**(39 478 042 586)**	**50 201 004 919**	**87 908 160 023**	**(36 784 822 644)**	**51 123 337 379**

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

14. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Fair value at initial recognition	Disposals	Revaluations	Movement due to change in estimate	Depreciation	Impairment loss	Total
Land	2 092 896 516	9 767 174	160 000	(5 839 347)	600 000	-	-	(3 122 427)	2 094 461 916
Buildings	1 746 092 668	210 886 527	-	(9 456 589)	1 432 558	-	(58 470 375)	-	1 890 484 789
Transport assets	536 165 244	123 122 286	5 548 302	-	-	-	(107 027 351)	-	557 808 481
Infrastructure	41 348 112 699	1 646 717 631	5 771 349	(39 310 170)	-	-	(1 761 184 733)	(185 416 683)	41 014 690 093
Community	3 326 916 694	119 062 479	-	(4 175 094)	-	-	(258 761 451)	(37 103 693)	3 145 938 935
Other property, plant and equipment	498 120 732	94 936 036	3 889 560	(937 455)	-	(149 642 252)	(99 362 842)	-	347 003 779
Tshwane house	935 313 353	-	-	-	-	-	(37 664 317)	-	897 649 036
Housing assets	1 170 898 239	38 018 013	-	(1 258 035)	-	-	(62 507 243)	-	1 145 150 974
Leased assets	227 444 471	-	-	(68 935 999)	-	-	(80 891 549)	-	77 616 923
	51 881 960 616	**2 242 510 146**	**15 369 211**	**(129 912 689)**	**2 032 558**	**(149 642 252)**	**(2 465 869 861)**	**(225 642 803)**	**51 170 804 926**

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

14. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance	Additions	Fair value at initial recognition	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	2 194 229 266	67 000	-	(104 106 750)	2 707 000	-	-	2 092 896 516
Buildings	1 487 343 925	283 713 084	-	(4 160 790)	47 649 231	(65 748 004)	(2 704 778)	1 746 092 668
Transport assets	622 560 331	30 566 882	-	(641 731)	(6 825 600)	(109 494 638)	-	536 165 244
Infrastructure	41 668 578 102	2 069 926 379	11 510 349	(220 629 871)	(266 935)	(1 935 729 871)	(245 275 454)	41 348 112 699
Community	3 554 606 923	182 824 904	-	(79 103 533)	2 238 611	(318 753 699)	(14 896 512)	3 326 916 694
Other property, plant and equipment	477 123 968	169 974 908	15 768 732	(6 667 399)	(45 502 307)	(111 503 106)	(1 074 064)	498 120 732
Tshwane house	972 977 671	-	-	-	-	(37 664 318)	-	935 313 353
Housing assets	1 068 591 152	173 539 129	-	(1 556 011)	-	(69 676 031)	-	1 170 898 239
Leased assets	345 637 296	91 761 539	-	-	-	(209 954 364)	-	227 444 471
	52 391 648 634	**3 002 373 825**	**27 279 081**	**(416 866 085)**	**-**	**(2 858 524 031)**	**(263 950 808)**	**51 881 960 616**

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

14. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Municipality - 2023

	Opening balance	Additions	Fair value at initial recognition	Disposals	Movement due to change in estimate	Depreciation	Impairment loss	Total
Land	2 088 796 516	9 767 174	160 000	(5 839 347)	-	-	(3 122 427)	2 089 761 916
Buildings	997 987 008	1 256 121	-	(9 456 589)	-	(57 559 343)	-	932 227 197
Transport assets	535 436 015	123 025 536	5 548 302	-	-	(106 775 260)	-	557 234 593
Infrastructure	41 348 112 699	1 646 460 642	5 771 349	(39 053 181)	-	(1 761 184 733)	(185 416 683)	41 014 690 093
Community	3 326 916 694	119 062 479	-	(4 175 094)	-	(258 761 451)	(37 103 693)	3 145 938 935
Other property, plant and equipment	492 459 003	93 304 055	3 889 560	(708 725)	(149 642 252)	(98 546 425)	-	340 755 216
Tshwane house	935 313 353	-	-	-	-	(37 664 317)	-	897 649 036
Housing assets	1 170 898 239	38 018 013	-	(1 258 035)	-	(62 507 243)	-	1 145 150 974
Leased assets	227 417 852	-	-	(68 935 999)	-	(80 884 894)	-	77 596 959
	51 123 337 379	**2 030 894 020**	**15 369 211**	**(129 426 970)**	**(149 642 252)**	**(2 463 883 666)**	**(225 642 803)**	**50 201 004 919**

Reconciliation of property, plant and equipment - Municipality - 2022

	Opening balance	Additions	Fair value at initial recognition	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	2 190 129 266	67 000	-	(104 106 750)	2 707 000	-	-	2 088 796 516
Buildings	975 750 232	44 963 400	-	(4 160 790)	47 649 231	(63 510 287)	(2 704 778)	997 987 008
Transport assets	621 581 398	30 566 882	-	(641 731)	(6 825 600)	(109 244 934)	-	535 436 015
Infrastructure	41 668 578 102	2 069 926 379	11 510 349	(220 629 871)	(266 935)	(1 935 729 871)	(245 275 454)	41 348 112 699
Community	3 554 606 923	182 824 904	-	(79 103 533)	2 238 611	(318 753 699)	(14 896 512)	3 326 916 694
Other property, plant and equipment	470 686 184	169 670 702	15 768 732	(6 447 895)	(45 502 307)	(110 642 349)	(1 074 064)	492 459 003
Tshwane house	972 977 671	-	-	-	-	(37 664 318)	-	935 313 353
Housing assets	1 068 591 152	173 539 129	-	(1 556 011)	-	(69 676 031)	-	1 170 898 239
Leased assets	345 541 068	91 761 539	-	-	-	(209 884 755)	-	227 417 852
	51 868 441 996	**2 763 319 935**	**27 279 081**	**(416 646 581)**	**-**	**(2 855 106 244)**	**(263 950 808)**	**51 123 337 379**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

14. Property, plant and equipment (continued)

Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)

Cumulative expenditure recognised in the carrying value of property, plant and equipment that has been halted				
Acquisition cancelled, awaiting refund	5 580 810	-	5 580 810	-
Awaiting appointment of contractor/consultant	263 276	-	263 276	-
Awaiting replacement of additional components to complete the asset	3 217 196	-	3 217 196	-
Awaiting site identification to install equipment	584 589	-	584 589	-
Budget Constraints	104 521 220	129 474 771	104 521 220	129 474 771
Bulk water shortage	3 867 451	-	3 867 451	-
Components subject to modification	1 071 394	-	1 071 394	-
Contract terminated	304 072 671	-	304 072 671	-
Contractors issues/abandoned site	53 083 168	1 886 217	53 083 168	1 886 217
Contractual dispute	-	58 065 454	-	58 065 454
Encroachment dispute	-	16 549 357	-	16 549 357
Delays caused contractor	1 269 686	-	1 269 686	-
Funds utilised for other purposes	6 723 384	-	6 723 384	-
Lack of material at stores	13 595 321	-	13 595 321	-
Project under dispute - Legal process awaiting judgement	42 443 429	-	42 443 429	-
Unavailability of construction tender	1 630 073	-	1 630 073	-
Wayleave application not approved	7 550	-	7 550	-
Timberlands - contract terminated by contractor	1 312 503	-	-	-
Townlands - project under construction	92 279 604	211 572 306	-	-
Chantelle - project under construction	48 038 299	27 177 288	-	-
	683 561 624	**444 725 393**	**541 931 218**	**205 975 799**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

14. Property, plant and equipment (continued)

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected				
Additional scope of work	235 055 107	-	235 055 107	-
Appointment of Safety Agent	24 992 211	-	24 992 211	-
Arbitration	93 813 642	28 826 153	93 813 642	28 826 153
Assessment of works required outstanding	160 240	-	160 240	-
Awaiting appointment of contractor / consultants	29 795 123	35 210 260	29 795 123	35 210 260
Awaiting building plan approval	199 194 546	-	199 194 546	-
Awaiting equipment from manufacturer	36 348 338	-	36 348 338	-
Awaiting registration of servitude	450 000	-	450 000	-
Awaiting rezoning of land	-	1 527 389	-	1 527 389
Awaiting service connection	15 528 045	167 166 918	15 528 045	167 166 918
Awaiting site identification to install equipment	98 231	98 231	98 231	98 231
Budget constraints and community unrest	3 915 651	-	3 915 651	-
Budget contraints	447 726 428	351 712 136	447 726 428	351 712 136
Bulk water shortage	47 668 442	251 594 106	47 668 442	251 594 106
Community protest/unrest	15 558 339	101 851	15 558 339	101 851
Contract lapsed	83 694 400	-	83 694 400	-
Contractor failed to rectify defects	-	505 324	-	505 324
Contract terminated	192 991 405	262 029 092	192 991 405	262 029 092
Contractor's contract lapsed/delay in ESKOM Connection	322 637 570	-	322 637 570	-
Contractors issues/abandoned site	27 208 344	4 301 274	27 208 344	4 301 274
Delay caused by contractor	-	404 312 577	-	404 312 577
Delay in road expansion project	392 490	-	392 490	-
Dependent on Civil Works contract to commence with building work	19 220 313	165 872 296	19 220 313	165 872 296
Dependent on ESKOM connection	264 150	-	264 150	-
Dispute over invoice awaiting BAC approval	22 679 684	-	22 679 684	-
Designs not yet approved	-	6 145 844	-	6 145 844
Eviction required	-	700 402	-	700 402
Forensic Investigation	13 517 000	-	13 517 000	-
Funds utilised for other purposes	7 311 324	-	7 311 324	-
Holistic transport study done	-	46 395 826	-	46 395 826
Interdepartmental dependencies	-	70 948 140	-	70 948 140
Lack of material at stores	384 238	-	384 238	-
Pending decision on land by Department of Agriculture	-	31 281 882	-	31 281 882
Project under dispute - Legal process awaiting judgement	-	43 265 094	-	43 265 094
Poor performance of contrator	174 899 617	-	174 899 617	-
Project material used in an emergency maintenance project.	597 677	-	597 677	-
Tender delay	-	675 772	-	675 772
Unavailability of construction tender	-	209 152	-	209 152
Unfavourable ground conditions	-	456 504 166	-	456 504 166
	2 016 102 555	**2 329 383 885**	**2 016 102 555**	**2 329 383 885**

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

14. Property, plant and equipment (continued)

Included in Property, plant and equipment under construction Group - 2023

	Included within Land	Included within Buildings	Included within Transport Assets	Included within Infrastructure	Included within Community	Included within Housing assets	Included within Other PPE	Total
Opening balance	76 421 679	178 190 001	9 785 659	9 216 694 494	547 235 044	291 064 128	758 250 529	11 077 641 534
Additions/capital expenditure	9 767 174	1 304 158	102 435 361	1 600 381 705	113 325 542	38 018 013	141 630 406	2 006 862 359
Disposal	-	-	-	-	-	-	(25 800 000)	(25 800 000)
Transfers	-	-	(8 843 629)	(337 753 577)	(1 643 226)	-	(8 134 559)	(356 374 991)
Impairment	-	-	-	(48 803 075)	(25 967 599)	-	-	(74 770 674)
	86 188 853	**179 494 159**	**103 377 391**	**10 430 519 547**	**632 949 761**	**329 082 141**	**865 946 376**	**12 627 558 228**

Included in Property, plant and equipment under construction Group - 2022

	Included within Land	Included within Buildings	Included within Transport Assets	Included within Infrastructure	Included within Community	Included within Housing assets	Included within Other PPE	Total
Opening balance	76 421 679	135 949 684	147 981 828	7 982 100 843	422 242 935	117 524 999	603 830 855	9 486 052 823
Additions/capital expenditure	-	44 963 400	2 215 501	1 904 196 749	181 444 430	173 539 129	251 200 864	2 557 560 073
Disposal	-	-	-	-	(130 156)	-	(396 000)	(526 156)
Transfers	-	-	(140 411 671)	(447 225 356)	(56 249 248)	-	(96 385 190)	(740 271 465)
Impairment	-	(2 675 046)	-	(222 377 382)	(72 917)	-	-	(225 125 345)
	76 421 679	**178 238 038**	**9 785 658**	**9 216 694 854**	**547 235 044**	**291 064 128**	**758 250 529**	**11 077 689 930**

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

14. Property, plant and equipment (continued)

Included in Property, plant and equipment under construction Municipality - 2023

	Included within Land	Included within Buildings	Included within Transport Assets	Included within Infrastructure	Included within Community	Included within Housing assets	Included within Other PPE	Total
Opening balance	76 421 679	178 238 038	9 785 659	9 216 694 494	547 235 044	291 064 128	27 073 329	10 346 512 371
Additions/capital expenditure	9 767 174	1 256 120	102 435 361	1 600 381 705	113 325 542	38 018 013	-	1 865 183 915
Disposal	-	-	-	-	-	-	-	-
Transfers	-	-	(8 843 629)	(337 753 577)	(1 643 226)	-	(8 134 559)	(356 374 991)
Impairment	-	-	-	(48 803 075)	(25 967 599)	-	-	(74 770 674)
	86 188 853	**179 494 158**	**103 377 391**	**10 430 519 547**	**632 949 761**	**329 082 141**	**18 938 770**	**11 780 550 621**

Included in Property, plant and equipment under construction Municipality - 2022

	Included within Land	Included within Buildings	Included within Transport Assets	Included within Infrastructure	Included within Community	Included within Housing assets	Included within Other PPE	Total
Opening balance	76 421 679	135 949 684	147 981 828	7 982 100 843	422 242 935	117 524 999	111 403 339	8 993 625 307
Additions/capital expenditure	-	44 963 400	2 215 501	1 904 196 749	181 444 430	173 539 129	12 451 180	2 318 810 389
Disposal	-	-	-	-	(130 156)	-	(396 000)	(526 156)
Transfers	-	-	(140 411 671)	(447 225 356)	(56 249 248)	-	(96 385 190)	(740 271 465)
Impairment	-	(2 675 046)	-	(222 377 382)	(72 917)	-	-	(225 125 345)
	76 421 679	**178 238 038**	**9 785 658**	**9 216 694 854**	**547 235 044**	**291 064 128**	**27 073 329**	**10 346 512 730**

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

14. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance				
Contracted services	495 573 255	551 779 880	494 086 525	551 035 962
General expenses	475 547 321	422 740 121	472 650 857	420 775 872
Other materials	179 721 670	143 452 149	179 721 670	143 452 149
	1 150 842 246	**1 117 972 150**	**1 146 459 052**	**1 115 263 983**

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.

Change in estimate

The effect of changing the remaining useful lives during 2022/2023 has decreased the depreciation charge for the current and future periods. The total number of assets affected is 1 335 995 (2021/2022: 1 316 504).

Effect change in estimates				
Property plant and equipment	159 458 352	80 865 705	159 458 352	80 865 705

15. Intangible assets

Group	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 039 997 383	(401 995 780)	638 001 603	938 853 188	(358 301 532)	580 551 656
Developmental Rights	772 321	(144 251)	628 070	486 800	(135 344)	351 456
Servitudes	493 020 103	-	493 020 103	493 924 654	-	493 924 654
Total	**1 533 789 807**	**(402 140 031)**	**1 131 649 776**	**1 433 264 642**	**(358 436 876)**	**1 074 827 766**

Municipality	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1 039 866 556	(401 869 939)	637 996 617	938 722 361	(358 176 938)	580 545 423
Servitudes	493 020 103	-	493 020 103	493 924 654	-	493 924 654
Total	**1 532 886 659**	**(401 869 939)**	**1 131 016 720**	**1 432 647 015**	**(358 176 938)**	**1 074 470 077**

Reconciliation of intangible assets - Group - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	580 551 656	101 144 198	-	(43 694 251)	638 001 603
Developmental Rights	351 456	285 521	-	(8 907)	628 070
Servitudes	493 924 654	-	(904 551)	-	493 020 103
	1 074 827 766	**101 429 719**	**(904 551)**	**(43 703 158)**	**1 131 649 776**

15. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2022

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software	465 365 160	166 872 140	(10)	(51 657 027)	(28 607)	580 551 656
Developmental Rights	363 576	-	-	(12 120)	-	351 456
Servitudes	508 518 997	307 901	(14 902 244)	-	-	493 924 654
	974 247 733	**167 180 041**	**(14 902 254)**	**(51 669 147)**	**(28 607)**	**1 074 827 766**

Reconciliation of intangible assets - Municipality - 2023

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software	580 545 423	101 144 198	-	(43 693 004)	-	637 996 617
Servitudes	493 924 654	-	(904 551)	-	-	493 020 103
	1 074 470 077	**101 144 198**	**(904 551)**	**(43 693 004)**	**-**	**1 131 016 720**

Reconciliation of intangible assets - Municipality - 2022

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software	465 357 369	166 872 140	(10)	(51 655 469)	(28 607)	580 545 423
Servitudes	508 518 997	307 901	(14 902 244)	-	-	493 924 654
	973 876 366	**167 180 041**	**(14 902 254)**	**(51 655 469)**	**(28 607)**	**1 074 470 077**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

15. Intangible assets (continued)

Pledged as security

No Intangible assets have been pledged as security.

Expenditure incurred to maintain intangible assets

Computer software	89 683 388	100 728 125	89 683 388	100 728 125

Carrying value of Intangible assets that is taking a significantly longer period of time to complete than expected				
Awaiting service connections	-	2 366 679	-	2 366 679
Awaiting appointment of contractor/consultant	657 003	-	657 003	-
Additional scope of work	27 792 037	-	27 792 037	-
Delayed in finalysing SAP integration/UAT Testing	24 822 000	-	24 822 000	-
Delay caused by contractor	-	657 003	-	657 003
	53 271 040	**3 023 682**	**53 271 040**	**3 023 682**

Change in estimate

The effect of changing the remaining useful lives during 2022/2023 has decreased the depreciation charge for the current and future periods. The total number of assets affected is 84 (2021/2022: 871).

Effect change in estimates				
Software other	9 972 446	3 706 935	9 972 446	3 706 935

Included in Intangible assets under construction

2023	Included within Servitudes	Included within Software	Total
Opening balance	40 880 224	376 251 058	417 131 282
Additions/capital expenditure	-	101 144 196	101 144 196
Disposal	-	-	-
Transfers	(579 550)	(7 000 000)	(7 579 550)
	40 300 674	**470 395 254**	**510 695 928**

2022	Included within Servitudes	Included within Software	Total
Opening balance	40 680 124	221 288 486	261 968 610
Additions/capital expenditure	307 900	166 284 860	166 592 760
Disposal	-	-	-
Transfers	(107 800)	(11 322 288)	(11 430 088)
	40 880 224	**376 251 058**	**417 131 282**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

16. Heritage assets

Group	2023			2022		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Works of art	471 068 232	-	471 068 232	471 068 232	-	471 068 232
Historical buildings and land	3 225 252 890	(327 788 460)	2 897 464 430	3 225 252 889	(327 788 459)	2 897 464 430
Other heritage assets	3 048 938	-	3 048 938	3 048 938	-	3 048 938
Total	**3 699 370 060**	**(327 788 460)**	**3 371 581 600**	**3 699 370 059**	**(327 788 459)**	**3 371 581 600**

Municipality	2023			2022		
	Cost	Accumulated impairment losses	Carrying value	Cost	Accumulated impairment losses	Carrying value
Works of art	471 068 232	-	471 068 232	471 068 232	-	471 068 232
Historical buildings and land	3 225 252 890	(327 788 460)	2 897 464 430	3 225 252 889	(327 788 459)	2 897 464 430
Other heritage assets	3 048 938	-	3 048 938	3 048 938	-	3 048 938
Total	**3 699 370 060**	**(327 788 460)**	**3 371 581 600**	**3 699 370 059**	**(327 788 459)**	**3 371 581 600**

Reconciliation of heritage assets Group - 2023

	Opening balance	Total
Works of art	471 068 232	471 068 232
Historical buildings and land	2 897 464 430	2 897 464 430
Other heritage assets	3 048 938	3 048 938
	3 371 581 600	**3 371 581 600**

Reconciliation of heritage assets Group - 2022

	Opening balance	Disposals	Total
Works of art	471 180 232	(112 000)	471 068 232
Historical buildings and land	2 897 464 430	-	2 897 464 430
Other heritage assets	3 048 938	-	3 048 938
	3 371 693 600	**(112 000)**	**3 371 581 600**

Reconciliation of heritage assets Municipality - 2023

	Opening balance	Disposals	Total
Works of art	471 068 232	-	471 068 232
Historical buildings and land	2 897 464 430	-	2 897 464 430
Other heritage assets	3 048 938	-	3 048 938
	3 371 581 600	**-**	**3 371 581 600**

Reconciliation of heritage assets Municipality - 2022

	Opening balance	Disposals	Total
Works of art	471 180 232	(112 000)	471 068 232

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022
16. Heritage assets (continued)				
Historical buildings and land		2 897 464 430	-	2 897 464 430
Other heritage assets		3 048 938	-	3 048 938
		3 371 693 600	**(112 000)**	**3 371 581 600**

	Group 2023	Group 2022	Municipality 2023	Municipality 2022
Carrying value of Heritage asset that is taking a significantly longer period of time to complete than expected				
Budget constraints	1 512 530	-	1 512 530	-
	1 512 530	**-**	**1 512 530**	**-**

	Group 2023	Group 2022	Municipality 2023	Municipality 2022
Carrying value of Heritage asset where construction or development has been halted either during the current or previous reporting period(s)				
Budget constraints	-	1 512 530	-	1 512 530

Expenditure incurred to repair and maintain heritage assets

	Group 2023	Group 2022	Municipality 2023	Municipality 2022
Expenditure incurred to repair and maintain heritage assets included in Statement of Financial Performance				
General expenses	19 987 452	2 761 934	19 987 452	2 761 934

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

16. Heritage assets (continued)

Included in Heritage assets under construction

2023	Included within Other Heritage assets	Total
Opening balance	1 512 530	1 512 530
Disposal	-	-
Transfers	-	-
	1 512 530	**1 512 530**

2022	Included within Other Heritage assets	Total
Opening balance	1 512 530	1 512 530
Disposal	-	-
Transfers	-	-
	1 512 530	**1 512 530**

17. Investments in controlled entities

City of Tshwane controls 100% of two active and viable municipal entities Housing Company Tshwane (HCT) and Tshwane Economic Development Agency (TEDA).

City of Tshwane is exposed, and has rights, to variable returns from its involvement with the controlled entities and has the ability to affect those returns through its power over the controlled entities.

TEDA was established with the aim of being a catalyst for accelerated economic growth and job creation within Tshwane. It was established as a private company.

Housing Company Tshwane is wholly owned by City of Tshwane and was established as a section 21 company and mandated to act as a long term institutional vehicle through which CoT would promote the business of procuring, developing, owning, letting, maintaining and managing residential accommodation primarily for low and middle income brackets in terms of National Housing Code including provision of Social Housing (SH) products and services to SH the target market to the provision of Affordable Rental.

HCT was later converted to a Non-Profit Company (NPC). Housing Company Tshwane is 100% controlled by the City as it is established to develop and manage social / rental housing for the benefit of the residents of the City of Tshwane.

City of Tshwane accounts for Investments in municipal entities (controlled entities) at cost.

The carrying amounts of controlled entities are shown net of impairment losses.

Investment in Municipal Entity (TEDA)				
Gross Investment	-	-	1 000	1 000

Control over entity (% held)				
Housing Tshwane Company	100	100	100	100
Tshwane Economic Development Agency (Pty) Ltd	100	100	100	100

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

18. Investment in joint venture

Name of company	Listed /Unlisted	Economic Entity Carrying amount 2023	Economic Entity Carrying amount 2022	Controlling Entity Carrying amount 2023	Controlling Entity Carrying amount 2022
Interest in joint venture: TASEZ	Unlisted	825 075 388	729 982 089	825 075 388	729 982 089
		825 075 388	729 982 089	825 075 388	729 982 089

Tshwane Automotive Hub Special Economic Zone (TASEZ)

City of Tshwane entered into a tripartite agreement with Department of Trade, Industry and Competition (DTIC) and Gauteng Department of Economic Development (GDED) for a duration of five years in order to establish a Special economic Zone in a form of Tshwane Automotive Hub Special Economic Zone (TASEZ) to industrialize the capital city and mitigate unemployment rates provincially and surrounding Tshwane.

A Special Purpose Vehicle was established namely TASEZ, City of Tshwane holds 33.3% shareholding in the SPV, the DTIC 33.3% and GDED 33.4%. City of Tshwane is the land owners.

The City of Tshwane accounts for investment in TASEZ using the equity method .

Under the equity method, on initial recognition the investment in TASEZ is recognised at cost and the carrying amount is increased or decreased to recognise the City of Tshwane’s share of 33,33% of the surplus or deficit of the investee after the date of acquisition.

The City of Tshwane is responsible for the provision of land permissions, zoning, assistance with capital expenditure towards the Bulk Infrastructure, spatial planning and supporting services, precinct plan development, community initiatives, assist investment facilitation and development facilitation.

Summarised Financial Information of Tshwane Automotive Special Economic Zone

Assets				
Non-current assets	3 134 882 999	2 839 180 413	3 134 882 999	2 839 180 413
Current assets	444 658 459	441 062 105	444 658 459	441 062 105
Total Assets	**3 579 541 458**	**3 280 242 518**	**3 579 541 458**	**3 280 242 518**
Liabilities				
Non-current liabilities	660 034 051	595 756 579	660 034 051	595 756 579
Current liabilities	321 623 348	395 059 532	321 623 348	395 059 532
Total Liabilites	**981 657 399**	**990 816 111**	**981 657 399**	**990 816 111**
Net Assets as at 30 June 2023	2 597 884 059	2 289 426 407	2 597 884 059	2 289 426 407

Reconciliation of the summarised financial information and the carrying amount of the investment in the associates

Carrying amount of the investment in joint venture				
Summarised Financial Information	2 597 884 059	2 289 426 407	2 597 884 059	2 289 426 407
Asset Under Construction included in the City's property, plant and equipment balance	(122 410 348)	(99 261 123)	(122 410 348)	(99 261 123)
Total net assets	**2 475 473 711**	**2 190 165 284**	**2 475 473 711**	**2 190 165 284**
Summarised Financial Information	2 475 473 711	2 190 165 284	2 475 473 711	2 190 165 284
33,33% interest in net assets of the joint venture	(825 075 388)	(729 982 089)	(825 075 388)	(729 982 089)

19. Interest rates swaps

The City of Tshwane holds derivative financial instruments to hedge its interest rate risk exposures. The City entered into interest rate swap contracts that entitles it to receive interest at fixed or floating rates on notional principal amounts that obliges it to pay interest at variable or fixed rates on the same amounts. Interest rate swaps are agreements between two parties to exchange one stream of interest payments for another over a set period of time. Interest rate swaps are measured at fair value on trade or reporting dates.

The City entered into interest rate swaps with the following counter parties:

City of Johannesburg: (Trade number - SWS BK 2RS)
Trade date: 23 October 2014 and Settlement date: 30 June 2034
Nominal amount: R 1,600,000,000 (Current Nominal amount R 1,600,000,000)
Fixed rate: 11.0% and variable rate: Jibar + 2,50 basis points
Payable: Semi-annual

City of Johannesburg: (Trade number - 12503628)
Trade date: 18 August 2015 (effective date 29 June 2015) and Settlement date: 29 June 2035
Nominal amount: R 1,500,000,000 (Current notional amount R 1,500,000,000)
Fixed rate: 11,48% and variable rate: Jibar + 2,4 basis points
Payable: Semi-annual

City of Johannesburg: (Trade number - 12503643)
Trade date: 20 July 2017 and Settlement date: 23 June 2027
Original Nominal amount R 1,000,000,000 (Current Nominal amount R 1,000,000,000)
Fixed rate: 10.55% and variable rate: Jibar + 2,65 basis points
Payable: quarterly

Nedbank: (Trade number - 18569588)
Effective Date: 31 December 2012 and Settlement date: 30 June 2026
Original Nominal amount: R 943,766,167 (Current Nominal amount R302 256 430)
Fixed rate: 9,31% and variable rate: Prime -1.28%
Payable: Semi-annual

Nedbank: (Trade number - 24157050)
Effective Date: 1 April 2014 and Settlement date: 30 June 2026
Nominal amount R 890,312,448: (Current Nominal amount R302 256 430)
Fixed rate: 9,31% and variable rate: Jibar + 2,22 basis points
Payable: Semi-annual

Fair values of financial assets measured or disclosed at fair value:

Class 1 : Interest rate swaps

The method to determine the fair value of the interest rate swaps is the discounted cash flow method. Various parameters are used to value the swaps, eg start date, end date, payment dates in between, fixed rate, floating rate spread, payment frequency, yield curve, etc. Cash flows are discounted using the zero curve.

Fair value hierarchy of financial assets at fair value

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurement. The fair value hierarchy have the following levels:

Level 1: represents those assets which are measured using unadjusted quoted prices in active markets for identical assets

Level 2: applies inputs other than quoted prices that are observable for the assets either directly (ie as prices) or indirectly (ie derived from prices).

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

19. Interest rates swaps (continued)

Level 3: applies inputs which are not based on observable market data.

The City of Tshwane classifies its interest rate swaps as level 2 and no transfers were made between the different levels of the hierarchy in the year under review. None of the financial assets that are fully performing have been renegotiated in the last year.

Nominal value of financial assets at fair value:

The original and current nominal values of the existing interest rate swaps were R5 934 078 615 (2022: R6 507 636 534) as at 30 June 2023.

The original and current nominal values of the existing interest rate swaps were R4 704 512 860 (2022: R5 842 454 709) as at 30 June 2023.

Interest paid on the interest rate swaps to the amount of R57 489 941 (2022: R143 058 569) were recognised in surplus or deficit as part of finance cost - refer to note 41.

The fair value of interest rate swaps for the period under review is as indicated below.

Interest rate swap				
Interest rate swap asset	247 940 777	156 939 067	247 940 777	156 939 067
Interest swap liability	(9 560 148)	(11 907 174)	(9 560 148)	(11 907 174)
	238 380 629	**145 031 893**	**238 380 629**	**145 031 893**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

20. Deferred tax

Property, plant and equipment	(209 228)	(257 858)	-	-
Tax rate change	-	(22 357)	-	-
Provision for impairment	37 272	38 653	-	-
Finance lease	(79 662)	(64 375)	-	-
Assessed loss for the year	476 277	-	-	-
Provision for doubtful debts	44 166	45 802	-	-
Provision for leave	479 408	613 574	-	-
Straight lining of operating lease	191 541	250 197	-	-
Prepayment	(312 877)	-	-	-
Total deferred tax (liability)/Asset	**626 897**	**603 636**	**-**	**-**

Reconciliation of deferred tax

At beginning of year	603 636	662 681	-	-
Adjustment due to change in tax rate	-	(22 357)	-	-
Increases (decrease) in tax loss available for set off against future taxable income	476 277	-	-	-
Movement in finance lease	(17 586)	7 030	-	-
Movement on property,plant and equipment as well as intangible assets	39 418	45 623	-	-
Movement in provision for leave pay	(112 252)	(160 328)	-	-
Movement on impairment of debtors	-	38 653	-	-
Operating lease straight lining	(49 719)	32 334	-	-
Prepayment	(312 877)	-	-	-
	626 897	**603 636**	**-**	**-**

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable surpluses in excess of the surpluses arising from the reversal of existing taxable temporary differences; and
- the group has suffered a deficit in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

21. Loans and bonds

Summary of Long Term Borrowings:				
Bullet Loans	6 301 935 863	6 301 668 932	6 301 935 863	6 301 668 932
Municipal bonds	1 328 630 986	1 328 630 986	1 328 630 986	1 328 630 986
Annuity loans	1 869 618 256	3 224 624 533	1 869 618 256	3 224 624 533
	9 500 185 105	**10 854 924 451**	**9 500 185 105**	**10 854 924 451**

Held at amortised cost

Bullet Loans

Development Bank of South Africa (1-2100) Secured 20 year bullet loan, Jibar rate +2.5 margin interest rate repayable semi-annually, while capital will be redeemed by way of a bullet repayment on the final redemption date, 30 June 2034.	1 600 000 000	1 600 000 000	1 600 000 000	1 600 000 000

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand	Group 2023	Group 2022	Municipality 2023	Municipality 2022
21. Loans and bonds (continued)				
Nedbank (1-2300) Secured 10-year bullet loan, fixed interest rate 11.86% repayable quarterly , while capital will be redeemed by way of a bullet repayment on the final redemption date, 30 June 2026.	1 200 000 000	1 200 415 233	1 200 000 000	1 200 415 233
Development Bank of South Africa (1-22) Secured 20 year bullet loan, Jibar rate + 2.4 margin interest rate repayable semi-annually, while capital will be redeemed by way of a bullet repayment on the final redemption date, 30 June 2035.	1 500 000 000	1 500 000 000	1 500 000 000	1 500 000 000
Development Bank of South Africa (1-2551) Secured 20 year bullet loan, Jibar rate repayable quarterly, while capital will be redeemed by way of a bullet repayment on the final redemption date, 30 June 2040.	1 500 000 000	1 500 000 000	1 500 000 000	1 500 000 000
Nedbank Loan (1-2501) Unsecured 10 year loan with a variable interest rate (JIBAR) payable quarterly, with the capital amount to be repaid on June 30, 2029.	501 935 863	501 253 699	501 935 863	501 253 699
Municipal bonds				
Standard Bank (1-1900) Secured 15-year bond. Fixed interest rate repayable semi-annually, while capital will be redeemed by way of a bullet repayment on the final redemption date, 3 April 2028. A redemption fund investment have been made for the purpose of providing for the capital repayment at the date of redemption.	573 771 397	573 771 397	573 771 397	573 771 397
Standard Bank (1-1901) Secured 10-year bond. Fixed interest rate repayable semi-annually, while capital will be redeemed by way of a bullet repayment on the final redemption date, 3 April 2023. A redemption fund investment have been made for the purpose of providing for the capital repayment at the date of redemption.	-	-	-	-
Standard Bank (1-1950) Secured 15-year bond. Fixed interest rate repayable semi-annually, while capital will be redeemed by way of a bullet repayment on the final redemption date, 5 June 2028. A redemption fund investment have been made for the purpose of providing for the capital repayment at the date of redemption.	754 859 589	754 859 589	754 859 589	754 859 589
Annuity loans				
Standard Bank (1-1300) Unsecured variable interest rate 15-year loan repayable semi-annually in instalments of interest and capital with interest payable on reducing balance until capital is paid off on 29 June 2026.	301 562 340	1 235 707 471	301 562 340	1 235 707 471
Standard Bank (1-2450) Unsecured (Jibar) variable interest rate 10-year loan repayable with quarterly equal instalments of interest and capital with interest payable on reducing balance until capital is paid off on 30 June 2027.	521 097 812	617 576 196	521 097 812	617 576 196

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022
21. Loans and bonds (continued)				
Standard Bank (1-2501) Unsecured (Jibar) variable interest rate 10-year loan repayable with quarter in equal instalments of interest and capital with interest payable on reducing balance until capital is paid off on 30 June 2029.	601 757 589	701 369 699	601 757 589	701 369 699
Development Bank of South Africa (1-950) Unsecured fixed interest 20-year loan repayable semi-annually in equal instalments of interest and capital with interest payable on reducing balance until capital is paid off on 30 June 2029.	67 068 744	75 872 663	67 068 744	75 872 663
Development Bank of South Africa (1-800) Unsecured fixed interest 20-year loan repayable semi-annually in equal instalments of interest and capital with interest payable on reducing balance until capital is paid off on 30 June 2028.	102 095 085	114 885 061	102 095 085	114 885 061
Development Bank of South Africa (1-700) Unsecured fixed interest 20-year loan repayable semi-annually in equal instalments of interest and capital with interest payable on reducing balance until capital is paid off on 30 June 2028.	37 319 918	43 501 828	37 319 918	43 501 828
Development Bank of South Africa (1-701) Unsecured fixed interest 20-year loan repayable semi-annually in equal instalments of interest and capital with interest payable on reducing balance until capital is paid off on 30 June 2028.	100 785 734	114 477 379	100 785 734	114 477 379
Nedbank (1-1800) Unsecured (Jibar) variable interest rate 16-year loan repayable in semi-annual equal instalments of interest and capital with interest payable on reducing balance until capital is paid off on 1 March 2023.	-	94 800 255	-	94 800 255
iVuzi (FirstRand Bank) (1-1851) Unsecured (Jibar) variable interest rate 14-year loan repayable in semi-annual equal instalments of interest and capital with interest payable on reducing balance until capital is paid off on 1 December 2027.	137 931 034	172 413 793	137 931 034	172 413 793
Nedbank (1-1801) Unsecured (Jibar) variable interest rate 12-year loan repayable in semi-annual equal instalments of interest and capital with interest payable on reducing balance until capital is paid off on 1 March 2023.	-	54 020 188	-	54 020 188
	9 500 185 105	**10 854 924 451**	**9 500 185 105**	**10 854 924 451**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

21. Loans and bonds (continued)

Non-current liabilities				
At amortised cost	9 091 315 444	8 619 508 047	9 091 315 444	8 619 508 047
Current liabilities				
At amortised cost	408 869 661	2 235 416 404	408 869 661	2 235 416 404
	9 500 185 105	**10 854 924 451**	**9 500 185 105**	**10 854 924 451**

Secured and unsecured long-term liabilities				
Secured	9 500 185 105	10 854 924 451	-	-
Unsecured	-	-	9 500 185 105	10 854 924 451
	9 500 185 105	**10 854 924 451**	**9 500 185 105**	**10 854 924 451**

No defaults or breaches of loans occurred in the period under review.

The weighted average interest rate is 11.33% (2022: 8.83%).

Reconciliation of cash flow movement on loans and bonds				
Opening balance - Current	(2 235 416 404)	(592 251 745)	(2 235 416 404)	(592 251 745)
Opening balance - Non-current	(8 619 508 045)	(10 805 811 449)	(8 619 508 045)	(10 805 811 449)
	(10 854 924 449)	(11 398 063 194)	(10 854 924 449)	(11 398 063 194)
Payments	1 370 754 802	542 950 339	1 370 754 802	542 950 339
Non-cash movement	(16 015 459)	188 406	(16 015 459)	188 406
	(9 500 185 106)	**(10 854 924 449)**	**(9 500 185 106)**	**(10 854 924 449)**

Closing balance				
Current	(408 869 661)	(2 235 416 404)	(408 869 661)	(2 235 416 404)
Non-current	(9 091 315 445)	(8 619 508 045)	(9 091 315 445)	(8 619 508 045)
	(9 500 185 106)	**(10 854 924 449)**	**(9 500 185 106)**	**(10 854 924 449)**

22. Finance lease obligation

Minimum lease payments due				
- within one year	42 568 875	103 758 208	41 663 266	102 838 332
- in second to fifth year inclusive	70 665 799	117 948 524	70 366 493	116 743 607
	113 234 674	221 706 732	112 029 759	219 581 939
less: future finance charges	(14 529 175)	(37 886 357)	(14 448 231)	(37 651 752)
Present value of minimum lease payments	**98 705 499**	**183 820 375**	**97 581 528**	**181 930 187**

Present value of minimum lease payments due				
- within one year	40 441 700	100 016 320	39 610 903	99 250 104
- Later than one year no later than five years	-	83 804 055	57 970 625	82 680 083
- later than five years	58 263 799	-	-	-
	98 705 499	**183 820 375**	**97 581 528**	**181 930 187**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

22. Finance lease obligation (continued)

Non-current liabilities	58 263 799	83 804 055	57 970 625	82 680 083
Current liabilities	40 441 700	100 016 320	39 610 903	99 250 104
	98 705 499	**183 820 375**	**97 581 528**	**181 930 187**

Net book value of leased assets				
Cost	1 423 042 762	1 449 304 289	1 422 833 725	1 449 095 252
Accumulated depreciation	(1 345 425 839)	(1 221 859 818)	(1 345 236 766)	(1 221 677 400)
Net book value of leased assets (refer to note 14)	**77 616 923**	**227 444 471**	**77 596 959**	**227 417 852**

The lease liabilities reflected above relate to the lease contract of Fleet Management for the supply of fleet vehicles and fleet related services. The lease contract of Fleet Management is a public-private partnership agreement between the following companies -* Moipone Group of Companies (Pty) Ltd for the supply of category A and C fleet vehicles and fleet-related services; * Fleet Africa, a division of Super Group Africa (Pty) Ltd for the supply of category E fleet vehicles and fleet-related services and* Fleetmatics VMS (Pty) Ltd for the supply of category B fleet vehicles and fleet-related services Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The lease term varies between 27 months and 60 months and the average effective borrowing rate is 7%. Interest rates are variable at the date of contract. It is municipality's policy to lease certain [property]motor vehicles and equipment under finance leases. Contracts between Moipone Group of Companies (Pty) Ltd and Fleetmatics VMS (Pty) Ltd expired during financial 2022/23 and no new contracts were entered into during the year. Contract between Fleet Africa and the city is still active but no new contracts were entered into during the financial year 2022/23

The lease liabilities reflected above relate to the lease contract of Fleet Management for the supply of fleet vehicles and fleet-related services. The lease contract of Fleet Management is a public-private partnership agreement between the following companies -* Moipone Group of Companies (Pty) Ltd for the supply of category A and C fleet vehicles and fleet-related services;

TEDA entered into a lease agreement for photocopy machines for a period of 3 years effective from 1st September 2019. Leasehold improvements for the new offices are amortised over the lease term of 5 years starting from 01 November 2019.

Capital repayment on the finance lease is R766,216 (R748,855) as at 30 June 2023 and 30 June 2022 respectively.

The average lease term was 5 years and the average effective borrowing rate was 2023 7% (2022: 7%).

Interest rates are linked to prime at the contract date. All leases escalate at 7% p.a and no arrangements have been entered into for contingent rent.

23. Payables from exchange transactions

Financial instruments				
Trade payables	8 037 809 252	6 890 380 175	8 041 514 490	6 942 031 043
Debtors with credit balances - reclassification	2 261 444 095	2 109 106 030	2 261 444 095	2 109 106 030
Retention creditors	603 896 538	638 004 405	590 658 461	623 013 615
Other creditors	1 692 067 064	1 292 477 639	1 674 153 118	1 287 019 761
	12 595 216 949	**10 929 968 249**	**12 567 770 164**	**10 961 170 449**
Non - Financial instruments				
Payments received in advanced - contract in process	24 740 168	32 288 308	24 740 168	32 288 308
Deposits received	46 437 734	46 552 284	44 779 745	45 577 497
	12 666 394 851	**11 008 808 841**	**12 637 290 077**	**11 039 036 254**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

24. VAT

VAT Payable	(5 385 904 667)	(6 078 491 989)	(5 384 641 745)	(6 078 938 260)
Impairment adjustment	1 300 787 109	1 021 084 418	1 300 787 109	1 021 084 418
Total VAT Payable	**(4 085 117 558)**	**(5 057 407 571)**	**(4 083 854 636)**	**(5 057 853 842)**
VAT Receivable	2 474 118 012	1 745 387 593	1 173 327 431	724 299 703
	(1 610 999 546)	**(3 312 019 978)**	**(2 910 527 205)**	**(4 333 554 139)**

VAT per accrual accounting	(393 656 993)	(822 078 245)	(392 397 543)	(822 527 988)
VAT per cash basis (Per SARS Statement)	(2 518 129 662)	(3 511 026 151)	(2 518 129 662)	(3 511 026 151)
	(2 911 786 655)	**(4 333 104 396)**	**(2 910 527 205)**	**(4 333 554 139)**

VAT is payable on the receipt basis. Only once payment is received from debtors is VAT paid over to SARS. The VAT payable includes the liability which arose from previous Peu Smartmeter.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

25. Consumer deposits

Electricity and water	764 132 255	781 190 973	764 132 255	781 190 973

The amounts of guarantees held as indicated below are not included/recognised in the statement of financial position as it will only be accounted for once the guarantee is activated. Currently it is only a disclosure item.

Guarantees held:				
Electricity and water consumers (who do not have deposits)	179 505 894	188 654 264	179 505 894	188 654 264
Township Development guarantees	737 118 543	677 250 552	737 118 543	677 250 552
	916 624 437	**865 904 816**	**916 624 437**	**865 904 816**

26. Employee benefit obligations

		2023			**2022**	
Group	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Gratuity	1 792 400	1 068 300	2 860 700	3 812 648	1 579 069	5 391 717
Medical	81 520 000	972 279 000	1 053 799 000	74 299 938	1 197 847 555	1 272 147 493
LSA	128 893 000	770 515 000	899 408 000	112 722 471	810 870 686	923 593 157
13th cheque	190 017 806	-	190 017 806	200 448 769	-	200 448 769
Leave Accrual	1 422 633 803	-	1 419 291 222	1 611 169 983	-	1 606 849 606
Other	104 848	-	-	523 921	-	-
Total Employee benefit obligations	**1 824 961 857**	**1 743 862 300**	**3 565 376 728**	**2 002 977 730**	**2 010 297 310**	**4 008 430 742**

		2023			**2022**	
City	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Gratuity	1 792 400	1 068 300	2 860 700	3 812 648	1 579 069	5 391 717
Medical	81 520 000	972 279 000	1 053 799 000	74 299 938	1 197 847 555	1 272 147 493
LSA	128 893 000	770 515 000	899 408 000	112 722 471	810 870 686	923 593 157
13th cheque	190 017 806	-	190 017 806	200 448 769	-	200 448 769
Leave Accrual	1 419 291 222	-	1 419 291 222	1 606 849 606	-	1 606 849 606
Total Employee benefit obligations	**1 821 514 428**	**1 743 862 300**	**3 565 376 728**	**1 998 133 432**	**2 010 297 310**	**4 008 430 742**

Tshwane Municipal Pension Fund

Tshwane municipal pension fund to which 118 (2022: 131)in service members, 1 161 (2022: 1 113) pensioners of municipal employees belong, is a defined benefit plan . The cost of providing these benefits is determined on the projected unit credit method prescribed by GRAP 25 and actuarial valuations are performed at each reporting date. The retirement benefit obligation presented in the statement of financial position presents the sum of the present value of the obligation less the fair value of the plan assets.

At the Valuation Date there was an actuarial surplus of R306 million. However this cannot be recognised on the balance sheet because the Fund’s rules do not grant the Employer control of that surplus.

At the last valuation (30 June 2023) assets exceeded liabilities by R473.461 million.

Gratuity

The Municipality offers a Gratuity Benefit to 7 (2022: 10) employees who do not belong to a pension or provident fund. The Gratuity is paid on an eligible employee’s termination of service.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

26. Employee benefit obligations (continued)

Post-Employment Medical Aid Subsidy

The municipality provides certain post-retirement medical benefits by funding the medial aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds associated with the municipality, if a member who joined the municipality under the current conditions of services retires, they are entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for certain portion of the medical aid membership fee. The cost of providing these benefits is determined on the basis of the projected unit credit method prescribed by GRAP 25. Future benefit values are projected using specific actuarial assumptions and the liability for the in-service members is accrued over the expected working lifetime. No plan assets exist and any actuarial gains and losses are recognized immediately. A total of 574 (2022: 637) in-service employees and 1351 (2022: 1 361) continuation employees are qualify for this benefit.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

26. Employee benefit obligations (continued)

Long Service Award (LSA)

The municipality offers benefits under a new LSA Policy. The Policy provides a benefit in the form of a lumpsum payment to eligible employees upon completion of the specified number of years of service at a predetermined % of annual salary. The payment is made following the milestone being reached and on termination of service of an employee with 10 or more years or service, for reasons of retirement, death, medical incapacity or retrenchment, the LSA benefit is paid on a pro-rata basis. Employees may opt for a combination of cash payments and/or actual leave. A total of 17 998 (2022: 18 438)employees are eligible for this benefit.

Leave Accrual

Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

13th cheque

Bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service.

The amounts recognised in the statement of financial position are as follows:

Reconciliation of accrued liability and carrying value per statement of financial position

30 June 2023	**TMPF**	**Gratuity**	**Medical**	**LSA**	**Total**
Present value (wholly unfunded)	-	2 860 700	1 053 799 000	899 408 000	1 956 067 700
Present value (wholly funded)	1 983 147 774	-	-	-	1 983 147 774
Fair value of plan assets	(2 289 474 724)	-	-	-	(2 289 474 724)
Net liability/(Asset)	(306 326 950)	2 860 700	1 053 799 000	899 408 000	1 649 740 750
Unrecognised due to paragraph 68 Limitation	306 326 950	-	-	-	306 326 950
Post employment liability/(Asset)	**-**	**2 860 700**	**1 053 799 000**	**899 408 000**	**1 956 067 700**

30 June 2022	**TMPF**	**Gratuity**	**Medical**	**LSA**	**Total**
Present value (wholly unfunded)	-	5 391 717	1 272 147 493	923 593 157	2 201 132 367
Present value (wholly funded)	1 994 164 990	-	-	-	1 994 164 990
Fair value of plan assets	(2 467 625 504)	-	-	-	(2 467 625 504)
Net liability/(Asset)	(473 460 514)	5 391 717	1 272 147 493	923 593 157	1 727 671 853
Unrecognised due to paragraph 68 Limitation	473 460 514	-	-	-	473 460 514
Post employment liability/(Asset)	**-**	**5 391 717**	**1 272 147 493**	**923 593 157**	**2 201 132 367**

Changes in the present value of defined benefit obligation are as follows:

30 June 2023	**TMPF**	**Gratuity**	**Medical**	**LSA**	**Total**
Present value of obligation at beginning of year	-	5 391 717	1 272 147 493	923 593 157	2 201 132 367
Interest cost	-	272 957	154 289 465	111 256 108	265 818 530
Current service cost	-	50 317	4 535 949	71 220 756	75 807 022
Benefits paid by the Fund	-	(2 332 878)	(79 603 830)	(91 090 568)	(173 027 276)
Actuarial (gains)/loss on obligation	-	(521 413)	(297 570 077)	(115 571 453)	(413 662 943)
Present value of obligation at year end	**-**	**2 860 700**	**1 053 799 000**	**899 408 000**	**1 956 067 700**

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

26. Employee benefit obligations (continued)

30 June 2022	TMPF	Gratuity	Medical	LSA	Total
Present value of obligation at beginning of year	-	10 177 444	1 177 764 011	935 591 219	2 123 532 674
Interest cost	-	271 032	130 934 436	87 779 338	218 984 806
Current service cost	-	47 703	4 165 579	75 746 650	79 959 932
Benefits paid by the Fund	-	(7 493 125)	(76 918 467)	(97 955 075)	(182 366 667)
Actuarial (gains)/loss on obligation	-	2 388 663	36 201 934	(77 568 975)	(38 978 378)
Present value of obligation at year end	**-**	**5 391 717**	**1 272 147 493**	**923 593 157**	**2 201 132 367**

Changes in the fair value plan assets are as follows				
Fair value of planned asset at beginning of year	2 467 625 504	2 420 139 000	2 467 625 504	2 420 139 000
Expected return on plan assets	292 480 770	271 392 170	292 480 770	271 392 170
Contributions: members	5 708 673	5 525 796	5 708 673	5 525 796
Contributions: employer	14 263 478	13 806 167	14 263 478	13 806 167
Benefits paid by the Fund	(160 456 442)	(179 813 658)	(160 456 442)	(179 813 658)
Actuarial gain/loss on obligation	(330 147 259)	(63 423 971)	(330 147 259)	(63 423 971)
Fair value of plan asset at end of year	**2 289 474 724**	**2 467 625 504**	**2 289 474 724**	**2 467 625 504**

none of the municipality’s own financial instruments or property are included in the fair value of plan assets

Composition of plan assets				
Cash	3.60 %	6.04 %	3.60 %	6.04 %
Equity	14.80 %	16.69 %	14.80 %	16.69 %
Bonds	52.20 %	61.59 %	52.20 %	61.59 %
Property	0.70 %	0.76 %	0.70 %	0.76 %
International	11.50 %	11.21 %	11.50 %	11.21 %
Linked policies	17.10 %	- %	17.10 %	- %
Other	0.10 %	3.71 %	0.10 %	3.71 %
	100.00 %	**100.00 %**	**100.00 %**	**100.00 %**

The amounts included in the statement of financial performance are as follows:

30 June 2023	TMPF	MGF	Medical	LSA	Total
Current service costs	14 966 881	50 317	4 535 949	71 220 756	90 773 903
Net interest on expected return on asset	(56 806 296)	272 957	154 289 465	111 256 108	209 012 234
Actuarial (gains)/losses	223 236 457	(521 413)	(297 570 077)	(115 571 453)	(190 426 486)
Effect of change in paragraph 68 asset limitation	(167 133 564)	-	-	-	(167 133 564)
Defined benefit expense	**14 263 478**	**(198 139)**	**(138 744 663)**	**66 905 411**	**(57 773 913)**

30 June 2022	TMPF	MGF	Medical	LSA	Total
Current service costs	15 024 068	47 703	4 165 579	75 746 650	94 984 000
Net interest on expected return on asset	(47 207 548)	271 032	130 934 436	87 779 338	171 777 258
Actuarial (gains)/losses	(11 101 517)	2 388 663	36 201 934	(77 568 975)	(50 079 895)
Effect of change in paragraph 68 asset limitation	57 091 164	-	-	-	57 091 164
Defined benefit expense	**13 806 167**	**2 707 398**	**171 301 949**	**85 957 013**	**273 772 527**

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

26. Employee benefit obligations (continued)

30 June 2023	TMPF	MGF	Medical	LSA	Total
Estimated contributions in the next financial period	13 439 462	238 200	122 509 000	169 916 000	306 102 662

30 June 2022	TMPF	MGF	Medical	LSA	Total
Estimated contributions in the next financial period	14 263 478	(198 139)	(138 744 663)	66 905 411	(57 773 913)

Defined contribution multi-employer plans

The municipality contributes to the following defined contribution plans, which are governed by the pension fund Act of 1956. The total contribution plans are included under employee related costs.

Tshwane Municipal Provident 5 892 (2022: 6 159) of the municipality’s employees are members of this fund	446 823 908	427 634 091	446 823 908	427 634 091
Pension Fund for Municipal Councillors 26 (2022: 65) of the municipality’s employees is a member of the fund	1 321 078	1 464 754	1 321 078	1 464 754
National fund for municipal workers 7 803 (2022:8 133) of the municipality’s employees are members of the fund	569 944 384	551 821 983	569 944 384	551 821 983
SALA provident fund/ gratuity fund 25 (2022:30) of the municipality’s employees are members of the fund	872 127	852 822	872 127	852 822
SAMWU National pension fund 11 (2022: 12) of the municipality’s employees are members of the fund	1 010 178	969 794	1 010 178	969 794
SAMWU National provident fund 886 (2022: 965) of the municipality’s employees are members of the fund	64 888 839	63 353 564	64 888 839	63 353 564
Meshawu gratuity fund 17 (2022: 21) of the municipality’s employees are members of the fund	864 175	918 852	864 175	918 852
Sandspruit Alexander forbes and spouse cover 210 (2022: 231) of the municipality’s employees are members of the fund	15 902 730	15 135 116	15 902 730	15 135 116
National fund for municipal councillors/Consolidated retirement fund for councillors 1 (2022: 3) of the municipality’s employees are members of the fund	53 638	40 069	53 638	40 069

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022
26. Employee benefit obligations (continued)				
Municipal Gratuity Fund 1135 (2022: 1 198) employees	105 366 407	106 224 655	105 366 407	106 224 655
Consolidated Retirement Fund 15 (2022: 10) employees	422 063	143 678	422 063	143 678
COT Group Life Scheme 17 691 (2022: 19 303) employees - Included for completeness	65 999 406	64 450 372	65 999 406	64 450 372
	1 273 468 933	**1 233 009 750**	**1 273 468 933**	**1 233 009 750**

Principal assumptions used as at balance sheet date

30 June 2023	**TMPF**	**MGF**	**Medical**	**LSA**
Discount rate	10.90 %	9.47 %	11.80 %	11.60 %
Inflation rate	5.40 %	5.91 %	- %	6.91 %
Salary Increase rate	6.40 %	- %	- %	- %
Expected rate of return on assets	10.90 %	- %	- %	- %
Pension increase allowance	4.70 %	- %	- %	- %
Medical inflation rate	- %	- %	7.59 %	- %
Subsidy 'cap' inflation rate	- %	- %	5.32 %	- %

30 June 2022	**TMPF**	**MGF**	**Medical**	**LSA**
Discount rate	12.20 %	7.72 %	12.47 %	11.87 %
Inflation rate	7.55 %	5.85 %	7.78 %	7.31 %
Salary Increase rate	8.55 %	6.85 %	- %	8.31 %
Expected rate of return on assets	12.20 %	- %	- %	- %
Pension increase allowance	6.61 %	- %	- %	- %
Medical inflation rate	- %	- %	9.28 %	- %
Subsidy 'cap' inflation rate	- %	- %	8.78 %	- %

Employee Benefit-Leave pay entitlement

The provision is for leave entitlement not utilised by employees as at 30 June 2023 and it is only payable in cash upon resignation. Leave days should be utilised within six months after the end of the cycle to avoid forteiture. However, and due to operational demands, employees are allowed to apply for an extension and this which creates uncertainty on the expected timing on leave balances.

Discount rate (pension and gratuities)

The rate to discount post employment benefit obligations should be derived from quality corporate bond yields where the market in such bonds is highly liquid. If the market is not liquid then government bond yields at the estimated term of the defined benefit obligation should be used. Consequently a discount rate of 10.90% per annum has been used. This rate does not reflect and adjustment for taxation or expenses as per the statement.

Inflation rate (pension and gratuities)

While not used explicitly in the valuation, we have assumed the underlying future rate of consumer price inflation (CPI) to be 5.40% per annum. This assumption has been based on the relationship between current conventional bond yields and current index-linked bond yields

Salary increase

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

26. Employee benefit obligations (continued)

It was assumed that salaries will increase at a rate of 1.0% per annum in excess of price inflation. The general salary inflation is therefore 6.4% per annum

Expected return on assets

The expected return on assets is assumed to be the discount rate of 10.90% per annum as at 30 June 2023.

Post-retirement discount rate

The pension increase policy of the TMPenF targets pension increases between 75% and 100% of inflation. It has been assumed that the pension will increase at a rate of 87.5%. This results in a pension increase rate of 4.70% per annum.

Medical inflation

The medical aid contributions has been assumed to increase at a rate of 1.5% per annum in excess of price inflation. Resulting in a medical contribution inflation rate of 7.59% per annum.

History of liabilities, assets and experience adjustments

Amounts for the current and previous four years are as follows:

History of liabilities and assets	2023	2022	2021	2020	2019
Accrued liability	(3 939 215 774)	(4 195 296 990)	(4 127 301 650)	(3 688 863 807)	(4 117 642 075)
Plan assets	2 289 474 724	2 467 625 504	2 420 139 000	2 216 587 782	2 332 295 121
Surplus (deficit)	**(1 649 741 050)**	**(1 727 671 486)**	**(1 707 162 650)**	**(1 472 276 025)**	**(1 785 346 954)**

Experience adjustments: (Gains) and Losses	2023	2022	2021	2020	2019
(Gains) and losses	233 420 505	(127 089 336)	(66 410 490)	144 923 309	19 391 127

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

26. Employee benefit obligations (continued)

Defined benefit multi-employer plans

Multi-employer funds are treated as defined contribution funds, due to the nature of these funds and the fact that assets are not specifically associated to meet the obligation in respect of individual employers in terms of paragraph 30 of GRAP 25. The total contributions are included in the employees related costs note.

Multi-employer funds

Multi-employer funds are treated as defined contribution funds, due to the nature of these funds and the fact that assets are not specifically associated to meet the obligation in respect of individual employers in terms of paragraph 30 of GRAP 25. The total contributions are included in the employees related costs note.

The latest known position of each defined benefit fund is outlined below.

MEPF *(Municipal Employees Pension Fund)*

According to the statutory valuation as at 28 February 2020, the current employer contribution rate is fixed per the Rules of the MEPF (22%, 18% and 15%) at an average rate of 21.7% and this is not sufficient to cover the required future service cost, expenses, risk benefits and a contribution towards the targeted recommended solvency reserve. The shortfall amounts to 5.2% of pensionable salaries per annum.

The Valuator states that the Committee will have to consider ether:

- Entering into discussions with the participating Employers to increase the level of their contributions to adequate levels;
- Increasing the contributions by members, promising members an increases security of the level of their retirement benefits;
- Reducing the level of future service benefits and fund the solvency level using the resulting saving in the fixed Employer contribution rate; this option may include closing the defined benefits category to the accrual of future service benefits;
- A combination of the above.

SALA PF *(South African Local Authorities Pension Fund)*

There is a defined contribution section in this Plan (roughly 50% of the active membership).

The following key issues are noted from the statutory actuarial valuation report as at 1 July 2021.

In order to fund future benefits on the defined benefit section an employer contribution of 18.97% of pensionable salaries is required.

The financial position of the Fund deteriorated from 96% funded at the previous statutory valuation date to 85.5% funded at this valuation date. The drop in the funding level was mainly due to the poor investment returns experienced over the valuation period.

An updated Scheme of Arrangement approved by the FSCA required an increase in contribution rate by 2% to 22.78% from 1 April 2021, in respect of the DB members, in order to address and restore the funding position of the Plan.

JMPF *(Joint municipal Pension Fund)*

The fund was in a sound financial position per the 30 September 2018 statutory actuarial valuation, with the funding level (including solvency reserve) decreasing marginally to 105.1% from 105.2% as at 30 June 2017.

The required employer contribution rate fell from 30.2% to 29.9% of pensionable emoluments over the same period, increasing the margin that the 31% current contribution rate provides.

26. Employee benefit obligations (continued)

GMRF *(Germiston Municipal Fund)*

The fund was in a sound financial position per the 30 June 2021 interim actuarial valuation, with the funding level remaining at 100.0% since the 30 June 2020 valuation.

Key recommendations/conclusions from the valuator:
- The employer contribution rate for bonus service of 1.20% per annum (as defined in the fund's rules) should be maintained.
- The employer contribution rates to the Risk Reserve Account of 5.5833% per annum (members who joined before 1 July 2012) and 3.80% per annum (members who joined on / after 1 July 2012) should be maintained at current levels as defined in the fund's rules.
- It is important to note that all investment returns earned on fund assets (positive or negative) are passed onto members. The fund's financial soundness in respect of members is therefore not at risk due to negative investment returns, but members are directly affected. The employer is also directly affected in light of the investment guarantee of 5.5% for any financial year. However, rule amendment 8 has restricted this guarantee to those members who joined prior to 19 January 2022. Members who joined after this date will be exposed to the risk of negative returns.

The last time that an investment shortfall arose relative to the 5.5% guarantee was in the Fund's 2019/2020 year. Per the Board meeting of the Fund on 26 May 2021, City of Tshwane was allocated 0.39% of this shortfall, amounting to R402,245.

GEPF *(Government Employees Pension Fund)*

The funding level of the GEPF increased from 108.3% as at the 31 March 2018 valuation date to a 110.1% funding level as at the 31 March 2021 statutory valuation. The plan is holding reserves at 20.9% of what would be in line with the long term recommended funding level per the Board of Trustees adopted GEPF Funding Policy, compared with 19.1% as at 31 March 2018.

An employer contribution rate of 17.3% and 13.5% of total pensionable emoluments is required respectively for Services and Other members to finance the benefits which are expected to accrue over the two years from this valuation date (31 March 2021). These contribution rates are inclusive of the cost of death in service lump sum benefits, funeral benefits and the cost of administration expenses.

The employer contribution rate is currently at 16% in respect of the 'Services' employee category and 13% in respect of the 'Others' employee category.

Multi-Employer Plans	**MEPF**	**SALA Pension Fund**	**JMPF**	**GMRF**	**GEPF**
Number of employees belonging to the plan	1 687	232	21	2	1
Total number of active members per recent fund valuation report	17 399	13 815	299	2 061	1 270 444
Amount of contributions (in rands) due by the City in respect of the year ending 30 June 2023	135 684 339	23 015 856	2 424 733	383 831	31 939
Date of most recently available actuarial valuation report	29/02/2020	01/07/2021	30/09/2018	30/06/2021	31/03/2021
Funding Level	100.0 %	85.5 %	105.1 %	100.0 %	110.1 %
Key Assumptions					
Gross discount rate	9.70 %	10.50 %	Unknown	10.31 %	Unknown
Salary inflation	5.18 %	7.00 %	Unknown	8.27 %	Unknown
Net post-ret discount rate	5.30 %	6.50 %	Unknown	4.50 %	Unknown

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

27. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Finance management grant (FMG)	410 887	94 213	410 887	94 213
Human Settlement Development Grant	159 389 916	141 380 246	159 389 916	141 380 246
Mamelodi Bus Service	-	214 231	-	214 231
Urban Settlement Development Grant (USDG)	165 775 076	281 100 548	165 775 076	281 100 548
Public Transport Network Grant (PTNG)	51 434 334	52 321 344	51 434 334	52 321 344
Neighbourhood Development Partnership Grants (NDPG)	963 444	94 135 100	963 444	94 135 100
Community Libraries Grant	1 774 569	2 218 107	1 774 569	2 218 107
Tirelo Bosha grant	384 498	384 498	384 498	384 498
Gautrains	11 961 294	11 961 294	11 961 294	11 961 294
Informal settlement upgrading partnerships	102 402 479	29 899 101	102 402 479	29 899 101
Programme and Project preparation Support Grant	14 209 297	5 407 658	14 209 297	5 407 658
Social infrastructure grant	-	3 441 929	-	3 441 929
Electricity Demand Side (EEDMS)	644 326	334 212	644 326	334 212
Integrated City Development (ICDG)	-	769	-	769
	509 350 120	**622 893 250**	**509 350 120**	**622 893 250**

Movement during the year

Balance at the beginning of the year	622 893 250	546 013 695	622 893 250	546 013 695
Additions during the year	8 096 480 926	7 565 890 477	7 985 845 413	7 350 002 450
Returned to National Treasury (returned to National Treasury - deducted from current year equitable share)	(184 444 133)	(85 297 000)	(184 444 133)	(85 297 000)
Repaid to grantors	(3 441 929)	-	(3 441 929)	-
Debtors raised during the year	14 865 358	1 732 550	14 865 358	1 732 550
Income recognised during the year	(8 035 270 773)	(7 428 308 129)	(7 924 635 260)	(7 189 558 445)
Clearance of prior year debtor restatement	(1 732 579)	-	(1 732 579)	-
Amount owed by Cot and SHRA	-	53 856 551	-	-
HCT unspent eliminated grant	-	(30 994 894)	-	-
	509 350 120	**622 893 250**	**509 350 120**	**622 893 250**

The amounts above show:

- The nature and extent of government grants recognised in the audited consolidated annual financial statements and an indication of other forms of government assistance from which the group has directly benefited; and
- Unfulfilled conditions attached to government transfers that has been recognised.

See note 33 for reconciliation of grants from National/Provincial Government.

28. Provisions

Reconciliation of provisions - Group - 2023

	Opening Balance	Unwinding of interest rate	Utilised during the year	Reversed during the year	Total
Landfill sites	933 058 793	89 623 916	(149 642 252)	(37 812 471)	835 227 986
Clearing of alien vegetation	52 387 899	6 608 755	10 152 863	(4 210 961)	64 938 556
Quarries	96 866 799	2 434 092	50 999 652	(45 020 194)	105 280 349
Legal proceedings	314 081 635	-	-	10 647 291	324 728 926
	1 396 395 126	**98 666 763**	**(88 489 737)**	**(76 396 335)**	**1 330 175 817**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

28. Provisions (continued)

Reconciliation of provisions - Group - 2022

	Opening Balance	Unwinding of interest rate	Utilised during the year	Reversed during the year	Total
Landfill sites	856 821 166	37 872 010	76 425 252	(38 059 635)	933 058 793
Clearing of alien vegetation	35 203 466	4 277 054	16 268 830	(3 361 451)	52 387 899
Quarries	59 154 346	4 036 442	35 828 653	(2 152 642)	96 866 799
Legal proceedings	232 463 251	-	-	81 618 384	314 081 635
	1 183 642 229	**46 185 506**	**128 522 735**	**38 044 656**	**1 396 395 126**

Reconciliation of provisions - Municipality - 2023

	Opening Balance	Unwinding of interest rate	Utilised during the year	Reversed during the year	Total
Landfill sites	933 058 793	89 623 916	(149 642 252)	(37 812 471)	835 227 986
Clearing of alien vegetation	52 387 899	6 608 755	10 152 863	(4 210 961)	64 938 556
Quarries	96 866 799	2 434 092	50 999 652	(45 020 194)	105 280 349
Legal proceedings	313 667 781	-	-	11 061 145	324 728 926
	1 395 981 272	**98 666 763**	**(88 489 737)**	**(75 982 481)**	**1 330 175 817**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

28. Provisions (continued)

Reconciliation of provisions - Municipality - 2022

	Opening Balance	Unwinding of interest rate	Utilised during the year	Reversed during the year	Total
Landfill sites	856 821 166	37 872 010	76 425 252	(38 059 635)	933 058 793
Clearing of alien vegetation	35 203 466	4 277 054	16 268 830	(3 361 451)	52 387 899
Quarries	59 154 346	4 036 442	35 828 653	(2 152 642)	96 866 799
Legal proceedings	230 423 515	-	-	83 244 266	313 667 781
	1 181 602 493	**46 185 506**	**128 522 735**	**39 670 538**	**1 395 981 272**

Landfill rehabilitation provision

The landfill rehabilitation provision is created for the rehabilitation of the current operational sites at the future estimated time of closure.

The value of the provision is based on the expected future cost to rehabilitate the various sites discounted back to the statement of financial position date at the cost of capital (time value of money), which is currently 9.21% (2023: 11.13%).

The City has an obligation to rehabilitate these landfill sites. The cost of such property includes the initial estimate of the costs of rehabilitating the land and restoring the site on which it is located, the obligation for which the City incurs as a consequence of having used the property During a particular period for landfill purposes. The City estimates the useful lives and make assumptions as to the useful lives of these assets, which influence the provision for future costs.

Rehabilitation Asset Recognition and Measurement

Rehabilitation assets represent the estimated present value of the costs of rehabilitating landfill sites at the end of their useful life. The city assesses these costs at each reporting date, taking into account inflation, discount rates, and any changes in the estimated costs.

Key Assumptions and Methodology

The estimation of rehabilitation costs involves various assumptions and methodologies, including but not limited to:

Discount Rate: The discount rate used for estimating future rehabilitation costs is based on City of Tshwane cost of capital, and it is assumed to be Discount Rate of 11.13% on 30 June 2023.

Inflation Rate: Future rehabilitation costs are adjusted for inflation, which is estimated to be 7.4% on 30 June 2023.

Changes in Estimates/Assumptions : The organization reviews and, if necessary, revises its assumptions regarding rehabilitation costs in line with changes in environmental regulations, technology, and other relevant factors.

Legal Provisions

These provisions are established when the City has a present obligation, whether it be of a legal or constructive nature, resulting from a past event. It is also probable that an outflow of economic benefits or service potential will be necessary to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The primary objective of recognizing legal provisions is to ensure that the City accurately reflects its obligations and liabilities in its financial reporting.

Amount of Provisions

The amount of a provision is determined as the best estimate of the expenditure that will be required to settle the present obligation as of the reporting date. This estimate is made based on all relevant information available at the time of preparation of the financial statements. The City exercises prudence in this estimation process to ensure that it reflects a reasonable and reliable assessment of the potential outflow of resources.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

28. Provisions (continued)

Review and Adjustments

The City is committed to ensuring the accuracy of its financial statements. Therefore, provisions are reviewed at each reporting date, and adjustments are made to reflect the most current and best estimate. Provisions may be 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.

Quarries rehabilitation provision

The Quarries rehabilitation provision is created for the rehabilitation of the current operational sites at the future estimated time of closure.

The value of the provision is based on the expected future cost to rehabilitate the various sites discounted back to the statement of financial position date at the cost of capital (time value of money), which is currently 9.21% (2023: 11.13%).

The City has an obligation to rehabilitate these Quarries sites. The cost of such property includes the initial estimate of the costs of rehabilitating the land and restoring the site on which it is located, the obligation for which the City incurs as a consequence of having used the property During a particular period for Quarries purposes. The City estimates the useful lives and make assumptions as to the useful lives of these assets, which influence the provision for future costs.

Rehabilitation Asset Recognition and Measurement

Rehabilitation assets represent the estimated present value of the costs of rehabilitating Quarries sites at the end of their useful life. The city assesses these costs at each reporting date, taking into account inflation, discount rates, and any changes in the estimated costs.

Key Assumptions and Methodology

The estimation of rehabilitation costs involves various assumptions and methodologies, including but not limited to:

Discount Rate: The discount rate used for estimating future rehabilitation costs is based on City of Tshwane cost of capital, and it is assumed to be Discount Rate of 11.13% on 30 June 2023.

Inflation Rate: Future rehabilitation costs are adjusted for inflation, which is estimated to be 7.4% on 30 June 2023.

Changes in Estimates/Assumptions : The organization reviews and, if necessary, revises its assumptions regarding rehabilitation costs in line with changes in environmental regulations, technology, and other relevant factors.

Provisions are reviewed at the end of each reporting period to reflect the best estimate at that date of the provision. The discounting rate is 11.33% (2022: 8.9%), and the consumer price index (CPI) is 5.4% (2022: 7.4%). The timing of the outflow is uncertain, as well as relating amounts due to discounting and the prevailing CPI.

Effect change in estimate	**2023**	**2022**	**Change**
Landfill sites	835 227 986	933 058 793	97 830 807
Quarries	105 280 349	96 866 799	8 413 550
	940 508 335	**1 029 925 592**	**106 244 357**

Clearing of alien vegetation

In terms of the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983) the provision for the clearing of alien vegetation was established to address the backlogs that exist.

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

28. Provisions (continued)

The net movement in the provision amounted to R 10 152 862,73 increase (2022: R16,268,829 increase). The decrease in the cost of property, plant and equipment amounted to Rnil (2022: Rnil). The amount recognised in surplus or deficit due to estimation where the adjustment exceeds the carrying amount of the asset amounted to R10 152 862,73 (2022: R16 268 829). The amount utilised during the year amounted to R4 210 960.72 (2022: R3 361 451).

Key Assumptions and Methodology

The estimation of rehabilitation costs involves various assumptions and methodologies, including but not limited to:

Discount Rate: The discount rate used for estimating future rehabilitation costs is based on City of Tshwane cost of capital, and it is assumed to be Discount Rate of 11.13% on 30 June 2023.

Inflation Rate: Future rehabilitation costs are adjusted for inflation, which is estimated to be 7.4% on 30 June 2023.

Changes in Estimates/Assumptions : The organization reviews and, if necessary, revises its assumptions regarding rehabilitation costs in line with changes in environmental regulations, technology, and other relevant factors.

29. Service concession arrangement

Tshwane Broadband Network:

The Broadband was awarded to Altech Altron consortium which later formed a Special Purpose Vehicle (SPV) called Thobela Telecoms to build 1500 kilometres of fibre network to connect 400 CoT corporate sites and use the spare capacity for revenue generation. The ultimate contract was a Build, Operate and Transfer (BOT), the agreement stipulates a build period of 3 years, operate the network for 15 years and handing over to the city when it expires at cost of R1.

The City took a decision to review the award of Broadband tender to Thobela Telecoms through a court process, the first hearing date reserved was 22 – 25 May 2018. The court subsequently issued a judgement in favour of the City on 16 July 2020 (attached as Annexure). On the 5th of October 2020, the Supreme Court of Appeal judged against the City of Tshwane Municipality on the Broadband Project case. The ruling was after Thobela Telecomms challenged the High Court judgement in favour of the City on the 16 July 2020.

On the 19 May 2021, The Constitutional Court considered the City's application for condonation and leave to appeal. The following is Constitutional Court order:

- The application for condonation is refused
- The application for leave to appeal is dismissed with costs

Claim for damages in respect of the Broadband Tender in that the CoT is in breach and Thobela seeks compliance with the contract and implementation. The claims is conditional upon the outcome of the an appeal against the judgement in favour of the CoT reviewing and setting aside the Broadband Contract. Thobela has sought to amend its action to an amount of R4 087 407 which is overstated. Thobela has is now pursuing the delays costs party of their claim in arbitration which is now in process.

Review Application of broad band tender: The public participation process has been concluded and therefore the City has fulfilled the legislative requirements and procedures as set out in section 116 of the Municipal Finance Management Act (MFMA), for the intended amendment of the Broadband contract (Tender number GICT 01-2014/2015). The Mayoral Committee on 17 May 2023 resolved to recommend to Council as set out below:

Recommended

That Council approves that the Shared Services Department proceed with the finalisation of amending the Broadband contract for the reduced scope (Tender number 01-2014/2015), in terms of Section 116 of the Municipal Finance Management Act (MFMA).

Tshwane House:

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

29. Service concession arrangement (continued)

The City of Tshwane has entered into a service concession agreement with Tsela Tshweu (the Consortium), a private Consortium led by Group 5, to finance, construct and operate the Tshwane Head Office. The agreement is for a period of 27 years of which 2 years was for the construction of the property and 25 years to operate the property on behalf of City of Tshwane. At the end of the 27 year agreement ownership of the building will pass to the City of Tshwane. The agreement is in the sixth year of the operational stage. Occupation took place in June 2017.

For the 2022/23 financial year the value of the asset and liability amounted to R1 336 097 and R1 365 761 332 respectively.

For the 2021/22 financial year the value of the asset and liability amounted to R935 313 353 and R1 281 709 390 respectively.

The service concession liability in respect of Tshwane House is indicated below:

Minimum future payments				
No later than one year-service cost	286 223 928	260 441 082	286 223 928	260 441 082
Later than one year but not latter than five years	1 725 776 463	1 592 446 471	1 725 776 463	1 592 446 471
Later than five years	7 954 150 912	7 084 263 355	7 954 150 912	7 084 263 355
Future finance charges on service concession	(7 217 793 528)	(6 437 845 480)	(7 217 793 528)	(6 437 845 480)
Future service cost on service concession	(1 382 596 443)	(1 219 041 378)	(1 382 596 443)	(1 219 041 378)
Present value of service concession liability	**1 365 761 332**	**1 280 264 050**	**1 365 761 332**	**1 280 264 050**
Present value of the capital portion of the service concession liability				
No later than one year-service concession	(74 262 436)	(68 334 674)	(74 262 436)	(68 334 674)
Later than one year no later than five years	(378 847 443)	(271 178 708)	(378 847 443)	(271 178 708)
Later than five years	1 818 871 211	1 619 777 432	1 818 871 211	1 619 777 432
	1 365 761 332	**1 280 264 050**	**1 365 761 332**	**1 280 264 050**
Fair value of liability (amortised cost)	1 365 761 332	1 280 264 050	1 365 761 332	1 280 264 050
Collateral held on the above service concession	(337 244 872)	935 313 353	(337 244 872)	935 313 353

Denneboom Station Public Transport Interchange:

2022/23

The facility is not complete yet in that the occupational certificate has not been issued by the City. There are issues that are currently being addressed between Roads and Transport, City Planning and Legal and Secretariat with regards to the compliance which finally must result in the issuance of the occupational certificate.

2021/22

The facility is not complete yet in that the occupational certificate has not been issued by the City. There are issues that are currently being addressed between Roads and Transport, City Planning and Legal and Secretariat with regards to the compliance which finally must result in the issuance of the occupational certificate.

Denneboom service concession liability				
Denneboom Station Public Transport Interchange	1 178 539 117	1 178 539 117	1 178 539 117	1 178 539 117

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022
29. Service concession arrangement (continued)				
Denneboom service concession asset				
Land	-	-	1 854 770	1 854 770
Denneboom Station Public Transport Interchange	1 178 539 117	1 178 539 117	1 178 539 117	1 178 539 117
	1 178 539 117	**1 178 539 117**	**1 180 393 887**	**1 180 393 887**
Total service concession liability				
Tshwane House	1 365 761 332	1 280 264 050	1 365 761 332	1 280 264 050
Denneboom Station Public Transport Interchange	1 178 539 117	1 178 539 117	1 178 539 117	1 178 539 117
	2 544 300 449	**2 458 803 167**	**2 544 300 449**	**2 458 803 167**
Total service concession asset included in Note 14				
Tshwane House	(337 244 872)	935 313 353	(337 244 872)	935 313 353
Denneboom Station Public Transport Interchange	1 178 539 117	1 178 539 117	1 178 539 117	1 178 539 117
	841 294 245	**2 113 852 470**	**841 294 245**	**2 113 852 470**
Reconciliation of cash flow movement on Service concession arrangment				
Opening balance - Current	(261 601 443)	(260 441 082)	(261 601 443)	(260 441 082)
Opening balance - Non-current	(2 197 201 724)	(2 142 947 745)	(2 197 201 724)	(2 142 947 745)
	(2 458 803 167)	(2 403 388 827)	(2 458 803 167)	(2 403 388 827)
Cash receipts	(2 015 374)	(54 253 979)	(2 015 374)	(54 253 979)
Non-cash movement: Tshwane House	(24 622 854)	(1 160 361)	(24 622 854)	(1 160 361)
Non-cash movement: Denneboom	(58 859 054)	-	(58 859 054)	-
	(2 544 300 449)	**(2 458 803 167)**	**(2 544 300 449)**	**(2 458 803 167)**
Closing balance				
Current	(286 223 928)	(261 601 443)	(286 223 928)	(261 601 443)
Non-current	(2 258 076 521)	(2 197 201 724)	(2 258 076 521)	(2 197 201 724)
	(2 544 300 449)	**(2 458 803 167)**	**(2 544 300 449)**	**(2 458 803 167)**

30. Service charges

Service charges	418 552 948	208 349 454	418 552 948	208 349 454
Sale of electricity	13 472 414 391	13 281 224 257	13 472 924 534	13 281 675 115
Sale of water	5 087 220 429	4 957 673 486	5 087 220 429	4 957 673 486
Solid waste	1 608 409 541	1 497 223 033	1 608 409 541	1 497 223 033
Sewerage and sanitation charges	1 495 429 537	1 396 663 867	1 495 429 537	1 396 663 867
	22 082 026 846	**21 341 134 097**	**22 082 536 989**	**21 341 584 955**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

31. Other income

Market fees	208 410 960	179 469 543	208 410 960	179 469 543
Land sales	1 641 282	938 892	1 641 282	938 892
Fire services	5 024 660	5 383 828	5 024 660	5 383 828
Miscellaneous	99 867 077	44 161 036	99 867 077	44 161 036
Bus rentals	4 245 041	1 769 302	4 245 041	1 769 302
Admission fees	32 254 180	15 354 078	32 254 180	15 354 078
Road Accident Fund Ambulance fees	-	1 174 000	-	1 174 000
Parking: vehicles	49 766 481	6 780 889	49 766 481	6 780 889
Registration certificates	3 517 991	2 906 688	3 517 991	2 906 688
Building fees	55 842 762	51 991 968	55 842 762	51 991 968
Income from grave services	13 038 360	16 574 308	13 038 360	16 574 308
Motor vehicles licences (refund from Province)	200 718 221	172 272 756	200 718 221	172 272 756
Training fees recovered	18 523 431	9 704 849	18 523 431	9 704 849
Insurance claims	62 763 700	64 942 809	62 763 700	64 942 809
Areyeng income	26 379 902	14 818 038	26 379 902	14 818 038
Sundry fees	8 014 906	5 341 037	6 975 934	4 763 049
Airside income	13 826 262	5 592 507	13 826 262	5 592 507
Ambulance fees	190	406 716	190	406 716
Reminder fees	70 991 638	38 957 822	70 991 638	38 957 822
Bulk water gain	13 249 746	-	13 249 746	-
Clearance certificates	3 388 430	4 078 599	3 388 430	4 078 599
Approval fees: advertisements	44 537 006	39 789 871	44 537 006	39 789 871
Jobbing	4 073 112	1 150 651	4 073 112	1 150 651
Application fees	11 215 879	5 623 193	11 215 879	5 623 193
Sales: Maps	1 509 733	1 316 769	1 509 733	1 316 769
Sales: Aeroplane fuel	-	88 366	-	88 366
Transport fees	72 385 060	46 073 841	72 385 060	46 073 841
Tree valuations	187 433	-	187 433	-
Township development contributions	215 180 712	153 079 376	215 180 712	153 079 376
	1 240 554 155	**889 741 732**	**1 239 515 183**	**889 163 744**

32. Property rates

Rates received

Property rates	9 068 528 767	8 573 481 923	9 069 425 546	8 574 328 398
	9 068 528 767	8 573 481 923	9 069 425 546	8 574 328 398
Property rates - penalties imposed	-	-	-	-
	9 068 528 767	**8 573 481 923**	**9 069 425 546**	**8 574 328 398**

Valuations

Residential	442 329 867 537	436 657 261 338	442 329 867 537	436 657 261 338
Other	246 391 714 883	246 545 098 129	246 391 714 883	246 545 098 129
	688 721 582 420	**683 202 359 467**	**688 721 582 420**	**683 202 359 467**

The land value was changed to market value according to the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) that came into effect on 1 July 2008. The increase in valuation is due to the fact that the full market value of a property is now the basis of levying rates and not the land value No difference is made between land value and the value of improvements and only the market value appears on the valuation roll.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

32. Property rates (continued)

With the implementation of the Municipal Property Rates Act, different categories of properties are levied at different tariffs with different rebates applicable to Property owners of 60 years and older and/or physically or mentally disabled, who can substantiate receipt of a social pension, and owners certified by the Medical Officer of Health as physically or mentally disabled, can qualify for a rebate, subject to certain conditions.

33. Government grants & subsidies

Operating grants				
Equitable share	3 551 251 133	3 088 576 000	3 551 251 133	3 088 576 000
Energy Efficiency and Demand Side Management (EEDSM)	78 260	176 001	78 260	176 001
Fuel levy	1 653 094 000	1 564 720 000	1 653 094 000	1 564 720 000
Finance Management grant (FMG)	1 789 113	2 005 787	1 789 113	2 005 787
Public Transport Network Grant (PTNG) - operational	536 835 334	414 712 205	536 835 334	414 712 205
LG Seta discretionary grant	-	2 000 000	-	2 000 000
Neighbourhood Development Partnership Grants (NDPG)	135 825 814	47 050 075	135 825 814	47 050 075
Primary Health Care (PHC)	61 258 000	58 845 000	61 258 000	58 845 000
HIV/AIDS subsidy	25 612 000	24 392 256	25 612 000	24 392 256
Community Libraries	9 256 947	8 132 565	9 256 947	8 132 565
Expanded Public Works Programme (EPWP)	15 496 000	19 031 000	15 496 000	19 031 000
Upgrading of Informal Settlement Programme (UISP)	27 118 966	-	27 118 966	-
Mamelodi Bus operating subsidy	43 733 769	58 416 553	43 733 769	58 416 553
Urban Settlement Development Grant (USDG) - operational	310 171 050	31 546 710	310 171 050	31 546 710
Municipal Disaster Recovery grant	37 322 703	49 967 342	37 322 703	49 967 342
Human Settlement Development Grant (HSDG)	4 563 872	19 369 704	4 563 872	19 369 704
	6 413 406 961	**5 388 941 198**	**6 413 406 961**	**5 388 941 198**

Capital grants				
Social Housing Regulatory Authority	72 617 500	96 205 449	-	-
Public Transport Network Grant (PTNG) - Capital	165 411 331	208 428 451	165 411 331	208 428 451
Neighbourhood Development Partnership Grant (NDPG)	13 425 742	17 925 825	13 425 742	17 925 825
Recapitalisation of Community Libraries Grant	12 936 590	12 407 720	12 936 590	12 407 720
Urban Settlement Development Grant (USDG) - capital	847 012 894	1 017 757 785	847 012 894	1 017 757 785
Electricity Demand Side	8 277 416	4 489 787	8 277 416	4 489 787
Integrated City Development	769	-	769	-
City of Tshwane	(1)	-	-	-
LGSeta discretionary grant	-	9 205 780	-	9 205 780
Informal Settlements Upgrading Partnership	464 163 555	530 401 899	464 163 555	530 401 899
	1 583 845 796	**1 896 822 696**	**1 511 228 297**	**1 800 617 247**
	7 997 252 757	**7 285 763 894**	**7 924 635 258**	**7 189 558 445**

Conditional and Unconditional

Included above are the following categories of grants and subsidies recognised as revenue:

Conditional grants received	-	-	2 720 290 126	2 536 262 445
Unconditional grants received	-	-	5 204 345 133	4 653 296 000
	-	**-**	**7 924 635 259**	**7 189 558 445**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

33. Government grants & subsidies (continued)

Equitable Share (DoRA)

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 767 (2022: 713), which is funded from the grant.

Current year receipts	3 366 807 000	3 003 279 000	3 366 807 000	3 003 279 000
Conditions met - transferred to revenue	(3 551 251 133)	(3 088 576 000)	(3 551 251 133)	(3 088 576 000)
Offset as per DoRA	184 444 133	85 297 000	184 444 133	85 297 000
	-	-	-	-

Fuel Levy (DoRA)

Current-year receipts	1 653 094 000	1 564 720 000	1 653 094 000	1 564 720 000
Conditions met - transferred to revenue	(1 653 094 000)	(1 564 720 000)	(1 653 094 000)	(1 564 720 000)
	-	-	-	-

The purpose of the fuel levy grant is to provide for basic services and infrastructure development in under-serviced communities, specifically to transport infrastructure given the link between fuel sales and road usage.

Primary Health Care Subsidy

Current-year receipts	61 258 000	58 845 000	61 258 000	58 845 000
Conditions met - transferred to revenue	(61 258 000)	(58 845 000)	(61 258 000)	(58 845 000)
	-	-	-	-

The Municipality renders health services on behalf of the provincial government. The purpose of this subsidy is to render comprehensive primary health services according to service level agreements. This subsidy is used exclusively to fund clinic services. The conditions of the subsidy are always met.

Finance Management Grant (FMG)

Balance unspent at beginning of year	94 213	1 239 551	94 213	1 239 551
Current-year receipts	2 200 000	2 100 000	2 200 000	2 100 000
Conditions met - transferred to revenue	(1 789 113)	(2 005 787)	(1 789 113)	(2 005 787)
Offset as per DoRA	(94 213)	(1 239 551)	(94 213)	(1 239 551)
	410 887	**94 213**	**410 887**	**94 213**

Conditions still to be met - remain under unspent grant as a liability (note 27).

A request for the roll over at the end of 2022/23 was submitted to National Treasury.

The purpose of this grant is to promote support reforms in financial management by building capacity in municipalities to implement the Local Government: Municipal Finance Management Act (MFMA).

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

33. Government grants & subsidies (continued)

Public Transport Network

Balance unspent at beginning of year	52 321 344	29 784 053	52 321 344	29 784 053
Current-year receipts	753 681 000	742 141 227	753 681 000	742 141 227
Conditions met - transferred to revenue	(702 246 666)	(623 140 656)	(702 246 666)	(623 140 656)
Transfers	-	(66 679 227)	-	(66 679 227)
Offset as per DoRA	(52 321 344)	(29 784 053)	(52 321 344)	(29 784 053)
	51 434 334	**52 321 344**	**51 434 334**	**52 321 344**

Conditions still to be met - remain under unspent grant as a liability (note 27).

A request for the roll over at the end of 2022/23 was submitted to National Treasury.

The purpose of this grant is to provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network (IPTN) and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.

Human Settlement Development Grant (HSDG)

Balance unspent at beginning of year	141 380 246	160 749 951	141 380 246	160 749 951
Current-year receipts	22 573 542	-	22 573 542	-
Conditions met - transferred to revenue	(4 563 872)	(19 369 705)	(4 563 872)	(19 369 705)
	159 389 916	**141 380 246**	**159 389 916**	**141 380 246**

Conditions still to be met - remain under unspent grant as a liability (note 27).

The purpose of this grant is to provide funding for creation of sustainable human settlements

A request for the roll over at the end of 2022/23 was submitted to National Treasury.

Urban Settlement Development Grant (USDG)

Balance unspent at beginning of year	281 100 548	323 638 219	281 100 548	323 638 219
Current-year receipts	1 044 111 000	1 051 557 000	1 044 111 000	1 051 557 000
Conditions met - transferred to revenue	(1 157 183 945)	(1 049 304 495)	(1 157 183 945)	(1 049 304 495)
Offset as per DoRA	(2 252 527)	(44 790 176)	(2 252 527)	(44 790 176)
	165 775 076	**281 100 548**	**165 775 076**	**281 100 548**

Conditions still to be met - remain under unspent grant as a liability (see note 27).

A request for the roll over at the end of 2022/23 was submitted to National Treasury.

The purpose of USDG is to supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

33. Government grants & subsidies (continued)

Public Transport Network Grant (PTNG-Capex))

Balance unspent at beginning of year	52 321 344	29 784 053	52 321 344	29 784 053
Current-year receipts	753 681 000	742 141 227	753 681 000	742 141 227
Conditions met - transferred to revenue	(702 246 666)	(623 140 656)	(702 246 666)	(623 140 656)
Transfer (to PTNG operations)	-	(66 669 227)	-	(66 669 227)
Offset as per DoRA	(52 321 344)	(29 794 053)	(52 321 344)	(29 794 053)
	51 434 334	**52 321 344**	**51 434 334**	**52 321 344**

Conditions still to be met - remain under unspent grant as a liability (see note 27).

A request for the roll over at the end of 2022/23 was submitted to National Treasury.

The purpose of this grant is to provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network (IPTN) and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.

HIV and AIDS (Provincial Health Department)

Balance unspent at beginning of year	-	256	-	256
Current-year receipts	25 612 000	24 392 000	25 612 000	24 392 000
Conditions met - transferred to revenue	(25 612 000)	(24 392 256)	(25 612 000)	(24 392 256)
	-	**-**	**-**	**-**

The purpose of the grant is to sustain coverage of the ward-based door to door HIV education programme to reduce new HIV infections through “Combination HIV prevention” (defined) prioritising youth; and to sustain and extend coverage of the ward-based door to door education program with referrals to local services; to build communities and support and utilise local services appropriately and to support wards structures to address AIDS in the local community.

Informal Settlements Upgrading Partnership (DoRA)

Balance unspent at beginning of year	29 899 101	-	29 899 101	-
Current-year receipts	593 685 000	560 301 000	593 685 000	560 301 000
Conditions met - transferred to revenue	(491 282 521)	(530 401 899)	(491 282 521)	(530 401 899)
Offset as per DoRA	(29 899 101)	-	(29 899 101)	-
	102 402 479	**29 899 101**	**102 402 479**	**29 899 101**

Conditions still to be met - remain under unspent grant as a liability (see note 27).

A request for the roll over at the end of 2022/23 was submitted to National Treasury.

This grant provides funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements.

Gautrains

Balance unspent at beginning of year	11 961 294	11 961 294	11 961 294	11 961 294

Conditions still to be met - remain under unspent grant as a liability (see note 27).

The purpose of this grant is to reconstruct and update the Garsfontein road (K50) to dual carriage way between Loristo and Anton van Wouw streets.

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

33. Government grants & subsidies (continued)

Neighbourhood Development Partnership Grant (NDPG)

Balance unspent at beginning of year	94 135 100	3 162 454	94 135 100	3 162 454
Current-year receipts	150 215 000	159 111 000	150 215 000	159 111 000
Conditions met - transferred to revenue	(149 251 556)	(64 975 900)	(149 251 556)	(64 975 900)
Offset as per DoRA	(94 135 100)	(3 162 454)	(94 135 100)	(3 162 454)
	963 444	**94 135 100**	**963 444**	**94 135 100**

Conditions still to be met - remain under unspent grant as a liability (see note 27).

A request for the rollover of the balance of 2022/23 was submitted to Provincial Treasury.

The NDPG assists the City to plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa’s targeted locations, under-served neighborhoods, generally townships and rural towns.

Community Library Services

Balance unspent at beginning of year	2 218 107	2 642 735	2 218 107	2 642 735
Current-year receipts	21 750 000	20 115 657	21 750 000	20 115 657
Conditions met - transferred to revenue	(22 193 538)	(20 540 285)	(22 193 538)	(20 540 285)
	1 774 569	**2 218 107**	**1 774 569**	**2 218 107**

Conditions still to be met - remain under unspent grant as a liability (see note 27).

This grant is used to transform urban and rural community library infrastructure, facilities and service (primary targeting previously disadvantaged communities) through recapitalized programme at Provincial level in support of local government and national initiatives.

Research and Development Grant (Tirelo Bosha)

Balance unspent at beginning of year	384 498	384 498	384 498	384 498

Conditions still to be met - remain liabilities (see note 27).

Provide explanations of conditions still to be met and other relevant information.

Expanded Public Works Programme (EPWP)

Current-year receipts	15 496 000	19 031 000	15 496 000	19 031 000
Conditions met - transferred to revenue	(15 496 000)	(19 031 000)	(15 496 000)	(19 031 000)
	-	-	-	-

The purpose of this grant was to encourage local authorities and provincial departments to increase job creation efforts in infrastructure, environment and culture programs through the use of labour-intensive methods and the expansion of job creation in line with the Expanded Public Works Program guidelines.

To incentivize municipalities to expand work creation efforts through use of labour-intensive delivery methods in identified focus areas, in compliance with the EPWP Guidelines.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

33. Government grants & subsidies (continued)

Social Infrastructure grant

Balance unspent at beginning of year	3 441 929	3 441 929	3 441 929	3 441 929
Conditions met - transferred to revenue	-	-	-	-
Repaid to grantors	(3 441 929)	-	(3 441 929)	-
	-	**3 441 929**	**-**	**3 441 929**

The project has been completed and the balance will be returned.

The purpose of this grant is to plan, design and construct in Hammanskraal, Winterveldt and Mabopane social development centres.

LG SETA Discretionary grant

Current-year receipts	-	11 205 780	-	11 205 780
Year end grant debtor raised	-	(11 205 780)	-	(11 205 780)
	-	**-**	**-**	**-**

This grant is used to provide experiential training to the graduates through an internship programme funded by the Local Government Sector Education Training Authority (LGSETA). The grant is performance based, and funds are reimbursed per claim, a debtor has been created on the balance owed.

This money is an award for skills development. The purpose is to strengthen the municipality's capacity in relation to skills development for the purpose of training the Skills Development Facilitator or employees within the Human Resources/Skills Development Department or to enhance the capacity of the Training Committee.

Mamelodi Bus Operating Subsidy

Balance unspent at beginning of year	214 231	2 687 206	214 231	2 687 206
Current-year receipts	30 386 738	54 211 013	30 386 738	54 211 013
Conditions met - transferred to revenue	(43 733 769)	(58 416 553)	(43 733 769)	(58 416 553)
Restatement	(1 732 558)	1 732 565	(1 732 558)	1 732 565
Grant debtor	14 865 358	-	14 865 358	-
	-	**214 231**	**-**	**214 231**

The purpose of the grant is to provide additional subsidized bus transport services to various communities covering Mamelodi & Southern, Eastern, Northern Suburbs and Pretoria CBD.

This fund is a monthly subsidy from Gauteng Department of Roads and Transport as a subsidy for the bus services rendered by Tshwane Rapid Transit in Mamelodi.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

33. Government grants & subsidies (continued)

Energy Efficiency and Demand Side Management Grant (EEDSM)

Balance unspent at beginning of year	334 212	540 461	334 212	540 461
Current-year receipts	9 000 000	5 000 000	9 000 000	5 000 000
Conditions met - transferred to revenue	(8 355 674)	(4 665 788)	(8 355 674)	(4 665 788)
Offset as per DoRA	(334 212)	(540 461)	(334 212)	(540 461)
	644 326	**334 212**	**644 326**	**334 212**

Conditions still to be met - remain under unspent grant as a liability (see note 27).

A request for the rollover of the balance of 2022/23 was submitted to National Treasury.

The EEDSM provides subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.

Programme and Project Preparation Support Grant (PPPSG)

Balance unspent at beginning of year	5 407 658	55 375 000	5 407 658	55 375 000
Current-year receipts	51 532 000	-	51 532 000	-
Conditions met - transferred to revenue	(37 322 703)	(49 967 342)	(37 322 703)	(49 967 342)
Offset as per DoRA	(5 407 658)	-	(5 407 658)	-
	14 209 297	**5 407 658**	**14 209 297**	**5 407 658**

Conditions still to be met - remain under unspent grant as a liability (see note 27).

A request for the roll over at the end of 2022/23 was submitted to National Treasury.

The purpose of the Grant is to support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation and the allocation of a growing level of municipal resources to preparation activities.

Integrated City Development Grants (ICDG)

Balance unspent at beginning of year	769	5 781 081	769	5 781 081
Conditions met - transferred to revenue	(769)	-	(769)	-
Offset as per DoRA	-	(5 780 312)	-	(5 780 312)
	-	**769**	**-**	**769**

The ICDG is a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focusing their use of available infrastructure investment and regulatory instruments

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act no significant changes in the level of government grant funding are expected over the forthcoming 3 financial year.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

34. Fines, Penalties and Forfeits

Law Enforcement Fines	16 604 748	11 235 239	16 604 748	11 235 239
Overdue Books Fines	341 897	248 490	341 897	248 490
Pound Fees Fines	2 256 371	28 787	2 256 371	28 787
Municipal Traffic Fines	131 843 225	104 086 671	131 843 225	104 086 671
Motor Vehicle Licence Penalties	16 957	-	16 957	-
Deposits Forfeits	147 400	278 740	147 400	278 740
Retentions Forfeits	356 500	109 100	356 500	109 100
	151 567 098	**115 987 027**	**151 567 098**	**115 987 027**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

35. Rental of facilities and equipment

Facilities and equipment				
Rental of facilities	166 269 283	144 635 711	152 934 706	135 351 089

Rental Income Straight-lining				
Within one year	5 034 471	5 289 717	5 034 471	5 289 717
In second to fifth year	20 537 532	19 750 494	20 537 532	19 750 494
Later than five years	80 419 423	70 568 295	80 419 423	70 568 295
	105 991 426	**95 608 506**	**105 991 426**	**95 608 506**

Some of the properties owned by the City of Tshwane generates revenue through the signing of lease contract agreements, most of the existing lease agreements have expired and are continuing on a month to month basis, whilst awaiting for the alienation processes of entering into new lease agreements to be concluded. The monthly rental amount levied as income for these properties ranges from R1 to R1.3 million.

36. Employee related costs

Basic	7 694 969 897	7 488 413 887	7 627 684 729	7 426 322 798
Medical aid - company contributions	696 342 735	680 506 994	694 093 846	678 490 639
UIF	44 682 029	44 682 513	43 676 563	43 787 233
Standby allowances	83 589 088	77 972 275	83 589 088	77 972 275
Leave pay provision charge	167 178 108	196 764 630	168 092 171	197 173 993
Defined contribution plans	1 267 474 996	1 199 892 750	1 261 548 732	1 194 225 550
Defined benefit pension asset ceiling adjustment	(167 133 564)	57 091 164	(167 133 564)	57 091 164
Acting allowances	15 116 493	12 775 867	15 084 311	12 750 365
Shift allowances	30 219 237	44 556 310	30 219 237	44 556 310
Defined benefit plans	33 967 607	47 776 452	33 967 607	47 776 452
Travel, motor car, accommodation, subsistence and other allowances	304 636 439	311 083 216	303 885 005	310 316 915
Overtime payments	618 335 286	557 761 678	615 944 148	556 479 799
Long-service awards	1 940 882	2 455 172	1 940 882	2 455 172
Incentive Bonuses	2 385 780	2 258 381	597 680	539 125
Part time service	23 055 782	22 194 140	23 055 782	22 194 140
Unifix allowance	410 644 647	394 766 046	410 644 647	394 766 046
Housing benefits and allowances	64 035 211	59 664 456	63 904 693	59 580 544
Occupation allowance	12 000	12 000	12 000	12 000
Compensation commissioner (COIDA)	2 579 342	2 534 812	2 579 342	2 534 812
Cellphone and telephone allowances	17 992 159	17 975 484	17 242 801	17 319 219
Cashiers' allowances	1 965 889	1 357 241	1 965 889	1 357 241
Fire allowance	4 505 978	4 558 064	4 505 978	4 558 064
Responsibility allowance	8 451	8 920	8 451	8 920
Lone man allowance	3 280 134	2 950 783	3 280 134	2 950 783
Danger allowance	9 118	15 922	9 118	15 922
General allowance	1 344 267	1 926 457	1 344 267	1 926 457
Sewer allowance	306 823	301 159	306 823	301 159
Directors remuneration	4 466 368	5 155 304	-	-
	11 327 911 182	**11 237 412 077**	**11 242 050 360**	**11 157 463 097**

36. Employee related costs (continued)

Remuneration of Executive Managers and Board of Directors - HCT

Executive and Management - 2023

	Basic	Telephone allowance	Pension paid or receivable	Travel and other allowance	Medical aid	Home allowance	13the Cheque	Acting allowance	Total
Chief Executive Officer - O Nyundu	1 679 985	28 784	-	184 389	-	-	-	-	1 893 158
Chief Operation Officer - M Matabane	1 420 529	24 588	-	155 861	-	-	-	13 088	1 614 066
Chief Finance Officer - J Thamaga	1 420 506	25 375	-	155 861	-	-	-	10 470	1 612 212
Company Secretary - K Chauke	412 969	14 000	73 383	-	13 774	-	-	-	514 126
Finance Manager - L Makibinyane	999 634	18 556	177 491	109 562	35 122	-	91 302	-	1 431 667
Property Manager - W Ramotshela	693 441	18 557	122 913	75 873	60 066	12 141	63 227	-	1 046 218
Programme Manager - K Mali	638 341	16 917	113 219	69 889	-	9 106	58 240	-	905 712
Human Resource Manager - M Mothobi	681 871	16 917	121 102	-	-	-	56 066	-	875 956
Supply Chain Manager - H Masia	682 075	16 917	121 102	-	20 423	-	56 066	-	896 583
Client Services Manager - Z Mofokeng	682 520	16 392	121 102	16 979	48 434	-	56 066	-	941 493
	9 311 871	**197 003**	**850 312**	**768 414**	**177 819**	**21 247**	**380 967**	**23 558**	**11 731 191**

Executive and Management - 2022

	Basic	Telephone allowance	Pension paid or receivable	Travel and other allowance	Medical aid	Home allowance	13th cheque	Acting allowance	Total
Chief Executive Officer - O Nyundu	1 601 575	24 000	-	175 776	-	-	-	-	1 801 351
Chief Operations Officer - M Matabane	1 344 208	18 000	-	148 580	-	-	-	7 486	1 518 274
Chief Finance Officer - J Thamaga	1 354 102	19 125	-	148 580	-	-	-	-	1 521 807
Company Secretary - C Mhlungu	521 460	9 562	80 948	49 968	16 508	8 680	55 520	-	742 646
Finance Manager - L Makibinyane	952 678	15 095	169 200	104 445	-	-	87 037	-	1 328 455
Property Manager - K Ramotshela	661 123	15 095	117 172	72 328	57 278	11 574	60 274	-	994 844
Programme Manager - K Mali	607 808	12 750	107 930	66 624	-	-	55 520	-	850 632
Human Resource Manager - M Mothobi	650 084	12 750	115 445	-	-	-	53 447	-	831 726
Supply Chain Manager - H Masia	650 250	12 750	115 445	-	16 672	-	53 447	-	848 564

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

36. Employee related costs (continued)

Client Service Manager - Z Mofokeng	541 724	10 000	96 205	-	34 949	-	8 908	-	691 786
	8 885 012	**149 127**	**802 345**	**766 301**	**125 407**	**20 254**	**374 153**	**7 486**	**11 130 085**

Non-executive directors - 2023

	Accounting Officers' fees	Total
T Dlamini	387 517	387 517
B Damoyi	401 143	401 143
S Sebola	502 580	502 580
Z Pikashe	392 059	392 059
P Tau-Sekati - BOARD Chair	436 493	436 493
	2 119 792	**2 119 792**

Non-executive directors - 2022

	Accounting Officers' fees	Total
E Monhla - BOARD Chair	450 119	450 119
T Dlamini	382 974	382 974
B Damoyi	361 779	361 779
D Matamela	346 639	346 639
S Sebola	355 723	355 723
Z Pikashe	310 303	310 303
P Tau-Sekati	307 275	307 275
	2 514 812	**2 514 812**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

36. Employee related costs (continued)

Remuneration of Executive Managers and Board of Directors TEDA

Executive Managers - 2023

	Basic Salary	Acting allowance	Cellphone allowance	UIF and SDL	Defined contributions	Settlement award	Total
Chief Financial Officer (Mr Z Mheyamwa)	2 042 797	-	28 800	22 711	-	-	2 094 308
Company Secretary (Mr S Makgatho)	130 844	-	2 400	1 580	9 936	-	144 760
Ms T Mathole (Executive: ACEO to 18 July 2022)	-	17 383	-	-	-	-	17 383
Acting Executive Manager Corporate Services- (Mr M Maepa) from 01 May 2021	-	158 420	-	-	-	-	158 420
Acting Executive Manager TIPP (Mr J Mkhonto) from 01 January 2022	-	158 420	-	-	-	-	158 420
Acting Chief Executive Officer (Mr O Mokoena) from 19 July 2022	-	292 205	-	-	-	-	292 205
Acting Company Secretary (Ms T Luvhimbi) from August 2022 to 30 September 2022)	-	62 089	-	-	-	-	62 089
Mr SD Mogaladi (Former Executive: CEO)	-	-	-	-	-	3 780 000	3 780 000
	2 173 641	**688 517**	**31 200**	**24 291**	**9 936**	**3 780 000**	**6 707 585**

Executive Managers - 2022

	Basic Salary	Acting allowance	Cellphone allowance	UIF and SDL	Defined contributions	Total
Chief Financial Officer (Mr Z Mheyamwa)	1 934 972	165 293	28 800	23 416	-	2 152 481
Company Secretary (Mr S Makgatho)	1 737 333	-	28 800	17 401	113 676	1 897 210
Executive Manager Tourism and Destination Marketing (Mr M Ndlovu)	403 386	-	2 400	3 873	-	409 659
Acting Executive Manager CorporateServices- (Mr M Maepa) from 01 May 2021	-	106 759	-	-	-	106 759
Acting Executive Manager Projects Portfolio Management (Mr G Motlotsi) from 01 June 2021 to October 2021	-	38 821	-	-	-	38 821
Acting Executive Manager Trade and Investment Promotion (Mr F Moloko) from 01 June2021 to 31 October 2021	-	59 720	-	-	-	59 720
Acting Chief Financial Officer (Mr O Mokoena) from November 2021 to 06 May 2022	-	51 214	-	-	-	51 214

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

36. Employee related costs (continued)

Acting Executive Manager Trade and Investment Promotion (Ms M Mekoe) fromNovember 2021	-	48 527	-	-	-	48 527
Acting Executive Manager Projects Portfolio Management (Mr J Nkuna) from 01 November 2021 to 31 December 2022	-	22 004	-	-	-	22 004
Acting Executive Manager Projects Portfolio Management (Mr J Mkhonto) from 01 January 2022	-	38 821	-	-	-	38 821
Ms T Mathole (Executive: ACEO) to July 2022	-	15 840	-	-	-	15 840
	4 075 691	**546 999**	**60 000**	**44 690**	**113 676**	**4 841 056**

Board of Directors - 2023

	Basic Salary	Acting allowance	Cellphone allowance	UIF and SDL	Defined contributions	Total
Chief Financial Officer (Mr Z Mheyamwa)	1 934 972	165 293	28 800	23 416	-	2 152 481
Company Secretary (Mr S Makgatho)	1 737 333	-	28 800	17 401	113 676	1 897 210
Executive Manager Tourism and Destination Marketing (Mr M Ndlovu)	403 386	-	2 400	3 873	-	409 659
Acting Executive Manager CorporateServices- (Mr M Maepa) from 01 May 2021	-	106 759	-	-	-	106 759
Acting Executive Manager Projects Portfolio Management (Mr G Motlotsi) from 01 June 2021 to October 2021	-	38 821	-	-	-	38 821
Acting Executive Manager Trade and Investment Promotion (Mr F Moloko) from 01 June2021 to 31 October 2021	-	59 720	-	-	-	59 720
Acting Chief Financial Officer (Mr O Mokoena) from November 2021 to 06 May 2022	-	51 214	-	-	-	51 214
Acting Executive Manager Trade and Investment Promotion (Ms M Mekoe) fromNovember 2021	-	48 527	-	-	-	48 527
Acting Executive Manager Projects Portfolio Management (Mr J Nkuna) from 01 November 2021 to 31 December 2022	-	22 004	-	-	-	22 004
Acting Executive Manager Projects Portfolio Management (Mr J Mkhonto) from 01 January 2022	-	38 821	-	-	-	38 821

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

36. Employee related costs (continued)

Ms T Mathole (Executive: ACEO) to July 2022	-	15 840	-	-	-	15 840
	4 075 691	**546 999**	**60 000**	**44 690**	**113 676**	**4 841 056**

Board of Directors - 2022

	Accounting Officers' fees	Committees fees	Other fees(AGM Induction and Retainer etc.)	Audit and performance committee fees	Total
Ms GP Malaza (Chairperson)* Resigned May 2022	231 642	-	196 820	-	428 462
Ms A Hirachund (Chairperson)*	192 278	166 540	250 334	39 364	648 516
Mr KK Maimela	146 858	172 596	201 794	-	521 248
Mr JG Mocke	174 110	190 764	258 012	6 056	628 942
Mr T Thwala, Resigned May 2022	165 026	157 456	90 840	-	413 322
	909 914	**687 356**	**997 800**	**45 420**	**2 640 490**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

37. Remuneration of councillors

Councillors' allowances	131 912 644	129 577 084	131 912 644	129 577 084

Councillor's remuneration - June 2023	Basic salary	Travel allowance	Cell phone allowance	Other allowances	Total
Mayor : Randal Williams (Resigned on 14 march 2023)	895 915	-	26 493	-	922 408
Mayor: Cilliers Brink (Appointed 28 march 2023 to date)	371 417	-	10 791	-	382 208
Speaker: Murunwa Makwarela (1 July 2022 to 7 March 2023)(Resigned)	788 945	-	28 383	-	817 328
Speaker: Ndzwanana Mcedi (Appointed 7 March 2023)	324 899	-	12 270	-	337 169
Chief Whip : Christiaan Mauritz Van Den Heever	1 068 312	-	25 368	-	1 093 680
Members of mayoral committee:					
Sutton Peter	1 000 216	-	-	-	1 000 216
Wakelin Hope	1 000 216	-	-	-	1 000 216
Theunissen Umberto Grandi	1 000 216	-	-	-	1 000 216
Coetzee Johannes Jacobus	330 399	-	-	-	330 399
Fosi Themnsmandla Elijah	255 710	-	-	-	255 710
Zwane Douglas Ziyanda	270 949	-	-	-	270 949
Marx Gertruida Catha	1 000 216	-	-	-	1 000 216
De Bruin Granny Peggy	958 602	-	-	-	958 602
Mathebe Rachel Katlego	1 000 216	-	-	-	1 000 216
Maszebatela Ofentse Nathaniel	270 949	-	-	-	270 949
Other councillors	106 210 840	7 136 721	5 337 416	2 587 185	121 272 162
	116 748 017	**7 136 721**	**5 440 721**	**2 587 185**	**131 912 644**

Councillor's remuneration - June 2022	Basic salary	Travel allowance	Cell phone allowance	Other allowances	Total
Mayor: Randal Williams	1 370 989	-	40 215	-	1 411 204
Speaker : Murunwa Makwarela	1 076 739	-	33 173	-	1 109 912
Chief Whip : Christiaan Mauritz Van Den Heever	1 047 766	-	25 368	-	1 073 134
Members of mayoral committee					
Meyer Karen	389 416	-	-	-	389 416
Sutton Peter	602 316	-	-	-	602 316
Wakelin Hope	602 316	-	-	-	602 316
Selowa Dikeledi	1 043 119	-	-	-	1 043 119
Tau Abel Matshidiso	602 316	-	-	-	602 316
Johnston Daryl	217 000	-	-	-	217 000
Le Roux Andre	602 316	-	-	-	602 316
Marx Gertruida Catha	602 316	-	-	-	602 316
De Bruin Granny Peggy	602 316	-	-	-	602 316
Mathebe Rachel Katlego	598 610	-	-	-	598 610
Other councillors	102 163 463	9 099 540	5 123 179	3 734 611	120 120 793
	111 520 998	**9 099 540**	**5 221 935**	**3 734 611**	**129 577 084**

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

37. Remuneration of councillors (continued)

In-kind benefits

According to the organisational structure of the municipality the sub-section Executive Mayor Protection has 7 staff members of which 5 are VIP protection officers. The mayoral committee members and the City Manager have 2 VIP protection officers each.

The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties.

The Executive Mayor, Speaker and Mayoral Committee Members each have the use of separate Council owned vehicles for official duties.

The allowances and benefits of Councillors, and payments made to Councillors for loss of office, if any, as disclosed above are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

In-kind benefits are withdrawn upon termination of services.

Remuneration of the Executive Mayor, Speaker and Members of the Mayoral Committee:

For the disclosure of the remuneration of the Executive Mayor, Speaker and Members of the Mayoral Committee, refer to note 37.

38. Remuneration of Top Management

Remuneration: City Manager (Mmaseabata Abigail Mutlaneng)				
Annual remuneration (01 July 2022 to 31 August 2022)			161 076	953 283
			161 076	**953 283**

Remuneration: City Manager (Johann Frederick Mettler)				
Annual remuneration (01 September 2022 to date)			2 765 930	-
Cellphone Allowance			20 000	-
			2 785 930	**-**

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

38. Remuneration of Top Management (continued)

Reporting directly to City Manager

2022/2023

Name	Designation	Acting period	Remuneration	Cell phone allowance	Travel allowances	Acting allowances	Total
Banda, Umar	Chief Financial Officer		1 328 286	10 800	-	-	1 339 086
Tredoux, Lorette	Governance and Support Officer		444 298	3 600	-	-	447 898
Murphy, James P	Chief Operating Officer		886 819	7 200	-	-	894 019
Nkomo, Johannah M	Chief of Police		1 504 971	13 320	-	-	1 518 291
Hilgard Matthews	GH Group Communication and Marketing		170 559	1 800	-	-	172 359
Thembelihle Alice Mabaso	Group Head: Strategy and Management Support (Acting)	1 March 2023 - 31 May 2023	1 905 513	18 000	-	46 552	1 970 065
Siphumeze Cwayi	Group Head: City Strategies and Organisational Performance (Acting)	1 October 2022 - 31 January 2023	2 081 054	18 000	-	62 583	2 161 637
Moshema P Mosia	Chief of Emergency Services (Acting)	1 August 2022 - 31 January 2023	1 895 398	18 000	-	97 464	2 010 862
Navaneethan Pillay	Group Head: Strategy and Management Support (Acting)	1 July 2022 - 31 August 2022	2 072 750	18 000	-	32 782	2 123 532
Selby M Bokaba	Group Head: Group Communications and Marketing (Acting)	11 September 2022 - 31 May 2023	1 031 245	9 000	65 340	128 146	1 233 731
Albertus Gideon Van Zyl	Group Head: City Strategies and Organisational Performance (Acting)	1 February 2023 - 30 April 2023	1 889 882	18 000	130 693	46 937	2 085 512
Isaiah Clive Engelbrecht	Group Head: City Strategies and Organisational Performance (Acting)	1 May 2023 - 30 June 2023	2 107 353	18 000	-	16 335	2 141 688
Thabiso Hlongwane	Group Head Group Property (Acting)	1 July 2022 - 30 November 2022	692 050	6 000	43 560	55 878	797 488
Nthabiseng Merline Mokete	Chief Financial Officer (Acting)	1 December 2022 - 30 June 2023	507 193	4 500	48 427	48 427	608 547
Natanha Terblanche	Chief: Emergency Services (Acting)	1 January 2023 - 31 March 2023	491 797	4 500	42 320	42 320	580 937
Marcelle Chetty	Group Head: Strategy and Management Support (Acting)	1 September 2022 - 1 February 2023	782 786	7 500	83 829	83 829	957 944
Luthando Gobingca	Chief Audit Executive (Acting)	1 October 2022 - 31 December 2022	380 889	3 000	34 470	34 470	452 829
Buyiswa Mgolozeli	Chief Audit Executive (Acting)	1 July 2022 - 30 June 2023	1 104 555	8 100	69 470	69 469	1 251 594
Thabisa Mbungwana	Group Head: City Strategies and Organisational Performance (Acting)	1 July 2022 - 30 November 2022	1 970 074	18 000	130 693	49 172	2 167 939
			23 247 472	**205 320**	**648 802**	**814 364**	**24 915 958**

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

38. Remuneration of Top Management (continued)

2021/2022

Name	Designation	Acting period	Remuneration	Cell phone allowance	Travel allowances	Acting allowances	Total
Banda, Umar	Chief Financial Officer		2 601 272	21 600	-	-	2 622 872
Tredoux, Lorette	Group Support Officer		2 601 272	21 600	-	-	2 622 872
Murphy, James P	Chief Operations Offlcer		2 601 272	21 600	-	-	2 622 872
Ntsimane, Phillip M	Chief Audit Executive		1 791 860	16 200	-	-	1 808 060
Nkomo, Johannah M	Chief of Police		2 389 147	21 600	-	-	2 410 747
Govendor, Previn D	Chief of Emergency Services		663 652	7 200	-	-	670 852
Hilgard Matthews	Group Head: Group Communication and Marketing		1 990 956	21 600	-	-	2 012 556
Nosipho Hlatshwayo	Group Head: Strategy & Organisational Performance		331 826	3 600	-	-	335 426
Msizi Reginald Myeza	Group Head: Strategy and Management Support		716 667	7 200	-	-	723 867
Verusha Morgan	Governance and Support Officer (Acting)	01/03/2022-30/06/2022	2 212 579	18 000	130 693	70 001	2 431 273
Makgorometje Augustine Makgata	Governance and Support Officer (Acting)	01/07/2021-28/02/2022	2 210 392	18 000	130 693	137 616	2 496 701
Thabisa Mbungwana	Group Head: City Strategies and Organisational Performance (Acting)	01/04/2022-30/06/2022	1 970 074	18 000	130 693	46 165	2 164 932
Navaneethan Pillay	Group Head: Strategy and Management Support (Acting)	01/03/2022-30/06/2022	1 977 150	18 000	130 693	62 501	2 188 344
Albertus Gideon Van Zyl	Group Head: City Strategies and Organisational Performance (Acting)	01/09/2021-30/11/2021	1 889 882	18 000	130 693	86 739	2 125 314
Natanha Terblanche	Chief: Emergency Services (Acting)	01/07/2021-31/12/2021	1 809 997	18 000	130 693	118 292	2 076 982
Moshema Petrus Mosia	Chief: Emergency Services (Acting)	01/01/2022-31/03/2022	1 715 095	18 000	130 693	36 159	1 899 947
Buyiswa Mgolozeli	Chief Audit Executive (Acting)	01/07/2021-30/06/2022	1 399 220	10 800	130 693	127 394	1 668 107
Monene Jostina Mathiba	Chief Audit Executive (Acting)	01/11/2021-01/12/2021	1 281 549	10 800	130 693	58 450	1 481 492
			32 153 862	**289 800**	**1 176 237**	**743 317**	**34 363 216**

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

38. Remuneration of Top Management (continued)

Group Heads

2022/2023

Name	Designation	Remuneration	Cell phone allowance	Other Allowances	Acting Allowances	Total
Koena J Nkoko	Group Head: Health	2 326 956	18 000	130 693	107 644	2 583 293
Gerald Mbulelo Shingange	Group Head: Group Human Capital Management	2 316 892	18 000	130 693	109 313	2 574 898
Musawakhe Hlanganani Oscar Khumalo	Group Head: Shared Services	2 317 641	18 000	130 693	53 405	2 519 739
Verusha Morgan	Group Head: Group Property	2 317 484	18 000	130 693	36 716	2 502 893
Namadzavho C Phanyane	Group Head: Regional Operations and Coordination	2 316 496	18 000	130 693	-	2 465 189
Nontobeko Memela	Group Head: Housing and Human Settlement	2 316 095	18 000	130 693	-	2 464 788
Augustine M Makgata	Group Head: Economic Development and Spatial Planning	2 314 662	18 000	130 693	-	2 463 355
Stephens R Notoane	Group Head: Water and Sanitation	2 313 654	18 000	130 693	-	2 462 347
Margaretha J Dunkle- Kock	Group Head: Legal and Secretariat Services	2 313 601	18 000	130 693	-	2 462 294
Pheko I Letlonkane	Group Head: Roads and Transport	2 307 580	18 000	130 693	-	2 456 273
Thandiwe S Radebe	Group Head: Customer Relations Management	2 210 483	-	130 693	-	2 341 176
Gadner Tlou Tefo	Group Head: Office of the Chief Whip	2 160 775	-	130 693	50 161	2 341 629
Abel T Malaka	Group Head: Environment and Agriculture Management	2 186 339	-	130 693	-	2 317 032
Rajendra Ganasen Pillay	Group Head: Office of the Speaker	1 722 759	-	100 198	-	1 822 957
Judith Judygirl Maluleka	Group Head: Office of the Speaker	195 000	-	19 888	-	214 888
Hilgard Matthews	Group Head: Group Communication and Marketing	170 559	-	-	-	170 559
		31 806 976	**180 000**	**1 819 095**	**357 239**	**34 163 310**

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

38. Remuneration of Top Management (continued)

2021/2022

Name	Designation	Remuneration	Cell phone allowance	Other Allowances	Acting Allowances	Total
Nosipho Prudence Hlatshwayo	Group Head: City Strategies and Organisation Performance	331 826	3 600	-	-	335 426
Msizi Reginald Myeza	Group Head: Strategy and Management Support	716 667	7 200	-	-	723 867
Hilgard Matthews	Group Head: Group Communication & Market	1 990 956	21 600	-	-	2 012 556
Stephens Ramoage Notoane	Group Head: Energy and Electricity	2 168 542	18 000	130 693	-	2 317 235
Gerald Mbulelo Shingange	Group Head: Group Human Capital Management	2 175 943	18 000	130 693	-	2 324 636
Makgorometje Augustine Makgata	Group Head: Economic Dev & Spatial Planning	2 169 847	18 000	130 693	137 616	2 456 156
Abel Tumishi Malaka	Group Head: Environment & Agriculture Management	2 050 365	21 600	130 693	-	2 202 658
Pheko Ignatius Letlonkane	Group Head: Roads & Transport	2 162 961	18 000	130 693	-	2 311 654
Nontobeko Memela	Group Head: Housing & Human Settlements	2 168 542	18 000	130 693	-	2 317 235
Koena Joseph Nkoko	Group Head: Health	2 181 422	18 000	130 693	-	2 330 115
Verusha Morgan	Group Head: Group Property	2 169 848	18 000	130 693	52 501	2 371 042
Namadzavho California Phanyane	Group Head: Regional Operations & Coordination	2 168 542	18 000	130 693	-	2 317 235
Musawakhe Hlanganani Oscar Khumalo	Group Head: Shared Services	2 168 542	18 000	130 693	-	2 317 235
Thandiwe Shereen Radebe	Group Head: Customer Relations Management	1 966 913	18 000	130 693	-	2 115 606
Estate Late S S Mekhoe	Group Head: Community and Social Development Services	301 623	21 600	130 693	-	453 916
Tiyiselani Joseph Babane	Group Head: Office of the Speaker	1 538 836	1 773	12 871	-	1 553 480
Rajendra Ganasen Pillay	Group Head: Office of the Speaker	104 793	18 000	108 911	-	231 704
Margaretha Johanna Dunkle-Kock	Group Head: Legal & Secretariat Services	2 168 542	1 800	10 891	-	2 181 233
Sello Tlou Levy Chipu	Group Head: Housing and Human Settlement	1 913 686	18 000	130 692	16 335	2 078 713
Tlou Phineas Gadner Tefu	Group Head: Office of Chief Whip	1 926 413	18 000	130 692	185 371	2 260 476
Pieter Andries Swanepoel	Group Head: Economic Development and Spatial Planning	1 955 065	18 000	130 692	87 359	2 191 116
		36 499 874	**331 173**	**2 093 065**	**479 182**	**39 403 294**

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand

38. Remuneration of Top Management (continued)

Acting Top Management during the 2021/2022 financial year

Name	Designation	Remuneration	Cell phone allowance	Other Allowances	Acting Allowances	Total
Isaiah Clive Engelbrecht	Group Head: City Strategies and Organisational Performance	1 942 325	18 000	130 692	16 335	2 107 352
Jordan Luke Griffiths	Chief of Staff	1 623 555	18 000	130 692	144 034	1 916 281
Mamagobane Piet Maseema	Group Head: Strategy and Management Support	1 946 350	18 000	130 692	45 455	2 140 497
Luthando Gobingca	(Acting) Chief Audit Executive	1 523 558	12 000	130 692	32 354	1 698 604
		7 035 788	**66 000**	**522 768**	**238 178**	**7 862 734**

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

39. Depreciation and amortisation

Property, plant and equipment	2 465 869 860	2 857 551 094	2 463 883 662	2 855 106 253
Investment property	42 758 800	42 801 471	42 758 800	42 801 471
Living resources	36 486	40 967	36 486	40 967
Intangible assets	43 703 158	51 670 043	43 693 004	51 655 469
	2 552 368 304	**2 952 063 575**	**2 550 371 952**	**2 949 604 160**

40. Impairment loss

Impairments				
Property, plant and equipment	225 642 804	263 950 807	225 642 804	263 950 807
Investment property	4 691 147	30 728 100	4 691 147	30 728 100
Intangible assets	-	28 607	-	28 607
	230 333 951	**294 707 514**	**230 333 951**	**294 707 514**

41. Finance costs

Loans and bonds	1 080 826 780	884 931 720	1 080 826 780	884 931 720
Trade and other payables (Interest on late payment)	341 442 031	35 852 459	341 442 031	35 852 459
Finance leases	10 925 323	29 635 877	10 771 662	29 406 329
Bank overdraft	45 389 128	34 768 798	45 389 128	34 768 798
Interest paid on Interest rate swaps	57 489 941	143 058 569	57 489 941	143 058 569
Service concession arrangements	410 030 900	326 072 635	410 030 900	326 072 635
Employee benefit obligation	265 818 530	218 984 806	265 818 530	218 984 806
	2 211 922 633	**1 673 304 864**	**2 211 768 972**	**1 673 075 316**

42. Debt impairment

Contributions to debt impairment provision	3 366 563 441	2 774 333 980	3 365 289 194	2 772 904 927

Contribution to impairment allowance - per service				
Rates	1 479 699 673	949 841 174	1 479 699 673	949 841 174
Electricity	871 821 576	999 059 994	871 821 576	999 059 994
Water	632 859 614	814 508 853	632 859 614	814 508 853
Refuse removal	248 687 184	193 804 170	248 687 184	193 804 170
Housing rental	11 585 387	(73 799 203)	10 311 140	(75 228 256)
AARTO	72 075 311	(119 210 334)	72 075 311	(119 210 334)
Sundry debtors	30 940 983	185 516 350	30 940 983	185 516 350
Ambulance services	3 205 305	(179 485 435)	3 205 305	(179 485 435)
Market	1 408 984	3 958 367	1 408 984	3 958 367
Wonderboom Airport	14 279 424	140 044	14 279 424	140 044
	3 366 563 441	**2 774 333 980**	**3 365 289 194**	**2 772 904 927**

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

43. Other materials

Stationery	12 805 634	12 130 095	12 805 634	12 130 095
Cleaning Material	8 116 557	7 452 368	8 116 557	7 452 368
Foodbank	4 752 743	2 100 141	4 752 743	2 100 141
Petrol And Diesel Fuel	148 592 983	142 739 342	148 592 983	142 739 342
Consumable Std Rated	13 891 922	84 025 057	13 891 922	84 025 057
Premix Binder	8 434 046	8 303 063	8 434 046	8 303 063
Chemicals	35 755 612	33 226 181	35 755 612	33 226 181
Other materials - Repairs and maintanance	383 283 224	297 306 874	383 283 224	297 306 874
Other materials	12 249 734	24 676 044	12 249 734	24 676 044
	627 882 455	**611 959 165**	**627 882 455**	**611 959 165**

44. Bulk purchases

Electricity - Eskom	11 501 338 772	11 387 438 857	11 501 338 772	11 387 438 857
Water	3 339 612 821	3 245 670 181	3 339 612 821	3 245 670 181
	14 840 951 593	**14 633 109 038**	**14 840 951 593**	**14 633 109 038**

45. Contracted services

Outsourced Services				
Business and Advisory	191 642 312	231 497 773	191 642 312	231 497 773
Bus operating costs	587 371 979	476 989 051	587 371 979	476 989 051
Collection costs	226 288 437	291 298 041	226 288 437	291 298 041
Cleaning Services	27 887 190	38 851 990	27 887 190	38 851 990
Repairs and Maintenance - Contractors	799 125 513	876 158 742	799 110 870	876 155 742
Formalisation	14 357 425	19 993 710	14 357 425	19 993 710
Connection/Dis-connection	116 838 220	61 690 189	116 838 220	61 690 189
IT Services	75 356 497	90 265 135	75 596 571	90 265 135
Office space rental	58 830 845	82 707 526	58 830 845	82 707 526
Legal costs	141 140 034	142 370 880	135 033 225	141 829 124
Rudimentary services	355 013 779	331 741 213	424 026 687	474 285 448
Prevention of illegal invasion	32 577 010	25 795 006	32 577 010	25 795 006
Personnel and Labour	231 086 368	137 482 808	231 086 368	137 482 808
Refuse Removal	723 700 049	803 172 119	723 700 049	803 172 119
Security Services	595 188 606	406 700 946	595 188 606	406 700 946
Traffic control	12 748 197	13 767 407	12 748 197	13 767 407
Other	61 842 675	57 289 912	53 764 858	52 627 248

46. Transfer and subsidies

Grants paid to ME's				
Transfers to TEDA and HCT	-	-	97 451 572	94 709 648
Other subsidies				
Executive mayor donations and other transfers	1 430 166	270 033	1 430 166	270 033
Gratuities	1 552 447	7 493 125	1 552 447	7 493 125
Section 21 schools learning training support	288 000	288 000	288 000	288 000
ECD-NGO support	1 575	230	1 575	230
	3 272 188	**8 051 388**	**3 272 188**	**8 051 388**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022
46. Transfer and subsidies (continued)				
	3 272 188	**8 051 388**	**100 723 760**	**102 761 036**

47. General expenses

	Group 2023	Group 2022	Municipality 2023	Municipality 2022
A Re Yeng Operations	5 018 509	2 294 696	5 018 509	2 294 696
Advertising and Marketing	11 552 269	12 287 158	7 361 199	10 238 475
Auditors remuneration	36 096 464	35 645 764	34 138 092	33 833 549
Bank charges	24 264 749	28 682 360	24 198 304	28 571 584
Cleaning	2 598 378	3 310 090	2 577 503	3 294 871
Commission paid	20 395 459	68 597 789	20 395 459	68 597 789
Communications	-	18 350	-	18 350
Compensation	74 550 859	71 027 468	74 425 640	70 872 285
Compensation Commissioner	5 808 734	6 643 953	5 808 734	6 643 953
Electricity	1 428 530	1 243 696	-	-
Events Management	3 358 437	7 439 093	2 980 075	7 123 975
Gas	334 836	237 939	-	-
IT support fees	264 297 717	195 649 679	264 194 263	195 573 632
Insurance	178 839 852	157 929 836	178 656 380	157 685 488
Internet Fees	34 279 669	35 988 181	34 279 669	35 988 181
Lease vehicle expense	207 313 271	75 111 391	207 313 271	75 111 391
Legal fees	14 493 872	86 788 699	14 493 872	86 788 699
Licenses	21 094 197	18 054 616	21 094 197	18 054 616
Locomotion Allowance	20 430 225	20 246 900	20 430 225	20 246 900
Management information Systems	107 498 048	111 482 806	107 498 048	111 482 806
Office rental	190 078 477	308 018 829	185 682 612	303 622 964
Membership Fees	17 280 692	16 819 357	17 035 282	16 563 721
Net Stock Changes	13 387 622	16 625 499	13 387 622	16 625 499
Non-Capital Items	3 456 206	3 916 781	3 440 043	3 915 665
Bursaries Employees	5 929 674	5 925 833	5 929 674	5 925 833
Postage	16 061 984	15 727 644	16 061 984	15 727 644
Printing and stationery	18 730 369	19 134 855	17 777 412	18 305 034
Protective Clothing and Uniform	53 697 898	55 778 743	53 331 246	55 633 021
Subsistence & Travel	86 106	67 700	-	-
Rehabilitation Provision Expenses	13 999 893	7 313 397	13 999 893	7 313 397
Rental Vehicles	92 119 022	95 271 628	92 119 022	95 271 628
Rental of plant and equipment	148 315 179	229 409 679	144 053 546	226 175 816
Software Licenses	29 015 346	36 518 704	29 015 346	36 518 704
Subscriptions and membership fees	69 346	86 410	-	-
Telecommunications	19 041 259	19 057 763	19 041 259	19 041 260
Telephone and fax	70 703 506	68 479 457	70 703 506	68 479 457
Repairs and maintanance	37 827 104	38 632 128	32 976 018	31 846 182
Transport Cost	3 056 734	2 073 860	2 819 013	1 952 255
WIFI	22 462 079	23 636 160	22 462 079	23 636 160
Other expenses	9 705 461	55 228 400	7 590 362	53 338 169
	1 798 678 032	**1 956 403 291**	**1 772 289 359**	**1 932 313 649**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

48. Repairs and Maintenance

Group - 30 June 2023	Contracted Services	General	Other Materials	Total
Heritage	19 987 452	-	-	19 987 452
Intangible assets	54 634 740	32 976 018	2 072 631	89 683 389
Investment property	605 039	-	-	605 039
Property, plant and equipment	723 898 282	4 851 086	381 210 593	1 109 959 961
	799 125 513	**37 827 104**	**383 283 224**	**1 220 235 841**

Group - 30 June 2022	Contracted Services	General	Other Materials	Total
Heritage	2 761 934	-	-	2 761 934
Intangible assets	64 647 460	31 846 182	4 234 482	100 728 124
Investment property	765 063	-	-	765 063
Property, plant and equipment	807 984 285	6 785 946	293 072 392	1 107 842 623
	876 158 742	**38 632 128**	**297 306 874**	**1 212 097 744**

Municipality - 30 June 2023	Contracted Services	General	Other Materials	Total
Heritage	19 987 452	-	-	19 987 452
Intangible assets	54 634 740	32 976 018	2 072 631	89 683 389
Investment property	605 039	-	-	605 039
Property, plant and equipment	723 883 639	-	381 210 593	1 105 094 232
	799 110 870	**32 976 018**	**383 283 224**	**1 215 370 112**

Municipality - 30 June 2022	Contracted Services	General	Other Materials	Total
Heritage	2 761 934	-	-	2 761 934
Intangible assets	64 647 460	31 846 182	4 234 482	100 728 124
Investment property	765 063	-	-	765 063
Property, plant and equipment	807 981 285	-	293 072 392	1 101 053 677
	876 155 742	**31 846 182**	**297 306 874**	**1 205 308 798**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

49. Taxation

Major components of the tax (income) expense

Current				
Current year	(476 278)	1 531 909	-	-
Deferred				
Current year	453 017	36 688	-	-
Changes in tax rates	-	22 357	-	-
	453 017	**59 045**	**-**	**-**
	(23 261)	**1 590 954**	**-**	**-**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27.00 %	27.00 %	- %	- %
Change in tax rate	- %	0.39 %	- %	- %
Non-temporary differences	1.75 %	- %	- %	- %
	28.75 %	**27.39 %**	**- %**	**- %**

A provisional tax payment of R445,582 (June 2022: R1,900,739) has been made as at 30 June 2023.

Notes to the Audited Consolidated Annual Financial Statements

		Group		Municipality	
Figures in Rand		2023	2022	2023	2022

50. Cash generated from operations

Surplus (deficit)		1 136 902 464	(1 277 948 513)	945 161 643	(1 505 650 497)
Adjustments for:					
Depreciation and amortisation		2 552 368 304	2 953 035 615	2 550 371 957	2 949 604 150
Loss on disposal of assets		129 582 323	431 910 352	129 700 576	431 731 266
Loss on retirement of investment property		569 547	485 515	569 547	485 515
(Loss) gain on foreign exchange		292 877	(394 113)	292 877	(394 113)
Movements due to change in estimates		149 642 252	-	149 642 252	-
Interest income non-cash		(68 944 939)	17 181 281	(68 930 686)	17 181 255
Impairment		230 333 951	294 707 514	230 333 951	294 707 515
Actuarial gain		(191 170 625)	(50 079 895)	(191 170 625)	(50 079 895)
Finance cost - Service Concession	29	85 497 282	55 414 340	85 497 282	55 414 340
Redemption fund valuation		84 087 481	389 105 504	84 087 481	389 105 504
Debt impairment		3 366 563 441	2 774 333 980	3 365 289 194	2 772 904 927
Donated assets		(77 480 045)	(17 334 539)	(9 434 581)	(17 404 944)
Fair value gain on initial recognition of assets		(5 934 619)	(10 011 568)	(5 934 619)	(10 011 568)
Fair value adjustments - interest rate swaps		(108 297 255)	(267 407 051)	(108 011 734)	(267 407 050)
Movements in operating leases		(90 792)	327 673	-	-
Movement due to natural attrition of living resources		(45 464)	(70 431)	(14 998)	(40 420)
Movement in jointly controlled assets		(95 093 299)	(310 293 297)	(95 093 299)	(310 293 297)
Movements in employee benefit obligations		(253 280 256)	435 489 855	(251 883 387)	435 513 639
Movements in provisions		(66 219 309)	212 752 897	(65 805 455)	214 378 780
Deferred taxation		(23 261)	59 045	-	-
Opening balance		-	(1 949 607)	-	-
Changes in working capital:					
Inventories		(107 301 883)	(82 344 008)	(107 301 883)	(82 344 007)
Receivables : Exchange transactions		(3 703 068 408)	(1 477 124 501)	(3 669 096 381)	(1 505 479 817)
Receivables: Non-Exchange transactions		213 082 762	10 278 197	213 082 762	10 278 197
VAT		(1 421 317 741)	(1 853 932 471)	(1 423 026 934)	(1 848 176 144)
Payables from exchange transactions		1 655 445 164	2 290 435 579	1 597 960 957	2 354 769 192
Unspent conditional grants and receipts		153 147 120	120 627 834	153 147 120	73 256 051
Consumer deposits		(17 058 718)	(165 721 259)	(17 058 718)	(165 721 259)
Long term receivables		129 866 911	(134 927 008)	129 866 911	(134 927 008)
		3 772 055 265	**4 336 606 920**	**3 622 241 210**	**4 101 400 312**

51. Going concern

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

The ability of the municipality to continue as a going concern is dependent on several factors. In performing the going concern assessment, the following key financial indicators were assessed.

Key Financial indicators

Key financial indicators	**2022/23**	**2021/22**
Collection rate	90.0 %	94.9 %
Current Ratio	0.4	0.4
Debt to Revenue	31.7 %	36.1 %
Capital Cost as a percentage of expenditure	7.1 %	4.5 %
Net debtor’s days	60	65

Credit Rating

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

51. Going concern (continued)

In June 2023, the City's credit ratings were confirmed (remaining unchanged) by Moody's Investors Service (Moody's) at Caa1.za long term and NP.za for the short-term with an outlook of negative. On the other hand, in April 2023, Global Credit Ratings (GCR) downgraded the City's credit profile from CCC+(za) to CCC(za) on long-term and the short-term rating remaining unchanged at C(za). Both Moody's and GCR's ratings on Tshwane are below investment grade meaning that Tshwane will as has been the case in the last three financial years, not be able to raise loans in the market.

The reasons extended by GCR as to the award of a downgrade, are the following:

The ratings downgrade to City of Tshwane Metropolitan Municipality and negative outlook reflect the adverse audit outcome and negative impact of continuing political disfunction on operating performance.

As a result, recovery initiatives to improve liquidity and stabilise the financial profile have not materialised as previously expected. Liquidity remains very weak, with the Metro still in breach of its financial covenants and unable to generate sufficient cash flows or access new sources of funding.

GCR has further weakened Tshwane's management and governance assessment due to the adverse opinion issued by the Auditor General on the Metro's financial statements for FY22.

Significant uncertainties were raised with regard to several items in the financial statements, particularly being the accounting treatment of capital work in progress, as well as deficiencies in recording of trade creditors and consumer debtors.

At the same time, the Metro has faced ongoing political instability, with a hung council and several changes to the mayor during 1Q 2023, which has prevented the council from meeting and approving an adjustment budget.

A new mayor has now been appointed who is prioritizing financial sustainability and the Metro has also developed a detailed plan to address the major audit issues, with greater oversight and input from the Auditor General. However, the adverse audit outcome is not expected to be improved in the current financial year, as remedying the various findings will only be attainable over the medium term.

On the other hand, Moody's posits the following reasons for maintaining the credit rating at previous reporting levels:

The credit profile of the City of Tshwane at Caa1.za on long term rating and NP.za for the short-term view with a negative outlook, reflect the city's fiscal challenges and the continued fragile liquidity position.

The city's constrained access to external borrowing has exacerbated its liquidity pressure.

Though the city's operating performance will most likely moderate in the medium term, Moody's expects its liquidity to remain significantly weaker than those of its peers we rate in South Africa. In addition, the credit profile also incorporates the challenges associated with the high infrastructure requirements for basic services, such as water and electricity. The city's credit profile also reflects its moderate but increasing debt, and a large and diversified local economy, reflecting Tshwane's status as South Africa's administrative capital.

In the light of the challenges noted above has approved a financial recovery plan, the City in approving its 2023/24 Medium Term budget has also approved a funding plan to improve the current financial challenges.

Key focus areas for the funding plan

Revenue alignment

Revenue estimates proposed in the MTREF consider the weak economic growth and the ability of consumers to meet their obligations to the city. Revenue estimates were adjusted in line with realistically anticipated revenue projections.

Rebasing of operating expenditure

The operational expenditure budget for the 2023/24 financial year has been scaled down by R1,3 billion. The rebasing of the operating expenditure means that the city must review its operations, implement operational efficiencies, and continue with cost containment.

51. Going concern (continued)

In line with the revenue estimate the three main expenditure groups, i.e., Contracted services; Operational Costs; and other materials were scaled down.

Reduction and management of distribution losses

A reduction in distribution losses will reduce the cost of bulk purchases and thereby improving the municipality's cash flow. It has been determined that a 5% reduction in both electricity and water distribution losses will reduce expenditure on bulk purchases by R1,3 billion, i.e.R919 million for electricity and R414 million for water over the medium term. Some of the key initiatives includes.

- Installation of pressure reducing valves at the reservoirs. Pressure Management has been identified by the City as one of the most effective methods to reduce physical losses. The basic idea behind pressure management is that leakage is driven by pressure. If pressure can be reduced in any way the leakage will be reduced.
- Audit and replacement of water and electricity meters

Cashflow management

The cashflow is managed daily and where the municipality is unable to settle payments on time, the payment arrangements are entered into mainly with bulk suppliers.

The municipality is also embarking on intensifying its revenue collection through the following strategies.

Revenue and Expenditure strategies

- Tshwane ya Tima campaign which is meant to focus on disconnection of services to non-paying customers.
- Installation of prepaid meters on indebted consumers and implementing debit orders/stop orders when negotiating payment arrangement plans.
- Migration of large power users to Prepayment platform
- Intensify Outreach Programmes to ease up payment platform for customers who are not able to reach us due to bottlenecks in the system and to address culture of non-payment in some of the areas.
- Outsource Debt Collection
- Completeness of revenue through meter reading and elimination of estimations, and
- Implementation of cost containment measures which includes reduction in expenditure.

Expected revenue

	2025/26	**2024/25**	**2023/24**
Grants			
Operating Grants	5 849 189 760	5 269 198 030	5 112 619 852
Capital Grants	2 134 960 153	2 084 730 066	2 010 940 432
Service charges			
Property rates	10 242 681 654	9 696 003 511	9 145 798 143
Service charges: Electricity	19 503 969 087	17 550 540 923	15 810 345 974
Service charges: Water	6 565 579 383	6 026 495 107	5 413 296 565
Service charges: Sanitation	1 859 134 495	1 776 644 957	1 628 775 720
Service charges: Refuse	1 903 664 334	1 796 904 599	1 719 851 063
Other income			
Other Income	3 359 189 013	3 265 764 327	3 183 713 677
	51 418 367 879	**47 466 281 520**	**44 025 341 426**

Based on the above measures the municipality has put in place measures to improve its financial position and the City will continue to operate as a going concern in the foreseeable future.

TEDA

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

51. Going concern (continued)

We draw attention to the fact that at 30 June 2023, the entity had an accumulated surplus of R 17 435 602 and that the entity's total assets exceed its liabilities by R 17 436 602.

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

The entity’s business plan and budget for 2023/24 was approved by the shareholder which guarantees TEDA's existence in the foreseeable future. TEDA is wholly dependent on the funds allocation from the City during the year under review. The operational grant received from the City of Tshwane is unconditional.

HCT

We draw attention to the fact that at June 30, 2023, the entity had an accumulated surplus of R953,460,278 and that the entity's total assets exceed its liabilities by R970,566,400 .

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

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is the support from the parent municipality (City of Tshwane) and the City of Tshwane has no intention to liquidate the entity. In Townlands the entity has commenced tenanting and is generating rental revenue to pursue sustainability , furthermore there is a Council approved Business Plan that is aligned to the MTREF.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

52. Related parties

Name of entity	% Equity interest
Investment in joint venture: TASEZ	33.3% shareholding
Housing Company Tshwane	100% owned by City of Tshwane
Tshwane Economic Development Agency	100% owned by City of Tshwane
Members of key management	Remuneration of City Manager refer to Note 38
	Remuneration of Top Management refer to Note 38
	Remuneration of Councillors refer to Note 37 and 62

Tshwane Economic Development Agency:

TEDA benefited from the use of the following services provided by CoT at no cost:

- Network and Telecommunication support
- SAP migration
- Desktop and Server support
- Insurance management
- OHS services
- Records management
- QPR performance management system

Housing Company Tshwane:

The entity received the rights to develop land owned by the City of Tshwane at no cost:

- Use of risk management and internal audit resources from City of Tshwane
- Use of audit committee resources from City of Tshwane
- Use of network, telecommunication and server support provided by City of Tshwane
- Occupational Health and Safety services from City of Tshwane
- Insurance management by City of Tshwane
- Telephone service provided by City of Tshwane
- QPR - Performance Management Solution
- The entity received the rights to develop land owned by the City of Tshwane at no cost
- Litigation on Townlands represented by Geldenhuis Malatji.
- COT Group Audit and Risk Forensic investigation on UIFW.
- Use the service of the VAT specialist at no cost

Related party balances

Amounts included in (Trade receivable) Trade Payable regarding related parties				
Housing Company Tshwane: Deposit owed by City of Tshwane			(24 388)	61 606
Housing Company Tshwane: Grant owned by City of Tshwane			(286 364)	62 562 328
Housing Company Tshwane: Rental received on behalf of City of Tshwane			197 712	(197 635)
Tshwane Economic Development Agency: Grant owned by City of Tshwane			(13 000 000)	7 000 000
Tshwane Economic Development Agency: Property Valuation Expenses			184 000	(68 000)
TASEZ: Amounts owed by City of Tshwane to Related party			(105 224 365)	15 402 151

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

52. Related parties (continued)

Related party transactions

Sales to related parties				
Housing Company Tshwane: Rates			896 779	(846 476)
Housing Company Tshwane: Water and electricity			510 143	(450 858)
Tshwane Economic Development Agency: Website expenses			80 000	(68 000)
Grants, transfers and subsidies to related parties				
Housing Company Tshwane: Grant transferred as income			(157 696 121)	180 799 917
Tshwane Economic Development Agency: Grant transferred as income			(55 931 999)	52 886 537
Payments made to Related Party				
TASEZ : Payments made Bulk Infrastructure			122 410 348	99 261 123

Refer to Note 17 for the Equity Accounting of Investment in associate: TASEZ

53. Commitments

Authorised capital expenditure

Approved and contracted for				
• Infrastructure assets	4 012 030 222	3 680 562 000	3 779 064 706	3 375 762 480
• Community assets	195 028 841	225 902 438	195 028 841	225 902 438
• Other assets	15 201 636	15 877 561	14 668 090	15 344 015
• Intangible assets	530 297 759	506 847 875	530 297 759	506 847 875
	4 752 558 458	**4 429 189 874**	**4 519 059 396**	**4 123 856 808**
Total capital commitments				
Approved and contracted	4 752 558 458	4 429 189 874	4 519 059 396	4 123 856 808

Total commitments

Total commitments				
Authorised capital expenditure	4 752 558 458	4 429 189 874	4 519 059 396	4 123 856 808

54. Unauthorised expenditure

Opening balance as previously reported	5 463 973 063	3 484 319 381	5 463 973 063	3 484 319 381
Add: Unauthorised expenditure - current	423 284 507	1 979 653 682	423 284 507	1 979 653 682
Less: Amount authorised - relating to opening balance/previously reported balances	(5 463 973 063)	-	(5 463 973 063)	-
Closing balance	**423 284 507**	**5 463 973 063**	**423 284 507**	**5 463 973 063**

The over expenditure incurred by the group's departments during the year is attributable to the following categories:

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

54. Unauthorised expenditure (continued)

Unauthorised expenditure: Budget overspending - per strategic unit				
City Manager	152 543 731	127 676 019	152 543 731	127 676 019
Community and Social Development Services	30 578 112	-	30 578 112	-
Energy & Electricity	-	432 828 215	-	432 828 215
Environmental & Agriculture Management	-	98 646 788	-	98 646 788
Group Financial Services	229 423 147	-	229 423 147	-
Group Legal and Secretarial Services	10 739 517	46 214 347	10 739 517	46 214 347
Human Settlements	-	38 140 282	-	38 140 282
Regional Operation & Coordination	-	888 902 166	-	888 902 166
Roads & Transport	-	90 296 318	-	90 296 318
Water and Sanitation	-	256 949 546	-	256 949 546
	423 284 507	**1 979 653 681**	**423 284 507**	**1 979 653 681**

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Cash	-	391 354 382	-	391 354 382
Non-cash	423 284 507	1 588 299 299	423 284 507	1 588 299 299
	423 284 507	**1 979 653 681**	**423 284 507**	**1 979 653 681**

55. Fruitless and wasteful expenditure

Opening balance as previously reported	2 480 505 537	634 531 679	2 476 278 538	627 066 166
Add: Expenditure identified - current year	340 813 594	32 613 944	341 442 031	35 852 458
Add: Fruitless and wasteful expenditure identified - prior period	-	1 813 359 914	-	1 813 359 914
Closing balance	**2 821 319 131**	**2 480 505 537**	**2 817 720 569**	**2 476 278 538**

The above is inclusive of amounts to be recovered as approved by council

Details of fruitless-and wasteful expenditure				
Interest on late payments	341 450 996	35 856 330	341 442 031	35 852 619
VAT interest and penalty liability	1 813 359 914	-	-	1 813 359 914
	2 154 810 910	**35 856 330**	**341 442 031**	**1 849 212 533**

56. Irregular expenditure

Opening balance as previously reported	12 719 414 300	9 324 553 700	12 688 348 957	9 202 243 305
Restatement of prior year	-	2 233 093 543	-	2 233 093 543
Opening balance as restated	**-**	**11 435 336 848**	**13 814 045 320**	**11 435 336 848**
Add: Irregular Expenditure - current year	1 660 945 374	1 437 607 998	1 557 803 862	1 253 012 109
Add: Irregular expenditure - prior period	25 955 873	388 000	25 955 873	-
Less: Amount recovered - prior year	-	(195 000)	-	-
Less: Amount approved for recovery by Council - current period	(662 440 506)	-	(662 440 506)	-
Less: Amount written off - current	(675 019 572)	(276 033 941)	(577 878 869)	-
Less: Amount written off - prior period	(1 980 845)	-	-	-
Closing balance	**13 066 874 624**	**12 719 414 300**	**13 031 789 317**	**12 688 348 957**

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand		Group 2023	Group 2022	Municipality 2023	Municipality 2022

56. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings	Group 2023	Group 2022	Municipality 2023	Municipality 2022
Non-Compliance with Section 32 of the MFMA	Under investigation	405 290 745	345 535 627	405 290 745	345 535 627
Quotation made outside the 2022 PPR procurement and the SCM Policy	Under investigation	27 563 298	-	27 563 298	-
Non-compliance with PPR (Par 5), SCM Regulations (Par 38 (1)	Under investigation	-	114 646 159	-	114 646 159
Non-compliance with MFMA Section 110	Under investigation	-	21 186 652	-	21 186 652
Subcontracting more than 25%	Under investigation	-	17 100 000	-	17 100 000
Award value above the tender value range in terms of CIDB requirements	Under investigation	-	4 009 587	-	4 009 587
Selected from the expired panel	Under investigation	-	64 321 508	-	64 321 508
Bid Evaluation not in accordance with the specifications and no evidence of consideration by the Adjudication Committee	Under investigation	-	2 282 403	-	2 282 403
Tenders advertised for less than 30 days	Under investigation	-	639 047	-	639 047
Mandatory sub-contracting - Tenders over R30 million - PPR subcontracting regulations not complied with	Under investigation	-	18 322 680	-	18 322 680
Awards made to the bidder known to have committed a corrupt or fraudulent act in competing for the contract	Under investigation	-	287 917 531	-	287 917 531
Minimum threshold for local production and content not met	Under investigation	-	79 356	-	79 356
Non-compliance with SCM Regulation 36 (Deviations)	Under investigation	234 156 814	1 118 045 258	234 156 814	1 118 045 258
Contract payments outside the contract term	Under investigation	-	338 039 494	-	338 039 494
Non-compliance with Section 112 - Winning bidder not meeting mandatory requirements, Unfair disqualification of bidders	Under investigation	887 642 052	1 152 947 720	887 642 052	1 152 947 720
Non compliance with SCM regulation 44 - Awards made to employees of the municipality and state employees	Under investigation	3 150 953	1 032 631	3 150 953	1 032 631
TEDA	**Disciplinary steps taken/criminal proceedings**				
Bid of a long term nature not advertised for the minimum of 30 days	Under investigation	276 000	523 021	-	-
Collusion and possible fraud	Under investigation	-	193 000	-	-
Insufficient evidence that requests for quotations were advertised for 7 days	Under investigation	-	68 000	-	-
HCT	**Disciplinary steps taken/criminal proceedings**				
Non-compliance with BAC composition - sec 29 & scope variation	Under investigation	96 864 703	179 174 570	-	-

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand		Group 2023	Group 2022	Municipality 2023	Municipality 2022
56. Irregular expenditure (continued)					
Non-compliance with regulation 22 (1) of Municipal SCM regulation - Bids of LT nature not advertised for 30 days	Under investigation	6 000 809	4 612 918	-	-
Non-compliance with regulation 8 of PPR - RFQ that fails to meet the minimum stipulated threshold for local production and content	Under investigation	-	217 350	-	-
		1 660 945 374	**3 670 894 512**	**1 557 803 862**	**3 486 105 653**

	Disciplinary steps taken/criminal proceedings			
Non-Compliance with Section 32 of the MFMA (Irregular expenditure relating to prior year identified in the current year)	Under investigation*	25 955 873	-	25 95

*Under investigation - Determined as fruitless and wasteful expenditure and under investigation to determine whether the funds will be recovered.

Irregular expenditure to be recovered		
Glad Africa	652 073 251	-
Babore	1 276 960	-
	653 350 211	**-**

57. Deviation from supply chain management regulations

Paragraph 12(1)(d)(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 Committee and includes a note to the audited consolidated annual financial statements.

In terms of Section 36(1)(a) of the Supply Chain Management Regulations, the accounting officer may dispense with the official procurement processes in the following instances:

- in an emergency

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

57. Deviation from supply chain management regulations (continued)

- if such goods or services are produced or available from a single provider only
- for the acquisition of special works of art or historical objects where specifications are difficult to complete
- acquisition of animals for zoos and/or nature and game reserves
- in any other exceptional case where it is impractical or impossible to follow the official procurement processes

Deviation from tender and quotation process:

- Sole suppliers
- Emergency
- Impracticality

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 accounting officer and noted by Council.

Deviations from the official procurement process during the financial year were approved by the accounting officer and noted by council in terms of the delegations as stipulated in the Supply Chain Management Policy and amount to approximately the following:

	Group 2023	Group 2022	Municipality 2023	Municipality 2022
Deviation from tender process (amounts above R200 000)				
City				
Sole providers	-	473 000	-	473 000
Impractical	934 872	-	934 872	-
TEDA				
ICT services	96 226	91 273	-	-
Legal services extended	1 402 814	1 141 869	-	-
Storage	41 550	37 070	-	-
HCT				
Nasho membership and training	64 624	64 624	-	-
Repairs: motor vehicles & lifts	104 466	3 000	-	-
Licence fees (Pastel Accounting & CaseWare)	112 487	102 786	-	-
Townlands development costs & Electricity	13 444 094	-	-	-
Security service at Townlands	600 000	-	-	-
Installation of Pastel Accounting	-	7 916	-	-
Power failure at Clarina	-	81 869	-	-
Deep Cleaning & decontamination	8 500	6 000	-	-
	16 809 633	2 009 407	934 872	473 000
(1) (b) to ratify any minor breaches of the procurement processes	-	-	-	12 273 632
	16 809 633	**2 009 407**	**934 872**	**12 746 632**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

58. Regulation 45 disclosure

In terms of the regulation 45 of the Municipal SCM regulations, the notes to the annual financial statements of a municipality must disclose particulars of any award of more than R 2,000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including:

- the name of that person;
- the capacity in which that person is in the service of the state; and
- the amount of the award.

The name of the person	The capacity	Value of award 30 June 2023	Value of award 30 June 2022
Segopane Zephora Teffo*	Snr storekeeper	-	221 345
Absalom Sibusiso Ntuli	Storekeeper	177 060	536 880
Nkele Doris Kganyago	SNR Admin	-	20 500
Setlhare Paul Ledwaba*	General worker	151 465	149 170
Sakisene Tsolofelo#	Supervisor	-	157 292
Segopane Zephora Teffo	Snr Storekeeper	-	123 510
Segopane Zephora Teffo	Snr Storekeeper	-	327 135
Segopane Zephora Teffo	Snr Storekeeper	-	395 637
		328 525	**1 931 469**

* Commission based award
# Rates Based as and when in nature tender

No Awards were made in terms of regulation 45 for TEDA and HCT.

59. Contingencies

Indemnification				
Capitalised pension value in compliance with Compensation for Occupational Injuries and Diseases Act, 1993	117 814 383	158 261 835	117 814 383	158 261 835

The capitalised value as at 30 December 2022 which is calculated by the department of Labour amounted to R117 814 383. The actual amount is guaranteed with a bank guarantee.

Guarantees issued				
Guarantees issued in favour of Eskom	-	213 500	-	213 500

Insurance claims				
Pending claims iro asset-, motor own damage contractors and electricity claims	58 691 062	74 876 645	58 691 062	74 876 645
Pending claims iro public liabilities	1 727 086 587	718 018 396	1 727 086 587	718 018 396
	1 785 777 649	**792 895 041**	**1 785 777 649**	**792 895 041**

City

Litigation Matters:

The legal claims listed below are those that have arisen in the normal course of business and represent the possible amounts that could be awarded should the claims prove successful. The amounts have been based on the attorney's best estimates of the possible amount payable.

HCT

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

59. Contingencies (continued)

Litigation matters:

HCT entered into a contract with Magic Labour for the construction and development of social housing units on Erf 3525 & 3526, Marabastad, and Pretoria. The project entails the development of a high-rise building that will yield 1,200 units. Magic Labour failed to deliver the required units as a result HCT terminated the contract due non-performance as stipulated on the contract. Magic Labour disputes the termination and claim an amount of R41,654,855.50 in the form of a final account.

HCT entered into a contract with Vharanani Properties (Pty) Ltd for the construction of 16 storey Social Housing Scheme on Erf 1118, Acardia in Pretoria. The project entails the development of 607 rental units including a gate house, refuse bay, underground plant room and upgrading of bulk infrastructure. In terms of the signed contract, HCT was obliged to give the contractor possession of the site on 2 November 2020 but failed to provide the contractors with the possession of the site on the 2 November 2020 because the site was occupied by the Menlyn Taxi Association. The contractor terminated the contract and claim the disputed R32,720,530 for potential profit and loss and damages as a result of the employers' breach of contract.

The entity entered into a contract with MIH Projects for construction supervision of Townlands, Marabastad project. During the prior financial year (2020/21), the principal agent submitted invoices to the value of R82,909 which was disputed based on the fees. The entity also disputed invoices amounting to R23,242 from the Auditor General on interest charged. Invoice from Labstyres and Amande Nkanyza Attoneys were also disputed amounting to R72,450 and R77,093 respectively. The total value of disputed invoices amounts to R255,694.

On the 13 March 2018, the entity terminated the construction contract with Magic Labour Hire & Security Services due to poor performance. Management has quantified the value of latent defects discovered and is claiming R6,801,204.06 from the Magic Labour Hire and construction guarantee which is held by Power Guarantee (Pty) Ltd.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

59. Contingencies (continued)

Category A

The materiality of the listing with all cases with the value exceeeding R10 million.

Department	Short description of cases	2023	2022
Community and Social Development	Breach of contract-non payment for work done and damages claim in respect of the Loftu Stadium Upgrade for World Cup 2010.	75 503 986	-
Group Property Management	Claimant alleges that there as development agreement entered into with CoT on certain properties. The CoT is alleged to have breached the agreement by settling people on properties that were the subject matter of the development agreement.	51 507 439	51 507 439
Group Property Management	Claim for damages. capital Amount is R11 000 000, 00 is as per the assessment by the lawyer as reported by the AGSA team	11 000 000	11 000 000
Group Shared Services	Suffered loss regarding the broad band contract as the Court has set aside the said contract. Claiming damages regarding for the recovery of loss suffered as result of the broad band contract which was set aside by court. They allege that the panel of attorneys KR Inc gave incorrect legal advise regarding the legitimacy of the Broad Band contract	327 764 660	327 764 660
Group Shared Services	Suffered loss regarding the broad band contract as the Court has set aside the said contract. Claiming damages regarding for the recovery of loss suffered as result of the broad band contract which was set aside by court. They allege that the panel of attorneys KR Inc gave incorrect legal advise regarding the legitimacy of the Broad Band contract	134 938 261	134 938 261
Group Shared Services	Claim for the Annual increases in terms of Tender number CB101/2014. the capital claimed now is the difference between R7 943 259, 06judgement less R2 430 187, 99 (amount could allowed during rescission)	5 513 071 107	1 955 738 877
Group Utility Services	Cancellation of contract on the basis of law	183 624 957	183 624 957
Housing and Sustainable Human Settlement	Claim for damages, Brookway's properties were invaded and they obtained an order to evict, the order also directed the CoT to provide an alternative by a particular date. Plaintiff claims CoT failed to provide alternative. Hence Plaintiff had to eventually sell the property and suffered damages.	176 526 000	176 526 000
Housing and Sustainable Human Settlement	Claim for payment of monies that Rain Bowregardsas rental for Clarina Flats where former residents of Schubart Park are housed.	50 616 000	50 616 000
Housing and Sustainable Human Settlement	Claim for outstanding payment of lease.	31 487 000	31 487 000
Roads and Transport	Claim for loss of income due to blockage on wayleave system	34 000 000	34 000 000
Roads and Transport	Consequential loss claim for expropriated property	283 101 000	283 101 000
Roads and Transport	Damages for unlawful termination of contract	25 499 755	-
Regional Operations and Coordination	Claim for loss of income for failing to utilise them in terms of the contract provisions	111 615 305	111 615 305
Regional Operations and Coordination	Claim for loss of income for failing to utilise them in terms of the contract provisions	80 214 095	80 215 095
Regional Operations and Coordination	Claim for loss of income for failing to utilise them in terms of the contract provisions	59 244 567	59 244 567
Regional Operations and Coordination	Claim for loss of income for failing to utilise them in terms of the contract provisions	41 421 707	41 421 707
Regional Operations and Coordination	Claim for loss of income for failing to utilise them in terms of the contract provisions	17 946 566	17 946 566
		7 209 082 405	**3 550 747 434**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

59. Contingencies (continued)

Category B

The materiality of the listing with all cases not exceeding R10 million.

Department	2023	2022
Community and Social Development	4 900 000	4 900 000
Community Safety - Metro Police	6 234 046	6 233 688
Corporate and Shared Services	480 049	180 404
Group Financial Services	9 824 382	3 140 803
Group Audit and Risk	120 000	120 000
Group Communication and Marketing	879 718	879 718
Group Economic Development and Spatial Planning	6 683 428	6 683 428
Group Environment & Agriculture Management	4 204 510	4 204 510
Group Finance Services Department (Supply Chain Management)	677 013	677 013
Group Financial Services	48 574 713	39 887 248
Group Human Capital Management	30 402 698	30 402 698
Group Legal and Secretariat	5 000 000	5 000 000
Group Property Management	5 355 176	5 411 259
Group Shared Services	4 660 090	139 897 995
Group Utility Services	23 921 268	25 001 693
Housing and Sustainable Human Settlement	24 957 373	27 002 613
Office of the Speaker	850 884	850 884
Roads and Transport	9 005 142	9 005 142
Regional Operations and Coordination	84 942	84 942
	186 815 432	**309 564 038**

60. Public Private Partnerships (PPP)

Tshwane House:

The City of Tshwane has entered into a PPP agreement with Tsela Tshweu (the Consortium), a private Consortium led by Group 5, to finance, construct and operate the Tshwane Head Office. The agreement is for a period of 27 years of which 2 years was for the construction of the property and 25 years to operate the property on behalf of City of Tshwane. At the end of the 27 year agreement ownership of the building will pass to the City of Tshwane. The agreement is in the sixth year of the operational stage. Occupation took place in June 2017.

Fleet vehicles and fleet related services:

- The City of Tshwane has entered into a PPP agreement with:
- Fleet Africa a division of Super Group Africa (Pty) Ltd for the supply of category E fleet vehicles and fleet related services; and
- Moipone Group of Companies (Pty) Ltd for the supply of category A and C fleet vehicles and fleet related services;
- Talis Fleetmatics VMS (Pty) Ltd for the supply of category B fleet vehicles and fleet related services.

The agreement is for a period of 5 years from the commencement date where after it will automatically terminate. The municipality may extend the agreement on written notice which shall be given at least 90 days prior to expiry of the termination date.

During the life of the agreement, the municipality will make unitary payments to the private party in accordance with the provisions of the payment mechanism. The unitary payments will be the amount payable with respect to the leased vehicles, monthly in arrears.

The municipality has restructured the finance lease for some vehicles leased from Talis and Supergroup. The restructuring will result in the City retaining ownership of the vehicles at the end of the lease term.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

The lease agreements for Moipone Group of Companies (Pty) Ltd and Talis Fleetmatics VMS (Pty) Ltd lapsed on 30 June 2023 and will not be renewed.

Denneboom Service concession

The City of Tshwane Metropolitan Municipality entered into a service concession and Lease Agreement with the Concessionaire (Intendent Management Services (Pty) Ltd.) on the 7th of September 2012 in terms of which the Concessionaire obtained the right to lease Erven 35385, Mamelodi, Extension 13, Erf 40331 Mamelodi Extension 24, and Portion 2 of Erf 19687, Mamelodi (the Properties) and to develop the properties at its costs as an interchange for public transport and for commercial purposes for its own cost and account. The City will throughout the currency of the agreement, retain the full and undisturbed right to regulate, manage and administer the taxi operations through, over or on the interchange and the allocation or lease of bus or taxi rank space and holding areas on the properties.

Intendent Management Services is granted the right to earn revenue from third-party users of the service concession asset as they are entitled to rent for their own account lettable space in the Interchange to users. Intendent also receives non-cash compensation from the municipality by getting a rebate from property rates. The municipality does not incur a cost directly for acquiring the service concession asset as the development will be funded by a private developer. Upon the termination of the service concession for whatever reason whether as a consequence of the effluxion of time or otherwise, all buildings and other permanent structures on the interchange shall remain the property of the municipality. The service concession agreement will lapse after 29 years and 11 months.

61. Disposal of: a significant asset(s) /or a group of assets and liabilities /or a component of the entity

During the 2022/23 financial year, there was no significant disposal of assets or group of assets and liabilities of a company of the entity.

Disposals completed during the year:

During the 2022/23 financial year, there was no significant disposal of assets or group of assets and liabilities of a company of the entity.

During the said financial year we did not have any disposals/ Auctions. We are in process of renewing the contract for an Auctioneer to conduct auction.

During the said financial year we did not have any disposals/Auctions. The contract for an Auctioneer has been appointed as per the attachement. The company Riley Auctioneers (Pty) Ltd Reg no. 2008/000180/07 was reccommended for the appointment for period of three years and when required commencing on 1 June 2023.

62. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	5 128 685	5 069 624	5 158 685	5 069 624
Amount paid - current year	(5 128 685)	(5 069 624)	(5 158 685)	(5 069 624)
	-	-	-	-

Consultants/Professional Services				
Opening balance	-	21 677	-	-
Current year subscription / fee	4 589 921	1 432 555	-	-
Amount paid - current year	(4 589 921)	(1 432 555)	-	-
Amount paid - previous years	-	(21 677)	-	-
	-	-	-	-

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

62. Additional disclosure in terms of Municipal Finance Management Act (continued)

Audit fees

Opening balance	1 502 099	437 092	1 222 240	127 902
Current year subscription / fee	34 840 298	34 648 641	34 138 092	33 859 169
Amount paid - current year	(36 062 538)	(33 331 833)	(35 360 332)	(32 764 831)
Amount paid - previous years	(179 577)	(251 801)	-	-
	100 282	**1 502 099**	**-**	**1 222 240**

PAYE and UIF

Opening balance	-	401 863	-	-
Current year subscription / fee	2 144 684 033	2 003 940 844	2 127 540 502	1 987 380 999
Amount paid - current year	(2 144 684 033)	(2 004 342 707)	(2 127 540 502)	(1 987 380 999)
	-	-	-	-

Pension and Medical Aid Deductions

Opening balance	373 189	-	-	-
Current year subscription / fee	2 964 419 394	2 881 707 217	2 956 934 183	2 874 512 801
Amount paid - current year	(2 964 792 583)	(2 881 334 029)	(2 956 934 183)	(2 874 512 801)
	-	**373 188**	**-**	**-**

VAT

VAT receivable	2 474 118 012	1 745 387 593	2 474 114 540	1 745 384 121
VAT payable	(5 385 904 667)	(6 078 491 989)	(5 384 641 745)	(6 078 938 260)
VAT payable net off impairment	**(2 911 786 655)**	**(4 333 104 396)**	**(2 910 527 205)**	**(4 333 554 139)**

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2023:

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

62. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Masupha NR	2 473	-	2 473
Mathebe RK & TT	665	274	939
Eybers LD	3 387	17	3 404
Phokoje STT	3 434	97	3 531
Makgaleng KG	3 739	755	4 494
Mabogwana MO	2 598	1 685	4 283
Fourie RP & MH	9 729	158	9 887
Magaseng & Makgaleng MM & KG	1 106	3 537	4 643
Ramokgushwane LM	1 620	3 876	5 496
Helfrich & Venter WP & MD	3 197	5 073	8 270
Selowa D	4 398	5 607	10 005
Mbokane Ellen Phumzile	7 718	5 389	13 107
Mehlape-Zimu MM	32 740	3 766	36 506
Moloi Eunice Dineo	1 538	11 396	12 934
Mazibuko MS	2 040	12 952	14 992
Mehlape-Zimu MM	4 270	13 569	17 839
Masilela JK	3 328	14 333	17 661
Modise ET	4 347	14 636	18 983
Mathibedi MT	60 359	15 455	75 814
Voilet Phalwane	2 789	15 712	18 501
Dzumba KY	11 149	14 901	26 050
Monchusi DJ & RGM	5 521	26 570	32 091
Manhique RM & AF	8 437	29 934	38 371
Monchusi DJ & RGM	6 979	34 737	41 716
Leshabana LP	13 259	67 571	80 830
Phokoje STT	61 356	63 920	125 276
Nhlapo BJ & Z	10 689	91 296	101 985
Raphuthi Maboshadi Mina	6 242	102 194	108 436
Mocumi T.C	5 893	105 140	111 033
Modise ET	14 350	129 541	143 891
Modise ET	33 237	146 019	179 256
Modise ET	36 110	197 664	233 774
	368 697	**1 137 774**	**1 506 471**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

62. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2022	Outstanding less than 90 days	Outstanding more than 90 days	Total
Thabatha TI	-	90	90
Mazibuko MS	-	2	2
Masukue N	1 310	362	1 672
Magaseng & Makgaleng MM & KG	655	2 209	2 864
Ramokgushwane LM	1 003	2 536	3 539
Phokoje STT	3 276	1 030	4 306
Chauke Hlamalani Queen	2 131	2 305	4 436
Tlou PP	3 562	971	4 533
Mashaoa MA	1 111	5 219	6 330
Kruyshaar LP & T	4 560	2 016	6 576
Makena SM	4 669	1 985	6 654
Mehlape-Zimu MM	3 416	4 908	8 324
Moloi Eunice Dineo	1 086	7 691	8 777
Mathibedi MT	4 849	5 098	9 947
Surgeon MA	1 774	8 551	10 325
Mazibuko MS	4 010	6 379	10 389
Maepa KL & WTS	3 453	8 747	12 200
Voilet Phalwane	3 982	9 017	12 999
Masilela JK	3 720	11 284	15 004
Manhique RM & AF	5 812	13 369	19 181
Maepa KL & WTS	19 397	241	19 638
Masukue N	3 877	17 183	21 060
Mashola MS	8 680	13 982	22 662
Baloyi JJ	16 241	6 840	23 081
Monchusi DJ & RGM	3 855	20 718	24 573
Monchusi DJ & RGM	5 532	26 302	31 834
Mashola MS	14 328	46 181	60 509
Leshabana LP	11 931	52 193	64 124
Nhlapo BJ & Z	7 970	70 942	78 912
Raphuthi Maboshadi Mina	35 483	50 060	85 543
Mabotsa S	11 891	147 233	159 124
Mathevula BK	25 185	207 714	232 899
Madonsela MI	39 801	885 705	925 506
	258 550	**1 639 063**	**1 897 613**

These councillors made arrangements to pay off their arrear debt.

63. Distribution losses: Water

Non-revenue Water (NRW) - kilolitre				
Technical	89 085 371	91 757 388	89 085 371	91 757 388
Non-technical	22 271 343	22 939 346	22 271 343	22 939 346
	111 356 714	**114 696 734**	**111 356 714**	**114 696 734**

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

63. Distribution losses: Water (continued)

Non-revenue Water (NRW) - Rand value				
Technical	892 635 414	866 721 917	892 635 414	866 721 917
Non-technical	223 158 854	216 680 474	223 158 854	216 680 474
	1 115 794 268	**1 083 402 391**	**1 115 794 268**	**1 083 402 391**

The International Water Association (IWA) water balance forms the basis for the calculation of the municipality's Non-Revenue Water (NRW).

Non-Revenue Water is defined as the volume of water supplied into the water system by the municipality (system input volume), minus the billed authorised consumption. The system input volume consists of water purchases from Rand Water and Magalies Water as well as water from the municipality's own water treatment plants, boreholes and fountains. The billed authorised consumption consists of water sales (consumption) data based on meter readings obtained from Finance Department.

It should be noted that the IWA water balance is a volumetric water balance and not a financial balance. For purposes of calculating the NRW it is assumed that all billed water is paid for.

With regard to the water balance, the components of NRW are apparent (commercial) losses and real (physical) losses.

Apparent losses are made up from the unauthorised consumption (theft or illegal use) plus all technical and administrative inaccuracies associated with customer metering/billing. This is thus water which "disappears" through inaccurate metering, inaccurate meter accounting processes, meter and billing data integrity, illegal connections, etc. The water is not physically lost from the system but it is never measured or accounted for, and most importantly, never paid for. Apparent losses contribute approximately 20% to the total water loss.

Real losses represent the physical leakage from the pressurised system, up to the point of measurement of customer use. This is water which physically disappears from the distribution system through water leaks or pipe bursts, water theft etc. It is thus water which does not reach the customer and is not paid for by customers.

Physical water losses contribute approximately 80% to the total water losses; and therefore emphasis must be placed on the eradication of these losses. Water losses in the City are determined by calculating the amount of non-revenue water (NRW) which is the difference between the volume of water supplied into the system and the authorised consumption.

Approximately 82% of the city's system input volume is sourced from Water Boards (WB), 79% from Rand Water (RW) and 3% from Magalies Water (MW) at a current purchase cost of approximately R 10,38. The remaining 18% is sourced from own and local sources at approximately 50% of the cost of water provided by Water Board.

Non-revenue water, and more especially water loss, is a global phenomenon, and no water supply and distribution system is completely leak free. The following are the primary causes of water losses:

- High leakage due to ageing network pipes, coupled with reduced responsive time to repair leaks
- Insufficient budget to fund all identified projects/initiatives
- High pressures in isolated areas, leading to leaks and bursts
- Older water meters which under-register consumption, resulting in under-recovery
- Estimation (under-estimation) of water meter readings
- System and billing errors
- Water theft from fire hydrants, illegal connections
- Water used in infrastructure maintenance (pipe scouring and reservoir cleaning)

Actions to reduce water losses in the City of Tshwane include the following:

- Improve on leak repair responsiveness (active and passive) to reduce wastage
- Metering: Installation of water meters in unmetered houses; Meter audits to improve information on billing system; Meter replacements to increase accuracy of meter readings
- Installation of pressure management systems to reduce high pressures and lower leakage
- Selective pipe network replacements in areas with worn out network pipes
- Removal of illegal connections

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

63. Distribution losses: Water (continued)

- Restriction of water supply to non-paying customers

2022/23

The CoT's current NRW (June 2023) is 32,0%. This equates to a distribution loss of 111 356 713 kl/annum. Approximately 82% of the City's system input volume is sourced from Water Boards (WB), 80% from Rand Water (RW) and 2% from Magalies Water (MW) at a current average purchase cost of approximately R11.01/kl.

2021/22

Water losses in the municipality are determined by calculating the amount of non-revenue water (NRW) which is the difference between the volume of water supplied into the system and the authorised consumption. The NRW in the municipality was calculated at 32.6 (% of the total input into the system) 114,696,732 kl/annum).

64. Distribution losses: Electricity

Distribution loss: kWh				
Technical	600 610 507	646 713 867	600 610 507	646 713 867
Non-technical	1 240 587 462	1 149 292 868	1 240 587 462	1 149 292 868
	1 841 197 969	**1 796 006 735**	**1 841 197 969**	**1 796 006 735**
Distribution loss - Rand value				
Technical	803 185 911	769 460 158	803 185 911	769 460 158
Non-technical	1 659 015 883	1 367 428 654	1 659 015 883	1 367 428 654
	2 462 201 794	**2 136 888 812**	**2 462 201 794**	**2 136 888 812**

2022/23

The annual electricity distribution losses are made up of technical and non-technical losses which are the difference between electricity purchased and electricity sold to the end user at differentiated tariffs levels. The municipality purchases 100% of its electricity from ESKOM at transmission and distribution levels, 85% is purchased through the 3 infeed stations (Njala, Kwagga and Reitvel) at 175kV transmission levels and 15% at distribution levels.

The electricity distribution loss is calculated at 1 841 197 969 KWh (21.46 % of the total electricity). Technical losses are as a result of electricity lost while being distributed from the source of generation through transmission and distribution network to the final consumer. The wires (copper or aluminum) being used to distribute electricity has certain resistance which resist the throughput of current, as a results there is certain portion of electricity that is lost due to distribution, and it is termed technical losses. NERSA acceptable target for a network like Tshwane is estimated to be 7% (600 610 507 kWh) for the 2022/23 financial year. However, the national utilities benchmark is for the technical Losses to be capped at 6%.

2021/22

The annual electricity distribution losses are made up of technical and non-technical losses which are the difference between electricity purchased and electricity sold to the end user at differentiated tariffs levels. The City purchases 100% of its electricity from ESKOM at transmission and distribution levels, 85% is purchased through the 3 infeed stations (Njala, Kwagga and Reitvel) at 175kV transmission levels and 15% at distribution levels.

The electricity distribution loss is calculated at 1 796 006 735 KWh (19.44 % of the total electricity). Technical losses are as a result of electricity lost while being distributed from the source of generation through transmission and distribution network to the final consumer. The wires (copper or aluminum) being used to distribute electricity has certain resistance which resist the throughput of current, as a results there is certain portion of electricity that is lost due to distribution, and it is termed technical losses. NERSA acceptable target for a network like Tshwane is estimated to be 7% (646,713,867 kWh) for the 2021/22 financial year. However, the national utilities benchmark is for the technical Losses to be capped at 6%.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

In 2022/23 financial year, the City has implemented the following initiatives to reduce the non-technical losses:

- Meter audits and normalization of stuck meters
- Migration of conventional electricity meter to prepaid meters
- Installation of modems to Large Power Users meters to enable real-time meter readings
- Normalization of prepaid meters.
- Installation of tamper boxes in hot spots with high levels of illegal connections
- Electrification for All Programme
- Removal of illegal connections

65. Jointly controlled assets

On the 5th of December 2015 City of Tshwane entered into an agreement with EON Reality Inc. to establish an Interactive Digital Centre Hub in the city. This agreement was for a three-year period and could be renewed for a further 2 years pending the City of Tshwane's approval. Both parties, EON Reality Inc. and the City of Tshwane jointly control the Interactive Digital Centre Hub and the payment structure outlines that both the City of Tshwane and EON Reality Inc. contribute 50% each towards the acquiring of equipment and other resources and/or assets to establish the IDC Hub, however the ownership structure as per the agreements states that City of Tshwane owns 100% of Interactive Digital Centre Hub infrastructure. Contribution obligations were outlined as a cash contribution by the City of Tshwane of $6 582 511 (R74 342 879, 23) and asset donations to the same value by EON Reality Inc.

The City of Tshwane paid an amount of R74 000 000 on 6 August 2015. Assets to the value of R64 460 021, 93 were verified to have been received at the Interactive Digital Centre Hub at Tshwane Leadership Management Academy on 4 April 2016 delivered by EON Reality Inc. whilst an amount of R2 377 073.71 was expensed.

A Debtor was raised to the amount of R7 162 904.36 owed by EON Reality Inc. pending the delivery of the remaining promised assets. Assets were capitalised at cost and depreciated accordingly at their respective useful lives. Depreciation for the year amounted to R521 349.29 (2022: R1 003 265.50) and the carrying amount of Interactive Digital Centre Hub assets amounted to R564 376.54 for property, plant and equipment and R0 (2022: R0) for intangible assets.

The ICT department indicated that the software is not in use and will be in future be used for its initial intended purposes and therefore must be considered for write off. As the latter process requires council approval of which is a lengthy process, a decision was subsequently taken to impair the software (Intangible asset) to R0 back in the 2020/21 financial year.

66. Financial instruments

Categories of financial instruments

Group - 2023

Financial assets

	At fair value	At amortised cost	Total
Investments	-	753 936 842	753 936 842
Long term receivables	-	362 853 514	362 853 514
Redemption fund asset	207 895 138	-	207 895 138
Other receivables from exchange transactions	-	1 784 281 386	1 784 281 386
Consumer receivables	-	5 042 800 311	5 042 800 311
Cash and cash equivalents	-	257 942 071	257 942 071
Interest rate swap - Non-current portion	247 940 777	-	247 940 777
	455 835 915	**8 201 814 124**	**8 657 650 039**

Financial liabilities

	At fair value	At amortised cost	Total
Loans and bonds	-	9 500 185 105	9 500 185 105
Finance lease obligation	-	98 705 498	98 705 498
Retention creditors	-	603 896 539	603 896 539
Consumer deposits	-	764 132 255	764 132 255
Interest rate swap	9 560 148	-	9 560 148
Service concession arrangement	-	2 544 300 449	2 544 300 449
Payables from exchange transactions	-	12 062 498 309	12 062 498 309
	9 560 148	**25 573 718 155**	**25 583 278 303**

Group - 2022

Financial assets

	At fair value	At amortised cost	Total
Investments	-	870 166 084	870 166 084
Long term receivables	-	492 720 425	492 720 425
Redemption fund asset	14 621 844	-	14 621 844
Other receivables from exchange transactions	-	1 410 662 918	1 410 662 918
Consumer receivables	-	5 032 971 102	5 032 971 102
Cash and cash equivalents	-	260 249 909	260 249 909
Interest rate swap - Non-current portion	156 939 067	-	156 939 067
	171 560 911	**8 066 770 438**	**8 238 331 349**

Financial liabilities

	At fair value	At amortised cost	Total
Loans and bonds	-	10 854 924 451	10 854 924 451
Finance lease obligation	-	183 820 375	183 820 375
Retention creditors	-	638 004 405	638 004 405
Consumer deposits	-	781 190 973	781 190 973
Interest rate swap	11 907 174	-	11 907 174

66. Financial instruments (continued)

Service concession arrangement		-	2 458 803 167	2 458 803 167
Payables from exchange transactions		-	10 370 804 431	10 370 804 431
		11 907 174	**25 287 547 802**	**25 299 454 976**

Municipality - 2023

Financial assets

	Note(s)	At fair value	At amortised cost	Total
Investments	4	-	753 936 842	753 936 842
Long term receivables	7	-	366 655 763	366 655 763
Redemption fund asset	9	207 895 138	-	207 895 138
Other receivables from exchange transactions	6	-	1 780 172 972	1 780 172 972
Consumer receivables	5	-	5 042 800 311	5 042 800 311
Cash and cash equivalents	11	-	207 659 969	207 659 969
Interest rate swaps	19	247 940 777	-	247 940 777
		455 835 915	**8 151 225 857**	**8 607 061 772**

Financial liabilities

		At fair value	At amortised cost	Total
Loans and bonds	21	-	9 500 185 105	9 500 185 105
Finance lease obligation	26	-	97 581 527	97 581 527
Retention creditors	23	-	590 658 461	590 658 461
Consumer deposits	25	-	764 132 255	764 132 255
Interest rate swap	19	9 560 148	-	9 560 148
Service concession arrangement	29	-	2 544 300 449	2 544 300 449
Payables from exchange transactions	23	-	11 977 111 703	11 977 111 703
		9 560 148	**25 473 969 500**	**25 483 529 648**

Municipality - 2022

Financial assets

		At fair value	At amortised cost	Total
Investments	4	-	870 166 084	870 166 084
Long term receivables	7	-	496 268 681	496 268 681
Redemption fund asset	9	14 621 844	-	14 621 844
Other receivables from exchange transactions	6	-	1 438 195 198	1 438 195 198
Consumer receivables	5	-	5 032 971 101	5 032 971 101
Cash and cash equivalents	11	-	217 481 812	217 481 812
Interest rate swap - Non-current portion	19	156 939 067	-	156 939 067
		171 560 911	**8 055 082 876**	**8 226 643 787**

Notes to the Audited Consolidated Annual Financial Statements

66. Financial instruments (continued)

Financial liabilities

		At fair value	At amortised cost	Total
Loans and bonds	21	-	10 854 924 449	10 854 924 449
Finance lease obligation	26	-	181 930 187	181 930 187
Retention creditors	23	-	623 013 615	623 013 615
Consumer deposits	25	-	781 190 973	781 190 973
Interest rate swap	19	11 907 174	-	11 907 174
Service concession arrangement	29	-	2 458 803 167	2 458 803 167
Payables from exchange transactions	23	-	10 961 170 449	10 961 170 449
		11 907 174	**25 861 032 840**	**25 872 940 014**

67. Risk management

Risks

In running its operations the group is exposed to a variety of financial risks: market, liquidity, credit and interest rate risks. Section 62.(1)(c)(i) Of 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 municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. In response to this the group adopted National Treasury Public Sector Risk Management Framework and is committed to the effective management of its risks. The process is called risk monitoring and control. It involves monitoring the identified risks including the above mentioned financial risks, identifying new risks, and evaluating the overall effectiveness of the risk management plan in reducing the risks.

The Group Financial Services is committed to the effective management of the financial risks, with Treasury Office responsible for management of market, liquidity, and interest rate risks. The Revenue Office is responsible for credit risk management. In the course of the group's business operations, it is exposed to interest rate, credit, liquidity and market risk. The group has developed a comprehensive risk management process to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

Financing risk

Financing risk refers to the group’s inability to control its monetary policy and defaulting on bonds or other debt issues. Borrowings could become more difficult or more costly in the future. The City’s targeted weighted average cost of borrowing for the MTREF is set at 9.9% per annum and as per the 30 June 2023 annual financial statements, the result was 9.21% meaning that the City is managing its cost of borrowing prudently.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will be negatively affected by the adverse changes in interest rates. Interest rate risk arises from fluctuations in market and economic conditions.

The group’s significant exposure to interest rate risk emanates from its long-term floating rate-based loans. Periodic payments towards variable interest rate loans are volatile and introduce uncertainty to the group’s cash flows. Hence fixed interest rates loans are preferred over variable interest rates loans, as they are stable and beneficial, especially if interest rates rise above the fixed rate.

The group manages its interest rate risk by maintaining an appropriate mix between fixed and floating interest rate loans and investments, as well as by entering interest rate swap contracts on some of the loans. Given its strained liquidity position, the City has made a conscious decision to keep the fixed-floating rate mix loans on a 60:40 ratio. Where there is bias in the loan portfolio towards fixed rate loans, the group addresses the bias by focusing on floating rate loans in its future loans, and vice versa. Alternatively, the group may choose to employ interest rate swaps to get to the desired ratio.

The level of the group's exposure to interest rate risk could be viewed in the annual financial statements. The group also uses interest rate swaps to hedge the interest rate risk.

Notes to the Audited Consolidated Annual Financial Statements

67. Risk management (continued)

There was no change in the objectives, policies, and processes for managing the interest rate risks and the methods used to measure those risks.

Mitigation factors

The group has adopted smoothing, maintaining a balance between fixed interest rates and floating interest rates on different instruments. The group also uses Interest rate swaps to manage the risk –

Variable rate loans : R2 835 900 466 (2022: R2 376 399 539) and

Fixed rate loans: R6 664 284 639 (2022: R8 478 524 901).

There was no change in the exposure to risks and how they arise since the previous financial year. There was further no change in the objectives, policies and processes for managing the risks and the methods used to measure the risks.

Group

Assets 2023	**Fund valuation Amount**	**Amount**	**Fixed rate Weighted average effective interest rate**	**Weighted average period for which rate is fixed**	**Non-interest bearing Amount**	**Weighted average period until maturity**	**Total**
Description			**%**	**Years**		**Years**	
Investments		753 936 842	7.65 %	N/A			753 936 842
Housing loans		11 794 759	13.50 %	30.00			11 794 759
Loan to sport clubs		955 216	5.00 %	10.00			955 216
Sale of land		70 983 319	9.00 %	5.00			70 983 319
Arrangement debtors		177 873 136	11.75 %	3.00			177 873 136
Consumer receivables		5 042 800 310	11.75 %	1.00			5 042 800 310
Receivables from exchange transactions		822 076 156					822 076 156
Cash and cash equivalents		257 942 071					257 942 071
Redemption fund asset	207 895 138		8.75 %	7.00			207 895 138
Interest rate swap	247 940 777		10.59 %	4.00			247 940 777
Total financial assets	**455 835 915**	**7 138 361 809**					**7 594 197 724**

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Notes to the Audited Consolidated Annual Financial Statements

67. Risk management (continued)

Liabilities 2023	**Floating rate Amount**	**Fixed rate Amount**	**Fixed rate Weighted average effective interest rate**	**Weighted average period for which rate is fixed**	**Non-interest bearing Amount**	**Weighted average period until maturity**	**Total**
Description			**%**	**Years**		**Years**	
Interest rate swap		9 560 148	9.31 %	N/A			9 560 148
Finance lease obligation	98 705 499						98 705 499
Retention creditors					603 896 538		603 896 538
Consumer deposits					764 132 255		764 132 255
Consumer receivables					2 544 300 449		2 544 300 449
Payables from exchange transactions		(1 940 403 911)			17 448 402 977		15 507 999 066
Loans and bonds		9 500 185 105	11.33 %				9 500 185 105
Total financial liabilities	**98 705 499**	**7 569 341 342**			**21 360 732 219**		**29 028 779 060**

Assets 2022	**Floating rate Amount**	**Fixed rate Amount**	**Fixed rate Weighted average effective interest rate**	**Weighted average period for which rate is fixed**	**Non-interest bearing Amount**	**Weighted average period until maturity**	**Total**
Description			**%**	**Years**		**Years**	
Investments	645 208 135	224 957 949	4.49 %	N/A			870 166 084
Housing loans		11 157 377	13.50 %	30.00			11 157 377
Loan to sport clubs		937 106	11.99 %	10.00			937 106
Sale of land		70 365 009	9.00 %	5.00			70 365 009
Arrangement debtors		319 764 045	7.13 %	3.00			319 764 045
Consumer receivables		5 032 971 102	7.13 %	1.00		1.00	5 032 971 102
Receivables from exchange transactions		677 662 918	%				677 662 918
Cash and cash equivalents		260 249 909	%				260 249 909
Redemption fund asset	14 621 844		6.78 %	7.00			14 621 844
Interest rate swap	156 939 067		10.59 %	4.00			156 939 067
Total financial assets	**816 769 046**	**6 598 065 415**					**7 414 834 461**

Notes to the Audited Consolidated Annual Financial Statements

67. Risk management (continued)

Liabilities 2022	Floating rate Amount	Fixed Rate Amount	Fixed rate Weighted average effective interest rate	Weighted average period for which rate is fixed	Non-interest bearing Amount	Weighted average period until maturity	Total
Description			**%**	**Years**		**Years**	
Interest rate swap		11 907 174	7.81 %				11 907 174
Finance lease obligation	183 820 375						183 820 375
Retention creditors					638 004 405		638 004 405
Consumer deposits					781 190 973	1.00	781 190 973
Consumer receivables					2 458 803 167		2 458 803 167
Payables from exchange transactions		(1 820 798 762)			10 370 804 431	0.08	8 550 005 669
Loans and bonds	2 376 399 539	8 478 524 912	10.06 %				10 854 924 451
Total financial liabilities	**2 560 219 914**	**6 669 633 324**			**14 248 802 976**		**23 478 656 214**

Municipality

Assets 2023	Fund valuation Amount	Amount	Fixed rate Weighted average effective interest rate	Weighted average period for which rate is fixed	Non-interest bearing Amount	Weighted average period until maturity	Total
Description			**%**	**Years**		**Years**	
Investments		753 936 842	7.65 %	N/A			753 936 842
Housing loans		11 794 759	13.50 %	30.00			11 794 759
Loan to sport clubs		955 216	5.00 %	10.00			955 216
Sale of land		70 983 319	9.00 %	5.00			70 983 319
Arrangement debtors		177 873 136	11.75 %	3.00			177 873 136
Consumer receivables		5 042 800 310	11.75 %	1.00			5 042 800 310
Receivables from exchange transactions		818 343 098					818 343 098
Cash and cash equivalents		207 659 969					207 659 969
Redemption fund asset	207 895 138		8.75 %	7.00			207 895 138
Interest rate swap	247 940 777		10.59 %	4.00			247 940 777
Total financial assets	**455 835 915**	**7 084 346 649**					**7 540 182 564**

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Notes to the Audited Consolidated Annual Financial Statements

67. Risk management (continued)

Liabilities 2023	**Floating rate**	**Fixed rate**			**Non-interest bearing**		**Total**
	Amount	**Amount**	**Weighted average effective interest rate**	**Weighted average period for which rate is fixed**	**Amount**	**Weighted average period until maturity**	
Description			**%**	**Years**		**Years**	
Interest rate swap		9 560 148	9.31 %	N/A			9 560 148
Finance lease obligation	97 581 528						97 581 528
Retention creditors					590 658 461		590 658 461
Consumer deposits					764 132 255		764 132 255
Consumer receivables					2 544 300 449		2 544 300 449
Payables from exchange transactions		(1 953 641 988)			17 431 273 364		15 477 631 376
Loans and bonds		9 500 185 105	11.33 %				9 500 185 105
Total financial liabilities	**97 581 528**	**7 556 103 265**			**21 330 364 529**		**28 984 049 322**

Assets 2022	**Floating rate**	**Fixed rate**			**Non-interest bearing**		**Total**
	Amount	**Amount**	**Weighted average effective interest rate**	**Weighted average period for which rate is fixed**	**Amount**	**Weighted average period until maturity**	
Description			**%**	**Years**		**Years**	
Investments	645 208 135	224 957 949	4.49 %	N/A			870 166 084
Housing loans		11 157 377	13.50 %	30.00			11 157 377
Loan to sport clubs		937 106	11.99 %	10.00			937 106
Sale of land		70 365 009	9.00 %	5.00			70 365 009
Arrangement debtors		319 764 045	7.13 %	3.00			319 764 045
Consumer receivables		5 032 971 102	7.13 %	1.00		1.00	5 032 971 102
Receivables from exchange transactions		706 641 902	%				706 641 902
Cash and cash equivalents		217 481 812	%				217 481 812
Redemption fund asset	14 621 844		6.78 %	7.00			14 621 844
Interest rate swap	156 939 067		10.59 %	4.00			156 939 067
Total financial assets	**816 769 046**	**6 584 276 302**					**7 401 045 348**

67. Risk management (continued)

Liabilities 2022 Description	Floating rate Amount	Fixed Rate Amount	Fixed rate Weighted average effective interest rate %	Weighted average period for which rate is fixed Years	Non-interest bearing Amount	Weighted average period until maturity Years	Total
Interest rate swap		11 907 174	7.81 %				11 907 174
Finance lease obligation	181 930 187						181 930 187
Retention creditors					623 013 615		623 013 615
Consumer deposits					781 190 973	1.00	781 190 973
Consumer receivables					2 458 803 167		2 458 803 167
Payables from exchange transactions		(1 835 789 552)			10 416 022 632	0.08	8 580 233 080
Loans and bonds	2 376 399 539	8 478 524 912	10.06 %				10 854 924 451
Total financial liabilities	**2 558 329 726**	**6 654 642 534**			**14 279 030 387**		**23 492 002 647**

Interest rate swaps

Interest rate swaps are primarily used by the group to maintain the fixed-floating rate mix indicated above. This means that there are underlying loans behind most of the interest rate swaps executed by the group over the years. However, there are instances where interest rate swaps were taken by the group as part of the liability reduction through a debt redemption fund that the group implemented about eight years ago. Executing interest rate swaps in the context of a debt redemption solution is done with the objective of matching the duration of assets to the duration of liabilities.

It must be understood that the valuation of interest rate swap as at a specific valuation date considers only outstanding cash flows. All cash receipts or payments that happened before the valuation date are not included in the valuation of a specific swap. .

At the reporting date the municipality had entered into the following interest rate swaps relating to specific statement of financial position items

30 June 2023	**Fair value**	**Estimated fair value gain/(loss)**
Current asset interest rate swaps	247 940 777	-

30 June 2022	**Fair value**	**Estimated fair value gain/(loss)**
Current asset interest rate swaps	156 939 067	15 168 940
Non-current liability: interest rate swap liability	-	(301 625 355)
	156 939 067	**(286 456 415)**

Currency risk

The group undertakes certain transactions that are denominated in foreign currencies, hence exposures to exchange rate fluctuations might arise. However, the group manages this risk by entering into contracts where the risk is carried by the service provider. The group experiences currency risk predominantly as a result of one contract entered into by the group, as a result of timing differences between the date of invoice and date of payment.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

67. Risk management (continued)

Credit risk

The risk that one party to a financial instrument will cause a financial loss for the other party by defaulting. The defaulting Consumer receivables on exchange transactions exposes the group to credit risk. The credit risk is very limited due to the nature of the municipality’s business and its reliance on government grants as the main source of security funding. The group has Credit Control and Debt Collection Policies to manage the exposure to risk as a result of defaulting customers. Credit control is those managerial, administration and accounting policies the group applies to keep the exposure at a sustainable level while Debt collection is the actual remedies the group takes to enforce the collection of the amounts due and payable to the municipality.

Financial assets, which potentially subject the Municipality to the risk of non-performance by counter-parties and thereby subject the Municipality to concentrations of credit risk, consist mainly of trade receivables. Credit risk is controlled through the application of a credit control policy and monitoring procedures. Where necessary, the Municipality obtains appropriate deposits and guarantees from debtors to mitigate risk. The Municipality's cash and cash equivalents and short-term deposits are placed with high-credit quality financial institutions.

The Municipality limits its treasury counter-party exposure arising from the money market by only dealing with well-established financial institutions confirmed by the rating agency appointed by the Chief Financial Officer. The Municipality only deals with financial institutions with a short-term credit rating of A+ and long-term credit rating of AA- and higher at an international accredited credit rating agency. The Municipality's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst different types of approved investments and institutions.

Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Municipality's customer base and their dispersion across different industries and geographical areas. The Municipality does not have any significant exposure to any individual customer or counter-party. Accordingly, the Municipality does not consider there to be any significant concentration of credit risk, which has not been adequately provided for. Trade receivables are presented net of the allowance for impairment. The consumer receivables as presented do not include any debt relating to property rates, as property rates do not meet the definition criteria for financial instruments. Strict credit control procedures are in place to mitigate the credit risk relating to trade receivables. Maximum exposure to credit risk: There has been no significant change during the financial year, or since the end of the financial year, to the municipality's exposure to credit risk, the approach to measurement or the objectives, policies and processes for managing this risk. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking into account the value of any collateral obtained. The major concentrations of credit risk (as a percentage) that arise from the Municipality's receivables in relation to customer classification are as follows:

Consumer receivables:	-	-		
Household	58 %	57 %	58 %	57 %
Industrial/Commercial	24 %	23 %	24 %	23 %
National and provincial government	4 %	5 %	4 %	5 %
Other consumer receivables	7 %	7 %	7 %	7 %
Long-term receivables	2 %	3 %	2 %	3 %
Sundry receivables	1 %	1 %	1 %	1 %
Sundry persons	4 %	4 %	4 %	4 %
	100 %	**100 %**	**100 %**	**100 %**

Liquidity risk

The risk that the group may encounter difficulties in raising sufficient funds in meeting its obligations and commitments that are due and payable within 12 months. Availability of adequate resources to meet the group’s obligations is critical for the group to continue as a going concern. The Municipality manages liquidity risk through proper management of working capital, monitoring of actual expenditure versus forecasted cash flows. In terms of its financial commitments on long-term liquidity risk, a reasonable balance is maintained between the period over which assets generate funds and the period over which the respective assets are funded.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

67. Risk management (continued)

The implementation of the Financial Recovery Plan (FRP) aims to improve the financial position of the group over the medium term, with most of the ratios expected to fall within the National Treasury benchmarks. The plan as proposed interrogates the entire value chain of municipal operations in the group and its primary objective is to ensure that the group bills and collects all revenues due to it, including investigating new sources of revenue, managing expenditures within allowable and available limits - including cost containment; ensuring that the service delivery model is integrated, effective and efficient; and employing skilled and motivated staff who render an excellent customer service.

Market risk

The group is exposed to fluctuating market prices inherent in the purchasing of electricity, water and coal used in the delivery of electricity and water services. The Municipality manages this risk by giving any price increases through to the consumers on an annual basis. An agreement has been entered into with both Eskom and Rand Water that tariff increases occur only once a year. The group applies the following mitigation factors to market risk.

The group investments are diversified amongst the well-established financial institutions. The group abides by National Treasury's investment regulations and the group's Investment policy. Interest rate risk management: The Municipality's interest rate profile consists of fixed and floating rate loans and bank balances which expose the municipality to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

Financial assets/liabilities:

Trade and other receivables/payables: At a fixed rate of interest. Management manages interest rate risk by negotiating beneficial rates on floating rate loans and where possible using fixed rate loans. Management also has a policy of balancing the interest on asset loans with the interest payable on liabilities.

Interest-bearing borrowings

Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in surplus or deficit over the period of the borrowings on an effective interest basis.

The fair value of interest-bearing borrowings with variable interest rates approximates their carrying amounts. Borrowings issued at fixed rates are susceptible to fair value adjustments because of volatility in interest rates. A bond or a loan that pays a fixed interest rate will change in value because the discount rate of each cash flow fluctuates as the market yield curve changes.

30 June 2023	**Fair value**	**Carrying amount**
Liabilities		
Interest rate swaps	9 560 148	9 560 148

30 June 2022	**Fair value**	**Carrying amount**
Liabilities		
Interest rate swaps	11 907 174	11 907 174

Capital risk management

The municipality's objectives when managing capital is to safeguard the municipality's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the municipality consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in Note 21 and cash and cash equivalents disclosed in Note 11, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the municipality monitors capital on the basis of the gearing ratio.

The gearing ratio as at 30 June 2023 was 36.7% and 30 June 2022 was 30.7%.

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

68. In-kind donations and assistance

The following donations in kind and assistance were received for the FY2022/23

2023

Description	**Donation provided**	**Donation received**	**Total**
Description			
Blankets and mattresses	395 406	-	395 406
Fire rescue	527 128	-	527 128
Refreshments	-	(8 860)	(8 860)
Grand total	**922 534**	**(8 860)**	**913 674**

2022

Description	**Donation provided**	**Donation received**	**Total**
Description			
Ambulance services	811 647	-	811 647
Blankets and mattresses	692 766	-	692 766
Fire rescue	118 438	-	118 438
Surgical gloves, Glenfidich and Takara	-	(5 744)	(5 744)
Grand total	**1 622 851**	**(5 744)**	**1 617 107**

Blankets and mattresses - These items are provided to community during incidents such as flooding and structural fires. The benefit derived for the CoT is immediate disaster relief to community who are in need.

Fire rescue - The approved tariffs of the ESD makes provision for exclusions such as assistance provided during floods, to pensioners and deceased pedestrians and therefore the costs are waived. The benefit derived for the CoT is immediate assistance to community who are in need.

Refreshment - The new fire station in Mamelodi was completed and officially opened by the Executive Mayor on 6 December 2022. Due to cost containment measures refreshments could not be provided by the group to the guests at the event. The refreshments were provided by the companies stated above who have a long-standing relationship with the Emergency Services Department and the community and wanted to assist. The new Mamelodi Fire Station provides essential services in Region 6 and surrounding areas.

69. Accounting by principals and agents

The group is a party to a principal-agent arrangement. The group acts as Principal for the Ekurhuleni Water Care Company (ERWAT) which was appointed as an implementing agent for the phase 1 upgrade and urgent refurbishment at the Rooiwaal wastewater treatment works and related project, in terms of section 110(2) of Local Government: Municipal Finance Management Act; for a three-year period by the City of Tshwane (CoT) which commenced during the first quarter of the prior financial year.

City of Tshwane as principal

Revenue and expenditure recognised based on the rights and obligations established in the binding arrangements

Reconciliation of the carrying amount of payables

All categories				
Accrued expenditure by agent	-	-	69 530	1 336 532
Amounts paid by principal	-	-	(69 530)	(1 336 532)
Amounts owed by principal	**-**	**-**	**-**	**-**

Notes to the Audited Consolidated Annual Financial Statements

	Group		Municipality	
Figures in Rand	2023	2022	2023	2022

70. Events after the reporting date

At the time of preparing and submitting annual financial statements there were no subsequent events to disclose.

Non-adjusting events

71. Prior period errors

Consolidated

Statement of financial position - 2022

Figures in Rand	**Previously reported**	**Adjustment**	**Re-classification**	**Restated**	**Reference**
Assets					
Current Assets					
Inventories	1 013 872 136	(184 564 371)	-	829 307 765	[1]
Investments	806 340 450	-	63 825 634	870 166 084	
Other receivables from exchange transactions	136 627 902	526 365 048	14 669 968	677 662 918	[2]
Other receivables from non-exchange transactions	764 981 320	(272 777 277)	(14 669 968)	477 534 075	[3]
Redemption fund asset	63 825 634	-	(63 825 634)	-	
Consumer receivables: Exchange	3 243 056 492	(200 711 562)	416 136 748	3 458 481 678	[4]
Consumer receivables: Non exchange	1 946 650 392	43 975 780	(416 136 748)	1 574 489 424	[4]
Long-term receivables: short-term portion	319 764 045	-	-	319 764 045	
Current tax receivable	123 295	53 185	-	176 480	[5]
Cash and cash equivalents	260 249 909	-	-	260 249 909	
	8 555 491 575	**(87 659 197)**	**-**	**8 467 832 378**	
Non-Current Assets					
Living and non living resources	323 268	-	-	323 268	
Investment property	1 087 229 870	1 036 380 579	(10 215 426)	2 113 395 023	[5]
Property, plant and equipment	53 604 394 857	(1 676 385 896)	(46 048 345)	51 881 960 616	[5]
Intangible assets	1 028 228 911	(9 664 915)	56 263 770	1 074 827 766	[5]
Heritage assets	3 371 481 600	100 000	-	3 371 581 600	[5]
Investments in joint ventures	729 982 089	-	-	729 982 089	
Deferred tax	625 993	(22 357)	-	603 636	[6]
Long term receivables	20 021 283	152 935 097	-	172 956 380	[6]
Redemption fund asset	177 837 779	14 621 844	(177 837 779)	14 621 844	[7]
Interest rates swaps	142 276 068	-	14 662 999	156 939 067	
	60 162 401 718	**(482 035 648)**	**(163 174 781)**	**59 517 191 289**	
Total Assets	**68 717 893 293**	**(569 694 845)**	**(163 174 781)**	**67 985 023 667**	

Notes to the Audited Consolidated Annual Financial Statements

71. Prior period errors (continued)

Figures in Rand	Previously reported	Adjustment	Re-classification	Restated	Reference
Liabilities					
Current Liabilities					
Loans and bonds	1 387 191 420	-	848 224 984	2 235 416 404	
Finance lease obligation	99 414 658	-	601 662	100 016 320	
Employee benefit obligation	195 679 355	(187 496 604)	1 994 794 979	2 002 977 730	[8]
Operating lease accrual	1 105 754	(709 414)	-	396 340	
Provisions	17 595 981	(17 182 127)	-	413 854	
Unspent conditional grants and receipts	344 045 207	278 848 043	-	622 893 250	[9]
Service concession arrangement - Current portion	261 601 443	-	-	261 601 443	
Payables from exchange transactions	12 436 207 196	567 396 619	(1 994 794 979)	11 008 808 836	[10]
VAT payable	439 171 967	3 893 932 429	-	4 333 104 396	[11]
Consumer deposits	781 190 973	-	-	781 190 973	
	15 963 203 954	**4 534 788 946**	**848 826 646**	**21 346 819 546**	

Figures in Rand	Previously reported	Adjustment	Re-classification	Restated	Reference
Non-Current Liabilities					
Employee benefit obligation	2 010 297 310	-	-	2 010 297 310	
Loans and bonds	9 467 733 031	-	(848 224 984)	8 619 508 047	
Finance lease obligation	84 405 717	-	(601 662)	83 804 055	
Operating lease accrual	-	709 414	-	709 414	
Provisions	1 395 981 272	-	-	1 395 981 272	
Interest rate swaps	-	11 907 174	-	11 907 174	[7]
Service concession arrangement	2 256 061 147	(58 859 423)	-	2 197 201 724	
Redemption fund liability	161 325 433	(162 325 433)	163 174 781	162 174 781	[7]
	15 375 803 910	**(208 568 268)**	**(685 651 865)**	**14 481 583 777**	
Total Liabilities	**31 339 007 864**	**4 326 220 678**	**163 174 781**	**35 828 403 323**	
Net Assets	**37 378 885 429**	**(4 895 915 523)**	**(326 349 562)**	**32 156 620 344**	
Accumulated surplus (deficit)	37 081 838 370	(4 925 218 033)	-	32 156 620 337	
Total Net Assets	**37 081 838 370**	**(4 925 218 033)**	**-**	**32 156 620 337**	

Statement of Financial Performance - 2022

Figures in Rand	Previously reported	Adjustment	Re-classification	Restated	Reference
Revenue					
Revenue from exchange transactions					
Service charges	21 335 944 242	5 640 713	-	21 341 584 955	[12]
Rental of facilities and equipment	144 347 871	(8 996 782)	-	135 351 089	
Interest received (trading)	724 234 570	(104 614)	-	724 129 956	[12]
Licences and permits	41 244 557	-	-	41 244 557	
Share of profit in associate: TASEZ	308 855 551	-	-	308 855 551	
Recoveries	169 565	(169 565)	-	-	
Other income	740 204 136	(4 119 767)	153 079 375	889 163 744	[13]
Interest received - investment	158 925 412	(15 350 867)	-	143 574 545	[14]
Total revenue from exchange transactions	**23 453 925 904**	**(23 100 882)**	**153 079 375**	**23 583 904 397**	

Notes to the Audited Consolidated Annual Financial Statements

71. Prior period errors (continued)

Figures in Rand	Previously reported	Adjustment	Re-classification	Restated	Reference
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	8 574 008 540	319 858	-	8 574 328 398	[12]
Interest - Taxation revenue	33 192	(33 192)	-	-	
Transfer revenue					
Government grants & subsidies	7 284 031 336	(94 472 891)	-	7 189 558 445	[15]
Public contributions and donations	170 423 888	-	(153 079 375)	17 344 513	
Fines, Penalties and Forfeits	85 914 979	30 072 048	-	115 987 027	[16]
Total revenue from non-exchange transactions	**16 114 411 935**	**(64 114 177)**	**(153 079 375)**	**15 897 218 383**	
Total revenue	**39 568 337 839**	**(87 215 059)**	**-**	**39 481 122 780**	
Expenditure					
Employee costs	(11 588 468 343)	431 005 246	-	(11 157 463 097)	[17]
Remuneration of councillors	(129 577 084)	-	-	(129 577 084)	
Depreciation	(2 910 888 496)	(38 715 664)	-	(2 949 604 160)	[18]
Finance costs	(3 267 679 974)	1 451 546 089	143 058 569	(1 673 075 316)	[19]
Debt Impairment	(2 603 237 711)	(169 667 216)	-	(2 772 904 927)	[21]
Other materials	(539 282 485)	(72 676 680)	-	(611 959 165)	[21]
Bulk purchases	(14 592 994 045)	(40 114 993)	-	(14 633 109 038)	[21]
Contracted Services	(4 121 650 134)	(99 398 502)	(4 060 627)	(4 225 109 263)	[21]
Transfers and Subsidies	(8 051 388)	(94 709 648)	-	(102 761 036)	
General expenses	(1 715 547 075)	(220 827 201)	4 060 627	(1 932 313 649)	[21]
Total expenditure	**(41 477 376 735)**	**1 146 441 431**	**143 058 569**	**(40 187 876 735)**	
Operating surplus	**(1 909 038 896)**	**1 059 226 372**	**143 058 569**	**(706 753 955)**	
Gains and (losses) on assets	(420 698 787)	(11 477 570)	-	(432 176 357)	[29]
Gain or loss on exchange differences	(394 113)	-	-	(394 113)	
Fair value adjustments	267 407 051	-	-	267 407 051	
Actuarial gains/losses	-	50 079 895	-	50 079 895	[30]
Impairment loss	-	(294 707 514)	-	(294 707 514)	[31]
Loss on redemption fund	(79 377 786)	(166 669 149)	(143 058 569)	(389 105 504)	[32]
Taxation	(1 621 782)	1 621 782	-	-	[33]
Surplus for the year	**(2 143 724 313)**	**638 073 816**	**-**	**(1 505 650 497)**	

Error 1: Revaluation and correction of inventory

The bulk water inventory was incorrently captured.

The prior year amounts was recalculated and a journal was passed to correct the bulk water inventory amount at the end of the 2021/22 financial year.

Other adjustment relates to correction of error in plant inventory and correction of raw material amount.

Error 2: Overstatement of impairment expenses for exchange Other Receivables

Incorrect calculation of the impairment expense.

Adjustment of impairment allowance expenses for exchange Other Receivables.

Decrease the impairment allowance expenses/ Accumulated surplus.

71. Prior period errors (continued)

Error 3: Other receivables from non-exchange transactions

The Aarto debtor prior year balance was revisited for accuracy, validity and completeness. The Enatis system was used as a 3rd party assurance body to ensure that what has been recorded by the City is correct. This led to correction of previously overstated revenue from fines and correction of a debtor.

Error 4: Consumer receivables: Exchange and non exchange

Overstatement of prior period accruals.

Adjustment to reverse prior period accruals.

Decrease in Consumer Receivables from exchange transactions.

Decrease of revenue accrued in the prior period in respect of deposits

Error 5: Investment property, Property, Plant and Equipment, Intangible assets and Heritage assets

Adjustment were mainly as a result of the following

- Acquisition of land under asset under construction cancelled and refunded to the city. The payment was for Land purchased but did not get registered through the deeds office and was refunded back to the city and asset under construction was reversed and restated.
- Incorrect measurements and the conditions of assets during verification were provided which resulted in incorrect calculations.
- Impairment assessment for prior year was not done in some of the departments.
- Heritage assets not previously accounted for on the FAR
- The restatement journal was processed to correct the impairment in the prior year and to correct cost in the prior year.

Error 6: Long-term receivables

The impairment for Housing Debtors was overstated in the previous financial year which resulted in an audit finding.

The error on the debtor and the impairment expense was corrected.

Error 7: Redemption fund asset, Interest rate swaps and Redemption fund liability

Interest rate swaps valuation liability was incorrectly disclosed under non-current asset.

A journal was processed to correct the swap liability.

Decrease in redemption fund asset.

Increase in interest rate swaps asset.

Increase in redemption fund liability.

Error 8: Employee benefit obligation

Leave provision was overstated in the prior year.

Reversal and restatement of leave provision for the prior year.

71. Prior period errors (continued)

Error 9: Understatement Unspent conditional grants and receipts

Acquisition of land under asset under construction cancelled and refunded to the city.

The payment was for Land purchased but did not get registered through the deeds office and was refunded back to the city and asset under construction was reversed and restated.

Error 10: Payables from exchange transactions

During the audit of trade payable, it was noted that the trade payables were not correctly reconciled to supplier statement and as a result not all liabilities were recorded. Management has performed a reconciliation of supplier statements and subsequent restated all prior year's invoices processed in the 2023 financial year. The restatement resulted in the adjustment to the trade payables, and general expenditure, other material and contracted services.

Error 11: Overstate VAT accrual

The Debtors Vat accrual was overstated due to incorrect posting of full vat impairment instead of posting the movement between the two financial years.

Journals were posted in period 14 to adjust the VAT Debtors Accrual in line with the impairment calculation, adjustment processed against the debt impairement expense

Error 12: Service charges, Interest and property rates

Adjustments on customer accounts in the current financial year relating to prior financial years.

Revenue for prior year was restated

Error 13: Other income

COT vehicles that were previosly leased to the City and ownership was transfered to the City, however information was provided in the 2023 financial year.

Restatement for leased vehicles taken over by the City in 2022 brought in as newly identified assets

Error 14: Interest received investments

Incorrectly posted to interest received (investment income) during the audit adjustments.

Reversal of the journal incorrectly posted to interest income.

Increase redemption fund assets.

Decrease interest received (investment income).

Error 15: Government grants & subsidies

The prior year revenue for TRT was understated and the restatement journal was processed to correct the revenue and the debtor in the correct financial year.

71. Prior period errors (continued)

Error 16: Fines, penalties and forfeits

The Aarto debtor prior year balance was revisited for accuracy, validity and completeness. The Enatis system was used as a 3rd party assurance body to ensure that what had been recorded by the is correct. This led to correction of previously overstated fines revenue and correction of a debtor.

Error 17: Employee costs

Leave provision was overstated in the prior year.

Reversal and restatement of leave provision for the prior year.

Recognition of Tshwane Municipal Pension Fund (TMPF) interest cost, current service cost expense and asset ceiling for prior year.

Error 18: Depreciation and amortisation

The depreciation and useful life adjustment were processed and a journal was posted to correct prior year.

Assets capitalised to prior periods influencing depreciation accounted for in the incorrect financial period.

Unplanned depreciation were processed on SAP and restatement journal processed to correct prior year period.

Error 19: Finance Cost

Corrrection of the Vat liability interest process incorrectly in the 2022 financial year.

Recognise penalties and interets in the correct financial year.

Error 20: Debt impairement

The Aarto debtor prior year balance was revisited for accuracy, validity and completeness. This led to correction of aarto impairment.

Error 21: Other materials, Bulk purchases, Contracted services and General expenses

During the audit of trade payable, it was noted that the trade payables were not correctly reconciled to supplier statement and as a result not all liabilities were recorded. Management has performed a reconciliation of supplier statements and subsequent restated all prior year’s invoices processed in the 2023 financial year. The restatement resulted in an adjustment to the trade payables, and general expenditure, other material and contracted services.

Error 22: Gains and losses on disposal of assets

Refer to note 5.

Error 23: Actuarial gains and losses

Recognition of actuarial gains and losses as per the actuarial reports for employee benefit obligations as per GRAP 25 for prior year.

Notes to the Audited Consolidated Annual Financial Statements

71. Prior period errors (continued)

Error 24: Impairment loss

Impairment assessment for prior year was not done in some of the departments.

Restatement journal was processed to correct the impairment in the prior year.

Error 25: Loss on redemption fund

Refer to note 7.

Municipality

City - The correction of the error(s) results in adjustments as follows:

Statement of financial position - 2022

Figures in Rand	Previously reported	Adjustment	Re-classification	Restated	Reference
Assets					
Current Assets					
Inventories	1 013 872 136	(184 564 371)	-	829 307 765	[1]
Investments	806 340 450	-	63 825 634	870 166 084	
Other receivables from exchange transactions	165 606 886	526 365 048	14 669 968	706 641 902	[2]
Other receivables from non-exchange transactions	764 981 320	(272 777 277)	(14 669 968)	477 534 075	[3]
Redemption fund asset	63 825 634	-	(63 825 634)	-	
Consumer receivables: Exchange	3 243 056 492	(200 711 562)	416 136 748	3 458 481 678	[4]
Consumer receivables: Non exchange	1 946 650 392	43 975 780	(416 136 748)	1 574 489 424	[4]
Long-term receivables: short-term portion	319 764 045	-	-	319 764 045	
Cash and cash equivalents	217 481 812	-	-	217 481 812	
	8 541 579 167	**(87 712 382)**	**-**	**8 453 866 785**	
Non-Current Assets					
Living and non living resources	323 268	-	-	323 268	
Investment property	1 087 229 870	1 036 380 579	(10 215 426)	2 113 395 023	[5]
Property, plant and equipment	52 847 571 646	(1 678 185 922)	(46 048 345)	51 123 337 379	[5]
Intangible assets	1 027 871 222	(9 664 915)	56 263 770	1 074 470 077	[5]
Heritage assets	3 371 481 600	100 000	-	3 371 581 600	[5]
Investments in controlled entities	1 000	-	-	1 000	
Investments in joint ventures	729 982 089	-	-	729 982 089	
Long term receivables	20 021 283	152 935 097	-	172 956 380	[6]
Redemption fund asset	177 837 779	14 621 844	(177 837 779)	14 621 844	[7]
Interest rates swaps	142 276 068	-	14 662 999	156 939 067	
	59 404 595 825	**(483 813 317)**	**(163 174 781)**	**58 757 607 727**	
Total Assets	**67 946 174 992**	**(571 525 699)**	**(163 174 781)**	**67 211 474 512**	

Notes to the Audited Consolidated Annual Financial Statements

71. Prior period errors (continued)

Figures in Rand	Previously reported	Adjustment	Re-classification	Restated	Reference
Liabilities					
Current Liabilities					
Loans and bonds	1 387 191 420	-	848 224 984	2 235 416 404	
Finance lease obligation	98 648 442	-	601 662	99 250 104	
Employee benefit obligation	190 835 057	(187 496 604)	1 994 794 979	1 998 133 432	[8]
Unspent conditional grants and receipts	344 045 207	278 848 043	-	622 893 250	[9]
Service concession arrangement - Current portion	261 601 443	-	-	261 601 443	
Payables from exchange transactions	12 482 642 112	551 189 114	(1 994 794 979)	11 039 036 247	[10]
VAT payable	439 621 711	3 893 932 428	-	4 333 554 139	[11]
Consumer deposits	781 190 973	-	-	781 190 973	
	15 985 776 365	**4 536 472 981**	**848 826 646**	**21 371 075 992**	

Figures in Rand	Previously reported	Adjustment	Re-classification	Restated	Reference
Non-Current Liabilities					
Employee benefit obligation	2 010 297 310	-	-	2 010 297 310	
Loans and bonds	9 467 733 031	-	(848 224 984)	8 619 508 047	
Finance lease obligation	83 281 745	-	(601 662)	82 680 083	
Provisions	1 395 981 272	-	-	1 395 981 272	
Interest rate swaps	-	11 907 174	-	11 907 174	[7]
Service concession arrangement	2 256 061 147	(58 859 423)	-	2 197 201 724	
Redemption fund liability	161 325 433	(162 325 433)	163 174 781	162 174 781	[7]
	15 374 679 938	**(209 277 682)**	**(685 651 865)**	**14 479 750 391**	
Total Liabilities	**31 360 456 303**	**4 327 195 299**	**163 174 781**	**35 850 826 383**	
Net Assets	**36 585 718 689**	**(4 898 720 998)**	**(326 349 562)**	**31 360 648 129**	
Accumulated surplus (deficit)	36 585 718 689	(5 225 070 567)	-	31 360 648 122	
Total Net Assets	**36 585 718 689**	**(5 225 070 567)**	**-**	**31 360 648 122**	

Statement of Financial Performance - 2022

Figures in Rand	Previously reported	Adjustment	Re-classification	Restated	Reference
Revenue					
Revenue from exchange transactions					
Service charges	21 336 395 100	5 189 855	-	21 341 584 955	[12]
Rental of facilities and equipment	134 996 399	354 690	-	135 351 089	
Interest received (trading)	724 103 739	26 217	-	724 129 956	[12]
Licences and permits	41 244 557	-	-	41 244 557	
Share of profit in associate: TASEZ	308 855 551	-	-	308 855 551	
Other income	739 862 564	(3 778 195)	153 079 375	889 163 744	[13]
Interest received - investment	158 237 543	(14 662 998)	-	143 574 545	[14]
Total revenue from exchange transactions	**23 443 695 453**	**(12 870 431)**	**153 079 375**	**23 583 904 397**	

71. Prior period errors (continued)

Figures in Rand	Previously reported	Adjustment	Re-classification	Restated	Reference
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	8 574 855 018	(526 620)	-	8 574 328 398	[12]
Transfer revenue					
Government grants & subsidies	7 187 825 887	1 732 558	-	7 189 558 445	[15]
Public contributions and donations	170 423 888	-	(153 079 375)	17 344 513	
Fines, Penalties and Forfeits	85 914 979	30 072 048	-	115 987 027	[16]
Total revenue from non-exchange transactions	**16 019 019 772**	**31 277 986**	**(153 079 375)**	**15 897 218 383**	
Total revenue	**39 462 715 225**	**18 407 555**	**-**	**39 481 122 780**	
Expenditure					
Employee costs	(11 513 864 611)	356 401 514	-	(11 157 463 097)	[17]
Remuneration of councillors	(129 577 084)	-	-	(129 577 084)	
Depreciation	(2 909 023 587)	(40 580 573)	-	(2 949 604 160)	[18]
Finance costs	(3 267 450 425)	1 451 316 540	143 058 569	(1 673 075 316)	[19]
Debt Impairment	(2 601 808 658)	(171 096 269)	-	(2 772 904 927)	[21]
Other materials	(539 282 485)	(72 676 680)	-	(611 959 165)	[21]
Bulk purchases	(14 592 994 045)	(40 114 993)	-	(14 633 109 038)	[21]
Contracted Services	(4 121 650 134)	(99 398 502)	(4 060 627)	(4 225 109 263)	[21]
Transfers and Subsidies	(102 761 036)	-	-	(102 761 036)	
General expenses	(1 681 094 711)	(255 279 565)	4 060 627	(1 932 313 649)	[21]
Total expenditure	**(41 459 506 776)**	**1 128 571 472**	**143 058 569**	**(40 187 876 735)**	
Operating surplus	**(1 996 791 551)**	**1 146 979 027**	**143 058 569**	**(706 753 955)**	
Gains and (losses) on assets	(420 479 282)	(11 697 075)	-	(432 176 357)	[29]
Gain or loss on exchange differences	(394 113)	-	-	(394 113)	
Fair value adjustments	267 407 051	-	-	267 407 051	
Actuarial gains/losses	-	50 079 895	-	50 079 895	[30]
Impairment loss	(79 377 786)	(215 329 728)	-	(294 707 514)	[31]
Loss on redemption fund	-	(246 046 935)	(143 058 569)	(389 105 504)	[32]
Surplus for the year	**(2 229 635 681)**	**723 985 184**	**-**	**(1 505 650 497)**	

Error 1: Revaluation and correction of inventory

The bulk water inventory was incorrently captured.

The prior year amounts was recalculated and a journal was passed to correct the bulk water inventory amount at the end of the 2021/22 financial year.

Other adjustment relates to correction of error in plant inventory and correction of raw material amount.

Error 2: Overstatement of impairment expenses for exchange Other Receivables

Incorrect calculation of the impairment expense.

Adjustment of impairment allowance expenses for exchange Other Receivables.

Decrease the impairment allowance expenses/ Accumulated surplus.

71. Prior period errors (continued)

Error 3: Other receivables from non-exchange transactions

The Aarto debtor prior year balance was revisited for accuracy, validity and completeness. The Enatis system was used as a 3rd party assurance body to ensure that what has been recorded by the City is correct. This led to correction of previously overstated revenue from fines and correction of a debtor.

Error 4: Consumer receivables: Exchange and non exchange

Overstatement of prior period accruals.

Adjustment to reverse prior period accruals.

Decrease in Consumer Receivables from exchange transactions.

Decrease of revenue accrued in the prior period in respect of deposits

Error 5: Investment property, Property, Plant and Equipment, Intangible assets and Heritage assets

Adjustment were mainly as a result of the following

- Acquisition of land under asset under construction cancelled and refunded to the city. The payment was for Land purchased but did not get registered through the deeds office and was refunded back to the city and asset under construction was reversed and restated.
- Incorrect measurements and the conditions of assets during verification were provided which resulted in incorrect calculations.
- Impairment assessment for prior year was not done in some of the departments.
- Heritage assets not previously accounted for on the FAR
- The restatement journal was processed to correct the impairment in the prior year and to correct cost in the prior year.

Error 6: Long-term receivables

The impairment for Housing Debtors was overstated in the previous financial year which resulted in an audit finding.

The error on the debtor and the impairment expense was corrected.

Error 7: Redemption fund asset, Interest rate swaps and Redemption fund liability

Interest rate swaps valuation liability was incorrectly disclosed under non-current asset.

A journal was processed to correct the swap liability.

Decrease in redemption fund asset.

Increase in interest rate swaps asset.

Increase in redemption fund liability.

Error 8: Employee benefit obligation

Leave provision was overstated in the prior year.

Reversal and restatement of leave provision for the prior year.

Notes to the Audited Consolidated Annual Financial Statements

71. Prior period errors (continued)

Error 9: Understatement Unspent conditional grants and receipts

Acquisition of land under asset under construction cancelled and refunded to the city.

The payment was for Land purchased but did not get registered through the deeds office and was refunded back to the city and asset under construction was reversed and restated.

Error 10: Payables from exchange transactions

During the audit of trade payable, it was noted that the trade payables were not correctly reconciled to supplier statement and as a result not all liabilities were recorded. Management has performed a reconciliation of supplier statements and subsequent restated all prior year's invoices processed in the 2023 financial year. The restatement resulted in the adjustment to the trade payables, and general expenditure, other material and contracted services.

Error 11: Overstate VAT accrual

The Debtors Vat accrual was overstated due to incorrect posting of full vat impairment instead of posting the movement between the two financial years.

Journals were posted in period 14 to adjust the VAT Debtors Accrual in line with the impairment calculation, adjustment processed against the debt impairement expense

Error 12: Service charges, Interest and property rates

Adjustments on customer accounts in the current financial year relating to prior financial years.

Revenue for prior year was restated

Error 13: Other income

COT vehicles that were previosly leased to the City and ownership was transfered to the City, however information was provided in the 2023 financial year.

Restatement for leased vehicles taken over by the City in 2022 brought in as newly identified assets

Error 14: Interest received investments

Incorrectly posted to interest received (investment income) during the audit adjustments.

Reversal of the journal incorrectly posted to interest income.

Increase redemption fund assets.

Decrease interest received (investment income).

Error 15: Government grants & subsidies

The prior year revenue for TRT was understated and the restatement journal was processed to correct the revenue and the debtor in the correct financial year.

71. Prior period errors (continued)

Error 16: Fines, penalties and forfeits

The Aarto debtor prior year balance was revisited for accuracy, validity and completeness. The Enatis system was used as a 3rd party assurance body to ensure that what had been recorded by the is correct. This led to correction of previously overstated fines revenue and correction of a debtor.

Error 17: Employee costs

Leave provision was overstated in the prior year.

Reversal and restatement of leave provision for the prior year.

Recognition of Tshwane Municipal Pension Fund (TMPF) interest cost, current service cost expense and asset ceiling for prior year.

Error 18: Depreciation and amortisation

The depreciation and useful life adjustment were processed and a journal was posted to correct prior year.

Assets capitalised to prior periods influencing depreciation accounted for in the incorrect financial period.

Unplanned depreciation were processed on SAP and restatement journal processed to correct prior year period.

Error 19: Finance Cost

Corrrection of the Vat liability interest process incorrectly in the 2022 financial year.

Recognise penalties and interets in the correct financial year.

Error 20: Debt impairement

The Aarto debtor prior year balance was revisited for accuracy, validity and completeness. This led to correction of aarto impairment.

Error 21: Other materials, Bulk purchases, Contracted services and General expenses

During the audit of trade payable, it was noted that the trade payables were not correctly reconciled to supplier statement and as a result not all liabilities were recorded. Management has performed a reconciliation of supplier statements and subsequent restated all prior year’s invoices processed in the 2023 financial year. The restatement resulted in an adjustment to the trade payables, and general expenditure, other material and contracted services.

Error 22: Gains and losses on disposal of assets

Refer to note 5.

Error 23: Actuarial gains and losses

Recognition of actuarial gains and losses as per the actuarial reports for employee benefit obligations as per GRAP 25 for prior year.

Notes to the Audited Consolidated Annual Financial Statements

71. Prior period errors (continued)

Error 24: Impairment loss

Impairment assessment for prior year was not done in some of the departments.

Restatement journal was processed to correct the impairment in the prior year.

Error 25: Loss on redemption fund

Refer to note 7.

72. Segment reporting

Group - 2023

Figures in Rand	Community and public safety	Economic and environmental services	Trading Services	Governance and Administration (Non-Segment)	Total
Assets					
Non-current assets	11 635 708 584	19 784 084 684	20 115 237 718	7 671 201 202	59 206 232 188
Current Assets	553 158 828	146 358 369	4 038 828 621	3 502 482 928	8 240 828 746
Total assets	**12 188 867 412**	**19 930 443 053**	**24 154 066 339**	**11 173 684 130**	**67 447 060 934**
Liabilities					
Non-current Liabilities	(2 459 772 100)	(4 250 219 550)	(3 565 610 112)	(4 462 932 490)	(14 738 534 252)
Current Liabilities	(4 078 878 968)	(2 752 445 017)	(4 467 936 655)	(8 113 710 679)	(19 412 971 319)
Total	**(6 538 651 068)**	**(7 002 664 567)**	**(8 033 546 767)**	**(12 576 643 169)**	**(34 151 505 571)**
Net Assets	**5 650 216 344**	**12 927 778 486**	**16 120 519 572**	**(1 402 959 039)**	**33 295 555 363**

City of Tshwane Metropolitan Municipality

Audited Consolidated Annual Financial Statements for the year ended 30 June 2023

Notes to the Audited Consolidated Annual Financial Statements

Group - 2023

Figures in Rand	Community and public safety	Economic and environmental services	Trading Services	Governance and Administration (Non-Segment)	Total
Revenue					
Revenue from exchange transactions					
Service charges	(510 143)	15 647 665	22 051 948 320	14 941 004	22 082 026 846
Rental of facilities and equipment	48 666 638	43 842 690	71 341	73 688 614	166 269 283
Interest received (trading)	587 599	194 578	653 543 116	598 924 275	1 253 249 568
Licences and permits	-	45 134 784	-	-	45 134 784
Share of profit in associate: TASEZ	-	95 093 299	-	-	95 093 299
Other income	50 266 285	746 566 816	218 566 961	225 154 093	1 240 554 155
Interest received - investment	258 261	4 118 343	-	212 980 632	217 357 236
Total revenue from exchange transactions	**99 268 640**	**950 598 175**	**22 924 129 738**	**1 125 688 618**	**25 099 685 171**
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	-	-	-	9 068 528 767	9 068 528 767
Interest - Taxation revenue	-	41 804	-	-	41 804
Transfer revenue					
Government grants & subsidies	774 089 499	992 298 900	974 470 051	5 256 394 307	7 997 252 757
Public contributions and donations	68 000 000	-	-	9 434 592	77 434 592
Fines, Penalties and Forfeits	149 185 571	148 900	-	2 232 627	151 567 098
Total revenue from non-exchange transactions	**991 275 070**	**992 489 604**	**974 470 051**	**14 336 590 293**	**17 294 825 018**
Total revenue	**1 090 543 710**	**1 943 087 779**	**23 898 599 789**	**15 462 278 911**	**42 394 510 189**
Expenditure					
Employee related costs	(4 779 757 347)	(1 646 902 079)	(2 517 201 546)	(2 384 050 210)	(11 327 911 182)
Remuneration of councillors	-	-	-	(131 912 644)	(131 912 644)
Depreciation	(213 940 507)	(1 248 801 310)	(626 014 546)	(463 611 940)	(2 552 368 303)
Finance costs	-	(9 545 109)	(268 548 932)	(1 933 828 592)	(2 211 922 633)
Debt Impairment	(77 364 242)	(15 688 408)	(1 753 368 374)	(1 520 142 417)	(3 366 563 441)
Other materials	(34 413 448)	(214 993 618)	(55 996 128)	(322 479 261)	(627 882 455)
Bulk purchases	-	-	-	(14 840 951 593)	(14 840 951 593)
Contracted Services	(1 280 863 421)	(933 770 809)	(1 328 689 592)	(707 671 314)	(4 250 995 136)
Transfers and Subsidies	(289 575)	-	-	(2 982 613)	(3 272 188)
General expenses	(100 712 268)	(190 705 298)	(84 438 480)	(1 422 821 983)	(1 798 678 029)
Total expenditure	**(6 487 340 808)**	**(4 260 406 631)**	**(6 634 257 598)**	**(23 730 452 567)**	**(41 112 457 604)**
Gain or loss on disposal of assets and liabilities	(8 188 668)	(632 385)	(39 835 726)	(81 855 924)	(130 512 703)
Gain or loss on exchange differences	-	-	-	292 877	292 877
Fair value adjustments	285 521	-	-	108 011 734	108 297 255
Impairment loss	(630 079)	(74 139 280)	(137 555 467)	(18 009 125)	(230 333 951)
Loss on redemption fund	-	-	-	(84 087 481)	(84 087 481)
Actuarial gains/(losses)	-	-	-	191 170 625	191 170 625
Taxation	-	23 261	-	-	23 261
Surplus for the year	**(5 405 330 324)**	**(2 392 067 256)**	**17 086 950 998**	**(8 152 650 950)**	**1 136 902 468**

The City has resolved to provide reportable segment information for the three key business units: community and public safety, economic and environmental services and trading services.

The segments are categorized based on the nature of service delivered. Segments were aggregated for reporting purposes.

Notes to the Audited Consolidated Annual Financial Statements

The City operates throughout the Tshwane jurisdiction as determine by the Municipal Demarcation Board, the City has seven regions.

Segments were aggregated on the basis of services delivered as management considered that the economic and the service delivery mandate characteristics of the segments. 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.

City - 2023

Figures in Rand	Community and public safety	Economic and environmental services	Trading Services	Governance and Administration (Non-Segment)	Total
Assets					
Non-current assets	10 668 000 792	19 780 733 517	20 115 237 718	7 671 201 201	58 235 173 228
Current Assets	509 128 889	135 751 088	4 038 828 621	3 502 482 928	8 186 191 526
Total assets	**11 177 129 681**	**19 916 484 605**	**24 154 066 339**	**11 173 684 129**	**66 421 364 754**

Figures in Rand	Community and public safety	Economic and environmental services	Trading Services	Governance and Administration (Non-Segment)	Total
Liabilities					
Non-current Liabilities	(2 459 772 100)	(4 249 721 710)	(3 565 610 112)	(4 462 932 490)	(14 738 036 412)
Current Liabilities	(4 052 267 154)	(2 743 604 086)	(4 467 936 655)	(8 113 710 679)	(19 377 518 574)
Total	**(6 512 039 254)**	**(6 993 325 796)**	**(8 033 546 767)**	**(12 576 643 169)**	**(34 115 554 986)**
Net Assets	**4 665 090 427**	**12 923 158 809**	**16 120 519 572**	**(1 402 959 040)**	**32 305 809 768**

Notes to the Audited Consolidated Annual Financial Statements

City -
2023

Figures in Rand	Community and public safety	Economic and environmental services	Trading Services	Governance and Administration (Non-Segment)	Total
Revenue					
Revenue from exchange transactions					
Service charges	-	15 647 665	22 051 948 320	14 941 004	22 082 536 989
Rental of facilities and equipment	35 332 061	43 842 690	71 341	73 688 614	152 934 706
Interest received (trading)	587 599	194 578	653 543 116	598 924 275	1 253 249 568
Licences and permits	-	45 134 784	-	-	45 134 784
Share of profit in associate: TASEZ	-	95 093 299	-	-	95 093 299
Other income	49 227 314	746 566 815	218 566 961	225 154 093	1 239 515 183
Interest received - investment	-	3 212 595	-	212 980 632	216 193 227
Total revenue from exchange transactions	**85 146 974**	**949 692 426**	**22 924 129 738**	**1 125 688 618**	**25 084 657 756**
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	-	-	-	9 069 425 546	9 069 425 546
Transfer revenue					
Government grants & subsidies	701 472 000	992 298 900	974 470 051	5 256 394 307	7 924 635 258
Public contributions and donations	-	-	-	9 434 592	9 434 592
Fines, Penalties and Forfeits	149 185 571	148 900	-	2 232 627	151 567 098
Total revenue from non-exchange transactions	**850 657 571**	**992 447 800**	**974 470 051**	**14 337 487 072**	**17 155 062 494**
Total revenue	**935 804 545**	**1 942 140 226**	**23 898 599 789**	**15 463 175 690**	**42 239 720 250**
Expenditure					
Employee related costs	(4 738 702 259)	(1 602 096 345)	(2 517 201 546)	(2 384 050 210)	(11 242 050 360)
Remuneration of councillors	-	-	-	(131 912 644)	(131 912 644)
Depreciation	(213 058 527)	(1 247 686 938)	(626 014 546)	(463 611 940)	(2 550 371 951)
Finance costs	-	(9 391 448)	(268 548 932)	(1 933 828 592)	(2 211 768 972)
Debt Impairment	(75 534 610)	(15 688 408)	(1 753 368 374)	(1 520 697 802)	(3 365 289 194)
Other materials	(34 413 448)	(214 993 618)	(55 996 128)	(322 479 261)	(627 882 455)
Bulk purchases	-	-	-	(14 840 951 593)	(14 840 951 593)
Contracted Services	(1 340 537 855)	(929 150 089)	(1 328 689 592)	(707 671 313)	(4 306 048 849)
Transfers and Subsidies	(289 575)	(97 451 572)	-	(2 982 613)	(100 723 760)
General expenses	(86 556 281)	(178 472 616)	(84 438 480)	(1 422 821 983)	(1 772 289 360)
Total expenditure	**(6 489 092 555)**	**(4 294 931 034)**	**(6 634 257 598)**	**(23 731 007 951)**	**(41 149 289 138)**
Gain or loss on disposal of assets and liabilities	(8 032 521)	(599 103)	(39 835 726)	(81 855 923)	(130 323 273)
Gain or loss on exchange differences	-	-	-	292 877	292 877
Fair value adjustments	-	-	-	108 011 734	108 011 734
Impairment loss	(630 079)	(74 139 280)	(137 555 467)	(18 009 125)	(230 333 951)
Loss on redemption fund	-	-	-	(84 087 481)	(84 087 481)
Actuarial gains/(losses)	-	-	-	191 170 625	191 170 625
Surplus for the year	**(5 561 950 610)**	**(2 427 529 191)**	**17 086 950 998**	**(8 152 309 554)**	**945 161 643**

The City has resolved to provide reportable segment information for the three key business units: community and public safety, economic and environmental services and trading services.

The segments are categorized based on the nature of service delivered. Segments were aggregated for reporting purposes.

The City operates throughout the Tshwane jurisdiction as determine by the Municipal Demarcation Board, the City has seven regions.

Notes to the Audited Consolidated Annual Financial Statements

Segments were aggregated on the basis of services delivered as management considered that the economic and the service delivery mandate characteristics of the segments. 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.

Mr Johann Mettler
Accounting officer
The City of Tshwane Metropolitan Municipality Group
P.O. Box 440
Pretoria
0001

12 March 2024

Reference: 60020REG2022-23

Dear Mr Johann Mettler

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of City of Tshwane Metropolitan Municipality Group for the year ended 30 June 2023

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 126(3) of the Municipal Finance Management Act 56 of 2003.
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our audit report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received, it will be read and should any inconsistencies be identified, these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made, we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA, you are required to include the audit report in the municipal entity's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the audit report, you are required to do the following:
    - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.

- The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

5. Please notify the Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants *(including International Independence Standards*), the AGSA, or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party unless this is to a legislature or internal committee of a legislature or a court in a criminal matter and the disclosure has been approved by the auditee and the Auditor-General.
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

....

Tlamelo Ramantsi
Head of Portfolio

Enquiries: Xolani Zicwele
Telephone: (011) 703 7600
Email: XolaniZ@agsa.co.za

Report of the auditor-general to the Gauteng Provincial Legislature and the council on the City of Tshwane Metropolitan Municipality and its entities

Report on the audit of the consolidated and separate financial statements

Qualified opinion

1. I have audited the consolidated and separate financial statements of the City of Tshwane Metropolitan Municipality and its entities (the group) set out on pages … to …, which comprise the consolidated and separate statement of financial position as at 30 June 2023, the consolidated and separate statement of financial performance, the consolidated and separate statement of changes in net assets, the consolidated and separate cash flow statement and the consolidated and separate statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate consolidated and separate financial statements , including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 30 June 2023, and the group's financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP),the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act no. 5 of 2022 (Dora).

Basis for qualified opinion

Property, plant and equipment

3. Infrastructure assets, as well as community assets were not correctly valued in accordance with GRAP 17, Property, plant, and equipment. Previously capitalised assets were incorrectly componentised and revalued, resulting in the value of the asset group recorded in the asset register being inflated. I was unable to determine the impact on the net carrying amount of infrastructure and community assets as it was impracticable to do so.

Payables from exchange transactions

4. I was unable to obtain sufficient appropriate audit evidence that the retention creditors and other creditors had been properly accounted for, due to the status of the accounting records. I was unable to confirm the retention creditors and other creditors by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to retention creditors stated at stated at R603 896 538 and R590 658 461 other creditors stated atR1 692 067 064 (2022: R1 292 477 639) and R1 674 153 118 (2022: R1 287 019 761) as disclosed in note 23 to the consolidated and separate financial statements.

Employee related costs

5. Employee related costs were not recorded as required by GRAP 1, *Presentation of financial statements.* Employee related costs as disclosed in note 36 to the consolidated and separate financial statements was overstated by R415 584 692 due to the cumulative effect of the following individually immaterial misstatements:

   - Overtime payments stated at R618 335 286 and R615 944 148 were overstated by R413 652 014 due to employees being paid for more hours than worked.
   - Basic salaries stated at R7 694 969 897 and R7 627 684 729 were overstated by R1 932 678 due to employees being paid salaries after their services ended.

6. I was unable to obtain sufficient appropriate evidence to confirm costs relating to Travel, motor car, accommodation, subsistence, and other allowances stated R304 636 439 and R303 885 005, and other allowances totalling R591 268 524, due to an inadequate system of internal control over employment contracts. I was unable to confirm the allowances by alternative means. Consequently, I was unable to determine any further adjustments to be made to employee related costs disclosed at R11 327 911 182 and R11 242 050 360 in note 36 to the consolidated and separate financial statements.

Other receivables from exchange

7. I was unable to obtain sufficient appropriate audit evidence that other receivables from exchange had been properly accounted for, due to the status of the accounting records. I was unable to confirm the other receivables from exchange by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to other receivables from exchange stated at R822 076 156 and R818 343 098 as disclosed in note 6 to the consolidated and separate financial statements.

Other receivables from non-exchange transactions

8. The municipality did not present other receivables from non-exchange in accordance with GRAP 104, financial instruments. The municipality did not disclose the portion of the other receivables from exchange transactions that are past due but not impaired in the prior year and current year, on public contributions and subsidies and year-end grant debtor. I was unable to determine the full extent of the understatement in the other receivables from non-exchange transactions disclosure note as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence on the presentation and disclosure of the Aarto fine debtor, due to status of accounting records. I could not confirm the accuracy of the presentation and disclosure by alternative means. Consequently, I was unable to determine whether any adjustment relating to Aarto fine debtor, stated at R595 205 627 in the consolidated and separate financial statements, was necessary as disclosed in note 6 to the consolidated and separate financial statements.

Contingencies

9. During 2022-23, I was unable to obtain sufficient appropriate audit evidence for contingencies due to the status of accounting records. I was unable to confirm contingencies by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of contingencies. My audit opinion on the financial statements for the

period ended 30 June 2022 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the contingencies for the current period as well as differences identified in the current year disclosure note. Consequently, I was unable to determine whether any adjustment relating to contingency, stated at R7 395 987 837 (2022: R3 860 311 472) in the consolidated and separate financial statements respectively, was necessary as disclosed in note 59 to the consolidated and separate financial statements.

Commitments

10. The municipality did not disclose commitments as required by GRAP 17, *Property, plant, and equipment.* The municipality did not disclose commitments on capital projects in progress. Consequently, commitments were understated by R549 750 429 in the consolidated and separate financial statements.

Fruitless and wasteful expenditure

11. The municipality did not have an adequate system for identifying and disclosing all fruitless and wasteful expenditure incurred, as required by section 125 (2)(d) of the MFMA. Consequently, fruitless, and wasteful expenditure was understated by R1 488 636 238 (2022: R1 003 859 860).

Irregular expenditure

12. 12. The municipality did not have an adequate system for identifying and disclosing all irregular expenditure incurred, as required by section 125 (2)(d) of the MFMA. In addition, I was unable to obtain sufficient appropriate audit evidence that irregular expenditure for the current year had been properly accounted for, due to the status of the accounting records. I was unable to confirm the irregular expenditure by alternative means. Consequently, I was unable to determine the full extent of the adjustment necessary to the balance of irregular expenditure stated at R13 066 874 624 (2022: R12 719 414 300) and R13 031 789 317 (2022: R12 688 348 957) as disclosed in note 56 to the consolidated and separate financial statements.

Segment reporting

13. The municipality did not prepare the segment reporting disclosure in accordance with GRAP 18, *Segment reporting*. Disclosures relating to assets and liabilities of each reportable segment and the basis for each measurement were not included in disclosure note 72 to the financial statements. In addition, the consolidated and separate financial statements did not include an accounting policy for segment reporting, and comparative figures were not disclosed in disclosure note 72 to the consolidated and separate financial statements. Due to the nature matters raised, I could not determine the correct information and amounts that should be processed as it was impracticable to do so.

Risk management

14. The municipality did not correctly disclose amounts in note 67 to the consolidated and separate financial statements as they contained material differences and could not be substantiated nor reconciled to the amounts reported in the consolidated and separate financial statements. Due

to the extent of difference identified in the disclosure note, I could not determine the correct amounts that should be processed as it was impracticable to do so.

Context for opinion

15. 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 consolidated and separate financial statements section of my report.

16. 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.

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

Key audit matters

18. Except for the matters described in the basis for qualified opinion section or the material uncertainty relating to going concern section, I have determined that there are no key audit matters to communicate in this auditor's report.

Material uncertainty relating to going concern

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

20. I draw attention to note 51 to the financial statements, which indicates an unfavourable liquidity position, and a recent negative rating by Moody's, which is unchanged compared to the previous rating. As stated in note 51, these events or conditions, along with the other matters as set forth in note 51, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

Material impairments

21. As disclosed in note 5 to the financial statements, material losses of R16 468 028 573 were incurred as a result of doubtful debts on consumer consumables.

Material losses – electricity losses

22. As disclosed in note 64 to the financial statements, material electricity losses of R2 462 201 794 (2021-22: R2 136 888 812) was incurred, which represents 21.46% (2021-22: 19.44%) of total electricity purchased. Technical loss of R803 185 911 (2021-22: R769 460 158) were due to the electricity that was lost when it was distributed from the source of generation through the

transmission and distribution network to the consumers. Non-technical losses of R1 659 015 883 (2021-22: R1 367 428 654) were due to administrative and technical errors, negligence, theft of electricity, tampering with meters and connections which form part of illegal consumptions and faulty meters.

Material losses – water losses

23. As disclosed in note 63 to the financial statements, material water losses of R1 115 794 268 (2021-22: R1 083 402 391) was incurred, which represents 32% (2021-22: 32.6%) of total water purchased. Technical losses of R892 635 414 (2021-22: R866 721 917) were due to the physical loss of water through the water distribution network. Non-technical losses of R223 158 854 (2021-22: R216 680 474) were due to meter inaccuracies, meter estimations, non-metering of water and unauthorised consumption.

Restatement of corresponding figures

24. As disclosed in note 71 to the consolidated and separate financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2023.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the consolidated and separate financial statements

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

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

Auditor-general's responsibilities for the audit of the consolidated and separate financial statements

29. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 based on these consolidated and separate financial statements.

30. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

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

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

Strategic priority	Page numbers	Purpose
Prioritisation of the electrical grid and water infrastructure	XX	Provide key service delivery linked to local government mandate to provide water and sanitation as well as electricity services
Maintaining a clean and protected natural environment	XX	Provide key service delivery linked to local government mandate to provide a clean environment
Maintenance and expansion of road infrastructure and public transportation	XX	Provide key service delivery linked to local government mandate to provide roads and transport services
A caring city that supports the vulnerable and provides social relief	XX	Provide key service delivery linked to local government mandate to provide housing and related infrastructure services

33. I evaluated the reported performance information for the selected strategic priorities 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.

34. 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.
- 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 is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

35. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

36. The material findings on the reported performance information for the selected strategic priorities are as follows:

Priority 1: Prioritisation of the electrical grid and water infrastructure

Various indicators

37. Supporting evidence was not provided for auditing due to limitations in the systems and processes utilised to collect actual achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved. Furthermore, supporting evidence was not provided on how the achievement of the planned indicators would be measured.

Name of indicator	Planned Target	Reported achievement
Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	14,00%	0%
Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	80%	71,06%

Priority 5: Maintaining a clean and protected natural environment

Various indicators

38. Based on audit evidence, the actual achievements for 2 indicators did not agree with what was reported. I could not determine the actual achievements, but I estimated them to be materially overstated.

Name of indicator	Planned Target	Reported achievement
Percentage of formal areas provided with weekly waste collection services	100%	100%
Percentage of known informal settlements receiving basic refuse removal services	85%	100%

Priority 6: Maintenance and expansion of road infrastructure and public transportation

Various indicators

39. Supporting evidence was not provided for auditing due to limitations in the systems and processes utilised to collect actual achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved. Furthermore, supporting evidence was not provided on how the achievement of the planned indicators would be measured.

Name of indicator	Planned Target	Reported achievement
Percentage of unsurfaced road graded	50%	116,339%
Percentage of reported pothole complaints resolved within standard municipal response time	50%	33,40%
Percentage of Municipal bus services 'on time' (TBS)	80%	74,2%
Percentage of Municipal bus services 'on time' (A Re Yeng)	90%	90,76%

KMs of new municipal road network

40. An achievement of 27,87km was reported against a target of 10km. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

Priority 7: A caring city that supports the vulnerable and provides social relief

Various indicators

41. Some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved. Furthermore, supporting evidence was not provided on how the achievement of the planned indicators would be measured.

Name of indicator	Planned Target	Reported achievement
Number of indigent households supported by the City through its social package per year	3 000	123 594
Number of informal settlements upgraded to Phase 2	20	20
Number of informal settlements with access to rudimentary water services	138	148
Number of serviced sites – Water	1494	1496
Number of serviced sites – Sewer	1538	1543

Number of informal settlements with access to rudimentary sanitation services

42. An achievement of 106 was reported against a target of 108. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

Other matters

I draw attention to the matters below:

Achievement of planned targets

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

44. The municipality plays a key role in delivering services to South Africans. The tables that follow provide information on the achievement of planned targets and lists the key service delivery 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 xx to xx.

Priority 1: Prioritisation of electrical grid and water infrastructure

Targets achieved: 22%

Budget spent: Not reported

Key service delivery indicator not achieved	Planned target	Reported achievement
Number of kilolitres of water purchased	297242 243 kl	282 526 417 kl

Number of new sewer connections meeting minimum standards	1 000	703
Installed capacity of approved embedded generators on the municipal distribution network	5.5 MVA	0.082728MVA
Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	80%	71.06%
Length of new water pipelines installed	3 600m	24m
Length of new sewer pipelines installed	11 470	7 229m

Priority 6: Maintenance and expansion of road infrastructure and public participation

Targets achieved:50% *Budget spent: Not reported*		
Key service delivery indicator not achieved	**Planned target**	**Reported achievement**
Percentage of reported pothole complaints resolved within standard municipal response time	50%	33.4%
Kilometres of required municipal stormwater drainage network constructed	1 km	0.591 km

Material misstatements

45. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for prioritisation of the electrical grid and water infrastructure; maintaining a clean and protected natural environment; maintenance and expansion of road infrastructure and public transportation environment and a caring city that supports the vulnerable and provides social relief. Management did not correct all the misstatements and I reported material findings in this regard.

Report on compliance with legislation

46. 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.

47. 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.

48. 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.

49. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual consolidated and separate financial statements, performance reports and annual reports

50. The consolidated and separate financial statements were not submitted to the Auditor-General for auditing within two months after the end of the financial year, as required by section 126(1)(a) of the MFMA.

51. The consolidated and separate financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted consolidated and separate financial statements were not adequately corrected and/or the supporting records could not be provided subsequently, which resulted in the consolidated and separate financial statements receiving a qualified audit opinion.

Asset management

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

Expenditure management

53. Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA.

54. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with section 112 (1) of the MFMA.

55. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the fruitless and wasteful expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed fruitless and wasteful expenditure was caused by the incurrence of interest on late payments.

56. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred. The majority of the disclosed unauthorised expenditure was caused by overspending on non-cash items.

Procurement and contract management

57. Sufficient appropriate audit evidence could not be obtained that all contracts and/or quotations were awarded in accordance with the legislative requirements as the procurement process followed was not substantiated by supporting documentation.

58. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). Similar non-compliance was also reported in the prior year.

59. Sufficient appropriate audit evidence could not be obtained that contracts were only awarded to service providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43.

60. Contracts above R30 million did not include a condition for mandatory subcontracting to advance designated groups, as required by the 2017 Preferential Procurement Regulation 9(1).

Consequence management

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

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

63. Allegations of financial misconduct laid against officials of the municipality were not investigated, as required by section 171(4) (a) of the MFMA.

Strategic planning and performance management

64. Annual performance objectives and indicators were not established by agreement for Housing Company Tshwane and included in its multi-year business plan, as required by section 93B(a) of the MSA.

65. The performance management system and related controls were inadequate as they did not describe how the performance monitoring, review, reporting, and improvement processes should be managed, as required by municipal planning and performance management regulation 7(1).

66. KPIs were not set for each of the development priorities and objectives, as required by section 41(1) (a) of the MSA and municipal planning and performance management regulation 9(1) (a).

Environmental management

67. The Rooiwal, Temba, and Daspoort wastewater treatment works were not safeguarded and maintained to prevent defective, depleted, malfunctioning, and vandalised infrastructure and theft to operate as intended as required by section 63(1)(a) of the MFMA.

Human resource management

68. The senior managers did not sign performance agreements within the prescribed period, as required by section 57(2) (a) of the MSA.

Other information in the annual report

69. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

70. My opinion on the consolidated and separate 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.

71. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

72. 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

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

74. The accounting officer did not exercise adequate oversight responsibility over financial reporting and compliance with legislation, as well as the related internal controls. Effective and appropriate measures were not implemented in a timely manner to prevent and detect; material

errors in the submitted annual consolidated and separate financial statements, and annual performance report as well as to prevent and detect non-compliance with legislation.

75. The municipality developed an action plan to address the prior year's significant findings, but adherence to the plan was not adequately monitored on a timely basis by the appropriate level of management, resulting in numerous material findings relating to the consolidated and separate financial statements, performance report and compliance with laws and regulations.

76. Senior management did not adequately ensure that the consolidated and separate financial statements and performance report prepared are accurate and complete and agreed to supporting schedules, as numerous misstatements were identified on the consolidated and separate financial statements and performance report submitted for audit. Daily and monthly control activities that support accurate and reliable reporting, such as reconciliations, were generally lacking.

77. Senior management did not implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support the annual consolidated and separate financial statements and performance report. The audit team experienced difficulties (delays in submission) during the audit due to poor record keeping in certain areas and the lack of supporting evidence for recorded balances and transactions that are reviewed by senior management.

78. Senior management did not always ensure that adequate controls were designed, implemented, and monitored relating to compliance with laws and regulations resulting in material non-compliance with laws and regulations. In addition, there was inadequate implementation of consequence management for poor performance and transgressions.

Material irregularities

79. 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 irregularity identified during the audit

80. The material irregularity identified is as follows:

Inadequate controls designed to monitor the work of the consultant

81. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the payment of funds, as there were no controls to verify the work done by the consultant before processing payments in the 2021-22 financial year in contravention of section 65(2)(a) of the MFMA.

82. The non-compliance is likely to result in a material financial loss, if not recovered.

83. The accounting officer was notified of the material irregularity on 19 April 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter.

84. The accounting officer appointed a panel of service providers in June 2023. In addition, he had committed to finalise the value for money audit by October 2023, however, due to the lack of required skills to perform value for money audit by the initial service provider, the committed date could not be met. A request for quotation was issued to another service provider in November 2023 and it is anticipated that a final report will be finalised by March 2024.

85. The accounting officer plans to take action based on the outcome of the audit.

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

Status of previously reported material irregularities

Overpayment on the fuel purchase

87. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the payment of funds, as the municipality overpaid three suppliers for the supply and delivery of fuel between February 2019 and June 2020 in contravention of section 65(2)(a) of the MFMA.

88. The non-compliance is likely to result in a material financial loss, if not recovered. The amount is disclosed in note 76 as a comparative to the 2020-21 annual consolidated and separate financial statements.

89. The accounting officer was notified of the material irregularity on 8 June 2021.

90. I recommended that the accounting officer should take the following actions to address the material irregularity by 8 August 2022. The accounting officer failed to implement the below recommendations:

- appropriate action should be taken to ensure that the investigation into all overpayments is finalised.
- appropriate action should be taken to recover all financial losses suffered by the municipality from the three suppliers.
- Disciplinary or when appropriate criminal proceedings should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct procedures and Criminal Proceedings

91. I notified the accounting officer of the following remedial actions to address the material irregularity, which should have been implemented by 4 March 2023:

- The investigation into the non-compliance with section 65(2)(a) of the MFMA must be completed to determine if any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA.
- Disciplinary proceedings must commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by

section 62(1) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the provincial treasury, and the National Treasury, as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- Effective and appropriate steps must be taken to monitor and support the recovery process of the financial loss through the litigation process and a progress report to this effect must be provided to the AGSA at the due date for the implementation of the remedial action.

92. The accounting officer instituted legal action to recover the financial loss suffered and the matter is currently before a court of law.

93. On 14 March 2023 and 4 April 2023, the accounting officer's responses and substantiating documentation on the implementation of the remedial action were received. Further information was received on 21 June 2023. I evaluated the accounting officer's responses and substantiating documentation received. As some of the actions taken to address the material irregularity were still in progress and not yet completed, I granted the accounting officer an additional six months up to 4 February 2024 to implement the remedial actions.

94. On 5 February 2024, the accounting officer's response was received on the progress made in completing the outstanding action on the implementation of the remedial actions.

95. I am in the process of assessing the progress made with the implementation of the actions to address remedial actions.

Interest not levied on outstanding sundry consumer debtors

96. Interest was not charged on outstanding sundry consumer debtors between 1 July 2019 and 30 June 2020 as required by section 64 (2) (g) of the MFMA and the approved credit control and debt collection policy of the municipality.

97. The non-compliance is likely to result in a material financial loss, if not recovered.

98. The accounting officer was notified of the material irregularity on 8 June 2021.

99. I recommended that the accounting officer should take the following actions to address the material irregularity by 8 August 2022. The accounting officer failed to implement the below recommendations:

- Quantify the full extent of the interest that should have been charged in accordance with the credit control and debt collection policy of the municipality.

- The non-compliance should be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA

- Disciplinary or, when appropriate, criminal proceedings should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial misconduct procedures and Criminal Proceedings.

- Appropriate action should be taken to ensure that interest is levied against all sundry debtors in accordance with the municipality's credit control and debt collection policy as required by section 64(2) (g) of the MFMA. This should include interest that was not previously charged in accordance with the policy.

100. I issued a directive to the accounting officer to determine the amount of the financial loss and recover such loss, or make progress with the recovery of the loss, from the responsible person(s) by 15 May 2023. In addition, I notified the accounting officer of the following remedial actions to address the material irregularity, which should have been implemented by the same date:

    - The investigation into the non-compliance with section 64(2)(g) of the Municipal Finance Management Act, 2003 ("MFMA") and Credit Control and Debt Collection policy must be completed to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

    - Disciplinary proceedings must commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

    - If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

101. On 13 May 2023, the accounting officer's response with substantiating documentation on the implementation of the remedial action was received. Further information was requested on the actions implemented which were received on 14 July 2023 and 11 August 2023. I evaluated the responses and substantiating documentation received. To implement the remedial action, the municipality revised its credit control and debt collection policy to provide for the charging of interest on outstanding sundry debtor accounts and implemented the policy retrospectively by charging R133 million of interest to the sundry debtors with outstanding balances.

102. A further request for information was issued on 15 November 2023 on the steps taken to finalise the investigation into the non-compliance and to identify any responsible officials for consequence management. On 6 February 2024, a supplementary response was received whereby the accounting officer indicated that the Group Audit and Risk department has been requested on 22 November 2023 to appoint a service provider to investigate the non-compliance and to identify any responsible officials. The appointment of the service provider is in process.

103. I will follow up in my next audit on the outcome of the investigation and the additional actions taken to implement the remedial action.

Procurement of software licenses not utilised

104. Resources of the municipality were not utilised economically as the municipality paid for maintenance and support costs on software licenses procured between September 2019 and December 2020 but not used, as required by section 62(1)(a) of the MFMA.

105. The municipality is likely to suffer a material financial loss if the maintenance and support costs spent on software licenses not used are not recovered. The financial loss is disclosed in note 49 of the consolidated and separate financial statements for the period ended 30 June 2022.

106. The non-compliance is likely to result in a material financial loss, if not recovered.

107. The accounting officer was notified of the material irregularity on 30 November 2022.

108. A credit note of R22 310 000 was issued by the service provider in December 2022 that will be used towards future annual maintenance.

109. The accounting officer has taken the following actions to address the material irregularity:

- Terminated software licenses that were not in use.
- Negotiated a new maintenance base on licenses that remained in use with the service provider that resulted in the reduction of corresponding annual maintenance from R63 180 487 to R52 150 540, resulting in a saving of R11 029 947.
- Instituted an audit into the utilisation of software licenses which was finalised in July 2023.
- Initiated discussions relating to the design of controls to prevent re-occurrence, recovery of any remaining financial losses, and agreement on pricing options for the new contract which is expected to be finalised in March 2024.
- Outcome of the authorisation review license assessment and proposals among others presented by the service provider will be considered to determine the need for future license requirements when finalising the new contract.

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

Vandalism of the bulk water infrastructure at Refilwe Manor

111. An effective system of internal control for assets was not in place as assets were stolen and vandalised between December 2018 and January 2020 in contravention of section 63(2)(c) of the MFMA.

112. The non-compliance is likely to result in a material financial loss of R 4 970 982 if not recovered. The amount is disclosed in note 74 as a comparative to the 2021-2020 annual consolidated and separate financial statements.

113. The accounting officer was notified of the material irregularity on 30 November 2021.

114. The accounting officer has taken the following actions to address the material irregularity:

- appointed a security company through the contractor in December 2020.

- The contractor acknowledged responsibility for the damages due to vandalism at Refilwe Manor in January 2021 and has since replaced some electrical and mechanical items. In addition, the service provider has purchased all the material required for the completing of pump stations.

- Repairs of the reservoir were completed in December 2022.

- The municipality has a policy that adequately covers roles and responsibilities relating to the safeguarding of assets.

115. The following actions are in the process of implementation by the accounting officer:

- The accounting officer had committed to complete pump stations 12 and 15 by November 2022, however, the committed date was not met pending an electricity connection which is required before the finalisation of the pump stations. In addition, due to community disruptions, the accounting officer has committed to complete pump stations 12 and 15 by 30 April 2024

- Electrical cables and transformers have been installed, however, connection to the main feeder line has not been undertaken. This is required to prevent further theft and vandalism. The accounting officer plans to have the connection installed before the end of March 2024.

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

Pollution of water resources not prevented at Rooiwal Waste Water Treatment Works (WWTW)

117. The municipality did not take reasonable measures at the Rooiwal Wastewater Treatment Works (WWTW) to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act 107 of 1998.

118. The Rooiwal WWTW has not been functional since 2010 due to neglected maintenance that has resulted in the discharge of inadequately treated effluent into the Apies River and Leeuwkop Dam over a number of years. The Apies River feeds the Leeuwkop Dam, which is the extraction point of the Temba water treatment plant.

119. This has resulted in the continued and long ongoing discharge of inadequately treated effluent, exceeding the discharge limits, into main water resources such as the Apies River and Leeuwkop Dam as well as groundwater pollution of the surrounding environment, and also has a devastating effect on the water, its eco-systems and the people who use the water. These contaminated water resources provide water for consumption and recreational services for the surrounding communities, as well as water to neighbouring farmers for consumption by livestock and irrigation of crops (boreholes and irrigation ponds).

120. The accounting officer was notified of the material irregularity on 15 December 2021.

121. The accounting officer included the planning of Rooiwal phase II in the integrated developmental plan of the municipality. The accounting officer had initiated section 33 of the MFMA process, which was expected to be finalised by February 2023. Subsequently, the accounting officer put the section 33 of the MFMA process on hold as the municipality adopted a new approach to address issues at Rooiwal WWTW.

122. The process to complete the Rooiwal Phase 1 project will require a new consulting engineering firm to be appointed. The scope of work for the appointment of the consulting engineering firm to render professional services has been compiled. The preparation of specification was expected to be finalised by March 2023; however, the accounting officer has considered an alternative approach for the execution of Rooiwal Phase 1, and this will be the appointment of an Implementing agent to oversee the execution of the project.

123. The accounting officer has taken the following actions to address the material irregularity:

- Ensured continuous repairs and maintenance of the machinery and equipment at the Rooiwal WWTW.
- Service providers were appointed in August 2021 for the provision of water tanker services to Hammanskraal residents affected by the water quality issues.
- Appointed a contractor for the phase I upgrade and refurbishment at the Rooiwal WWTW. However, the contractor's contract was terminated in July 2022 due to poor performance.
- An early business case was submitted to Infrastructure South Africa in April 2023 and the accounting officer is awaiting feedback.
- A total of R450 million has been allocated for Rooiwal WWTW Phase 1 project on the 2023-24 Medium Term Revenue and Expenditure Framework, with R150 million split from 2023-24 to 2025-26 financial years. The allocated budget will be utilised for the completion of the Rooiwal WWTW phase I upgrade and the execution of new upgrades identified to improve the quality of the effluent discharged.
- A preliminary technical meeting between the municipality and the Development Bank of Southern Africa (DBSA) took place in June 2023 to discuss the scope of works and possible signing of memorandum of understanding for the execution of the project.
- A mayoral committee meeting took place in July 2023 to consider the appointment of DBSA as the implementing agent. DBSA was appointed as an implementing agent in September 2023 and a service level agreement between DBSA and the municipality was finalised in October 2023
- DBSA appointed a general building turnkey contractor for the design and construction of the Rooiwal WWTW in February 2024.

124. The following actions are in the process of implementation at the municipality:

- DBSA is in the process to appoint a professional service provider and mechanical engineering turnkey contractor.

- The accounting officer is in the process to submit intermediate business case application to Infrastructure South Africa.

- Application for funding will be submitted to Budget Facility for Infrastructure upon approval of the intermediate business case by Infrastructures South Africa.

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

Payment made for an informal trading facility that was not constructed

126. A payment of R4 990 281 was made on 30 June 2016 to a contractor for an informal trading facility that was not constructed at Barolak Taxi rank as effective internal controls relating to expenditure management were not in place as required by section 65 (2) (a) of the MFMA.

127. The non-compliance is likely to result in a material financial loss of R4 990 281 if not recovered. The amount is disclosed in note 76 as a comparative to the 2020-21 annual financial statements.

128. The accounting officer was notified of the material irregularity on 25 March 2021.

129. The actions taken to resolve the material irregularity by the accounting officer were as follows:

    - Commissioned a forensic investigation to determine the officials responsible, and the investigation was completed in November 2021. The investigation concluded that three officials are responsible for the payment made for an informal trading facility that does not exist. One official resigned before finalisation of the investigation and the other resigned after the investigation was finalised.

    - Had committed to take disciplinary action against the third implicated official on or before March 2022. The disciplinary process could not be finalised by the committed date due to the request for an extension by the implicated official. The disciplinary process commenced in October 2022. The employee representative requested an extension until April 2023 due to ill health and the implicated official subsequently resigned in June 2023.

    - Summons were issued against the service provider and two ex-officials in March 2023; however, they could not locate one of the officials at his last known address. The application for substituted services has been served and was heard in December 2023.

    - The service provider and one of the ex-officials have indicated their intention to defend the summons issued through filing pleas.

    - A criminal case that was opened in December 2021 is still ongoing.

    - To prevent a re-occurrence, the accounting officer strengthened controls relating to the monitoring of projects and processing of payments.

130. The material irregularity is resolved.

Payment to an incorrect beneficiary

131. A payment amounting to R53 444 860 was made to an incorrect beneficiary on 30 August 2019 as effective internal controls relating to expenditure management were not in place as required by section 65(2) (a) of the MFMA.

132. The non-compliance is likely to result in a material financial loss of R53 444 860 if not recovered. The amount is disclosed in note 77 to the 2019-20 annual financial statements.

133. The accounting officer was notified of the material irregularity on 5 March 2021.

134. The National Prosecuting Authority recovered an amount of R 23 169 447 and paid it over to the municipality in November 2021.

135. The actions taken to resolve the material irregularity by the accounting officer were as follows:

- Had committed to award a banking tender to allow host-to-host for payments by March 2022. A service provider was appointed in April 2022.
- Human resource third-party beneficiaries are created on the banking system and the banking details are locked and cannot be edited when payments are made effective September 2019.
- A phase one investigation into the matter by the internal forensic services unit was concluded in February 2020, which identified that unauthorised monitoring software was installed into 70 workstations and it further recommended that an investigation be conducted to identify the person responsible for the installation of the monitoring software over the network. The accounting officer did not conduct a phase 2 investigation as the matter had already been referred to the Directorate for Priority Crimes in September 2019 for investigation.
- The criminal case that was opened in September 2019 is still ongoing.

136. The material irregularity is resolved.

Salary payments made to employees for work not done

137. The municipality paid salaries to employees between November 2019 and October 2020 for work not done due to proper recruitment process not being followed as no work was allocated to employees. This resulted in non-compliance with section 65(2) (a) of the MFMA.

138. The non-compliance is likely to result in a material financial loss of R88 412 643, if not recovered. The municipality disclosed R34 048 301 and R53 846 760 in note 76 to the 2020-21 annual financial statements as the current and prior year financial loss respectively.

139. The accounting officer was notified of the material irregularity on 20 May 2021.

140. The actions taken to resolve the material irregularity by the accounting officer were as follows:

- Commissioned a forensic investigation to identify officials responsible for payments made without any work having been performed and the likelihood of recovering monies paid. The accounting officer initially committed to finalise the investigation by March 2022, but it was only finalised in July 2022.
- A criminal case was opened in December 2022 against the former governance and support officer and the member of the municipal council who are no longer in the employment of the municipality. The case was transferred to Pretoria Central Specialised Commercial Crime Unit in May 2023.
- Finalised the disciplinary process that was initiated in October 2022 and dismissed the implicated official in August 2023. The official lodged a dispute with the South African Local Government Bargaining Council and the matter is set for hearing in April 2024.
- The criminal case that was opened in December 2022 is still on going.
- To prevent a re-occurrence, the accounting officer has strengthened controls relating to the appointment of contract workers.

141. The material irregularity is resolved.

Inadequate system of internal controls to safeguard assets (Baviaanspoort wastewater treatment works)

142. The municipality did not take all reasonable steps to ensure that it has adequate systems of internal controls for the purpose of safeguarding its assets, as assets were stolen and vandalised resulting in contravention of section 63(2)(c) of the MFMA.

143. The non-compliance resulted in a material financial loss of R3 904 346 for the municipality based on the value of the assets that were stolen and vandalised on 10 February 2016 as disclosed in note 74 to the 2018-19 financial statements.

144. The accounting officer was notified of the material irregularity on 17 December 2019.

145. The actions taken to resolve the material irregularity by the accounting officer were as follows:

- Reported the matter to SAPS for investigation in February 2016. Two arrests were made in March 2016. The perpetrators were sentenced to 12 years and 10 years, respectively.
- Some of the minor assets that were stolen or vandalised were insured and in February 2017, the insurance company reimbursed the municipality with R174 716 for the loss.
- Commissioned an investigation which was finalised in November 2021, which concluded that the site did not have sufficient controls in place to mitigate theft and vandalism of assets because no security policy and guidelines were in place.

- Increased security personnel in all buildings housing motor control equipment and electrical transformers were reinforced with grating in September 2019.

- Approved the appointment of a contractor to erect a security fence in December 2019 to prevent further losses. The erection of the security fence was completed in March 2021.

- Had initially committed to appoint a security company to safeguard assets and prevent further losses by March 2020. However, due to budget constraints, the accounting officer deployed security personnel from other departments within the municipality from December 2020 as an interim measure.

- A security company was appointed in February 2022 to safeguard assets of the municipality for a period of three years.

- Referred the matter to the internal forensic services division for investigation in February 2020, which was completed in June 2020. However, it did not cover adherence to the asset management policy of the municipality at the time of the incident, verification and quantification of the financial loss as well as whether there was any fraud, corruption or misconduct related to the material irregularity.

- The accounting officer had also committed to develop a policy or guideline, which will inform the municipality on roles and responsibilities relating to security, frequency of monitoring, and evaluation activities by March 2022. The municipality has a policy that adequately covers roles and responsibilities relating to the safeguarding of assets.

- Had committed to initiate the process to recover funds lost by March 2022; however, due to the late involvement of legal representatives of the municipality, the recovery process could not be initiated. A legal firm was given instructions in February 2023 to assess the feasibility of a successful civil claim and criminal prosecution based on the outcome of the investigation.

- The legal firm provided a legal view in May 2023 which concluded that the debt might have prescribed if raised by the security company.

- The accounting officer could not continue with the recovery of the financial loss suffered as the reduction of security personnel at the reservoir was as a result of mayoral committee resolution taken in June 2016.

146. The material irregularity is resolved.

Rental account at Bothongo plaza not paid within 30 days

147. The municipality did not make payments within 30 days for the rental of the Bothongo Plaza building resulting in interest charged and paid on 30 July 2020 in contravention of section 65(2)(e) of the MFMA.

148. The non-compliance is likely to result in a financial loss amounting of R7 106 066 if not recovered. The amount is disclosed in note 76 as a comparative to the 2020-21 annual financial statements.

149. The accounting officer was notified of the material irregularity on 20 May 2021.

150. I recommended that the accounting officer should take the following actions to address the material irregularity by 8 June 2022. The accounting officer failed to implement the below recommendations:

- The non-compliance with section 65(2)(e) of the MFMA should be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

- Any person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss.

- Disciplinary or, when appropriate, criminal proceeding should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial misconduct procedures and criminal proceedings.

151. I issued a directive to the accounting officer to determine the amount of the financial loss and recover such loss, or make progress with the recovery of the loss, from the responsible person(s) by 1 November 2022. In addition, I notified the accounting officer of the following remedial actions to address the material irregularity, which should be implemented by the same date:

- The investigation into the non-compliance with section 65(2)(e) of the MFMA should be completed to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

- Any person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss.

- Disciplinary proceeding should commence, without undue delay, against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- If it appears that the municipality suffered the financial loss through criminal acts or possible criminal acts or omission, this must be reported to the South African Police service, as required by section 32(6)(b) of the MFMA.

152. On 4 and 28 November 2022, the accounting officer's responses and substantiating documentation on the implementation of the remedial action were received. Additional information that was required to finalise the assessment was received on 17 January 2023.

153. In implementing the remedial action, the accounting officer requested the Group Audit and Risk Department to conduct an investigation into the non-compliance to identify any responsible official(s) for consequence management. The investigation found that fruitless and wasteful expenditure was incurred resulting from interest charged on arrear rental not

settled. The investigation further found that no official(s) could be held liable for interest incurred, as the non-payment of the rental and subsequent interest charged resulted from a dispute between the municipality and the landlord of Bothongo Plaza.

154. The material irregularity is resolved.

Other reports

155. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.

156. The municipality is conducting a number of investigations based on allegations of procurement irregularities and financial misconduct. Some of these investigations had been finalised while others were still in progress at the date of this auditor's report.

Johannesburg

12 March 2024

AUDITOR-GENERAL
SOUTH AFRICA

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AUDITOR - GENERAL

Johannesburg

12 March 2024

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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 consolidated and separate financial statements and the procedures performed on reported performance information for selected strategic objective and on the municipality's compliance with selected requirements in key legislation.

Consolidated and separate financial statements

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

- identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 group 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and determine whether the

consolidated and separate 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.

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the qualified consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
MFMA	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure Section 1 - Definition: service delivery and budget implementation plan Sections 14(1), 14(2)(a), 14(2)(b), 122(1), 122(2), 126(1)(a), 126(1)(b), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), MFMA 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 63(1), 65(2)(e), 11(1), 65(2)(a), 65(2)(b), 87(8), 62(1)(d), 29(1), 29(2)(b), 62(1)(1)(f)(i), 62(1)(f)(iii), MFMA 62(1)(f)(ii), 62(1)(f)(i), 64(2)(f), 64(2)(b), 64(2)(c), 64(2)(g), 53(1)(c)(ii), 1, 72(1)(a)(ii), 24(2)(c)(iv), 171(4)(a), 171(4)(b), 32(2)(b), 170, 1 - paragraph (a), (b) & (d) of the definition: irregular expenditure, 32(2), 32(2)(b), 32(6)(a), 32(7), 171(4)(a), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117
SCM Regulations	Regulations 5, 44, 46(2)(e), 46(2)(f), 12(1)(c), 16(a), 17(a)& (c), 17(a) & 17(b), 13(c), 43, 19(a) &(b), 36(1)(a), 12(3), 27(2)(a)&(e), 22(1)(b) & 22(2), 28(1)(a)(i), 21(b), 29(1) (a) & (b), 29(5)(a)(ii) & (b)(i), SCM reg. 13(c), 43, 38(1) (c.), 38(1)(d)(ii) & (g)(iii), 38(1)(e.), 38(1)(g)(i), 38(1)(g)(ii), 32
Municipal budget and reporting regulation	Regulations 71(1), 71(2), 72
Municipal investment regulation	Regulations 6, 7, 12(2), 12(3)
Dora	Sections 16(1), 11(6)(b), 12(5), 16(3)
NEMWA	Section 20(b)
Environmental Conservation Act (ECA)	Section 20(1)
National Water Act (NWA)	Section 22(1)(b)
MSA	Sections 56(a), 57(6)(a), 66(1)(a), 67(1)(d), 57(2)(a), 74(1), 96(b), 29(1)(b)(ii), 26(h), MSA 42, MSA 25(1), 25(1), 26(a), 26(c), 26(i), 41(1)(a), 43(2), 41(1)(b), 93B(a), 93B(b), 34(a) and 41(1)(c)(ii), 34(b), 38(a), 3(4)(b) and 15(1)(a)(ii), 3(5)(a), 3(6)(a), 3(3) MSA schedule 1: Code of conduct for councillors section 5(2), 7(1) & (2) MSA schedule 2: Code of conduct for municipal staff members section 5(1) and 5A(1) & (2). SCM reg. 46(2)(e) MSA schedule 1: Code of conduct for councillors section 5(2), 7(1) & (2)

Legislation	Sections or regulations
	MSA schedule 2: Code of conduct for municipal staff members section 5(1) and 5A(1) & (2)
Municipal performance regulations for municipal managers and managers directly accountable to municipal managers	Regulations 2(3)(a), 4(4)(b), 8(3)
Regulations on appointment and conditions of employment of senior managers	Regulations 17(2), 36(1)(a), 2(1)(e), 2(3)(a)
Municipal Property Rates Act	Section 3(1)
Municipal planning and performance management regulations	Regulations 15(1)(a)(i), 9(1)(a), 10(a), 12(1), 8, 7(1)
Financial misconduct regulations	Regulations 5(2), 5(3), 5(4), 6(8)(b), 10(1), 5(6), 8(4)
PRECCA	Section 34(1)
Disciplinary regulations for senior managers	Regulations 8(4) 5(6), 5(2), 5(3), 5(4)
PPR 2017	Regulations 8(5), 8(2), 9(1), 5(6), 5(7), 5(1) & 5(3), 6(8), 7(8), 10(1)&(2) & 11(1), 6(1) and 7(1)
PPR 2022	Regulations 4(1) and 5(1), 4(4) & 5(4)
PPPFA	Sections 2(1)(a), 2(1)(a), 2(1)(f)

THE AUDIT AND PERFORMANCE COMMITTEE OF THE CITY OF TSHWANE AND ITS MUNICIPAL ENTITIES

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

"IGNITING EXCELLENCE"

TABLE OF CONTENTS

1 INTRODUCTION

The Audit and Performance Committee of the City of Tshwane and its Municipal Entities (APC) presents its annual report for the year ended 30 June 2023 under sections 166(2) and (3) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and section 94(7)(f) of the Companies Act, 2008 (Act 71 of 2008), read with the MFMA Circular 65, dated 23 November 2012, and the applicable Council resolutions.

The APC provides oversight assurance for the City of Tshwane (the City) and its entities, namely Tshwane Economic Development Agency (SOC) Limited (TEDA) and Housing Company Tshwane NPC (HCT).

2 THE AUDIT AND PERFORMANCE COMMITTEE

The APC is constituted in terms of sections 166(1) and (2) and section 166(6) (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and section 94(7) of the Companies Act, 2008 (Act 71 of 2008), read with the applicable Treasury Regulations.

It is an independent advisory body that advises the Council, the political office bearers, the accounting officer and the management and staff of the municipality, or the board of directors, the accounting officer, and the management staff of the municipal entities, on matters relating to the following:

- Internal control.
- Internal audit.
- Risk management.
- Accounting policies.
- Adequacy, reliability and accuracy of financial reporting, records, and information.
- Performance management.
- Performance evaluation.
- Effective governance and oversight.
- Compliance with the MFMA, the Division of Revenue Act, 2016 (Act. 3 of 2016) and any other applicable legislation.
- Financial management.
- Issues raised by the Auditor-General South Africa (AGSA) in the audit report.
- Investigations into the financial affairs of the City and its entities.
- Any other matter referred to it by the City or its entities.

The APC makes recommendations to the accounting officers, but the accounting officers retain responsibility for implementing such recommendations.

The member qualifications and meeting attendance by APC members during the reporting period were as follows:

Member	Qualifications	Appointment date	Membership Status	Scheduled	Attended
Mr RE Cameron-Ellis	BCom (Hons) Accounting, CTA, CA(SA), CFE, Registered Auditor	25 August 2017	Chairperson	14	14
Ms P Mzizi	BCompt (Hons) Accounting, CTA, CA(SA), BCom (Hons) in Transport Economics	25 August 2017	Member	14	14
Ms T Njozela	MBA, BCompt (Hons), B Com, CIA, CRMA, CCSA	25 August 2017	Member	14	13
Mr Z Fihlani	CA (SA)	07 May 2020	Member	14	11
Ms V du Preez	BA, B Com, MBL – UNISA CIA (Certified Internal Auditor)	07 May 2020	Member	14	14
And a new committee appointed on 26 April 2023					
Mr RE Cameron-Ellis	BCom (Hons) Accounting, CTA, CA(SA), CFE, Registered Auditor	26 April 2023	Chairperson	12	12
Mr P Mongalo	MBA, BCom (Honours)	26 April 2023	Member	12	12
Ms L Sonqishe	MBA	26 April 2023	Member	12	12
Mr S Maharaj	CA (SA), MBA	26 April 2023	Member	12	11
Dr N Skeepers	PHD Engineering Management Master’s degree in Occupational Health and Safety(Uni Queensland, Australia) MPhil HIV/AIDS, Stellenbosch	26 April 2023	Member	12	12

The APC followed a structured approach to its meetings, with four scheduled meetings dealing with the City, four dealing with the entities and city performance, four dealing with forensic and ethics issues, and dedicated sessions to approve financial statements and resolve emerging issues. Special meetings were held to monitor the effectiveness of the processes to address the findings of restating the 2022 AFS and addressing the adverse opinion received in that year.

The APC has formal terms of reference (the APC Charter), which the Council approved on 29 October 2015, with revisions approved by the Council on 29 November 2018 and 27 May 2021. The APC executed its duties under the 2021 Charter during the reporting period.

The APC reports quarterly on its activities, observations, concerns, and recommendations to the Mayoral Committee and the Municipal Public Accounts Committee (MPAC).

In 2022 the Section 79 Standing Committee on Public Accounts requested seven forensic audits on expenditure suspected to be irregular. Only ONE(1) of these has been completed as the forensic division continues to be delayed by budget and human resource restrictions. No other APC-related Council and APC-related MPAC resolutions still need to be addressed.

3 EFFECTIVENESS OF INTERNAL CONTROL

The systems of internal control are the legislated responsibility of the accounting officers and senior executive management as required by the MFMA, the MFMA regulations, the Municipal Systems Act, the Companies Act, and the principles of the King IV Report on Corporate Governance read in conjunction with the National Treasury Audit and Risk Frameworks, MFMA Circular 65 and the International Standards for the Professional Practice of Internal Auditing.

The APC receives reports from first, second, and third-level providers of control assurance, including reports from Group Audit and Risk (GAR) and the Auditor General South Africa (AGSA).

The AGSA has raised persistent control deficiencies over the years. These include areas for improvement in controls relating to the preparation of financial statements, asset management, expenditure management, procurement and contract management, and information systems and technology.

The APC remains concerned about the following control and performance issues raised by both the AGSA and Internal Audit, often repeatedly, which need to be addressed head-on:

Culture: The City's organisational culture is not geared toward accountability and performance, resulting in several GAR and AGSA findings. The Accounting Officer and Executive management have embarked on a long-term project to change the organisational culture. However, the phrase “A City that works for all its people” has not yet caught the imagination of the City's employees.

Leadership: The AGSA has raised the issue of ineffective leadership at all City governing structures in her report for several years. The fundamental principles of economy, effectiveness and efficiency, and proper financial control must be addressed at every level. The appointment of a full complement of full-time S56 managers in the second half of 2023 will address some of the gaps in leadership. These appointments must be supported by leadership at the council and S79 committee level.

Consequence management: While there have been some improvements in consequence management—mainly because of the intervention of an Accounting Officer and political oversight—consequence management is still not adequately embedded in the City’s culture. Line managers do not take responsibility for exercising consequence management, and the approach is splintered, slow and unsupported. Disciplinary action in serious cases is still significantly delayed. Recovery of selected losses has commenced but is still in its infancy. The City is inexperienced in making successful recoveries.

Revenue collection: Weak revenue management and collection has dogged the City for many years. This was evident in the ever-growing debtor's book and increasing provisions for irrecoverable debt. The City's liquidity crisis has prompted more focus on the Tshwane Ya Tima debt collection, which has resulted in the collection of what should have been easily collectable revenue in the first place. The campaign has unearthed significant deficiencies in the City's control environment, corruption in the administration of the debtors' book and a prevalence of illegal connections. These are now starting to be addressed.

The significant adjustments to the sundry debtor balances from the prior year also highlight the past lack of proper management of these assets and have prompted some control improvement. Responsibility and accountability systems need to be tightened.

Non-technical electricity losses and water losses remain unacceptably high: Non-technical losses electricity losses of R 1 659 015 883(2022: 1 367 428 655) were incurred. These are unacceptably high and are due to inaccurate metering, inaccurate meters, weak accounting processes, meters and billing data integrity, and illegal connections.

Water losses of R1 115 794 268 (2021-22: R 1 083 02 391) were incurred, representing 32.0% (2021-22: 32,6%) of total water purchased. Technical losses of R 892 635 414 (2021-22: R866 721 917) were due to the physical loss of water through the water distribution network. Non-technical losses of R 223 158 854 (2021-22: R216 680 474) were due to meter inaccuracies, meter estimations, non-metering of water and unauthorised consumption.

While strategies exist to reduce controllable electricity and water losses, they need to make the impact the Integrated Development Plan (IDP) requires. Significant funding is needed to ensure that these strategies result in sustainable annual savings and reduce the losses to an acceptable level. The corruption and lack of proper financial control in revenue management contribute to these losses, and more coordination between the revenue and the water and electricity departments is needed.

Responses to audit findings: The Municipal Continuous Audit Monitoring (MCAM) process used to address audit findings is not making any meaningful difference to the control environment. Internal Audits focus on the same high-risk areas and produce similar findings every year. Control design and control implementation in these areas remain inadequate or non-existent. The AGSA has many repeat findings in procurement, project management and basic accounting controls. The City needs to properly analyse the control weaknesses identified by internal and external audits and to design systems to prevent the risks inherent in each transaction cycle and category.

Basic recordkeeping and reconciliation: The intensive process of restating erroneous balances for the 2023 year thew the spotlight on balances that had been left unattended for many years. The City needs to ensure that each ledger account is properly reconciled, documented and allocated to a responsible official to avoid this repeating itself.

Systems design and implementation: Internal audit has a three year plan – that audits key areas at least once in the three years and high risk areas once a year. It assesses the system design and control implementation for each area audited. Despite this rhythm, for many important transaction cycles, there is little visible improvement in either systems design or control implementation between audits. The City's control environment is not improving.

4 THE ANNUAL FINANCIAL STATEMENTS AND THE AGSA'S REPORT

Following the adverse audit opinion received in 2022, the APC met regularly with the Acting CFO and the accounting department to monitor progress in correcting the misstatements identified by the AGSA in 2022. These included the quality of the cash flow statement, the identification of unaccrued creditors for 2021, 2022 and future years, and the overvaluation of the "found assets" raised in 2022. As is obvious from the extensive lists of prior year adjustments, these were not the only errors in the City's accounting records. The proactive identification of other misstatements demonstrates the City's commitment to improved financial disciplines and better reporting. This correction process was not complete by the 30 August 2023 deadline for submission of the AFS for audit, and internal audit reports on the adjustment processes did not give sufficient assurance that all errors had been corrected. The APC, therefore, recommended that they not be provided to the AGSA for audit until such time as they were of sufficient standard for use by the public and institutional investors. It also became clear that the work required to properly value the "found assets" would take many months, defeating the requirement that AFS provide timely information to the market. In November 2023, the APC, therefore, recommended that the Accounting Officer submit the corrected AFS for audit, pointing out the remaining unquantified error in his approval letter.

The quality of the AFS finally presented for audit was significantly higher than those in 2022, with proper supporting work papers and internal coherence.

Following the resolution of two of the three biggest misstatements from 2022, the AGSA gave a qualified audit opinion on the 30 June 2023 Annual Financial Statements.

In addition to qualifying their report because of the unresolved valuation of the "found assets," the AGSA was not able to obtain sufficient appropriate audit evidence for nine other disclosures in the financial statements. The City's GRAP disclosures were also insufficient for two of these issues. The AGSA has regularly raised the inability to provide proper audit evidence quickly and accurately as a key audit matter. In 2023, this transformed into these nine audit qualifications. The delayed and incomplete responses to audit enquiries indicate a fragmented and undisciplined approach to controls and the retention of proper audit trails throughout the City. The City's drive towards obtaining an unqualified audit opinion means that it is now committed to resolving this issue holistically.

The AFS show a surplus of R1.1 billion for the 2023 year compared to a restated deficit of R1.3 billion in 2022. As at 30 June 2023, current liabilities (R19.4 billion) exceeded current assets (R8.2 billion) by R11.2 billion (2022: R12.9 billion) . This is a slight improvement in the illiquid position of the City. The City's liquidity and financial sustainability remain severely compromised. Drastic cuts were made to expenditure and the City is finally engaging with how to recover the outstanding debtors book. The cuts in expenditure have affected the City's ability to deliver basic services but have also identified ineffective expenditures and focused management's mind on what is essential. The unfunded budget for 2023 emphasises that eventually significant structural changes will have to be made to overcome these issues.

The delays in correcting the 2022 AFS and producing the final AFS for 2023 highlighted the need for a solid technical team capable of understanding accounting principles and financial reporting standards. Key resources were lost in 2022 and 2023 and not replaced. The Finance Department must have sufficient internal resources to interpret complex financial information, provide meaningful insights, and ensure the accuracy and relevance of the financial statements.

The AGSA reports on material irregularities (MIs) identified during the audit as required by the Public Audit Act and the Material Irregularities Regulations. For 2023, the AGSA identified only one additional MI. This concerns inadequate controls to identify consultants' non-performance, which can lead to fruitless expenditure.

It is pleasing that the City has resolved five of the ten MIs previously identified and is in the process of resolving the remainder. With the guidance of the AGSA, the City is learning how to address significant control deficiencies and implement appropriate consequence management. These skills must now be embedded in daily management so future smaller irregularities do not escalate.

5 EVALUATION OF PERFORMANCE INFORMATION

There are two big issues with the City's performance information. Firstly the City does not perform well against the targets its sets itself. This has become the norm and there is no real sense of urgency to correct the problem. The APC has consistently raised concerns about the City's overall performance management. Departments have started to shift from simply reporting figures to reporting on the effectiveness of the process to improve organisational performance. However, the City's performance hovered below 50% when an acceptable performance is 85%. Department heads should be held accountable as the first line of assurance and should sign off on reported performance. Realistic targets should be set, and the risks of not achieving them should be managed so that the City's overall performance can be brought up to par. Performance needs to be closely monitored earlier in the year to allow management to implement corrective remedial actions and make proper adjustment of KPIs where necessary. Issues relating to supply chain and resource constraints are known challenges that must be properly managed well in advance of implementing the SDBIP.

Reporting under Circular 88 – which represents the Treasury's list of back-to-basics service delivery and governance indicators, is stabilising. However, the City has still not developed processes to use this performance reporting to identify issues and correct abnormalities.

The below-par performance on capital projects is also concerning, as it has a direct negative impact on service delivery. Only 56 (32%) of the 175 capital projects implemented in the 2023 financial year, with a capital budget allocation of R2.8 billion, achieved their targeted milestones at the end of the financial year. 107 projects were delayed and 12 being suspended. More effort is required to ensure consistent performance against planned capital expenditure, including quarterly tracking of annual targets.

Secondly, for many KPI's - what is reported on is not useful or reliable. The AGSA raised material findings on the usefulness and reliability of at least 15 reported KPI's. These include failure to substantiate the reported performance, poorly documented system descriptions, affecting KPIs' measurability, and poor review and monitoring of reported evidence, negatively impacting the reported performance's credibility and reliability. The APC is concerned with the lack of improvement in the implementation of controls designed to ensure the credibility of performance information and achievement and pre-determined objectives and targets.

6 COMPLIANCE WITH LAWS AND REGULATIONS

The APC receives regular reports about non-compliance with laws and applicable legislation. In particular, the AGSA has raised issues regarding the ineffectiveness of internal controls around revenue and asset management, as required by Sections 62(1) (d) of the MFMA.

Control deficiencies relating to expenditure management resulted in the AGSA concluding that the municipality did not have adequate systems for identifying and disclosing unauthorised, irregular and fruitless and wasteful (UIFW) expenditure. The identification of UIFW expenditure should not be left to internal and external auditors, but should be the direct responsibility of each manager, department head, procurement officer and legal advisor in the City.

7 RISK MANAGEMENT AND GOVERNANCE

The accounting officers of the City and its entities are legally responsible for establishing and maintaining effective, efficient, and transparent risk management systems, as per section 62 of the MFMA.

There are functioning risk management oversight structures. There are policies and procedures to guide implementation. There is sufficient risk awareness through various platforms to embed risk culture within the City. The City has a risk appetite framework. Key Risk Indicators (KRIs) are monitored and reported upon every quarter..

Despite the above, critical strategic risks remain well above the desired tolerance levels, and have indeed evolved into issues. The plans to address them are often not practical, require funding which is not available, and are not implemented. The risk responses exist on paper but are not implemented. The City must now integrate risk management into business planning processes to allow proper budgeting for risk mitigation.

8 ICT GOVERNANCE

A Corporate Governance Information and Communication Technology Framework is in place. ICT governance is a critical element of corporate governance aimed at improving IT management overall and deriving improved value from investment in information and technology. Management is revising the ICT Strategy to align with the business processes and objectives.

IT controls and governance are high risk for the City, particularly given the increased complexity of cyber-attacks. The level of reporting is improving but still needs to be more suited to an entity of the size, complexity, and public importance of the City of Tshwane. The AGSA has raised ongoing concerns about the quality of ICT controls.

ICT project management is also high risk, mainly since ICT-related projects are costly for the City. Management must closely monitor the practices and compliance with the project management frameworks and standards. The delays in implementing the complex Municipal Standard Chart of Accounts (mSCOA)-compliant information systems and the SAP S4HANA Light Core Digital system have been overcome but there remain key areas where the new systems do not provide the information required or desired by the business process owners. Communication between the IT implementers and the users must be improved. The users of these renewed systems have also still to embrace the benefits of improved databases and processes offered.

The ICT division also faces challenges, such as funding constraints, scarce skills, human capital constraints, etc., which continue to pressure its effective operation.

9 INVESTIGATION OF FRAUD, CORRUPTION AND OTHER NON-COMPLIANCE

The APC received updates on cases registered by Group Audit and Risk from the different sources as described below:

- The ethics and fraud hotline and other hotlines.
- Whistle-blower reports.
- Allegations reported through various structures (e.g. APC, MAYCO, MPAC, EXCO etc.).
- Reports from the AGSA and other functionary departments of the City and its entities; and
- Reports from fraud detection and internal audit reviews.

The APC received reports summarising the results of investigations into Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFW). These investigations under the Municipal Public Accounts Committee (MPAC) auspices are conducted as guided by section 32 of the MFMA. These investigations advise the Council on the statutory requirements to recover UIFW amounts or if declared unrecoverable, the amount to be written off (condoned). This is in addition to other statutory requirements such as instituting disciplinary action, registering cases for criminal action and other consequence management actions available to the municipality. There needs to be more progress in implementing the disciplinary actions and recovering funds arising from these reports.

10 MUNICIPAL ENTITIES

Tshwane Economic Development Agency (SOC) Limited

For the 2022/23 regularity audit, TEDA received an unqualified audit opinion with one repeat finding on its performance reporting. The AGSA found inadequate systems and processes to verify the completeness of the “number of investments attracted into the pipeline” KPI. This entity serves as an example of how good governance and the correct tone at the top can ensure consistent performance against KPI’s and solid regulatory compliance.

Housing Company Tshwane NPC Limited

For the 2022/23 regularity audit, the entity received an unqualified audit opinion. The AGSA found shortcomings in both the AFS, and the reported performance information presented for audit, which were able to be adjusted for in the final versions. The AGSA also found that the Townlands development was not included in either the annual business plan or the annual performance report. This entity, too, is an example of how constant pressure to address control deficiencies leads to better results and compliance.

11 INTERNAL AUDIT FUNCTION

Section 165 of the MFMA requires that each municipality and municipal entity have an internal audit unit. This unit advises the accounting officer and reports functionally to the APC.

The Internal Audit section had planned to reduce its reliance on external consultants and increase internal capacity. However, the City's liquidity constraints delayed new appointments, resulting in less capacity for Audit and Forensic Services than ideal. The Chief Audit Executive was absent, and an Acting Chief Audit Executive stood in.

Despite the above, the APC is satisfied that the Internal Audit section within the Group Audit and Risk Department has adequately discharged its functions and responsibilities during the 2022/23 financial year.

12 AUDITOR-GENERAL OF SOUTH AFRICA (AGSA)

The APC met regularly with the AGSA to ensure there were no challenges or unresolved issues and that risks and issues that came to the APC's attention, including subsequent events, were communicated to the AGSA.

Based on the processes followed and assurances received from the AGSA, nothing has come to the attention of the APC about any matter that impacts the independence of the external auditors.

The APC notes the opinion of the Auditor-General South Africa on the group annual financial statements and agrees that the audited group annual financial statements and the report of the Auditor-General South Africa be accepted.

13 CONCLUSION

The Audit and Performance Committee thanks the Municipal Council, the Municipal Public Accounts Committee, the Mayoral Committee, Entity Boards of Directors, Accounting Officers, Chief Financial Officers, the Chief Audit Executive, the AGSA, and all levels of Management and Staff for their cooperation and support during the 2022/23 financial year.

RE Cameron-Ellis

25 March 2024

Chairperson

Audit and Performance Committee