

ANNUAL REPORT

2022-2023

CITY OF MATLOSANA

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Chapter 1



CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

EXECUTIVE MAYOR'S FOREWORD



It is my greatest honour to present the 2022/23 Annual Report of the City of Matlosana.

The Annual Report complies with Section 121 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 which stipulates that: "Every municipality and municipal entity must for each year prepare an annual report in accordance with its guidelines as provided for in Chapter 12 of the MFMA."

The City of Matlosana is releasing this annual report under outstanding conditions.

Amongst them all, this annual report reflects on the efforts to implement our Service Delivery and Budget Implementation Plan (SDBIP) for the year under review. This report serves as a record and accounting mechanism to communities on the municipality's achievements, challenges, mitigation, and remedial measures implemented to address the latter.

For the period 2022/23, the annual report reflects that progress has been made in service delivery, however, there are undeniable challenges that are still confronting us.

During the year under review, Council worked tirelessly to build on the achievements of our predecessors to accelerate the provision of the much-needed services focusing on the five developmental local government key performance areas:

- i) Basic Service Delivery and Infrastructure Development
- ii) Municipal Transformation and Organizational Development
- iii) Local Economic Development
- iv) Financial Management and Viability, and
- v) Good Governance and Public Participation

Notwithstanding the improvement in terms of access to basic services, there are still communities without access to services in various wards, and therefore there is a need to refocus and redirect the budget towards investing in new infrastructure and maintenance of existing infrastructure where backlogs exist.

For the 2022/23 financial year, the municipality received an unqualified audit outcome.

However, as leaders, we are resolute in our commitment to turning the situation around. All our efforts during this period were made possible by our collective resolve working together with the Mayoral Committee, Councillors,

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the entire management team, staff members, and all our stakeholders. Positive and constructive criticism remains a pillar of public participation and a solid foundation for good governance and improved service delivery.

To strengthen governance, structures are in place to improve operational efficiencies, accountability, and responsiveness and to strengthen oversight for the municipality's administration to become more responsive, resilient, and efficient.

The governance structures include:

- ✚ Council.
- ✚ Executive Committee (MAYCO).
- ✚ Audit Committee.
- ✚ Municipal Public Accounts Committee (MPAC).
- ✚ Risk Management Committee.

I would like to thank all Councillors, MPAC, and MayCo members for their effective oversight of the municipality's operations. My sincere thanks to the Municipal Manager, the directors, and all officials for their contribution to our success rate and diligence to serve this municipality.

I also wish to express my gratitude to the external Audit Committee for their guidance, oversight role and commitment to the City of Matlosana.



NJ TSOLELA
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 Municipal Manager's Overview

MUNICIPAL MANAGER'S OVERVIEW



I am honoured and privileged to have the opportunity to submit the 2022/23 Annual Report of the City of Matlosana Local Municipality as the Accounting Officer of the City.

The Annual Report is prepared in accordance with Chapter 12 section 121 of the Municipal Finance Management Act (MFMA) Act 56 of 2003. and the Executive Mayor is obligated by section 127(2) to table it at the Municipal Council meeting.

The Municipal Manager must subsequently make the report available to the public and allow citizens to submit comments regarding the issues raised in the report. This report endeavours to provide a comprehensive picture of the City of Matlosana municipal area with information on the socioeconomic profile of the geographic area, the successes in providing services to the community, as well as developmental and institutional factors, including financial performance.

The report additionally examines the governance and public participation initiatives implemented by the municipality to ensure sure that the city's residents were involved in service delivery that addressed the needs they expressed during the review period.

The report will also review the activities completed in the 2022/23 period and give comments on performance relative to goals to a multitude of stakeholders, including the community, government agencies, and other interested parties.

Despite the challenges we faced, the past year had many performance highlights:

- ✚ Provided 99% of households with access to the minimum and above level of basic water.
- ✚ Provided 94% of urban household with access to the minimum and above level of basic sanitation.
- ✚ Provided 93% of urban household with access to the minimum and above level of basic electricity.
- ✚ Provided 93 % of household with access to the minimum and above level of basic refuse removal.

The municipality participate in the District Development Model since its advent in the Dr Kenneth Kaunda district municipality as well as the Intergovernmental Relations (IGR) within the district. We are also participating in the Municipal Manager Forum and the other forums under SALGA. To maintain effective governance, the municipality constituted the Audit Committee, Risk Committee, and Disciplinary Board.

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We aspire to distinguish ourselves from other local government administrations even more clearly by providing greater public spaces and amenities, higher levels of basic service delivery, increased safety, enabling more housing opportunities.

To assist the local economy, develop and add jobs, we want to be more creative and make more accessible to do business. Being more resilient to emergencies and strains like the effects of climate change, enabling a more spatially integrated and resilient city, and having a capable and collaborative city government are the pillars that support these priorities and the overall vision. This report outlines how the city is using revenue from taxes to lay these foundations, carry out our primary governmental functions, and generate prosperity for the community.

We are currently experiencing a challenging economic environment characterised by higher-than-normal inflation, an increasing impact of climate change, and continued energy security challenges. The city is committed to overcoming these obstacles where it has influence and working with its stakeholders to increase resilience. The City's foundations are solid, and I have faith that we will continue to grow and adapt in the face of these difficulties.

I would like to thank the Executive Mayor, Members of the Executive Committee and Councillors at large for their contributions in making 2022/23 a success. I also commend the city employees who strive each day to provide Matlosana people with infrastructure and services.

Thank you also to all our external partners who worked with the city to improve the social results in the year under review. These partners included citizens, businesses, community organisations, service providers, and public-sector institutions.

The city is dedicated to working together as it understands that through partnerships and shared governance, we can all maximise the impact we have on improving the lives of individuals and communities.

We table this report in the spirit of Batho Pele, putting our people and communities first and this report bears testimony to our commitment for setting platforms to achieving more desired outcomes for the years ahead. The Audit Opinion outcome is proof of our commitment.



L SEAMETSO
MUNICIPAL MANAGER

1.2 Municipal Functions, Population and Environmental Overview

FUNCTIONS AND OBJECTIVES OF A MUNICIPAL COUNCIL

The primary role of the municipal Council is that of political oversight of the municipality's functions, programmes and the management of the administration. All the powers of local government are vested in the municipal Council. It has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). The municipal Council has executive and legislative authority over the matters set out in Part B of schedule 4 and Schedule 5 of the Constitution. The municipality may also administer any other matter assigned to it by national or provincial legislation. See **Appendix D** for list of functions performed by the City of Matlosana Local Municipality. (Hereafter referred to as City of Matlosana).

In administering the matters assigned to local government, the municipal Council must strive within its capacity to achieve the constitutional objects of local government.

Roles and Responsibilities within Local Government

These constitutional objectives are:

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

In terms of the Local Government: Municipal Structures Act, No. 117 of 1998, the municipal Council must meet at least quarterly. The Act also requires the Council to annually review:

- ✚ the needs of the community.
- ✚ its priorities in meeting those needs.
- ✚ its processes aimed at involving the community.
- ✚ its organisational and delivery mechanisms for meeting the needs of the community.
- ✚ its overall performance in achieving the constitutional objectives outlined above.

The municipal Council makes decisions concerning the exercising of all the powers and the performance of all the functions of the municipality. The Constitution confines the performance of certain functions to the municipal Council alone. The Council under any circumstances may not delegate these functions.

Functions which may not be delegated by the municipal Council are:

- ✚ Passing of by-laws.
- ✚ Approval of budgets.
- ✚ Imposition of rates and other taxes, levies and duties.
- ✚ Raising of loans.



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ABOUT THE CITY OF MATLOSANA

The Klerksdorp area was originally established and developed as a regional service centre between the gold mining areas in the Rand and the diamond mining fields in the Cape in the late 1800s. The first inhabitant of Klerksdorp was Hendrik Grobler (probably a hunter) who settled next to Skoonspruit on what was later to become the farm Elandsheuwel. In 1837, a group of 12 Voortrekker families settled on the banks of the Skoonspruit, today known as Oudorp. They established a town and later started calling it "Clercqsdorp" (later to be changed to "Klerksdorp") after the first magistrate north of the Vaal River, Jacob De Clercq.

James A. Taylor opened the first shop in Klerksdorp in 1865. In 1870, he took on a partner, Tomas Leask. Tomas Leask was to become one of the big businesspersons of Klerksdorp.



In 1886, M.G. Janse van Vuuren discovered gold in the Klerksdorp District. Due to the rapid development after the discovery of gold, State President S.P.J. Kruger issued a proclamation on 21 August 1886, according to which Klerksdorp was declared as a town as of 12 September 1888. Consequently, thousands of fortune-seekers descended on the small village, turning it into a town with 70 taverns and even a stock exchange of its own. Klerksdorp was connected by rail to Krugersdorp on 3 August 1897 and to Kimberley in 1906.

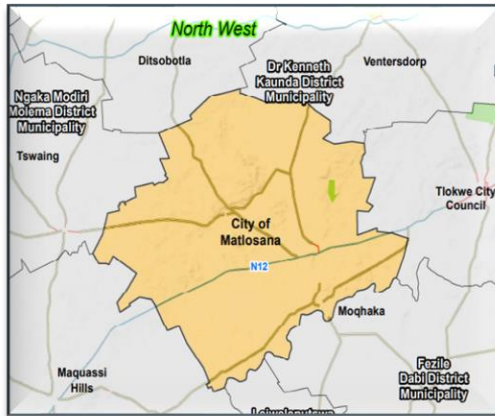
The Klerksdorp Record has been published since August 1899. The newspaper was originally named "*The Klerksdorp Mining Record*" with one paper per month. The Klerksdorp Record is still in existence and is flourishing as part of the North West Newspaper Group that has 10 different distribution areas in 3 cities and 4 towns. Klerksdorp Record is distributed in the Dr Kenneth Kaunda District with a print order of 20 000 newspapers. The newspaper group publishes newspapers (160 000 printed copies and digital access) over all four districts in the North West Province (Dr Kenneth Kaunda; Ruth Segomotso Mompoti; Bojanala Platinum and Ngaka Modiri Molema) and papers are distributed as far as the Siyanda District Municipality (Upington area) in the Northern Cape and Pretoria West from the Madibeng area.

Klerksdorp is also the home of the largest agricultural company in the southern hemisphere. Senwes was borne in May 1909 when group of 24 farmers meet to discuss the idea of establishing a cooperative in the then-Western Transvaal. A preliminary foundation agreement was set up and it marks the birth of what would become the largest agricultural cooperative (until 1996) in South Africa and now southern hemisphere. Senwes is a leading agricultural company and boasts a rich and proud history that spans a period of 113 years. It's also the home of the largest maize silo in South Africa.

Today Klerksdorp is celebrated as the birthplace of Anglican Archbishop Emeritus Desmond Mpilo Tutu on 7 October 1931. He received the Nobel Peace Prize in 1984 for his work towards "a democratic and just society without racial divisions".

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The City of Matlosana was previously known as Klerksdorp (Matlosana area) and today tends to refer to itself as the “City of People on the Move”.



The Municipal Demarcation Board, in terms of section 4 of the Local Government Municipal Structures Act, 1998 classifies the City of Matlosana Local Municipality (previously City Council of Klerksdorp) as a category B1 municipality. The municipality situated within the Dr Kenneth Kaunda District in the North West Province. It is bordered by the Ngaka Modiri Molema District in the north, the Free State Province in the south, JB Marks in the east and Maquassi Hills in the west.

It is the smallest of the three municipalities that make up the district, accounting for a quarter of its geographical area, but Klerksdorp is one of the biggest cities in the North West Province of South Africa.

Key investment opportunities include airport developments, retail shopping complexes, central business development revitalisation, neighbourhood development and rural economic development.

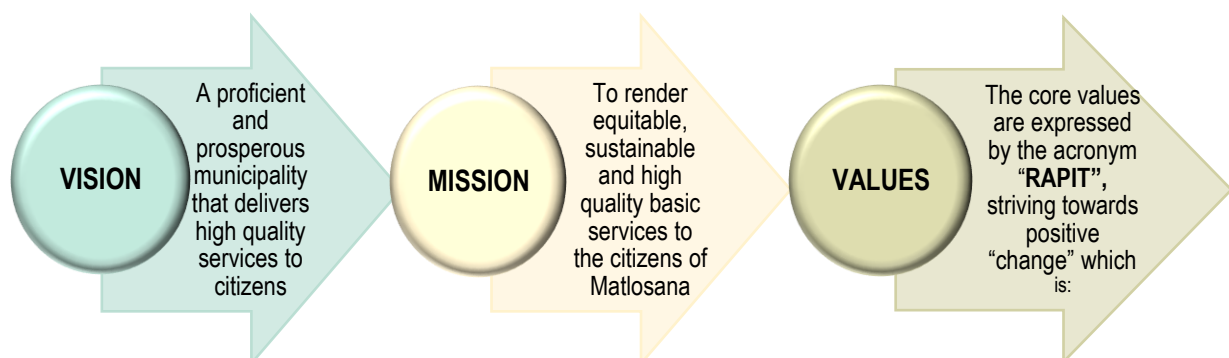
Places worth mentioning include the following:

- ✚ Faan Meintjes Nature Reserve.
- ✚ Johan Naser Dam.
- ✚ Klerksdorp Museum.
- ✚ Goudkoppie Heritage Site.
- ✚ Old Cemetery.

The municipality as a flagship project for excellent opportunities in the housing, business, industrial, heritage, mining, tourism and sports and recreation sectors identified the N12 development route.

A CITY WITH A VISION

As an organisation with the primary responsibility of ensuring that, the Matlosana area can realise its full potential in every aspect, the mission and core values of the City of Matlosana are as follows:




| VALUES | OPERATING PRINCIPLE(S) |
|------------------------|--|
| RESPECT | <ul style="list-style-type: none"> We engage with others in a humane way with politeness and care. We will listen to the communities we serve. We are focused on our stakeholders |
| ACCOUNTABILITY | <ul style="list-style-type: none"> We will take full responsibility for the actions we take and give citizens full value for money. We conduct our tasks in a responsible manner and continuously communicate with our beneficiaries and partners. We owe our accountability to each other, the community we serve and our stakeholders who collaborate with us. We are transparent in all our activities and subject ourselves to any form of scrutiny. |
| PROFESSIONALISM | <ul style="list-style-type: none"> We execute our roles to the highest standards according to applicable norms and standards. We execute our tasks with unselfish regard for or devotion to the benefit of communities. We ensure that our initiatives have direct impact on communities |
| INTEGRITY | <ul style="list-style-type: none"> To have congruency between our action and our pronouncements |
| TRANSPARENCY | <ul style="list-style-type: none"> We are transparent in all our activities and subject ourselves to any form of scrutiny |

GEOGRAPHIC PROFILE

The municipal area of the City of Matlosana covers an area of 3 602km². The main economic sectors are mining, agriculture manufacturing, services, construction, and transport.

Klerksdorp has a semi-arid climate (*BSh/BSk*, according to the Köppen climate classification), with warm to hot summers and cool, dry winters. The average annual precipitation is 482 mm (19 in), with most rainfall occurring during the summer.

The city co-ordinates are  26°52'S 26°40'E / 26.867°S 26.667°E / -26.867; 26.667

DEMOGRAPHIC PROFILE

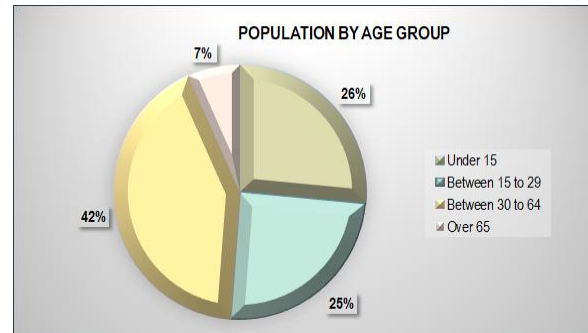
According to estimates based on the population growth rate of SA Statistics (1%), the governmental municipalities website (<https://municipalities.co.za/dempgraphics>) and the municipality's household count, the City of Matlosana has a total population of 465 729 people, of whom 423 813 (91.2%) are urbanised and 41 916 (8.8%) are rural (mining villages and farming areas form part of the rural areas).

The largest population concentrations are in the Jouberton area (36%). The City of Matlosana has a population density of 129 persons per km².

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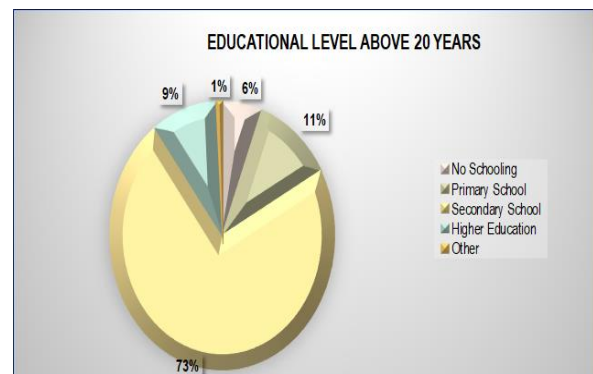
Distribution of Population by Age Group

| DISTRIBUTION OF POPULATION GROUP | |
|----------------------------------|----------------|
| Age Group | Population |
| Under 15 | 123 418 |
| Between 15 to 29 | 115 035 |
| Between 30 to 64 | 196 072 |
| Over 65 | 31 204 |
| TOTAL | 465 729 |

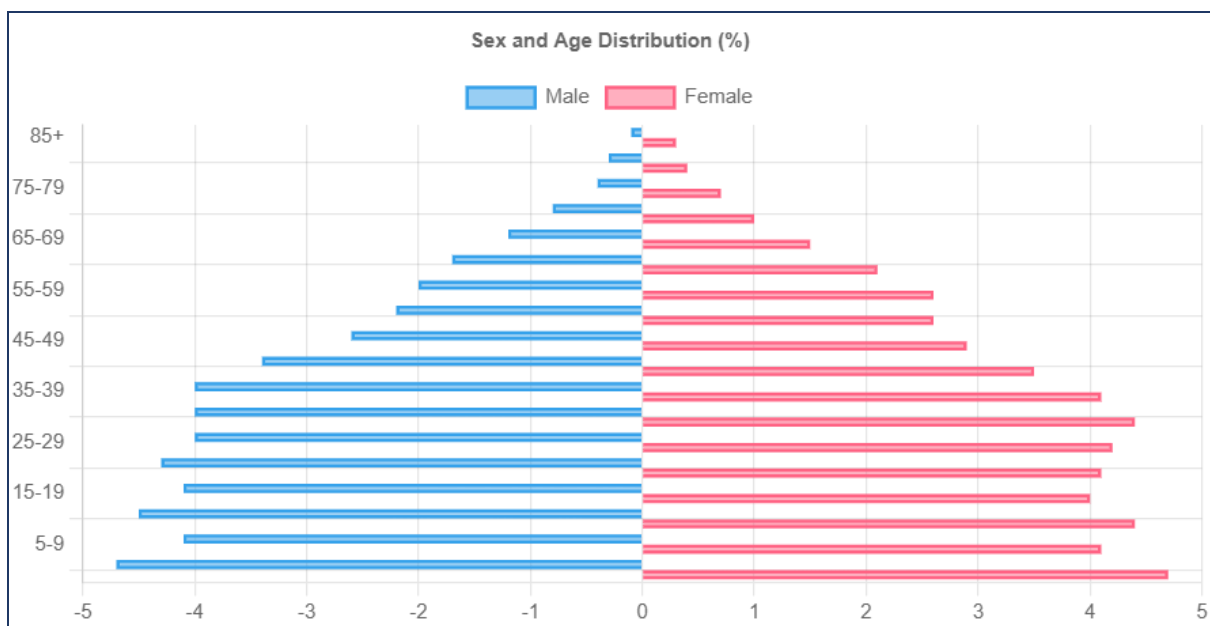


Highest level of Education for Population aged 20 Years and Older

| EDUCATIONAL LEVEL OF POPULATION | |
|---------------------------------|----------------|
| Educational Level | Population |
| No Schooling | 26 547 |
| Primary School | 52 627 |
| Secondary School | 339 051 |
| Higher Education | 43 779 |
| Other | 3 725 |
| TOTAL | 465 729 |



Age and Sex Distribution



Male – 48.5%

Female – 51.5%

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Households with the basic level of service delivery

| PROPORTION OF HOUSEHOLDS WITH BASIC SERVICE DELIVERY – 2022/23 | | | |
|--|---|--------------------------------|-------------------|
| Basic Service Delivery | Hh with the minimum service level and above | Hh below minimum service level | Hh with no access |
| Refuse Removal | 170 985 | 12 418 | 0 |
| Water | 182 382 | 1 021 | 0 |
| Sanitation | 171 437 | 11 966 | 0 |
| Electricity | 170 652 | 12 751 | 0 |

Natural Resources within the City of Matlosana jurisdiction

| NATURAL RESOURCES | |
|--|-------------------------------|
| Major natural resource | Relevance to community |
| Vaal River | Supplies Matlosana with water |
| Dry land, cultivated and land under irrigation | Agriculture potential |
| Dolomite aquifers | Surface mining |

1.3 Service Delivery Overview

Service delivery in terms of the Constitution of the Republic of South Africa, Schedule 4, Part B determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the strategic objectives of the City of Matlosana, certain issues are set out to be achieved during the financial year.

SERVICE DELIVERY INTRODUCTION

| PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES | | | | |
|---|---------|---------|---------|---------|
| Basic Service | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Electricity service connections | 168 442 | 169 257 | 170 537 | 170 652 |
| Water - available within 200 m from dwelling | 176 179 | 180 483 | 183 834 | 182 382 |
| Sanitation - households with at least VIP service | 170 695 | 170 545 | 171 328 | 171 437 |
| Waste collection - kerbside collection once a week | 170 047 | 170 181 | 170 798 | 170 985 |

COMMENTS ON THE ACCESS TO BASIC SERVICES

The municipality has been able to consistently provide full access of all services to all the proclaimed Matlosana areas.

Challenges of access is experienced in all informal settlements and farming areas, especially in terms of water, sanitation, access gravel roads as well as storm water management and electricity services. MIG has supported the municipality by allowing some funds to be redirected to informal settlements water supply and the construction of onsite sanitation services as mitigation against impact of water or air-borne diseases.

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All informal settlements and farming areas are serviced by water tankers weekly although this is quite expensive. Business plans have been developed to source funds for water and sanitation services for the farming areas however the main challenge is the unwillingness of MIG and other government funding agencies to put infrastructure on private land without the requisite agreements.

1.4 Financial Health Overview

FINANCIAL OVERVIEW

| FINANCIAL OVERVIEW: 2022/23 | | | |
|---------------------------------|------------------|-------------------|------------------|
| R' 000 | | | |
| Details | Original Budget | Adjustment Budget | Actual |
| Income: | | | |
| Grants | 731 742 | 705 381 | 666 957 |
| Taxes, levies, and tariffs | 2 815 515 | 2 738 168 | 2 361 713 |
| Other | 642 514 | 694 247 | 839 785 |
| Sub-total | 4 189 771 | 4 137 796 | 3 868 455 |
| Less: Expenditure | 4 255 530 | 4 333 682 | 4 740 170 |
| Net total* | -65 759 | -195 886 | -871 715 |
| * Note: surplus/(deficit) | | | |
| OPERATING RATIOS: 2022/23 | | | |
| Detail | | | % |
| Employee cost | | | 16,9% |
| Repairs and maintenance | | | 4,1% |
| Finance charges and impairments | | | 15% |

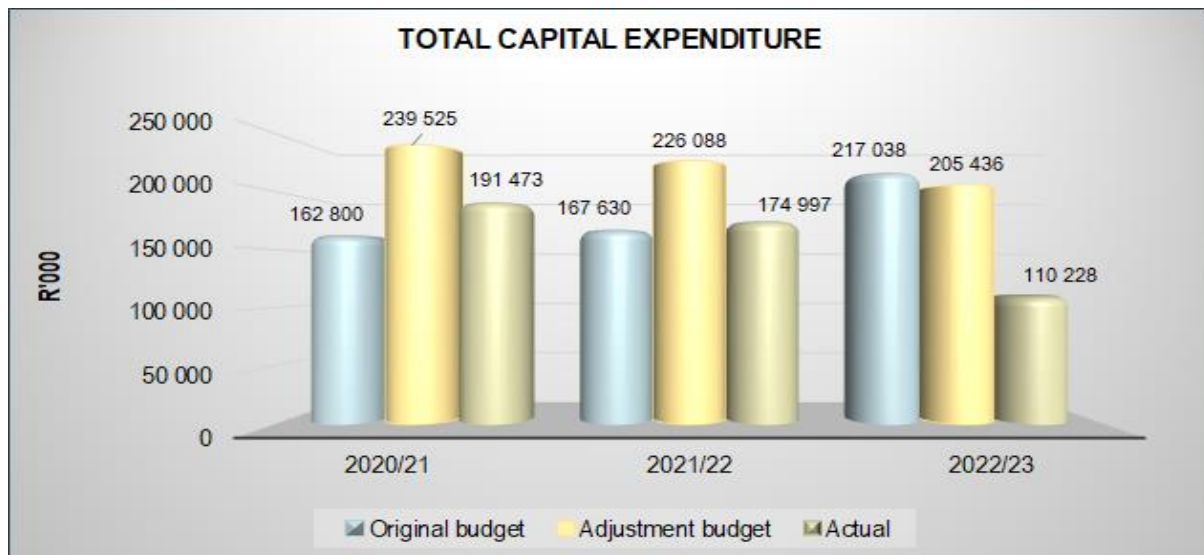
COMMENTS ON OPERATING RATIOS

Municipal employee cost amount to 16.9%, which is lower as per the norm of 35%. The vacancy rate in the various departments is a major concern, and this is attributed to the organisational structure that is under review and adjusted, in line with the municipality's current operational imperatives, which have changed over a period due to considerable developments of growth within the municipality's areas. The municipality's Strategic Planning sessions held in May 2022 came out with resolutions to review and adjust the current organisational structure. This process would consider of the new Staff Establishment Regulations that are effective as from July 2022.

The municipal repairs and maintenance costs are all time low given the old and dilapidated infrastructure that requires frequent refurbishment. The municipality has the challenge of aged infrastructure and fleet, which contribute towards high repairs and maintenance, and the hiring of contracted services on refuse removal and plant equipment.

The replacements thereof require huge capital investments, which are not provided for in the annual DoRA allocations of Municipal Infrastructure Grants (MIG). The municipality is currently using its own revenue generated funds to acquire new fleet. Vat recovery funds are a major contributor towards the replacement of old vehicles that have become uneconomical to repair.

| TOTAL CAPITAL EXPENDITURE: 2020/21 TO 2022/23 | | | |
|---|---------|---------|---------|
| R'000 | | | |
| Detail | 2020/21 | 2021/22 | 2022/23 |
| Original budget | 162 800 | 167 630 | 217 038 |
| Adjustment budget | 239 525 | 226 088 | 205 436 |
| Actual | 191 473 | 174 997 | 110 228 |



COMMENTS ON CAPITAL EXPENDITURE

No grants were received from any other sources than the Division of Revenue Act (DORA). No provision was made for any Council funded projects.

1.5 Organisational Development Overview

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organisational Development (OD) performance in the City of Matlosana plays a crucial role in shaping the efficiency and effectiveness of public service delivery. With the country's diverse social and economic landscape, local governments are tasked with addressing a wide array of challenges, ranging from urbanization and poverty to infrastructure development and service provision.

Successful OD in this context involves strategic planning, capacity building, and fostering a culture of innovation and adaptability within local government structures. It requires aligning organizational goals with the needs of the community, promoting transparent communication, and leveraging technology to enhance administrative processes.

Senior Manager Positions

The Minister of CoGTA on 17 January 2014 promulgated the Local Government Regulation on the Appointment and Conditions of Service of employment of Senior Managers (Government Notice 21 in the Government Gazette No 37245).

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The Regulation on Appointment and Conditions of Services of employment of Senior Managers (as published under Government Notice No. 21 in the Government Gazette No 37245 of 17 January 2014) and read in conjunction with:

- ✚ The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended.
- ✚ Municipal Planning and Performance Management Regulations, 2001, Chapter 3, by the Department of Provincial and Local Government.
- ✚ Local Government: Municipal Systems Amendment Act, 2002 (Act No. 44 of 2003).
- ✚ Performance Management Guidelines for Municipalities, 2001, by the Department of Provincial and Local Government.
- ✚ Gazette 45181, September 2021, Local Government Municipal Staff Regulations
- ✚ Local Government: Municipal Performance Regulation for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.
- ✚ The Local Government: Municipal Regulations on Minimum Competency Level, 2007, issued in terms of the Municipal Finance Management Act, as published under Government Notice No. 493 in the Government Gazette No. 29967 of 15 June 2007, and as prescribed in the Annexure A - Local Government: Competency Framework for Senior Managers as published under Government Notice No. 21 in Government Gazette No. 37245 of 17 January 2014
- ✚ The Upper limits of Total Remuneration Package payable to Municipal Managers and Managers directly accountable to Municipal Managers, issued in terms of the Municipal Systems Act, as published under Government Notice No. 657 in the Government Gazette No. 43122 of 20 May 2020
- ✚ Local Government: Municipal Finance Management Act, 2003 Amendments to Municipal Regulations on Minimum Competency Levels, 2007 as published under Government Notice No. 1146 in Government Gazette No. 41996 of 26 October 2018.

The status in terms of filling senior managers' positions

Council's overhead structure consists of the Office of the Municipal Manager with the following seven (7) directorates:

| POST DESIGNATIONS | STATUS |
|---|--------|
| Municipal Manager | Filled |
| Chief Financial Officer | Filled |
| Director Corporate Support | Vacant |
| Director Community Development | Vacant |
| Director Public Safety | Vacant |
| Director Technical and Infrastructure | Vacant |
| Director Local Economic Development | Vacant |
| Director Planning and Human Settlements | Filled |

Progress on the filling of the Senior Managers:

Director Technical and Infrastructure and Director Local Economic Development resigned from their positions with effect from 31 August 2022.

The Director Corporate Support was appointed on 1 January 2023 as Municipal Manager, which resulted into the vacancy of Director Corporate Support.

The 5-year fixed term employment contracts of Director Public Safety and Director Community Development ended on 28 February 2023.

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The above-mentioned leave the municipality with 5 vacant senior manager position, of which all are filled with acting incumbent, in terms of Council resolutions for a period not exceeding the period or 3 months unless the period is extended by the MEC responsible for local government in the province.

Council has in terms of CC 153/2022 dated 30 August 2022 and CC 194/202 dated 29 November 2022, and again CC97/2023 dated 14 June 2023, resolved that the vacant positions of Senior Manager be advertised nationally.

The filling of the vacant position is currently in progress.

1.6 Auditor-General's Report

AUDITOR-GENERAL'S REPORT: 2021/22

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

For the 2021/22 financial year the City of Matlosana again received an "*Unqualified audit opinion*" for the financial statements and an "*Unqualified audit opinion*" for the reported performance information.

A report from the Auditor-General for the financial year under review is contained in Chapter 6 of this report.

1.7 Statutory Annual Report Process

| NO | ACTIVITY | TIMEFRAME |
|----|---|----------------------------|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should conform to in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the Annual Report process at the end of the Budget/IDP implementation period. | August 2023 |
| 2 | Implementation and monitoring of approved Budget and IDP commences (in-year financial reporting). | July 2023 |
| 3 | Finalise the 4th quarter Report for previous financial year. | July 2023 |
| 4 | Submit draft 2022/23 Annual Performance Report to Internal Audit | August 2023 |
| 6 | Audit Committee considers draft Annual Report of municipality | August 2023 |
| 7 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to the Auditor-General. | August 2023 |
| 8 | Annual Performance Report as submitted to the Auditor-General to be provided as input to the IDP Analysis Phase. | August 2023 |
| 9 | Mayor tables the unaudited Annual Report | September 2023 |
| 10 | Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data. | September to December 2023 |
| 11 | Municipality receive and start to address the Auditor-General's comments. | |
| 12 | Municipality receive Auditor-General's opinion | December 2023 |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report. | January 2024 |
| 14 | Audited Annual Report is made public, and representations are invited. | February 2024 |
| 15 | Oversight Committee assesses Annual Report. | Feb / Mar 2024 |

| | | |
|----|--|------------|
| 16 | Council adopts Oversight Report. | March 2024 |
| 17 | Oversight Report is made public. | April 2024 |
| 18 | Oversight Report is submitted to relevant provincial Councils. | April 2024 |
| 19 | Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input. | March 2024 |

COMMENT ON THE ANNUAL REPORT PROCESS

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

The annual report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. Timeous submissions of the process flow and reports is recommended. If the process flow is followed, the municipality should be able to provide an unaudited annual report in August of each year, which is consistent with the requirements of the MFMA.

One of the advantages of compiling an unaudited annual report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each vote.

An unaudited annual report submitted in August will further provide the municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget with other priority areas requiring attention.

The annual report of a municipality must be tabled in the municipal Council as soon as possible after financial year-end, namely August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. It is expected that effective performance management will also result from this change.

The annual report must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and annual report should contain similar and consistent information to facilitate understanding and to enable linkage between plans and actual performance.

The above can only occur if the municipality were to set appropriate key performance indicators and performance targets regarding the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24).

The annual report assists the municipal Council with information and progress made on service delivery.

Another key aspect of the reform in combining the relevant information into the new annual report format will assist the municipality in streamlining operations and processes through combined committees and to reduce costs, time and effort. There will be a limited need for the municipality to have different committees to deal with financially and non-financially related matters.

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CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

To govern is to exercise political, economic, and administrative authority to manage the nation's affairs. Governance is the complex of mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences.

The political and administrative components of Council maintain a sound working relationship by ensuring respect for procedures and protocols. The City Council as a legal entity relates to the other spheres of government and organised local government bodies through the Intergovernmental Policy Framework.

Communities as an interest group in municipal affairs participate through public participation mechanisms and processes in the decision-making systems of Council.

This includes interaction with stakeholders in shaping the performance of the municipality to enhance a healthy relationship and minimise conflict.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE











Political governance ensures regular communication with the community at large by means of Imbizos and the IDP and budget consultations. This ensures that the community participates in identifying needs and in making inputs on the performance of the municipality. This process ensures healthy relations with the community and minimises conflict.

Administrative governance ensures transparent administration, regular feedback to the community and compliance with the rules, processes, and laws by which Council operates and is regulated and controlled.

2.1 Political Governance

INTRODUCTION TO POLITICAL GOVERNANCE

On 8 November 2021, a new 77 Councillors were declared elected and were deployed in the current various Council committees, namely:




| COUNCIL COMMITTEES | |
|--|--|
|  Finance and Debt Normalisation |  Planning and Human Settlements |
|  Corporate Services |  Community Services |
|  Sport, Arts and Culture |  Transversal Issues |
|  Public Safety |  Infrastructure |
|  Electrical Engineering |  Local Economic Development |








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The City Council of Matlosana has established an Audit Committee and merged the Audit and Performance Audit Committees, a Municipal Public Accounts Committee (MPAC), comprising of non-executive Councillors with the purpose of commenting on and making recommendations on the Annual Report and the Auditor-General's Report.

The Oversight Report of the Municipal Public Accounts Committee was published separately in accordance with the requirements of the Municipal Finance Management Act, No.56 of 2003.

The Executive Mayor, Cllr NJ Tsolela appointed his Mayoral Committee Members (MMCs) from amongst the ranks of elected Councillors, who advise him on municipal affairs, as well as other Councillors to serve in Section 80 committees for a specific purpose.

| POLITICAL STRUCTURE | | |
|--|--|--|
| EXECUTIVE MAYOR Cllr NJ Tsolela | SPEAKER Cllr SL Mondlane | SINGLE WHIP Cllr K Ndincede |
|  |  |  |
| The Executive Mayor identifies the needs of the municipality, reviews and evaluates those needs in order of priority. He recommends to the municipal Council strategies, programmes and services intended to address priority needs through the IDP and expenditure, considering any applicable national and provincial development plans and recommends. He further determines the best way to deliver strategies, programmes, and services to the maximum benefit of the community. The Executive Mayor also performs a ceremonial role. | The Speaker presides at meetings of the Council, maintains order during meetings and ensures that meetings are conducted in accordance with the Rules of Order of the Council. | The Single Whip must ensure that Councillors are accountable to the community and that the code of conduct is respected and adhered to by all Councillors. The Single Whip ensures discipline during meetings of Council and committees. He facilitates political debates and workshops for all Councillors. |

| MAYORAL COMMITTEE MEMBERS | | | | |
|---|---|---|--|---|
|  |  |  |  |  |
| MMC FINANCE AND DEBT NORMALISATION Cllr AM Ramphele | MMC ELECTRICAL ENGINEERING Cllr FC Mahlophe | MMC COMMUNITY SERVICES Cllr TO Chabalala | MMC TRANSVERSAL ISSUES Cllr KE Mabebe | MMC PLANNING AND HUMAN SETTLEMENTS Cllr JM Mosupa |
|  |  |  |  |  |
| MMC PUBLIC SAFETY Cllr TG Khoza | MMC SPORT, ARTS AND CULTURE Cllr ML Mahumapelo | MMC CORPORATE SERVICES Cllr NM Maseko | MMC INFRASTRUCTURE Cllr SOC Barrends | MMC LOCAL ECONOMIC DEVELOPMENT Cllr ML Kodisang |

| MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MEMBERS | | | |
|---|---|--|---|
| MPAC develop its work programme (which must be approved by Council) annually and link such programmes to the overall planning cycle of Council and conclude with the evaluation of the annual report and the recommendations to Council when adopting the Oversight Report on the Annual Report | | | |
|  |  |  |  |
| CHAIRPERSON Cllr MM Mosiako | Cllr FI Tagaree | Cllr SP Sesana | Cllr PY Mtshawaulana |
|  |  |  |  |
| Cllr MN Mbele | Cllr T Pheto | Cllr SL Majiji | Cllr MS Pelele |
|  |  |  |  |
| Cllr FD Oortman | Cllr MI Mangesi | Cllr SP Klopers | Cllr W Wallhorn |

COUNCILLORS

Councillors serve a term of five years and provide a vital link between communities they serve and the City Council. Councillors are elected to represent local communities on municipal Councils, to ensure that municipalities have structured mechanisms of accountability to local communities and to meet the priority needs of communities by providing services equitably, effectively, and sustainably within the means of the municipality.

In fulfilling this role, Councillors must be accountable to local communities and report back at least quarterly to constituencies on Council matters, including the performance of the municipality in terms of established indicators.

Councillors fulfil their obligations to the community and support the achievements of the municipality in its objectives as set out in Chapter 3 of section 19 of the Local Government: Municipal Structures Amendment Act (3 of 2021), and Schedule 1 of the Code of Conduct of the Local Government: Municipal Systems Act (32 of 2000) as amended. The Local Government: Municipal Structures Amendment Act (3 of 2021) introduced the Code of Conduct for Councillors in Schedule 7 by migrating it, with revisions, from the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and was promulgated in Government Gazette number 48786 dated 14 June 2023.

The City of Matlosana comprises 39 Ward Councillors and 38 PR (proportional representation) Councillors.

Ward Councillors should be fully involved in all community activities in which the ward committee is established and communicate the activities and meeting schedules to the PR Councillors. PR means “proportional representation”, where voters vote for a political party and not an individual candidate within a party. The party gets the same share of the number of Councillors as the ballot paper just shows the political parties.

The party gets the same share of the number of Councillors as the share of total PR votes it received. The party decides which members should fill those Councillor positions.

A PR Councillor is allocated to a ward and provides support to the ward or the ward committee. He or she handles queries and complaints in consultation with the ward Councillor, assists in the resolving of disputes and in making referrals, helps with implementation of projects, supports the ward Councillors without replacing the ward Councillor and attends ward committee meetings, constituency meetings and special meetings.

POLITICAL DECISION-MAKING

As a municipality with a Mayoral Executive system, all matters for consideration by Council in terms of Section 160 (2) of the Constitution are considered by the Mayoral Committee and recommended to Council.

Matters delegated by Council are finalised at the Mayoral Committee and submitted to Council for cognisance, while matters excluded from delegation by law or not delegated by Council, are submitted via the Mayoral Committee to Council for finalisation.

2.2 Administrative Governance

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of Part 7 Section 82 of the Local Government: Municipal Structures Act 117 of 1998, as amended, the municipality appointed the Municipal Manager, Mr TSR Nkhumise with effect from 01 May 2017, who is the head of administration and therefore the Accounting Officer. The contract period of Mr. TSR Nkhumise came to an end on 30 April 2022. Council appointed the Director: Corporate Support, Ms. Lesego Seametso as the Municipal Manager on 22 December 2022, with effect from 1 January 2023, after being the acting Municipal Manager during the vacant period.

In terms of Section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended, the Municipal Manager as head of administration is subject to policy directives of the Municipal Council and is responsible for the formation and development of an efficient, economic, effective, and accountable administration.

The Municipal Manager must further manage the municipality in accordance with all legislation and policies pertaining to local government. In terms of Section 50 of the Local Government: Municipal Systems Act 32 of 2000, as amended, the Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager and who must have relevant and requisite skills, expertise, and competencies to perform the duties associated with the posts they occupy.









The Municipal Manager is also accountable for all the income, expenditure, assets, and the discharge of liabilities of the municipality, including proper and diligent compliance with the Municipal Finance Management Act, 53 of 2003, as amended.

Senior managers or directors who report directly to the Municipal Manager are delegated such functions as the Municipal Manager may deem appropriate and are responsible for all those duties delegated to them. This includes financial management as well as discipline and capacitating of officials within their areas of responsibility, together with compliance with all legislation governing local government, its policies, and by-laws.

The Municipal Manager and Directors are responsible for strategic management and oversight of their directorates.

All budget expenditure in each directorate is managed by the relevant director to ensure that service delivery matters are handled speedily.

The table below indicates the top administrative structure as approved by Council on 21 April 2017, which is in line with its strategic direction:

| TOP STRUCTURE | |
|---|--|
|  Office of the Municipal Manager |  Budget and Treasury |
|  Corporate Support |  Technical and Infrastructure |
|  Local Economic Development |  Public Safety |
|  Planning and Human Settlements |  Community Development |

| TOP ADMINISTRATIVE STRUCTURE | |
|---|---|
| DIRECTORATE | FUNCTIONS |
| MUNICIPAL MANAGER | <p>As Head of Administration and Accounting Officer of the municipality, the Municipal Manager is subject to the policy directions of the Municipal Council and is responsible and accountable for duties and responsibilities outlined under Section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended. She is also responsible for any other relevant duties as may be delegated from time to time to the Municipal Manager by the Executive Mayor and Council. The Municipal Manager is also responsible for duties outlined under Sections 60 to 75 of the Municipal Finance Management Act, as amended.</p> <p>The Municipal Manager is further responsible for implementing a monitoring and evaluation methodology in line with legislative requirements and for providing leadership and direction in the operation of the performance management system, IDP, risk management, MPAC and internal audit, its monitoring and evaluation, development of the SDBIP, quarterly performance reports and the annual report.</p> |
| DIRECTOR: BUDGET AND TREASURY (CFO) | <p>The director is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, credit control management, investments and banking, treasury management and supply chain management.</p> |
| DIRECTOR: TECHNICAL AND INFRASTRUCTURE | <p>The director is responsible for providing water, roads, storm-water drainage and sanitation through well-established and well-maintained infrastructure that will stimulate growth, resulting in a broader income base and that will encourage taxpayers to sustain payments because of well-established and well-maintained infrastructure.</p> <p>The director is further responsible for providing an electricity supply service in an effective and efficient manner as well as for providing a cost-effective distribution network and a sustainable electricity supply to all consumers. The director is also responsible for fleet maintenance and mechanical works.</p> |
| DIRECTOR: CORPORATE SUPPORT | <p>The director is responsible for establishing and maintaining structures, within the parameters of legality and good governance that will provide administration that is appropriately relevant, timeous, and effective for the execution of tasks and that will be transparent as well as to provide an environment that is conducive to stimulating public participation within co-operative governance.</p> |
| DIRECTOR: PLANNING AND HUMAN SETTLEMENTS | <p>The director aims to accelerate housing delivery through efficient and effective human settlement management and quality service delivery as well as through integrated and collective sustainable human settlements programmes. As well as to eradicate the remaining informal settlements and introduces a rental strategy as an alternative to address housing backlogs.</p> |

| | |
|---|---|
| DIRECTOR: COMMUNITY DEVELOPMENT | <p>The director's mandate is to provide support and maintain community services in the following functional areas: Cleansing (Refuse removal, street cleansing, night soil and vacuum services); Parks & Recreation; Sports Arts and Culture; Libraries; Museums; Health and Environmental & Integrated Waste Management.</p> <p>The director therefore oversees the development and maintenance of a clean and green city. The development and maintenance of cultural heritage and the rendering of a uniform cleansing service to all residents.</p> |
| DIRECTOR: PUBLIC SAFETY | <p>The director ensures effective traffic flow and road safety, minimising the risk of fire and disaster incidents and the provision of motor vehicle licensing, registration, and testing to residents.</p> |
| DIRECTOR: LOCAL ECONOMIC DEVELOPMENT | <p>The director is responsible for creating a prosperous city and developing economic strategies that will alleviate poverty and the related socio-economic impacts by stimulating economic growth and development. His responsibilities further include the operation of the fresh produce market that is effective, efficient, and economical and which satisfies consumer needs through effective distribution channels, facility provision and operational services.</p> |

The third tier of posts / positions can be seen in **Appendix C**.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Promoting Intergovernmental Relations (IGR) helps to make everyone aware that there is one seamless government working together to serve the people. It builds teamwork within the various spheres of government and between government and its agencies as well as other partners in development.

Intergovernmental relations activities include:

- ✚ Planning and budgeting.
- ✚ Consultations and meetings as well as information sharing sessions.
- ✚ Dispute resolutions.
- ✚ Reporting.
- ✚ Performance Management: Monitoring and Evaluation.
- ✚ IDP.
- ✚ DDM.

2.3 Intergovernmental Relations

The primary purpose of the intergovernmental relations is to position the municipality to enhance intergovernmental relations by mobilising resources and strategic partnerships, which will ensure co-ordination of service delivery by all departments to the citizens of the city, thus ensuring a better quality of life for all.

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Intergovernmental relations focus on the following priority programme areas:

- ✚ Co-ordinating and managing all municipal relationships with other spheres of government, including the district municipality.
- ✚ To ensure that there is a strong link between departments internally and the two spheres of government (National and Provincial).
- ✚ To facilitate information and knowledge sharing through inter-municipal cooperation.
- ✚ To build managerial and technical capacity (through study tours, exchange programmes, seminars, and conferences).
- ✚ To develop project partnerships with other government departments for mutual benefit.
- ✚ To create employment through the public works programmes (EPWP).
- ✚ To focus on supporting the successful implementation of the strategic priorities of the municipality by mobilising on-going support from other spheres of government.
- ✚ To ensure a consistently positive image of the municipality to all other spheres of government.
- ✚ To ensure that there are monitoring and alignment of municipal budgets and IDP implementation with provincial and national government departments.
- ✚ To coordinate and align all events that involve other spheres of government – e.g. national days, Imbizos, etc.
- ✚ To promote effective lines of communication between the municipality and other spheres of government.
- ✚ To ensure effective relations and share models of good practice with other municipalities.

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in various intergovernmental relations activities at national, provincial and district levels. Municipal officials and Councillors are delegated to serve on the various forums. Service delivery is the core function of the municipality.

Cooperative governance is an arrangement entered into by the spheres of government to fast-track service delivery within the constitutional mandate. Forums have been established to share best practices among municipalities and to ensure compliance.

These forums focus mainly on issues of progressive governance and unblocking bottlenecks in certain spheres. Such forums must be attended to check and report on service delivery.

Examples of such forums are:

- ✚ Municipal Managers' Forum.
- ✚ Mayors' Forum.
- ✚ Chief Financial Officers' Forum.

The City of Matlosana is a member of and does participate in these forums, including SALGA (South African Local Government Association), both at the national and provincial levels.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The City of Matlosana strives to uphold its legislative authority and cooperative governance as required by the Constitution and other relevant legislation. In doing so, the municipality maintains good co-operative and intergovernmental relations with its provincial authority.

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Forums attended to include:

- ✚ Municipal Managers' Forum.
- ✚ SALGA Working Groups, NCOP, FFC.
- ✚ Performance Management / Monitoring and Evaluation Forum.
- ✚ IDP Forum.
- ✚ Planning and Development Forum.
- ✚ Disaster Management Forum.
- ✚ Local Economic Development Forum.
- ✚ MPAC Forum.
- ✚ Speakers' Forum.
- ✚ Records Management Forum.

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Dr Kenneth Kaunda District Municipality established various IGR structures such as:

- ✚ District Economic Development Forum.
- ✚ Mining Forum.
- ✚ District Development Model Forum.
- ✚ District IDP Forum.
- ✚ Performance Management Forum.
- ✚ District IGR Forum.
- ✚ Community Safety Forum.
- ✚ Social Cluster War Room.

These forums meet quarterly to discuss planning in consultation with one another to solicit financial assistance from the District Municipality in funding projects of mutual benefit to municipalities within the district.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipal Public Accounts Committee (MPAC) may engage directly with the public and respond to public comments and concerns that fall within its ambit of responsibility.

The Council interacts with its stakeholders by means of ward committees, budget and Integrated Development Planning (IDP) meetings. Public and stakeholder engagements are on-going processes throughout the year. Public meetings include Council meetings, ward committee meetings, budget and IDP/PMS meetings as well as whistle blowers.

The Municipality ensures that these meetings are well attended by informing the public and stakeholders on time and considering local languages. Public meeting schedules are made public through being advertised in local newspapers and loud hailing. The Chairperson also engage with the public on the unfolding processes of public participation through local radio stations.

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MPAC consults with public members to provide importance of participation on the annual report and encourage them to submit questions and comments based on the Auditor-General findings.

MPAC conducts public hearings as an oversight mechanism through which officials are called before the committee to give testimony on the key issues, which are specific problem areas. To facilitate meaningful public engagement in the procedures, the MPAC may request documents or evidence from the Accounting Officer of the municipality.

When conducting in-field inspections or project site visits, MPAC has the right to invite interested parties / specialists from the community and to seek their insights and advice.

Public involvement and media coverage play a key role where MPAC holds enquiries in a manner, which allows public participation on the annual report. MPAC encourage submissions, receive inputs from various role players, and prepare Oversight Report for consideration of its findings and recommendations to Council.

When the annual report is tabled in Council, the Chairperson of MPAC is afforded the opportunity to make a presentation on the Oversight Report, deliberation then takes place and questions from the public.

2.4 Public Meetings

COMMUNICATION, PARTICIPATION AND FORUMS

Public participation in South Africa is important, as it is the backbone of the democratic state that was introduced by the 1994 democratic elections. Public participation is essentially a process that engages communities from the planning phase to the implementation and evaluation phases of a particular activity or project. Public participation has become a key aspect of South African planning and is a recurring theme in several legislative and theoretical documents. Public participation is a principle that is accepted throughout all spheres of government. It is important because it is the only method whereby government can gain a sense of the needs and aspirations of the various communities.

With specific reference to municipalities, public participation is enhanced through the establishment of ward-based planning. The City of Matlosana ward based planning process has not only been an opportunity for households and communities to contribute to the integrated development plan (IDP), but it has also provided them with access to information. This is the first step towards re-skilling people to participate in the knowledge economy. The ward-based planning process provides a link between municipal level planning and delivery and activities at ward level. City of Matlosana's ward based planning process is the vehicle for entrenching participation in the IDP to maximise co-ordination and synergy between priorities and municipal programs.

Community Based Planning (CBP) was adopted in 2009 by the Department of Co-operative Governance and Traditional Affairs (DCoGTA). This methodology is aimed at enabling local government to deepen democracy by allowing citizens to be active participants in their own development. It was also to enable communities to participate in the Integrated Development Planning Process (IDP) and its related budgeting processes so that their priority developmental needs would be taken on board. Potentially therefore, an effective CBP machinery is one of the mechanisms that can advance the goals of developmental local government.

Community based planning requires that the municipality should have a conceptualised plan which all stakeholders should be informed of. The process of developing the ward plan is very much similar and related to the IDP planning process. The community plan also goes through the phase of identifying challenges, formulating a vision, mission,

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and strategies to deal with the challenges, identifying projects to implement, integrating the projects with other social and economic goals of on-going development processes and finally, getting the plan approved.

The community participation in the drafting of this IDP will go a long way in ensuring that it is a living document owned by the people. In this way, civil society can measure Matlosana against targets that are based on agreed strategic IDP programmes. The IDP is aligned to National and Provincial strategic action plans and policies, including the District Development Model initiated by the Department of Co-operative Government and Traditional Affairs. This programme focuses on ensuring better service delivery, prudent management of public funds, economic use of financial and nonfinancial resources and good governance.

For purposes of compliance with this legislative requirement, the City of Matlosana has established formal structures for effective participation in the IDP processes. The following is a description of the participatory function of each of the various structures established for the IDP process.

IDP Representative Forum – constituted of formal representatives of various civic and community organisations as well as other formal structures affected by the developmental efforts of the municipality.

The role of the IDP Forum is to:

-  verify and make additions to data collected through non-formal participatory methods.
-  inform interest groups, communities and organisations of relevant planning activities and their outcomes.
-  analyse issues, determine priorities, negotiate, and effect consensus.
-  participate in the designing of project proposals and / or in assessing of projects.
-  discuss and comment on the draft IDP.
-  ensure that annual business plans and budgets are based on and linked to the IDP.
-  monitor performance in the implementation of the IDP.

In addition to the formal process of representation through the IDP Representative Forum engagement and other Council processes, the City of Matlosana consults its communities on an ongoing basis to solicit inputs in as far as the development challenges they face are concerned.

WARD COMMITTEES

The main objective of a ward committee is to enhance participatory democracy in local government. Ward committees are one way in which one can have a say in government decisions. The key purpose of ward committees is to increase the participation of residents in municipal decision-making as they are the direct link with the relevant Council.

They are representative of the local ward, and they should be involved in matters such as the integrated development plan, the annual municipal budget, Council projects and key policies as all these activities impact on local people (see **Appendix E**).

Ward committees can identify and initiate projects to improve the lives of the people in the ward. They can support the Councillor in dispute resolutions, providing information about municipal operations. They can monitor the performance of the municipality and raise issues of concern to the local ward, they can assist with community awareness campaigns on issues such as solid waste, water and sanitation, payment of fees, and charges as members know their local communities and what Council needs.

No policy in terms of Sections 72 – 78 of the Local Government: Municipal Structures Act, Act 117 of 1998 has been accepted on ward committees by Council.

PUBLIC MEETINGS

Budget and IDP Consultations:

To obtain the opinions of the community, meetings with Council members and ward committees were arranged. Public written comments were also accepted, and comment boxes were placed at pay points for community involvement. The documents were made available for review and comments on the municipal website, and a summary of the Budget and IDP was posted on Council's website, Facebook, and Twitter.

| TOWN | DATE | TIME | VENUE |
|---|---------------|-------|--------------------------|
| BUDGET AND IDP CONSULTATIONS | | | |
| Khuma | 17 April 2023 | 14h00 | Khuma Community Hall |
| Stilfontein | 17 April 2023 | 17h00 | Stilfontein Library Hall |
| Orkney | 18 April 2023 | 17h00 | Orkney Library Hall |
| Vaal Reefs | 18 April 2023 | 16h00 | O.R. Tambo Hall |
| Jouberton | 19 April 2023 | 17h00 | Jouberton Hall |
| Dominionville | 29 April 2022 | 14h00 | Dominionville open space |
| Alabama | 20 April 2023 | 17h00 | Alabama Community Hall |
| Tigane | 24 April 2023 | 17h00 | Tigane Community Hall |
| Brakspruit | 24 April 2023 | 17h00 | Brakspruit C.P.A. |
| Klerksdorp | 21 April 2023 | 10h00 | Council Chamber |
| Kanana | 18 April 2022 | 17h00 | Kanana Community Hall |
| IDP AND SDBIP REPRESENTATIVE FORUM MEETING | | | |
| Klerksdorp | 21 April 2023 | 10h00 | Council Chamber |

COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

In its preamble, the Freedom Charter (1955) cautions us “no government can justly claim authority unless it is based on the will of the people”. The Charter is the blueprint according to which our democratic future is built, and our municipality ensures that public participation remains the hallmark of all government work.

The City of Matlosana established ward committees in all 39 wards to enhance public participation and accountability. These structures are a mechanism that the municipality uses to disseminate information and address the challenges of the communities in an effective manner.

The ward mass meeting held as well as Imbizos also provide a platform for effective interaction and accountability for Council and the community. Communities were consulted via social media e.g. Council's Facebook page and website, newspaper articles, radio interviews, notices placed on all Council's notice boards and emails to stakeholders. All inputs received from the above-mentioned platforms were considered whilst amending the IDP for the next financial year.

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The municipality has not lost the connection with communities in relation to projects it implements in their name. Council benefits positively from the above system, in that, consultation is done with the broader community of Matlosana on matters of service delivery.

2.5 IDP Participation and Alignment

| IDP PARTICIPATION AND ALIGNMENT CRITERIA* | YES/NO |
|--|--------|
| Does the municipality have impact, outcome, input, output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the budget align directly to the KPIs in the strategic plan? | Yes |
| Do the IDP KPIs align to the section 54A and 56 Managers? | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes? | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four-quarter aligned reports submitted within stipulated periods? | Yes |
| * Section 26 of the Local Government: Municipal Systems Act 2000, as amended | |

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The scope of corporate governance includes political, administrative, inter-governmental governance and public accountability and participation to ensure that the municipality is managed to the desired requirements of the community and within the rules, processes, and laws by which the municipality operates and is regulated and controlled.

The national and provincial outcomes for local government can be seen in **Appendix N**.

2.6 Risk Management

The City of Matlosana has committed to a process of Risk Management. The municipality recognizes that risk management and internal controls are key elements of good corporate governance and legislation. Section 62(1)(c)(i) of the MFMA requires the Accounting Officer (Municipal Manager) to 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.

Institutional Arrangements for Risk Management

The Risk Management Unit is headed by the Chief Risk Officer who is responsible for overseeing, guiding, facilitating, and monitoring various systems of governance and risk management. Strategic oversight of risk

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management processes is tasked to the Risk Management Committee which reports to the Audit Committee on a quarterly basis.

The Risk Management Committee is a structure, comprising of independent external chairperson and top management established to:

- ✚ Advise and assist the Accounting Officer to execute risk management responsibilities as required by section 62 of the MFMA.
- ✚ Assist the Audit Committee to exercise its oversight responsibilities over, amongst others, systems of governance and risk management.

During the financial year 2022/23, the committee was functional and held four ordinary meetings as well as one special meeting. The special meeting held on 27 June 2023 focused on reviewing the risk management strategic documents including the Annual Risk assessment report for the new financial year, Operational Risk Registers, Strategic Risk Register, Risk Management Implementation Plan, And Risk Management Committee Charter.

For the financial year under review, the Strategic Risk Profile of the municipality underwent the annual review to ensure that the strategic risks remain relevant and are aligned to the strategic priorities of the municipality. Through an assessment of performance conducted by the Risk Management Committee, it is evident that management has mostly implemented risk mitigation strategies to bring the risks to an acceptable level. It is however evident that the municipalities do not operate in a risk-free environment.

Compliance Management

The municipality is committed to compliance with laws and regulation as a minimum requirement. In line with corporate governance principles, Council has ensured that systems and processes are in place to govern compliance with laws and adopt non-binding rules. The responsibility of compliance management has been delegated to the risk management unit in the municipality.

Internal Audit unit further enhances the municipal compliance by assessing the effectiveness of existing internal controls and further recommending improvement of internal controls when conducting internal audit activities. The municipality in its quest to improve compliance, intends to appoint a Compliance Officer in the Office of the Municipal Manager who will be dedicated to improving compliance with laws and regulations across the municipality.

2.7 Anti-Corruption and Fraud

The City of Matlosana strives to be a municipality where leadership is unquestionably committed to high ethical standards, service delivery and good governance.

The municipality commits to serve its communities and all stakeholders with respect, dignity, and integrity, and in a manner that is consistent with the values and principles it upholds i.e. respect, integrity, performance excellence and transparency. The municipality commits to uphold the Constitution and the Local Government Integrity Framework by ensuring effective leadership of the highest ethical standard and cultivating an ethical culture within the City.

The City of Matlosana has developed an anti-corruption strategy to give effect to the expressed commitment of the municipality to fight corruption in the institution.

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This strategy is aligned with the anti-corruption strategy of 2016, which was developed by the Department of Public Service Administration (DPSA).

This strategy therefore serves as a guide with regards to how the municipality must deal with cases of fraud, corruption theft and other financial misconduct.

This strategy has been reviewed and workshopped to both officials as well as Councillors and the reviewed strategy was adopted by Council in 2021/22 financial year.

The Municipal Council embarked on a roadshow in February 2023, to educate the community on identification and reporting of corrupt activities. The event was hosted in Alabama hall and was attended by the community as well as municipal officials and Councillors.

2.8 Supply Chain Management

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

Supply Chain Management aims to uphold efficient and cost-effective managed procurement plan, through intelligent strategic procurement strategies to accelerate quality delivery of services and at the same time contribute to economic growth.

The Municipality is accelerating measures to centralise the SCM Unit and at the same time ensure that it procures what is needed at the right time, the right price, in the correct quantities and delivery to the right location. Central to this objective are the following pertinent themes:

- ✚ Optimising procurement strategies.
- ✚ Supplier relationship management.
- ✚ Performance optimisation inclusive of contract management.

The municipality is currently busy with the restructuring of the SCM Unit's organisational structure, to address the human resource capacity challenges, and the Auditor General's recurring audit findings on SCM compliance issues, which are major contributing factors towards increased Irregular Expenditure. The interventions are in line with resolutions taken at the municipality's strategic planning held in May 2022.

2.9 By-Laws

BY-LAWS INTRODUCED DURING 2022/23

| BY-LAWS INTRODUCED DURING 2022/23 | | | | |
|--|--|-------------------------------|----------------------------|---------------------|
| BY-LAW | PUBLIC PARTICIPATION CONDUCTED PRIOR TO ADOPTION OF BY-LAWS (YES/NO) | DATES OF PUBLIC PARTICIPATION | BY-LAWS GAZETTED* (YES/NO) | DATE OF PUBLICATION |
| Electricity By-Law for Small Scale Imbedded generation (SSEG) installation | Yes | 5 April 2022 | Yes | 26 July 2022 |

COMMENT ON BY-LAWS

Public participation about a new or amended By-Law is dealt with in accordance with Section 12(3) (b) of the Local Government: Municipal Systems Act 32 of 2000, as amended and are to be published for public comment in a manner that allows the public an opportunity to make representations regarding the proposed By-Law.

A By-Law takes effect when published, or at a future date determined by or in terms of the By-Law when published promptly in the Provincial Gazette and, when feasible, also in a local newspaper or in any other practical way to bring the contents of the By-Law to the attention of the local community, in terms of Section 13 of the Local Government: Municipal Systems Act 32 of 2000, as amended.

The following list indicates all Council's By-laws with date of promulgation:

| BY-LAWS OF THE CITY OF MATLOSANA | | | |
|--|---------------------------|---------------------------------------|---------------------------|
| BY-LAW | PROVINCIAL GAZETTE NUMBER | COUNCIL RESOLUTION (ADOPTED) | STATUS |
| DIRECTORATE: TECHNICAL AND INFRASTRUCTURE | | | |
| Drainage and Plumbing By-Law | Nr. 5957 Notice 396 | CC 56/2003 dated 30 September 2003 | Finalised |
| Water Supply By-Law | Nr. 5957 Notice 396 | CC 56/2003 dated 30 September 2003 | Finalised |
| Electricity By-Law | Nr. 7749 Notice 32 | CC25/2017 dated 31 January 2017 | Finalised |
| DIRECTORATE: BUDGET AND TREASURY | | | |
| Customer Care, Credit Control and Debt Collection By-Law | Nr. 8050 20/08/2019 | CC 59/2019 dated 27 June 2019 | Review in process |
| Rates By-Law | Nr. 8002 30/4/2019 | CC 19/2019 dated 28 February 2019 | Finalised |
| Tariff By-Law | Nr. 8002 30/4/2019 | CC 19/2019 dated 28 February 2019 | Finalised |
| DIRECTORATE: COMMUNITY DEVELOPMENT | | | |
| Cemetery By-Law – amended to include Heroes acre | Nr. 8423 Notice 263 | CC 100/2022 28 June 2022 | To be promulgated finally |
| Faan Meintjes Nature Reserve By-Law | Nr. 5957 Notice 398 | CC 56/2003 dated 30 September 2003 | Finalised |
| Livestock Market By-Law | Nr. 5957 Notice 398 | CC 56/2003 dated 30 September 2003 | Finalised |
| PC Pelsers Airport: Control and Management By-Law | Nr. 5957 Notice 398 | CC 56/2003 dated 30 September 2003 | Finalised |
| Parks and Gardens By-Law | Nr. 5957 Notice 398 | CC 56/2003 dated 30 September 2003 | Finalised |
| Public Amenities By-Law | Nr. 5957 Notice 398 | CC 56/2003 dated 30 September 2003 | Finalised |

| BY-LAWS OF THE CITY OF MATLOSANA | | | |
|--|------------------------------|---------------------------------------|----------------------|
| BY-LAW | PROVINCIAL GAZETTE NUMBER | COUNCIL RESOLUTION (ADOPTED) | STATUS |
| DIRECTORATE: COMMUNITY DEVELOPMENT | | | |
| Solid Waste and Sanitary By-Law | Nr. 5957 Notice 398 | CC 56/2003 dated 30 September 2003 | Finalised |
| Library By-Law | Nr. 5957 Notice 398 | CC 56/2003 dated 30 September 2003 | Finalised |
| Waste Management By-Law | Nr. 7160 30/8/2013 | CC30/2013 dated 26 March 2013. | Finalised |
| Keeping of Animals, Birds and Poultry and Businesses involved in the Keeping of Animals, Birds, Poultry and Pets By-Law | Nr. 5957 Notice 402 | CC 56/2003 dated 30 September 2003 | Finalised |
| Public Health By-Law | Nr. 5957 Notice 402 | CC 56/2003 dated 30 September 2003 | Finalised |
| Milk By-Law | Nr. 5957 Notice 402 | CC 56/2003 dated 30 September 2003 | Finalised |
| DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT | | | |
| Preferential Procurement By-law | Nr. 5957 Notice 403 | CC 56/2003 dated 30 September 2003 | Finalised |
| Fresh Produce Market By-Law | Nr. 5957 Notice 397 | CC 56/2003 dated 30 September 2003 | Finalised |
| Billboard and Outdoor Advertising By- Law | Nr. 7974 Notice 28 | CC 137/2018 dated 27 November 2018 | Finalised |
| DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS | | | |
| Building and Outdoor Advertising By- Law | Nr. 5957 Notice 396 | CC 56/2003 dated 30 September 2003 | Finalised |
| SPLUMA | Nr. 7622 Notice 31 | ADMIN 365/2015 | Finalised |
| DIRECTORATE: PUBLIC SAFETY | | | |
| Fire Services By-Law | Nr. 5957 Notice 401 | CC 105/2022 dated 28 June 2022 | Finalised |
| Licensing of Public Vehicles By-Law | Nr. 5957 Notice 401 | CC 56/2003 dated 30 September 2003 | Finalised |
| Parking Ground By-Law | Nr. 8168 Notice 152 | CC 112/2019 dated 21 October 2019 | Finalised |
| Parking Meter By-Law | Nr. 5957 Notice 401 | CC 56/2003 dated 30 September 2003 | Review in process |
| By-Law Relating to Dogs | Nr. 5957 Notice 401 | CC 56/2003 dated 30 September 2003 | Finalised |

| BY-LAWS OF THE CITY OF MATLOSANA | | | |
|--|------------------------------|---------------------------------------|-----------|
| BY-LAW | PROVINCIAL GAZETTE NUMBER | COUNCIL RESOLUTION (ADOPTED) | STATUS |
| DIRECTORATE: PUBLIC SAFETY | | | |
| Street and Miscellaneous By-Law | Nr. 5957 Notice 401 | CC 56/2003 dated 30 September 2003 | Finalised |
| Traffic By-Law | Nr. 5957 Notice 401 | CC 56/2003 dated 30 September 2003 | Finalised |
| Regulating, Control and Supervision of Hawkers By-Law | Nr. 5957 Notice 401 | CC 56/2003 dated 30 September 2003 | Finalised |
| DIRECTORATE: CORPORATE SUPPORT | | | |
| Bursary By-Law | Nr. 5957 Notice 400 | CC 56/2003 dated 30 September 2003 | Finalised |
| Rules of Order | Nr. 8240 Notice 78 | CC41/2020 dated 30 June 2020 | Finalised |

2.10 Websites

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA), as amended.

The website must contain the following documents of the municipality as referred to in Section 21A of the Local Government Municipal Systems Act 32 of 2000, as amended.

Municipal Website Compliance

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

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation.

It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication infrastructure and strategy.




If managed effectively, it allows easy access to relevant information, serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance.

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| DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S WEBSITE | YES / NO |
|---|----------|
| Current Annual and Adjustment Budgets and all Budget-Related Documents | Yes |
| All current Budget-Related Policies | Yes |
| The previous Annual Report (2020/21) | Yes |
| The Annual Report (2021/22) | Yes |
| All current Performance Agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (2023/24) and resulting scorecards, as well as 2022/23 Performance Agreements | Yes |
| All Service Delivery Agreements (2022/23) | No |
| All Long-Term Borrowing Contracts (2022/23) | N/A |
| All Supply Chain Management Contracts above a prescribed value (give value) for (2022/23) | 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 (2022/23) | N/A |
| Contracts agreed in (2022/23) to which Subsection (1) of Section 33 applies, subject to Subsection (3) of that Section | N/A |
| Public-Private Partnership Agreements referred to in Section 120 entered (2022/23) | N/A |
| All quarterly reports tabled in the Council in terms of Section 52 (d) during (2022/23) | Yes |

Relevant Legislation

The role of the City of Matlosana's website, as platform for information dissemination, participation and disclosure has been significantly catered for in various pieces of legislation, including:

-  The Local Government Municipal Systems Act, 32 of 2000, as amended (the Systems Act).
-  The Local Government Municipal Financial Management Act, 56 of 2003, as amended (the MFMA).
-  The Municipal Property Rates Act, 6 of 2004 (the MPRA).

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Easy online access to municipal information is obtained through the official website of the City of Matlosana Local Municipality at www.matlosana.gov.za. A wide range of information that is useful to all the stakeholders are published on this official website.

The MFMA has specific requirements on the publishing of information and the City of Matlosana is attempting to comply. However, the submission of information is dependent on user departments to send the relevant information to ICT for publishing and still needs to improve to ensure full legislative compliance, due to the unavailability of a dedicated web developer.

All stakeholders and communities can access information on the official website 24 hours a day.

The information can be viewed or downloaded as PDF Documents (Readable with Acrobat Reader).

The wide range of information that is published on the website are the following:

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- ✚ Notices, articles, and stories by the Communications Section.
- ✚ Bid Documents (Tenders), Quotations Adverts, Regulation 32 Awards, Regulation 36 Awards and Contracts as given by the Supply Chain Management Section.
- ✚ Annual and Adjustment Budgets, all Budget-Related Documents, Budget-Related Policies and Tariffs, Monthly Budget Reports and Quarterly Budget Reports by the Budget Section.
- ✚ Service Delivery and Budget Implementation Plan, Annual Report, Performance Agreements and Contract of Employments for Section 56 Managers, Budget, and Performance Assessment Report by the Performance Management Section.
- ✚ External advertisements of vacant positions that need to be filled by qualified, skilled, and competent applicants by the Human Resource Section.
- ✚ Oversight Report by the MPAC.
- ✚ Other documents such as policies and by-laws by the Corporate Administration Section.

These documents are published on the official website to reach one of the objects of Local Government, which is to provide a democratic and accountable government for local communities.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

To give effect to the provisions of the Local Government: Municipal System Act, 32 of 2000 as amended, Chapter 6 Section 42 and Chapter 8 Section 73(2)(e), questionnaires are given to public to evaluate and comment on the services rendered by the municipality.

During the 2022/23 financial year, the public satisfaction survey forms results obtained were as follows:

| PUBLIC SATISFACTION SURVEY | | | |
|--|----------|----------|---------|
| | GOOD (%) | FAIR (%) | BAD (%) |
| Mayor / Speaker / Single Whip / Councilor treated everyone with courtesy and respect | 40% | 40% | 20% |
| I was treated with courtesy and respect by the municipal staff | 30% | 20% | 50% |

Councillors serve a term of five years and provide a vital link between communities they serve and the City Council.

Councillors are elected to represent local communities on municipal Councils, to ensure that municipalities have structured mechanisms of accountability to local communities and to meet the priority needs of communities by providing services equitably, effectively, and sustainably within the means of the municipality.

In fulfilling this role, Councillors must be accountable to local communities and report back at least quarterly to constituencies on Council matters, including the performance of the municipality in terms of established indicators.

Councillors fulfil their obligations to the community and support the achievements of the municipality in its objectives as set out in Chapter 3 of section 19 of the Local Government: Municipal Structures Act (117 of 1998),

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as amended and Schedule 1 of the Code of Conduct of the Local Government: Municipal Systems Act (32 of 2000) as amended.

The City of Matlosana comprises of 39 Ward Councillors and 38 PR (proportional representation) Councillors.

Ward Councillors should be fully involved in all community activities in which the ward committee is established and communicate the activities and meeting schedules to the PR Councillors. PR means “proportional representation”, where voters vote for a political party and not an individual candidate within a party. The party gets the same share of the number of Councillors as the ballot paper just shows the political parties.

The party gets the same share of the number of Councillors as the share of total PR votes it received. The party decides which members should fill those Councillor positions.

A PR Councillor is allocated to a ward and provides support to the ward or the ward committee. He or she handles queries and complaints in consultation with the Ward Councillor, assists in the resolving of disputes and in making referrals, helps with implementation of projects, supports the Ward Councillors without replacing the Ward Councillor and attends ward committee meetings, constituency meetings and special meetings.

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

INTRODUCTION

Municipal service delivery rendered are water supply, sanitation services, roads and storm-water management, development of new infrastructure, electrical services, waste management, housing provision and indigent support. The directorates endeavours to provide these services in line with the relevant acts and service delivery guidelines as issued from time to time.

Although most of these services are being provided to the community satisfactorily, there is not adequate maintenance and in-house upgrade budget to ensure future demand is met in all sectors, due to low revenue collection rate experienced by the municipality.

COMPONENT A: BASIC SERVICES

This component includes water; wastewater (sanitation); electricity; waste management and housing services and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The Constitution requires the Local Government to provide basic services to the local community. The Directorates Technical and Infrastructure; Planning and Human Settlements; Community Development and Budget and Treasury are central to the realisation of this legislative imperative.

To progress effectively in the provision of essential basic services, the following sections within the various Directorates need to focus on their strategic role such as water, sanitation, electricity, refuse removal, housing and free basic services provision.

3.1. Water Provision

INTRODUCTION TO WATER PROVISION

The Water Services Act, 108 of 1997, Section 5(4) states that in emergency situations, a Water Services Authority (WSA) must take reasonable steps to provide basic water supplies to any person within its area of jurisdiction and may do so at the cost of the authority and to contribute to the enhanced quality of life and prosperity of all the people by providing better quality water services through a well-established and maintained infrastructure to comply with the Constitutional obligations of the Republic of South Africa.

Overview

Midvaal Water Company is responsible for the treatment of bulk water and the distribution into the bulk infrastructure of the municipality at a measured unit cost and to ensure water quality compliance up to the bulk infrastructure of the municipality while the City of Matlosana is responsible for distribution through its network.

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The City of Matlosana has been supplied with an average of 102 Mℓ/day during 2022/23 financial year compared to 96 Mℓ/day in 2021/22.

Description of the activity

City of Matlosana is responsible for the following:

- ✚ monitoring the units of water supplied by the bulk service provider.
- ✚ distribution of water to the consumer through its water infrastructural network, which includes piping systems, pump-stations, and reservoirs.
- ✚ testing and replacement of water meters.
- ✚ planning of new infrastructure.
- ✚ water quality testing and post water treatment quality maintenance.
- ✚ on-going assistance to ensure that new developments are expedited, and water infrastructure installed in accordance with standards and specifications of the municipality.
- ✚ analysis of all aspects of the existing water supply system to pro-actively identify worn-out infrastructure and problematic areas.
- ✚ continuous management and control to ensure the optimum ability of the water supply infrastructure.
- ✚ support the finance department in ensuring revenue collection is sustainable and consistent.
- ✚ reduce water losses within the water infrastructure system.

The strategic objectives

- ✚ Rendering sustainable bulk water service by supplying adequate water of good quality on a continuous basis and at a reasonable cost to the consumer.
- ✚ Providing, operating, and maintaining the distribution system to meet the needs of all customers.
- ✚ To reduce water losses from 51% to 15% in the next 5 years (2020 – 2024).
- ✚ To maintain 98% Compliance on the Blue Drop status.
- ✚ To improve Revenue collection.

Challenges

- ✚ Inadequate resources (including vehicles, equipment, and human within the Section).
- ✚ Delays in reviewing the out-dated organogram.
- ✚ Inadequate budgeting for maintenance.
- ✚ High levels of vandalism impede a sustainable water supply to the communities.
- ✚ Aging infrastructure.
- ✚ Increasing water losses.
- ✚ Lack of funding for new infrastructure.

| TOTAL USE OF WATER BY SECTOR (KILOLITRE) | | | | | |
|--|------------|-----------|------------|------------|----------------------------|
| Year | Commercial | Other | Industrial | Domestic | Unaccountable Water Losses |
| 2019/20 | 2 111 072 | 1 920 929 | 472 244 | 17 056 920 | 11 746 655 |
| 2020/21 | 1 565 783 | 1 646 019 | 465 392 | 15 418 976 | 14 722 634 |
| 2021/22 | 1 477 863 | 1 379 859 | 407 692 | 14 574 858 | 18 655 013 |
| 2022/23 | 1 211 194 | 1 741 451 | 300 336 | 12 486 188 | 16 737 330 |

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COMMENT ON WATER USE BY SECTOR

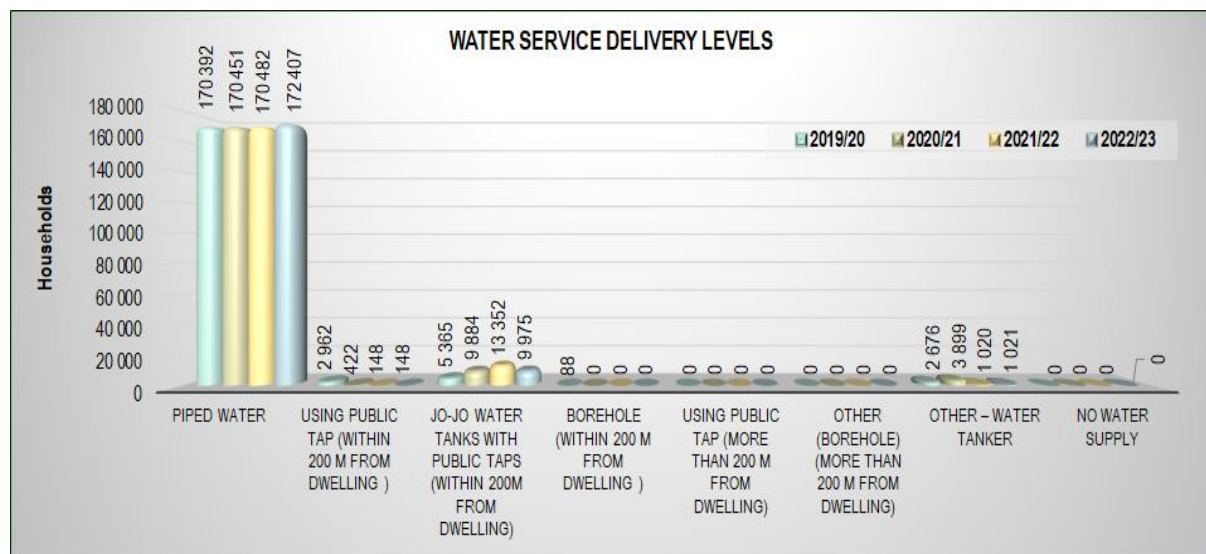
It can be noted that there is no established trend from 2018/19 to date on the water consumption per sector.

This points to serious problems in the billing process hence the section is putting additional effort in ensuring that the number of non-working meters are reduced to the minimum. In the replacement of these stuck meters, the domestic sector has been targeted and the amount accounted for should improve with full implementation of the programme.

Annually the municipality project future water demand by implementing infrastructure upgrade plans and thereby ensures that sufficient capacity is available for the increased demand arising from the growth of the community.

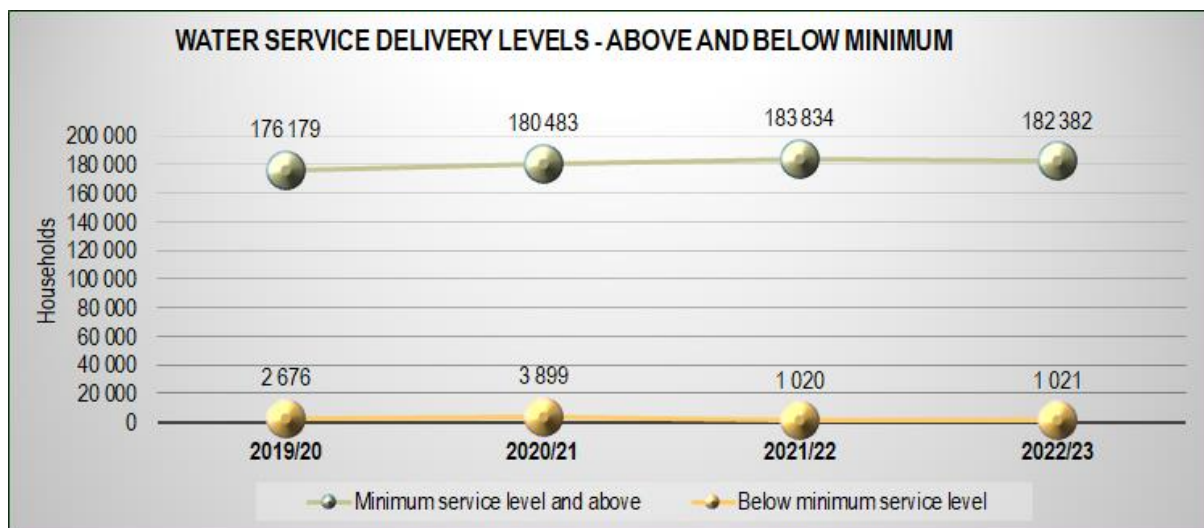
| WATER SERVICE DELIVERY LEVELS | | | | |
|--|----------------|----------------|----------------|----------------|
| Description | Households | | | |
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | Actual | Actual | Actual | Actual |
| Water: (above minimum level) | | | | |
| Piped water | 170 392 | 170 451 | 170 482 | 172 407 |
| Using public tap (within 200m from dwelling) | 422 | 148 | 0 | 0 |
| Jo-Jo water tanks with public taps (within 200m from dwelling) | 5 365 | 9 884 | 13 352 | 9 975 |
| Borehole (within 200m from dwelling) | 0 | 0 | 0 | 0 |
| Minimum service level and above – sub-total | 176 179 | 180 483 | 183 834 | 182 382 |
| Minimum service level and above – percentage | 98.5% | 98% | 99% | 99% |
| Water: (minimum and below minimum level) | | | | |
| Using public tap (more than 200m from dwelling) | 0 | 0 | 0 | 0 |
| Other (Borehole) (more than 200m from dwelling) | 0 | 0 | 0 | 0 |
| Other – Water tanker | 2 676 | 3 899 | 1 020 | 1 021 |
| No water supply | | | 0 | 0 |
| Below minimum service level – sub-total | 2 676 | 3 899 | 1 020 | 1 021 |
| Below minimum service level – percentage | 1.5% | 2% | 1% | 1% |
| TOTAL HOUSEHOLDS* | 178 855 | 184 382 | 184 854 | 183 403 |

* - Total include informal settlements



| ACCESS TO WATER | | | |
|-----------------|--|---|--|
| Year | Proportion of households with access to water points | Proportion of households with access to piped water | Proportion of households receiving 6 kℓ free |
| 2019/20 | 178 855 | 176 179 | 20 650 |
| 2020/21 | 184 382 | 180 483 | 21 779 |
| 2021/22 | 184 854 | 183 834 | 22 886 |
| 2022/23 | 183 403 | 182 382 | 16 073 |

| WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM | | | | | |
|---|------------|--------------|------------|------------|-----------|
| Households | | | | | |
| Description | 2020/21 | 2021/22 | 2022/23 | | |
| | Actual | Actual | Original | Adjusted | Actual |
| Formal settlements | | | | | |
| Total households | 171 341 | 171 372 | 171 341 | 171 350 | 171 423 |
| Households below minimum service level | 0 | 0 | 0 | 0 | 0 |
| Proportion of households below minimum service level | 0% | 0% | 0% | 0% | 0% |
| Informal settlements | | | | | |
| Total households | 13 041 | 13 482 | 13 041 | 13 400 | 11 980 |
| Households below minimum service level | 3 899 | 1 020 | 3 899 | 1 500 | 1 021 |
| Proportion of households below minimum service level | 30% | 7.56% | 30% | 11% | 9% |



NATIONAL KEY PERFORMANCE INDICATOR

See page 270 for details.

EMPLOYEE INFORMATION

| EMPLOYEES: WATER SERVICES | | | | | |
|---------------------------|------------|------------|-----------|-----------------------------------|-----------------------------------|
| Job level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 1 | 1 | 0 | 1 | 100% |
| 4 - 6 | 3 | 3 | 2 | 1 | 33% |
| 7 - 9 | 4 | 7 | 5 | 2 | 29% |
| 10 - 12 | 13 | 16 | 15 | 1 | 6% |
| 13 - 15 | 16 | 18 | 16 | 2 | 11% |
| 16 - 18 | 5 | 18 | 14 | 4 | 22% |
| 19 - 20 | 59 | 62 | 44 | 18 | 29% |
| Total | 101 | 125 | 96 | 29 | 23% |

| FINANCIAL PERFORMANCE 2022/23: WATER SERVICES | | | | | |
|---|--------------------|------------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 879 796 | 1 018 228 | 991 469 | 989 977 | -3% |
| Expenditure | | | | | |
| Employees | 40 856 | 39 714 | 39 714 | 42 186 | 6% |
| Repairs and maintenance | 38 532 | 9 282 | 9 282 | 4 653 | -99% |
| Other | 961 451 | 724 430 | 737 837 | 852 821 | 15% |
| Total Operational Expenditure | 1 040 839 | 773 426 | 786 833 | 899 660 | 14% |
| Net Operational Expenditure | -161 043 | 244 802 | 204 636 | 158 491 | |

COMMENTS ON THE PERFORMANCE OF WATER SECTION

The municipality is still experiencing high losses due to aged infrastructure, a low maintenance budget, shortage of vehicles to attend to complaints speedily and implement action of preventative maintenance.

The section has developed a maintenance plan that includes the refurbishment of the pressure reducing valves and gland packing of valves in both the reticulation system as well as pump-stations. Reporting on IWA Water Balance to DWS has assisted the reporting of correct water losses within the system.

Responding to burst pipes within a short period has had an impact in reducing water losses. A huge outbreak of water meter being stolen around the Matlosana area has negatively impacted on the water losses increasing by 7% for the financial year from 51% (2021/22) to 58% (2022/23).

Reservoirs are cleaned annually to ensure that the water quality remain at 98% compliance as all times.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 178 – 179; 184; 188 and 191)

| WATER SERVICES OBJECTIVES TAKEN FROM THE IDP | | | | | | | |
|---|---|---|---|---|--|--|---------|
| Service Objective | Service Indicators | 2020/21 | 2021/22 | 2022/23 | | | 2023/24 |
| | | Actual | Actual | Target | | | Budget |
| | | | | Original | Adjusted | Actual | |
| To refurbish electrical and mechanical equipment in the Matlosana area (Wards 1 - 39) water pump-stations to maintain the existing infrastructure | Number of water pump-stations refurbished with electrical and mechanical equipment at the Matlosana area (Wards 1 - 39) | The refurbishment of the electrical and mechanical equipment at 3 water pump-stations (Jouberton, Khuma ext. 8 and Kanana ext. 6) in the Matlosana area (Wards 1 - 39) not yet completed. The contractor was appointed on the 23/03/2021. 6 Pumps and 6 motors have been ordered. (4 for Khuma Ext 8 and 2 for Kanana Ext 6). R9 077 397 | The electrical and mechanical equipment at 7 water pump-stations (Jouberton, Ellaton, Park Street, Khuma ext. 8, Kanana ext. 6, Kanana Booster and Loraine) in the Matlosana area (Wards 1 - 39) was refurbished by - replacing 3 MCC panels; - refurbishing 1 MCC panel; - replacing 14 pumps sets, 11 Soft starters and 46 valves R14 427 222 | Refurbishing electrical and mechanical equipment at 8 water pump-stations (Jouberton, Ellaton, Rietkuil, Park Street, Khuma ext. 8, Kanana ext. 6, Kanana Booster and Loraine) in the Matlosana area (Wards 1 - 39) by Installing 15 valves, - replacement of 2 pumps sets; - installing 2 soft starters; - replacement of 1 MCC panel, - 40 x CCTV Cameras; - 8 x Alarm system; - 0,33km installation of electric fence; - 0,08km barbed wire fence; - supply and delivery of 1 mobile generator by 30 June 2023 | Refurbishing electrical and mechanical equipment at 8 water pump-stations (Jouberton, Ellaton, Rietkuil, Park Street, Khuma ext. 8, Kanana ext. 6, Kanana Booster and Loraine) in the Matlosana area (Wards 1 - 39) by Installing 26 valves, - replacement of 9 pumps sets, - installing 8 soft starters, - refurbishment of 1 MCC panel, - refurbishment of 2 MCC panels, - 40 x CCTV Cameras; - 8 x Alarm system; - 0,33km installation of electric fence; - 0,08km barbed wire fence; - supply and delivery of 1 mobile generator by 30 June 2023 | Refurbishing electrical and mechanical equipment at 5 water pump-stations (Jouberton, Rietkuil, Park Street, Khuma ext. 8 and Loraine) in the Matlosana area (Wards 1 - 39) by the installation of 8 valves (Loraine x 4; Jouberton x 2 and Park Street x 2); replacement of 6 pumps sets (Khuma ext. 8 x 1; Loraine x 3 and Rietkuil x 2) and refurbishment of 1 MCC panel at Rietkuil. R2 921 053 | R0 |

3.2 Wastewater (Sanitation) Provision

INTRODUCTION TO SANITATION PROVISION

The main objective of the Sanitation section is to:

- ✚ provide sanitation services to all the households in the Matlosana area and enforce the relevant By-laws to the residents, businesses, and the industries.
- ✚ maintain a sewer network system and to plan for future upgrades and assist all Project Management Units at Provincial, National and local in giving in-house sewer services expertise on standards used, planning, designing, and monitoring compliance to standards of the construction of new sewerage system services, on refurbishments or new sewerage upgrade projects in the area.
- ✚ ensure a clean and a compliant sewage effluent from all the four-(4) wastewater treatment plants and compliance of the plants in terms of legislated requirements in the Matlosana area, therefore curbing the outbreak of waterborne diseases such as Cholera and Typhoid etc.
- ✚ ensure a proper housekeeping by operation and maintenance of all the sewage pump-stations and wastewater treatment plants facilities and components in the jurisdiction of the municipality.
- ✚ Attend to all related operation and maintenance on sanitation matters in the rural settlements and farm settlements.

Objectives

The following are the section's objectives:

- ✚ to be the best municipality in the North West in terms of IRIS system on Wastewater Status achievement which is awarded by the National Department of Water and Sanitation and the rendering of uninterrupted service delivery to the community and future developments.
- ✚ to be the best municipality in the North West Province in rendering a reduced interruption of services in terms of sanitation infrastructural service delivery.
- ✚ to render sanitation services proactively, without having community service delivery protests prompting our reactions.

Challenges:

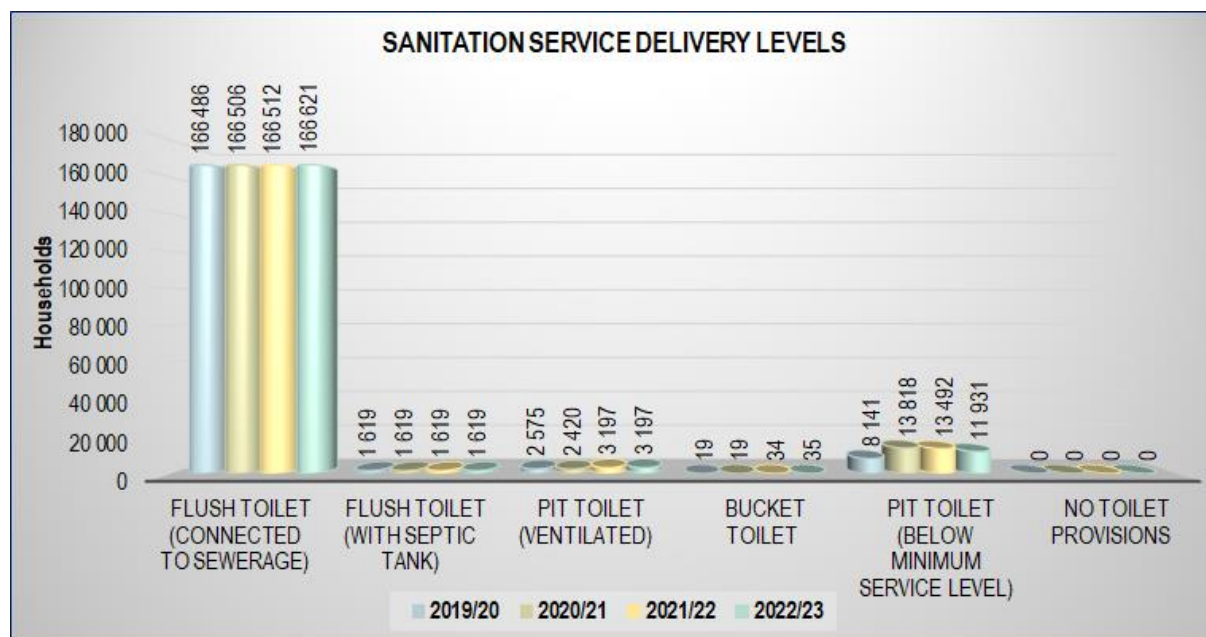
The section is always faced with numerous challenges including but not limited to the following:

- ✚ Lack of skilled and certified plumbers in the locality.
- ✚ Lack of resources (vehicles, equipment, and human).
- ✚ Aged infrastructure, which needs urgent refurbishment and upgrade.
- ✚ High level of cable thefts, pumps & motors at wastewater treatment plants & pump station by heavily armed groups (rendering all the efforts done to do repairs and maintenance on these key infrastructure facilities for the provision of basic services void, interrupting service delivery and endangering the lives of the public and the environment).
- ✚ High level of cast-iron manhole lids theft gives rise to emergency break down at the sewage pumping stations, wastewater treatment plants and the sewer network, at some instance stones are found as cause of blockages on the latter and this at times result into having to replace the section of the sewer line, which also comes with cost implications from time to time.
- ✚ High level of unemployment and lack of localised economic development of emerging entrepreneurship give rise to hooliganism groupings threatening officials and appointed service providers rendering services.

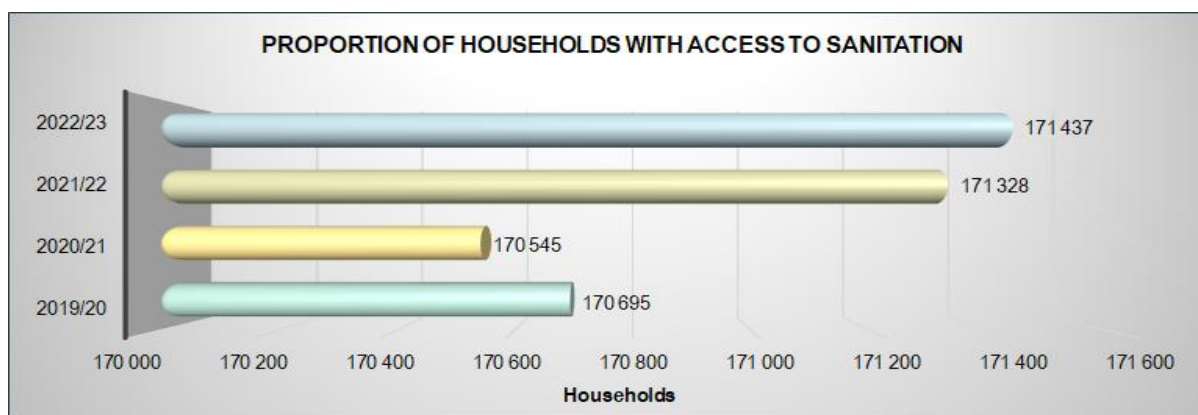
Chapter 3

- Insufficient new township establishments give rise to overload on the current system, hence more sanitation backlogs, which last for longer period without eradicating and therefore leading to more attempted land grabs and more backyard dwellers, adding high load to the sewerage system, therefore making sewer spillages high in the areas.
- Misuse of sewer system by the public especially in new township extensions as well as no maintenance on private plumbing installations belonging to most indigents households remain a challenge and burden to the operation and maintenance budget.

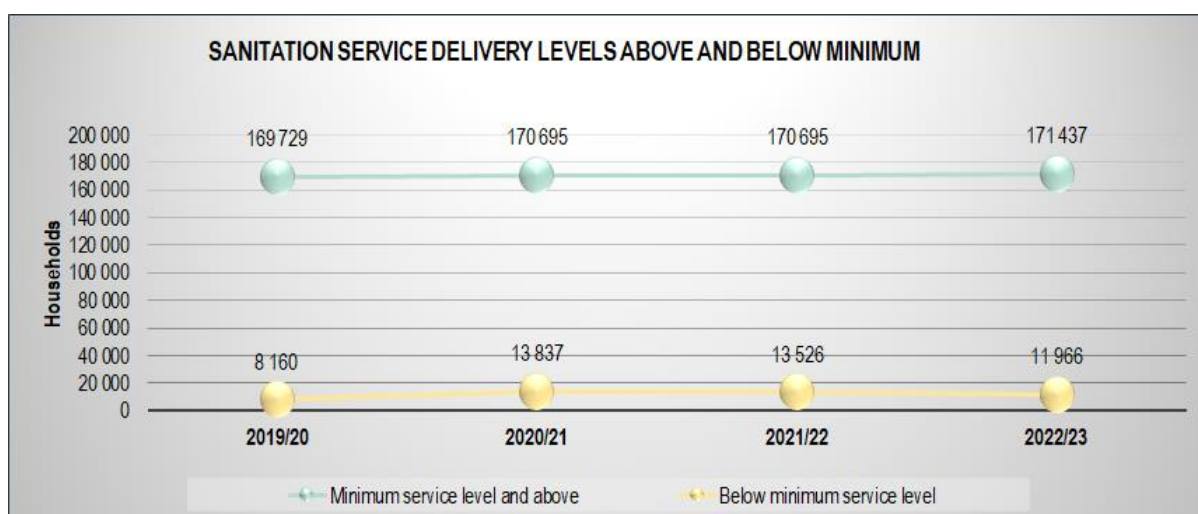
| SANITATION SERVICE DELIVERY LEVELS | | | | |
|--|----------------|----------------|----------------|----------------|
| Households | | | | |
| Description | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | Actual | Actual | Actual | Actual |
| <u>Sanitation/Sewerage: (above minimum level)</u> | | | | |
| Flush toilet (connected to sewerage) | 166 486 | 166 506 | 166 512 | 166 621 |
| Flush toilet (with septic tank) | 1 619 | 1 619 | 1 619 | 1 619 |
| Pit toilet (ventilated) | 2 575 | 2 420 | 3 197 | 3 197 |
| Other toilet provisions (above minimum service level) | 0 | 0 | 0 | 0 |
| Minimum service level and above – sub-total | 170 695 | 170 545 | 171 328 | 171 437 |
| Minimum service level and above – percentage | 95% | 92% | 92.7% | 93.5% |
| <u>Sanitation/Sewerage: (below minimum level)</u> | | | | |
| Bucket toilet | 19 | 19 | 34 | 35 |
| Pit toilet (below minimum service level) | 8 141 | 13 818 | 13 492 | 11 931 |
| No toilet provisions | 0 | 0 | 0 | 0 |
| Below minimum service level – sub-total | 8 160 | 13 837 | 13 526 | 11 966 |
| Below minimum service level – percentage | 5% | 8% | 7.3% | 6.5% |
| TOTAL HOUSEHOLDS* | 178 855 | 184 382 | 184 854 | 183 403 |
| * - Total include informal settlements | | | | |



| ACCESS TO SANITATION | |
|----------------------|--|
| Year | Proportion of households with access to sanitation |
| 2019/20 | 170 695 |
| 2020/21 | 170 545 |
| 2021/22 | 171 328 |
| 2022/23 | 171 437 |



| SANITATION SERVICE DELIVERY LEVELS BELOW THE MINIMUM | | | | | |
|---|---------|---------|----------|---------|------------|
| | | | | | Households |
| Description | 2020/21 | 2021/22 | 2022/23 | | |
| | Actual | Actual | Original | Actual | Actual |
| Formal settlements | | | | | |
| Total households | 169 663 | 169 750 | 169 767 | 169 850 | 169 899 |
| Households below minimum service level | 1 538 | 1 538 | 1 531 | 1 538 | 1 620 |
| <i>Proportion of households below minimum service level</i> | 1% | 1% | 1% | 1% | 1% |
| Informal settlements | | | | | |
| Total households | 14 719 | 15 000 | 15 087 | 14 000 | 13 504 |
| Households below minimum service level | 12 299 | 12 000 | 11 995 | 11 000 | 10 346 |
| <i>Proportion of households below minimum service level</i> | 84% | 80% | 80% | 78% | 77% |



EMPLOYEE INFORMATION

| EMPLOYEES: SANITATION SERVICES | | | | | |
|--------------------------------|------------|------------|------------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 2 | 3 | 2 | 1 | 33% |
| 7 - 9 | 5 | 7 | 5 | 2 | 29% |
| 10 - 12 | 17 | 21 | 17 | 4 | 19% |
| 13 - 15 | 6 | 11 | 6 | 5 | 45% |
| 16 - 18 | 41 | 46 | 40 | 6 | 13% |
| 19 - 20 | 107 | 153 | 103 | 50 | 33% |
| Total | 179 | 242 | 174 | 68 | 28% |

| FINANCIAL PERFORMANCE: SANITATION SERVICES | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 143 840 | 207 797 | 178 641 | 141 144 | -47% |
| Employees | 48 801 | 47 227 | 38 464 | 43 229 | -9% |
| Repairs and maintenance | 17 380 | 47 381 | 47 140 | 40 250 | -18% |
| Other | 147 284 | 100 643 | 133 401 | 151 359 | 34% |
| Total Operational Expenditure | 213 465 | 195 251 | 219 005 | 234 838 | 17% |
| Net Operational Expenditure | -69 625 | 12 546 | -40 364 | -93 694 | |

COMMENTS ON THE PERFORMANCE OF SANITATION SERVICES OVERALL

The following achievements were noted within the financial year to improve service delivery:

- Refurbishment of Hartbeesfontein Wastewater Treatment plant.
- Construction of VIP Toilets in the Matlosana area.
- Bulk Sewer Services Installations NDPG.

NATIONAL KEY PERFORMANCE INDICATOR

See page 270 for details.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 184 – 185 and 190-191)

| WASTEWATER (SANITATION) SERVICES OBJECTIVES TAKEN FROM THE IDP | | | | | | | |
|---|---|-------------|-------------|--|---|--|-------------|
| Service Objective | Service Indicators | 2020/21 | 2021/22 | 2022/23 | | | 2023/24 |
| | | Actual | Actual | Target | | | Budget |
| | | | | Original | Adjusted | Actual | |
| To upgrade sections of the outfall sewer line from Jouberton to Alabama Extensions (Wards 4-6) to increase the capacity of the sewer system | Kilometre of outfall sewer line from Jouberton Ext 19 to Alabama (Wards 4-6) upgraded | New project | New project | Upgrading sections of the sewer pipeline from Jouberton to Alabama (Wards 4-6) by constructing 1,9km of 400mmø uPVC pipeline in Jouberton Ext 19 by 30 June 2023 | Appointing a contractor and establishing the site for the upgrading sections of the sewer pipeline from Jouberton Ext 19 to Alabama (Wards 4-6) by 30 June 2023 | The appointment of a contractor and establishment of the site for the upgrading sections of the sewer pipeline from Jouberton Ext 19 to Alabama (Wards 4-6) not achieved. DWS recommendation letter was received on 23 March 2023. Appraisal meeting held with CoGTA on 30 May 2023. R704 105 | R19 000 000 |

3.3 Electricity Provision

ELECTRICITY PROVISION

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

Background

Service delivery in terms of the Constitution of the Republic of South Africa determines the functions of the municipality and in this case specifically electricity supply to the City of Matlosana Municipality community.

The City of Matlosana municipality has two licensed distributors of electricity providing electricity within its jurisdiction, namely Eskom and the City of Matlosana municipality.





Eskom provides electricity to township households in Kanana, Khuma, Tigane and private farms, whilst the City of Matlosana provides electricity to the towns of Klerksdorp, Orkney, Stilfontein and Hartbeesfontein, as well as the suburbs of Jouberton, Alabama and Manzilpark. The Regulator, NERSA recently had a meeting with both electricity distributors whereby the demarcation of the supply areas was finalised. The electricity management within the City of Matlosana electricity distribution license NW 403, has a responsibility to ensure that it is managed in accordance with the *recent legislation which includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.*

Currently the provision of basic electricity at household level stands at 92% with a backlog within rural and recently established urban low-income areas (formal and informal). To reduce the outstanding service backlog in both distribution areas, the municipality relies on an annual basis for funding from the Department of Mineral Resources and Energy (DMRE) through the Integrated National Electrification Programme (INEP). Areas with backlogs identified during IDP consultation process are formulated into projects that are incorporated into municipal IDP.

Households in the advantaged areas are connected as and when applications are received from individuals or developers. The percentage of households in urban areas provided with electricity in formal and informal stands at 92% whereas percentage of households in rural areas provided with electricity stands at 8%, the remaining percentage of the households not provided with electricity in both rural and urban areas are provided with free basic alternative energy in a form of liquefied paraffin.

Departmental Organisation Structure

The Sub-Directorate has the following structure components to ensure quality electricity provision, public lighting and safe electricity installations and perform maintenance of electrical equipment at water and sanitation facilities as a support service to the Water and Sanitation sections:

-  Electricity distribution & public lighting network maintenance section.
-  Electricity distribution & public lighting projects management and network planning section.
-  Electricity installation inspectorate section.
-  Electricity quality of supply and metering section.

Objectives

The main objectives Electrical, Fleet & Mechanical Section are to:

- ✚ provide electricity services to all household in the Matlosana in line with the Electricity Regulations Act, 2006.
- ✚ enforce the relevant By-laws to the residents, business, and the industries.
- ✚ maintain, refurbish, and upgrade electricity distribution network system to ensure continuous quality electricity supply.
- ✚ ensure compliance to NRS Standards through planning, designing, and monitoring.
- ✚ ensure proper operation and maintenance of all mechanical equipment water and wastewater treatment plants facilities and components in the jurisdiction of the municipality.
- ✚ ensure proper operation and maintenance of all motorised and non-motorised fleet and equipment water of the municipality.

1. ELECTRICAL DISTRIBUTION

Electricity Service Delivery Challenges

The Sub-Directorate faces the following challenges to provide electricity to the community of City of Matlosana within its distribution license areas:

- ✚ ageing infrastructure that causes high number of unplanned electricity interruptions.
- ✚ maintenance backlog due to limited funding to maintain and improve the existing infrastructure.
- ✚ high electricity technical losses due to ageing and saturated infrastructure.
- ✚ high electricity non-technical losses due to illegal connections and tampering of metering units.
- ✚ high level of vandalism and theft of copper-containing electricity and public lighting systems at substations, public lighting, water, and sanitation facilities.
- ✚ increased supply demand due to mushrooming of informal settlements and settlements on private land.
- ✚ non-availability of repair materials.
- ✚ ageing fleet to respond to network failures within minimum standard.
- ✚ Load shedding.

Measures put in place to address the challenges

✚ Ageing infrastructure

The municipality has developed and adopted the electricity master plan, which has identified critical electrical infrastructure that need to be replaced. The municipality has appointed service providers who are tasked to source funding to address this infrastructure challenge. However, no funding has been realised in the last 3 years.

✚ Limited funding to maintain and improve the existing infrastructure

The municipality, National Treasury and Provincial Treasury have been made aware that funds allocated for repair and maintenance is below the 6% required due to municipal financial constraints. However, the municipality has committed to increase budget allocation for repair and maintenance as soon as the collection rate have improved.

It is therefore critical for the community to pay for municipal services to have funding for both preventative and corrective maintenance in line with recently developed electricity infrastructure maintenance policy and plan.

Chapter 3

The municipality has appointed a debt collector with the objective to increase the municipality debt collection rate.

High electricity technical losses due to ageing and saturated infrastructure

The municipality have developed the Electricity Loss Reduction Strategy (ELRS), which contain strategies to address the high electricity technical losses. The municipality has completed the appointment of the service provider for the servicing of transformers and ring main units which is one of the activities contained in the ELRS. The service is aimed at improving the efficiency of these equipment, thereby decreasing technical losses. A total of 116 units has been serviced in the 2022/23 financial year.

High electricity non-technical due to illegal connections and tampering of metering units

The municipality have developed the Electricity Loss Reduction Strategy, which contain strategies to address the high electricity non-technical losses due to illegal connections, non-functional meters and tampering of metering units.

During the 2022/23 financial year, inspectors employed by the municipality, conducted 801 inspections on illegal connection and tampering. The municipality have also allocated two senior electricians who are tasked to deal with replacement of non-functional meters and consumer changeover of conventional meters to pre-paid meters for approved indigent's consumers.

Also, during the 2022/23 financial year, the municipality replaced 361 non-functional meters, the municipality is continuously performing sealing of meters on as when the meter is found to have been tampered, as well as sealing new meters with a specific seal which contains numbers so that the number of meters sealed can be tracked.

High level of vandalism and theft of copper-containing electricity systems such as substations, water and sanitation facilities

The municipality, in consultation with the Directorate Public Safety have appointed private security to guard strategic electricity points with priority on bulk electricity sub-stations and water and sanitation facilities. The municipality have engaged the SAPS on the issue of increasing theft of cable and vandalism of copper containing electricity systems and this issue has been included as a standing item on the SAPS Forum meetings however this challenge remains the most concerning as it is increasing at an alarming rate.

The municipality has also opted to replace stolen copper cables with aluminium overhead lines as and when required. Community awareness is required to deter, and report acts of vandalism to police and to actively form and participate in community police forums.

Electricity demand due to "mushrooming" of informal settlements and settlements on private land

The Electrical and Mechanical Engineering section have engaged the Directorate Planning and Human Settlements in dealing with this challenge where electricity cannot be installed.

The effect of the non-provision of electricity to the informal settlement has led to increased illegal connections, which contribute to electricity system losses. The Directorate Planning and Human Settlements is in the process of proclaiming of some of these informal settlements so that electricity be provided to those where proclaiming has been finalised.

Chapter 3

Proclamation of 10 development in Alabama, Jouberton, Kanana, Tigane, Khuma, and Doringkruin are at an advanced stage which will allow planning and application for funds to provide identified beneficiaries with access to electricity.

Non-availability of repair and maintenance materials

The Electrical and Mechanical Engineering section have developed a Demand Management Plan, which was approved by the Municipal Manager and submitted to Supply Chain Management for the procurement of the required materials. The section has also developed specifications for the required materials to speed up procurement. The tender for procurement of materials was finalised however, the capacity of the appointed service providers has not alleviated the challenge of non-availability of repair and maintenance materials.

The section is constantly engaging finance Directorate to speed up the availability of repair and maintenance material at the store.

Load shedding

The municipality has developed renewable energy strategy in line with North West Province renewable strategy. Council has also identified land to be used for renewable projects and the municipality is in the process of inviting approved independent power producers to implement renewable energy projects to mitigate the impact of load shedding on service delivery.

2. FLEET SERVICES

Introduction to Fleet Services Provision

The Sub-Directorate Electrical and Mechanical Engineering is responsible for the maintenance and management of municipal fleet. The management of fleet involve registration and annual licensing of municipal fleet, management of accidents, logbooks, trip authorisation outside the boundary of the municipality and branding of municipal vehicles.

Fleet Maintenance

leet maintenance involves repairs and servicing of municipal fleet and equipment. The municipality must fleet repairs workshop for repairs and maintenance located in Klerksdorp and Orkney. The municipality has also appointed six service providers to assist the internal capacity of mechanics to repair and service its fleet.

The following challenge is experienced:

Aging Fleet

Currently the municipality have 584 items on its fleet, of which 445 are over 10 years old. Due to ageing fleet, the challenge of obtaining repair and service parts for the old vehicles make the turnaround time for the repair of vehicles very slow, as these parts are obsolete. The performance of the repair of vehicles due to the above-mentioned challenges, stood at 50% at the end of the financial year.

Incapacitated Fleet Workshop

The current fleet workshop is operating at below 50% performance due to non-availability of repair equipment and spare parts to internal staff to repair vehicle inhouse. This critical equipment includes a diagnostic machine which allows the municipality to electronically diagnose new model vehicles.

The lack of equipment is resulting in high cost of outsourcing repair and maintenance work.

Measures put in place to address the challenges

Aging Fleet

The municipality is in the process of procurement of fleet on a lease-to-buy option to replace ageing fleet.

Incapacitated Fleet Workshop

The section has obtained council approval to resuscitate the fleet workshop to reduce outsourcing of repairs and thereby reducing current fleet repairs and maintenance.

Fleet Management

The fleet management section is only responsible for licence registrations, outside the City of Matlosana trips authorisations, certificate of fitness registration and receiving of log sheets at the end of the month. The management of fleet is de-centralised. This means every section of the municipality is responsible for the management of its own fleet.

The municipality has an approved Fleet Management Policy which awaits Council Policy Workshop and approval.

The following challenge is experienced:

Decentralisation of fleet management

The de-centralisation of the fleet management has resulted in the abuse and unauthorised use of municipal vehicles.

Abolished of key fleet management positions

The positions of Fleet Manager and Fleet Inspector has been abolished and they are no longer on the organogram.

Measures put in place to address the challenges

Decentralisation of fleet management

The council has not resolved on the centralising of fleet; however, municipality has resolved to procure fleet management system to manage fleet usage to reduce or eradicate misuse and abuse of municipal fleet. The system will be procured and implemented in the financial year 2023/24.

Abolished of key fleet management positions

The Electrical and Mechanical Engineering section has developed a proposed Fleet Management structure, which has been submitted to Council for approval. The proposed structure includes the key fleet management positions which have been abolished. This draft structure is part of the municipal organisation structure which awaits council final approval.

3. MECHANICAL SERVICES

Introduction to Mechanical Services Provision

The Sub-Directorate Electrical and Mechanical Engineering is responsible for the repair and maintenance of mechanical equipment at water and sanitation facilities as a support service to the Water and Sanitation sections.

The maintenance performance of mechanical services section

Maintenance conducted at the mechanical workshops include repairs on pumps, motors, mechanical screens, aerators, clarifiers, gearboxes, fitting and welding. The municipality has 22 sanitation pump-stations and 4 waste treatment plants, as well as 5 bulk water points and 3 water pump-station to maintain. Two of the waste treatment plants at Hartbeesfontein and Klerksdorp respectively are performing at 70% efficient whereas the other 2 plants in Stilfontein and Orkney are performing at 50%.

The water facilities are being performing at an overall 65% as for the 2022/23 financial year. The municipality is currently able to perform corrective maintenance hence the performance is steadily declining annually.

The optimum performance of mechanical equipment at water and sanitation facilities are affected by the following challenges:

Ageing Infrastructure

The municipality has ageing mechanical and electrical equipment still installed at water and sanitation facilities. These equipment's are inefficient resulting in high consumption of electricity to operate and also the result in non-repair turn around time due to obsolete repair parts.

Foreign objects in the sewer system

This result in damage to motors, pumps and mechanical screens resulting in non-operation of sanitation pump-stations and high cost of constant repairs to the above-mentioned equipment.

Lack of preventative maintenance due to resource constraints

This reduces the life span of equipment hence the need of frequent recapitalising projects.

Theft and vandalism of equipment

The municipality is experiencing high level of vandalism and theft of copper containing cables and equipment at Water and Sanitation facilities. This have affected pumping of water and wastewater at these facilities. Non-function of water and sanitation facilities due to vandalised electrical and mechanical equipment has resulted in water shortage to the communities as well as the environmental

Measures put in place to address the challenges

Ageing Infrastructure

The municipality have developed projects to address the challenge of ageing infrastructure at water and sanitation facilities. Business plans have been submitted for MIG for funding.

The municipality have received funding to address infrastructure challenge through MIG and NDPG to implement upgrading of the mechanical and electrical infrastructure at identified water and sewer pump-

station. The municipality has completed 80% of these projects and the outstanding are scheduled to be completed by October 2023.

Foreign objects in the sewer system

The municipality is busy developing programmes to educate the community on the impact of throwing foreign object inside sewer systems. Ward Councillors have also been requested to address issues at their respective meetings.

Lack of preventative maintenance due to resource constraints

The Sub-Directorate Electrical and Mechanical Engineering has developed and submitted the proposal to increase the number of fitters and to propose positions of Millwright at all wastewater treatment plants (WWTP) to perform this type of maintenance. The proposal form part of the organisational structure awaiting Council approval.

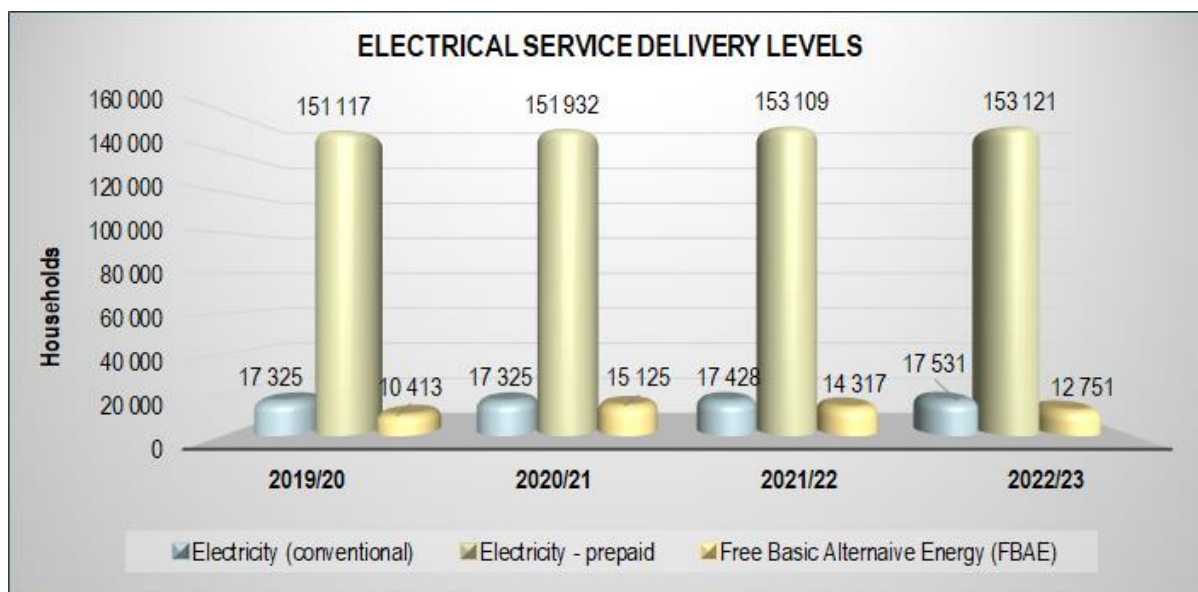
Theft and vandalism of equipment

The municipality, in consultation with the Directorate Public Safety have appointed private security to guard strategic electricity points with priority on bulk electricity sub-stations and water and sanitation facilities.

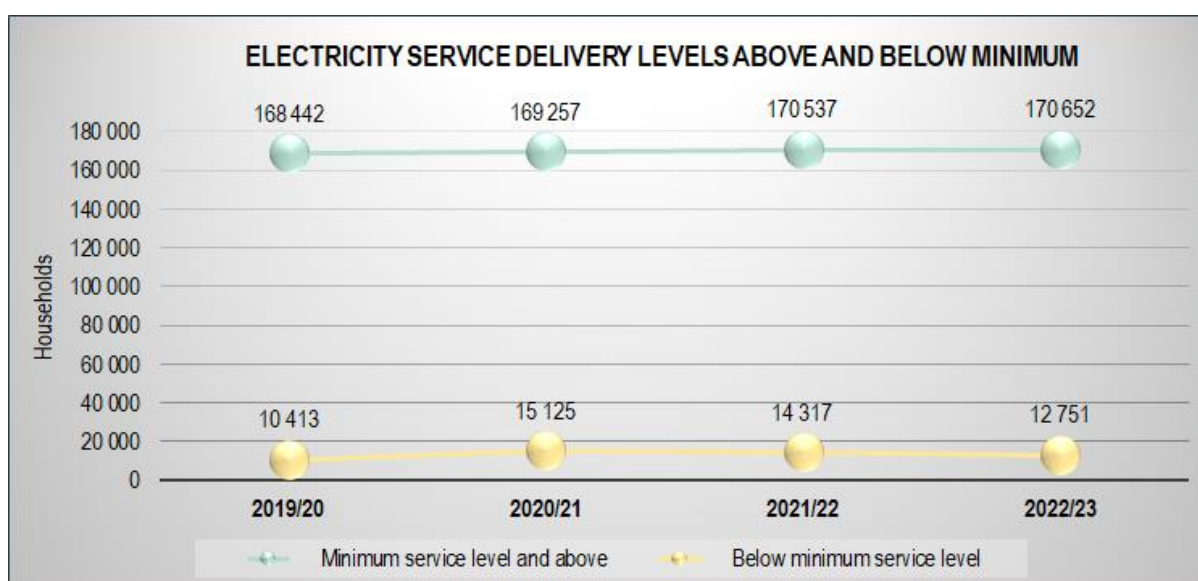
The municipality have engaged the SAPS on the issue of increasing theft of cable and vandalism of copper containing electricity systems and this issue has been included as a standing item on the SAPS Forum meetings however this challenge remains the most concerning as it is increasing at an alarming rate.

The municipality has also opted to replace stolen copper cables with aluminium overhead lines as and when required. Community awareness is required to deter, and report acts of vandalism to police and to actively form and participate in community police forums.

| ELECTRICAL AND MECHANICAL ENGINEERING SERVICE DELIVERY LEVELS | | | | |
|---|----------------|----------------|----------------|----------------|
| Households | | | | |
| Description | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | Actual | Actual | Actual | Actual |
| <u>Energy: (above minimum level)</u> | | | | |
| Electricity (at least minimum service level) (conventional) | 17 325 | 17 325 | 17 428 | 17 531 |
| Electricity - prepaid (minimum service level) | 151 117 | 151 932 | 153 109 | 153 121 |
| <i>Minimum service level and above subtotal</i> | 168 442 | 169 257 | 170 537 | 170 652 |
| <i>Minimum service level and above percentage</i> | 94% | 92% | 92% | 93% |
| <u>Energy: (below minimum level)</u> | | | | |
| Electricity (< minimum service level) | 10 413 | 15 125 | 14 317 | 12 751 |
| <i>Below minimum service level sub-total</i> | 10 413 | 15 125 | 14 317 | 12 751 |
| <i>Below minimum service level percentage</i> | 6% | 8% | 8% | 7% |
| TOTAL HOUSEHOLDS* | 178 855 | 184 382 | 184 854 | 183 403 |
| * - Totals include informal settlements | | | | |



| ELECTRICAL AND MECHANICAL ENGINEERING LEVELS BELOW THE MINIMUM | | | | | |
|--|------------|-------------|-------------|------------|------------|
| Households | | | | | |
| Description | 2020/21 | 2021/22 | 2022/23 | | |
| | Actual | Actual | Original | Adjusted | Actual |
| Formal settlements | | | | | |
| Total households | 171 290 | 171 492 | 171 492 | 171 400 | 171 339 |
| Households below minimum service level | 3 812 | 1 931 | 1 931 | 1 500 | 1 663 |
| Proportion of households below minimum service level | 2% | 1.1% | 1.1% | 1% | 1% |
| Informal settlements | | | | | |
| Total households | 7 565 | 13 362 | 13 362 | 12 500 | 12 064 |
| Households below minimum service level | 6 601 | 12 386 | 12 386 | 11 000 | 11 088 |
| Proportion of households below minimum service level | 87% | 92% | 92% | 88% | 92% |



EMPLOYEE INFORMATION

| EMPLOYEES: ELECTRICAL AND MECHANICAL ENGINEERING | | | | | |
|--|------------|------------|------------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 – 3 | 3 | 4 | 4 | 0 | 0% |
| 4 – 6 | 10 | 11 | 10 | 1 | 9% |
| 7 – 9 | 43 | 47 | 42 | 5 | 11% |
| 10 - 12 | 9 | 12 | 8 | 4 | 33% |
| 13 - 15 | 5 | 9 | 6 | 3 | 33% |
| 16 - 18 | 16 | 32 | 22 | 10 | 31% |
| 19 - 20 | 31 | 36 | 30 | 6 | 17% |
| Total | 117 | 151 | 122 | 29 | 19% |

| FINANCIAL PERFORMANCE 2021/22: ELECTRICAL AND MECHANICAL ENGINEERING | | | | | |
|--|--------------------|------------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 1 017 620 | 1 209 703 | 1 176 456 | 973 030 | -24% |
| Expenditure | | | | | |
| Employees | 55 273 | 52 270 | 38 977 | 39 647 | -32% |
| Repairs and maintenance | 57 219 | 82 806 | 101 054 | 87 362 | 5% |
| Other | 1 060 704 | 1 527 766 | 1 583 746 | 1 765 297 | 13% |
| Total Operational Expenditure | 1 173 196 | 1 662 842 | 1 723 777 | 1 892 306 | 12% |
| Net Operational Expenditure | -155 576 | -453 139 | -547 321 | -919 276 | |

COMMENTS ON THE PERFORMANCE OF ELECTRICAL, FLEET AND MECHANICAL SERVICES OVERALL

The Electrical and Mechanical Engineering section has been able to:

- Monthly monitoring of check meters at all bulk points to verify the bulk accounts received from Eskom.
- Developed key policies relating to small scale embedded generation, electricity infrastructure maintenance, electricity distribution loss management and regulation of electricity resellers to regulate solar systems, provide guideline to network maintenance, manage electricity system losses and to protect consumers that are not buying electricity directly from the municipality.

NATIONAL KEY PERFORMANCE INDICATOR

See page 271 for details.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 180 – 181 and 189)

| ELECTRICAL AND MECHANICAL ENGINEERING OBJECTIVES TAKEN FROM THE IDP | | | | | | | |
|--|---|---|--|--|----------|--|------------|
| Service Objective | Service Indicators | 2020/21 | 2021/22 | 2022/23 | | | 2023/24 |
| | | Actual | Actual | Target | | | Budget |
| | | | | Original | Adjusted | Actual | |
| To construct high mast lights to enhance a safe social economic environment in Jouberton hot spot areas (Phase 4) (Wards 4 - 14) | Number of high mast lights at Jouberton hot spot areas constructed (Phase 4) (Wards 4 - 14) | New project | New project | Constructing 9 high mast lights in Jouberton hot spot areas (Phase 4) (Wards 4 - 14) by 30 June 2023 R2 880 000 | N/A | 9 High mast lights in Jouberton hot spot areas (Phase 4) (Wards 4 - 14) constructed R2 391 342 | R0 |
| To construct high mast lights to enhance a safe social economic environment in Alabama Ext 4 & 5 (Phase 1) (Wards 4-5) | Number of high mast lights at Alabama Ex 4 & 5 constructed (Phase 1) (Wards 4 & 5) | New project | New project | Constructing 5 high mast lights in Alabama Ext 4&5 (Phase 1) (Wards 4 & 5) by 30 June 2023 R1 600 000 | N/A | 5 High mast lights in Alabama Ext 4 & 5 (Phase 1) (Wards 4 & 5) constructed R1 385 082 | R2 188 652 |
| To provide electrification for the new development in Alabama ext. 5 (Phase 2) (Ward 4) | Kilometres of line constructed in Alabama Ext 5 (Ward 4) (Phase 2) | The construction of 7.414km power lines for the electrification of Alabama extension 5 (Ward 4) completed. R10 707 153 | The project was withdrawn due to the withholding of funds by Department of Mineral and Energy (DMRE) | Constructing 4.9 km of MV and 16.4 LV power lines for the electrification of Alabama extension 5 (Ward 4) (Phase 2) by installing 12 transformers and connecting 1 527 RDP houses by 30 June 2023 R29 064 000 | N/A | The construction of 4.9 km of MV and 16.4 LV power lines for the electrification of Alabama extension 5 (Ward 4) (Phase 2) completed. Twelve (12) transformers were installed. Connection of 1 527 RDP houses not done. R21 420 240 | R0 |

3.4 Waste Management

INTRODUCTION TO WASTE MANAGEMENT

The Cleansing section's function is to provide an acceptable, affordable and sustainable cleaning service to all the residents of the Matlosana area.

The refuse removal service is rendered once a week in residential areas and daily at businesses and hospitals to keep the environment clean. This service is rendered with refuse compaction trucks in both townships and towns.

The Cleansing section services includes the cleaning of illegal dumping, the rendering of a street cleansing services in all CBD's and all main roads within the Matlosana area and the management and operations of the Klerksdorp and Hartbeesfontein Landfill Sites and the Orkney Transfer Station.

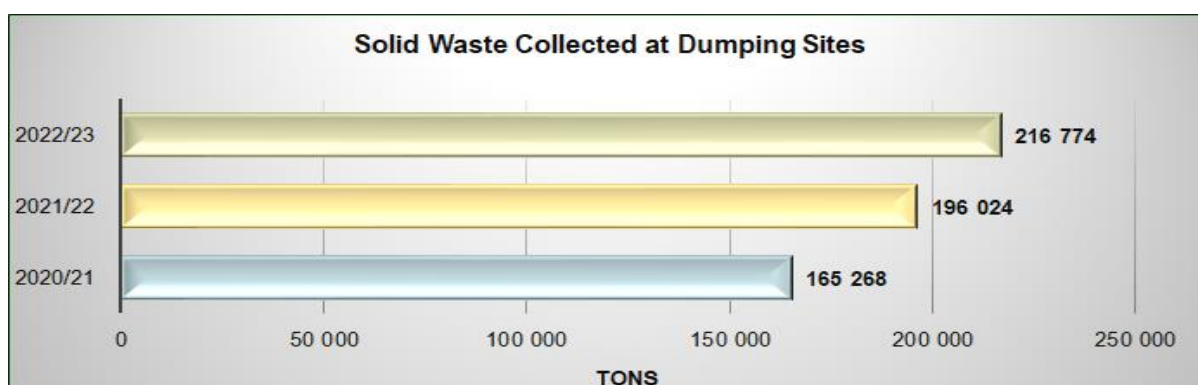
Strategic objectives are to:

- ✚ render a uniform cleansing service to all communities in the Matlosana area;
- ✚ ten refuse trucks are leased, two refuse trucks were purchase with council funds and four refuse trucks were purchase with MIG funding, to render an effective and efficient refuse removal service in the Matlosana area;
- ✚ conduct awareness and clean-up campaigns to eliminate illegal dumping in the Matlosana area;
- ✚ dustbins will be purchase and will be distributed for newly proclaimed developed and existing areas within Matlosana; and
- ✚ adhere to the minimum license conditions of the two landfill sites and transfer station.

| SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS | | | | |
|--|----------------|----------------|----------------|-----------------------|
| Description | 2019/20 | 2020/21 | 2021/22 | Households 2022/23 |
| | Actual | Actual | Actual | Actual |
| <i>Solid Waste Removal: (minimum level)</i> | | | | |
| Removed at least once a week | 170 047 | 170 181 | 170 798 | 170 985 |
| <i>Minimum service level and above sub-total</i> | 170 047 | 170 181 | 170 798 | 170 985 |
| <i>Minimum service level and above percentage</i> | 95% | 92% | 92% | 93% |
| <i>Solid Waste Removal: (below minimum level)</i> | | | | |
| Removed less frequently than once a week | - | - | - | - |
| Using communal refuse dump | 5 244 | 7 216 | 8 518 | 5 823 |
| Using own refuse dump | 3 564 | 6 985 | 5 538 | 6 595 |
| No rubbish disposal | 0 | 0 | 0 | 0 |
| <i>Below minimum service level – sub-total</i> | 8 808 | 14 201 | 14 056 | 12 418 |
| <i>Below minimum service level – percentage</i> | 5% | 8% | 8% | 7% |
| TOTAL HOUSEHOLDS* | 178 855 | 184 382 | 184 854 | 183 403 |
| * - Total includes informal settlements | | | | |



| SOLID WASTE COLLECTED AT DUMPING SITES | | |
|--|--------------|--------------|
| 2020/21 | 2021/22 | 2022/23 |
| 165 268 tons | 196 024 tons | 216 774 tons |



| SOLID WASTE MANAGEMENT SERVICE DELIVERY LEVELS BELOW THE MINIMUM | | | | | |
|--|--------------|--------------|--------------|-------------|-------------|
| Households | | | | | |
| Description | 2020/21 | 2021/22 | 2022/23 | | |
| | Actual | Actual | Original | Adjusted | Actual |
| Formal settlements | | | | | |
| Total households | 171 297 | 171 297 | 171 914 | 172 100 | 172 101 |
| Households below minimum service level | 1 116 | 1 116 | 1 116 | 1 116 | 1 116 |
| Proportion of households below minimum service level | 0.65% | 0.65% | 0.64% | 0.6% | 0.6% |
| Informal settlements | | | | | |
| Total households | 13 085 | 13 085 | 12 940 | 11 800 | 11 302 |
| Households below minimum service level | 13 085 | 13 085 | 12 940 | 11 800 | 11 302 |
| Proportion of households below minimum service level | 100% | 100% | 100% | 100% | 100% |



EMPLOYEE INFORMATION

| EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING) | | | | | |
|--|------------|------------|------------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 – 3 | 2 | 2 | 2 | 0 | 0% |
| 4 – 6 | 3 | 3 | 3 | 0 | 0% |
| 7 – 9 | 7 | 8 | 7 | 1 | 13% |
| 10 - 12 | 26 | 32 | 32 | 0 | 0% |
| 13 - 15 | 11 | 20 | 10 | 10 | 50% |
| 16 - 18 | 8 | 11 | 7 | 4 | 36% |
| 19 - 20 | 163 | 260 | 148 | 112 | 43% |
| Total | 220 | 336 | 209 | 127 | 38% |

| FINANCIAL PERFORMANCE 2022/23: SOLID WASTE MANAGEMENT SERVICES (REFUSE REMOVAL AND STREET CLEANING) | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 274 565 | 349 152 | 369 861 | 345 934 | -1% |
| Expenditure | | | | | |
| Employees | 70 722 | 67 064 | 55 876 | 59 468 | -13% |
| Repairs and maintenance | 45 472 | 66 138 | 66 138 | 30 610 | -116% |
| Other | 157 279 | 105 661 | 85 337 | 109 491 | 3% |
| Total Operational Expenditure | 273 473 | 238 863 | 207 351 | 199 569 | -20% |
| Net Operational Expenditure | 1 092 | 110 289 | 162 510 | 146 365 | |

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 179; 186 and 190)

| SOLID WASTE MANAGEMENT SERVICES OBJECTIVES TAKEN FROM THE IDP | | | | | | | |
|---|--|-------------|-------------|---|---|---|-------------|
| Service Objective | Service Indicators | 2020/21 | 2021/22 | 2022/23 | | | 2023/24 |
| | | Actual | Actual | Target | | | Budget |
| | | | | Original | Adjusted | Actual | |
| To improve collection of refuse and maintain environmental care | Number of specialised vehicles for solid waste removal purchased and delivered | New project | New project | Purchasing and delivery of specialised vehicles (2 rear-end loading refuse trucks and 1 tractor loader backhoe (tlb)) for solid waste removal by 31 December 2022 R8 301 841 | R7 625 602 | Specialised vehicles (2 rear-end loading refuse trucks and 1 tractor loader backhoe (tlb) for solid waste removal purchased and delivered. R6 647 915 | R4 542 900 |
| To ensure the safe and disposal of urban solid waste in order to protect human health and to reduce the risk of environmental pollution | Number of EIA studies conducted and detailed design report developed for Klerksdorp landfill sites (Cell 3) development (Phase 1) (wards 19) | New project | New project | Developing the Klerksdorp Landfill Site Cell 3 (Phase 1) (Ward 19) by - conducting an EIA study; and - develop a detailed design report, by 31 December 2022 | Developing the Klerksdorp Landfill Site Cell 3 (Phase 1) (Ward 19) by - conducting an EIA study; and - develop a detailed design report, - appointment of the Contractor and site establishment by 30 June 2023 | The development of the Klerksdorp Landfill Site Cell 3 (Phase 1) (Ward 19) not completed yet. The EIA study was conducted, and a detailed design report developed and approved. Project registration letter received from COGTA on 28 March 2023. R3 496 357 | R35 471 188 |

COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT OVERALL

- ✚ Refuse removal: Provides a uniform refuse removal service to all residential sites, business premises and industrial sites. Different types of systems are in use namely black plastic bags, 85ℓ and 240ℓ containers. All 1 100ℓ containers has been replaced with 240ℓ containers. Also, all broken 240ℓ dustbin wheels and axels are replaced.
- ✚ Street cleaning: Rendering a service in the CBD areas, small CBD areas within residential areas, taxi ranks and all main roads by means of litter picking. The service is being rendered during normal working hours and Flexi workers are working after hour and also over weekends, to keep our CBD's clean.
- ✚ All Landfill Sites and Transfer Station to adhere to the minimum landfill site requirements.
- ✚ Additional refuse: Rendering a service by removing additional refuse that is dumped illegally in open spaces, corners etc. and it is disposed at the landfill site, on an as and when basis in the Matlosana area.
- ✚ The Integrated Waste Management plan for the City of Matlosana was endorsed by the MEC of Economic Development, Environment, Conservation and Tourism, on the 4th July 2022.

NATIONAL KEY PERFORMANCE INDICATOR

See page 271 for details.

3.5 Housing Provision

INTRODUCTION OF HOUSING PROVISION

In terms of Schedule 4: part A of the constitution of the Republic of South Africa, Housing is the concurrent function of national and provincial departments.

The Housing unit is limited to a facilitation role to ensure that the state subsidised houses (RDP) are built through various housing programmes as outlined in the National Housing Policy.




The mission of the Housing unit within the Directorate Planning and Human Settlements is to facilitate the delivery of sustainable human settlements, affordable, adequately serviced land, security of tenure as well as identification of well-located land suitable for human settlements developments through:

- ✚ partnership with the provincial department of human settlements in conducting consumer education.
- ✚ mobilisation of well-located land for low income and affordable housing with increased densities.
- ✚ ensuring higher built densities, appropriate housing forms with a variety of tenure types, and the densification of existing residential areas.
- ✚ introduction of rental strategy as an alternative to the existing housing backlogs.
- ✚ facilitates eradication of informal settlements through the various housing programmes
- ✚ partnership with housing development agency in purchasing a well-located land suitable for human settlements development.

The Housing unit will further strive to ensure the achievement of the following:

- ✚ management of informal settlements.
- ✚ compilation of a credible National Housing Needs Register.
- ✚ ensure that the City of Matlosana receives Municipal Accreditation level 1 and 2, to perform human settlements functions.

Challenges

-  The proliferation of informal settlements and urban sprawl.
-  Shortage of well-located land for human settlements.
-  Blocked housing projects.

MATLOSANA INFORMAL SETTLEMENTS

The upgrading of informal settlements is invariably a phased process, the ultimate objective of which is to provide everyone with acceptable housing opportunity. Therefore, the responsibility for the upgrading of informal settlements is initiated and led by the municipality.

Here below are the informal settlements as identified and assessed by the municipality.

| MATLOSANA INFORMAL SETTLEMENTS – 2022/23 | | | | | | |
|--|---|-------------------|----------------|--------------------------|--|--|
| NAMES OF INFORMAL SETTLEMENTS | DESCRIPTION OF LAND AFFECTED | OWNERSHIP | ZONING OF LAND | CATEGORY IN TERMS OF RAC | TYPE OF INTERVENTION REQUIRED FROM PROVINCE | SUITABILITY OF LAND IN TERMS OF IDP(SDF) |
| Sloja | PTN 306 Hartbeesfontein 297 IP | Municipal | Agriculture | B1 | Socio-economic survey, enumeration, NHNR & Relocation plan | Yes |
| Sunny Side | PTN 392 Town lands of Klerksdorp 424-IP | Municipal | Agriculture | B1 | In-situ upgrading and Township establishment | Yes |
| Waterfall | PTN 5 Nooitgedacht 429- IP | Government of RSA | Government | B1 | Socio-economic survey, enumeration, NHNR & In-situ upgrading | No |
| Jacaranda | PTN 1 Town lands of Klerksdorp 424-IP | Municipal | Municipal | A | Socio-economic survey, enumeration, NHNR & In-situ upgrading | Yes |
| Jouberton Ext 25 | 5 Nooitgedacht 429- IP | Municipal | Agricultural | A | Socio-economic survey, enumeration, NHNR & In-situ upgrading | Yes |

| MATLOSANA INFORMAL SETTLEMENTS – 2022/23 | | | | | | |
|--|------------------------------|-------------------|----------------|--------------------------|--|--|
| NAMES OF INFORMAL SETTLEMENTS | DESCRIPTION OF LAND AFFECTED | OWNERSHIP | ZONING OF LAND | CATEGORY IN TERMS OF RAC | TYPE OF INTERVENTION REQUIRED FROM PROVINCE | SUITABILITY OF LAND IN TERMS OF IDP(SDF) |
| Kanana Ext 16 | PTN 5 Nooitgedacht 429- IP | Municipal | Agricultural | B1 | Socio-economic survey, enumeration, NHNR & Relocation plan | Yes |
| Mphebatho | PTN Wildebeespan 442- IP | Municipal | Agricultural | B2 | Socio-economic survey, enumeration, NHNR & Relocation plan | No |
| Ext 9 (Tony Shaft) | PTN 3 Hartbeesfontein | Municipal | Agricultural | B2 | Socio-economic survey, enumeration, NHNR & Relocation plan | No |
| Zandpan | PTN 4 of Zandpan 423 IP | Government of RSA | Government | B2 | Socio-economic survey, enumeration, NHNR & Relocation plan | No |

To deal with informal settlements, the municipality has embarked on informal settlements upgrading programme and new housing development projects.

Below are the informal settlements that needs upgrading and new housing developments.

| INFORMAL SETTLEMENT UPGRADING AND NEW HOUSING DEVELOPMENTS – 2022/23 | | | |
|--|--------------|---|---|
| NAME OF AREA | NR OF STANDS | PROJECT DESCRIPTION | COMMENTS |
| Matlosana Estate Ext. 10 | 1 667 | Construction of 1667 RDP houses | Construction underway |
| Matlosana Estate Ext. 11 | 1 149 | Construction of internal roads, internal services installed | Relocation of Beneficiaries in planning stage |
| Jouberton Ext. 31 | 3 000 | Township Establishment | Completed |
| Jouberton Ext. 34 | 2 254 | Township Establishment | Completed |
| Kanana Ext. 5 | 2 149 | Township Establishment | Completed |
| Kanana Ext. 16 | 2 283 | Township Establishment | Completed |
| Kanana Ext. 17 | 1 200 | Township Establishment | In progress |
| Sunnyside | 2 500 | Township formalisation & pegging in progress | Work in progress |



Chapter 3

National Department of Human Settlements funded the following housing developments housing developments for the 2022/23 financial year:

| NDHS: TOWNSHIP ESTABLISHMENTS AND OTHER SERVICES – 2022/23 | | | |
|--|--------------|--|----------------------|
| NAME OF AREA | NR OF STANDS | COMMENTS | PROGRESS |
| Jouberton Ext. 31 | 3 000 | Installation of internal services | Contractor appointed |
| Jouberton Ext. 34 | 2 254 | Installation of internal services | Contractor appointed |
| Kanana Ext. 16 | 2 283 | Installation of internal services | Contractor appointed |
| Orkney Ext. 2 | 200 | Installation of internal services | Contractor appointed |
| Tigane Ext 7 | 1 584 | Installation of internal services | Completed |
| Tigane Ext 8 | 1 494 | Installation of internal services | Completed |
| Tigane Ext 7 & 8 | Bulk | Construction of Bulk Engineering services/Infrastructure | In progress |
| Jouberton Ext 31 & 34, Kanana Ext 5,15,16 &17 | Bulk | Construction of Bulk Engineering services/Infrastructure and refurbishment of Wastewater Treatment Plant (WTP) | Contractor appointed |
| Hillview | 4 800 | Township Establishment | In progress |

Below is the breaking new ground “RDP’s” project undertaken in 2022/23 financial year:

| DEPARTMENT OF HUMAN SETTLEMENTS - BREAKING NEW GROUNDS “RDP’s” – 2022/23 | | | |
|--|----------------|---|--|
| PROJECT NAME | PLANNED STANDS | ACHIEVEMENTS | PERFORMANCE SHORTFALL |
| Matlosana estate Ext 10 | 1 667 | 775 Foundations 380 Wall Plates 60 Completions | <ul style="list-style-type: none"> 70% of the soil is clay Delay on finalisation of contracts by Department of Human Settlements Delay of payments from Department of Human Settlements |
| Alabama Ext 5 | 755 | 531 Foundations 496 Wall Plates 296 Completions | <ul style="list-style-type: none"> Slow delivery of completions due to material price escalation Request for subsidy top-up delays from the department |
| Alabama Ext 5 | 800 | 705 Foundation 521 Wall plate 380 Completion | <ul style="list-style-type: none"> Slow delivery of completions due to material price escalation Contactors terminated due to non-compliance and slow delivery |
| Jouberton Infill Ext 2, 3 & 7 | 300 | 125 Foundations 80 Wall Plates 40 Completions | <ul style="list-style-type: none"> Slow delivery of completions due to material price escalation Request for subsidy top-up delays from the department |

| DEPARTMENT OF HUMAN SETTLEMENTS - BREAKING NEW GROUNDS "RDP's" – 2022/23 | | | |
|--|----------------|--|---|
| PROJECT NAME | PLANNED STANDS | ACHIEVEMENTS | PERFORMANCE SHORTFALL |
| Kanana Ext 13 | 278 | Unblocked project 125 New Units 253 Incomplete Progress to date 125 Complete 253 Wall Plate 73 Completions |  Slow delivery due to dispute on variation orders with the department  Request for subsidy top-up delays from the department |

EMPLOYEE INFORMATION

| EMPLOYEES: HOUSING SERVICES | | | | | |
|-----------------------------|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 – 3 | 1 | 1 | 1 | 0 | 0% |
| 4 – 6 | 5 | 6 | 5 | 1 | 17% |
| 7 – 9 | 2 | 4 | 2 | 2 | 50% |
| 10 - 12 | 3 | 3 | 3 | 0 | 0% |
| 13 - 15 | 7 | 7 | 7 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 2 | 0 | 2 | 100% |
| Total | 18 | 23 | 18 | 5 | 22% |

| FINANCIAL PERFORMANCE 2022/23: HOUSING SERVICES | | | | | |
|---|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 7 778 | 3 978 | 3 977 | 3 837 | -4% |
| Expenditure | | | | | |
| Employees | 10 110 | 11 181 | 11 181 | 10 187 | -10% |
| Repairs and maintenance | 49 | 127 | 127 | 51 | -149% |
| Other | 253 | 5 825 | 5 541 | 3 826 | -52% |
| Total Operational Expenditure | 10 412 | 17 133 | 16 849 | 38 183 | 55% |
| Net Operational Expenditure | -2 634 | -13 155 | -12 872 | -34 346 | |

COMMENT ON THE PERFORMANCE OF HOUSING SERVICES OVERALL

The Directorate Planning and Human Settlements operates within the Outcome 8 expressed in the National Development Plan which deals with the sustainable and improved quality of human settlements and that covers the upgrading of human settlements, the delivery of affordable rental units, serviced land as well as land acquisition.

Many migrants cannot break into the urban labour market and find it difficult to move out of shacks into accommodation that is more formal. Matlosana municipality is no exception to the challenges. Nonetheless, with the advent of a new Directorate Planning and Human Settlements which its functions have a bearing in human settlements environment, the directorate must consider the constraints posed by the socio-political imperatives under review.

The directorate therefore requires retooling to remain relevant with its planning capacities, its leadership in ensuring compliance with building standards and housing and meeting the ever-growing levels of the city's densification population patterns.

To remain relevant in this discourse the directorate requires strategies that will bring it closer to the implementing institutions by enhancing its stakeholder relationships and strategic partnership that adds value to the planning and human settlements challenges.

In this context, the directorate will ensure the facilitation of the delivery of some additional subsidized houses through human settlement programmes, which offers adequate shelter to poor people, and help contribute to an unprecedented productive increase in addressing the housing backlog in the municipality, strengthen the area of spatial planning and enhanced quality on houses built.

3.6 Free Basic Services and Indigent Support

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Council accepts that they are responsible for the rendering of services in terms of Schedules 4 and 5 of the Constitution, as well as other services, which may be delegated by National and Provincial Government.

The Council will endeavour to render a basic standard and level of services necessary to ensure an acceptable and reasonable quality of life, which considers health and environmental considerations.

The basic point of departure is that Council will assist, through funds received from National Government; to provide basic services to "poorer" households within the Council's service provision area, and in this regard, no discrimination on any grounds will be allowed.

Only households where the total household income is less than R4 020 per month (which is the maximum old age grant equal to two old-age pensions may apply for indigent support.

| NUMBER OF HOUSEHOLDS | | | | | | | | | |
|---|--------|------------------|------|-----------------------|------|------------------------|------|---------------------------|------|
| HOUSEHOLDS EARNING LESS THAN R4 020 PER MONTH | | | | | | | | | |
| Year end | Total | Free basic water | | Free basic sanitation | | Free basic electricity | | Free basic refuse removal | |
| | | Access | % | Access | % | Access | % | Access | % |
| 2019/20 | 20 650 | 20 650 | 100% | 20 650 | 100% | 20 650 | 100% | 20 650 | 100% |
| 2020/21 | 21 779 | 21 779 | 100% | 21 779 | 100% | 21 779 | 100% | 21 779 | 100% |
| 2021/22 | 22 886 | 22 886 | 100% | 22 886 | 100% | 22 886 | 100% | 22 886 | 100% |
| 2022/23 | 16 073 | 16 073 | 100% | 16 073 | 100% | 16 073 | 100% | 16 073 | 100% |

NATIONAL KEY PERFORMANCE INDICATOR

See page 272 for details.

COMMENTS ON FREE BASIC SERVICES AND INDIGENT SUPPORT

One of the main objectives of the Council is to ensure the provision of basic services to the community in a sustainable manner. This objective will, however, only be attainable within the financial and administrative capacity of the Council. The Council recognizes the fact that the community has a right of access to basic services, but the community also has an obligation to settle their monthly services accounts.

The Council also recognizes the fact that many of the residents can simply not afford the cost of full-service provision and for this reason, the Council will endeavour to ensure affordability through:

- ✚ setting tariffs in terms of the Council's Tariff Policy, which will balance the economic viability of continued service delivery; and
- ✚ determining appropriate service levels.

The Council will endeavour to render a basic standard and level of services necessary to ensure an acceptable and reasonable quality of life, which considers health and environmental considerations.

None of the residents should fall below the minimum standard of services as is contemplated in the Council's financial policies.

The Council realizes that in certain circumstances and because of past policies, certain services are available to communities, the costs of which are beyond the financial means of such communities and will through this policy assist those communities within the financial capability of the Council. In each instance, the economic cost to render the services shall be calculated in accordance with the Council's tariff policy.

Those indigent consumers who do not have access to electricity qualify for alternative energy sources. According to the National Policy for Indigents, paraffin is being utilized by Council as a source for alternative energy. These consumers will qualify for a once-off annual supply of two single plate paraffin stove, as well as two paraffin lamps.

Simultaneously, they qualify for 20ℓ of paraffin per month to utilize the supplied items and thereby have access to alternative energy.

| FINANCIAL PERFORMANCE 2022/23: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED | | | | | |
|--|----------------|-------------|-------------|-------------|--------------------|
| R'000 | | | | | |
| Services delivered | 2021/22 | 2022/23 | | | |
| | Actual | Budget | Adjustment | Actual | Variance to Budget |
| Water | 70 555 | -10% | -10% | -10% | -10% |
| Wastewater (sanitation) | 23 605 | -149% | -149% | -149% | -149% |
| Electricity | 32 859 | -52% | -52% | -52% | -52% |
| Waste management (solid waste) | 47 511 | 55% | 55% | 55% | 55% |
| Total | 174 530 | -10% | -10% | -10% | |

CRITERIA FOR INDIGENT SUPPORT

The basic point of departure is that Council will assist, through funds received from National Government to provide basic services to “poorer” households within the Council’s service provision area in this regard no discrimination on any grounds will be allowed.

In order to qualify for financial assistance, the following will apply:

- (i) Only registered residential/farm occupied consumers of services delivered by the Council will qualify;
- (ii) No residential consumer conducting a business from the residential property, with or without special consent obtained from the Council or with or without existing usage rights, shall qualify for assistance;
- (iii) Occupants/residents who own more than one property and occupying a house where application is sought will render such application of the owner/occupier invalid;
- (iv) Where a tenant is renting a property, fully motivated applications and proof, together with a sworn affidavit from the owner and verification from the ward Councillor must be submitted;
- (v) Where the registered owner or occupant is deceased and underage children of the deceased are residing in the house, the relevant documentation to this effect must be produced;
- (vi) The account holder must apply in person and must present the following documents upon application:
 - ✚ The latest municipal account in his/her possession;
 - ✚ Account holder’s identity document;
 - ✚ Pension certificates and/or card /or affidavit;
 - ✚ Proof of income (if any);
 - ✚ Information of other individuals residing with the applicant.
- (vii) Only households where the total household income is less or equal to R3 820 (Three thousand eight hundred and twenty rand) per month may apply for indigent support;
- (viii) An application agreement must be completed by every applicant. This agreement must include an affidavit and a customer profile of the household;
- (ix) An approved indigent subsidy is valid for a period of two years or until Council decides to cancel all previous applications and indigents will have to renew their applications, or as soon as the circumstances have changed of an indigent debtor, or on an annual basis based from the approval date of the application;
- (x) No pensioner indigents, whose indigent subsidy has been approved from the preceding financial year, need to reapply for the subsidy, as it is automatically approved. Pensioners only need to verify that they are still alive;
- (xi) All indigent applicants must give permission that an ITC check may be done on them to verify their claimed indigent status if needed. Failure thereof will cause the application not to be considered and approved;
- (xii) No debt collection or credit control measures will be instituted against the indigent household for as long as consumption over and above the free use is paid in full.

LEVEL OF INDIGENT SUPPORT

The level of indigent support will be as follows:

- Water: Usage: An indigent subsidy amount equal to the value of 6kℓ water and thereafter normal tariffs will apply which is payable by the indigent consumer.
 Basic Fees: A subsidy amount equal to the value of the basic fees as determined by the water tariffs
- Refuse removal: Removal once (1) a week of 85ℓ or 240ℓ container: Free of charge per month
- Sewerage: Cost of drainage basic charge plus additional sewerage charge per dwelling house: Free of charge per month.

Chapter 3

Electricity: Usage: A maximum indigent subsidy of 50 kWh free of charge and thereafter-normal tariffs will apply which the Indigent consumer must pay
Basic fees: An indigent subsidy amount equal to the value of the basic fees as determined by the electricity tariffs

Property Rates: 100% of the rates as subsidized by the Property Rates Policy will be subsidized for indigent residents

COMPONENT B: ROAD TRANSPORT

This component includes Roads and Storm-Water Drainage and Licensing Services.

INTRODUCTION TO ROAD TRANSPORT

The City of Matlosana's primary responsibility is to provide road infrastructure that is of an acceptable level of service. The roads transport infrastructure networks and storm-water systems must be reliable, accessible and affordable. They should be able to facilitate seamless mobility of goods and people and promote socio-economic development within the City of Matlosana. Furthermore, the roads should be a priority in the promotion of vehicular and pedestrian safety.

3.7 Roads and Storm-Water Drainage

INTRODUCTION TO ROADS AND STORM-WATER DRAINAGE

The Roads and Storm-Water section add value to accessibility in Matlosana through the provision of sustainable roads and storm-water service of high quality.

The section's goals are to:

- ✚ ensure effective storm-water and drainage management;
- ✚ provide roads and storm-water infrastructure development and maintenance;
- ✚ provide safe roads with good quality riding characteristics; and
- ✚ determine a road inventory and create a road referencing system.

The Roads and Storm-Water section is responsible for planning, providing and maintaining the roads and storm-water infrastructure of City of Matlosana and to facilitate economic growth and socio-development, promote traffic safety, improve traffic flow and alleviate traffic congestion.

| GRAVEL ROAD INFRASTRUCTURE | | | | |
|----------------------------|--------------------|------------------------------|------------------------------|--------------------------------|
| | | | | <i>Kilometres</i> |
| Year | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
| 2019/20 | 836 | 0 | 5 | 145.00 |
| 2020/21 | 831 | 0 | 9 | 79.00 |
| 2021/22 | 822 | 0 | 9 | 100 |
| 2022/23 | 822 | 0 | 0 | 120 |

| TARRED ROAD INFRASTRUCTURE | | | | |
|----------------------------|----------------------|--------------------|-------------------------------------|---------------------------|
| Kilometres | | | | |
| Year | Total surfaced roads | New surfaced roads | Existing surfaced roads re-surfaced | Surfaced roads maintained |
| 2019/20 | 1 092.45 | 2 | 3 | 300 |
| 2020/21 | 1 101.45 | 9 | 1 | 300 |
| 2021/22 | 1 103.83 | 11.3 | 0 | 300 |
| 2022/23 | 1 103.83 | 0 | 25 | 300 |

| ROADS COST OF CONSTRUCTION / MAINTENANCE | | | | | | |
|--|--------|--------------|------------|--------|-----------|------------|
| R' 000 | | | | | | |
| Year | Gravel | | | Tar | | |
| | New | Gravel - Tar | Maintained | New | Re-worked | Maintained |
| 2019/20 | 0 | 21 000 | 4 000 | 21 000 | 8 000 | 9 000 |
| 2020/21 | 0 | 47 000 | 5 000 | 47 000 | 0 | 10 000 |
| 2021/22 | 0 | 65 000 | 10 000 | 65 000 | 0 | 10 000 |
| 2022/23 | 0 | 14 773 | 8 000 | 0 | 57 000 | 57 000 |

| STORM-WATER INFRASTRUCTURE | | | |
|----------------------------|--------------------------|-------------------------------|---------------------------------|
| Kilometres | | | |
| Year | New storm-water measures | Storm-water measures upgraded | Storm-water measures maintained |
| 2019/20 | 3* | 2 | 30 |
| 2020/21 | 3* | 0 | 46 |
| 2021/22 | 5.9* | 0 | 45 |
| 2022/23 | 0* | 0.25 | 60 |

* Awaiting finalisation of the Roads Master Plan of the City of Matlosana

| STORM-WATER COST OF CONSTRUCTION / MAINTENANCE | | | |
|--|----------------------|----------|------------|
| R' 000 | | | |
| Year | Storm-Water Measures | | |
| | New | Upgraded | Maintained |
| 2019/20 | 0 | 0 | 4 |
| 2020/21 | 47 | 0 | 3 |
| 2021/22 | 81 | 0 | 9 |
| 2022/23 | 0 | 1 | 6 |

EMPLOYEE INFORMATION

| EMPLOYEES: ROAD AND STORM-WATER DRAINAGE | | | | | |
|--|------------|------------|------------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 0 | 1 | 1 | 0 | 0% |
| 4 - 6 | 1 | 2 | 0 | 2 | 100% |
| 7 - 9 | 10 | 14 | 10 | 4 | 29% |
| 10 - 12 | 23 | 29 | 24 | 5 | 17% |
| 13 - 15 | 2 | 4 | 2 | 2 | 50% |
| 16 - 18 | 19 | 26 | 19 | 7 | 27% |
| 19 - 20 | 77 | 107 | 75 | 32 | 30% |
| Total | 132 | 183 | 131 | 52 | 28% |

| FINANCIAL PERFORMANCE: ROAD AND STORM-WATER DRAINAGE | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 68 268 | 53 187 | 46 881 | 39 026 | -36% |
| Expenditure | | | | | |
| Employees | 62 318 | 74 415 | 60 225 | 51 151 | -45% |
| Repairs and maintenance | 28 153 | 81 601 | 91 301 | 94 317 | 13% |
| Other | 126 323 | 107 009 | 120 194 | 197 106 | 46% |
| Total Operational Expenditure | 216 794 | 263 025 | 271 720 | 342 574 | 23% |
| Net Operational Expenditure | -148 526 | -209 838 | -224 839 | -303 548 | |

COMMENTS ON THE PERFORMANCE OF ROADS AND STORM-WATER DRAINAGE OVERALL

The Roads and Storm-Water section is performing fairly well with the limited resource. The municipality is working on a maintenance budget to ensure effective maintenance and rehabilitation of the existing roads, as well as capital budget to upgrade the gravel roads to tar. Most of the road infrastructure has aged and is deteriorating, therefore there is need to increase the maintenance budget for rehabilitation of those assets and to keep them alive for the next 10 years to 20 years' life cycle.

The challenging reality of limited financial resources leads to the need for roads investment optimization and prioritization. Rehabilitation and resealing of surfaced roads are the major factor that keeps the roads intact against major defects such as potholes, crocodile cracks, rutting and rejuvenating of the life span of roads.

The city has to make sure that all these roads are properly maintained. There is huge challenge with regard to maintenance of these roads because of shortage of funds and shortage of equipment for internal capacity for carrying out required level of road maintenance to maintain high quality drivability.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 180; 183 and 186 – 188)

| ROADS AND STORM-WATER DRAINAGE OBJECTIVES TAKEN FROM THE IDP | | | | | | | |
|---|--|--|--|---|---|---|---------|
| Service Objective | Service Indicators | 2020/21 | 2021/22 | 2022/23 | | | 2023/24 |
| | | Actual | Actual | Target | | | Budget |
| | | | | Original | Adjusted | Actual | |
| To improve accessibility and mobility and control and direct the flow of stormwater and prevent road erosion in Kanana (Phase 9)(Wards 22, 23, 24 and 36) | Km of storm-water drainage slab constructed, and Number of reports and drawings received of taxi route paved and km of storm-water drainage constructed in Kanana (Phase 9)(Wards 22, 23, 24 and 36) | 4.27 Km layer works of the paved taxi routes and 1.994 km storm-water drainage in Kanana (Phase 9) (Wards 22, 23, 24 and 36) not completed, but 4,27 km excavation works, and roadbed completed. 2.22 Km subbase layer and 1.75 km base layer completed. 0.97km storm water drainage completed. Construction works for Agapanthus Road completed. R8 606 500 | 3.969 Km paved taxi routes laid, 2.66 km v-drains and 4.25 km edge beams constructed, and 8 speed humps installed in Kanana (Phase 9) (Wards 22, 23, 24 and 36) R12 649 039 | Laying of 0,021 km paved taxi routes and constructing 0,02km of edge beams and modifying the construction of 0.90 Km v-drains at Thandanani Road and constructing 14 storm-water drainage slabs for the v-drains in Agapanthus and J Molefe Roads in Kanana (Phase 9)(Wards 22, 23, 24 and 36) by 30 June 2023 R 5 203 466 | Laying of 0,021 km paved taxi routes and constructing 0,02km of edge beams and modifying the construction of 0.90 Km v-drains at Thandanani Road and constructing 14 storm-water drainage slabs for the v-drains in Agapanthus and J Molefe Roads in Kanana (Phase 9)(Wards 22, 23, 24 and 36) by 30 June 2023 R 5 203 466 | Laying of 0,021 km paved taxi routes and constructing 0,02km of edge beams and modifying the construction of 0.90 Km v-drains at Thandanani Road and constructing 14 storm-water drainage slabs at Agapanthus and J Molefe Roads in Kanana (Phase 9)(Wards 22, 23, 24 and 36) completed. R4 692 878 | N/A |





The process for the determination of the state of road network which was done through the Dr Kenneth Kaunda District Municipality through the RRMMS programme report clearly indicate that City of Matlosana's road network need proper and urgent rehabilitation and reseal to sustain the durability of roads.

The report also noted that the network improvement programmes should be implemented as a matter of urgency given the bad state of the roads and priority and importance of the infrastructure for economic development and it also states that this require a special type of skill and equipment to carry out the work properly.

3.8 Licensing Services

INTRODUCTION TO LICENSING SERVICES

Licensing division is comprised of four sections and has four operating offices around City of Matlosana: Klerksdorp, Orkney, Stilfontein and Hartbeesfontein.

-  Motor Vehicle Registration and Licensing (RA section)
-  Drivers' License Testing Centre (DLTC section)
-  Vehicle Testing Station (VTS section)
-  Business Licenses Section

Licensing division is an agent of the North West Provincial Department of Community Safety and Transport Management, under the Directorate of Transport Administration and Licensing.



The Road Traffic Management Corporation (RTMC) supply Licensing with the software & hardware for motor vehicle registrations & licensing, drivers' licenses and vehicle testing and provides maintenance. The software that is used for these functions is the electronic National Traffic Information System (eNATIS).

Licensing's overall operations are legislative and governed by the following Acts, Regulations and Municipal By-Laws:

-  National Road Traffic Act and Regulations, 1996 (Act 93 of 1996).
-  Road Traffic Management Corporation (Act 20 of 1999).
-  Administrative Adjudication of Road Traffic Offences (Act 46 of 1998).
-  North West Business Act 6 of 1997 was repealed and replaced by the North West Business Licensing Act No. 3 of 2019.
-  Public Safety Traffic and Security By-Laws – approved 5/12/2003
-  South African National Standards (SANS).

Licensing division's day to day operations are based on service delivery and revenue collection. The description of the daily functions and activities in the four sections are:

Motor Vehicle Registration and Licensing

-  Registrations of new, used, and built-up motor vehicles
-  Licensing and Renewal of motor vehicle licenses and motor trade plates

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- ✚ Deregistration of motor vehicles
- ✚ Issuing of temporary / special permits, motor trade plates and duplicate vehicle registration certificates
- ✚ Change of particulars of motor vehicles / owner

Drivers' License Testing Centre

- ✚ Applications and issuing of Learners' Licenses
- ✚ Applications and issuing of Drivers' Licenses
- ✚ Applications for professional driving permits
- ✚ Renewal of drivers' licenses
- ✚ Issuing of temporary drivers' licenses

Vehicle Testing Station

- ✚ Applications of motor vehicle roadworthy tests
- ✚ Issuing of motor vehicle roadworthy certificates
- ✚ Issuing of motor vehicle weighbridge certificates

Business Licenses Section

- ✚ Applications and issuing of Business Licenses
- ✚ Applications and issuing of Hawkers Licenses
- ✚ Applications for rental of Hawkers Stands

All revenue collected is retained by City of Matlosana.

ALLOCATION OF DAILY COLLECTIONS

Motor Vehicle Registration and Licensing

- ✚ 80% of revenue collected is retained by the NW Provincial Department of Community Safety and Transport Management.
- ✚ 20% is commission retained by City of Matlosana.
- ✚ R72.00 on every motor vehicle that is licensed goes to The Road Traffic Management Corporation (RTMC).
- ✚ Over the past years City of Matlosana fell short of paying over the 80% to the Provincial Department of Transport as per service level agreement and that resulted in incurring debt valued at about R104 million.

As a way of recovering the 80% arrears, in April 2017 the Department of Transport started receiving 100% of all revenue collected on Motor Vehicle registrations and Licensing, together with revenue collected for RTMC.

The 20% that is commission to be paid over to City of Matlosana has been kept by the Department of transport to settle the arrears. The debt owed to the Department of Transport is currently at about R34 million.

Drivers' License Testing Centre

- ✚ The total cost for production of a drivers' license card is R222 of which R79 is paid to the Drivers' License Card Account (DLCA) formerly Prodiba, and R143 together with all other revenue is retained by City of Matlosana.

Vehicle Testing Station

- ✚ 3% of revenue collected on applications of motor vehicle roadworthy tests is paid over to the South African Bureau of Standards (SABS) and all other revenue is retained by City of Matlosana.

Challenges

✚ Revenue Collection

Factors that affect revenue collection and under performance with meeting set targets:

- Renewal of motor vehicle licenses is no longer being provided by Licensing only. There are more than 16 other service providers including the SA Post Office, Natis website and multiple online service providers. These services are provided at an additional cost ranging from R99 to R400 of admin and courier fees.
- The Provincial MEC of the Department of Transport opened borders in December 2021 to allow for renewal of motor vehicle licenses at any authority in the North West Province, while the previous regulations strictly allowed renewals where motorists resided. Our commission is shared with other municipalities which makes it difficult for us to measure our estimated targets or set reasonable targets.
- Electricity load shedding affects service delivery and revenue collection negatively as we do not have back-up systems. On higher stages of load shedding stage 6 we do not render services for about four hours daily.
- The equipment and machinery at the Vehicle Testing Station is old and redundant. It keeps breaking from time to time and hampers service delivery and revenue collection.

✚ Security risk

- Four of our Licensing offices are poorly secured. We are working with money daily but there is no proper security to reduce the risk of theft and damage to equipment or property.
- Even with numerous burglaries there hasn't been any upgrades after the incidents.
- Physical security of guards is not sufficient because the security guards were present in all the burglaries that occurred at the Klerksdorp office this year and in previous years.
- When these burglaries happen, the perpetrators cut through the door of the strong room, gain access to a secured G4S drop safe depositor where cash is deposited during working hours. Collecting cash under an unsecured environment poses a high risk of theft, damage and safety of the employees.
- Security lacks the following:

✚ An active alarm system,

✚ Panic buttons,

✚ CCTV cameras,

✚ Burglar proofing on glass doors and windows,

✚ The main entrance doors have old type slots with numbered keys and the keys are easy accessible over the counter at hardware stores.

| SERVICE STATISTICS FOR LICENSING SERVICES | | | | |
|---|---------|---------|---------|-------------|
| DESCRIPTION | 2020/21 | 2021/22 | 2022/23 | REVENUE (R) |
| Registration of vehicles | 31 671 | 29 872 | 27 665 | 3 727 878 |
| Licensing / renewal of vehicle licences | 76 935 | 88 785 | 86 319 | 74 837 205 |
| License sundries (Duplicate certificates, deregistration fees, etc.) | | | 143 628 | 279 156 |
| Issue of permits | 5 106 | 5 849 | 5 276 | 506 496 |
| Application and renewal of motor trade plates | 223 | 221 | 198 | 135 368 |
| 20% Commission on Motor Vehicle Reg & Licensing | - | - | - | 15 897 221 |
| 80% Retained by Department of Transport | - | - | - | 63 588 882 |
| Application and issuing of business licences, hawkers' licences and stands | 231 | 92 | 113 | 244 140 |
| Application and issuing of motor vehicle roadworthy certificates | 4 008 | 5 003 | 4 854 | 1 025 196 |
| SABS 7% Fees paid on applications of motor vehicle roadworthy tests | | | 2 473 | 41 558 |
| Weigh bridge certificates of vehicles | 1 050 | 904 | 564 | 56 400 |
| Application and issue of learners' licences | 16 437 | 18 665 | 13 000 | 1 638 000 |
| Application and issue of drivers' licences | 12 812 | 15 029 | 10 201 | 2 397 702 |
| Application for professional driving permits | 2 962 | 3 659 | 3 592 | 433 692 |
| Renewal of drivers' licences | 12 457 | 16 005 | 16 281 | 3 614 160 |
| Application for drivers' license Information & duplicate learners' license | - | - | 226 | 25553 |
| Issuing of temporary drivers' licences | 10 116 | 15 091 | 15 223 | 755 622 |
| Fees paid to Drivers' License Card Account (DLCA) on drivers' license card production | - | - | 20 528 | 1 622 238 |
| Road Traffic Management Corporation | 64 931 | 77 407 | 74 850 | 5 461 200 |

Income retained by City of Matlosana

| DESCRIPTION | REVENUE (R) |
|--|--------------------|
| Drivers Licenses | R7 242 491 |
| 20% Commission | R1 589 221 |
| Vehicle Testing Station | R1 081 596 |
| Business & Hawkers' Licenses and Hawkers' Stand Rental | R244 140 |
| TOTAL INCOME | R10 157 448 |

EMPLOYEE INFORMATION

| EMPLOYEES: LICENSING SERVICES | | | | | |
|-------------------------------|-----------|------------|------------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 1 | 1 | 0 | 1 | 100% |
| 4 - 6 | 0 | 1 | 1 | 0 | 0% |
| 7 - 9 | 30 | 43 | 32 | 11 | 26% |
| 10 - 12 | 36 | 53 | 46 | 7 | 13% |
| 13 - 15 | 15 | 18 | 15 | 3 | 17% |
| 16 - 18 | 3 | 3 | 3 | 0 | 0% |
| 19 - 20 | 5 | 6 | 5 | 1 | 17% |
| Total | 90 | 125 | 102 | 23 | 18% |

| FINANCIAL PERFORMANCE: LICENSING SERVICES | | | | | |
|---|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 22 584 | 27 687 | 25 731 | 23 364 | -19% |
| Expenditure | | | | | |
| Employees | 33 013 | 38 298 | 35 717 | 36 762 | -4% |
| Repairs and maintenance | 6 644 | 6 429 | 6 077 | 1 656 | -288% |
| Other | 2 856 | 92 | 2 184 | 21 480 | 100% |
| Total Operational Expenditure | 42 513 | 44 819 | 43 978 | 59 898 | 25% |
| Net Operational Expenditure | -19 929 | -17 132 | -18 247 | -36 534 | |

COMMENTS ON THE PERFORMANCE OF LICENSING SERVICES OVERALL

- In general, the activities at Licensing Division, are performed effectively. However, services and revenue collection can improve if challenges are addressed.
- Licensing employed 12 new examiners of driving licenses and 2 for examiner of motor vehicles. Among the 14, only 1 has a diploma. The rest need to undergo training at Traffic Colleges before they can officially execute their duties as examiners and be registered accordingly with the Department of Transport. Their training requires about R900 000 for Tuition and Accommodation with meals, Licensing has struggled to get them trained since their appointment and what is sad is that they are getting full salaries with benefits though they are not yet qualified.

It would be advisable that in future, Human Resources should consider a stipend as remuneration instead of a salary because there is still a chance that these candidates might fail the courses when sent for training, yet they are already fully contracted to City of Matlosana and hired to operate as examiners.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes Spatial Planning and Land Use Management, Building Control, Estate Administration and Land Sales.

3.9 Planning

SPATIAL PLANNING AND LAND USE MANAGEMENT

Since the enactment of the Spatial Planning and Land Use Management Act, 2013 “SPLUMA”, a decade ago, the Municipality through the Directorate-Planning and Human Settlements, Spatial Planning and Land Use Management Section “SPLUM”, has fully complied with the provisions of the Act. To date the Municipality has reviewed and replaced the 2009 model of the Spatial Development Framework by the City of Matlosana Spatial Development Framework, 2021, the 2005 land use scheme by the City of Matlosana Land Use Scheme, 2005, and also adopted SPLUMA compliant tariffs and By-laws, 2016.

It is worth noting that the SPLUMA has affirmed the constitutional mandate of municipalities with regard to planning as enshrined in Schedule 4, Part B of the Constitution, 1996, and as a result planning functions which were performed by the Provincial Department of Corporative Governance (CoGTA) such as amendment, suspension and restrictive condition, servitude or reservation registered against the title of the land, excision of agricultural holdings and deciding of land development applications which used to be performed by the North-West Township Board have since been taken over by the Municipality. The abovementioned situation has resulted in the appointment of the Authorised Official (Manager: SPLUM section), Administration Officer (Official within SPLUM section), Municipal Planning Tribunal (5-year term), and Appeals Tribunal (5-year term) by Council.

Notwithstanding the abovementioned achievements, it is critical to note that Council is yet to appoint the Town Planner and Assistant Town Planner as Land Use Inspector(s) for enforcement of the 2023 model of SPLUMA as required in terms of Section 32 of SPLUMA.

Achievements

- ✚ SPLUMA (Spatial Planning Land Use Management Act, 2013 (Act No. 16 of 2013) compliant Land Use Scheme currently known as the City of Matlosana Land Use Management Scheme, 2023;
- ✚ SPLUMA (Spatial Planning Land Use Management Act, 2013 (Act No. 16 of 2013) compliant Spatial Development Framework currently known as the City of Matlosana Spatial Development Framework, 2021 (CoM SDF);
- ✚ The appointment of a new 5-year term of the City of Matlosana Municipal Planning Tribunal (CoM MPT) ending January 2028;
- ✚ Appointment of a Municipal Planning Tribunal Administration Officer, as well as Data Capturer in the Spatial Planning & Land Use Management Section;
- ✚ Approval of medium to large scale private development initiatives i.e. Wilkoppies Extension 120, Flamwood Extension 59, Photovoltaic Solar Plants (Projects of Doornhoek, Wolverand, and Wolvehuis) and two filling stations – Thereby enhancing municipal revenue base;
- ✚ Land use applications: subdivision, consolidations, change in land use rights (rezoning), consent use, Township Establishments;

- ✚ Township Establishments namely: Tigane Extension 7, Tigane Extension 8, Jouberton Extension 31, Jouberton Extension 34, Kanana Estates, Kanana Extension 16, Alabama Extension 6, Matlosana Estates Extension 3, Matlosana Estates Extension 10, Matlosana Estates Extension 12, Matlosana Estates Extension 2, Matlosana Estates Extension 8, Matlosana Estates Extension 7, and Matlosana Estates Extension 11.
- ✚ Approval of Agri-Hub, Strategy for Legacy Assets for Distressed Mining towns;
- ✚ The control of land in alignment with the provisions of the Land Use Scheme;
- ✚ Whereas Spatial Planning deals with strategic and forward planning, in reference to CoM SDF, as part of a sectoral plan of the Municipal Integrated Development Plan and future vision of the Municipality;
- ✚ Issuing of contravention notices;
- ✚ Interdepartmental engagements;
- ✚ Upgrading plans and desktop studies for 8 informal settlements namely: Sloja, Sunnyside, Waterfall, Jouberton Extension 25, Kanana Extension 16, Mphebotho, Tony Shaft Extension 9 and Zandpan.
- ✚ Amendment of the urban edge to accommodate the proposed Sunnyside and Hillview Township.

Challenges:

- ✚ Slow progress in the formalisation of informal settlements.
- ✚ Political interference.
- ✚ No bulk infrastructure to supply new settlements.
- ✚ Aging infrastructure with little to no maintenance.
- ✚ Land invasion and mushrooming of informal settlements.
- ✚ Illegal building and construction.
- ✚ Planning in silos: No alignment with other internal departments.
- ✚ Contraventions of Land Use Management Scheme, lacking the capacity and resources to enforce (specifically human resource and legal enforcement).
- ✚ Outdated equipment, specifically software (GIS) and old redundant computers.
- ✚ Limited office space.
- ✚ Financial constraints: training, equipment, professional board affiliation fees, internal application costs, as well as the appointment of new staff.
- ✚ Urban decay in CBD.
- ✚ Lack of performance-based incentives.
- ✚ Geological constraints (Dolomite in the East-Stilfontein and Khuma).

Service delivery priorities and impact

- ✚ **Urban Edge-** As far as development is concerned, the following strategic interventions should be applicable within the urban edge:-

Urban built-up areas:

- Densification and integration
- Urban infill
- Upgrading and proper maintenance of infrastructure
- Urban renewal
- Protection and rehabilitation of environmentally significant local open spaces
- Protection of cultural heritage resources

Area between built-up and urban edge boundary

- Planning and provision of bulk infrastructure for new development areas
- Planning and development of new township establishment in such a manner that it will enhance integration of areas.

Nodes and Corridor Strategy




The management of nodes and corridors within the urban areas should be based on the following basic principles:

- Strengthening of existing nodes should be encouraged.
- The nodes indicated on the Spatial Proposals Maps do not necessary represent a specific geographical demarcation or delimitation.






In specific areas where pressure exist for developments, a detail Precinct Plan should be compiled (in terms of the requirements of SPLUMA) to serve as detail guidelines for land use management.

The following list illustrates the precinct plans:

- Jabulani/Nohlanganewe Street.
- Central Avenue.
- Buffelsdoorn Road.
- Dr Yusuf Dadoo Road.
- Platan Avenue.
- Stilfontein/Hartebeestfontein Corridor.

-  Review of the SPLUM by-law, 2016.
-  Formulation of bulk services contribution policy.
-  Dolomite stability investigation for Stilfontein and Khuma.

INTEGRATED HUMAN SETTLEMENT DEVELOPMENT PLANNING AND BUILDING CONTROL

| DETAIL | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--|--------------|--------------|--------------|--------------|
| Detail of building plans | | | | |
|  Number of building plans approved (excluding low-cost housing) | 492 | 722 | 708 | 546 |
|  Value of building plans approved | R306 620 200 | R532 227 300 | R515 198 300 | R522 714 000 |
| Number of applications received for | | | | |
|  Township establishment | 3 | 0 | 3 | 1 |
|  Rezoning | 52 | 49 | 39 | 50 |
|  Special consent | 10 | 19 | 10 | 14 |

| APPLICATIONS FOR LAND USE DEVELOPMENT | | | | | | |
|---------------------------------------|----------------------------|---------|----------|---------|-------------------|---------|
| Detail | Formalisation of Townships | | Rezoning | | Built Environment | |
| | 2021/22 | 2022/23 | 2021/22 | 2022/23 | 2021/22 | 2022/23 |
| Planning application received | 3 | 1 | 39 | 50 | 125 | 65 |
| Determination made in year of receipt | 0 | 1 | 34 | 49 | 115 | 65 |
| Determination made in following year | 3 | 0 | 0 | 0 | 0 | 0 |
| Applications withdrawn | 0 | 0 | 2 | 1 | 2 | 2 |
| Applications outstanding at year end | 0 | 0 | 3 | 0 | 8 | 0 |

ESTATE ADMINISTRATION AND LAND SALES

The section is placed in the Directorate Planning and Human Settlements. The main objective of this section is to manage municipal land through consideration of applications of acquisition and leasing of municipal immovable properties, excluding Municipal Rental Stock.

The section contributes immensely to local economic development endeavours through the leasing of grazing land and promotion of access to land for various uses. reconciliation of all land parcels contained in the immovable property register and disclosure of municipal assets. it also plays a vital role in the attraction of investment to the municipality in terms of the SDF.



The section is continuously engaged in the compilation of a credible land audit of all existing municipal land, including the identification of dormant land parcels not owned by the municipality, which may be acquired for development or human settlement purposes.

Land Assembly and Property Management section is steadily improving in the area of revenue enhancement due to improved turnaround time for processing of applications and the cash sale of land as compared to instalments sales that were done in the past.

The section is in a process of appointing a service provider to conduct a GRAP compliant Land and buildings audit within the municipal area,

The land audit will serve as the first step to establish a single Land Use Scheme (LUS) and supply and maintain an Integrated Web-Based Spatial Planning and Land Use Management System (tool).

The Land Audit will assist the municipality to achieve the following objectives:

-  A comprehensive land investigation and audit which will enable the municipality to identify all land parcels within the Municipal Demarcated Area and determine the ownership and current use for each land parcel.
-  The audit will provide a Web-based Spatial Planning Land Use Management System (SPLUMA).

The Land Audit will give effect to a single Land Use Scheme (LUS)

| REGISTERED PROPERTIES 2022/23 | | | | | |
|-------------------------------|--------------------------------------|------------------------|----------------------|---------------------------|-------------------|
| No. | Property Description | Location | Date of Registration | Purchaser | Purchase Price |
| 1 | Erf 1466 & 1467 | Klerksdorp Ext 3 | 18/08/2022 | Precious Fountain Life | R360 000 |
| 2 | Erf 148 & 171 | Neserhof | 15/12/2022 | Lolura Family Trust | R176 000 |
| 3 | Portion 306 (portion of Portion 226) | Hartbeesfontein 297-IP | 20/01/2023 | Supreme Poultry (Pty) Ltd | R3 105 000 |
| 4 | Portion 664 (portion of Portion 1) | Townlands 424-IP | 06/02/2023 | IJ & MP Moleje | R675 000 |
| 5 | Erf 104 | Wilkoppies | 13/02/2023 | Bantsho Trading Solutions | R115 000 |
| 6 | Erf 941 | Boetrand | 05/04/2023 | JT Mohutsiwa | R115 000 |
| 7 | Erf 19503 | Kanana Ext 13 | 07/06/2023 | MA & KM Mamkeli | R46 000 |
| TOTAL | | | | | R4 592 000 |

| DISPOSED PROPERTIES 2022/23 | | | | |
|-----------------------------|--|---------------------------------------|------------------|---------------|
| No. | Purchaser | Property Description | Date of Contract | Selling Price |
| 1 | BM Takang | Erf 4647, Tigane X4 | 12/10/2022 | R 14 662.50 |
| 2 | SJ & TE Dial | Portion of Erf 3735, Tigane X6 | 08/11/2022 | R 12 000 |
| 3 | JT Mohutsiwa | Erf 941, Boetrand | 31/03/2022 | R 115 000 |
| 4 | SJ & MJ Mokhathi | Erf 5967, Alabama X5 | 24/03/2023 | R 15 870 |
| 5 | SE & CS Lebeko | Erf 879, Boetrand | 24/01/2023 | R 46 000 |
| 6 | MS & KC Rampai | Erf 705, Boetrand | 23/06/2023 | R 46 000 |
| 7 | Dirabotle Projects (Pty) | Erven 331 & 332, Uraniaville | 19/09/2022 | R 371 450 |
| 8 | SM & MV Mothopi | Erf 706, Boetrand | 23/06/2023 | R 46 000 |
| 9 | Mooka Pre-School | Erf 7149, Khuma X7 | 12/07/2022 | R 39 100 |
| 10 | TJ Tamele | Erf 885, Boetrand | 24/03/2023 | R 46 000 |
| 11 | GP Leagile | Erf 905, Boetrand | 24/03/2023 | R 65 500 |
| 12 | Waldri Sales (Pty) Ltd | Portion 1 of Erf 142, Uraniaville | 23/06/2023 | R 53 640 |
| 13 | XT & NP Kapa | Erf 890, Boetrand | 24/03/2023 | R 52 900 |
| 14 | MC Melamu | Portion 3 of Erf 259, Wilkoppies | 24/10/2022 | R 276 000 |
| 15 | Bantsho Trading Solutions | Erf 104, Wilkoppies | 20/07/2022 | R 115 000 |
| 16 | Reatshepana Trading Enterprise Pty Ltd | Portion 1 of Erf 15460, Jouberton X14 | 13/07/2022 | R 35 000 |
| 17 | Luchao Pty Ltd | Erf 26918, Jouberton X24 | 13/07/2022 | R 37 950 |
| 18 | NN Ramcwane | Portion of Leratong Str, Kanana X3 | 21/07/2022 | R 8 050 |
| 19 | Kgalalelo Manana | Erf 4269, Alabama X4 | 29/07/2022 | R 13 800 |
| 20 | TA Mncameni | Erf 920, Boetrand | 27/03/2023 | R 46 000 |
| 21 | AN & MF Sotyantya | Erf 910, Boetrand | 04/04/2023 | R 46 000 |

| DISPOSED PROPERTIES 2022/23 | | | | |
|-----------------------------|--|---------------------------------------|------------------|---------------|
| Purchaser | | Property Description | Date of Contract | Selling Price |
| 22 | KVE Senyatso | Erf 926, Boetrand | 04/04/2023 | R 49 450 |
| 23 | PKS Motete | Erf 666, Boetrand | 04/04/2023 | R 46 000 |
| 24 | CK Monatisa | Erf 891, Boetrand | 04/04/2023 | R 64 400 |
| 25 | Gaarekwe Trading & Projects CC (Os Lecholo) | Portion 4 of Erf 259, Wilkoppies | 10/03/2023 | R 276 000 |
| 26 | C Tau | Erf 2791, Alabama X3 | 04/04/2023 | R 14 030 |
| 27 | TP Pake | Erf 21819, Kanana X14 | 19/04/2023 | R 45 000 |
| 28 | Tsietsi and Mpuse (Pty) Ltd (Tj Masiu) | Portion 1 of Erf 29829, Jouberton X19 | 04/04/2023 | R 62 000 |
| 29 | N Mnguni | Erf 914, Boetrand | 14/06/2023 | R 55 200 |
| 30 | NE Gabela | Erf 915, Boetrand | 31/05/2023 | R 46 000 |
| 31 | MMU Property Investment Pty (N Wadee) | Erf 365, Alabama | 08/08/2022 | R 91 000 |
| 32 | T Maekani | Erf 919, Boetrand | 31/05/2023 | R 46 000 |
| 33 | KVE Senyatso | Erf 926, Boetrand | 05/05/2023 | R 49 450 |
| 34 | Tn Moilwa | Erf 689, Boetrand | 14/06/2023 | R 64 400 |
| 35 | Adzam Trading 176 Proprietary Limited (FD du Toit) | Portion 2 of Erf 141, Uraniaville | 13/04/2023 | R 37 000 |
| 36 | KT & R Madimutsa | Portion 7 of Erf 259, Wilkoppies | 02/05/2023 | R 241 500 |
| 37 | T Serame | Erf 672, Boetrand | 14/06/2023 | R 46 000 |
| 38 | KC & SI Iyambo | Erf 708, Boetrand | 31/05/2023 | R 46 000 |
| 39 | KC Mokone | Erf 670, Boetrand | 31/05/2023 | R 46 000 |
| 40 | MJ Masilo | Erf 884, Boetrand | 24/04/2023 | R 46 000 |
| 41 | JS & PY Msenki | Erf 913, Boetrand | 26/05/2023 | R 96 600 |
| 42 | TP & BD Mokgethi | Erf 704, Boetrand | 14/06/2023 | R 46 000 |
| 43 | MV Boqo & D Letsholo | Erf 902, Boetrand | 13/02/2023 | R 46 000 |
| 44 | PR Matshidiso & ME Motlalentoa | Erf 921, Boetrand | 13/02/2023 | R 59 800 |
| 45 | ZP Maseko | Erf 909, Boetrand | 13/02/2023 | R 46 000 |
| 46 | Vencedora Pty (LTD) Kgobe | Portion 6 of Erf 259, Wilkoppies | 13/02/2023 | R 218 500 |
| 47 | BE Phoofolo | Erf 927, Boetrand | 13/02/2023 | R 50 600 |
| 48 | LI & K Madolo | Erf 662, Boetrand | 13/02/2023 | R 46 000 |
| 49 | TB & ML Senye | Erf 880, Boetrand | 13/02/2023 | R 46 000 |
| 50 | JJ & PE Roberts | Erf 791, Boetrand | 13/02/2023 | R 241 500 |
| 51 | ME Sekaledi | Erf 898, Boetrand | 13/02/2023 | R 64 400 |
| 52 | XC Mpetsheni | Erf 906, Boetrand | 15/02/2023 | R 46 000 |

| DISPOSED PROPERTIES 2022/23 | | | | |
|-----------------------------|--|--|------------------|---------------|
| No. | Purchaser | Property Description | Date of Contract | Selling Price |
| 53 | GM Metoa | Erf 908, Boetrand | 13/02/2023 | R 46 000 |
| 54 | ND Kunene | Erf 922, Boetrand | 13/02/2023 | R 49 550 |
| 55 | OT & AL Bodigelo | Erf 928, Boetrand | 15/02/2023 | R 50 600 |
| 56 | KT Kgotseng | Erf 931, Boetrand | 15/02/2023 | R 46 000 |
| 57 | MJ Kgware | Erf 888, Boetrand | 20/02/2023 | R 75 900 |
| 58 | KC Sekwenyane | Erf 228, Boetrand | 21/02/2023 | R 103 500 |
| 59 | NJ Mathibe | Erf 710, Boetrand | 28/02/2023 | R 46 000 |
| 60 | RM & DW Radebe | Erf 904, Boetrand | 28/02/2023 | R 74 750 |
| 61 | ZCM Britz | Portions A,B & C of Portion 201 Nooitgedacht 434-lp | 02/03/2023 | R 148 695 |
| 62 | KL & K Serame | Erf 883, Boetrand | 01.03.2023 | R 46 000 |
| 63 | SM Tsoeu | Erf 882, Boetrand | 24.03.2023 | R 46 000 |
| 64 | FN & KM Kmabule | Erf 6455, Alabama X5 | 24.03.2023 | R 53 000 |
| 65 | International Assemblies of God (SP Marumo) | Erf 27006, Jouberton X24 | 07.02.2023 | R 26 450 |
| 66 | G Jantjies | Erf 4506, Alabama X4 | 10.07.2023 | R 12 000 |
| 67 | Tshegofatso Construction | Erf 287, Alabama X2 | 31.05.2023 | R 10 400 |
| 68 | K Mabankwe | Erf 5897, Alabama X4 | 04.04.2023 | R 12 700 |

| LEASE REGISTER 2022/23* | | | | | |
|-------------------------|--------------------------------|---|--------------|-------------|---------------------------------------|
| NO. | LESSEE | PROPERTY DESCRIPTION | DATE STARTED | EXPIRY DATE | RENTAL AMOUNT |
| 1 | PWSL Matshekas Company | A portion of Portion 22 of the Farm Roodepoort 435-IP (1 ha) | 05/07/2022 | 04/07/2025 | R170.00 P/m; 8% escalation annually |
| 2 | SE Lee | A portion of Remaining Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP – Camp G (10 ha) | 05/07/2022 | 04/07/2025 | R1 500.00 P/a; 8% escalation annually |
| 3 | PM Tlhage | A portion of Remaining Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP – Adj. to Dawkinsville (3.9 ha) | 14/07/2022 | 13/07/2025 | R300.00 P/m; 8% escalation annually |
| 4 | JAMK Projects | A portion of Remaining Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP – Camp H (2 ha) | 14/07/2022 | 13/07/2025 | R250.00 P/m; 8% escalation annually |
| 5 | JOS Catering Service (Pty) Ltd | Portion B of erf 20657, Kanana Ext 13 (2 000m ²) | 14/07/2022 | 13/07/2025 | R250.00 P/m; 8% escalation annually |

| LEASE REGISTER 2022/23* | | | | | |
|-------------------------|--|---|--------------|-------------|---------------------------------------|
| NO. | LESSEE | PROPERTY DESCRIPTION | DATE STARTED | EXPIRY DATE | RENTAL AMOUNT |
| 6 | Blessing Support Services | A portion of erf 616, Ellaton (2 000m ²) | 14/07/2022 | 13/07/2025 | R170.00 P/m; 8% escalation annually |
| 7 | JJ Kasselmann | A portion of Portion 36 of the Farm Palmietfontein 403-IP (116.2441 ha) | 19/07/2022 | 18/07/2025 | R2 000.00 P/m; 8% escalation annually |
| 8 | Marifa Secondary Co-operative Limited | A portion of Remainder of Portion 1 of the Farm Townlands of Klerksdorp 424-IP (1.3 ha) | 15/08/2022 | 14/08/2025 | R3 162.50 P/m; 8% escalation annually |
| 9 | Saint Prophecy Church of God | A portion of erf 2928, Kanana Ext 2 | 16/08/2022 | 15/08/2025 | R250.00 P/m; 8% escalation annually |
| 10 | Wizz Kids Primary Co-operative Ltd (XA Dithato) | A portion of erf 4719, Jouberton Extension 7 (1.2 hectares) | 27/09/2022 | 26/09/2026 | R400.00 P/m; 8% escalation annually |
| 11 | Bokamoso Worker Primary Co-operative Limited | Erf 2928, Jouberton Ext 23 | 30/09/2022 | 29/09/2025 | R100.00 P/m; 8% escalation annually |
| 12 | BC Theron | A portion of Remainder of Portion 1 of the Farm Townlands of Klerksdorp 424-IP – Portion B (4.6 ha) | 13/10/2022 | 12/10/2025 | R350.00 P/m; 8% escalation annually |
| 13 | MT Mothibedi (Tigane Trading Pty Ltd) | Portion 392 of the Farm Hartebeestfontein 297-IP (2 807 ha) | 21/10/2022 | 19/10/2025 | R775.00 P/m; 8% escalation annually |
| 14 | N Ludaka (Singegotelosho Primary Co-operative Ltd) | Portion B of erf 4719, Jouberton Ext 7 (1.2 ha) | 21/10/2022 | 19/10/2025 | R400.00 P/m; 8% escalation annually |
| 15 | V Sicavele | A portion of erf 21595, Jouberton Ext 8 (500m ²) | 24/10/2022 | 23/10/2025 | R250.00 P/m; 8% escalation annually |
| 16 | SM Nxozane (Believe Integrated Waste Pty Ltd) | A portion of Remainder of Portion 1 of the Farm Townlands of Klerksdorp 424-IP (1 400m ²) | 27/10/2022 | 26/10/2025 | R210.00 P/m; 8% escalation annually |
| 17 | NA Mabo (Arbiter Development and Management Solutions) | A portion of erf 8015, Khuma Ext 11 (6 768m ²) | 31/10/2022 | 30/10/2025 | R290.00 P/m; 8% escalation annually |
| 18 | MO Methi | A portion of erf 4700, Kanana Ext 3 | 08/11/2022 | 07/11/2025 | R208.33 P/m; 8% escalation annually |

*Signed copies of all lease agreements are available

| LEASE REGISTER 2022/23* | | | | | |
|-------------------------|--|---|--------------|-------------|-------------------------------------|
| NO. | LESSEE | PROPERTY DESCRIPTION | DATE STARTED | EXPIRY DATE | RENTAL AMOUNT |
| 19 | L Keaikitse | A portion of Remainder of Portion 1 of the Farm Townlands of Klerksdorp 424-IP - (250m ²) | 28/11/2022 | 27/11/2025 | R65.00 P/m; 8% escalation annually |
| 20 | ME Mapolesa | A portion of Remainder of Portion of 15 of the Farm Wildebeestpan 422-IP - (1ha) | 21/11/2022 | 20/11/2025 | R125.00 P/m; 8% escalation annually |
| 21 | SM Ndlovu | A portion of Remainder of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- (2ha) | 08/12/2022 | 07/12/2025 | R100.00 P/m; 8% escalation annually |
| 22 | KJ Seleke | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 7 (2ha) | 15/12/2022 | 14/12/2025 | R100.00 P/m; 8% escalation annually |
| 23 | SM Majoro (Sedibeng Garden and Park Services CC) | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 16 (2ha) | 15/12/2022 | 14/12/2025 | R100.00 P/m; 8% escalation annually |
| 24 | NJ Mohlamme | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP (1.7ha) | 15/12/2022 | 14/12/2025 | R130.00 P/m; 8% escalation annually |
| 25 | Divitem Festum (Pty) Ltd T/a Steers Combo Matlosana Mall | A portion of Portion 447 of the Farm Townlands of Klerksdorp 424-IP (70m ²) | 17/01/2023 | 16/01/2026 | R193.00 P/m; 8% escalation annually |
| 26 | DJ Lekitlane | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 6 (2ha) | 02/02/2023 | 01/02/2026 | R130.00 P/m; 8% escalation annually |
| 27 | X Fingwana | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 26 (2ha) | 07/02/2023 | 06/02/2026 | R100.00 P/m; 8% escalation annually |
| 28 | Kamogelo Sethabela | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 15 (2ha) | 07/02/2023 | 06/02/2026 | R100.00 P/m; 8% escalation annually |
| 29 | TG Leshupe | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 15 (2ha) | 07/02/2023 | 06/02/2026 | R100.00 P/m; 8% escalation annually |

*Signed copies of all lease agreements are available

| LEASE REGISTER 2022/23* | | | | | |
|-------------------------|---|---|---------------|---------------|---------------------------------------|
| NO. | LESSEE | PROPERTY DESCRIPTION | DATE STARTED | EXPIRY DATE | RENTAL AMOUNT |
| 30 | The Christian Apostolic Church of Zion South Africa | A portion of erf 19532, Kanana Extension 13 (1 500m ²) | 07/02/2023 | 06/02/2026 | R263.00 P/m; 8% escalation annually |
| 31 | OP Maape | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 19 (2ha) | 28/02/2023 | 27/02/2026 | R100.00 P/m; 8% escalation annually |
| 32 | AM Dikwidi | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 11 (2ha) | 28/02/2023 | 27/02/2026 | R100.00 P/m; 8% escalation annually |
| 33 | GI Aukhweng | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 12 (2ha) | 28/02/2023 | 27/02/2026 | R100.00 P/m; 8% escalation annually |
| 34 | NG Selehelo | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 4 (2ha) | 07/03/2023 | 06/03/2026 | R100.00 P/m; 8% escalation annually |
| 35 | Ateha Foundation Non-Profit company (LT Moremoholo) | A portion of erf 5250, Kanana Extension 3 (1800m ²) | 26 April 2023 | 25 April 2026 | R250.00 P/m; 8% escalation annually |
| 36 | RM Moeko | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 20 (2ha) | 02/05/2023 | 01/05/2026 | R100.00 P/m; 8% escalation annually |
| 37 | EM Semonyo (Pty) Ltd (EM Semonyo) | A portion of erf 16610, Jouberton Extension 16 (3 759m ²) | 11/05/2023 | 10/05/2026 | R370.00 P/m; 8% escalation annually |
| 38 | Musandiwa Trust (Mashudu Mukhese) | A portion of Caledon and Gouritz Street, adj. erf 315 & 316, Randlespark (1 517m ²) | 11/05/2023 | 10/05/2026 | R865.00 P/m; 8% escalation annually |
| 39 | Gaanakgomo Farming Projects (Pty) Ltd | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 2 (112ha) – adj. to Randlespark | 14/06/2023 | 15/06/2026 | R2100.00 P/m; 8% escalation annually |
| 40 | JP Pitsi | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 1 (107ha) – adj. to Randlespark | 27/06/2023 | 26/06/2026 | R1 766.67 P/m; 8% escalation annually |

*Signed copies of all lease agreements are available

| INSPECTION PROGRAMME FOR AGRICULTURAL LEASED LAND OWNED BY THE CITY OF MATLOSANA 2022/23 | | | | | |
|---|---|------------|--|--|---|
| Date of Inspection | Lease Agreement | | Lessee | Locality | Official Comments / Outcome |
| | Start Date | End Date | | | |
| 22/07/2022 | 09/06/2022 | 08/06/2025 | Orkney Farmers Primary Co-operative | Portion of Portion 24 of Farm Witkop 438-IP (85 Hectares) | The Co-operative has occupied and is farming with a variety of livestock |
| 28/09/2022 | 11/07/2022 | 10/07/2025 | J Kasselmann | Portion 36 of Farm Palmietfontein 433-IP (116, 2441 Hectares) | The lessee has occupied and is farming with cattle |
| 29/09/2022 | 08/12/2021 | 07/12/2024 | Madikana Inspirations | Portion of Remaining Extent Portion 1 of the Farm Townlands 424-IP – 1.5 Hectares | The lessee has occupied, and is farming with cattle |
| 21/10/2022 | 14/07/2022 | 13/07/2025 | MP Tlhage | A portion of the Remainder Extent of Portion 1 of Farm Townlands of Klerksdorp 424-IP – adj. Dawkinsville (3.9 Hectares) | The lessee has not yet occupied, still busy with acquiring fence to fence-off the property. However, she is currently running a vegetable garden from her backyard. |
| 17/11/2022 | The application is still in process, already received the valuation. | | JP Pitsi | A portion of the Remainder Extent of Portion 1 of Farm Townlands of Klerksdorp 424-IP - (106 Hectares) | The lessee is currently occupying and is farming with cattle. |
| 17/11/2022 | The application is still in process, report already submitted for consideration and at its final stage. | | Gaanakgomo Farming Projects | A portion of the Remainder Extent of Portion 1 of Farm Townlands of Klerksdorp 424-IP - (112 Hectares) | The lessee is currently occupying and is farming with cattle. |
| 23/02/2023 | 21/10/2022 | 19/10/2025 | MT Mothibedi (Tigane Trading Pty Ltd) | Portion 392 of the Farm Hartebeestfontein 297-IP (2 807 ha) | The lessee has occupied, and is farming with cattle, goats, sheep and pigs |
| 23/02/2023 | 15/12/2022 | 14/12/2025 | SM Majoro (Sedibeng Garden and Park Services CC) | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 16 (2ha) | The lessee has not yet occupied, but still busy with putting up fence to fence-off the property. |

| INSPECTION PROGRAMME FOR AGRICULTURAL LEASED LAND OWNED BY THE CITY OF MATLOSANA 2022/23 | | | | | |
|---|-----------------|------------|----------------|--|---|
| Date of Inspection | Lease Agreement | | Lessee | Locality | Official Comments / Outcome |
| | Start Date | End Date | | | |
| 24/03/2023 | 28/02/2023 | 27/02/2026 | GI Aukhweng | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP- Camp 12 (2ha) | The lessee has occupied, and farming with cattle, sheep, goats and chickens. |
| 12/05/2023 | 08/12/2022 | 07/12/2025 | SM Ndlovu | A portion of Remainder of Portion 1 of the Farm Townlands of Klerksdorp 424-IP - (2ha) | The lessee has occupied, and is farming with cattle |
| 12/05/2023 | 15/12/2022 | 14/12/2025 | KJ Seleke | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP - Camp 7 (2ha) | The lessee has occupied, whilst still busy with putting up fence to fence-off the property. The lessee is farming with cattle |
| 29/06/2023 | 27/06/2023 | 26/06/2026 | JP Pitsi | A portion of Remainder Extent of Portion 1 of the Farm Townlands of Klerksdorp 424-IP (Camp 1) - (106ha) | The lessee has occupied, and farming with cattle. |

EMPLOYEE INFORMATION

| EMPLOYEES: ADMINISTRATION, PMU, TOWN PLANNING, BUILDING CONSTRUCTION, ESTATE ADMINISTRATION & LAND SALES | | | | | |
|---|-----------|-----------|-----------|---|---|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 2 | 2 | 2 | 0 | 0% |
| 4 - 6 | 12 | 17 | 14 | 3 | 18% |
| 7 - 9 | 17 | 21 | 16 | 5 | 24% |
| 10 - 12 | 10 | 12 | 3 | 9 | 75% |
| 13 - 15 | 4 | 10 | 4 | 6 | 60% |
| 16 - 18 | 11 | 13 | 10 | 3 | 23% |
| 19 - 20 | 1 | 1 | 1 | 0 | 0% |
| Total | 57 | 76 | 50 | 26 | 34% |

| FINANCIAL PERFORMANCE: ADMINISTRATION; TOWN-PLANNING; BUILDING CONSTRUCTION AND ESTATE ADMINISTRATION AND LAND SALES | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 1 232 | 48 776 | 31 776 | 8 829 | -452% |
| Expenditure | | | | | |
| Employees | 4 460 | 8 684 | 8 564 | 5 541 | -57% |
| Repairs and maintenance | 0 | 445 | 446 | 0 | 0% |
| Other | 742 | 18 140 | 12 426 | 11 578 | -57% |
| Total Operational Expenditure | 5 202 | 27 269 | 21 436 | 17 119 | -59% |
| Net Operational Expenditure | -3 970 | 21 507 | 10 340 | -8 290 | |

COMMENT ON THE PERFORMANCE OF TOWN-PLANNING, BUILDING CONSTRUCTION, ESTATE ADMINISTRATION AND LAND SALES OVERALL

The following achievement can be highlighted:

- ✚ The adopted City of Matlosana Land Use Scheme, 2023 is SPLUMA compliant.
- ✚ Township establishments that have been approved by the City of Matlosana Municipal Planning Tribunal, Kanana Extension 17 approved and pegged, Kanana Extension 5, Tigane Extension 7 and 8 townships completed.
- ✚ Parks, closed, rezoned, and subdivided; and
- ✚ Improvement of circulation of building plans within 30 days.

3.10 Local Economic Development (Including Communications and Marketing)

LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

Local economic development (LED) is a locally driven process designed to identify, harness and utilise resources to stimulate the local economy and create new job opportunities. LED is not once off specific action or programme, rather it is the sum total of the individual contribution of broad spectrum of community.

In aligning the National Government initiatives on Economic Development policies i.e. New Growth path and National Development plan with our local economic development economic strategy, the Directorate seeks to create an enabling environment conducive to the development of SMME, Co-operatives, Youth and Broad – Based Black Economic Empowerment Enterprises and provide a broad range of business development support services by working with enterprise support organisations in both the financial and non-financial support spheres.

Local Economic development is seen as one of the most important ways of building a diverse economic base, developing skilful & inclusive economies develop enterprises, economic governance and infrastructure.

Tourism plays an important role in the development of local economy, creation of employment, small business development and income generation.

It implies a proactive approach by tourism industry partners to develop, market the tourism industry in a responsible manner, so as to create competitive advantage. Tourism encourages local communities and businesses to respect, invest in and develop local cultures and protect it from over commercialization and exploitation.

Job creation:

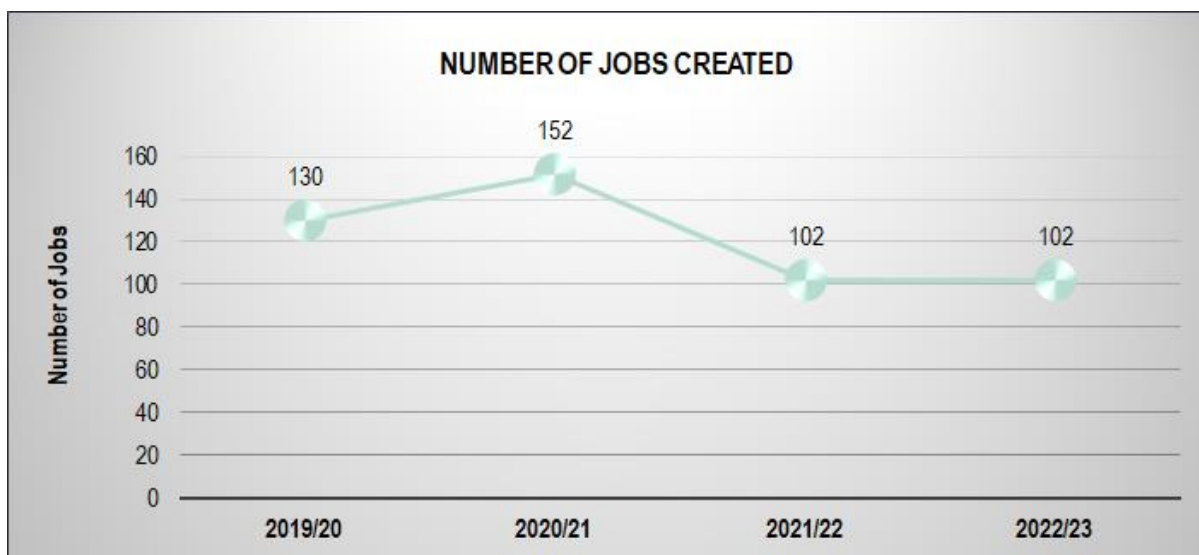
- ✚ EPWP- the funding of labour-intensive projects to support employment creation to support labour-intensive construction building methods.
- ✚ CWP- the CWP is an innovative offering from government to provide a job safety net for unemployment people of working age. It provides a bridging opportunity for unemployed youth and others who are actively looking for employment opportunities.

The programme provides them with extra cash to support them in their search for full-time or part-time employment. Programme participants do community work, thereby contributing to improvements that benefit all community members.

| LOCAL ECONOMIC ACTIVITY BY SECTOR | | | | |
|-------------------------------------|------------|------------|------------|------------|
| Sector | No of Jobs | | | |
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Agriculture, forestry and fisheries | 0 | 0 | 0 | 0 |
| Wholesale and retail trade | 0 | 0 | 0 | 0 |
| Infrastructure services | 130 | 152 | 102 | 439 |
| TOTAL | 130 | 152 | 102 | 439 |

| JOB CREATION THROUGH EPWP* PROJECTS | | |
|-------------------------------------|---------------|------------------------------------|
| Year | EPWP Projects | Jobs created through EPWP projects |
| | No | No |
| 2019/20 | 1 | 61 |
| 2020/21 | 6 | 152 |
| 2021/22 | 15 | 102 |
| 2022/23 | 5 | 439 |
| *- Extended Public Works Programme | | |

| JOBS CREATED DURING 2022/23 BY LED INITIATIVES | | | | |
|--|--------------------|---|--------------------------------------|--|
| Year | No of jobs created | No odd jobs lost / displaced by other initiatives | No of net total jobs created in year | Method of validating jobs created/lost |
| 2019/20 | 130 | 0 | 130 | In loco inspection |
| 2020/21 | 152 | 15 | 152 | In loco inspection |
| 2021/22 | 102 | 0 | 102 | In loco inspection |
| 2022/23 | 102 | 0 | 102 | In loco inspection |



COMMENTS ON LOCAL JOB OPPORTUNITIES

The continual implementation of the national government program on EPWP and CWP is generating job opportunities on a short-term basis. The establishment of the following projects will create sustainable long-term employments once they are implemented and completed.

To resuscitate the economy and create jobs – the LED division has identified 4 Economic Pillars for its economic recovery plan:

- ✚ Manufacturing
- ✚ Agriculture
- ✚ Tourism
- ✚ ICT
- ✚ Establishment of business hubs / SLP projects
- ✚ Land has been identified and designated for the establishment of Special Economic Zones to build targeted industries and industrial infrastructure in order to promote growth and creation of sustainable and decent jobs.

EMPLOYEE INFORMATION

| EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT | | | | | |
|---------------------------------------|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 1 | 2 | 1 | 1 | 50% |
| 4 - 6 | 5 | 7 | 6 | 1 | 14% |
| 7 - 9 | 4 | 4 | 4 | 0 | 0% |
| 10 - 12 | 4 | 4 | 2 | 2 | 50% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% |
| 16 - 18 | 0 | 1 | 0 | 1 | 100% |
| 19 - 20 | 1 | 1 | 1 | 0 | 0% |
| Total | 15 | 19 | 14 | 5 | 26% |

| FINANCIAL PERFORMANCE: LOCAL ECONOMIC DEVELOPMENT and FRESH PRODUCE MARKET | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 3 864 | 28 188 | 28 357 | 15 811 | -78% |
| Expenditure | | | | | |
| Employees | 16 374 | 22 620 | 14 171 | 9 471 | -139% |
| Repairs and maintenance | 1 477 | 4 058 | 3 160 | 1 558 | -160% |
| Other | 8 416 | 8 904 | 8 902 | 5 991 | -49% |
| Total Operational Expenditure | 26 267 | 35 582 | 26 233 | 24 020 | -48% |
| Net Operational Expenditure | 10 597 | -7 394 | 2 124 | -8 209 | |

COMMENTS ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

LED facilitated funding for the following developments:

- ✚ The establishment of Business hubs for SMME's and cooperatives in Townships.
- ✚ The business hubs will be established in Jouberton, Khuma and Kanana, through SLP funding from the mines.
- ✚ The implementation of the Neighbourhood Development Partnership Grant (Township Renewal Project) in Jouberton.

LED facilitated the following workshops and training for SMME's and Cooperatives

- ✚ Training and Workshop for SMME's and Cooperatives
- ✚ Tourism Networking Session (Breakfast)
- ✚ Mahala Week at Faan Meintjes Nature Reserve for Tourism promotion

NATIONAL KEY PERFORMANCE INDICATOR

See page 273 for details.

COMMUNICATION AND MARKETING

INTRODUCTION TO COMMUNICATION AND MARKETING

Communications and Marketing promotes democracy and encourages citizens to play a more effective role in how they are governed. The roles and functions of Communications and Marketing support and promote the Municipality's Vision and Mission.

Guided by the Municipal Systems Act 32 of 2000, the Communication and Marketing section seeks to address the communication needs of the municipality by ensuring that information dissemination is encouraged and promoted. Highlight the significance of communicating and promoting government programmes to communities in and around Matlosana, District, Province, National and international stakeholders.

Chapter 3

Strategic Objectives

- ✚ Develop a coherent and coordinated approach of communication and Marketing
- ✚ Enhance and promote the image of the municipality
- ✚ Promote Customer care and Batho Pele principle
- ✚ Promote transparency within the municipality.
- ✚ To have a proactive and responsive communication approach.
- ✚ Maintain good relations with the media
- ✚ Promote programmes and projects of Council
- ✚ Empower Communities with Information
- ✚ Plan and Coordinate Council Events
- ✚ Build Good Relations with stakeholders
- ✚ Ensure Compliance to Communication and Marketing Policies

Description of Communication and Marketing structure

- ✚ Media Relations
- ✚ Communication Research
- ✚ Marketing and branding
- ✚ Outdoor advertising
- ✚ Outreach and event co-ordination

Communication and Marketing mechanisms

- ✚ Outreach programmes
- ✚ Stakeholders meetings
- ✚ Electronic and print Media
- ✚ Posters, brochures, banners and fliers
- ✚ Media information sessions
- ✚ Outdoor advertising
- ✚ Loud hailing
- ✚ Municipal meetings
- ✚ Municipal website
- ✚ Newsletters
- ✚ Local Communicators Forum

Service Statistics

| NEWSLETTERS | DISTRIBUTION |
|------------------------|----------------------------|
| ✚ Internal newsletters | ✚ 6 electronic newsletters |
| ✚ External newsletters | ✚ 6 external newsletters |

Adopted Policy

- ✚ Communication strategy
- ✚ Media relation policy
- ✚ Corporate identity/branding policy
- ✚ Outdoor Advertising policy and bylaws

3.11 Fresh Produce Market

INTRODUCTION TO THE FRESH PRODUCE MARKET

The Matlosana Fresh Produce Market (MFPM) is the property of the City of Matlosana and was established in 1980. There are 16 fresh produce markets and MFPM is ranked 8th according to turnover. Located conveniently close to the N12, this market has excellent potential for future growth.

The Matlosana Fresh Produce Market has several stakeholders namely:

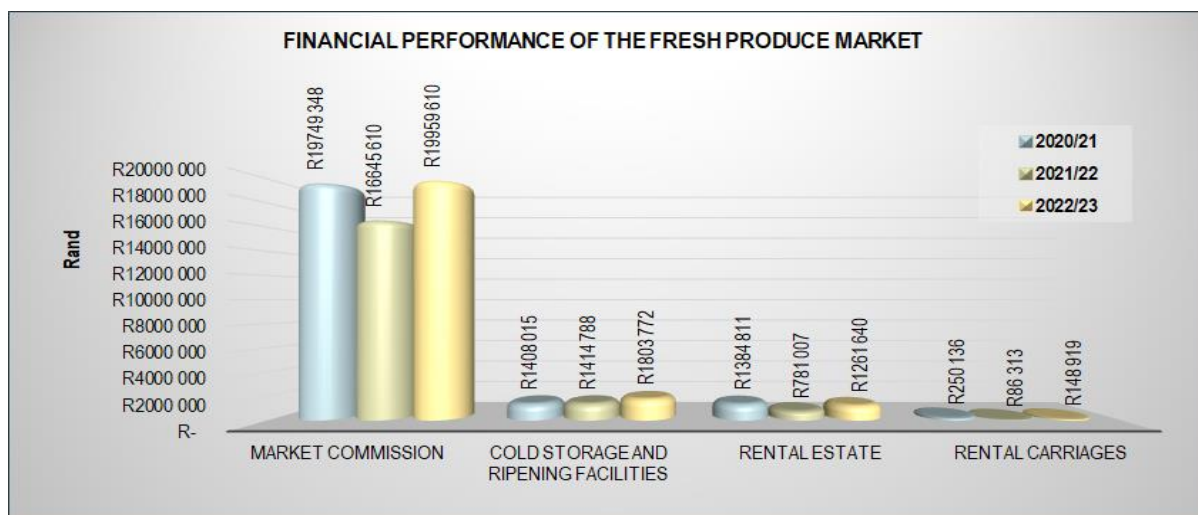
- ✚ Customers - buyers of Matlosana and surrounding towns, as well as customers from as far away as Botswana, Kimberley, Vryburg and Kuruman
- ✚ Market agents - who sell products on behalf of farmers on the market floor;
- ✚ Farmers - including emerging farmers
- ✚ Council employees - they provide a management and administrative function to the market.

Job creation:

- ✚ Market Agents - The MFPM has five (5) market agents trading from the floor with a staff complement of 120 permanent employees among them;
- ✚ Porters - 80 porters operate on the floor. They represent informal / indirect employment as a spin-off from the market activities; and
- ✚ SMMEs - Emerging and Small-scale Farmers

SERVICE STATISTICS OF THE FRESH PRODUCE MARKET

| INANCIAL PERFORMANCE OF THE FRESH PRODUCE MARKET | | | |
|--|------------|-------------|-------------|
| INDICATOR | 2020/21 | 2021/22 | 2022/23 |
| | R | R | R |
| Market commission | 19 749 348 | R16 645 610 | R19 959 610 |
| Cold storage and ripening facilities | 1 408 015 | R 1 414 788 | R1 803 772 |
| Rental estate | 1 384 811 | R781 007 | R1 261 640 |
| Rental carriages | 250 136 | R86 313 | R148 919 |



EMPLOYEE INFORMATION

| EMPLOYEES: FRESH PRODUCE MARKET | | | | | |
|---------------------------------|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 0 | 1 | 0 | 1 | 100% |
| 4 - 6 | 2 | 5 | 2 | 3 | 60% |
| 7 - 9 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 9 | 11 | 9 | 2 | 18% |
| 13 - 15 | 4 | 9 | 4 | 5 | 0% |
| 16 - 18 | 2 | 4 | 1 | 3 | 75% |
| 19 - 20 | 9 | 14 | 8 | 6 | 43% |
| Total | 27 | 45 | 25 | 20 | 44% |

COMMENT ON PERFORMANCE OF FRESH PRODUCE MARKET OVERALL

In comparison to previous financial year Fresh Produce Market experienced increase in revenue in 2022/23 financial year:

- Market commission – 18.27%
- Cold storage and ripening rooms – 31.83%
- Rental estate – 45.49% and
- Carriage income – 49.61%

The South African Police Service is investigating alleged irregularities at the fresh produce market, prompted by the accounting officer.

The investigation was still on-going at the date of this report.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 182)

| FRESH PRODUCE MARKET SERVICES OBJECTIVES TAKEN FROM THE IDP | | | | | | | |
|--|--|--|---|--|--|--|---------|
| Service Objective | Service Indicators | 2020/21 | 2021/22 | 2022/23 | | | 2023/24 |
| | | Actual | Actual | Target | | | Budget |
| | | | | Original | Adjusted | Actual | |
| To upgrade the existing Fresh Produce Market (Phase 2) (Ward 9) to cater for the increasing customer needs | Number of the existing Fresh Produce Market (Phase 2)(Ward 9) upgraded | Upgrading the existing Fresh Produce Market (Phase 2) (Ward 9) nearly completed with the connection of water (0.739 km ranging from 20mm Ø to 75 mm Ø pipeline); construction of 0.517 km of 525 mm Ø storm-water drainage; construction of sewer pipeline (0,06 km of 110 mm Ø pipeline); completing the concrete floor (according to the technical scoping report); and construction of the earthworks for the parking area completed. The 2 shutter doors are not installed, and the roof sheeting not replaced. The concrete floor is also not completed. R6 125 943 | 4 152m² of roof replaced. 10 250 m² of Asphalt layer in the parking area surfaced. 830m² of roof is installed. Ablution facilities 93% constructed. 110 m² Mezzanine floor 65% constructed. R13 678 068 | Upgrading the existing Fresh Produce Market (Phase 2)(Ward 9) by constructing of a 38.5 m² mezzanine floor; constructing 1 storage unit; installing electricity of 4 core to 7 core 600/100V PVCSWAPVC Cu Cable ranging from 6mm² to 185 mm²; installation of 1 cold room by 30 June 2023 R8 064 140 | Upgrading the existing Fresh Produce Market (Phase 2)(Ward 9) by - Constructing of a 110m² 38.5 m² mezzanine floor - Constructing 1 storage unit; - installing electricity of 4 core to 7 core 600/100V PVCSWAPVC Cu Cable ranging from 6mm² to 185 mm²; - installation of 1 cold room; - Installation of 732 m² side cladding; and - finalize the ablution facilities (7%) by 30 June 2023. | Upgrading the existing Fresh Produce Market (Phase 2)(Ward 9) not completed. The storage unit is at 79% completed and the ablution facilities is at 94% completed. 732 m² side cladding completed. Electrical material ordered. R4 345 037 | R0 |

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries, museums, arts & culture and cemeteries.

3.12 Libraries, Museums, Arts and Culture

INTRODUCTION TO LIBRARIES





The Library Service strives to provide informational and educational support for those who want to better their quality of life. We strive through enhancing their qualifications and skills, to provide a quality library service to those who seek the companionship of books and literature and to cultivate a culture of reading and learning amongst the children of our communities with the ultimate view to establish a vehicle for sustaining lifelong education and enhancing of reading skills.





The libraries provide educational programmes and library awareness programmes for adults and children, book lending services, educational toys lending services and skills development sessions, study facilities, photocopy services, typing and printing facilities and free public internet access at most of the libraries.

Library users are assisted to find information they need for assignments, to do research and assimilate general knowledge, type and print documents and do internet researches as part of our reference services.

The Library Service strives to provide services to our communities to improve the quality of life for those that are living in poverty.

Core functions of libraries are to:

-  Provide opportunity to access information and knowledge through libraries;
-  Promote the culture of reading, to increase literacy rates and life-long learning;
-  Promote and create conditions for the development of a multicultural society and to ensure that previously marginalized communities are given opportunities; and
-  Promote social cohesion, moral regeneration and nation building, the deepening of democracy and healthy lifestyles.

| SERVICE STATISTICS FOR THE LIBRARIES | | | |
|---|---------|---------|---------|
| INDICATOR | 2020/21 | 2021/22 | 2022/23 |
| Educational programmes | | | |
|  Library awareness programmes and events | 75 | 183 | 261 |
|  Photocopies made | 239 226 | 296 238 | 313 354 |
|  Books and items circulated | 54 872 | 61 765 | 53 655 |
|  Enquiries | 5 764 | 7 084 | 9 787 |

The following libraries with the contact details are available in the City of Matlosana municipal area:

| NAME OF LIBRARY | CONTACT DETAIL | NAME OF LIBRARY | CONTACT DETAIL |
|-------------------------|-------------------|---|-------------------|
| Alabama Library | 018 4878681 | Matlosana Library | 018 465 3030 |
| Hartbeesfontein Library | 018 4878694 | Tigane Library | 018 487 8891 |
| Kanana Library | 018 487 8970 | Orkney Library | 018 487 8210 |
| Khuma Library | 018 487 8652 | Stilfontein Library | 018 487 8292 |
| Klerksdorp Library | 018 487 8399 | Rebecca NkhaeThulo Library (Ext. 8 Khuma) | 018 487 8660 |
| Manzilpark Library | 018 487 8685 | Umuzimuhle Library (Vaal Reefs) | 018 487 8237 |

COMMENT ON THE PERFORMANCE OF LIBRARIES

An amount of R764 402, 22 was spent on the conditional grant projects: Provision of Public Internet and Wi-Fi services at six Libraries (Klerksdorp Library, Alabama Library, Kanana Library, Matlosana Library, Tigane Library and Rebecca Nkhae Thulo Library) and Replacement and Servicing of Air conditioners at Klerksdorp Library.

An amount of R81 290.00 was spent on the equitable share grant and the projects comprises of Awareness Projects (Career Expo held in Khuma Stadium) and Training (eight supervisors and managers in City of Matlosana Library Services)

R134 710 of equitable share funds will be rolled-over from 2022/23 for Provision of Wi-Fi.

261 programmes were presented by library services, which were in a form of library awareness programmes, library interest events, educational toy sessions, arts and craft, puppet shows and computer literacy sessions.

There was a slight improvement in awareness programmes and events, Photocopies made, and enquiries in the financial year under review.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on pages 193 - 194)

| LIBRARY SERVICES OBJECTIVES TAKEN FROM THE IDP | | | | | | | |
|---|--|--|--|---|----------|--|----------|
| Service Objective | Service Indicators | 2020/21 | 2021/22 | 2022/23 | | | 2023/24 |
| | | Actual | Actual | Target | | | Budget |
| | | | | Original | Adjusted | Actual | |
| To address shortcomings by improving library services and maintenance | Shortcomings at various libraries improved according to the approved project business plan | Shortcomings and maintenance at 12 libraries improved with 20 x Memory sticks; 12 x Kettles, 15 x Suggestion Boxes, 9 Digi Laptops; 3 Digi Tablets; 5 x Handheld Scanners, 14 x Water Coolers with bottles, 2 x Pull-up banners; 2 x Wallpaper with installation; 1 Door sticker with installation. R131 635 | Improving library services and maintenance at all 12 libraries by repairing 7 vacuum cleaners (1 x Orkney, 1 x Rebecca Nkae Thulo, 1 x Kanana, 1 x Khuma, 2 x Klerksdorp and 1 x Jouberton libraries); purchasing 8 office chairs for Klerksdorp library; repairing 1 laminating machine at Klerksdorp library; purchasing promotional material for all libraries; and training all senior staff members R 207 199 | Improving library services and maintenance at all 12 libraries according to the operational activities on the approved project business plan by 30 June 2023 R216 000 | N/A | Hosting a career expo in Khuma, training of 8 senior staff members (supervisors) at all libraries and the provision of public internet and Wi-Fi at libraries R178 370 | R216 000 |

MUSEUM

INTRODUCTION TO MUSEUMS AND HERITAGE

The vision of the Museums and Heritage Section is to further nation building through the management, conservation and communication of heritage-related activities in the City Matlosana. We protect, preserve and promote the heritage Resources of the City to depict the heritage of our people and provide destination of heritage tourism.

Core functions of Museums and Heritage

- ✚ To implement sustainable arts, culture and recreation programmes contributing to safe and healthy communities in the City of Matlosana;
- ✚ To ensure that arts and culture are accessible to all communities, to promote talent in the City of Matlosana;
- ✚ To manage and preserve our heritage resources and collections to benefit all communities;
- ✚ To manage information about intangible heritage, assert and provide access to information;
- ✚ To create an environment that encourages innovation and creativity and to grow a generation of museum and Heritage supporters with an embedded understanding of the importance of culture as the lifeblood of our nation and essential part of humanity; and
- ✚ To promote social cohesion, moral regeneration and nation building, the deepening of democracy and healthy lifestyle.

The key performance areas are

- ✚ Collection management;
- ✚ Documentation;
- ✚ Conservation;
- ✚ Research;
- ✚ Education and communication; and
- ✚ Heritage resource management.

Areas of business

- ✚ Klerksdorp Museum with 15 permanent exhibitions, founded in 1975 and housed in the old Klerksdorp Jail building completed in 1891;
- ✚ Periodic style House Museum depicting six (6) cultural history exhibitions from the previous century;
- ✚ Four Freedom Squares;
- ✚ Goudkoppie Heritage Hill, a Grade II Provincial Heritage Site;
- ✚ The Old Cemetery Complex, a Grade II Provincial Heritage Site;
- ✚ Offender Art Gallery of North West in partnership with Department of Correctional Services; and
- ✚ Museum shop.

Goudkoppie Heritage Hill

Goudkoppie Heritage Hill situated next to the eastern entrance of the N12 is a Grade II Provincial Heritage Site with the following features of significance: (Please take note due to the illegal mining activities most of the historical significance are destroyed or vandalised.)

Damaged of Historical treasures and replicas by the illegal mining activities during the past several years at Goudkoppie Heritage Hill 1 – 3:

Chapter 3

1. Pre-historical heritage assets on Goudkoppie Heritage Hill

- ✚ Khoesan petroglyphs (rock engravings); and
- ✚ Remains of Khoesan stone tools and fire pits dating from the Late Stone Age are evidence of Khoesan utilisation of the site.

2. Historical heritage assets on Goudkoppie Heritage Hill

- ✚ Original foundations of two Second South African Independence War (1899-1902) British Army blockhouses – vandalised;
- ✚ War Graffiti from Second South African Independence War ;
- ✚ British Army Regimental Emblem dating from the same War era;
- ✚ Exploratory mine shafts bearing evidence of late 19th and early 20th Century gold mining activities; and
- ✚ Graffiti applied by local inhabitants on some of the rocks. All of these examples are older than 60 years as they contain the dates on which the inscriptions were made.

3. Historical Replicas erected on Goudkoppie Heritage Hill

- ✚ Replica of an Iron Age village represent dwellings that had actually been on several sites in and around Matlosana in historical times; and
- ✚ Replica of Second South African Independence War British Army blockhouse, erected on the original foundation.

Comments on Goudkoppie Heritage Hill

- ✚ In 2016, a number of Zama-Zama's moved onto the site and started destroying the whole site in their quest for gold. Several attempts over the course of a number of months were made to report this to SAPS but sadly the Museum never even received a case number.
- ✚ Theft of the perimeter fence also led to vagrants moving through the site and stealing almost all of the infrastructure (water pipes, firefighting equipment, ablution facilities, electrical fittings etc.)
- ✚ In 2021 a local NGO (Leano La Bophelo) who had entered into a MOU with ACSR and City of Matlosana, cleaned and maintained the site from September 2021 – 31 March 2022. This has significantly contributed to the protection of remaining Heritage assets on-site although criminal elements in the area still make it unsafe for the general public to visit the site. A new MOU with the above NGO was sign and will expire in October 2025.
- ✚ July 2022 significant damage was caused by a wild fire to one of the stalls on the eastern side but damages were replaced by an insurance desk.
- ✚ Going forward: The museum wants to re - fence the area and look into the possibility of obtaining funding from ACSR to fix infrastructure so we can restore it to its former glory. Only if the needed security measurements could be in place so all expenditure won't be come wasteful.

Old Klerksdorp Cemetery Complex

- ✚ The Old Klerksdorp Cemetery Complex, also a Grade II Provincial Heritage Site consists of the following features of significance:
 - British War Graves dating from the Second South African Independence War;
 - Graves of victims of Concentration Camp for Whites dating from Second South African Independence War;
 - Grave site of victims of Concentration Camp for Blacks dating from Second South African Independence War;

- Monument for Women and Children who died in the Concentration Camps during the Second South African Independence War and Wall of Remembrance with the names of some of the victims of the Klerksdorp White Concentration Camp;
- Graves of the 12 Voortrekker families who founded Klerksdorp;
- Grave of M.G. Jansen Van Vuuren who discovered gold at Klerksdorp and thus father of the gold mining industry of North West Province;
- Graves of Boers who were found guilty of high treason against the Z.A.R. and executed by Boer firing squad during the Second South African Independence War; and
- Makweteng Cemetery, where initially the victims of the African Concentration camp during the Second South African Independence War and later the deceased from Makweteng Township were buried up to 1954 when the Makweteng residents were forcibly evicted and the township levelled to make room for new white neighbourhoods.

Comments on the Old Cemetery

- ✚ There no security staff on duty
- ✚ The Museum does do site inspections to site
- ✚ Maintenance of the cemetery is the responsibility of Parks/ Cemeteries Section
- ✚ British War Graves dating from the Second South African Independence War, being maintained by the British and Commonwealth War Graves Commission
- ✚ Vandalism of some tombstones do occur
- ✚ Vagrants are spotted sleeping there occasionally

THE FOUR FREEDOM SQUARES:

Mfana Majova Freedom Square (Khuma):

The Statue was replaced and remodelling took place at the square the museum still wants to fence of the whole yard in future.

Tulelo Lekoto Freedom Square (Kanana):

This Square is currently in a good condition and well maintained by the Parks Section. Both the bronze statue and the surrounding steel palisade fence remain intact.

- ✚ **Going Forward:** As part of the Museum's Heritage Site Maintenance Plan: palisade fence as scheduled to be painted during the 2023/24 Fiscal Year.

Delekile Khosa Freedom Square (Tigane):

Planned Maintenance did materialise in 2022/2023; The fence was repainted and repaired where broken.

Casey Sindi Freedom Square (Jouberton):

The steel palisade fence has been damaged and vandalised many times. As far as was practicable loss and damage was recuperated through Insurance claims although in recent times the Museum has been informed by Insurance Desk that the Insurers are no longer willing to entertain claims regarding this Square because of the frequent incidences of theft and vandalism at the site. During National Lockdown the bronze bust of Casey Sindi was stolen but later recovered and currently being kept in storage by Museum.

- ✚ **Going Forward:** To renovate the whole site during 2023/24 Fiscal Year

| SERVICE STATISTICS FOR THE MUSEUM | | | |
|---------------------------------------|-----------------|-----------------|-----------------|
| INDICATOR | 2020/21 | 2021/22 | 2022/23 |
| MUSEUM EDUCATION | | | |
| ✚ Education programmes presented | 10 | 27 | 40 |
| ✚ Lifelong learning classes presented | 6 | 8 | (Combined) |
| MUSEUM COLLECTIONS | | | |
| ✚ Maintenance and care of objects | 750 | 700 | 1 000 |
| ✚ Digitised collection documentation | 155 | 152 | 155 |
| MUSEUM EXHIBITIONS | | | |
| ✚ Temporary exhibitions presented | 0 | 6 | 2 |
| ✚ Existing exhibitions maintained | 20 | 20 | 20 |
| COMMUNITY PARTICIPATION | | | |
| ✚ Consultation sessions | 52 | 55 | 75 |
| HERITAGE AWARENESS | | | |
| ✚ Heritage awareness events | 4 | 5 | 5 |
| EXPENDITURE | R197 664 | R104 712 | R211 843 |

EMPLOYEE INFORMATION

| EMPLOYEES: LIBRARIES AND MUSEUM | | | | | |
|---------------------------------|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 2 | 2 | 2 | 0 | 0% |
| 7 - 9 | 8 | 10 | 8 | 2 | 20% |
| 10 - 12 | 14 | 14 | 13 | 1 | 7% |
| 13 - 15 | 39 | 43 | 39 | 4 | 9% |
| 16 - 18 | 14 | 15 | 14 | 1 | 7% |
| 19 - 20 | 1 | 1 | 1 | 0 | 0% |
| Total | 79 | 86 | 78 | 8 | 9% |

| FINANCIAL PERFORMANCE: LIBRARIES AND MUSEUM | | | | | |
|---|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 24 776 | 1 415 | 1 480 | 1 126 | -26% |
| Expenditure | | | | | |
| Employees | 21 770 | 24 573 | 22 670 | 22 002 | -12% |
| Repairs and maintenance | 682 | 2 018 | 2 253 | 1 471 | -37% |
| Other | 2 680 | 26 633 | 29 388 | 23 011 | -16% |
| Total Operational Expenditure | 25 132 | 53 224 | 54 311 | 70 430 | 24% |
| Net Operational Expenditure | -356 | -51 809 | -52 831 | -69 304 | |

COMMENT ON THE PERFORMANCE OF THE MUSEUMS OVERALL

Museums and Heritage Section have been reaching key performance indicators annually for the last several years. Apart of this achievement the museum was in the position to remodel Khuma Freedom Square and maintain the fence at Tigane Freedom Square.

Here are new additions to Klerksdorp Museum which were achievable through the conditional grant from ACSR:

- ✚ Transformation of Anglo Boer War Exhibition to represent the suffering of all the people of modern-day City of Matlosana;
- ✚ Transformation of the Prison Exhibition, more information panels were added;
- ✚ Paved pathways to link various educational assets on Museum grounds;
- ✚ Puppet theatre was built for new educational program;
- ✚ Production of roller banners with history of late former President Nelson Mandela was produced;
- ✚ Collection Management: A Cabinet for preservation and conservation of Museum Collection were built;
- ✚ Permanent Braai Stand for Heritage Awareness Activities were built; and
- ✚ Concertina Razor Wire around the Museum perimeter was installed.

During fiscal year 2022/2023 the Museum hosted an 8-month internship program under the Stimulus Package, 20 Interns were recruited for the duration of the program receiving monthly stipends from the Art Bank of South Africa, the Agency of Department Arts and Culture.

3.13 Cemeteries

INTRODUCTION TO CEMETERIES

The City of Matlosana is responsible to manage and maintain 26 cemeteries with a surface footprint of ± 545 hectares. The management includes the administration of burials, as well as the operational aspects dealing with the preparation of graves and cemetery maintenance.

The top three priorities for the section are:

- ✚ Rendering affordable quality burial services;
- ✚ Providing for future burial needs of the community by planning and developing new cemeteries; and
- ✚ Cemetery maintenance.

| SERVICE STATISTICS FOR CEMETERIES AND AREODROME | | | | |
|---|--------------------|-------------------|--------------------|--------------------|
| INDICATOR | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| ✚ Burials | 2 634 | 4 137 | 4 491 | 3 351 |
| • Adults | 1 955 | 3 394 | 2 432 | 1 895 |
| • Children | 281 | 256 | 262 | 279 |
| • Re-openings | 389 | 487 | 485 | 408 |
| ✚ Memorials | 491 | 658 | 838 | 821 |
| Expenditure | R17 064 406 | R1 999 992 | R16 095 482 | R17 688 584 |
| Income | R1 541 372 | R3 107 776 | R 2 944 035 | R2 309 751 |

| CHALLENGES | MEASURES TAKEN TO ADDRESS CHALLENGES |
|--|--|
| Aging of Tlb's to dig the graves | Still utilizing plant hire tender to hire the Tlb's to dig graves |
| Lack of funding for the development of taxi roads within the cemeteries and fencing of new cemeteries Kanana, Jouberton, Alabama and Tigane. | Application for MIG Fund will be done on the new financial year of MIG |
| Non-reopening of second internment and erection of tombstone at Jouberton, Alabama, Kanana and Khuma township due to lost data during riots | No reopening and erection of tombstone on unidentified grave |
| COVID-19 pandemic related deaths | Utilization of TLB's to fill the graves |

EMPLOYEE INFORMATION

| EMPLOYEES: CEMETERIES AND AERODROME | | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 0 | 0 | 0 | 0 | 0% |
| 4 - 6 | 1 | 1 | 1 | 0 | 0% |
| 7 - 9 | 2 | 2 | 2 | 0 | 0% |
| 10 - 12 | 11 | 13 | 11 | 2 | 15% |
| 13 - 15 | 3 | 5 | 3 | 2 | 40% |
| 16 - 18 | 4 | 5 | 4 | 1 | 20% |
| 19 - 20 | 34 | 37 | 33 | 4 | 11% |
| Total | 55 | 63 | 54 | 9 | 14% |

| FINANCIAL PERFORMANCE: CEMETERIES AND AERODROME | | | | | |
|---|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 2 233 | 2 935 | 2 935 | 2 007 | -46% |
| Expenditure | | | | | |
| Employees | 13 117 | 20 492 | 20 471 | 19 218 | -7% |
| Repairs and maintenance | 4 106 | 4 451 | 5 002 | 4 610 | 3% |
| Other | 664 | 36 582 | 40 044 | 28 921 | -26% |
| Total Operational Expenditure | 17 887 | 61 525 | 65 517 | 52 749 | -17% |
| Net Operational Expenditure | -15 654 | -58 590 | -62 582 | -50 742 | |

COMMENTS ON THE PERFORMANCE OF CEMETERIES OVERALL

The section continues to maintain cemeteries through grass cutting and pruning of trees.

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes Parks, Faan Meintjes Nature Reserve and Aerodrome.

3.14 Parks, Faan Meintjes Nature Reserve and Aerodrome

INTRODUCTION TO BIODIVERSITY AND LANDSCAPE

Parks

The Parks and Development section aims to manage and develop a pleasing, aesthetic and effective environment to aid in the well-being of the residents in our community.

There was no formal Annual Arbour Event Celebration, due to budget.

- ✚ Grass cutting and bush clearing done around the parks, pavements and open spaces around Matlosana;
- ✚ The three top priority delivery areas are:
 - to improve the surrounding environment within the community and urban spaces with regard to greening;
 - beautification of Matlosana open spaces, conservation and protection of bio-diversity areas; and
 - promotion of greening and conservation awareness and preservation of biodiversity to create a sustainable environment.

Challenges

- ✚ Lack of resources to render a better service to the community;
- ✚ Budget constrains – no capital budget for fleet and equipment e.g. bush cutters and chainsaws;
- ✚ Rapid expansion of City of Matlosana area;
- ✚ Lack of funding to develop mega parks in Matlosana township; and
- ✚ Deforestation of biodiversity.

Faan Meintjes

The objective of the nature reserve is to render an environmental education service to the community, protect the fauna and flora and to promote local tourism in the region.

Faan Meintjes Nature Reserve with its Environmental Education Centre offers a great opportunity for the youth and learners of Matlosana for exposure to nature conservation, empowerment on taking care of environment.

The Education Environmental Programmes (EEP) aligned to the current school curriculum can be offered to learners and career guidance in environment and conservation and specific EE Programmes to the youth of Matlosana.

Challenges

- ✚ Non-functionality of the Environmental Education Centre structure at Faan Meintjes Nature Reserve for almost four years.

| SERVICE STATISTICS FOR PARKS AND FAAN MEINTJES NATURE RESERVE | | | | |
|---|-------------------|--------------------|-------------------|---------------------|
| INDICATOR | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| AERODROME – | | | | |
| PC Pelsers Annual License | 1 | 1 | 1 | 1 |
| Expenditure | R5 170 | R4 880 | R5 130 | R 5 130 |
| NATURE RESERVE | | | | |
| ➤ Day visitors | 1 890 | 2 933 | 3 041 | 1749 |
| ➤ Vehicles / Buses | 459 | 766 | 530 | 534 |
| ➤ Accommodation and functions | 70 | 50 | 48 | 48 |
| Expenditure | R1 226 034 | R58 828 458 | R1 448 547 | R 45 537 794 |
| Income | R290 097 | R227 603 | R138 522 | R 142 646.50 |
| Income : Selling of Game | N/A | R440 795 | R528 770 | N/A |
| TREES - Trimmed | 3 168 | 2 391 | 2 186 | 4 194 |

EMPLOYEE INFORMATION

| EMPLOYEES: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL | | | | | |
|--|------------|------------|------------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 – 3 | 0 | 1 | 0 | 1 | 100% |
| 4 – 6 | 1 | 2 | 0 | 2 | 100% |
| 7 – 9 | 9 | 10 | 9 | 1 | 10% |
| 10 - 12 | 11 | 11 | 11 | 0 | 0% |
| 13 - 15 | 36 | 40 | 36 | 4 | 10% |
| 16 - 18 | 23 | 30 | 22 | 8 | 27% |
| 19 - 20 | 86 | 125 | 81 | 44 | 35% |
| Total | 166 | 219 | 159 | 60 | 27% |

| FINANCIAL PERFORMANCE: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 353 | 550 | 550 | 352 | -56% |
| Expenditure | | | | | |
| Employees | 36 208 | 34 556 | 34 100 | 40 822 | 15% |
| Repairs and maintenance | 7 143 | 10 348 | 11 142 | 7 980 | -30% |
| Other | 9 202 | 2 718 | 2 785 | 3 662 | 26% |
| Total Operational Expenditure | 39 076 | 47 622 | 48 027 | 52 464 | 9% |
| Net Operational Expenditure | -38 723 | -47 072 | -47 477 | -52 112 | |

COMMENTS ON THE PERFORMANCE OF BIODIVERSITY AND LANDSCAPE OVERALL.

The municipality manage to maintain open spaces, parks and pavements through grass cutting. However, ageing of fleet is making it difficult to render services to the community. The municipality have been encouraging the community to green their yard through distribution of indigenous and fruits trees.

The municipality collaborates with Provincial Department of Environment, Forest and Fishers on the protection of protected trees around Matlosana.

COMPONENT F: OCCUPATIONAL HEALTH CENTRE

3.15 Occupational Health Centre

INTRODUCTION TO OCCUPATIONAL HEALTH CENTRE

Occupational Health Nursing (OHN) is a specialised field that provides for and delivers health and safety programmes and services to workers and worker populations in their places of employment. It focuses on the promotion and restoration of health, the prevention of illness and injury and the protection from work related and environmental hazards. OHN must look at how the disease causation may be related to work exposure and how its management may necessitate an intervention like job relocation.

Indigent burial administration is part the function of the management and processing of indigents' relief for local municipalities as per Regulation 636 Sections 11, 30, 32, 34 and 35 of the National Health Act 61 of 1993.

Other functions related to this section are:

- ✚ Oversee the implementation of the Strategic Work Plan.
- ✚ Address worker or workplace representative concerns, keep them informed and consult the Health and Safety Committee.
- ✚ Ensure that the measures required by the directive and its Risk Assessment Plan and strictly complied with thorough monitoring and supervision.
- ✚ Notify workers that if they are sick or have symptoms associated with the COVID-19 they must stay at home in terms of Section 22 of the BCEA and leave policy of the employer; and
- ✚ Undertake any function that may be allocated from time to time by the employer in line with the directive by the Minister of Employment and Labour.

Aims of Occupational Health Services as formulated by the World Health Organisation are to:

- ✚ Protect workers from hazards at work (protection and prevention principle).
- ✚ Adapt work and the work environment to the capabilities of workers (adaptation principle).
- ✚ Enhance the physical, mental, and social well-being of workers (health-promotion principle) as well as their ability to conduct a socially and economically productive life.
- ✚ Minimise the consequences of occupational hazards, accidents and injuries and occupational and work-related diseases (the cure and rehabilitation principle).
- ✚ Provide general health-care services for workers and their families, both curative and preventive, at the workplace (the primary health-care principle).

KPA' s of Occupational Health Services are as follows:

- ✚ Health promotion.

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- ✚ Injury on duty administration.
- ✚ Medical surveillance of employees.
- ✚ Pre-employment, periodical and exit medical examinations.
- ✚ Fitness for work / duty assessments.
- ✚ Primary medical care of employees and injuries on duty.
- ✚ HIV care / disease management.
- ✚ Medical evaluation of employees.
- ✚ Work incapacity or disability.
- ✚ Recurrent sick leave investigation.
- ✚ Re-integration and rehabilitation of sick employees.
- ✚ On-the-shop floor occupational health monitoring.
- ✚ Vaccinations of risk exposed employees.
- ✚ Processing of compensation fund annual assessment.
- ✚ Administration / management of indigent burials.

Achievements

- ✚ Despite the challenges the Unit manage to capture all injury on duty from 1998-2023, it was a very cumbersome exercise, given the poor records that was not updated.
- ✚ All the (IOD) cases now have the claim numbers which makes submission to be easy, this was achieved by teamwork between the Unit and the Local COIDA office.

Challenges

- ✚ The department has a vehicle which is old, having more breakdowns, hindering the health promotions and home visits, which is shared amongst Health and Parks given the shortage of vehicles.
- ✚ The COIDA sick leave days are calculated separately from the normal sick leave, thus making it difficult for the unit to capture, as the PAYDAY does not cater for such days, which is still not effective due to logistical problems identified.
- ✚ The Unit is left with only two professional nurses which makes it difficult to reach out to all employee to render health promotions and education on various occupational topics.
- ✚ The health promotions suffered due to the request from COIDA to capture and update all IOD's form 1998-2023.

| SERVICE STATISTICS: OCCUPATIONAL HEALTH CENTRE | | | |
|--|---------|---------|---------|
| Service data statistics | 2020/21 | 2021/22 | 2022/23 |
| Head count to the centre | 987 | 1 597 | 2 281 |
| Head count at the clinics | 3 462 | 1 644 | 1 293 |
| Hepatitis vaccinations | 103 | 297 | 299 |
| Tetanus vaccinations | 0 | 166 | 169 |
| Health promotions | 85 | 92 | 67 |
| COVID-19 Screening and education | 1 448 | 0 | 0 |
| HIV/AIDS statistics | 2020/21 | 2021/22 | 2022/23 |
| Screened | 69 | 32 | 21 |
| Counselled | 69 | 32 | 21 |
| Tested | 69 | 32 | 21 |
| Non-reactive | 69 | 32 | 18 |
| Reactive | 0 | 0 | 3 |

| TB statistics | 2020/21 | 2021/22 | 2022/23 |
|-----------------------------|----------------|----------------|----------------|
| Screened | 3 | 1 | 3 |
| Sputum collected | 3 | 1 | 3 |
| Negative | 1 | 0 | 1 |
| Positive | 2 | 1 | 2 |
| Referred to clinic | 2 | 13 | 3 |
| Family planning | 2020/21 | 2021/22 | 2022/23 |
| Injectable | 135 | 152 | 174 |
| Oral contraceptives | 51 | 27 | 66 |
| Male condoms (departments) | 24 000 | 0 | 0 |
| CHRONIC DISEASES | | | |
| HBP / Diabetes | 2020/21 | 2021/22 | 2022/23 |
| Total patients seen | 1 400 | 1 549 | 1 546 |
| New diagnosis | 5 | 12 | 13 |
| Referred to hospital | 216 | 215 | 270 |
| Uncontrolled | 216 | 215 | 228 |
| On treatment | 211 | 242 | 194 |
| Defaulter | 3 | 12 | 5 |
| MINOR AILMENTS | 2020/21 | 2021/22 | 2022/23 |
| Total patients seen | 44 | 43 | 103 |
| New diagnosis | 44 | 43 | 103 |
| Referred to hospital | 40 | 5 | 23 |
| On treatment | 0 | 0 | 0 |
| INJURY ON DUTY | 2020/21 | 2021/22 | 2022/23 |
| Total patients seen | 70 | 0 | 75 |
| New diagnosis | 70 | 80 | 75 |
| Referred for treatment | 70 | 80 | 75 |
| Referred to hospital | 70 | 80 | 75 |
| Fatalities | 0 | 0 | 0 |
| Request for file re-opening | 0 | 2 | 0 |

| REPORT ON INDIGENT / PAUPER BURIALS | | | |
|--|-----------------|-----------------|-----------------|
| INDICATOR | 2020/21 | 2021/22 | 2022/23 |
| Indigents | | | |
| ☞ Adults | 68 | 133 | 81 |
| ☞ Children | 2 | 5 | 1 |
| ☞ Babies | 33 | 44 | 36 |
| Expenditure | R499 736 | R906 019 | R736 693 |

EMPLOYEE INFORMATION

| EMPLOYEES: OCCUPATIONAL HEALTH CENTRE | | | | | |
|---------------------------------------|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 1 | 4 | 1 | 3 | 75% |
| 7 - 9 | 1 | 2 | 1 | 1 | 50% |
| 10 - 12 | 0 | 2 | 0 | 2 | 100% |
| 13 - 15 | 4 | 4 | 3 | 1 | 25% |
| 16 - 18 | 0 | 1 | 1 | 0 | 0% |
| 19 - 20 | 1 | 1 | 1 | 0 | 0% |
| Total | 8 | 15 | 8 | 7 | 47% |

| FINANCIAL PERFORMANCE: OCCUPATIONAL HEALTH CENTRE | | | | | |
|---|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 0 | 0 | 0 | 0 | 0% |
| Expenditure | | | | | |
| Employees | 4 372 | 4 785 | 3 733 | 2 990 | -60% |
| Repairs and maintenance | 0 | 22 | 22 | 0 | 0% |
| Other | 3 987 | 5 549 | 6 601 | 5 522 | 0% |
| Total Operational Expenditure | 8 359 | 10 356 | 10 356 | 8 512 | -22% |
| Net Operational Expenditure | -8 359 | -10 356 | -10 356 | -8 512 | |

COMMENTS ON THE PERFORMANCE OF OCCUPATIONAL HEALTH CENTRE OVERALL

The health promotions are done as per the health calendar as recommended by the National Health Department, much as there were challenges, but the department always achieve the set targets. The following successes are worth mentioning:

- ✚ The impact of the health promotions bore positive results as employees are more vigilant about their health and come more to the clinic if not feeling well or to seek medical advice.
- ✚ The department has created a positive and harmonious relationship with Life Annron Clinic and Lenmed previously Wilmedpark for the treatment of injury on duty, which helps with the timeous submission to the Compensation Fund.
- ✚ Klerksdorp/Tshepong Hospital Complex is also coming on board to assist with the above though there are teething problems which will ultimately be resolved.
- ✚ Employees was successfully treated for allergic reaction after a bee sting.

- ✚ Three employees diagnosed of diabetes type 2 during the health promotions, they are well controlled as monitoring is regularly done.
- ✚ Managed to capture employees infected by COVID-19.
- ✚ Erected a memorial plaque to honour employees who succumbed to the COVID-19 related illnesses.
- ✚ A rotation system was implemented for the indigent burial service which equally benefits all the undertakers and communities. Three Undertakers were appointed to render indigent burials.

COMPONENT G: SECURITY AND SAFETY

This component includes Traffic, Security, Municipal Court, Fire Services and Disaster Management.

3.16 Traffic, Security and Municipal Court

INTRODUCTION TO TRAFFIC, SECURITY AND MUNICIPAL COURT

The Traffic section is responsible for the following:

- ✚ creation of safe road environment by reducing road accidents and fatalities.
- ✚ promotion of safer road traffic environment.
- ✚ reduction of road traffic violations.
- ✚ ensuring maximum collection of outstanding fines from offenders.
- ✚ ensuring traffic information management.
- ✚ ensuring road safety education campaigns.
- ✚ investigate all road traffic related matters.
- ✚ enforcing of the Road Traffic Act and Municipal By-Laws.

Security section

- ✚ To safeguard and protect Council property and assets, personnel and to ensure community safety in the City of Matlosana municipal area.
- ✚ Technical section.
- ✚ The technical section is responsible for the maintenance of road marking and road signs within the City of Matlosana municipal area.

Traffic Court

- ✚ The core function of this section is the processing of traffic offences issued by Traffic Officers. This court will soon become the Municipal Court as it will be adjudicating on Municipal By-Law fines issued by other Inspectors other than Traffic Officers.

Administration section

- ✚ This Section is responsible for the administration and maintenance of property and assets of the Traffic and Security Division. Activities include:
 - Processing of traffic fines issued and handling of payments thereof.

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- Applications for escorts, marches, and other public events.
- Procurement of products and services; and
- Conciliation and management of reports, etc.

| TRAFFIC SERVICE DATA | | | |
|---|---------|---------|---------|
| Details | 2020/21 | 2021/22 | 2022/23 |
| Number of road traffic accidents during the year | 3 119 | 3 621 | 3 063 |
| Number of by-law infringements attended to | 362 | 2 855 | 1 664 |
| Number of traffic officers in the field on an average day | 24 | 24 | 24 |
| Number of traffic officers on duty on an average day | 24 | 24 | 24 |

| SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES | | | |
|---|-----------------|----------------|-----------------|
| STATISTICS | 2020/21 | 2021/22 | 2022/23 |
| Traffic violations | | | |
| ✚ Section 56 summonses - Other | 6 272 | 5 977 | 9 046 |
| ✚ Section 341 Notices - Other parking offences | 362 | 2 855 | 1 664 |
| TOTAL | 6 634 | 8 832 | 10 710 |
| Total income from Traffic Court | | | |
| ✚ Admission of guilt paid (criminal) | 33 900 | 55 850 | 106 150 |
| ✚ Court fines | 58 850 | 65 450 | 78 100 |
| ✚ Provincial court fines | 7 300 | 10 600 | 5 900 |
| TOTAL INCOME | R100 050 | R13 900 | R190 150 |
| Summons issued | | | |
| <i>Section 56 summonses issued – traffic officers</i> | 6 272 | 5 977 | 9 046 |
| ✚ TOTAL | 6 272 | 5 977 | 9 046 |
| Cases withdrawn by senior public prosecutor as a result of representations | | | |
| ✚ Section 56 summonses | 285 | 197 | 243 |
| ✚ Section 341 Notices | 41 | 188 | 112 |
| TOTAL | 326 | 385 | 355 |
| Arrests (driving while under the influence of intoxicating liquor) | | | |
| ✚ Males | 58 | 77 | 36 |
| ✚ Females | 3 | 0 | 1 |
| TOTAL | 61 | 77 | 37 |

| SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES | | | |
|--|-------------------|-------------------|-------------------|
| STATISTICS | 2020/21 | 2021/22 | 2022/23 |
| Admission of guilt | | | |
| ✚ Magistrate's Court | 52 200 | 79 150 | 126 450 |
| ✚ Matlosana Traffic Court | | | |
| • Contempt of court | 153 600 | 175 150 | 221 650 |
| • Warrants of arrest | 807 750 | 908 000 | 1 096 670 |
| ✚ At Traffic Department - Section 56 summonses | 362 750 | 1 040 191 | 1 479 565 |
| TOTAL | 1 376 300 | 2 202 491 | R2 924 335 |
| Total income per annum | | | |
| Traffic fines | 1 376 300 | 220 2491 | 2 924 335 |
| ✚ Accident reports | 20 354 | 42 529 | 44 329 |
| ✚ Escort fees: Abnormal loads | 186 135 | 164 142 | 284 259 |
| ✚ Temporary closing of streets | 5 868 | 29 400 | 28 321 |
| TOTAL INCOME | R1 588 657 | R2 438 602 | R3 281 244 |
| Escorts / special services rendered | | | |
| ✚ Abnormal loads | 148 | 123 | 210 |
| ✚ Funerals | 77 | 115 | 121 |
| ✚ Fun runs / road races / cycle races | 0 | 2 | 0 |
| ✚ Street braai / street closure | 36 | 194 | 176 |
| TOTAL | 258 | 434 | 507 |

EMPLOYEE INFORMATION

| EMPLOYEES: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES | | | | | |
|--|------------|------------|------------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 2 | 2 | 2 | 0 | 0% |
| 4 - 6 | 3 | 3 | 3 | 0 | 0% |
| 7 - 9 | 11 | 16 | 12 | 4 | 25% |
| 10 - 12 | 41 | 62 | 40 | 22 | 35% |
| 13 - 15 | 11 | 13 | 13 | 0 | 0% |
| 16 - 18 | 19 | 48 | 22 | 26 | 54% |
| 19 - 20 | 30 | 31 | 29 | 2 | 6% |
| Total | 117 | 175 | 121 | 54 | 31% |

| FINANCIAL PERFORMANCE: TRAFFIC, SECURITY, MUNICIPAL COURT AND TECHNICAL SERVICES | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 5 038 | 3 364 | 4 771 | 3 920 | 14% |
| Expenditure | | | | | |
| Employees | 44 690 | 39 815 | 45 852 | 41 216 | 3% |
| Repairs and maintenance | 5 614 | 6 790 | 6 932 | 3 407 | -99% |
| Other | 105 641 | 6 470 | 48 020 | 60 261 | 89% |
| Total Operational Expenditure | 155 945 | 53 075 | 100 804 | 104 884 | 49% |
| Net Operational Expenditure | -150 907 | -49 711 | -96 033 | -100 964 | |

COMMENTS ON THE PERFORMANCE OF TRAFFIC AND SECURITY SERVICES OVERALL

Law enforcement was done by means of roadblocks and execution of warrants of arrest.

3.17 Fire and Disaster Management

INTRODUCTION TO FIRE AND DISASTER MANAGEMENT

The scope of responsibilities within the fire services in the City of Matlosana has evolved to include rescue, dangerous goods, as well as dealing with emerging threats which includes terrorism and responding to natural and anthropogenic disastrous incidents.

The Fire Brigade Service Act (FBSA) provides for local authorities to establish and maintain a fire brigade service for the following different purposes:

- ✚ Preventing the outbreak or spread of fire.
- ✚ Fighting or extinguishing a fire.
- ✚ Protection of life and property against fire or other threatening danger.
- ✚ The rescue of life or property from a fire or other danger.
- ✚ The performance of any other function connected with any of the matters referred to in paragraph (a).

The Disaster management centre, to the extent that it has the capacity, must give guidance to organs of state, private sector, non-governmental organisations, communities, and individuals in the municipal area to assess and prevent or reduce the risk of disasters including:

- ✚ Ways and means of determining levels of risk.
- ✚ Assessing the vulnerability of communities and households to minimise the risk and impact of disasters that may occur; and
- ✚ Monitoring the likelihood of, and the state of alertness to disasters that may occur.

The Division accommodates all areas of responsibility and work closely with the ward Councillors and the community about fire safety and general fire information.

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The section's major efficiencies achieved:

- ✚ Appointment of 5 firefighters.
- ✚ Appointment of two Control room attendants.

| FIRE SERVICES DATA | | | | |
|---|-------------|-------------|-------------|-------------|
| Details | 2020/21 | 2021/22 | 2022/23 | |
| | Actual No | Actual No | Estimate No | Actual No |
| Total fires attended in the year | 819 | 659 | 297 | 195 |
| Total of other incidents attended in the year | 835 | 772 | 300 | 256 |
| Average turnout time - urban areas | 3 to 5 min | 3 to 5 min | 3 to 5 min | 3 to 5 min |
| Average turnout time - rural areas | 7 to 10 min | 7 to 14 min | 7 to 10 min | 7 to 10 min |
| Firefighters in post at year end | 71 | 66 | 66 | 71 |
| Total fire appliances at year end | 09 | 12 | 08 | 06 |
| Average number of appliances off the road during the year | 1 | 3 | 05 | 04 |

| FIRE SERVICES STATISTICS | | | |
|-------------------------------------|---------|---------|---------|
| DESCRIPTION | 2020/21 | 2021/22 | 2022/23 |
| Fire suppression | 295 | 256 | 297 |
| Public education | 6 | 1 | 2 |
| Building plans | 552 | 560 | 441 |
| Site inspections – new | 52 | 13 | 13 |
| Site inspections – re-inspections | 0 | 19 | 2 |
| Flammable liquid registrations | 74 | 106 | 151 |
| Fire hydrant maintenance/inspection | 0 | 7 | 9 |
| Grass fires | 524 | 403 | 336 |
| Trade licences | 76 | 99 | 90 |
| Transport permits | 158 | 145 | 169 |
| Complaints | 0 | 2 | 01 |
| Pre-burn inspections | 0 | 0 | 0 |
| Pre-burns | 0 | 0 | 0 |
| Rescues | 106 | 113 | 87 |
| Building inspections | 901 | 901 | 900 |

Disaster Management Unit

The Disaster Management is a unit within the Fire and Rescue Division. The Department is currently initiating processes to establish a fully equipped and resourced Municipal Disaster Management Centre, as per the provision of the Disaster Management Act (Act 57 of 2002).

The Disaster Management act as repository of and conduit for information concerning disasters, impending disasters, and disaster management in the Municipal area.

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The Disaster management also act as an advisory and consultative body on issues concerning disasters and disaster management in the Municipal area for:

- ✚ Organs of state and statutory functionaries.
- ✚ The private sector and non-governmental organisations.
- ✚ Communities and individual.

The disaster management exercises its powers and perform its duties with the national disaster management framework, and the disaster management framework of the province.

A municipal Council must subject to the applicable provisions of local government Municipal systems Act 2000 (Act 32 of 2000) appoint a person as head of its municipal disaster management centre.

Currently there are two officials appointed at the unit as Disaster Officers and they currently focus on prevention and mitigation of disasters in the 39 wards by conducting:

- ✚ School Awareness Campaigns.
- ✚ Public Information Education and Relations.
- ✚ International Day of Disaster Risk Reduction.
- ✚ Community Based Disaster Risk Assessment.
- ✚ Public Awareness Campaigns.

Functions of the Disaster Management unit are administered as follows:

- ✚ Assessing risks in the area and determine the vulnerability of the community of City of Matlosana.
- ✚ Mitigating these risks and integrating them into the IDP to reduce vulnerability.
- ✚ Providing public information education and relations.
- ✚ Writing disaster risk management contingency plans.
- ✚ Co-ordinating safety at events.
- ✚ Providing disaster response and disaster relief operations.

| DISASTER MANAGEMENT SERVICE STATISTICS | | | |
|---|---------|---------|---------|
| DESCRIPTION | 2020/21 | 2021/22 | 2022/23 |
| Number of events | 1 | 12 | 23 |
| Social relief (fire) | 137 | 161 | 195 |
| Sink hole incidents | 13 | 11 | 67 |
| Public information, education, and relation | 10 | 19 | 96 |
| Blankets | 502 | 600 | 556 |
| Mattresses | 407 | 500 | 446 |
| Tents | 16 | 3 | 0 |
| Social relief (other incidents) sinkholes, windstorms, floods | 6 | 291 | 198 |
| Total number of households affected (Fire) | 551 | 256 | 18 |
| Total number of people affected (other incidents) windstorm, floods | 132 | 53 | 78 |

EMPLOYEE INFORMATION

| EMPLOYEES: FIRE AND DISASTER MANAGEMENT | | | | | |
|---|-----------|------------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 3 | 4 | 3 | 1 | 25% |
| 7 - 9 | 24 | 35 | 24 | 11 | 31% |
| 10 - 12 | 9 | 23 | 9 | 14 | 61% |
| 13 - 15 | 42 | 47 | 45 | 2 | 4% |
| 16 - 18 | 0 | 1 | 0 | 1 | 100% |
| 19 - 20 | 3 | 5 | 3 | 2 | 40% |
| Total | 82 | 116 | 85 | 31 | 27% |

| FINANCIAL PERFORMANCE: FIRE AND DISASTER MANAGEMENT | | | | | |
|---|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 16 367 | 726 | 689 | 553 | -31% |
| Expenditure | | | | | |
| Employees | 40 463 | 45 000 | 49 913 | 46 970 | 4% |
| Repairs and maintenance | 8 965 | 9 835 | 22 501 | 6 260 | -57% |
| Other | 9 408 | 5 068 | 39 756 | 25 349 | 80% |
| Total Operational Expenditure | 58 836 | 59 903 | 112 170 | 78 579 | 24% |
| Net Operational Expenditure | -42 469 | -105 262 | -111 481 | -78 026 | |

COMMENTS ON THE PERFORMANCE OF FIRE SERVICES AND DISASTER MANAGEMENT OVERALL

The reopening of Stilfontein Fire Station is critical due to response time to Khuma and Stilfontein and the procurement of fire engine for the area be prioritised. The overall performance of the Fire & Rescue and Disaster Management relies on the tools of trade (personnel and equipment to render fire and rescue services).

The response of fire engines to incidents in the township is affected by speed humps that are erected for every 100 meters.

The municipality is in the process of developing a proper management system to attend to incidents of sinkholes, especially within the Stilfontein and Khuma areas. During financial year in review, several sinkholes were identified in the Stilfontein area, with no budget to assess and rehabilitate them.

COMPONENT H: SPORT AND RECREATION

This component includes sports fields, stadiums, and swimming pools.

3.18 Sport and Recreation

INTRODUCTION TO SPORT AND RECREATION

The Sport and Recreation section is responsible for establishing a positive attitude in the community towards sport and recreation. It further tends to encourage greater community involvement and interest in sport and recreation.

The section provides for the control, preservation and maintenance of municipal sport and recreation facilities as well as the use and enjoyment thereof by members of the community.

The main service delivery priorities are:

- ✚ Maintenance and preparation of sport facilities (23 Sport facilities and 5 swimming pools).
- ✚ Facilitation of 23 lease contracts.
- ✚ Governance and administration of Sport.
- ✚ Promotion and development of Sport.

Together with Local Clubs, Federations and the Provincial Department of Sport & Recreation assist in the development and promotion of hosting the following:

- ✚ Water Safety and Swimming Development Splash.
- ✚ Woman in Sport.
- ✚ June 16 Youth games.
- ✚ Community Sport Tournaments.
- ✚ Recreation Sport.
- ✚ Sport federations programs.

| SERVICE STATISTICS: SPORT AND RECREATION | | | |
|--|-----------|-----------------|-----------------|
| INDICATOR | 2020/21 | 2021/22 | 2022/23 |
| Swimming pools | R0 | R105 921 | R100 888 |
| Income | R0 | R105 921 | R100 888 |
| Recreation | | | |
| ✚ Total Major Events | 2 | 0 | 4 |
| Expenditure | R0 | R0 | R95 273 |

EMPLOYEE INFORMATION

| EMPLOYEES: SPORT AND RECREATION | | | | | |
|---------------------------------|-----------|------------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 1 | 1 | 1 | 0 | 0% |
| 7 - 9 | 3 | 4 | 3 | 1 | 25% |
| 10 - 12 | 13 | 24 | 13 | 11 | 46% |
| 13 - 15 | 14 | 31 | 14 | 17 | 55% |
| 16 - 18 | 7 | 12 | 7 | 5 | 42% |
| 19 - 20 | 43 | 59 | 43 | 16 | 27% |
| Total | 82 | 132 | 82 | 50 | 38% |

| FINANCIAL PERFORMANCE: SPORT AND RECREATION | | | | | |
|---|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 19 095 | 14 532 | 4 134 | 3 402 | -327% |
| Expenditure | | | | | |
| Employees | 23 094 | 23 057 | 21 919 | 23 148 | 0% |
| Repairs and maintenance | 2 836 | 11 066 | 10 817 | 9 980 | -11% |
| Other | 30 720 | 1 784 | 1 733 | 1 655 | -8% |
| Total Operational Expenditure | 56 650 | 35 907 | 34 469 | 34 783 | -3% |
| Net Operational Expenditure | 192 445 | -21 375 | -30 335 | -31 381 | |

COMMENTS ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

The Municipal financial constraints resulted in ensuring that the department reduces number of events as part of the Municipal Budget containment measures.

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 3: Organisational Development Performance (Part II) on page 181 and 190

| SPORT AND RECREATION OBJECTIVES TAKEN FROM THE IDP | | | | | | | |
|---|--|--|---|--|----------|--|------------|
| Service Objective | Service Indicators | 2020/21 | 2021/22 | 2022/23 | | | 2023/24 |
| | | Actual | Actual | Target | | | Budget |
| | | | | Original | Adjusted | Actual | |
| To construct a new sports complex in Khuma Ext 9 (Ward 31) (Phase 2) to provide recreational facilities for the community | Number of new Sports Complex in Khuma Ext 9 (Ward 1) (Phase 2) constructed | Constructing of a new sport complex in Khuma Ext 9 (Ward 31) mostly completed, but the basketball court surfacing is not done yet. R12 193 171 | A new sport complex in Khuma Ext 9 (Ward 31) constructed. R25 390 299 | Constructing a new sport complex in Khuma Ext 9 (Ward 31)(Phase 2) by constructing player's tunnel; constructing throwing sporting codes (long jump, triple jump, discuss throw, javelin throw, shot put); constructing 0,05km of 110mmø of HDPE pipe; constructing 0,15km of 32mmø - 65mmø galvanized steel pipe by 30 June 2023 R3 430 929 (Split vote R3 798 818 with PMU22 - R367 888) | N/A | Tender was advertised on 4 April 2023 with closing date 10 May 2023. R2 629 950 | R7 000 000 |
| To construct a new sports complex in Khuma Ext 9 (Ward 31) (Phase1) to provide recreational facilities for the community | Number of final design fees settled for new Sports Complex in Khuma Ext 9 (Ward 1) (Phase 1) | New project | New project | Settling the final design fees of the consultant for the new sport complex in Khuma Ext 9 (Ward 31)(Phase 1) by 30 June 2023 R367 888 (Split vote R3 798 818 with PMU7 – R3 430 929) | N/A | The account for the final design fees of the consultant for the new sport complex in Khuma Ext 9 (Ward 31) (Phase 1) paid. R319 903 | N/A |

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices; strategic planning and regulatory; financial services; human resource services; ICT services.

3.19 Executive and Council

This component includes the executive office (Executive Mayor, Councillors and Municipal Manager).

INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the Constitution of the Republic of South Africa states that a municipality comprises Councillors, officials, and the community. For the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained, and included in the IDP for service delivery purposes.

Policies must be put in place, which will address the needs of the community in terms of how service delivery matters will be addressed.

For the municipality to be able to address service delivery matters, the municipality must within limits approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address staff matters and this can only be achieved through a costed organogram that must be cost-effective but also provides sufficient management and other positions for the municipality to be able to render effective and satisfactory services. Management must ensure that tools of the trade are made available to staff. This includes ICT services and networks, including the necessary licences.

For the municipality to finance service delivery, it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. Payment for services will be covered by payment for rates and taxes and will include proper and adequate municipal service delivery networks such as water pipes and reservoirs as well as sewer and electrical networks and plant and equipment.

INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of Chapter 7 Section 151 (2) of the Constitution of the Republic of South Africa, 108 of 1996, the executive and legislative authority of a municipality is vested in its municipal Council.

The MEC responsible for local government has determined that the City of Matlosana will have a mayoral executive system which is combined with a ward participatory system in terms of section 72 of the Local Government: Municipal Structures Amendment Act, Act 3 of 2021. This determination was made by the MEC in terms of the Notice promulgated (dated 29 September 2005) by him in terms of Section 12 of the Local Government: Municipal Structures Amendment Act, Act 3 of 2021.

The mayoral executive system is a system of municipal government, which allows for the exercise of executive authority through an Executive Mayor in whom the political leadership of the Municipality is vested and who is to be assisted by a Mayoral Committee.

Section 55(1) of the Local Government: Municipal Structures Amendment Act, Act 3 of 2021, provides that a Mayoral Executive type of municipality may have an Executive Mayor if it so chooses.

Section 152 of the Constitution categorically and clearly spells out the objectives of local government and the powers and functions of municipalities are determined in Section 156 of the Constitution.

The executive authority of the Council, with the Executive Mayor, who must, however, report to Council and is assisted by the members of the Mayoral Committee established by the Executive Mayor and who may make decisions. However, there are certain matters on which the Executive Mayor, as the head of the municipality cannot make decisions, i.e., the approval of the budget, the IDP and by-laws, as these matters cannot be delegated and must be approved by Council.

In terms of delegation of powers, certain matters may be delegated by Council to the Executive Mayor, who will in turn sub-delegate to the municipal manager. The Municipal Manager may also sub-delegate to directors, who may in turn further sub-delegate to line officials.

Section 152 of the Constitution sets among others the following objectives for local government to:

- (a) Provide democratic and accountable government for local communities.
- (b) Ensure the provision of services to communities in a sustainable manner; and
- (c) Promote social and economic development.

To ensure sustainable service delivery to the community, Council sets the top four service delivery priorities as follows in order to achieve good governance levels:

- ✚ Performance management.
- ✚ Risk management.
- ✚ Internal audit; and
- ✚ Accounting and auditing.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

| DETAIL | 2020/21 | | 2021/22 | | 2022/23 | |
|--------------------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | Ordinary Meetings | Special Meetings | Ordinary Meetings | Special Meetings | Ordinary Meetings | Special Meetings |
| Finance and Debt Normalisation | 30 | 1 | 4 | 1 | 8 | 1 |
| Corporate Services | 30 | 0 | 4 | 0 | 8 | 0 |
| Transversal Issues | 30 | 0 | 3 | 0 | 8 | 0 |
| Infrastructure | 30 | 0 | 4 | 0 | 8 | 0 |
| Public Safety | 30 | 0 | 4 | 0 | 8 | 0 |
| Community Services | 30 | 0 | 4 | 0 | 8 | 0 |
| Local Economic Development | 30 | 1 | 4 | 0 | 8 | 0 |
| Electrical Engineering | 30 | 0 | 4 | 1 | 8 | 0 |
| Planning and Human Settlements | 30 | 0 | 4 | 1 | 8 | 0 |
| Sport, Arts and Culture | 30 | 0 | 4 | 0 | 8 | 0 |

| DETAIL | 2020/21 | 2021/22 | 2022/23 |
|--------------------------------------|---------|---------|---------|
| Section 80 Committee Meetings | | | |
| ✚ Mandating Committee: Mining houses | 0 | 5 | 3 |
| ✚ Budget Steering | 5 | 6 | 6 |
| ✚ Audit Committee | 9 | 8 | 10 |
| ✚ IDP Steering Committee | 0 | 3 | 3 |

EMPLOYEE INFORMATION

| EMPLOYEES: EXECUTIVE, MUNICIPAL MANAGER AND DIRECTORS (EXCL COUNCILLORS) | | | | | |
|--|-----------|----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 6 | 8 | 3 | 5 | 63% |
| 4 - 6 | 0 | 0 | 0 | 0 | 0% |
| 7 - 9 | 0 | 0 | 0 | 0 | 0% |
| 10 - 12 | 0 | 0 | 0 | 0 | 0% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 6 | 8 | 3 | 5 | 63% |

| EMPLOYEES: GOVERNANCE SUPPORT (POLITICAL OFFICES) (EXCL COUNCILLORS) | | | | | |
|--|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 3 | 3 | 3 | 0 | 0% |
| 4 - 6 | 15 | 16 | 15 | 1 | 6% |
| 7 - 9 | 3 | 3 | 3 | 0 | 0% |
| 10 - 12 | 15 | 15 | 15 | 0 | 0% |
| 13 - 15 | 2 | 4 | 2 | 2 | 50% |
| 16 - 18 | 3 | 3 | 3 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 41 | 44 | 41 | 3 | 7% |

| FINANCIAL PERFORMANCE: EXECUTIVE, MUNICIPAL MANAGER, DIRECTORS POLITICAL OFFICES (EXCLUDING COUNCILLORS) | | | | | |
|---|-----------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Budget | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 645 | 400 | 400 | 7 | -5 614% |
| Expenditure | | | | | |
| Employees | 20 688 | 35 907 | 50 923 | 24 254 | -48% |
| Repairs and maintenance | 228 | 10 550 | 16 554 | 804 | -1 212% |
| Other | 110 464 | 221 065 | 162 231 | 143 871 | -54% |
| Total Operational Expenditure | 131 380 | 267 522 | 229 708 | 168 929 | -58% |
| Net Operational Expenditure | -130 735 | -267 122 | -229 308 | -168 922 | |

INTRODUCTION TO THE OFFICE OF THE SPEAKER

The powers and functions of the Office of Speaker are twofold, i.e. Chairperson of the Council and Enforcer of the Code of Conduct. The Municipal Council has also appointed the office of the Speaker as the appeal authority in terms of the PAIA. The Speaker ensures that there is compliance of the Code of Conduct of Councillors and Rules of Order.

The Speaker also ensures community participation in legislative initiatives and communicates with the public on the performance of the Council. Duties of the Municipal Speaker include the following: Presides at meetings of the Council; Performs the duties and exercises the powers delegated to the speaker by the Council.

Strategic Objectives

- ✚ To ensure effective Public Participation in Municipal Affairs to Communities.
- ✚ Effective Management of Ward Committees.
- ✚ Effective Management of Community Based Planning.
- ✚ Provide effective Support and Assistance to all Councillors.
- ✚ Empower and capacitate Councillors, Ward Committees, Co-ordinators, and Field Workers to ensure optimum functionality and delivery of services.
- ✚ Ensure Council Meetings takes place in accordance with agreed schedule.
- ✚ To strive for Good Governance

Key Performance Areas

- ✚ Petition, memorandums, and public-hearing affairs
- ✚ Public information and awareness services
- ✚ Policy development, implementation, and research
- ✚ Resolution tracking and monitoring
- ✚ Council committees, rules, and orders oversight
- ✚ Councillor support, auxiliary service, and civic events

Challenges

| | |
|--|---|
| No training and capacity building programmes for both Councillors and Ward Committees undertaken | Insufficient budget |
| Councillors and Ward Committee training determined and controlled by Skills Development Facilitator not Office of the Speaker. | Insufficient budget |
| Lack of a proper complaints handling system in the municipality. | Provision for a complaint handling desk (helpdesk) in the Office of the Speaker |
| Departments taking long/fail to respond to community queries and demands from ward mass and ward committee meetings respectively. | Departments to respond promptly and to implement efficiently |
| Insufficient necessary resources such as vehicles, SMS facility, office space and equipment for Councillors and Ward Committees for effective execution of duties. | Insufficient budget |

COMMENTS ON THE PERFORMANCE OF THE OFFICE OF THE SPEAKER OVERALL

The Office of the Speaker has participated in events and activities of the other Government Departments such as: National and Provincial Community Consultation on Bills and other legislations; Campaigns.

The Speaker is also the Chairperson of the Department of Home Affairs Forum which has a responsibility to ensure that all challenges relating to access to services at the DHA Services Points.

3.20 Strategic Planning and Regulatory Matters

Strategic planning and regulatory matters stand as linchpins in the effective functioning of local governments in South Africa, especially concerning service delivery. In a nation characterized by diverse demographic and socio-economic challenges, strategic planning becomes imperative for local authorities to chart a clear course of action.

This involves identifying community needs, setting measurable objectives, and formulating comprehensive strategies to enhance service delivery. Concurrently, regulatory compliance is paramount to ensure that local governments operate within the legal framework and adhere to national policies, fostering transparency and accountability. Successful strategic planning, when coupled with adherence to regulatory requirements, directly influences the efficiency of service delivery in local communities.

The nexus between strategic planning and regulatory matters establishes a foundation for local governments to overcome obstacles, adapt to evolving circumstances, and optimize resource allocation for the betterment of service provision to South Africa's diverse population.







Municipalities must develop strategic plans and allocate resources for the implementation.

The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the municipality's Service Delivery and Budget Implementation Plan (SDBIP), performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA and an overall summary of performance on municipal services. Performance information is important for effective management, including planning, budgeting, implementation, reporting, monitoring and evaluation.

Strategic plans identify strategically important outcomes-oriented goals and objectives against which the municipality's medium-term results can be measured and evaluated. Annual performance plans identify the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. This performance information is important for effective management, including planning, budgeting, implementation, reporting monitoring and evaluation.

The Office of the Municipal Manager comprises the following units:

-  Office of the Municipal Manager – Support.
-  Performance Management.
-  Integrated Development Planning.
-  Risk Management.
-  MPAC; and
-  Internal Audit.

PERFORMANCE MANAGEMENT

Performance management refers to a systematic process of planning, monitoring, evaluating, and enhancing the performance of the municipality or local authority. The goal of performance management is to improve the efficiency, effectiveness, and accountability of the public sector in delivering services to the community.

Performance Management System can be defined as a strategic approach to management, which equips Councillors, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

This system will therefore in turn ensure that all the Councillors, managers and individuals in the municipality are held accountable for their actions which should bring about improved service delivery and value for money.

The municipality is tasked with addressing a range of socio-economic challenges, performance management aims to ensure that resources are utilized effectively, services are delivered efficiently, and the needs of the community are met. It involves setting clear objectives, measuring performance against predetermined targets, and using the data gathered to inform decision-making and improve future performance. Additionally, performance management in local governments serves as a means to enhance transparency and accountability by providing a mechanism for citizens and stakeholders to assess the performance of their local authorities.

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

The Constitution of the RSA, 1996, section 152, dealing with the objectives of local government paves the way for Performance Management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of *inter alia*:

- ✚ the promotion of efficient, economic, and effective use of resources.
- ✚ accountable public administration.
- ✚ to be transparent by providing information.
- ✚ to be responsive to the needs of the community, and
- ✚ to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act, 32 of 2000 (MSA), as amended requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act, 56 of 2003 (MFMA), as amended requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the SDBIP.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."

Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

The Service Delivery and Budget Implementation Plan (SDBIP) is an approved detailed one-year operational plan. It details the implementation of service delivery and the budget for the financial year in compliance with the Municipal Finance Management Act (MFMA), 2003, as amended. (Act 56 of 2003).

The SDBIP comprises over objectives, key performance indicators, annual and quarterly service delivery targets and budget information. Service delivery targets relate to the level and standard of service being provided to the community.

The measuring of delivery of services are monitored every quarter and therefore facilitates oversight over financial and non-financial performance of the municipality.

It also facilitates the process of holding management accountable for their performance as the SDBIP forms part of their performance agreements.

In terms of section 46(1)(a) of the Systems Act (Act 32 of 2000) as amended municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

Performance Management serves as primary mechanism to monitor, review and improve the implementation of the municipal IDP and eventually the budget.

COMMENT ON THE PERFORMANCE OF PERFORMANCE MANAGEMENT OVERALL

During the 2021/22 financial year, the municipality complied with legislation concerning the development, operation and maintenance of a performance management system.

The following highlights of the Performance Management unit can be reported on:

- ✚ Meeting 100% all legislative deadlines in all areas
- ✚ Annual Reports tabled on time since 2002.
- ✚ Approved PMS Policy and Framework – 7 times revised.
- ✚ Performance give support and advice to other municipalities in the North West province
- ✚ Both officials serving on the Provincial Performance Management Core Team
- ✚ Province has adopted the City of Matlosana's basic framework of SDBIP and being introduced in province.
- ✚ Being a pilot unit with regards to the auditing method of the Auditor General for the past 9 financial year – meaning being audit same as Metro Council
- ✚ 6 Consecutive unqualified Audit Opinions on Performance Management
- ✚ 2 Consecutive Clean Audit Opinions on Performance Management (2020/21 and 2021/22)
- ✚ Only municipality in the North West that has appointed competent senior managers
- ✚ All senior managers signed Employment Contracts and Performance Agreements
- ✚ A Mid-Year Budget and Performance Assessment in terms of section 72 of the Municipal Finance Management Act, 56 of 2003, as amended which informed the adjustment budget and revised Service Delivery and Budget Implementation Plan, was performed.

INTEGRATED DEVELOPMENT PLANNING

The process to develop the Integrated Development Plan for the period 2022 to 2027 is in line with Section 25 of the Local Government: Municipal Systems Act, 32 of 2000, as amended, [Hereafter referred to as the MSA], directs municipalities to adopt integrated development plans. The section states that;

- (1) Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which—
- (a) links, integrates and co-ordinates plans and considers proposals for the development of the municipality;
 - (b) aligns the resources and capacity of the municipality with the implementation of the plan;
 - (c) forms the policy framework and general basis on which annual budgets must be based;
 - (d) complies with the provisions of this Chapter; and
 - (e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

The municipality's integrated development plan (IDP) is a participatory approach that calls for coordinated planning from all levels of government, including the community. Local municipalities and the district municipality approve the IDP process plans at the start of each fiscal year as guiding documents that detail the activities and deadlines that will take place throughout the year.

It is an integrated procedure that deals with both forecast planning and the execution of budgeted projects. The IDP and budget consultation process takes about nine months to complete before they are finalized and adopted in Council each May.

The municipality's budget adjustment is done in accordance with MFMA, section 28, and it's a procedure that allows municipalities to change the priorities listed in the IDP document in order to make sure that projects are implemented as planned.

The purpose of the integrated development planning is to better the quality of life of the people living within the area of the municipality. It provides the guidelines as to how to use the land within the municipality, which resources to use and how to protect the environment. All strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning, different plans are integrated, co-ordinated and linked to the use of natural, financial, human and physical resources.

We are focused on developing consensus around strategic developmental priorities and are committed to the challenges of poverty alleviation, local economic development and environmental sustainability. The IDP review itself is mandatory in terms of Section 34 of the same legislation referred to above and seeks to infuse life into the IDP such that it considers the changing priorities and planning outcomes of the city.

This document is a product of a broad consultative process, which culminated in a successful IDP Representative Forum, held on 21 April 2023 where stakeholders confirmed and approved projects for the City of Matlosana.

In the period under review, the City of Matlosana ensured that the budget, the IDP and the Service Delivery and Budget Implementation Plans were aligned. Management is focussed on developing consensus around strategic developmental priorities and is committed to the challenges of poverty alleviation, local economic development and environmental sustainability.

COMMENT ON THE PERFORMANCE OF INTEGRATED DEVELOPMENT PLAN OVERALL

Every department has a strategic focus area upon which qualitative and objective performance appraisals and evaluations will be performed. Focused quarterly and annual reviews will conclude the strategic planning process that has been introduced to the municipality.

The strategic process ensured that all departments within municipality had a review of functions, staff establishment, mission aligned to the vision of the city and key strategic objectives analysed.

A new dimension to municipal strategic planning was introduced where all levels within the structure of the municipality were engaged, all political parties and trade unions were engaged and external stakeholders were taken on board.

RISK MANAGEMENT











Risk management process –

During the period under review, the City of Matlosana assessed its risks relative to its operational plans as well as strategic plans. Both internal and external conditions that may impede the achievement of the goals expressed in the operational plans were identified and evaluated.

Impact on institutional performance –

The municipality reviewed the risk registers on a quarterly basis. At the end of the 2022/23 financial year, the municipality had fully implemented 28% remedial actions and 52% of the total identified risks were partially implemented. The municipality has not managed to implement all remedial actions as planned due to factors such as financial constraints and non-responsive bidders that led to re-advertising of tenders.

Top ten risks that were identified and managed throughout 2022/23 financial year are listed below:

-  Inability to respond to service delivery needs.
-  Inability to function as a going concern.
-  Poor planning, monitoring and evaluation of the quality of infrastructure projects.
-  Ineffective and inefficient procurement of goods and services.
-  Failure to reduce and manage prohibited expenditure (UIF&W).
-  Poor contract management.
-  Inadequate safeguarding of municipal assets.
-  Misuse of Council vehicles.
-  Inadequate maintenance of existing infrastructure.
-  Land invasion across the municipality.

In terms of the risk management implementation plan, the municipality has achieved all its planned activities although some of the mitigation strategies were not fully implemented. The Risk Management Committee has evaluated and concluded that although there are challenges in addressing the municipal risks, the municipality is still able to perform its core functions and maintains a positive audit outcome.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts Committees (MPACs) are partially modelled on the example of the Standing Committee on Public Accounts (SCOPA) used in South Africa by legislatures at the national and provincial government level.

The Municipal Public Accounts Committee (MPAC) scrutinises and evaluates the actions of those entrusted with certain responsibilities or powers to check that they are discharging their responsibilities according to set policies and rules and are delivering expected outputs and outcomes.

The Committee does not relate to any party politics and its responsibilities are delegated in terms of the provisions of Section 59 of the Municipal Systems Act, 32 of 2000 (MSA), as amended.

For this reason, MPAC may request the support of both the Audit Committee, Internal Audit unit and Risk Management Unit. The standard rules for the Council apply to MPAC.

The Committee shall have permanent referral of documents relating to:

- (i) *In-year reports of the municipality;*
- (ii) *financial statements of the municipality as part of the Committee's oversight process;*
- (iii) *audit opinion, other reports and recommendation from the Audit Committee;*
- (iv) *information relating to compliance in terms of sections 32, 128 and 133 of MFMA;*
- (v) *information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before the Committee;*
- (vi) *any other audit report from the municipality; and*
- (vii) *performance information of the municipality.*

Subsequent to public hearing meetings and *in loco* inspections conducted, MPAC table its findings and recommendations to Council for approval. The MPAC then develop a monitoring and tracking mechanism by recording recommendations and nature of response. Where recommendations are / were not implemented, reasons for non-implementation must be outlined.

Municipal Public Accounts Committee (MPAC)

The MPAC is a (section 79 Committee elected by Council as per Council resolution) and reports directly to Council. The Committee should be seen as the Committee of Council, in its own right, working within the delegation framework of the Council.

The Council refers identified Unauthorised, Irregular, Fruitless and Wasteful Expenditure for verification and recommendation to Council by MPAC, subsequent to investigation by the Accounting Officer.

Punitive action may be necessary in respect of unauthorized expenditure [32(2) (a)], but is always necessary in terms of irregular or fruitless and wasteful expenditure [32(2) (b)] and it is the responsibility of the Accounting Officer or Council to take punitive steps (as recommended by the committee after investigation) and not the MPAC.

- ✚ The Committee does not write off expenditure and it would not regularise the expenditure.
- ✚ The expenditure could be regularised only in terms of either the SCM Policy (in line with reg. 36) or section 170 of the MFMA.
- ✚ The MPAC has a mandate to interview any relevant person and to obtain all relevant documentation from any official or Councillors that may assist with the investigations.
- ✚ The MPAC will submit a report on the findings and recommendations to Council after completion of its investigation.
- ✚ The MPAC will submit its program of action to Council for approval and consideration.

COMMENTS ON THE PERFORMANCE OF MPAC OVERALL

The MPAC is independent and not partially connected to or influenced by anyone else and MPAC is always thinking about the community that MPAC serves by trying to be professional when carrying out tasks. MPAC ensures that we comply with the legislations and maintain high standard of trustworthiness and honesty, respect and empathy as well as integrity. MPAC takes responsibility in terms of accountability for own actions and decisions.

The overall performance of the Municipal Public Accounts Committee:

- ✚ Improve Compliance with Laws and Regulations;
- ✚ Maintaining an A-Political Status and Averting Conflict of Interests;
- ✚ Carrying A Full and Comprehensive Oversight Mandate;
- ✚ Interacts and Engage with Members of The Public;
- ✚ Promote Good Governance, Transparency and Accountability in The Use of Municipal Resources;
- ✚ Does not behave in a manner that allows maladministration, inefficiency, waste or corrupt practices.

INTERNAL AUDIT

In terms of Section 216(1) (c) of the Constitution of Republic of South Africa (Act 108 of 1996), national legislation must prescribe measures to ensure both transparency and expenditure control in all spheres of government by introducing uniform treasury norms and standards.

Good governance involves how organisation is managed, its organisational culture, policies, strategies and the way it deals with stakeholders. The Internal Audit and Audit Committee provide objective, independent advice to improve oversight, governance and help mitigate risk.

Working with internal audit, the Audit Committee brings different skills and expertise to assist in improving the performance of an institution. The Internal Audit team and audit committee do not assume any management functions nor should management exert any undue influence over the work of the Internal Audit team and Audit Committee.

Mission of internal audit

The mission of internal audit is to provide Accounting Officer and the Audit Committee with independent, objective assurance and consulting services designed to add value and improve the organisation's operations. Furthermore, it helps the organisation accomplish its objective by bringing a systematic disciplined approach to evaluating and improving the effectiveness of risk management, internal control and governance processes.

Risk management

The risk management section conducts a risk assessment, thereafter compiles a risk assessment report that entails the listing of High, Medium and Low risks based on operational risks and strategic risks and thereafter submits it to Internal Audit to prepare a three-year rolling plan and one-year risk-based plan and performance operational plan.

Internal control

Internal Audit reviews the adequacy and effectiveness of internal control that management reported as effective in reducing the impact that inherent risk might have on the operations of municipality, through operational risk-based plan.

Governance Issues

Internal Audit reviews the effectiveness of the following projects as governance issues:

- | | |
|--------------------------|-------------------------------|
| ✚ Risk Management | ✚ Committees of Council |
| ✚ Records Management | ✚ Code of Conduct |
| ✚ IT environment | ✚ Integrated Development Plan |
| ✚ Performance Management | ✚ Strategic Plan |
| ✚ Delegation Processes | ✚ Organisational Structure |

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- ✚ Training Programmes
- ✚ Policies and Procedures

- ✚ Public Participation

Audit Committee

Section 166 of the MFMA requires that each municipality and municipal entity must have an Audit Committee.

The Audit Committee must advise the municipal Council, political office bearers, the accounting officer and the management of the municipality of municipal entity on matters relating to:

- ✚ internal financial control and internal audits;
- ✚ risk management;
- ✚ accounting policies;
- ✚ the adequacy, reliability and accuracy of financial reporting information;
- ✚ performance management;
- ✚ effective governance;
- ✚ internal audit team and Audit Committee;
- ✚ compliance with the Act, the annual Division of Revenue Act and any other applicable legislation;
- ✚ performance evaluation; and
- ✚ any other issues referred to it by the municipality or municipal entity.

| MEMBERS OF AUDIT COMMITTEE | |
|--|-------------|
| Member Name | Capacity |
| Ms Mpho Mathye (IAT)(PIA) (2 nd term from 01 April 2021) | Chairperson |
| Mr Jack Ramakgolo (CCSA)(CFI) (2 nd term from 01 April 2021) | Member |
| Ms. P Mangoma (CIA)(CISA)(01 April 2022) | Member |
| Mr. E Hlungwani (LLB)(01 April 2022) | Member |
| Mr. S Simelane (CA)(01 April 2022) | Member |

Matters that served before the Audit Committee in 2022/23

- ✚ Audit Strategy – AGSA
- ✚ Quarterly Internal Audit Activity reports
- ✚ Quarterly Internal Audit report on completed audits
- ✚ Quarterly Financial reports
- ✚ Quarterly Supply Chain Management reports
- ✚ Quarterly Information Technology reports
- ✚ Audit readiness plan
- ✚ Post Audit Action Plan
- ✚ Audit Committee Schedule of meetings
- ✚ Quarterly Human Resource reports
- ✚ Quarterly SDBIP reports
- ✚ Quarterly update on Fraud Cases
- ✚ Quarterly Risk Management Report
- ✚ Strategic and Operational Risk Registers
- ✚ Revenue Enhancement report
- ✚ Integrated Development Plan (IDP) 2023 - 2025
- ✚ MTREF 2023 - 2025
- ✚ Progress on material irregularity

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- ✚ Internal Audit and Audit Committee Charter
- ✚ Internal Audit Three Year Rolling Plan and One Year Plan
- ✚ Quarterly Service Delivery and Budget Implementation Plans
- ✚ Progress on previous UIF
- ✚ Financial plan
- ✚ Quarterly Litigation reports

Section 165 of the MFMA requires that each municipality and municipal entity must have Internal Audit unit.

The Municipality has an in-house Internal Audit activity that consists of nine Internal Auditors with one vacancy. Below are the functions of the Internal Audit unit that were performed during the financial year under review:

| 2022/23 FIRST QUARTER | |
|---|---------------------------|
| Audits | Completed / Not Completed |
| <ul style="list-style-type: none"> ✚ Performance Management Systems ✚ Risk Management ✚ IDP ✚ Corporate Support ✚ Budget Management ✚ Financial Reporting ✚ Safeguarding of Municipal Assets ✚ Cleansing ✚ Town Planning | Completed |
| 2022/23 SECOND QUARTER | |
| Audits | Completed / Not Completed |
| <ul style="list-style-type: none"> ✚ Performance Management Systems ✚ ICT ✚ Fire And Rescue ✚ Fleet Management ✚ Management Request | Completed |
| 2022/23 THIRD QUARTER | |
| Audits | Completed / Not Completed |
| <ul style="list-style-type: none"> ✚ Performance Management Systems ✚ Expenditure ✚ Asset Managemet ✚ Management Request ✚ Legal Services ✚ ICT ✚ Scm Follow-Up ✚ Scm ✚ Financial Reporting | Completed |
| 2022/23 FOURTH QUARTER | |
| Audits | Completed / Not Completed |
| <ul style="list-style-type: none"> ✚ Performance Management Systems ✚ Revenue Management ✚ Post Audit Action Plan ✚ Business Licensing ✚ Sports, Arts and Culture ✚ PMU | Completed |

COMMENTS ON THE PERFORMANCE OF INTERNAL AUDIT OVERALL

- ✚ Completion of approved Internal Audit Plan timeously.
- ✚ Performing and completing Ad-Hoc Audit requested by management.
- ✚ Review of Post Audit Action Plan 2021/22.
- ✚ Reviewed the adequacy and effectiveness of the internal controls relating to annual stock count process.
- ✚ Approval of Internal Audit Plan and Charter.
- ✚ Performed consulting work, advice on development of controls, policies and procedure manuals, and further provide advices through attendance of departmental meetings.
- ✚ Performing quarterly audits on Predetermined Objectives.
- ✚ Through the efforts of Internal Audit Activity, the Audit Committee meetings are held as scheduled and legislated.
- ✚ Providing value-adding recommendations.
- ✚ Internal Audit represented in the Financial Disciplinary Board.

EMPLOYEE INFORMATION

| EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER | | | | | |
|--|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 5 | 5 | 5 | 0 | 0% |
| 4 - 6 | 7 | 10 | 7 | 3 | 30% |
| 7 - 9 | 2 | 3 | 3 | 0 | 0% |
| 10 - 12 | 1 | 4 | 1 | 3 | 75% |
| 13 - 15 | 1 | 1 | 1 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 16 | 23 | 17 | 6 | 26% |

| FINANCIAL PERFORMANCE: OFFICE OF THE MUNICIPAL MANAGER | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 0 | 0 | 0 | 0 | 0% |
| Expenditure | | | | | |
| Employees | 8 606 | 3 548 | 3 535 | 3 476 | -2% |
| Repairs and maintenance | 12 | 50 | 54 | 9 | -456% |
| Other | 1 222 | 90 | 82 | 62 | -45% |
| Total Operational Expenditure | 9 840 | 3 688 | 3 671 | 3 547 | -4% |
| Net Operational Expenditure | -9 840 | -3 688 | -3 671 | -3 547 | |

3.21 Financial Services (Including Supply Chain Management)

Matlosana Local Municipality has been under financial constraints because of the local economic outlook, which has been weaker than anticipated. The mining sector contributes to the local economy and is a substantial employer within Matlosana. Most mines have resorted to retrenching employees because of the current economic situation and this has contributed to our growing debtor's book.

Persistently high unemployment remains one of South Africa's most pressing challenges and many rural people are coming to Matlosana to seek employment. These economic challenges will continue to put pressure on municipal revenue generation and collection.

The Finance directorate deals with the administration of finances of the municipality i.e. own budget as well as the money received from the government fiscus, i.e. allocation by government to the municipality to enhance service delivery as in MIG and equitable shares grants. In order for the municipality to have effective service delivery, budget and IDP processes must be followed in order to ensure public participation to cover all community proposals in terms of projects.

The directorate must develop budget-related policies and by-laws, which will govern consistent charging of moneys for services rendered to the communities. Collection of moneys owed to Council must also be covered in terms of policy. There have been internal and external audits in order to ensure management of risk and curbing of corruption while encouraging effective customer care service.

| DEBT RECOVERY | | | | | | |
|--|------------------------------------|--|------------------------------------|--|------------------------------------|--|
| | | | | | | R' 000 |
| Details of the types of account raised and recovered | 2020/21 | | 2021/22 | | 2022/23 | |
| | Actual for accounts billed in year | Proportion of accounts value billed that was collected % | Actual for accounts billed in year | Proportion of accounts value billed that was collected % | Actual for accounts billed in year | Proportion of accounts value billed that was collected % |
| Property rates | 457 715 | 70% | 482 057 | 72% | 456 397 | 89% |
| Electricity – B | | | | | | |
| Electricity – C | 730 086 | 76% | 797 713 | 82% | 832 427 | 90% |
| Water – B | | | | | | |
| Water – C | 710 071 | 37% | 697 956 | 40% | 736 246 | 40% |
| Sanitation | 105 239 | 34% | 112 502 | 34% | 141 354 | 64% |
| Refuse | 181 317 | 29% | 218 193 | 28% | 195 291 | 36% |
| Other | 739 298 | 23% | 931 722 | 19% | 677 481 | 8% |

- ✚ Property rates billed annually have a collection rate of 89% which has increased by 17% from 72%.
- ✚ Electricity billed annually has a collection rate of between 90% considering electricity losses and theft.
- ✚ Water billed annually has a collection rate of between 40% with huge water losses in the municipal area.
- ✚ Sanitation billed annually has a collection rate of about 64%
- ✚ Refuse billed has a collection rate of about 36%
- ✚ Other income 8% – other income depends on the nature of the income. Example: sale of stands.

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management functions have not moved towards complete centralisation. This is mainly due to the municipality's technical Division (garage) which is still performing some purchase ordering functions, because of the SCM unit's capacity challenges within its maintenance section.





The departments are making requests and compiling preliminary specifications and reports to the Bid Committee. The SCM unit, then verify compliance and facilitates the procurement process until the award stage, utilising the Bid Committees for the entire process.

The municipality is also committed towards full implementation of the mSCOA compliant procurement system, in line with the mSCOA Roadmap on the full utilisation of the SCM module of the BCX Solar financial system.





The main objective is to move away from manually generated procurement processes, which are currently open to possible risks of fraud, due to human interventions.

These interventions will ensure that Supply Chain Management conforms to a management philosophy of integrating a network of upstream linkages (sources of supply), and downstream linkages (distribution and ultimate satisfaction to customers), in performing specific processes and activities that will ultimately create and optimise the value for the customer, in the form of products and services which are specifically aimed at satisfying customer demands and the provision of service delivery. This will ensure that outstanding orders and invoices are captured and processed in the financial system creditors sub-ledger, and also assist in the control of each department's budgeted votes against the procurement plan.

All goods and services procured through the procurement process have an impact on service delivery. The BID Committees within the SCM Unit, which consist of members from other departments, ensure that the following are done:

-  Procurement is done in compliance with the procurement plan.
-  Goods and services are procured at the correct time.
-  The right quality and quantity are ensured.
-  The correct service providers or suppliers are used.

The SCM unit has the following challenges that need to be addressed, in order for it to function optimally:

-  Insufficient capacity in terms of human resource and tools of trade to move towards full implementation of SCM Centralisation.
-  Inadequate training for SCM staff and Bid Committee members, to expose both staff and committee members to best practices on supply chain management.
-  Lack of motivation, commitment, and low morale shown by some of the SCM staff and committees. The restructuring of the organisational structure, development of the job descriptions, and proper placement of staff will make a huge impact to the optimal functioning of the SCM unit.
-  Delays in the SCM processes on the appointment of service providers / suppliers, due to discrepancies in the procurement value chain because of inadequate quality assurance by both the SCM unit and user departments. There are current interventions underway to establish a Compliance Section (Team), to ensure that quality assurance is achieved, and the re-advertisement of tenders are reduced to a minimum because of non-compliance by service providers.

- ✚ Electronic system turn-around time which is still low. This is also aggravated by the current Eskom load-shedding situation.
- ✚ Lack of outreach programmes for prospective bidders' / service providers on supply chain management processes, and the completion of the required bid documents. This was aggravated by the outbreak of the COVID-19 pandemic over the past two years.
- ✚ Lack of transport for logistical arrangements on the movement of documents from SCM Stilfontein offices to Klerksdorp, and the accompanying security thereof.
- ✚ Inadequate security at the SCM Stilfontein offices, and at the Central Stores. There is a need for surveillance cameras at both places.
- ✚ Lack of suppliers' performance monitoring and evaluation, and contract management, since the municipality does not have a fully capacitated SCM structure, whereby it is unable to perform its legislative requirements of assessing performance of all service providers acquired.

EMPLOYEE INFORMATION

| EMPLOYEES: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT | | | | | |
|---|------------|------------|------------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 6 | 7 | 6 | 1 | 14% |
| 4 - 6 | 19 | 22 | 19 | 3 | 14% |
| 7 - 9 | 19 | 38 | 32 | 6 | 16% |
| 10 - 12 | 90 | 94 | 78 | 16 | 17% |
| 13 - 15 | 30 | 43 | 29 | 14 | 33% |
| 16 - 18 | 3 | 4 | 3 | 1 | 25% |
| 19 - 20 | 9 | 14 | 9 | 5 | 36% |
| Total | 176 | 222 | 176 | 46 | 21% |

| FINANCIAL PERFORMANCE: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT | | | | | |
|---|--------------------|------------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 1 099 476 | 1 217 673 | 1 256 111 | 1 313 308 | 7% |
| Expenditure | | | | | |
| Employees | 87 073 | 78 859 | 76 903 | 79 292 | 1% |
| Repairs and maintenance | 330 | 9 617 | 1 902 | 1 477 | -551% |
| Other | 796 851 | 187 801 | 197 351 | 342 112 | 45% |
| Total Operational Expenditure | 884 254 | 276 277 | 276 156 | 422 881 | 35% |
| Net Operational Expenditure | 215 222 | 941 396 | 979 955 | 890 427 | |

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The municipality obtained an unqualified audit opinion for the 2022/23 financial year which is the same as the prior financial year.

The cash flow position of the municipality is a challenge due to the outstanding creditors that have to be dealt with in the coming years. The largest factor contributing to this is the collection of outstanding debt and it remains a challenge to the municipality.

As a result, the municipality struggle to keep the cash flow position positive.

NATIONAL KEY PERFORMANCE INDICATORS

See pages 274 - 277 for more detail.












3.22 Human Resource Services

INTRODUCTION TO HUMAN RESOURCE SERVICES

In the context of Developmental Local Government, City Council of Matlosana Municipality is tasked with the crucial responsibility of fulfilling the constitutional mandates delegated to it. As the staff component of any municipality is the vehicle of service delivery and ultimately responsible for compliance with the listed constitutional mandates, it is incumbent on municipalities to ensure that its human resources capacity is developed to a level where it can perform its responsibilities in an economical, effective, efficient and accountable way.

In addition to legislation typically guiding Human Resources, amongst others the Labour Relations Act (Act 66 of 1995), Basic Conditions of Employment Act (Act 75 of 1997), Employment Equity Act (Act 55 of 1998), Skills Development Act (Act 97 of 1998) and the Skills Development Levies Act (Act 9 of 1999), within the Local Government Environment specific obligations are placed on municipalities by means of the Local Government Municipal Systems Act (Act 32 of 2000) concerning the alignment of its administration and specifically human resources with its constitutional responsibilities.

The Human Resources related obligations placed on City of Matlosana municipality in terms of Section 51 of the Municipal Systems Act is to organise its administration to:

-  Be responsive to the needs of the local community.
-  Facilitate a culture of public service and accountability amongst staff.
-  Be performance orientated and focussed on the objectives of local government.
-  Align roles and responsibilities with priorities and objectives reflected in the Integrated Development Plan (IDP).
-  Organise structures and administration in a flexible way to respond to changing priorities and circumstances.
-  Perform functions through operationally effective and appropriate administrative units.
-  Assign clear responsibilities.
-  Maximize efficiency of communication & decision-making.
-  Delegate responsibility to the most effective level within the administration.
-  Involve staff in management - Decisions as far as is practicable.
-  Provide an equitable, fair, open and non-discriminatory working environment.

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This legislative mandate concerning Human Resources is endorsed by Section 67 of the Local Government Municipal Systems Act stating, under the heading Human Resources Development, that “a municipality, in accordance with the Employment Equity Act, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration”.

Human Resources Unit is a division that falls within the Directorate Corporate Support and it plays a critical role in the organisation in respect:

- ✚ Recruitment, Selection and appointment of personnel.
- ✚ Administration and management of employees leave, pension fund and medical aid.
- ✚ Occupational Health and Safety.
- ✚ Staff Establishment, Job Description and Job Evaluation.
- ✚ Training and Development.
- ✚ Labour Relations.
- ✚ Organisational Development and Design.
- ✚ Employee Wellness Programs.

The above listed functions follow the Municipal Regulations on Staff establishment, September 2021. It also reinforces the white paper in HRM which requires Human resources in Public Sector (including Local Government) to be managed, utilized, and maintained efficiently and effectively.

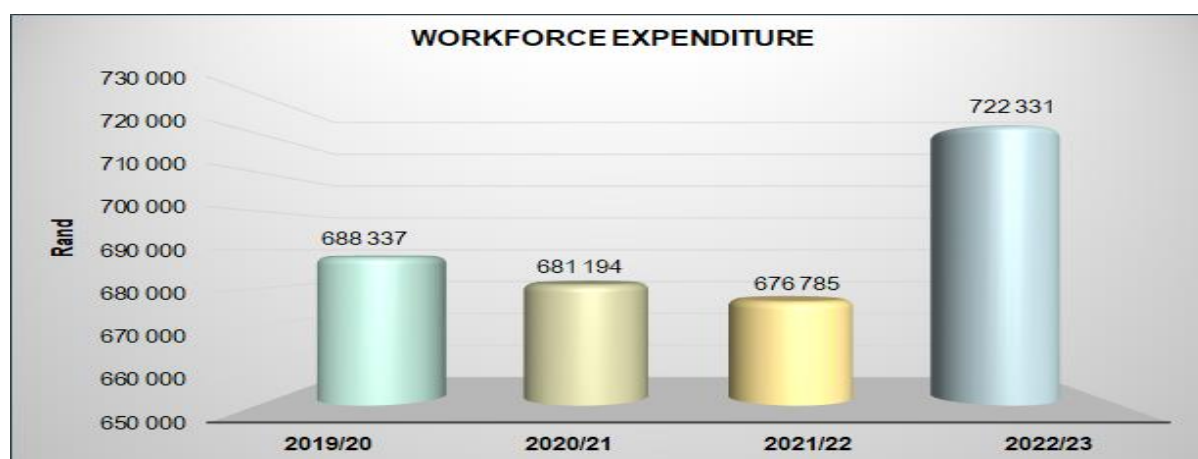
This approach would allow City of Matlosana Municipality to manage within nationally defined parameters its own employee.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Total personnel expenditure trends in the last four years

The following table reflects the total personnel expenditure trends from 2019/20 to 2022/23:

| FINANCIAL YEAR | (R'000) | % OF TOTAL BUDGET |
|----------------|---------|-------------------|
| 2019/20 | 688 337 | 20.00% |
| 2020/21 | 681 194 | 19.81% |
| 2021/22 | 676 785 | 17.14% |
| 2022/23 | 722 331 | 16.97% |



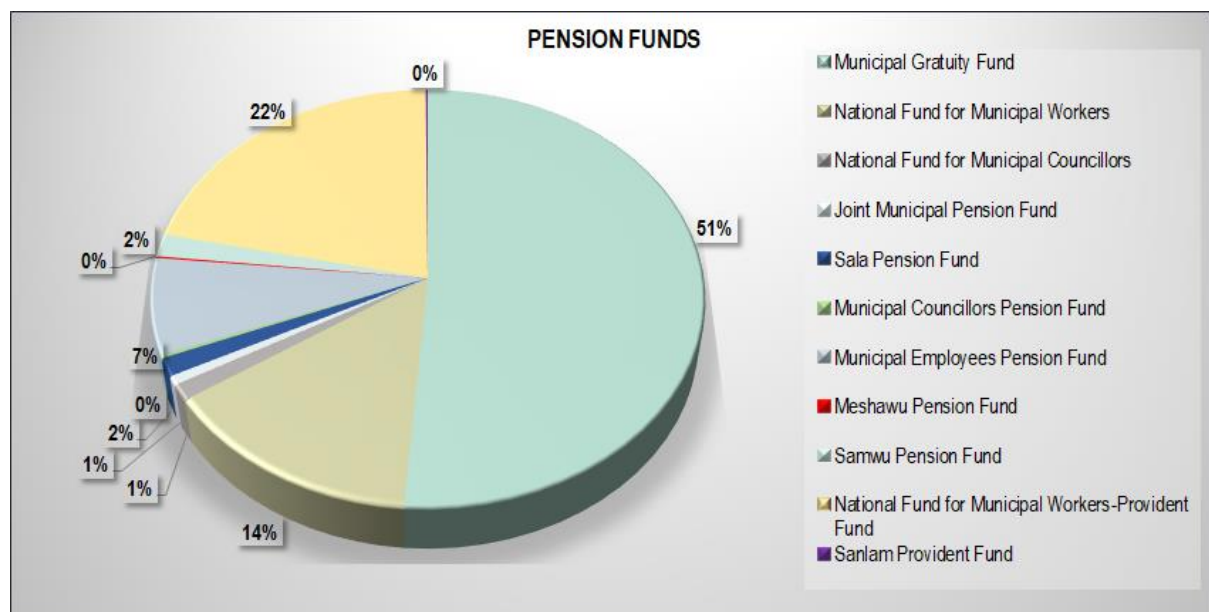
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Pension and Medical Aid Funds

Pension Fund

The composition of membership for pension and provident funds was as follows:

| PENSION FUND | NUMBER OF MEMBERS | | |
|--|-------------------|--------------|--------------|
| | 2020/21 | 2021/22 | 2022/23 |
| Municipal Gratuity Fund | 1 251 | 1 221 | 1 205 |
| National Fund for Municipal Workers | 329 | 328 | 338 |
| National Fund for Municipal Councillors | 25 | 27 | 29 |
| Joint Municipal Pension Fund | 18 | 17 | 16 |
| Sala Pension Fund | 34 | 28 | 33 |
| Municipal Councillors Pension Fund | 17 | 6 | 6 |
| Municipal Employees Pension Fund | 201 | 184 | 174 |
| Meshawu Pension Fund | 3 | 3 | 3 |
| Samwu Pension Fund | 43 | 42 | 41 |
| National Fund for Municipal Workers-Provident Fund | 432 | 466 | 504 |
| Sanlam Provident Fund | 4 | 3 | 3 |
| TOTAL | 2 357 | 2 325 | 2 352 |



The Council's actual pension fund expenditure towards the employer's contribution for 2022/23 financial year totalled R87 448 571

Medical Aid Funds

The medical aid funds are accredited by the South African Local Government Bargaining Council (SALGBC).

The Council's actual expenditure for the 2022/23 financial year as the employer's contribution to medical aid funds was R39 581 032 while the medical aid for pensioners and provision for 2022/23 are R14 710 220 which brings the total medical aid fund to R54 291 252

| MEDICAL AID FUND | | |
|--|---------------|-----------------------------|
| Details | Nr of Members | Employer's Contribution (R) |
| Key Health | 50 | 2 49 2635.36 |
| Hosmed | 51 | 2 262 801.00 |
| Bonitas | 242 | 9 510 148.32 |
| LA Health | 671 | 22 602 109.20 |
| Samwu Med | 84 | 2 713 338.00 |
| Pensioners and provision for contributions | 218 | 14 710 220.30 |
| TOTAL | 1316 | 54 291 252,18 |

Outstanding Monies

MFMA Circular 11 requires that municipalities disclose arrears (outstanding monies) by Councillors / employees for the financial year.

| OUTSTANDING MONIES | | | | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Accounts in Arrear as at | Arrears June 2020 | Arrears June 2021 | Arrears June 2022 | Arrears June 2023 |
| | (R) | (R) | (R) | (R) |
| Councillors* | 433 021 | 305 352 | 1 115 309 | 1 035 723 |
| Employees | 4 794 573 | 1 679 755 | 4 705 622** | 27 350 421 |

*Names of Councillors in arrears for more than 90 days can be seen in Note 50 of the financial statements.

** It must be noted that the outstanding amount owing by personnel has increased drastically, due to an ongoing investigation which commenced in December 2019 of personnel who are owing and not paying.

These personnel are being included to the salary deduction list on an ongoing basis. Council, through its Finance Portfolio Committee, is monitoring the status of these debts, against the repayment arrangements made, to ensure that monies owed are recovered within the acceptable timeframe, in line with legislative requirements.

.

Disclosure concerning Councillors and directors

The following table reflects the remuneration for Councillors and directors:

| DESIGNATION | REMUNERATION PACKAGE (R)* | | | |
|---|---------------------------|------------|------------|------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Executive Mayor | 1 051 128 | 1 127 727 | 933 295 | 1 140 377 |
| Speaker | 849 782 | 913 314 | 900 724 | 929 159 |
| Mayoral Committee Members and Councillors | 32 461 773 | 33 419 657 | 32 403 342 | 34 842 075 |
| Municipal Manager | 1 424 447 | 1 519 593 | 1 456 932 | 1 492 716 |
| Director Budget and Treasury (CFO) | 385 421 | 1 012 222 | 993 097 | 772 533 |
| Director Corporate Support | 1 156 263 | 1 236 258 | 1 161 592 | 1 111 223 |
| Director Technical and Infrastructure | 1 376 505 | 1 468 607 | 1 432 968 | 1 245 965 |
| Director Local Economic Development | 1 156 263 | 1 333 762 | 1 304 336 | 961 332 |
| Director Community Development | 1 156 263 | 1 340 376 | 1 319 699 | 1 213 719 |
| Director Public Safety | 1 156 263 | 1 245 508 | 1 207 951 | 1 134 678 |
| Director Planning and Human Settlements | 1 376 505 | 1 468 607 | 1 432 968 | 1 435 130 |

* See note 27 and note 28 of Annual Financial Statements for more information regarding remuneration

| PERSONNEL ADMINISTRATION STATISTICS | | | | |
|-------------------------------------|---------|---------|---------|---------|
| DETAIL | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Pension | 32 | 15 | 44 | 26 |
| Resignations | 12 | 34 | 24 | 16 |
| Deaths | 18 | 9 | 17 | 11 |
| Other | 0 | 5 | 10 | 54 |
| Injuries on duty | 77 | 77 | 80 | 75 |
| Medical boarding in process | 07 | 06 | 07 | 3 |
| Medical boarding application | 15 | 17 | 10 | 9 |
| Death claims | 30 | 15 | 20 | 25 |
| Posts in Council | 2 530 | 2 531 | 2 540 | 2 543 |
| Posts filled | 1 982 | 1 904 | 1 876 | 1 863 |
| Posts vacant | 548 | 627 | 664 | 642 |

Labour relations

Workforce management is almost impossible in the absence of sound discipline within the workplace.

The municipality's Labour Relations section, located in the Human Resources section, is effective and well recognised.

In essence, the objectives of this particular function are to ensure the following:

- compliance with applicable relevant legislation e.g. Labour Relations, Basic Conditions of Employment Act, Employment Equity, Collective Agreement etc.
- maintenance of good working relations with recognised labour within the workplace.
- a fully functional Local Labour Forum and its operational systems, and effective functioning of sub-committees dealing with Human Resources Development, Workplace and Services Restructuring and Basic Condition.

- ✚ adherence to collective agreements applicable to municipalities as agreed to at the South Africa Local Government Bargaining Council (SALGBC).
- ✚ processes and procedures are in place for the internal resolution of grievances which have the potential of litigation against Council in the form of unfair labour practice disputes.
- ✚ processes and procedures are in place for the effective administration of disciplinary proceedings in accordance with the Disciplinary Code.
- ✚ effective representation in conciliation and arbitration proceedings on behalf of the municipality.

Employee Assistance Programme

In the striving to sustain a healthy workforce the municipality has, an Employee Assistance Programme, which is a workplace-based programme, designed to assist in the identification and resolution of productivity and psychosocial problems, which may negatively affect the work performance of employees.

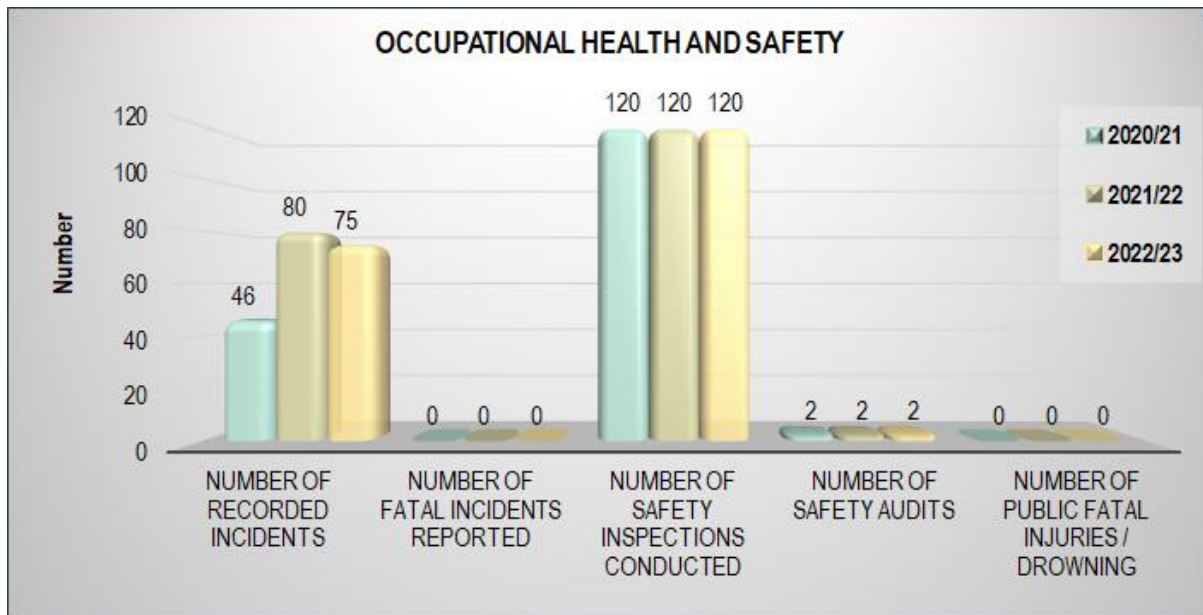
Services rendered under are:

- ✚ work-related issues such as absenteeism.
- ✚ stress management.
- ✚ alcohol and substance abuse.
- ✚ ill-health management.
- ✚ psycho-social problems.
- ✚ financial life skills.
- ✚ trauma debriefing.
- ✚ marital and family distress.
- ✚ HIV/AIDS support and counselling.

OCCUPATIONAL HEALTH AND SAFETY

The aim of this section is to ensure a healthy and safe working environment, the City of Matlosana complies with the Occupational Health and Safety Act and has a fully functional Health and Safety Committee, which meets quarterly to address health and safety issues facing the municipality.

| OCCUPATIONAL HEALTH AND SAFETY STATISTICS | | | | |
|--|---------|---------|---------|---------|
| DETAIL | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Number of recorded incidents | 77 | 46 | 80 | 75 |
| Number of fatal incidents reported | 1 | 0 | 0 | 0 |
| Number of safety inspections conducted | 120 | 120 | 120 | 120 |
| Number of safety audits | 2 | 2 | 2 | 2 |
| Number of public fatal injuries / drowning | 0 | 0 | 0 | 0 |



EMPLOYEE INFORMATION

| EMPLOYEES: HUMAN RESOURCE SERVICES | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 – 3 | 2 | 3 | 3 | 0 | 0% |
| 4 – 6 | 10 | 11 | 10 | 1 | 9% |
| 7 – 9 | 6 | 6 | 6 | 0 | 0% |
| 10 - 12 | 9 | 10 | 10 | 0 | 0% |
| 13 - 15 | 1 | 1 | 0 | 1 | 100% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 28 | 31 | 29 | 2 | 6% |

| FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 1 125 | 2 220 | 2 120 | 2 561 | 13% |
| Expenditure | | | | | |
| Employees | 8,421 | 9 995 | 4 598 | 4 973 | -101% |
| Repairs and maintenance | - | 1 | 7 | 0 | 0% |
| Other | 2 062 | 3 586 | 145 | 48 | -7371% |
| Total Operational Expenditure | 10 483 | 13 582 | 4 750 | 5 021 | -171% |
| Net Operational Expenditure | -9 358 | -11 362 | -2 630 | -2 460 | |

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

In order to meet the ever-growing demand for the provision of quality municipal services, the City of Matlosana places price in the effective management and development of human capital.

Over the financial year under review, the City of Matlosana has prioritized Human Resource Management and Development as one of the key areas of improvement.

The municipality is also committed to promoting effective recruitment and selection, organisational efficiency improvement, occupational health and safety, and human resources development.

The municipality also focused on filling of vacancies with the right talent and promoting fairness in the recruitment and selection process, supporting opportunities to people living with disability and other designated groups. The city made efforts to promote compliance with the relevant local government legislation and Regulations on Staff Establishment. In this regard, amongst others, the city focused on the employment equity, code of conduct and policy reviews.

Human Resource Policies were reviewed in line with the Regulations on Staff Establishment including, but not limited, to Performance Management and Development System for staff lower to Senior Managers.

Workshops on employment related legislation were conducted across departments as part of human resource strategic thrust of empowering staff and boosting their morale.

NATIONAL KEY PERFORMANCE INDICATORS

| FINANCIAL YEAR | NO. OF APPROVED POSITIONS ON THE THREE HIGHEST LEVELS OF MANAGEMENT | NO. OF MALE POSITIONS FILLED ON THE THREE HIGHEST LEVELS OF MANAGEMENT | NO. OF FEMALE POSITIONS FILLED ON THE THREE HIGHEST LEVELS OF MANAGEMENT |
|----------------|---|--|--|
| 2019/20 | 46* | 31 | 9 |
| 2020/21 | 46* | 27 | 9 |
| 2021/22 | 46* | 29 | 9 |
| 2022/23 | 46* | 30 | 10 |

* (Excluding section 54A and 56 employees)

NATIONAL KEY PERFORMRANCE INDICATOR

See page 278 for detail.

3.23 Information and Communication Technology (ICT) Services

The Information and Communication Technology Section provides an advisory, strategic, administration, support and maintenance, developmental and management service in order to maintain and control the Municipal Information Systems, the Communication Network Architecture and the technology resources for the municipality.

Chapter 3

The municipality has identified ICT as an enabler of municipal service delivery as ICT ensures compliance, availability, continuity, integrity and security of the municipality's data, hardware, and software and networks architecture.

A strong ICT function is necessary for the realization of the vision and goals of the municipality.

The access, installation, maintenance, and support services that are granted to users on a need to use basis range from e-mail, internet, fax-to-email, Voice Over Internet Protocol (VOIP), Solar Financial system, Cash Drawer system, SumOne Prepaid system, Payday system, Orbit Document Management system, Workflows Library system, etc.

The development of a five-year ICT Strategy Plan and an ICT Disaster Recovery Plan has been initiated and various interviews with employees in the different directorates have been conducted in the 2022/23 financial year. The Strategic Plan is in the final stages of being developed.

For the 2022/23 financial year, there were 1 742 service requests logged by users at the IT Helpdesk and all were successfully resolved. 95% of these calls were resolved within five working days.

Although the ICT department continues to face funding challenges just like any other business unit in the municipality, this has a direct consequence in dealing with slow network speeds and poor integration between applications

EMPLOYEE INFORMATION

| EMPLOYEES: ICT SERVICES | | | | | |
|-------------------------|-----------|----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 0 | 0 | 0 | 0 | 0% |
| 7 - 9 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 0 | 0 | 0 | 0 | 0% |
| 13 - 15 | 2 | 2 | 2 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 4 | 4 | 4 | 0 | 0% |

| FINANCIAL PERFORMANCE: ICT SERVICES | | | | | |
|--------------------------------------|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 99 | 129 | 128 | 42 | -207% |
| Expenditure | | | | | |
| Employees | 2 143 | 2 282 | 2 275 | 2 998 | 24% |
| Repairs and maintenance | 277 | 7 373 | 5 932 | 3 962 | -86% |
| Other | 14 079 | 9 283 | 10 084 | 10 503 | 12% |
| Total Operational Expenditure | 16 499 | 18 938 | 18 291 | 17 463 | -8% |
| Net Operational Expenditure | -16, 400 | -18 809 | -18 163 | -17 421 | |

COMMENT ON THE PERFORMANCE OF ICT OVERALL

The following projects were successfully completed during the 2022/23 financial year:

- ✚ A total of five network switches were replaced.
- ✚ Four POE switches were replaced.
- ✚ 12 Desktop computers were upgraded. This is necessary, as the older technology is not compatible with the latest versions of the Windows Operating System as well as software in use.
- ✚ 32 new laptops were procured and 5 new desktops.
- ✚ Some of the Jouberton sites and Kanana sites were connected via fibre on a 55Mbps line in line with the SDWAN Network Rollout.
- ✚ All the sites are now actively being monitored through a dashboard allowing ICT staff to be proactive and not reactive when a site is down.
- ✚ Civic Main building and Finance were upgraded to 500Mbps Internet Line and a redundant Wireless Radio line of 100Mbps.
- ✚ The server room upgrade project to connect with Solar panels, inverters and four 10KW batteries, to ensure that the system will never down due to load shedding was kickstarted at the end of the financial year.
- ✚ The ICT Service desk has been upgraded from paper based to electronic and users' calls are now tracked to ensure that effective and efficient support is provided to all end users.
- ✚ Paper based agendas and documents for councillors phased out as all documentation sent via Microsoft One Drive electronically.
- ✚ The Anti-Virus was upgraded to the latest version and end user's version was subsequently upgraded ensuring protection to end user devices.
- ✚ Microsoft 365 licences were rolled out to senior staff giving full access to Teams and One Drive
- ✚ Fresh Mark system backup was implemented manually.
- ✚ The ICT Steering Committee was established to ensure proper governance of ICT.
- ✚ The SOLAR Budget Management system was rolled out with testing and training to ensure MScoa compliance on all the systems.
- ✚ The internal SOLAR network was re-configured after slow performance issues.
- ✚ Comprehensive training was given to Finance staff on levies, debtor journals and cut-off lists – Procedures on the SOLAR Financial system.

3.24 Legal and Administration Services

INTRODUCTION TO LEGAL SERVICES

Rendering of legal services and support to Council, the municipal manager and to all Council's directorates and ensuring that compliance requirements are adhered to by Council.

Legal Services provides legal comments on items to Council submitted by directorates as well as liaising with attorneys on matters that require referral for litigations, opinions and reports. Receives, responds and distributes legal documents served to Council, consults with departments and prepares litigation documents before referral to attorneys.

Conducting inspection in conjunction with town-planning.

Responsible for drafting service level agreements, memorandum of understanding and lease agreements and to keep and update the contract register.

Description of the activity:

- ✚ Ensures that compliance requirements are adhered to by Council
- ✚ Provides legal comments on items to Council submitted by directorates.
- ✚ Provide support during disciplinary hearings by acting as the employer representative or alternative as a presiding officer.
- ✚ Submission of monthly litigation report and updates on cases handled by our panel of attorneys to Council on monthly basis.

Key performance objectives:

- ✚ Ensuring effective legal services provision for Council.
- ✚ Ensuring re-alignment of constraints to improve contract management.
- ✚ Provide legal support in reviewing, revision and development of By-Laws for Council directorates

Strategic objectives:

- ✚ Rendering legal advice on matters relating to Council and its staff in a manner that permits timely and appropriate action.
- ✚ Advising and representing Council on litigation matters in a complete and timely fashion.
- ✚ Reviewing all resolutions, as well as contracts/agreements.
- ✚ Endeavouring to cut down on legal costs
- ✚ Provide legal support to directorates in revising Council policies and procedures to comply with statutory and legal requirements.
- ✚ Providing professional legal advice to the Council and its top management.

Key issues:

- ✚ To settle cases and effective outcome of actions with minimal negative impact for Council.
- ✚ To effectively protect Council's interest.
- ✚ To give effective legal support to all departments.

Chapter 3

- ✚ To effectively regulate relationships between Council and clients.
- ✚ To effectively promote knowledge on legal matters.
- ✚ To ensure compliance with the Town Planning Scheme

SERVICE STATISTICS FOR LEGAL SERVICES

| INFORMATION | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Cases against Council | 50 | 11 | 6 | 6 |
| Cases for Council | 31 | 7 | 4 | 1 |
| Cases won | 02 | 0 | 0 | 0 |
| Cases settled | 01 | 0 | 0 | 0 |
| Cases outstanding | 124 | 18 | 10 | 0 |
| Cases referred to the High Court | 26 | 11 | 10 | 6 |
| Town Planning matters | 43 | 0 | 0 | 0 |
| TOTAL EXPENDITURE | R7 372 089 | R3 296 277 | R6 000 000 | 12 696 000 |

EMPLOYEE INFORMATION

| EMPLOYEES: LEGAL AND ADMINISTRATION SERVICES | | | | | |
|--|-----------|-----------|-----------|-----------------------------------|-----------------------------------|
| Job Level | 2021/22 | 2022/23 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| 0 – 3 | 3 | 4 | 3 | 1 | 25% |
| 4 – 6 | 6 | 8 | 6 | 2 | 25% |
| 7 – 9 | 3 | 4 | 3 | 1 | 25% |
| 10 – 12 | 10 | 11 | 10 | 1 | 9% |
| 13 – 15 | 12 | 14 | 11 | 3 | 21% |
| 16 – 18 | 3 | 6 | 3 | 3 | 50% |
| 19 – 20 | 23 | 33 | 23 | 10 | 30% |
| Total | 60 | 80 | 59 | 21 | 26% |

| FINANCIAL PERFORMANCE: LEGAL AND ADMINISTRATION SERVICES | | | | | |
|--|--------------------|-----------------|-------------------|--------------------|--------------------|
| R'000 | | | | | |
| Details | 2021/22 | 2022/23 | | | |
| | Actual Expenditure | Original Budget | Adjustment Budget | Actual Expenditure | Variance to Budget |
| Total Operational Revenue | 165 | 208 | 208 | 225 | 8% |
| Expenditure | | | | | |
| Employees | 36 726 | 36 640 | 37 289 | 33 459 | -10% |
| Repairs and maintenance | 488 | 407 | 1 299 | 930 | 56% |
| Other | 8 852 | 12 536 | 19 679 | 18 437 | 32% |
| Total Operational Expenditure | 46,066 | 49 583 | 58 267 | 52 826 | 6% |
| Net Operational Expenditure | -45 901 | -49 375 | -58 059 | -52 601 | |






COMMENT ON THE PERFORMANCE OF LEGAL SERVICES OVERALL

- ✚ Legal Services have managed to draft hundred percent of service level agreements for tenders awarded and documents received from Supply Chain Management unit.
- ✚ Legal Services implemented contract register to record, keep information that relates to the awarded projects, updates the register and monitor the register on monthly basis.
- ✚ In order to avoid more legal costs, some matters are resolved internally with third parties.
- ✚ Legal Services ensure that there is a smooth legal and administration by providing legal support to various departments in the municipality.
- ✚ Liaising with attorneys for matters that requires litigations.

2022/23 Annual Performance Report



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1. INTRODUCTION

The 2022/23 Annual Performance report is hereby submitted to Council in terms of section 121 of the Municipal Finance Management Act, (56 of 2003) as amended, read with the Municipal Systems Act, (32 of 2000) as amended, Section 46(1) and (2), as well as the Municipal Finance Management Act, Circular 11 and 63 on annual reporting.

The Municipal Planning and Performance Management Regulations (2001), Chapter 3, Section 7, stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players”.

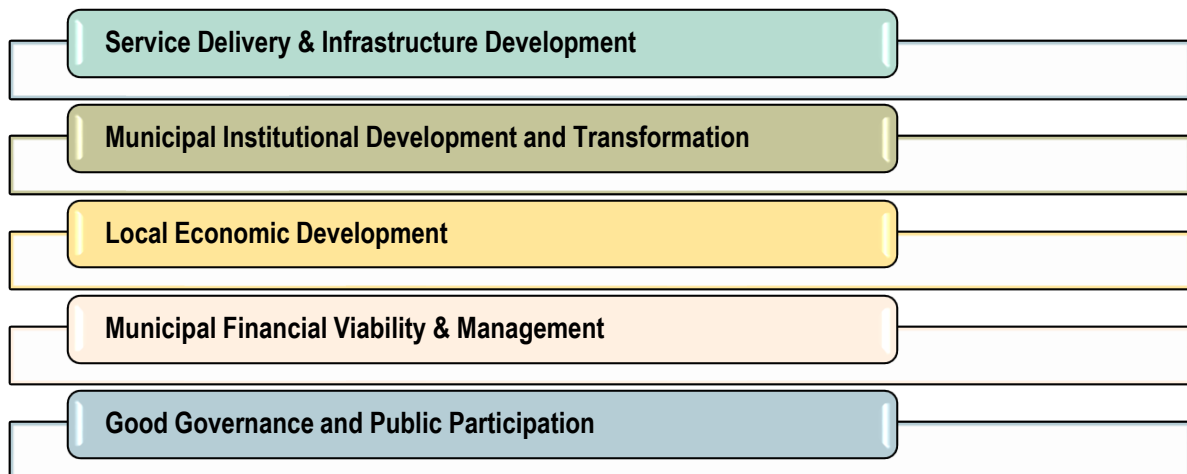
The Municipal Systems Act, (Act 32 of 2000) as amended, stipulates the following:

Annual Performance Reports

46. (1) *A municipality must prepare for each financial year a performance report reflecting –*
- (a) the performance of the municipality and of each external service provider during that financial year;*
 - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
 - (c) measures taken to improve performance.*
- (2) *An annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the Municipal Finance Management Act.”*









This report covers the performance information from 1 July 2022 to 30 June 2023 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the Integrated Development Plan (IDP) and Budget.

The SDBIP and Annual Performance Report 2022/23 is arranged in terms of the five National Key Performance Areas of Local Government, which are:



The Municipality has eight directorates, which includes the Office of the Municipal Manager.

These directorates are:

-  Office of the Municipal Manager
-  Directorate Technical and Infrastructure
-  Directorate Budget and Treasury
-  Directorate Corporate Support
-  Directorate Public Safety
-  Directorate Community Development
-  Directorate Planning and Human Settlements
-  Directorate Local Economic Development

Vacant position of Senior Managers

Director Technical and Infrastructure and Director Local Economic Development resigned from their positions with effect from 31 August 2022.

The Director Corporate Support was appointed on 1 January 2023 as Municipal Manager, which resulted into the vacancy of Director Corporate Support.

The 5-year fixed term employment contracts of Director Public Safety and Director Community Development ended on 28 February 2023.

The above-mentioned leave the municipality with 5 vacant senior manager position, of which all are filled with acting incumbent, in terms of Council resolutions for a period not exceeding the period or 3 months unless the period is extended by the MEC responsible for local government in the province.

Council has in terms of CC 153/2022 dated 30 August 2022 and CC 194/2022 dated 29 November 2023, and again CC97/2023 dated 14 June 2023, resolved that the vacant positions of Senior Manager be advertised nationally.

The filling of the vacant position is currently in progress.

2. PERFORMANCE MANAGEMENT PROCESS OVERVIEW

2.1 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

The Executive Mayor approved the SDBIP, which include the municipality's key performance indicators for 2022/23, in terms of Section 53(1) (c) (ii) of the Local Government: Municipal Finance Management Act (MFMA), on 30 June 2022 (EM5/2021)

To comply with MFMA Section 72, the Municipal Budget and Reporting Regulations, 2008 (Regulation 33-35) and MFMA Circular 13, the Performance Management Unit conducted mid-year SDBIP assessments by conducting workshops with the directorates during January 2023.

Focus during these assessment sessions were placed on the following:

- ✚ Financial constraints
- ✚ Submission dates and flow of information
- ✚ Adjustment of budgets
- ✚ Adjustment of targets
- ✚ Well defined indicators and targets
- ✚ Vote numbers
- ✚ Internal Audit findings
- ✚ Auditor-General findings
- ✚ C88 indicators

In terms of Section 72(1)(a) and 52(d) of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003 the Accounting Officer must by the 25th of January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury.

Once the Mayor has considered the report, it must be submitted to Council by 31st January in terms of Section 54 of the MFMA. The Mid-Year Performance Assessment Report and supporting tables of council is prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

The requested mid-year adjustments on the 2022/23 SDBIP for the 1st and 2nd quarters were approved by the Municipal Manager on 23 January 2023 (MM 17/2023), submitted to and signed-off by the Executive Mayor on 23 January 2022, as well as Council (CC 12/2023) dated 09 February 2023.

The municipality could only achieve 50% of the applicable key performance indicators for the first six months of the 2022/23 financial year, which is 1% lower than the previous financial year.

2.2 ADJUSTMENTS FOR THE 2022/23 FINANCIAL YEAR

Council approved, in terms of CC25/2023 dated 28 February 2023, the 2022/23 Mid-Year Budget and Performance Assessment. No rolled-over Unspent Conditional Grants were approved by National Treasury during August or September 2022.

On 28 February 2023, Council approved the 2022/23 Adjustment Budget in terms of CC25/2023.

On 23 March 2023, additional funding was received from NDPG and MIG, in terms Government Gazette Notice 48327 dated 29 March 2023 or stopped or re-allocated projects, to accelerate progress and expenditure for 2022/23 financial year.

The adjustments to the 2022/23 SDBIP and 2022/23 Performance Agreements were approved by Council in terms of CC108/2023 and CC109/2023 dated 27 June 2023, respectively.

Council further approved a Special Adjustment Budget for the 2022/23 financial year, on 12 July 2023 to incorporate the additional grant funding received from DGNG and MIG (CC113/2023).

2.3 PERFORMANCE MANAGEMENT OPERATIONS

Notwithstanding all these challenges, the City of Matlosana continued to maintain effective performance management operations of the following processes:

- ✚ A Mid-year Budget and Performance Assessment in terms of section 72 of the Municipal Finance Management Act, which informed the adjustment budget and revised SDBIP was approved by the Executive Mayor on 23 January 2023 and Council on 9 February 2023. (CC 12/2023).
- ✚ Quarterly performance reports with supporting evidence were prepared by various directorates.
- ✚ Quarterly reports were submitted and approved by Council, CC193/2022 dated 29 November 2022, CC80/2023 and CC81/2023 dated 31 May 2023, respectively.
- ✚ Council tabled the 2021/22 Audited Annual Report on 31 January 2023 in terms of CC09/2023.
- ✚ The Adjusted 2022/23 SDBIP and Adjusted 2022/23 Performance Agreements were approved by Council in terms of CC108/2023 and CC109/2022 dated 27 June 2023, respectively.
- ✚ The Executive Mayor approved the 2023/24 Service Delivery and Budget Implementation Plan on 20 June 2023 (EM10/2023).
- ✚ Annual Performance Agreements with performance plans were developed and signed by the senior managers from 20 June 2022 and approved by the Executive Mayor on 20 June 2022, as required by the Municipal Performance Regulations, 2006 (EM10/2023).
- ✚ All legislated approved documents were timeously submitted to National Treasury, Provincial Treasury, and relevant departments in Local Government in the province, as well as to the ICT section for publishing on Council's website.
- ✚ The process on the filling of the vacant positions of Senior Managers are in process in terms of and within the legislated timeframes of the Regulations on Appointment and Conditions of employment of Senior Managers (as published under Government Notice No. 21 in the Government Gazette no 37245 of 17 January 2014).

3. PERFORMANCE ASSESSMENTS

The Municipal Systems Act, 2000 (Act 32 of 2000), as amended prescribes that the municipality must enter into a performance-based agreement with all Section 54A and Section 56 managers and that performance agreements must be formally reviewed twice per annum. The performance agreements therefore establish a performance relationship between the employer and the employee and requires that the performance of the employee needs to be reviewed.

The formal evaluations should focus on the actual work delivered in terms of Annexure A (Performance Plan), leading, and core competencies in terms of Annexure B (Competency Framework) of the performance agreement.

3.1 Annual Performance assessments 2019/20 and 2020/21

Completed and approved in terms of Council resolution CC116/2023 dated 12 July 2023

3.2 Annual Performance assessments 2021/21

Completed and approved in terms of Council resolution CC117/2023 dated 12 July 2023.

4. AUDITING OF PERFORMANCE INFORMATION

The Municipal Systems Act, 2000 as amended, section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001.

Council's Internal Audit section is responsible to perform this function. As part of their scope, auditing of the Performance Management was performed, and reports received for each quarter in terms of the following:

- ✚ Identify non-compliance with the relevant laws and regulations in the overall performance management system, processes, and procedures.
- ✚ Document the understanding obtained of the performance information system, processes, and procedures.
- ✚ Document the understanding of risks that exists in the detailed performance management process per selected development priority.
- ✚ Assess, review, test and verify the consistency, measurability, relevance, and presentation of planned and reported performance information.
- ✚ Review scorecards on a test basis to supporting evidence on a sample basis.
- ✚ Record the system that is used to generate the performance information.
- ✚ Ensure compliance with the requirements of the PMS Regulations.
- ✚ Ensure the accuracy and validity of the information included in the annual report based on the evidence inspected, on a sample basis.

On 21 October 2014 Council approved the merger of the Audit and the Performance Audit Committees in line with section 166 (b) of the MFMA (CC 122/2014 dated 21 October 2014).

The primary objective of the Audit Committee is to advise the municipal council, political office-bearers and assist the Accounting Officer and management staff of the municipality in the effective discharge of their responsibilities regarding performance management, risk management, internal control and governance, and the ultimate aim of the achievement of the organization's objectives.

The Audit Committee is an independent advisory body that performs its functions in terms of section 166 of the Municipal Financial Management Act (MFMA) 56 of 2003, as amended and King IV Report on Corporate Governance.

5. ISSUES RAISED IN THE 2021/22 AUDITOR-GENERAL'S REPORT

Report on the audit of the annual performance report

"Introduction and scope

1. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on usefulness and reliability of the reported performance information against predetermined objectives for the selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

2. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents.

My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

3. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the municipality's annual performance report for the year ended 30 June 2022:

4.

| Key performance area | Pages in the annual performance report |
|---|--|
| KPA 1 – Basic Service Delivery and Infrastructure Development | 164 – 180; 191 – 192; 236; 250 - 251 |

5. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
6. I did not identify any material findings on the usefulness and reliability of the reported performance information on the selected key performance area of the municipality.

Other matters

7. I draw attention to the matters below.

Achievement of planned targets

8. Refer to the annual performance report on pages 164 to 257 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a number of targets.





Adjustment of material misstatements

9. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2 – basic service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not report any material findings on the usefulness and reliability of the reported performance information."

6. ANNUAL PERFORMANCE INFORMATION

The Annual Performance Report will there for be presented to the Auditor-General for auditing together with the Annual Financial Statements on 31 August 2023.

The following are reported on:

-  IDP and Capital Projects
-  Operational and Compliance Indicators
-  Outcome 9 Indicators of National Government
-  National Key Performance Indicators

The Annual Performance Report for the 2022/23 financial year reflects the performance of the municipality and directorates in a table format, measured on the approved KPI's and targets, as contained the IDP and SDBIP. The respective directorates report the achievements, reasons for deviation and planned remedial action on a quarterly basis.

Data provided on the SDBIP is supported by relevant evidence captured and maintained by the directorate's proof of evidence files – (POE's).

6.1 Organisational Performance Results

The table below encapsulates the summary of the municipality's 2022/23 performance results regarding each of the development priorities:

| 2022/23 ORGANISATIONAL RESULTS | | | | |
|--|-------------------|------------|--------------|--------------|
| Key Performance Indicators | Total No of KPI's | Targets | | Annual % Met |
| | | Achieved | Not Achieved | |
| <i>Basic Service Delivery & Infrastructure Development</i> | 41 | 20 | 21 | 49% |
| <i>Municipal Institutional Development and Transformation</i> | 31 | 19 | 12 | 61% |
| <i>Local Economic Development</i> | 6 | 4 | 2 | 67% |
| <i>Municipal Financial Viability & Management</i> | 40 | 18 | 22 | 45% |
| <i>Good Governance and Public Participation</i> | 117 | 91 | 26 | 78% |
| TOTAL | 235 | 152 | 83 | 65% |

| 022/23 DIRECTORATE RESULTS | | | | |
|---|-------------------|------------|--------------|--------------|
| Key Performance Indicators | Total No of KPI's | Targets | | Annual % Met |
| | | Achieved | Not Achieved | |
| <i>Office of the Municipal Manager</i> | 35 | 26 | 9 | 74% |
| <i>Directorate Technical and Infrastructure</i> | 50 | 30 | 20 | 60% |
| <i>Directorate Budget and Treasury</i> | 46 | 28 | 18 | 61% |
| <i>Directorate Corporate Support</i> | 24 | 18 | 6 | 75% |
| <i>Directorate Community Development</i> | 21 | 17 | 4 | 81% |
| <i>Directorate Public Safety</i> | 19 | 9 | 10 | 47% |
| <i>Directorate Planning and Human Settlements</i> | 19 | 12 | 7 | 63% |
| <i>Directorate Local Economic Development</i> | 21 | 12 | 9 | 57% |
| TOTAL | 235 | 152 | 83 | 65% |

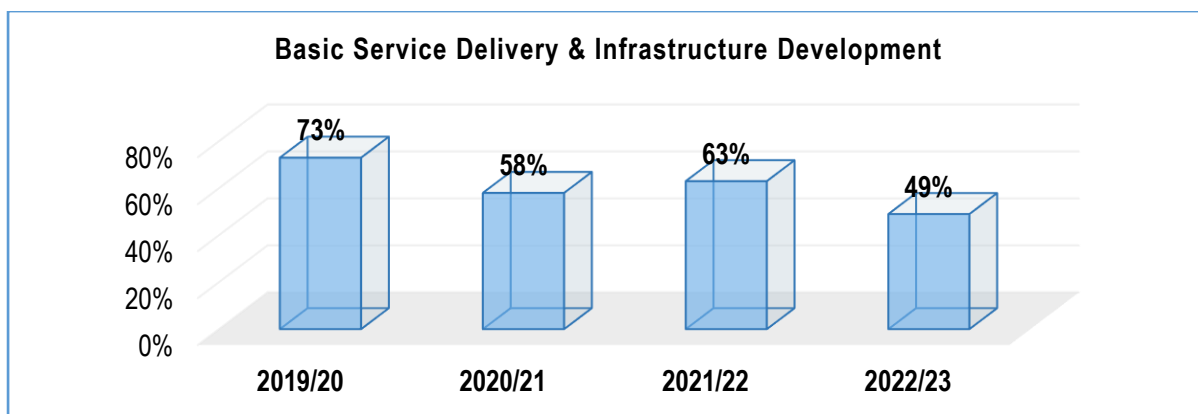
The following achievements contribute to the overall 2022/23 annual performance of the City of Matlosana:

KPA1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

The core function of the municipality is to ensure sustainable services to the community, to improve access and thereby reducing backlogs. This component includes water; sanitation; roads; electricity; waste management; and housing services and free basic services.

Some projects that were completed during the financial year were as follows:

- ✚ Specialised vehicles (2 rear-end loading refuse trucks and 1 tractor loader backhoe (tlb) for solid waste removal purchased and delivered.
- ✚ 9 High mast lights in Jouberton hot spot areas (Phase 4) (Wards 4 - 14) constructed.
- ✚ 5 High mast lights in Alabama Ext 4 & 5 (Phase 1) (Wards 4 & 5)) constructed.
- ✚ The close-out report and as-built drawings for the provision of bulk services at the proposed Jouberton / Alabama precinct development (wards 3, 4, 12 & 37) (electrical and water - 2Ml pressure tower) received.
- ✚ 471 conventional streetlights with LED lights in Klerksdorp (Phase 3) (Wards 1, 2, 27, 28, 30 and 32) retrofitted;
- ✚ Purchasing and delivery of specialised vehicles (2 rear-end loading Refuse trucks and Bulldozer) for solid waste removal.
- ✚ 120 km roads in the Matlosana area as per maintenance programme graded.
- ✚ 30 Km open storm-water channels cleaned.
- ✚ 30 Km storm-water pipes cleaned.
- ✚ 40,857 Km of main / outfall sewers cleaned.
- ✚ 16 073 Approved households with free basic services.
- ✚ 16 526 Households with free basic alternative energy (indigents) approved.

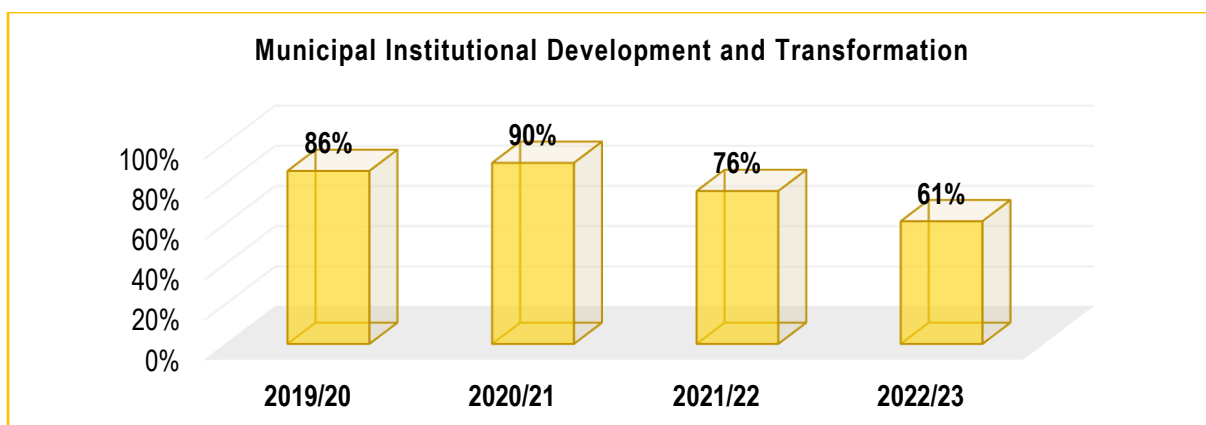


KPA2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Municipal Institutional Development and Transformation relates on how the institution is capacitated to exercise its duties. Skills development is implemented in accordance with the workplace skills plan, which assists in improving the capacity for staff to deliver services.

The following achievements can be reported:

- ✚ 4 Risk Assessments conducted with all departments.
- ✚ 120 OHS inspections conducted.
- ✚ 2 OHS audits conducted.
- ✚ 2023/2024 WSP and 2022/2023 ATR document submitted to LGSETA on the 30 April 2023.
- ✚ 2023/2024 EE Report was submitted electronically to Department of Labour on the 15 January 2023.
- ✚ A Skills Gap Audit for 2 directorates (Technical and Infrastructures and Community Development) conducted.
- ✚ 7 Workshops conducted / co-ordinated on employment related issues and the Collective Agreement conducted.
- ✚ PC Pelser Airport license renewed.

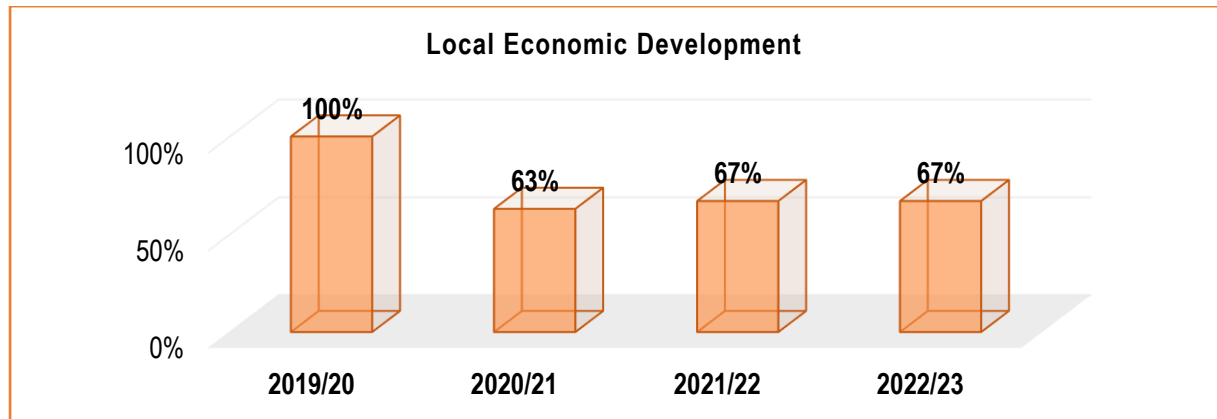


KPA3: LOCAL ECONOMIC DEVELOPMENT

Essentially the municipality aims to identify the competitive advantage of the municipal area and develop strategic initiatives to facilitate the optimisation of investment opportunities to promote sustainable economic growth and employment creation.

The following achievements can be reported:

- 102 Permanent / sustainable jobs which exceed 3 months created.
- 12 LED consultation meetings conducted.
- 4 SMME workshops conducted.
- 2 Farmers Markets facilitated.



KPA4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Municipal Financial Viability and Management focuses on the internal financial management processes. As such, this would focus on matters relating to budget development, supply chain management issues, asset management as well as income and expenditure management.

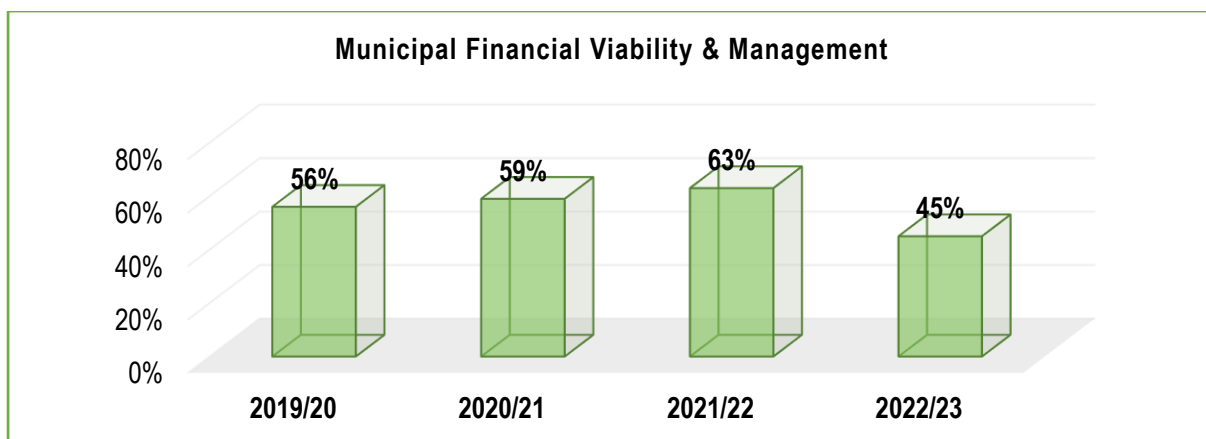
The City of Matlosana audit opinion for the 2021/22 financial year was an unqualified opinion.

The aftershock of Covid-19 is still visible and further resulted in a decrease in the payment rate of the municipality as consumers felt the negative impact on their disposable income due to several businesses closed during after the pandemic.

The municipality is facing serious financial constraints, adding to the problems is the fact that the municipality's debtor's book has significantly increased during the last 5 years.

Achievements for the year are as follows:

- R1 795 678 spent on Skills Development (Training) for councillors, officials and interns.
- Receiving a mandatory grant of R2 561 218 from SETA Training.
- R7 242 491 collected from driver's licenses (excluding Prodiba fees).
- R1 606 015 collected from traffic fines.
- R1 300 671 collected from warrant of arrests.
- R935 540 collected from building plan applications.
- R19 959 610 collected from market commission (dues).
- R1 803 772 collected from ripening and cooling rooms.

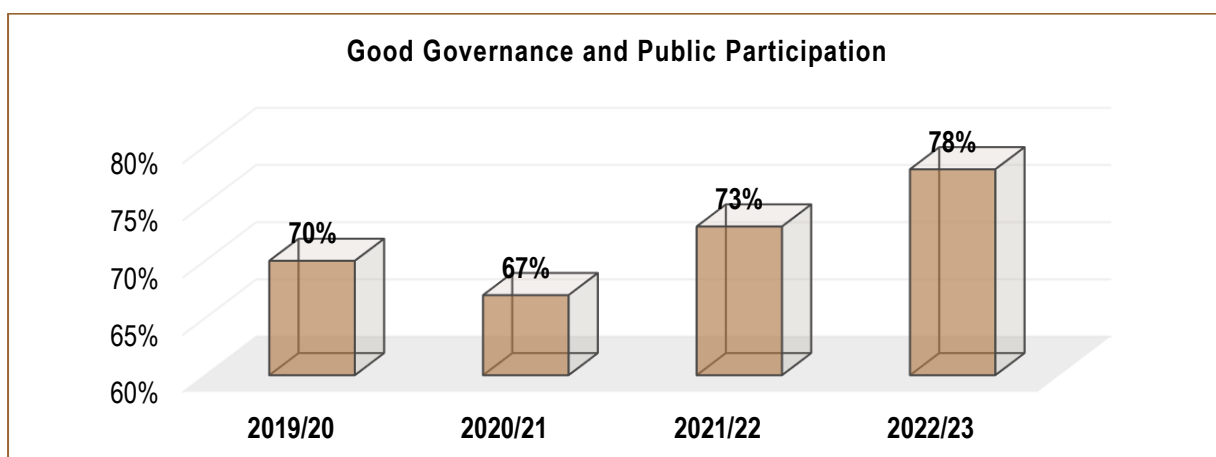


KPA5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

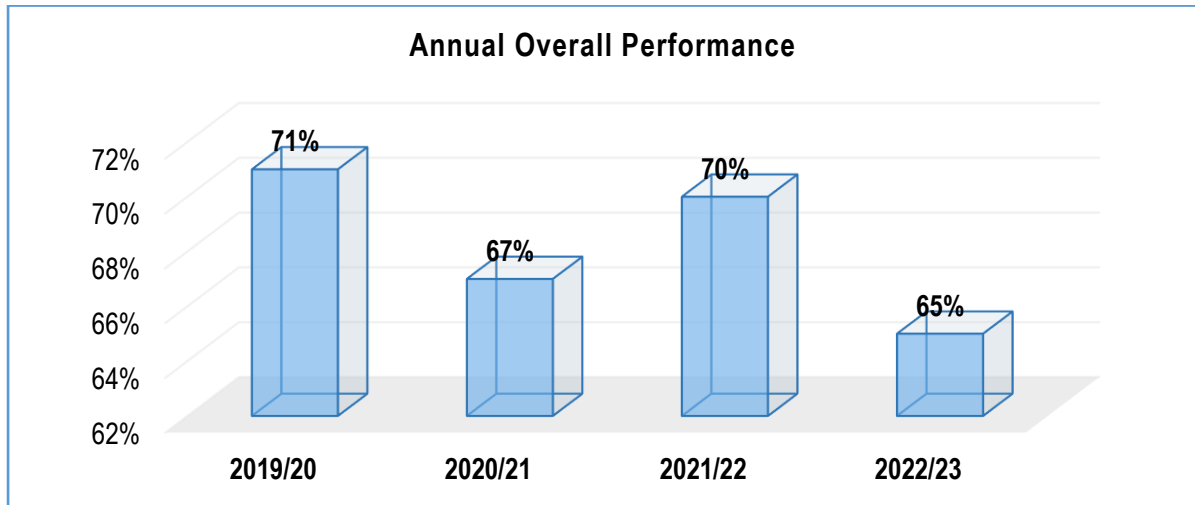
Good Governance focuses on the good governance matters such as public participation, performance management, and the effectiveness of oversight structures, internal audit matters, risk management and communications.

Achievements for the year are as follows:

- ✚ 2021/22 Audited Annual Report tabled in Council on 31 January 2023.
- ✚ Final 2023/24 SDBIP approved by Executive Mayor of 20 June 2023.
- ✚ 8 x 2022/23 Performance Agreements approved and signed by Municipal Manager and Executive Mayor on 22 June 2023.
- ✚ 2 IDP Rep Forum meetings conducted.
- ✚ Amended 2023/24 Process Plan tabled in Council on 30 August 2022.
- ✚ 5 MPAC progress reports issued.
- ✚ MPAC Public participation meetings conducted.
- ✚ 2021/2022 Oversight Report tabled in Council on 4 April 2023.
- ✚ Reviewed 2023/24 Internal Audit Charter adopted.
- ✚ 99% of all main / outfall sewers blockage complaints resolved.
- ✚ 98% Medium voltage forced interruptions resolved.
- ✚ 100% Electricity meter tampering investigations resolved.
- ✚ 100% of electricity meter tampering investigations resolved.
- ✚ 100% of all identified incorrect billed properties updated.



6.2 Four Year Comparison on Organisational Performance Results



The annual performance comparison for the last four financial years can be seen in the table below:

| ORGANISATIONAL RESULTS | | | | |
|--|---------|---------|---------|---------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Annual Overall Performance | 71% | 67% | 70% | 65% |
| Key Performance Areas | | | | |
| <i>Basic Service Delivery & Infrastructure Development</i> | 73% | 58% | 63% | 49% |
| <i>Municipal Transformation & Organisational Development</i> | 86% | 90% | 76% | 61% |
| <i>Local Economic Development</i> | 100% | 63% | 67% | 67% |
| <i>Municipal Financial Viability & Management</i> | 56% | 59% | 63% | 45% |
| <i>Good Governance & Public Participation</i> | 70% | 67% | 73% | 78% |

7. CONCLUSION AND APPROVAL OF BY THE MUNICIPAL MANAGER

During the 2022/23 financial year, the overall performance results currently reflect a 65% success rate caused by mixed performance results of departments in implementing the SDBIP. The 2022/23 percentage is 5% lower compared to 2021/22 financial period.

The municipality will continue improving on its performance management system by,

- ✚ Setting Key Performance Indicators (KPI's) that are Reliable, Well-defined, Verifiable, Cost-effective, Appropriate and Relevant.
- ✚ Developing and setting of targets that comply with the SMART principle by being Specific, Measurable, Achievable, Relevant as well as being Time-bound.
- ✚ Ensure a clear linkage between the IDP, Budget, SDBIP and Annual Report.
- ✚ Regular reporting on organisational performance, to aid in the monitoring of performance and to identify instances where corrective actions may be needed.

Challenges still exist on accurate and timeously performance information, as well as reporting meaningful deviations and remedial actions for all the targets not met on a quarterly basis.

The continuous support rendered by Performance Management to the various directorates quarterly, will improve the organisational culture towards performance management to eliminate the hindrances to proper planning and to enhance accurate and credible monitoring and reporting on performance.

I acknowledge the commitment from Council, Directors and staff of the municipality and like to thank all for their continuous efforts to contribute towards good governance of the municipality.



L SEAMETSO

MUNICIPAL MANAGER

Date: **31 August 2023**

8. CONCLUSION AND APPROVAL OF BY THE CHAIRPERSON OF THE AUDIT COMMITTEE

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter 2022/23 and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

AC wishes to acknowledge the commitment from Council, Municipal Manager, Management, and staff of the Municipality. We would also like to thank the Speaker and Executive Mayor for their support, Councillors, Senior Management for their efforts and Internal Audit and Performance Management for their contributions towards good governance of the municipality.




Date: 30 August 2023



MS M.G.MATHYE (IAT)(PIA)
CHAIRPERSON: AUDIT COMMITTEE



9



IDP and Council Projects

(Grant & Council Funded)

| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
|---|---|--|---|--|--|--|--|---|------------------------|
| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To refurbish electrical and mechanical equipment in the Matlosana area (Wards 1 - 39) water pump-stations to maintain the existing infrastructure | | | | | |
| PMU1 | Number of water pump-stations refurbished with electrical and mechanical equipment at the Matlosana area (Wards 1 - 39) | The refurbishment of the electrical and mechanical equipment at 3 water pump-stations (Jouberton, Khuma ext. 8 and Kanana ext. 6) in the Matlosana area (Wards 1 - 39) not yet completed. The contractor was appointed on the 23/03/2021. 6 Pumps and 6 motors have been ordered. (4 for Khuma Ext 8 and 2 for Kanana Ext 6). R9 077 397 | The electrical and mechanical equipment at 7 water pump-stations (Jouberton, Ellaton, Park Street, Khuma ext. 8, Kanana ext. 6, Kanana Booster and Loraine) in the Matlosana area (Wards 1 - 39) was refurbished by - replacing 3 MCC panels; - refurbishing 1 MCC panel; - replacing 14 pumps sets, 11 Soft starters and 46 valves R14 427 222 | Refurbishing electrical and mechanical equipment at 8 water pump-stations (Jouberton, Ellaton, Rietkuil, Park Street, Khuma ext. 8, Kanana ext. 6, Kanana Booster and Loraine) in the Matlosana area (Wards 1 - 39) by Installing 26 valves; replacement of 9 pumps sets; installing 8 soft starters; refurbishment of 1 MCC panel; refurbishment of 2 MCC panels; 40 x CCTV Cameras, 8 x Alarm system; 0,33km installation of electric fence; 0,08km barbed wire fence, supply, and delivery of 1 mobile generator by 30 June 2023 R 12 526 682 | Refurbishing electrical and mechanical equipment at 5 water pump-stations (Jouberton, Rietkuil, Park Street, Khuma ext. 8 and Loraine) in the Matlosana area (Wards 1 - 39) by the installation of 8 valves (Loraine x 4; Jouberton x 2 and Park Street x 2); replacement of 6 pumps sets (Khuma ext. 8 x 1; Loraine x 3 and Rietkuil x 2) and refurbishment of 1 MCC panel at Rietkuil. R2 921 053 |  | Price increase in security materials. Slow progress by the Contractors due to cash flow problems | Application will be made to NT for funding to commence with the project | R0 |

| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
|---|--|---|-------------|--|--|---|--|--|------------------------|
| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve water supply from Jouberton Reservoir to Kanana to increase capacity to the community | | | | | |
| PMU2 | Number of EIA studies conducted and detailed design reports develop for Jouberton Reservoir to Kanana (wards 6, 14 and 18) | New project | New project | Developing an EIA Study for water supply pipeline from Jouberton Reservoir to Kanana Bulk water supply (Phase 1) (Wards 6, 14 and 18) by conducting an EIA study; develop a detailed design report; and finalizing the tender advertisement for the contractor by 30 June 2023 R5 000 000 | Detailed design report received from the consultant and accepted by the Municipality. EIA application has been submitted to Department of Environmental Affairs, but authorisation not received yet. Tender advertisement in draft stage. R3 506 654 |  | Awaiting authorisation on the EIA application from Department of Environmental Affairs | Obtain authorisation on the EIA application from Department of Environmental Affairs and finalize tender | R8 934 620 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve collection of refuse and maintain environmental care | | | | | |
| PMU4 | Number of specialised vehicles for solid waste removal purchased and delivered | New project | New project | Purchasing and delivery of specialised vehicles (2 rear-end loading refuse trucks and 1 tractor loader backhoe (tlb)) for solid waste removal by 31 December 2022 R7 625 602 | Specialised vehicles (2 rear-end loading refuse trucks and 1 tractor loader backhoe (tlb) for solid waste removal purchased and delivered. R6 647 915 |  | - | - | R 4 542 900 |


| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
|---|---|--|---|---|--|---|----------------------|---------------------------------------|------------------------|
| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve accessibility and mobility and control and direct the flow of stormwater and prevent road erosion in Kanana (Phase 9) (Wards 22, 23, 24 and 36) | | | | | |
| PMU3 | Km of storm-water drainage slab constructed, and Number of reports and drawings received of taxi route paved and km of storm-water drainage constructed in Kanana (Phase 9) (Wards 22, 23, 24 and 36) | 4.27 Km layer works of the paved taxi routes and 1.994 km storm-water drainage in Kanana (Phase 9) (Wards 22, 23, 24 and 36) not completed, but 4,27 km excavation works, and roadbed completed. 2.22 Km subbase layer and 1.75 km base layer completed. 0.97km storm water drainage completed. Construction works for Agapanthus Road completed. R8 606 500 | 3.969 Km paved taxi routes laid, 2.66 km v-drains and 4.25 km edge beams constructed, and 8 speed humps installed in Kanana (Phase 9) (Wards 22, 23, 24 and 36) R12 649 039 | Laying of 0,021 km paved taxi routes and constructing 0,02km of edge beams and modifying the construction of 0.90 Km v-drains at Thandanani Road and constructing 14 storm-water drainage slabs for the v-drains in Agapanthus and J Molefe Roads in Kanana (Phase 9) (Wards 22, 23, 24 and 36) by 30 June 2023 R 5 203 466 | Laying of 0,021 km paved taxi routes and constructing 0,02km of edge beams and modifying the construction of 0.90 Km v-drains at Thandanani Road and constructing 14 storm-water drainage slabs at Agapanthus and J Molefe Roads in Kanana (Phase 9) (Wards 22, 23, 24 and 36) completed. R4 692 878 |  | - | - | R0 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To construct high mast lights to enhance a safe social economic environment in Jouberton hot spot areas (Phase 4) (Wards 4 - 14) | | | | | |
| PMU5 | Number of high mast lights at Jouberton hot spot areas constructed (Phase 4) (Wards 4 - 14) | New project | New project | Constructing 9 high mast lights in Jouberton hot spot areas (Phase 4) (Wards 4 - 14) by 30 June 2023 R2 880 000 | 9 High mast lights in Jouberton hot spot areas (Phase 4) (Wards 4 - 14) constructed R2 391 342 |  | - | - | R0 |


| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
|---|--|--|--|---|---|---|----------------------------------|--|------------------------|
| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To construct high mast lights to enhance a safe social economic environment in Alabama Ext 4 & 5 (Phase 1) (Wards 4-5) | | | | | |
| PMU6 | Number of high mast lights at Alabama Ex 4 & 5 constructed (Phase 1) (Wards 4 & 5) | New project | New project | Constructing 5 high mast lights in Alabama Ext 4&5 (Phase 1) (Wards 4 & 5) by 30 June 2023 R1 600 000 | 5 High mast lights in Alabama Ext 4 & 5 (Phase 1) (Wards 4 & 5) constructed R1 385 082 |  | - | - | R2 188 652 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To construct a new sports complex in Khuma Ext 9 (Ward 31)(Phase 2)to provide recreational facilities for the community | | | | | |
| PMU7 | Number of new Sports Complex in Khuma Ext 9 (Ward 31) (Phase 2) constructed | Constructing of a new sport complex in Khuma Ext 9 (Ward 31) mostly completed, but the basketball court surfacing is not done yet. R12 193 171 | A new sport complex in Khuma Ext 9 (Ward 31) constructed. R25 390 299 | Constructing a new sport complex in Khuma Ext 9 (Ward 31)(Phase 2) by constructing players tunnel; constructing throwing sporting codes (long jump, triple jump, discuss throw, javelin throw, shot put); constructing 0,05km of 110mmø of HDPE pipe; constructing 0,15km of 32mmø - 65mmø galvanized steel pipe by 30 June 2023 R3 430 929 (Split vote R3 798 818 with PMU22 - R367 888) | Tender was advertised on 4 April 2023 with closing date 10 May 2023. R2 629 950 |  | Document still at Bid Committees | Bid Committees to finalize the process | R7 000 000 |



DIRECTORATE TECHNICAL AND INFRASTRUCTURE


KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT



SECTION: PROJECT MANAGEMENT UNIT


| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
|---|---|--|--|---|--|---|---|---|------------------------|
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To upgrade the existing Fresh Produce Market (Phase 2) (Ward 9) to cater for the increasing customer needs | | | | | |
| PMU8 | Number of the existing Fresh Produce Market (Phase 2) (Ward 9) upgraded | Upgrading the existing Fresh Produce Market (Phase 2) (Ward 9) nearly completed with the connection of water (0.739 km ranging from 20mm Ø to 75 mm Ø pipeline); construction of 0.517 km of 525 mm Ø storm-water drainage; construction of sewer pipeline (0,06 km of 110 mm Ø pipeline); completing the concrete floor (according to the technical scoping report); and construction of the earthworks for the parking area completed. The 2 shutter doors are not installed, and the roof sheeting not replaced. The concrete floor is also not completed. R6 125 943 | 4 152m² of roof replaced. 10 250 m² of Asphalt layer in the parking area surfaced. 830m² of roof is installed. Ablution facilities 93% constructed. 110 m² Mezzanine floor 65% constructed. R13 678 068 | Upgrading the existing Fresh Produce Market (Phase 2)(Ward 9) by constructing of a 38.5 m² mezzanine floor; constructing 1 storage unit; installing electricity of 4 core to 7 core 600/100V PVC SWAPVC Cu Cable ranging from 6mm² to 185 mm²; installation of 1 cold room; installation of 732 m² side cladding; and finalize the ablution facilities (7%) by 30 June 2023 R8 064 140 | Upgrading the existing Fresh Produce Market (Phase 2) (Ward 9) not completed. The storage unit is at 79% completed and the ablution facilities is at 94% completed. 732 m² side cladding completed. Electrical material ordered. R4 345 037 |  | Slow progress and poor workmanship by the contractor. Contractor was issued with a notice to terminate. Contractor has cash flow problems | Both Service Providers to be put on terms with possible termination if they cannot comply | R0 |



| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
|---|--|--|--|---|--|--|--|---|------------------------|
| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve public access to transport in Jouberton Ext 19 (Ward 37) with the construction of a new taxi rank with facilities | | | | | |
| PMU9 | Number of taxi ranks with facilities constructed in Jouberton Ext 19 (Ward 37) | The construction of a new taxi rank with facilities in Jouberton Ext 19 (Ward 37) not completed, but unsuitable materials were replaced and backfilling of the 150 mm thickness layers and constructing layer of the foundation platform completed. 0.908km water pipeline ranging from 25mm to 110 mm Ø and 0.342km of 160 mm Ø sewage pipeline constructed. 0.492km concrete pipes ranging from 375 to 600 mm Ø and 0.119 km of storm-water channels constructed. Foundations of the building works excavated. Tender document for a new contractor submitted and approved by the Bid Specification Committee on 29/06/2021. R15 298 670 | Contractor appointed on 25 November 2021. Site establishment completed. Bulk earthworks 78% completed. R14 522 166 | Constructing a new taxi rank with facilities in Jouberton Ext 19 by: constructing of 1 platform; constructing 0,260Km of 160mm of UPVc sewer pipe; constructing 0,582 Km of 110mm UPVc water pipe; constructing the top structure of 1 office facility; constructing 1 storeroom; erecting of structural steel and installing 4,917m² of Safintra Saflock roof covering; constructing 1 refuse bin facility; erecting 1,04km perimeter fence; construction of 0,350Km of 63mm UPVc water pipe by 30 June 2023 R19 786 641 | The construction of a new taxi rank with facilities in Jouberton Ext 19 nearly completed, with the construction of 1 platform at 93% completed; 0,260Km of 160mm of UPVc sewer pipe; 0,582km of 110mm UPVc water pipe; the top structure of 1 office facility, 1 storeroom and refuse bin facility; and 0,350Km of 63mm UPVc water pipe; as well as the erection of 0.428km perimeter fence. R10 858 761 |  | Delays in finalization of design reviews by Consultant contributed to slow progress, as the Contractor was issued with the instruction to put on hold the storeroom and roof covering. Platform can only be completed once the roof covering is installed. The fence cannot be completed until the existing pipeline is lowered or relocated | Notice to correct poor performance issued to Consultant. Final decision to be made on the lowering or relocating of existing pipeline | R22 227 380 |



| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | | |
|---|---|---|--|--|---|---|---|--|------------------------|--|
| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year | |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To refurbish Jouberton reservoir to maintain the existing infrastructure | | | | | | |
| PMU10 | Number of Jouberton reservoirs (Ward13) refurbished | New project | Contractor appointed on 9 December 2021. Site establishment completed. Dosing building constructed. R1 908 190 | Refurbishing of the Jouberton reservoir (ward 13) by constructing 0,1km of V-drains; and refurbishment of 26MI Reservoir by 30 June 2023 R6 992 358 | The refurbishing of the Jouberton reservoir (ward 13) not done R1 526 177 |  | The refurbishing can only be done after the consultant arranged for alternative source of water storage and the municipality approve a water shutdown. Excavation needed for the V-drains are not possible until the water pump-station contractor has finished | The municipality approved a water shutdown for 1 July 2023 for external works to commence. DWS to approve the request to provide alternative source of water in the 2023/2024 financial year as per revised business plan and technical report submitted | R11 474 798 | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To upgrade sections of the outfall sewer line from Jouberton to Alabama Extensions (Wards 4-6) to increase the capacity of the sewer system | | | | | | |
| PMU11 | Kilometre of outfall sewer line from Jouberton Ext 19 to Alabama (Wards 4-6) upgraded | New project | New project | Appointing a contractor and establishing the site for the upgrading sections of the sewer pipeline from Jouberton Ext 19 to Alabama (Wards 4-6) by 30 June 2023 R5 000 000 | The appointment of a contractor and establishment of the site for the upgrading sections of the sewer pipeline from Jouberton Ext 19 to Alabama (Wards 4-6) not achieved. DWS recommendation letter was received on 23 March 2023. Appraisal meeting held with CoGTA on 30 May 2023. R704 105 |  | Delays in receiving MIG registration letter from CoGTA to kick start SCM processes. Follow-up mails were done | Follow-up mails to be forwarded again. CoGTA indicated on 22 June 2023 that the letter is submitted to the relevant person for signature | R19 000 000 | |




| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To refurbish electrical and mechanical equipment in the Matlosana area (Wards 1 - 39) sewer pump-stations to maintain the existing infrastructure | | | | | |
| PMU12 | Number of sewer pump-stations refurbished with electrical and mechanical equipment at the Matlosana area (Wards 1 - 39) | The refurbishing of the electrical and mechanical equipment at 5 sewer pump-stations (Khuma Main, Khuma ext. 6 and Republic, Swart Street and Lerato) in the Matlosana area (Ward 1 – 39) are in process with the replacement of 5 pumps, 5 motors, 5 electrical control panels and 12 soft starters. Only installed 0.334km electrical fence for 2 pump stations, 0.584km barbed wire for 5 pump stations and 0.584km razor wire for 5 pump stations. The valves are not replaced and the installation of 30 CCTV cameras not completed. R16 476 990 | The refurbishing of electrical and mechanical equipment at 4 sewer pump-stations (Khuma main, Khuma ext. 6, Lerato and Republic Park) in the Matlosana area (Wards 1 - 39) completed and partially completed at 1 sewer pump-station (Swart Street) R7 500 945 | Refurbishing electrical and mechanical equipment at 1 sewer pump-station (Swart Street) in the Matlosana area (Wards 19) by installing 3 pumps and 3 motors for Swart street; installing 0.439km electrical cables; approving the variation order; refurbishing 1 conveyer belt at Swart street station; refurbish 1 transformer at Swart Street by 30 June 2023 R5 000 000 | The refurbishing of electrical and mechanical equipment at Swart Street sewer pump-station (Ward 19) nearly completed with the installation of 3 pumps and 3 motors, 0.439km electrical cables, the approval of the variation order and the refurbishment of 1 conveyer belt. Transformer was not refurbished. R2 798 782 |  | The scope for refurbishment of the transformer was replaced with the installation of LV kiosk by consultant, however, could not be implemented due to budget constraints | Consultant instructed to submit the final payment of the contractor | R0 |



| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve accessibility and mobility and control and direct the flow of stormwater and prevent road erosion in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14) | | | | | |
| PMU13 | Number of reports and drawings received for the construction of taxi routes in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14) | Paving of 4.453 km of taxi route in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14) according to the project plan constructed (laid). R9 135 580 | Laying of 2.642 km paved taxi routes in Jouberton (Phase 9) (Wards 5, 6, 11, 13 and 14) with additional scope completed R13 779 655 | Receiving the close-out report and as-built drawings to finalise the paved taxi routes in Jouberton (Motswiri Street; 6th, JB Marks, Anthorium and David Webster Streets) (Phase 9) (Wards 5, 6, 11, 13 and 14) by 30 September 2022 R3 476 889 | The close-out report and as-built drawings finalized for the paving of taxi routes in Jouberton (Motswiri Street; 6th, JB Marks, Anthorium and David Webster Streets) (Phase 9) (Wards 5, 6, 11, 13 and 14) received. R3 023 381 |  | - | - | R0 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure the safe and disposal of urban solid waste to protect human health and to reduce the risk of environmental pollution | | | | | |
| PMU15 | Number of EIA studies conducted and detailed design report developed for Klerksdorp landfill sites (Cell 3) development (Phase 1) (wards 19) | New project | New project | Developing the Klerksdorp Landfill Site Cell 3 (Phase 1) (Ward 19) by conducting an EIA study; develop a detailed design report; and appointment of the contractor and site establishment by 30 June 2023 R5 000 000 | The development of the Klerksdorp Landfill Site Cell 3 (Phase 1) (Ward 19) not completed yet. The EIA study was conducted, and a detailed design report developed and approved. Project registration letter received from COGTA on 28 March 2023. R3 496 357 |  | Delays in SCM Bids Specification Committee to finalize the advertisement for the tender | Bid Specification meeting scheduled to take place on 6 July 2023 | R35 471 188 |

| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve accessibility and mobility and control and direct the flow of stormwater and prevent road erosion in Khuma (Phase 9) (Wards 33,35,38) | | | | | |
| PMU14 | Kilometre of taxi routes paved and km of storm-water drainage constructed in Khuma (Phase 9) (Wards 33,35,38) | New project | New project | Paving of 2,21km taxi route and constructing 2.19 km storm-water drainage in Skhosana street in Khuma (Phase 9) by 2,05Km of box cutting/excavation completed; constructing 2,19km of storm-water pipes; constructing 2,21km layer works; laying of 2,21km paving blocks; and installing 4,42km kerbing by June 2023 R8 678 336 | The paving of 2,21km taxi route and constructing 2.19 km storm-water drainage in Skhosana street in Khuma (Phase 9) not completed, but the following was done: 1,5 Km of box cutting / excavation completed; 0,233 km layer works completed; 0,76 Km storm water pipeline excavated; and construction (laying) of 0,750 km of storm-water pipes completed R5 233 341 |  | Poor performance by the contractor | The contractor was issued with notice to correct poor performance and to replace staff with competent personnel on 19 April 2023 | R21 457 136 |

| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To providing bulk services for the proposed Jouberton / Alabama precinct development (Wards 3, 4, 12 and 37) to improve the social and economic environment | | | | | |
| PMU16 | Number of reports and drawings received for the provision of Jouberton / Alabama precinct bulk services (Wards 3, 4, 12 and 37) (electrical and water - 2Mℓ pressure tower) | The scope for the provision of bulk services at the proposed Jouberton / Alabama precinct development (wards 3, 4, 12 & 37) completed. R17 388 739 | Casted bowl lift 5 - 6 of the 2 Mℓ pressure tower. Roof slab casted. 4 High mast lights erected. 1.8 Km of 240 mm² underground aluminium cable installed. 7 Switchgear panels installed. 1 Motor control centre panel for Jagspruit pump-station installed. 372 m² paving installed. R24 763 268 | Receiving the close-out report and as-built drawings for the provision of bulk services at the proposed Jouberton / Alabama precinct development (wards 3, 4, 12 & 37) (electrical and water - 2Mℓ pressure tower) by 30 December 2022 R267 140 | The close-out report and as-built drawings for the provision of bulk services at the proposed Jouberton / Alabama precinct development (wards 3, 4, 12 & 37) (electrical and water - 2Mℓ pressure tower) received. R232 296 |  | - | - | R0 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide electrification for the new development in Alabama ext. 5 (Phase 2) (Ward 4) | | | | | |
| PMU17 | Kilometres of line constructed in Alabama Ext 5 (Ward 4) (Phase 2) | The construction of 7.414km power lines for the electrification of Alabama extension 5 (Ward 4) completed. R10 707 153 | The project was withdrawn due to the withholding of funds by Department of Mineral and Energy (DMRE) | Constructing 4.9 km of MV and 16.4 LV power lines for the electrification of Alabama extension 5 (Ward 4) (Phase 2) by installing 12 transformers and connecting 1 527 RDP houses by 30 June 2023 R29 064 000 | The construction of 4.9 km of MV and 16.4 LV power lines for the electrification of Alabama extension 5 (Ward 4) (Phase 2) completed. Twelve (12) transformers were installed. Connection of 1 527 RDP houses not done. R21 420 240 |  | The connection to the RDP houses could not be done, due to the 1st batch of boxes that only arrived on 30 June 2023 | The contractor was requested to speed up progress to ensure the project is completed by 15 August 2023 | R0 |

| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To reduce electricity losses associated with municipal own consumption in Klerksdorp (Phase 3) (Wards 1, 2, 27, 28, 30 and 32) | | | | | |
| PMU18 | Number of street lighting with LED lights retrofitted in Klerksdorp (Phase 3) (Wards 1, 2, 27, 28, 30 and 32) | 1 094 Conventional streetlights replaced (retrofitted) with LED lights and 1 complete Energy Management System at Mayibuye Building installed. R5 161 860 | The project was withdrawn due to the roll-over application rejected by National Treasury and no funding was made available | Retrofitting 448 conventional streetlights with LED lights in Klerksdorp (Phase 3) (Wards 1, 2, 27, 28, 30 and 32) by 30 June 2023. R3 000 000 | 471 conventional streetlights with LED lights in Klerksdorp (Phase 3) (Wards 1, 2, 27, 28, 30 and 32) retrofitted. R3 083 260 |  | Project savings allowed the implementation of additional 23 LED lights | | R4 000 000 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve the social and economic activities for the community of Jouberton. | | | | | |
| PMU19 | Number of detailed design report and tender document developed for the New Youth Development Centre in Jouberton Precinct. | New project | New project | Approving the detailed designs and tender document for the New Youth Development Centre in Jouberton Precinct for procurement of the contractor by 30 June 2023. R946 219 | The detailed designs and tender document for the New Youth Development Centre in Jouberton Precinct for procurement of the contractor not done R144 650 |  | Failure to attend Revised Detailed Designs presentation meeting by consultant | Consultant to be issued with notice to correct non-compliance and to present the Revised Detailed Designs urgently by 6 July 2023 | R8 934 620 |


| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To upgrade sections of the outfall sewer line in Khuma Proper to increase the capacity of the sewer system | | | | | |
| PMU20 | Kilometre of outfall sewer line in Khuma Proper upgraded (multi-year) | New project | | Upgrading sections of the sewer pipeline in Khuma Proper by approving and settling preliminary design report, detailed design report and draft tender document in Khuma Proper by 30 June 2023 R2 115 058 | The upgrading of sections of the sewer pipeline in Khuma Proper by approving and settling preliminary design report, detailed design report done and draft tender document in Khuma Proper still outstanding R1 839 081 |  | Draft tender not submitted as changes are to be made to accommodate breakdown into phases as per the implementation plan | Consultant to align tender document with implementation plan and submit by end of July 2023 | R14 319 717 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve collection of refuse and maintain environmental care | | | | | |
| PMU21 | Number of specialised vehicles for solid waste removal purchased and delivered | New project | New project | Purchasing and delivery of specialised vehicles (2 rear-end loading Refuse trucks and Bulldozer) for solid waste removal by 30 June 2023 R10 718 752 | Purchasing and delivery of specialised vehicles (2 rear-end loading Refuse trucks and Bulldozer) for solid waste removal completed R10 691 030 |  | - | - | R4 542 900 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To construct a new sports complex in Khuma Ext 9 (Ward 31) (Phase1) to provide recreational facilities for the community | | | | | |
| PMU22 | Number of final design fees settled for new Sports Complex in Khuma Ext 9 (Ward 31) (Phase 1) | New project | New project | Settling the final design fees of the consultant for the new sport complex in Khuma Ext 9 (Ward 31) (Phase 1) by 30 June 2023 R367 888 (Split vote R3 798 818 with PMU7 – R3 430 929) | The account for the final design fees of the consultant for the new sport complex in Khuma Ext 9 (Ward 31) (Phase 1) paid R319 903 |  | - | - | R7 000 000 |

| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: PROJECT MANAGEMENT UNIT | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide dignified sanitation that is structural compliant and safe to use and promote good health and hygiene to the people of Kanana (Wards 20 & 24) | | | | | |
| PMU23 | Number of detailed design fees settled for the of outside water-borne toilets re-constructed and refurbished in Kanana (Wards 20 & 24) | New project | New project | Settling the detailed design fees of the Consultant for the re-constructing and refurbishing of outside water-borne toilets in Kanana Proper and Kanana Ext 4 (Wards 20 & 24) by 30 June 2023 R2 053 584 | Not achieved. Preliminary Design Report submitted by the Consultant. Preliminary design paid. R 1 097 061 |  | Preliminary Design Report was approved on 28 June 2023. | Consultant was instructed to submit the detailed design by 31 July 2023 | R0 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To refurbish chlorine dosing plants, reservoirs equipment in the Matlosana area (Wards 1 - 39) water pump-stations to maintain the desired quality of water | | | | | |
| PMU24 | Number of detailed design fees settled for the water pump-stations refurbished with chlorine dosing equipment at the Matlosana area, as well as security upgrades at various pump stations (Wards 1 - 39) | New project | New project | Settling the detailed design fees for the refurbishment of 3 chlorine dosing plants in, reservoirs and water pump stations at Jouberton, Orkney and Kanana (Wards 1 - 39) by 30 June 2023 R1 773 484 | The account for the final design fees for the refurbishment of 3 chlorine dosing plants in, reservoirs and water pump stations at Jouberton, Orkney and Kanana (Wards 1 - 39) settled. R1 542 160 |  | - | - | R0 |

DIRECTORATE PLANNING AND HUMAN SETTLEMENTS

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT


SECTION: HOUSING SERVICES


| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
|---|---|---|--|--|---|---|---|---|------------------------|
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | Servicing of residential stands with basic services (excluding electricity) to address the housing backlog | | | | | |
| HOU1 | Number of residential stands (excluding electricity) at Matlosana Estate extension 10 to be serviced, facilitated | 521 Residential stands serviced. R10 788 378 | 0 Residential stands serviced. Only internal roads done. R28 843 974 | Facilitating the services of 496 residential stands (excluding electricity) at Matlosana Estate extension 10 as allocated to the City of Matlosana by the Department of Human Settlements by 30 June 2023 R12 194 000 | 0 Residential stands serviced. Only internal roads constructed R11 057 838 |  | 3 620 informal settlements (shacks) identified as being an impediment for construction work to date, from the Socio-Economic Survey completed. The listed shacks remain an impediment for completion of the servicing of the area | Subsidy Administration commenced in May 2023, with the hope that once the beneficiaries are approved, they can be relocated in those numbers. However, the process has been delayed by a lack of cooperation from the Residents and the Contractor. Relocation to make way for construction activities will commence once the first batch of subsidy approvals has been provided by the Provincial Department of Human Settlements. | N/A |

DIRECTORATE COMMUNITY DEVELOPMENT

KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

SECTION: LIBRARY SERVICES



| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
|---|--|--|--|---|--|---|--|--|------------------------|
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To address shortcomings by improving library services and maintenance | | | | | |
| LIB1 | Shortcomings at various libraries improved according to the approved project business plan | Shortcomings and maintenance at 12 libraries improved with 20 x Memory sticks; 12 x Kettles, 15 x Suggestion Boxes, 9 Digi Laptops; 3 Digi Tablets; 5 x Handheld Scanners, 14 x Water Coolers with bottles, 2 x Pull-up banners; 2 x Wallpaper with installation; 1 Door sticker with installation. R131 635 | Improving library services and maintenance at all 12 libraries by repairing 7 vacuum cleaners (1 x Orkney, 1 x Rebecca Nkae Thulo, 1 x Kanana, 1 x Khuma, 2 x Klerksdorp and 1 x Jouberton libraries); purchasing 8 office chairs for Klerksdorp library; repairing 1 laminating machine at Klerksdorp library; purchasing promotional material for all libraries; and training all senior staff members R 207 199 | Improving library services and maintenance at all 12 libraries according to the operational activities on the approved project business plan by 30 June 2023 R216 000 | Hosting a career expo in Khuma, training of 8 senior staff members (supervisors) at all libraries and the provision of public internet and Wi-Fi at libraries R178 370 |  | The purchasing of furniture and equipment could not be completed due to late approval of the procurement plan for 2022/23. Additional training did not take place due to approval only received on 20 February 2023. | Procurement of furniture and equipment and additional training included in 2023/24 Business Plan | R216 000 |



| DIRECTORATE COMMUNITY DEVELOPMENT | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: LIBRARY SERVICES | | | | | | | | | |
| IDP, MIG, other Grants and Capital Projects | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To address supplementary improvements (shortcomings) at various libraries | | | | | |
| LIB2 | Supplementary improvements at various libraries done | Supplementary shortcomings at libraries improved with the painting of the internal columns at Klerksdorp Library and other places at Hartbeesfontein Library. R147 000 | Shortcomings and maintenance at 12 libraries improved with the waterproofing of roof dome at Klerksdorp Library; replacement of old 110mm asbestos pipes and the installation of razer wired security fence in Tigane and Rebecca Nkae Thulo libraries; installation of carports in Kanana, Khuma and Rebecca Nkae Thulo libraries; purchased one metallic refrigerator and two 30L microwaves and the maintenance of air conditioners in Klerksdorp Library R 634 986 | Improving supplementary shortcoming at all 12 libraries according to the operational activities on the approved project business plan by 30 June 2023 R 694 000 | Repair, replacement and servicing of existing ventilation, air conditioners and cooling systems at libraries R660 719 |  | Procurement of water tanks suspended due to late approval of condonation of the procurement plan for library services. Air conditioners at Klerksdorp were to found to be non-serviceable, to avert industrial actions, instead new air conditioners were installed | Procurement of the water tanks be included in 2023/24 Business Plan | R 694 000 |




10



Operational and Compliance Indicators





Chapter 3



| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
|--|--|---|---|---|---|---|--|---|---|
| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: MUNICIPAL MANAGER | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To attend to all LLF meetings to ensure industrial harmony | | | | | |
| MM6 | Number of LLF meetings attended | 9 LLF meetings attended | 7 LLF meetings attended | Attending 8 LLF meetings by 30 June 2023 | 7 LLF meetings attended |  | The 27 October 2022 meeting was postponed due to SAMWU prior commitments | The Municipal Manager to sensitized LLF stakeholders, about the importance of having meetings that quorate to resolve important organisational issues | 7 LLF meetings attended |
| SECTION: RISK MANAGEMENT | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To conduct risk assessments on strategic and operational risks to ensure good governance and to comply with legislation | | | | | |
| RIS2 | Number of Risk Assessment conducted on strategic and operational risks | 4 Risk Assessments conducted with all departments | 4 Risk Assessments conducted with all departments | Conducting 4 risk assessments with Council departments on emerging risks by 30 June 2023 | 4 Risk Assessments conducted with all departments |  | - | - | 4 Risk Assessments conducted with all departments |



| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
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| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: MUNICIPAL MANAGER | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | MIG (NDPG, EEDSM & DME included) funding spent to ensure the upgrading and maintenance of infrastructure in the City of Matlosana | | | | | |
| MM1 | Rand value spent on MIG grants (NDPG, EEDSM & DME included) allocated for the City of Matlosana spent | 85% R189 168 641 spent | 85% R150 025 704 spent | Spending at least 85% of R146 744 100 of MIG grants (NDPG, WMIG, EEDSM; INEP; DME & roll-overs included) allocated to the City of Matlosana by 30 June 2023 (R124 732 485) | 66% R96 530 496 spent |  | MIG Consultants delay in submission of variation orders, slow rate of progress by contractors, delay in project registration. WSIG poor performance contractor. NDPG contractor payments to key professionals & consultants. Eskom attached the grant funded investment accounts that results in delay of payments and expenditure | Contractors need to be held accountable, SCM Committee's need to fast track procurement. PMU need to step up managing the project | 85% |
| SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by conducting MPAC meetings | | | | | |
| MPAC5 | Number of UIF&W Expenditure reports issued to council to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation | 6 (s32) Meetings conducted | 0 Meetings conducted | Issuing 4 UIF&W Expenditure reports to council to investigate unauthorised, irregular, fruitless and wasteful expenditure of the municipality's performance and financial situation by 30 June 2023 | 2 UIF&W Expenditure reports issued to Council. CC 139/2022 dated 30/8/2022 and CC102/2023 dated |  | Delay in receiving the UIF&W Expenditure Register for Finance on time | 3 Reports will be tabled on 31 August 2023 | 4 UIF&W Expenditure reports issued |




| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: MUNICIPAL MANAGER | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the all the directorates KPI's are catered for | | | | | |
| MM5 | Office of the MM's SDBIP inputs before the draft 2023/24 DBIP is tabled | Credible 2021/22 SDBIP inputs provided | Credible 2022/23 SDBIP inputs provided | Providing the office's SDBIP inputs before the draft 2023/24 SDBIP is submitted by 31 May 2023 | Credible 2023/24 SDBIP inputs provided |  | - | - | Credible 2024/25 SDBIP inputs provided |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the set goals of council are achieved | | | | | |
| MM7 | Number of SDBIP meetings between MM and directors (leading to quarterly performance assessments) conducted | 4 SDBIP meetings conducted | 1 SDBIP meetings conducted | Conducting 9 SDBIP meetings between MM and directors (leading to quarterly performance assessments) by 30 June 2023 | 8 SDBIP meetings conducted |  | During the meeting of 19 May 2023, most items were postponed due to the finalization of the annual budget | That SDBIP remain a standing agenda item in all ordinary top management meetings | 12 SDBIP meetings conducted |
| SECTION: PERFORMANCE MANAGEMENT | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To table the Draft 2021/22 Annual Report (Unaudited) to comply with section 121 and Circular 63 of MFMA | | | | | |
| PMS2 | Draft 2021/22 Annual Report (Unaudited) tabled before Council | Draft 2019/20 Annual Report (Unaudited) tabled in Council. CC79/2020 dated 30/11/ 2020 | Draft 2020/21 Annual Report (Unaudited) tabled. CC134/2021 dated 15/12/2021. | Tabling the Draft 2021/22 Annual Report (Unaudited) before Council by 31 November 2022 | Draft 2021/22 Annual Report (Unaudited) tabled in Council. CC192/2022 dated 29/11/2022 |  | - | - | Draft 2022/23 Annual Report (Unaudited) tabled in Council |



| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: PERFORMANCE MANAGEMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To approve the 2021/22 Annual Performance Report (Unaudited Annual Report) to comply with section 46 of the MSA | | | | | | |
| PMS1 | 2021/22 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager | 2019/20 Annual Performance Report (Unaudited Annual Report) approved by Municipal Manager on 06/11/2020 | 2020/21 Annual Performance Report (Unaudited Annual Report) approved by MM on 05 October 2021. CC93/2021 dated 06/10/2021 and submitted to the AG on 06/10/2021 | Approving the 2021/22 Annual Performance Report (Unaudited Annual Report) by Municipal Manager by 31 August 2022 | 2021/22 Annual Performance Report (Unaudited Annual Report) approved by the Municipal Manager on 31 August 2022 |  | - | - | 2022/23 Annual Performance Report (Unaudited Annual Report) approved by the Municipal Manager |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To approve the 2022/23 Mid-Year Assessment Report to comply with section 72 of the MFMA | | | | | | |
| PMS4 | 2022/23 Mid-Year Assessment Report approved by the Executive Mayor | 2020/21 Mid-Year Assessment Report approved. MM16/2021 dated 22/01/2021. EM1/2021 dated 22/01/2021. CC5/2021 dated 09/02/2021 | 2021/22 Mid-Year Assessment Report approved by Executive Mayor on 25 January 2022. MM12/2022 dated 24/01/2022. CC09/2022 dated 31/01/2022 | Approving the 2022/23 Mid-Year Assessment Report by the Executive Mayor by 25 January 2023 | 2022/23 Mid-Year Assessment Report approved by the Executive Mayor on 23/01/2023. MM17/2023 dated 23/01/2023. CC12/2023 dated 09/02/2023 |  | - | - | 2023/24 Mid-Year Assessment Report approved by the Executive Mayor |



| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: PERFORMANCE MANAGEMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To table the draft 2023/24 SDBIP to comply with legislation of Matlosana | | | | | |
| PMS5 | Draft 2023/24 SDBIP tabled by Council | Draft 2021/22 SDBIP tabled. CC42/2021 dated 31/05/2021 | Draft 2022/23 SDBIP tabled in Council. CC69/2022 dated 31/05/2022 | Tabling the draft 2023/24 SDBIP by Council by 31 May 2023 | Draft 2023/24 SDBIP tabled in Council. CC83/2023 dated 31 May 2023 |  | - | - | Draft 2024/25 SDBIP tabled in Council |
| SECTION: INTEGRATED DEVELOPMENT PLAN | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To enhance public participation to comply with legislation and obtain inputs from local community for prioritization of projects | | | | | |
| IDP2 | Number of community consultations meetings conducted | 2 Community consultations meetings conducted | 13 Community consultations meetings conducted | Conducting 2 community consultations meetings by 31 May 2023 | 2 Community consultations meetings conducted |  | - | - | 2 Community consultations meetings conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To enhance public participation to comply with legislation and obtain inputs from external sector departments | | | | | |
| IDP3 | Number of Rep Forum meetings conducted | 2 Rep Forum meetings conducted | 2 Rep Forum meetings conducted | Conducting 2 Rep Forum meetings by 30 June 2023 | 2 Rep Forum meetings conducted |  | - | - | 2 Rep Forum meetings conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To table the draft 2023/24 IDP Amendments to comply with legislation | | | | | |
| IDP4 | Number of draft 2023/24 Amended IDP tabled in Council | Draft IDP amendments tabled. CC20/2021 dated 31/04/2021 | Draft 2022/23 IDP tabled on 30/03/2022 | Tabling the draft 2023/24 Amended IDP in Council by 31 March 2023 | Draft 2023/24 Amended IDP tabled in Council CC 43/2023 on 31/05/2023 |  | - | - | Draft 2024/25 Amended IDP tabled |




| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: RISK MANAGEMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To submit a Risk management report to the Risk Management Committee to ensure good governance | | | | | |
| RIS1 | Number of Risk management report submitted to the Risk Management Committee | 4 Risk management reports submitted to the Risk Management Committee | 4 Risk management reports submitted to the Risk Management Committee | Submitting 4 Risk management reports to ensure an effective risk management process to the Risk Management Committee by 30 June 2023 | 4 Risk management reports submitted to the Risk Management Committee |  | - | - | 4 Risk management reports submitted to the Risk Management Committee |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To revise the Risk Register to determine the linkage between departmental objectives and risk activity | | | | | |
| RIS3 | Risk Register revised and approved to determine the linkage between departmental objectives and risk activity | 2020/21 Risk Register revised, and 2021/22 Risk Register approved by Municipal Manger (MM106/2021 dated 29/06/2021) and at a special Risk Management Committee meeting of the Audit Committee dated 09/06/2021 | 2021/22 Risk Register revised, and 2022/22 Risk Register is approved by the Municipal Manager (MM175/2022 dated 28/06/2022 | Revising the 2022/23 Risk Register to determine the linkage between departmental objectives and risk activity and approving one 2023/24 Risk Register by 30 June 2023 | 2022/23 revised Risk Register and 2023/24 Risk Register submitted to and approved by the Risk Committee on 27/06/2023 |  | - | - | 2023/24 Risk Register revised, and 2024/25 Risk Register approved |



| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: RISK MANAGEMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To attend to all LLF meetings to ensure industrial harmony | | | | | | |
| RIS4 | Risk management strategic documents reviewed and approved by the municipal manager and council | 2020/21 Risk Management Committee Charter approved by the Municipal Manager on 02/07/2020. 2021/22 Risk Management Implementation Plan approved by Municipal Manager (MM106/2021 dated 29/06/2021) | 2021/22 Risk Management Committee Charter approved by the Municipal Manager. MM106/2021 dated 29/06/2021). 2022/23 Risk Management Implementation Plan approved by the Municipal Manager (MM175/2022 dated 28/06/2022 | Approving the Risk management strategic documents (2022/23 Charter and 2023/24 implementation plan) by the municipal manager and council by 30 June 2023 | 2022/23 Risk Management Committee Charter approved by Municipal Manager. MM 175/2022 dated 28 June 2022. CC 167/2022 dated 28/09/2022 and the. 2022/23 Risk Register revised, and 2023/24 Risk Register approved by the Risk Committee on 27/06/2023 |  | - | - | 2023/24 Risk Management Committee Charter and 2024/25 Risk Management Implementation Plan approved by the Municipal Manager |
| SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To enhance public participation on the results of the Annual Report to comply with legislation | | | | | | |
| MPAC3 | Number of public participation meetings conducted on the results of the 2021/22 Annual Report | 1 Public participation meeting not conducted | 1 Public Participation meeting conducted | Conducting 1 public participation meeting on the results of the 2021/22 Annual Report by 31 March 2023 | 1 Public Participation meeting conducted |  | - | - | 1 Public participation meeting conducted |




| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To monitor the municipality's performance and financial situation by conducting regular MPAC meetings | | | | | |
| MPAC1 | Number of MPAC (s129(4) of the MFMA) meetings to monitor the performance and financial situation in the City of Matlosana conducted | 15 Public participation meetings conducted | 35 Public participation meetings conducted | Conducting 33 public participation (s129(4) of the MFMA) meetings to monitor the performance and financial situation in the City of Matlosana by 30 June 2023 | 32 Public participation meetings conducted |  | Meeting could not sit due other official commitments by Councillors | Councillors to prioritize meetings | 30 Public participation meetings conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To issue MPAC progress reports to ensure compliance with legislation | | | | | |
| MPAC2 | Number of MPAC progress reports issued to council which assess the efficiency and effectiveness of performance and finances of council | 1 MPAC progress report issued | 4 MPAC progress reports issued | Issuing 4 MPAC reports to council which assess the efficiency and effectiveness of performance and finances achieved by Council by 30 June 2023 | 5 MPAC progress reports issued |  | One long outstanding report from the previous FY was attended to | | 4 MPAC progress reports issued |
| SECTION: INTERNAL AUDIT | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To issue activity reports to ensure good governance | | | | | |
| IA3 | Number of activity reports issued to the Audit Committee on the progress of rolling out the audit plans | 4 Activity reports issued | 4 Activity reports issued | Issuing 4 activity reports to the Audit Committee on the progress of rolling out the audit plans by 30 June 2023 | 4 Activity reports issued |  | - | - | 4 Activity reports issued |



| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: INTERNAL AUDIT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To issue audit of performance information reports to ensure compliance with legislation | | | | | |
| IA1 | Number of audits of performance information reports issued to assess the efficiency and effectiveness of performance achieved | 4 Audit of performance information reports issued | 1 Audit of performance information report issued | Issuing 4 audit of performance information reports to the Audit Committee to assess the efficiency and effectiveness of performance achieved by Council by 30 June 2023 | 3 Audit of performance information reports issued |  | The 3rd quarter PMS report was received on 16 May 2023 and IA prioritised auditing other audits. 3rd quarter AC meeting was held on the 17 May 2023 | The 3rd quarter report to be considered in the AC meeting scheduled for the 03 August 2023 | 4 Audit of performance information reports issued |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To report on recommendations raised by internal audit and AG to ensure sound financial and administrative management | | | | | |
| IA2 | Number of action plan register and progress reports on the Auditor-General's report and Internal Auditor's findings submitted to the Audit Committee | 2 Progress reports submitted on the updated action plan register to the Audit Committee on findings raised by the Auditor-General and Internal Audit | 2 Progress reports completed on the updated action plan register on findings raised by the Auditor-General and Internal Audit, but not submitted to Audit Committee | Submitting 2 progress reports on the updated action plan register to the Audit Committee on findings raised by the Internal Audit and Auditor-General by 30 June 2023 | 1 Progress report (internal audit and AG) on the updated action plan register submitted to the Audit Committee |  | PAAP is continuously audited as and when the action is implemented and signed off. The audited PAAP is not submitted to AC as was done after meeting held in May 2023 | To be submitted at next AC meeting to be held 03 August 2023 | 2 Progress reports submitted |



| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: INTERNAL AUDIT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To adopt the Internal Audit Charter to comply with legislation | | | | | |
| IA4 | Number of reviewed Internal Audit Charter adopted in accordance with IIA standards | Reviewed 2021/22 Internal Audit Charter adopted by Audit Committee | Reviewed 2022/23 Internal Audit Charter adopted by the Audit Committee | Adopting the reviewed 2023/24 Internal Audit Charter in accordance with IIA standards by 30 June 2023 | Reviewed 2023/24 Internal Audit Charter adopted by the Audit Committee |  | - | - | Reviewed 2024/25 Internal Audit Charter adopted by Audit Committee |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To submit a Risk Based Audit Plan to comply with legislative requirements | | | | | |
| IA5 | Number of 3-Year Risk Based Audit Plan 2023/24 submitted to the Audit Committee for approval | 3-Year Risk Based Audit Plan 2021/22 approved by Audit Committee | 3-Year Risk Based Audit Plan 2022/23 submitted to Audit Committee but not adopted | Submitting a 3-Year Risk Based Audit Plan 2023/24 to the Audit Committee for approval by 30 June 2023 | 3-Year Risk Based Audit Plan 2023/24 approved by the Audit Committee |  | - | - | 3-Year Risk Based Audit Plan 2024/25 approved by Audit Committee |



| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: ROADS AND STORM-WATER DRAINAGE SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To address cleaned blockages to ensure reactive maintenance of cleaned throughout the year | | | | | | |
| ROA2 | Number of kilometres of open storm-water channels cleaned | 25.61 Km open storm-water channels cleaned. R17 070 306 | 25.1 Km open storm-water channels cleaned. R8 391 386 | Cleaning 30 km of open storm-water channels as per maintenance programme in the CoM municipal area by 30 June 2023 (R54 256 436 spilt vote = Only R5 000 000 relevant | 30 Km open storm-water channels cleaned. R984 308 |  | - | - | 30 Km open storm-water channels cleaned |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To address main sewer blockages to ensure reactive maintenance of main sewers throughout the year | | | | | | |
| ROA3 | Number of kilometres of underground storm-water pipe cleaned | 20.546 Km underground storm-water pipes cleaned | 20.125Km storm-water pipes cleaned | Cleaning 30km of storm-water pipes as per maintenance programme in the CoM municipal area by 30 June 2023 | 30 Km storm-water pipes cleaned |  | - | - | 30km of storm-water pipes cleaned |
| SECTION: SANITATION SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To address main / outfall sewer blockages to ensure a healthy environment for the community | | | | | | |
| SAN2 | Number of kilometre of main / outfall sewers and blockages cleaned | 39.959 Km of main / outfall sewers cleaned. R2 369 618 | 43.975 Km of main / outfall sewers cleaned R1 784 244 | Cleaning 40 km of main / outfall sewers as per programme in the CoM municipal area by 30 June 2023 R20 302 814 | 40,857 Km of main / outfall sewers cleaned R4 093 007 |  | Embarked on the hiring of equipment | | 40 km of main / outfall sewers cleaned |



| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: WATER SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To clean reservoirs to comply with legislation | | | | | | |
| WAT2 | Number of reservoirs cleaned | 29 Reservoirs cleaned. R1 696 362 | 30 Reservoirs cleaned. R944 946 | Cleaning 28 30 reservoirs according to the programme in the Matlosana area by 30 June 2023 R2 308 381 | 15 Reservoirs cleaned. R1 010 842 |  | Prong longed shut down due to load shedding impacted the cleaning schedule. Three reservoirs have also been pushed back due to the need to replace critical valves, the project of which has been approved for the 2023/2024 FY | Completion of the Gumtree power supply to Ellaton Pump Station will negates shut down due to load shedding and improve constant water supply to most reservoirs enabling the cleaning to be easily scheduled | 10 Reservoirs cleaned |
| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To attend to all LLF meetings to ensure industrial harmony | | | | | | |
| DTI5 | Number of LLF meetings attended | 13 LLF meetings attended | 12 LLF meetings attended | Attending 8 LLF meetings by 30 June 2023 | 7 LLF meetings attended |  | The 27 October 2022 meeting was postponed due to SAMWU prior commitments | The Municipal Manager to sensitized LLF stakeholders, about the importance of having meetings that quorate to resolve important organisational issues | 7 LLF meetings attended |



| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: DIRECTOR TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the all the directorates KPI's are catered for | | | | | |
| DT14 | Directorate's SDBIP inputs provided before the 2023/24 SDBIP is tabled | Credible 2021/22 SDBIP inputs provided | Credible 2022/23 SDBIP inputs provided | Providing the office's SDBIP inputs before the draft 2023/24 SDBIP is submitted by 31 May 2023 | Credible 2023/24 SDBIP inputs provided |  | - | - | Credible 2024/25 SDBIP inputs provided |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the set goals of council are achieved | | | | | |
| DT16 | Number of SDBIP meetings with senior personnel in own directorate conducted | 32 SDBIP meetings conducted | 27 SDBIP meetings conducted | Conducting 20 SDBIP meetings with senior personnel in own directorate by 30 June 2023 | 17 SDBIP meetings conducted |  | Due to urgent unscheduled Council / MayCo etc. meetings | Meetings to be reduced to 12 meetings in the next FY | 12 SDBIP meetings conducted |
| SECTION: WATER SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To obtain at least 95% of quality compliance working towards achieving the Blue Drop Award and to comply with the environmental health protection regulation | | | | | |
| WAT3 | A minimum score of 95% of quality compliance obtained | Obtained 96.15% on the Department of Water and Sanitation and IRIS water compliance system | Obtained 98% on the Department of Water and Sanitation and IRIS water compliance system | Obtaining a minimum score of 96% of quality compliance on the Department of Water and Sanitation and IRIS water compliance system by 30 June 2023. | Obtained 92% on the Department of Water and Sanitation and IRIS water compliance system |  | Non-achievement due to dilapidated chlorination stations | Refurbishment of chlorine stations | 96% |



| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
| SECTION: WATER SERVICES | | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year | |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To maintain existing infrastructure | | | | | | |
| WAT4 | Percentage of water losses reduced | 0.9 Increase in water losses (from 41% to 41.9%) 6 Service providers appointed and issued with orders in January 2021. 481 consumer meters were installed. 700 Consumer meters related complaints were attended to | 12,7% increase in water losses (41% to 53.7%). Replacing 0 malfunctioning municipal building consumption points. 2 052 Consumer stuck water meters replaced. 0 Malfunctioning municipal building consumption points replaced. | Reducing water losses from 53.7% to 53.2% by replacing 40 malfunctioning municipal building consumption points and replacing 2 000 consumer stuck / blocked / too deep / unreadable water meters by 30 June 2023 | 7% increase in water losses (51% to 58%.) Replacing 0 malfunctioning municipal building consumption points. 2 003 Consumer stuck water meters replaced. 18 straight connections without water meters done |  | Priority was given to complaints that results in major water losses i.e. Pipe bursts and network leakage due to aging infrastructure | Prioritising and implementing the meter replacement project | 5% | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To maintain existing infrastructure | | | | | | |
| WAT5 | Percentage of all water leaks and burst pipe complaints resolved | 61% (8 521 Complaints received / 4 990 complaints resolved) | 49% 10 875 Complaints received / 5 344 complaints resolved | Resolving at least 61% of all water leaks and burst pipe complaints in the Matlosana area (telephonic, written and verbal) received by 30 June 2023 | 66% 8 570 Complaints received / 5 643 complaints resolved |  | - | - | 61% | |




| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: SANITATION SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To improve the Green Drop score for improved wastewater quality management | | | | | | |
| SAN3 | A percentage of the minimum score of the IRIS/Green Drop score obtained | Obtained a score of 65.97% of effluent quality compliance on the Department of Water & Sanitation - IRIS/Green Drop compliance system | Obtained a score of 77% of effluent quality compliance on the Department of Water & Sanitation - IRIS/Green Drop compliance system | Obtaining a minimum score of 70% of effluent quality compliance on the Department of Water & Sanitation - IRIS/Green Drop compliance system by 30 June 2023 | Obtained a score of 60% of effluent quality compliance on the Department of Water & Sanitation - IRIS/Green Drop compliance system |  | Armed cable thieves and vandalisms at wastewater treatment plants, substations and pump stations overpowering onsite security guards compromised effluent quality the plants | Council to seek intervention on the arrests of culprits at higher level of SAPS office in the country | 70% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To maintain existing infrastructure and respond to all complaints related to sewer blockages | | | | | | |
| SAN4 | A percentage of all main / outfall sewers blockage complaints in the Matlosana area resolved | 99.9% Main / outfall sewers blockage complaints resolved (16 183 Received / 16 174 resolved) | 99% Main / outfall sewers blockage complaints resolved 7 389 Received / 7 347 Resolved | Resolving at least 96% of all main / outfall sewers blockage complaints within 90 days in the Matlosana area (telephonic, written and verbal) received by 30 June 2023 | 99% Main / outfall sewers blockage complaints resolved 5 480 Received / 5 428 Resolved |  | Hiring of private jetting machinery | | 96% |




| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: SANITATION SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To maintain existing infrastructure and respond to all complaints related to all municipal building's facility | | | | | |
| SAN5 | A percentage of all municipal facility default complaints in the Matlosana area resolved | New indicator | New indicator | Resolving at least 85% of all municipal facility default complaints within 90 days in the Matlosana area (telephonic, written and verbal) received by 30 June 2023 | 100% 11 Complaints received / 11 resolved |  | Normal blockages with less abuse of system are easily resolved | | 95% |
| SECTION: ELECTRICAL AND MECHANICAL SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To maintain existing infrastructure | | | | | |
| ELE3 | Percentage of low voltage complaints resolved | 100% Low voltage complaints resolved. (3 563 Received / 3 563 resolved) | 99.99% Low voltage complaints resolved. (Received 6 644 / 6 623 Resolved within NERSA standard 154 Resolved outside NERSA standard | Resolving 100% of all low voltage complaints in the CoM licensed area (telephonic, written and verbal) received in accordance to NRS-047-1 Electricity Supply Quality of Service (Minimum Standard) by 30 June 2023 (Time to resolve customer complaints received in person/telephonic – 24 hours. Time to resolve customer written complaints - 2 weeks) | 99,99% Low voltage complaints resolved within the NERSA standard - 24 hours (7 657 received/7 656 resolved NERSA standard 1 resolved outside NERSA standard - 24 hours |  | - | - | 80% |



| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: ELECTRICAL AND MECHANICAL SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To maintain existing infrastructure | | | | | |
| ELE2 | Percentage of electricity losses reduced | Electricity losses increased with 5% (from 26% to 34%). 454 faulty meters replaced, 731 tampering inspections conducted and 232 transformers/RMU's serviced | Electricity losses increased with 4% (from 34% to 38%). Replaced 456 faulty conventional/pre-paid meters, 841 tampering inspections conducted and serviced 120 Transformers and RMU's in the CoM area | Reducing non-technical electrical losses from 38% to 37% by replacing at least 600 faulty conventional / pre-paid meters; carrying out 800 schedule inspection on suspected tampering and illegal connections and technical losses; servicing of 120 transformers & RMU's in municipal supplied areas; and Installing 1 470 anti-tampering boxes by 30 June 2023 | Non-technical electricity losses decreased with 10% (from 38% to 28%). Replaced 372 faulty conventional/pre-paid meters, 676 tampering inspections conducted and serviced 116 Transformers and RMU's in the CoM area |  | - | - | 5% Decrease |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To maintain existing infrastructure | | | | | |
| ELE5 | Percentage of streetlights complaints resolved | 82% Street lights complaints resolved. (1 666 Received / 1 369 resolved) | 54% Streetlights complaints resolved. (2 388 Received / 1 303 resolved) | Resolving at least 55% of all streetlight's complaints in the Matlosana licensed area (telephonic, written and verbal) within a month from received by 30 June 2023 | 72,56% Streetlights complaints resolved. (2 460 Received / 1 785 resolved) |  | The procurement of some materials as stock items in the central stores assisted | | 50% |



| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: ELECTRICAL AND MECHANICAL SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To maintain existing infrastructure | | | | | |
| ELE4 | Percentage of medium voltage forced interruptions complaints resolved | 100% Medium voltage forced interruptions resolved. (516 Received / 516 resolved) | 98% Medium voltage forced interruptions resolved Received 655 / 645 Resolved within NERSA standard 10 Resolved outside NERSA standard) | Resolving at least 98% of all medium voltage forced interruptions within industry standard timeframes (8 hours) in the CoM licensed area in accordance to NRS-047-1 Electricity Supply Quality of Service (Minimum Standard) by 30 June 2023 (Time to restore supply after a forced interruption – 24 hours. Time to restore supply after a forced interruption requiring investigative work – 2 weeks) | 98% Medium voltage forced interruptions resolved 446 Received / 438 Resolved within NERSA standard 10 Resolved outside NERSA standard |  | - | - | 95% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To maintain existing infrastructure | | | | | |
| ELE6 | Percentage of high mast light complaints resolved | 80% High mast lights complaints resolved. (343 Received / 219 resolved) | 88% High mast lights complaints resolved. (335 Received / 296 resolved) | Resolving at least 80% of all high mast lights complaints within 30 days in the CoM licensed area (telephonic, written and verbal) within a month from receipt by 30 June 2023 | 95% High mast lights complaints resolved. (253 Received / 241 resolved) |  | The procurement of some materials as stock items in the central stores assisted | | 80% |




| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: ELECTRICAL AND MECHANICAL SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To maintain existing infrastructure | | | | | |
| ELE7 | Percentage of traffic control signals complaints resolved | 99.3% Traffic control signal complaints resolved. (145 Received / 144 resolved) | 96% Traffic control signal complaints resolved. (167 Received / 161 resolved) | Resolving 70% of all traffic control signals complaints within 7 days in the CoM licensed area (telephonic, written and verbal) received by 30 June 2023 | 92% Traffic control signal complaints resolved. (88 Received / 81 resolved) |  | The procurement of some materials as stock items in the central stores assisted | | 60% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To reduce possible fraud and illegal tampering to Council's electricity network assets | | | | | |
| ELE8 | Percentage of electricity meter tampering investigations complaints conducted | 98% Electricity meter tampering investigations resolved. (321 Received / 314 resolved) | 100% Electricity meter tampering investigations resolved. (73 Received / 73 resolved) | Conducting at least 100% of all electricity meter tampering investigations, as received from finance and community tip-offs by 30 June 2023 | 100% Electricity meter tampering investigations resolved. (105 Received / 105 resolved) |  | - | - | 100% |





| DIRECTORATE: CORPORATE SUPPORT | | | | | | | | | |
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| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: DIRECTOR CORPORATE SUPPORT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To attend to all LLF meetings to ensure industrial harmony | | | | | |
| DCS5 | Number of LLF meetings attended | 13 LLF meetings attended | 12 LLF meetings attended | Attending 8 LLF meetings by 30 June 2023 | 7 LLF meetings attended |  | The 27 October 2022 meeting was postponed due to SAMWU prior commitments | The Municipal Manager to sensitized LLF stakeholders, about the importance of having meetings that quorate to resolve important organisational issues | 7 LLF meetings attended |
| SECTION: OCCUPATIONAL HEALTH AND SAFETY | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To conduct OHS inspections to ensure legal compliance and a safe working environment | | | | | |
| OHS1 | Number of OHS inspections in Council departments conducted | 120 OHS inspections conducted | 120 OHS inspections conducted | Conducting 120 OHS inspections in Council departments by 30 June 2023 | 120 OHS inspections conducted |  | - | - | 120 OHS inspections conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To conduct OHS audits to ensure that all deviations be corrected according to the Act | | | | | |
| OHS2 | Number OHS audits conducted | 2 OHS audits conducted | 2 OHS audits conducted | Conducting 2 OHS Audits by 30 June 2023 | 2 OHS audits conducted |  | - | - | 2 OHS audits conducted |




| DIRECTORATE: CORPORATE SUPPORT | | | | | | | | | |
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| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: SKILLS DEVELOPMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To comply with WSP legislation | | | | | |
| SKIL3 | Number of Annual WSP / ATR submitted to LGSETA | 2021/22 WSP and 2020/21 ATR submitted to LGSETA on 30/04/2021 | 2022/23 WSP and 2021/22 ATR submitted to LGSETA on 29/04/2022 | Submitting the 2023/24 WSP and 2022/23 ATR to LGSETA by 30 April 2023 | 2023/2024 WSP and 2022/2023 ATR document submitted to LGSETA on the 30/04/2023 |  | - | - | 2024/25 WSP and 2023/24 ATR submitted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To comply with EE legislation | | | | | |
| SKIL4 | Number of Employment Equity Reports submitted to the Department of Labour | 2021/21 EE report submitted to the Department of Labour on 15/01/2021 | 2022/23 EE report submitted to Department of Labour on 15/01/2022 | Electronically submitting the 2023/24 Employment Equity Report to Department of Labour by 15 January 2023 | 2023/2024 EE Report was submitted electronically to Department of Labour on the 15/01/2023 |  | - | - | 2024/25 EE report submitted to Department of Labour by 15 January 2024 |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To conduct Employment Equity Consultative Forum meetings to comply with legislation and monitoring of the implementation of EE plan | | | | | |
| SKIL5 | Number of EECF meetings conducted | 4 EECF consultative meetings arranged, but only 2 conducted | 4 EECF consultative meetings arranged, but only 2 conducted | Conducting 4 EECF consultative meetings by 30 June 2023 | 4 EECF consultative meetings arranged, but only 3 conducted |  | Oversight from management to arrange an extra meeting | Improve on planning of meetings | 4 EECF consultative meetings arranged, but only 2 conducted |



| DIRECTORATE: CORPORATE SUPPORT | | | | | | | | | |
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| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: LABOUR RELATIONS | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To convene LLF meetings to ensure industrial harmony | | | | | |
| LR1 | Number of LLF meetings convened | 13 LLF meetings convened | 12 LLF meetings convened | Convening 8 LLF meetings by 30 June 2023 | 7 successful LLF meetings convened |  | The 27 October 2022 meeting was postponed due to SAMWU prior commitments | The Municipal Manager to sensitized LLF stakeholders, about the importance of having meetings that quorate to resolve important organisational issues | 7 successful LLF meetings convened |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To conduct workshops on employment related issues and the Collective Agreement to ensure effective conclusion of labour relations matters | | | | | |
| LR2 | Number of workshops on employment related issues and the Collective Agreement conducted | 3 Workshops conducted / co-ordinated on employment related issues and the Collective Agreement conducted | 4 Workshops conducted / co-ordinated on employment related issues and the Collective Agreement conducted | Conducting and / or co-ordinating 4 workshops on employment related issues and the Collective Agreement by 30 June 2023. | 7 Workshops conducted / co-ordinated on employment related issues and the Collective Agreement conducted |  | 2 Special requests from Community Development and 1 special request from Electrical & Mechanical Engineering received | | 8 Workshops conducted / co-ordinated on |





| DIRECTORATE: CORPORATE SUPPORT | | | | | | | | | |
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| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: POLITICAL OFFICES – OFFICE OF THE SPEAKER | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To comply with MSA Act 32 of 2000 Chapter 4 sec 17(3) and Municipal Structures Act 117 of 1998, sec 74(a) to identify and evaluate on service delivery rendered / burning issues by council | | | | | |
| SPE1 | Number of Ward Committee reports submitted to council to identify and evaluate the service delivery / burning issues within the CoM municipal area | 3 Ward Committee reports submitted | 2 Ward Committee reports submitted | Submitting 12 Ward Committee reports to council to identify and evaluate the service delivery / burning issues within the CoM municipal area by 30 June 2023 | 12 Ward Committee reports submitted |  | - | - | 12 Ward Committee reports submitted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | Improved municipal responsiveness | | | | | |
| SPE2 | Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan) within the CoM municipal area | New indicator | 100% 39 Functional ward committees / 39 ward committee meetings conducted, and 2 reports submitted to Council | Submitting 100% functionality of Ward Committee meetings and reports to council to improve municipal responsiveness by 30 June 2023 | 100% 39 Functional ward committees / 39 ward committee meetings conducted, and 3 reports submitted to Council |  | 1st and 2nd quarter reports submitted simultaneously | | 100% and 4 reports submitted |




| DIRECTORATE: CORPORATE SUPPORT | | | | | | | | | |
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| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: POLITICAL OFFICES – OFFICE OF THE SPEAKER | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | Improved municipal responsiveness | | | | | |
| SPE3 | Percentage of wards that have held at least one councillor-convened community meeting | New indicator | 64% 39 x 2 Functional ward committees / 24 + 26 of councillor-convened community meeting. 2 Reports submitted to Council | Conducting at least 75% of one councillor-convened community meeting to improve municipal responsiveness by 30 June 2023 | 56% 39 Councillor-convened community meeting / 22 councillor-convened community meeting. 4 Reports submitted to Council |  | Not all Ward Councillors submit reports to the office after the community convened meetings | The Speaker to emphasize the importance of reports of community convened meetings | 75% and 4 reports submitted |
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: DIRECTOR CORPORATE SUPPORT | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the all the directorates KPI's are catered for | | | | | |
| DCS4 | Directorate's SDBIP inputs provided before the 2023/24 SDBIP is tabled | Credible 2021/22 SDBIP inputs provided | Credible 2022/23 SDBIP inputs provided | Providing the office's SDBIP inputs before the draft 2023/24 SDBIP is submitted by 31 May 2023 | Credible 2023/24 SDBIP inputs provided |  | - | - | Credible 2024/25 SDBIP inputs provided |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the set goals of council are achieved | | | | | |
| DCS6 | Number of SDBIP meetings with senior personnel in own directorate conducted | 12 SDBIP meetings conducted | 12 SDBIP meetings conducted | Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2023 | 12 SDBIP meetings conducted |  | - | - | 12 SDBIP meetings conducted |


| DIRECTORATE: CORPORATE SUPPORT | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: ADMINISTRATION | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To hold section 80 committees' meetings to ensure comply with legislation to take informed decisions | | | | | |
| ADM1 | Number of sec.80 committees' meetings (portfolio meetings) conducted | 33 (sec.80) committee meetings conducted | 41 (sec.80) committee meetings conducted | Conducting 81 (sec.80) committees' meetings (Portfolio Meetings) by 30 June 2023 | 81 (sec.80) committee meetings conducted |  | - | - | 90 (sec.80) committee meetings conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To conduct Mayoral Committee meetings to comply with legislation to align with political mandate | | | | | |
| ADM2 | Number of Mayoral Committee meetings conducted | 18 Mayoral Committee meetings conducted | 18 Mayoral Committee meetings conducted | Conducting 17 Mayoral Committee meetings (special meetings included) by 30 June 2023 | 20 Mayoral Committee meetings conducted |  | 3 additional Special Mayoral Committee meetings conducted to comply with legislative matters e.g. Eskom and Midvaal matters) | | 18 Mayoral Committee meetings conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure effective Council administration and compliance with legislation to convey feedback after considering political and community mandate | | | | | |
| ADM3 | Number of ordinary council meetings conducted | 17 Council meetings conducted | 20 Council meetings conducted | Conducting 17 Council meetings (special meetings included) by 30 June 2023 | 20 Council meetings conducted |  | 3 additional Special Mayoral Committee meetings conducted to comply with legislative matters e.g. Eskom and Midvaal matters) | | 18 Council meetings conducted |
| SECTION: POLITICAL OFFICES – OFFICE OF THE EXECUTIVE MAYOR | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To enhance public participation as per legislation to identify community needs and concerns and to inform the community of programmes of Council | | | | | |
| EM1 | Number of Imbizos conducted | New indicator | New indicator | Conducting 24 Imbizos in the Matlosana area by 30 June 2023 | 27 Imbizos conducted |  | The community requested the Executive Mayor to address more service delivery issues | | 24 Imbizos conducted |




| DIRECTORATE: CORPORATE SUPPORT | | | | | | | | | |
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| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: DIRECTOR CORPORATE SUPPORT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To comply with legal requirements (sec 116 of MSA) | | | | | |
| LEG1 | Contract management system managed, and relevant departments and service departments informed within 3 months of expiry of contracts | 39 Notices issued and contract register updated. Although contract register was updated monthly, it was only approved twice by Council due to COVID-19 | 41 Notices issued and contract register updated. 3 Progress reports submitted to Council | Managing the Contract Register of Council and informing relevant departments and service providers of expiry dates of contracts within 3 months of expiry of the contract by 30 June 2023 | No notices issued, as no SLAs were about to expire and contract register updated. 8 Progress reports submitted to Council |  | - | - | Notices issued. Updated Register. Progress report |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To comply with legal requirements (sec 116 of MFMA) | | | | | |
| LEG2 | Percentage of SLA are drafted to all allocated tenders, as received from Office of the Municipal Manager | 100% 77 SLAs received / 77 SLAs drafted | 100% 100 SLAs received / 100 SLAs drafted | Ensuring 100% SLA are drafted to all allocated tenders / projects as received from Office of the Municipal Manager by 30 June 2023 | 100% 91 SLAs received / 91 SLAs drafted |  | - | - | 100% SLA drafted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide litigation report to Council | | | | | |
| LEG3 | Number of litigation cases instituted by and against the municipality | New indicator | 4 Litigation reports submitted to Council | Reporting the number of litigation cases instituted by and against the municipality to Council by 30 June 2023 | 6 Litigation reports to Council |  | - | - | 4 Litigation reports to Council |




| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
|--|--|--|--|--|--|---|---|---|-------------------------------------|
| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: CHIEF FINANCIAL OFFICER | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To attend to all LLF meetings to ensure industrial harmony | | | | | |
| CFO5 | Number of LLF meetings attended | LLF meetings attended | 9 LLF meetings attended | Attending 8 LLF meetings by 30 June 2023 | 6 LLF meetings attended |  | The 27 October 2022 meeting was postponed due to SAMWU prior commitments. Unavailability of management due to year end procedures | The Municipal Manager to sensitized LLF stakeholders, about the importance of having meetings that quorate to resolve important organisational issues. Management to prioritize LLF meeting | 7 LLF meetings attended |
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: BUDGET AND TREASURY OFFICE | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | Ensure that all applicable budget related documents are published on the municipal website as required by the MFMA | | | | | |
| BUD11 | Number of budget related documents published | 9 Approved budget related documents published on the municipal website | 9 Approved budget related documents published on the municipal website | Publishing 9 approved budget related documents on the municipal website by 30 June 2023 | 9 Approved budget related documents published on the municipal website |  | - | - | 9 Approved budget related documents |



| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
|--|---|--|--|--|--|---|---|---|---------------------------------------|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: ASSET MANAGEMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that all municipal assets are accounted for | | | | | |
| ASS1 | 2021/22 Asset count completed and reported | 2019/20 Asset count completed and report to municipal manager | 2020/21 Asset count 100% completed and reported to municipal manager | Completing the 2021/22 asset count and submitting report to municipal manager by 30 June 2023 | 2021/22 Asset count completed and report to municipal manager |  | - | - | 2023/24 Asset count completed |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To enhance a clean audit | | | | | |
| ASS2 | 2021/22 Asset register 100% reconciled | 2019/20 Asset Register 100% reconciled by 31/08/2020 | 2020/21 Asset Register 100% reconciled by 31/08/2021 | Reconciling the 2021/22 asset register 100% to the financial statements by 31 August 2022 | 2021/22 Asset Register 100% reconciled |  | - | - | 2022/23 Asset Register 100% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To comply with GRAP17 | | | | | |
| ASS3 | Percentage of all identified assets on register | 100% Of all assets were registered in the asset register by 31/08/2020 | 100% Of all 2020/21 assets were registered in the asset register by 31/08/2021 | Ensuring that 100% of all identified assets are registered in the asset register (2021/22) by 31 August 2022 | 100% Of all 2021/22 assets were registered in the asset register by 31/08/2022 |  | - | - | 100% of all 2022/23 assets registered |
| SECTION: REVENUE MANAGEMENT | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To effectively do revenue collection to ensure sound financial matters | | | | | |
| REV11 | Rand value revenue collected from water sales | R259 998 774 collected | R504 293 223 collected | Collecting R666 461 432 from water sales (conventional meters) by 30 June 2023 | R591 220 888 collected |  | More consumers are not paying for water usage as they should be | Credit control actions needs to be taken for consumers not paying for water usage | R705 782 657 |




| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | | |
|--|--|---|---|---|---|---|--|--|------------------------|--|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | | |
| SECTION: REVENUE MANAGEMENT | | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year | |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To effectively do revenue collection to ensure sound financial matters | | | | | | |
| REV9 | Rand value revenue collected from electricity sales | R552 872 869 collected | R482 540 337 collected | Collecting R582 440 822 from electricity sales (conventional meters) by 30 June 2023 | R447 177 872 collected |  | Sales are dependent on the usage by consumers. Electricity tampering remains a problem | Electrical division must implement meter inspections for tampering. Extensive implementation of the credit control policy and hosting of awareness campaigns | R | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To effectively do revenue collection to ensure sound financial matters | | | | | | |
| REV10 | Rand value revenue collected from pre-paid electricity sales | R127 296 442 collected | R7 852 338 collected | Collecting R15 000 000 from pre-paid electricity sales by 30 June 2023 | R13 839 371 collected |  | Sales are dependent on the usage by consumers. Electricity tampering remains a problem | Electrical division must implement meter inspections for tampering. Extensive implementation of the credit control policy and hosting of awareness campaigns | R15 226 500 | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve the financial sustainability of the municipality and optimization of revenue | | | | | | |
| RM2 | Percentage of all identified incorrect billed properties corrected | 100% 938 Incorrect billed properties identified / 938 accounts corrected | 100% 6 279 Incorrect billed properties identified / 6 279 accounts corrected | Correcting at least 100% of all identified incorrect billed properties by 30 June 2023 | 100% 6 330 Incorrect billed properties identified / 6 330 accounts corrected |  | - | - | 100% | |



| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
|--|--|---|---|---|--|---|---|--|-----|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: REVENUE MANAGEMENT | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To improve the financial sustainability of the municipality and optimization of revenue | | | | | |
| RM3 | Percentage of consumer accounts levied before or on 25 of each month | 92% of all consumer accounts levied before or on the 25 th of each month | 58% of all consumer accounts levied before or on the 25 th of each month | Levying at least 75% of all consumer accounts before or on 25 of each month by 30 June 2023 | 33% of all consumer accounts levied before or on the 25 th of each month (12 Months / 4 months in which accounts were levied before or on 25 of each month) |  | Since the load shedding interruptions for the past 9 months which has caused the UPS not to function properly and it has resulted in shutting down the system every now and then, the billing timelines and procedures as planned for levy's run duration, could not be implemented | The generator was fixed in April and the request for procurement of solar panels and lithium batteries and inverter backup for the server room resolution was only signed on the 24 th of April 2023. Procurement and installation process took place in May and finalized ended of July 2023 | 66% |



| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
|--|---|---|--|---|--|---|---|---|--|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: EXPENDITURE MANAGEMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To control credit management to ensure timeous payment of creditors and service providers | | | | | |
| EXP1 | Percentage of payments within 30 days from date of invoice / statement | 7.37% settled | 6% settled | Settling at least 25% of all payments (creditors) done within 30 days of receipt of invoice / statement by 30 June 2023 | 5% settled |  | Eskom attached the grant funded investment accounts that results in delay of payments and expenditure | Revenue enhancement project will address the current status | 25% |
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: CHIEF FINANCIAL OFFICER | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the all the directorates KPI's are catered for | | | | | |
| CFO4 | Directorate's SDBIP inputs provided before the 2023/24 SDBIP is tabled | Credible 2021/22 SDBIP inputs provided | Credible 2022/23 SDBIP inputs provided | Providing the office's SDBIP inputs before the draft 2023/24 SDBIP is submitted by 31 May 2023 | Credible 2023/24 SDBIP inputs provided |  | - | - | Credible 2024/25 SDBIP inputs provided |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the set goals of council are achieved | | | | | |
| CFO6 | Number of SDBIP meetings with senior personnel in own directorate conducted | 7 SDBIP meetings conducted | 13 SDBIP meetings conducted | Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2023 | 11 SDBIP meetings conducted |  | Unavailability of management due to audit activities | Management to prioritize SDBIP meetings | 12 SDBIP meetings conducted |



| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: BUDGET AND TREASURY OFFICE | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To approve the budget to comply with legislation | | | | | |
| BUD5 | Number of 2023/24 Draft budgets approved | 2021/22 Draft budget approved CC 18/2021 dated 31/03/2021 | 2022/23 Draft Budget tabled CC44/2022 dated 30/03/2022 | Approving the 2023/24 draft budget in Council by 31 March 2023 | Draft 2023/24 Budget approved by Council. CC42/20223 dated 31/03/2023 |  | - | - | 2024/25 Draft budget approved by Council |
| SECTION: CENTRAL STORES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure necessary stock items to enhance service delivery | | | | | |
| CST1 | Percentage of all requested stock items (as per approved stock item list) be made available to the requesting department within 3 working days | New indicator | New indicator | Ensuring 75% of all requested stock items (as per approved stock item list) be made available to the requesting department within 3 working days by 30 June 2022 | 93% 879 received / 817 of stock issued with 3 working days |  | The procurement of some materials as stock items in the central stores assisted | | 75% |
| SECTION: SUPPLY CHAIN MANAGEMENT | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To comply with legal requirements (Section 29 of the SCM Regulation) (SCM Policy of CoM) | | | | | |
| SCM1 | Percentage of recommendations on tenders / projects of allocated tenders are approved | 94% 35 Recommended / 33 forwarded | 100% 25 Recommended / 25 forwarded | Ensuring 98% of all the recommendations on the allocated tenders / projects are forwarded to the Office of the Municipal Manager for approval, appointment letters and resolution by 30 June 2023 | 100% 11 Recommended / 11 forwarded |  | - | - | 98% |


| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: SUPPLY CHAIN MANAGEMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | Ensure that all supply chain management awards are published on the municipal website as required by the MFMA | | | | | |
| SCM2 | Percentage of supply chain management awarded contracts published on municipal website | 28% 60 Forwarded / 17 published | 100% 66 Forwarded / 66 Published | Forwarding 100% of all supply chain management contracts in terms of Section 75(1)(g) of the MFMA to the ICT section for publishing on the municipal website by 30 June 2023 | 100% 11 Forwarded / 11 published |  | - | - | 100% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To implement internal co-operation and controls to ensure compliance with legislation | | | | | |
| SCM3 | Percentage of bid committee process plan for each advertised specification compiled | 94% 51 Specifications documents received / 48 received specifications documents advertised within 14 working days | 100% 30 Specification Received / 30 Bid committee process plans compiled | Compiling 100% of bid committee process plan for each advertised specification by 30 June 2023 | 100% 27 Specification Received / 27 Bid committee process plans compiled |  | - | - | 100% |




| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
|--|---|--|--|--|--|---|---|--|------------------------|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: SUPPLY CHAIN MANAGEMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To implement Internal Co-operation and Controls to ensure compliance with legislation (Section 27 of SCM Regulation) | | | | | |
| SCM4 | Percentage of all received specifications documents advertised correctly within 14 days | 75% 73 Tender documents received / 55 successful evaluated within 45 working days | 81% 33 Specifications documents received / 27 received specifications documents advertised within 14 working days | Advertising 100% of all received specifications documents correctly within 14 days by 30 June 2023 | 94% 33 Specifications documents received / 31 received specifications documents advertised within 14 working days |  | Two documents were referred for correct tender descriptions | Adverts will be placed in the new year. Chairperson of the BSC to monitor that all recommended specification is advised within 14/ 21/ 30 days | 100% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To implement Internal Co-operation and Controls to ensure compliance with legislation (Section 28 of SCM Regulation) | | | | | |
| SCM5 | Percentage of received tender documents successful evaluated within 45 working days | 75% 73 Tender documents received / 55 successful evaluated within 45 working days | 100% 51 Tender documents received / 51 successful evaluated within 45 working days | Evaluating 100% of all received tender documents successful within 45 working days by 30 June 2023 | 100% 22 Tender documents received / 22 successful evaluated within 45 working days |  | - | - | 100% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To implement Internal Co-operation and Controls to ensure compliance with legislation (Section 29 of SCM Regulation) | | | | | |
| SCM6 | Percentage of all adjudicated tenders successful adjudicated within 45 working days | 87% 62 Tender documents received / 54 successful adjudicated within 45 working days | 97% 40 Tender documents received / 39 successful adjudicated within 45 working days | Adjudicating 100% of all adjudicated tenders successful within 45 working days by 30 June 2023 | 100% 26 Tender documents received / 26 successful adjudicated within 45 working days |  | - | - | 100% |





| DIRECTORATE: PUBLIC SAFETY | | | | | | | | | | |
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| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | | |
| SECTION: DIRECTOR PUBLIC SAFETY | | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year | |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To attend to all LLF meetings to ensure industrial harmony | | | | | | |
| DPS5 | Number of LLF meetings attended | 13 LLF meetings attended | 12 LLF meetings attended | Attending 8 LLF meetings by 30 June 2023 | 7 LLF meetings attended |  | The 27 October 2022 meeting was postponed due to SAMWU prior commitments | The Municipal Manager to sensitized LLF stakeholders, about the importance of having meetings that quorate to resolve important organisational issues | 7 LLF meetings attended | |
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | | |
| SECTION: LICENSING SERVICES | | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To effectively do revenue collection to ensure sound financial matters | | | | | | |
| LIS1 | Rand value revenue collected from driver's licenses | R8 560 380 collected | R8 906 583 collected | Collecting R8 700 000 from driver's licenses (excluding Prodiba fees) by 30 June 2023 | R7 242 491 collected |  | With the introduction of the computerised learners' license tests less applications were received with a smaller pass rate. Load shedding also has an effect | As applicant's get used to the computerised learners' tests, more applications will be received and passes will gradually increase | R8 700 000 collected | |




| DIRECTORATE: PUBLIC SAFETY | | | | | | | | | |
|--|---|---|-----------------------|---|-----------------------|---|---|--|------------------------|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: LICENSING SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To effectively do revenue collection to ensure sound financial matters | | | | | |
| LIS2 | Rand value revenue from vehicle registration and licensing / renewals | R14 934 246 collected | R15 796 102 collected | Collecting R16 719 152 commission from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income by 30 June 2023 | R15 897 221 collected |  | Vehicle licenses can now be renewed online, as well as anywhere in the province. Motorists prefer these options, as the services is now paperless and more convenient | RTMC should ease up on compliance at Licensing offices or regulate online services the same way Licensing is regulated | R17 605 267 collected |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To effectively do revenue collection to ensure sound financial matters | | | | | |
| LIS3 | Rand value revenue collected from motor vehicle testing | R1 051 416 collected | R1 138 818 collected | Collecting R1 253 720 from Motor Vehicle Testing by 30 June 2023 | R1 081 596 collected |  | The machinery and equipment at both Klerksdorp & Orkney testing stations are old and becoming redundant, it breaks down frequently and jeopardizes service delivery and revenue collection. Allocation for repairs was done in the 2022/23 budget but the process of the order could not be finalized before year end | Funds have been allocated to replace and repair some of the equipment and machinery at Klerksdorp and Orkney in the 2023/24 FY | R1 320 167 collected |




| DIRECTORATE: PUBLIC SAFETY | | | | | | | | | |
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| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: LICENSING SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To effectively do revenue collection to ensure sound financial matters | | | | | | |
| LIS4 | Rand value revenue collected from businesses, hawkers and stands | R490 960 collected | R177 420 collected | Collecting R305 240 from businesses / hawkers and stands by 30 June 2023 | R244 140 collected |  | Powers of issuing business licences were taken over by Province on the introduction of new NW Business Act of 2019. From 6 March 2023 operations on all business license services were stopped in terms of the new Act | Council has to investigate if the municipality can apply to province to become a business license authority | R55 518 collected |
| SECTION: TRAFFIC AND SECURITY SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To collect revenue to ensure sound financial matters | | | | | | |
| TRA4 | Rand value revenue collected from warrants of arrest | R799 282 collected | R175 375 collected | Collecting R1 100 000 from warrant of arrests by 30 June 2023 | R1 096 670 collected |  | The unit was more tasked with other special crime prevention commitments | The visit to homes of the offenders will be intensified after hours to trace and collect from the offenders | R1 158 300 collected |




| DIRECTORATE: PUBLIC SAFETY | | | | | | | | | |
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| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: TRAFFIC AND SECURITY SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To effectively do revenue collection to ensure sound financial matters | | | | | |
| TRA3 | Rand value revenue collected from outstanding traffic fines | R684 620 collected | R1 119 611 collected | Collecting R3 000 000 from traffic fines by 30 June 2023 | R1 605 433 collected |  | The legal processes to ensure that offenders are accountable for transgressions should be finalized. The lack of suitable Speed and Red-light Cameras and Traffic Contravention System to record traffic contravention | The appointment of a suitable back office service provider who will compliant to RTMC (Road Traffic Management Cooperation, ARRTO act) who will ensuring that Road Traffic offences are adjudicated in terms of the act which has recently been given a green light after been legally challenged by OUTA, will allow for the suspension from E-Natis transactions of any motorist with the outstanding traffic fines | R1 500 000 collected |




| DIRECTORATE: PUBLIC SAFETY | | | | | | | | | |
|--|---|---|--|--|--|---|---|---|--|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: DIRECTOR PUBLIC SAFETY | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the all the directorates KPI's are catered for | | | | | |
| DPS4 | Directorate's SDBIP inputs provided before the 2023/24 SDBIP is tabled | Credible 2021/22 SDBIP inputs provided | Credible 2022/23 SDBIP inputs provided | Providing the office's SDBIP inputs before the draft 2023/24 SDBIP is submitted by 31 May 2023 | Credible 2023/24 SDBIP inputs provided |  | - | - | Credible 2024/25 SDBIP inputs provided |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the set goals of council are achieved | | | | | |
| DPS6 | Number of SDBIP meetings with senior personnel in own directorate conducted | 11 SDBIP meetings conducted | 12 SDBIP meetings conducted | Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2023 | 12 SDBIP meetings conducted |  | - | - | 12 SDBIP meetings conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To promote community safety | | | | | |
| DPS7 | Number of community safety campaigns conducted | 2 Community safety campaigns conduct | 9 Community safety campaigns conduct | Conducting 8 community safety campaigns in the CoM municipal area according to programme by 30 June 2023 | 7 Community safety campaigns conduct |  | The financial year of the Department of Transportation and Community Safety commenced in April, therefor no activities and events scheduled for March - the Department financed the campaigns | To source own funding to assist with the running of the campaigns | 8 Community safety campaigns conduct |



| DIRECTORATE: PUBLIC SAFETY | | | | | | | | | |
|--|--|--|--|--|---|---|----------------------|---------------------------------------|---|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: FIRE AND DISASTER MANAGEMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To adhere to Fire Codes and Regulations and comply with fire codes (SANS) and regulations | | | | | |
| FIR1 | Number of fire inspections conducted | 901 General fire inspections conducted | 900 General fire inspections conducted | Conducting 900 general fire inspections according to programme in the CoM municipal area by 30 June 2023 | 900 General fire inspections conducted |  | - | - | 900 General fire inspections conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To promote fire safety | | | | | |
| FIR2 | Number of ward sessions conducted | 4 Fire prevention information sessions conducted | 8 Fire prevention information sessions conducted | Conducting 12 fire prevention information sessions according to programme in identified wards by 30 June 2023 | 12 Fire prevention information sessions conducted |  | - | - | 12 Fire prevention information sessions conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To promote fire safety | | | | | |
| FIR3 | Number of fire safety campaigns conducted at schools | 3 Fire safety campaigns conducted | 3 Fire safety campaigns conducted | Conducting 8 fire safety campaigns for schools in the CoM municipal area according to programme by 30 June 2023 | 8 Fire safety campaigns conducted |  | - | - | 8 Fire safety campaigns conducted |
| SECTION: TRAFFIC AND SECURITY SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To promote road safety | | | | | |
| TRA1 | Number of (K78) multi roadblocks | 17 (K78) multi roadblocks conducted | 15 (K78) multi roadblocks conducted | Conducting 20 (K78) multi roadblocks with all law enforcement agencies in the CoM municipal area by 30 June 2023 | 20 (K78) multi roadblocks conducted |  | - | - | 20 (K78) multi roadblocks conducted |




| DIRECTORATE: PUBLIC SAFETY | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: TRAFFIC AND SECURITY SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To promote road safety | | | | | |
| TRA2 | Number of traffic and road safety campaigns conducted at schools and crèches | Due to Covid-19, it was removed from SDBIP | 37 Safety campaigns conducted | Conducting 44 traffic and road safety campaigns at schools and crèches in the CoM municipal area according to programme by 30 June 2023 | 44 Safety campaigns conducted |  | - | - | 44 Safety campaigns conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure the safety of council property and employees by monitoring the performance of private security service providers on contract with the municipality | | | | | |
| SEC1 | Number of performance meetings conducted with private security service providers on contract with the council to ensure the compliance with the SLA | 10 Performance meetings conducted | 12 Performance meetings conducted | Conducting 12 performance meetings with private security service providers on contract with council to ensure the compliance with the SLA by 30 June 2023 | 11 Performance meetings conducted |  | The December 2022 meeting did not take place due to unavailability of managers during the festive season | That the December meetings in future be scheduled earlier | 12 Performance meetings conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure the safety of council property and employees to strengthen the security systems in the council | | | | | |
| SEC2 | Number of 4 Security Forum meetings conducted with council departments to strengthen the security systems in the council | Security Forum established, therefore no Security Forum meeting conducted | No Security Forum meeting conducted | Conducting 4 Security Forum meetings with council departments to strengthen the security systems in the council by June 2023 | 1 Security Forum meeting conducted |  | No participation by other Council departments to improvement security, due to multiple meetings | The matter has been elevated to the office of the MISS Manager | 4 Security Forum meetings conducted |



| DIRECTORATE: COMMUNITY DEVELOPMENT | | | | | | | | | |
|--|---|--|--|--|--|---|--|---|-----------------------------------|
| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: DIRECTOR COMMUNITY DEVELOPMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To attend to all LLF meetings to ensure industrial harmony | | | | | |
| DCD5 | Number of LLF meetings attended | 12 LLF meetings attended | 12 LLF meetings attended | Attending 8 LLF meetings by 30 June 2023 | 7 LLF meetings attended |  | The 27 October 2022 meeting was postponed due to SAMWU prior commitments | The Municipal Manager to sensitized LLF stakeholders, about the importance of having meetings that quorate to resolve important organisational issues | 7 LLF meetings attended |
| SECTION: PARKS AND CEMETERIES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To advance aviation facilities to the community and to comply with legislation | | | | | |
| PAR1 | Number of annual PC Pelser Airport licenses renewed | PC Pelser Airport license renewed. R4 880 paid | PC Pelser Airport license renewed. R5 130 paid | Renewing the annual PC Pelser Airport license to obtain authority to operate an airport by 30 June 2023 R6 979 | PC Pelser Airport license renewed. R5 130 paid |  | - | - | PC Pelser Airport license renewed |
| SECTION: OCCUPATIONAL HEALTH SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To enhance healthy lifestyles and improve health of employees | | | | | |
| OHC1 | Number of health promotions programmes conducted | 76 Health programmes conducted | 8 Health programmes conducted | Conducting 8 health promotions programmes as identified by 30 June 2023 | 8 Health programmes conducted |  | - | - | N/A |




| DIRECTORATE: COMMUNITY DEVELOPMENT | | | | | | | | | |
|--|---|---|---|---|---|---|----------------------|---------------------------------------|---|
| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: OCCUPATIONAL HEALTH SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure compliance with Compensation of Occupational and Injuries Deases Act (COIDA) to prevent legal litigations | | | | | |
| OHC2 | Annual COIDA assessment process administrated | Return of Earnings received. COIDA payment finalized. Letter of good standing received. R2 826 453 paid | Return of Earnings received. COIDA payment finalized. Awaiting letter of good standing. R2 766 181 paid | Administrating the annual COIDA assessment process by 30 June 2023 R3 458 400 | Return of Earnings received. COIDA payment finalized. Letter of Good Standing received. R3 265 950 paid |  | - | - | Return of Earnings received. COIDA payment finalized. Letter of Good Standing received. |
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: DIRECTOR COMMUNITY DEVELOPMENT | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the all the directorates KPI's are catered for | | | | | |
| DCD4 | Directorate's SDBIP inputs provided before the 2023/24 SDBIP is tabled | Credible 2021/22 SDBIP inputs provided | Credible 2022/23 SDBIP inputs provided | Providing the office's SDBIP inputs before the draft 2023/24 SDBIP is submitted by 31 May 2023 | Credible 2023/24 SDBIP inputs provided |  | - | - | Credible 2024/25 SDBIP inputs provided |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the set goals of council are achieved | | | | | |
| DCD6 | Number of SDBIP meetings with senior personnel in own directorate conducted | 12 SDBIP meetings conducted | 12 SDBIP meetings conducted | Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2023 | 12 SDBIP meetings conducted |  | - | - | 12 SDBIP meetings conducted |




| DIRECTORATE: COMMUNITY DEVELOPMENT | | | | | | | | | |
|--|--|---|--|--|---|---|-----------------------|---------------------------------------|---|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: PARKS AND CEMETERIES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To manage the airport effectively to comply with legislation | | | | | |
| PAR2 | Number of inspections conducted at the PC Pelser Airport | 12 PC Pelser Airport inspections conducted | 12 PC Pelser Airport inspections conducted | Conducting 12 inspections at PC Pelser Airport to ensure aviation safety by 30 June 2023 | 12 PC Pelser Airport inspections conducted |  | - | - | 12 PC Pelser Airport inspections conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To enhance and conserves the biodiversity in the City of Matlosana area | | | | | |
| PAR3 | Percentage of biodiversity priority area within the municipality protected | New indicator | 100% Biodiversity area 100% done (484 Game conserved / 484 Game Counted). Grading of fire breaker done | Protecting 100% of the biodiversity area in the City of Matlosana area in terms of game counting and grading of fire breaker by 30 June 2023 | 100% Biodiversity area 100% done (515 Game conserved / 515 Game Counted). Grading of fire breaker done. R72 388 |  | - | - | 100% |
| SECTION: LIBRARY SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To present awareness programmes by promoting library awareness amongst adults, learners and youth | | | | | |
| LIB3 | Number of awareness programmes presented at libraries and other venues | 98 Programmes / events presented | 111 Awareness Programmes / events presented | Presenting 207 awareness programmes at libraries and other venues in the CoM municipal area by 30 June 2023 | 261 Awareness programmes / events presented |  | The demand was higher | | 288 Awareness programmes / events presented |



| DIRECTORATE: COMMUNITY DEVELOPMENT | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: REFUSE REMOVAL SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To purchase mass containers to enhance efficiency in new promulgated areas and replace old / broken containers | | | | | |
| REF2 | Number of plastic containers (85ℓ) for the Matlosana area purchased and distributed | New indicator | 5 000 x 85ℓ Dustbins distributed. 3 530 x 85ℓ Dustbins purchased and distributed | Purchasing and distributing 2 119 x 240ℓ dustbins for new promulgated areas and replacement of old / broken containers and purchase 1 271-wheel bins axels to replace broken wheel axels of 240ℓ dustbins in the Matlosana area by June 2023 | 2 119 x 240ℓ Dustbins purchased and distributed. 1 271 Wheel bins axels purchased |  | - | - | R2 000 000 |
| SECTION: MUSEUM AND HERITAGE SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide an educational service | | | | | |
| MUS1 | Number of consultation sessions conducted | 52 Consultation sessions conducted | 55 Consultation sessions conducted | Conducting at least 75 consultation sessions with educators, students, researchers, and general public upon request to promote heritage awareness and disseminate educational content by 30 June 2023 | 75 Consultation sessions conducted |  | The demand was higher | | 75 Consultation sessions conducted |





| DIRECTORATE: COMMUNITY DEVELOPMENT | | | | | | | | | |
|--|--|--|--|--|--|---|----------------------|---------------------------------------|--|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: MUSEUM AND HERITAGE SERVICES | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide an educational service | | | | | |
| MUS2 | Number of lifelong skills development programs presented | 6 Lifelong skills development programs presented / facilitated | 8 Lifelong skills development programs presented / facilitated | Presenting / facilitating at least 8 lifelong skills development programs to adults and youth to empower them to develop entrepreneurial and life skills by 30 June 2023 | 8 Lifelong skills development programs presented / facilitated |  | - | - | 8 Lifelong skills development programs presented / facilitated |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide an educational service | | | | | |
| MUS3 | Number of educational programs presented | 79 Educational programs presented | 27 Educational programs presented | Presenting at least 40 educational programs to learners and adults to expand their knowledge of SA history and cultural heritage in general and that of CoM municipal area in particular by 30 June 2023 | 40 Educational programs presented |  | - | - | 45 Educational programs presented |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide an educational service | | | | | |
| MUS4 | Number of heritage awareness projects convened | 6 Heritage awareness projects convened | 5 Heritage awareness projects convened | Convening 5 heritage awareness projects to disseminate knowledge regarding heritage and promote cultural heritage and national unity by 30 June 2023 | 5 Heritage awareness projects convened |  | - | - | 8 Heritage awareness projects convened |




| DIRECTORATE: COMMUNITY DEVELOPMENT | | | | | | | | | |
|--|---|---|--|---|--------------------------------------|---|---|--|------------------------------------|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: SPORT AND RECREATION | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To ensure sound sport administration | | | | | | |
| SPO1 | Number of sport council meetings held | 3 Sport council meetings conducted | 3 Sport council meetings conducted | Conducting 2 sport council meetings to ensure the smooth running of sport clubs by 30 June 2023 | 1 Sport council meeting conducted |  | 4 Sport council meetings were scheduled, but 3 did not take place as there were no quorum and members were not adhering to the invitation | Council took a resolution to dissolve the current Sport Council and to elect an interim Committee. MayCo95/2023 dated 22/03/2023 | 4 Sport council meetings conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To co-ordinating sport events in collaboration with sport clubs, federations and non-governmental organisations to develop sport in the CoM municipal area | | | | | | |
| SPO2 | Number of sport events in collaboration with sport clubs, federations and non-governmental organisations co-ordinated | 2 Sport events co-ordinated. R0 | 3 Sport events co-ordinated. R0 | Co-ordinating 4 sport events in collaboration with sport clubs, federations, and non-governmental organisations to ensure the promotion of sport in the CoM municipal area by 30 June 2023 R150 000 | 4 Sport events co-ordinated. R95 273 |  | - | - | 4 Sport events co-ordinated. |



| DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS | | | | | | | | | |
|--|---|---|--------------------------|--|-------------------------|---|--|---|------------------------------|
| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To attend to all LLF meetings to ensure industrial harmony | | | | | |
| DPHS5 | Number of LLF meetings attended | 12 LLF meetings attended | 12 LLF meetings attended | Attending 8 LLF meetings by 30 June 2023 | 7 LLF meetings attended |  | The 27 October 2022 meeting was postponed due to SAMWU prior commitments | The Municipal Manager to sensitized LLF stakeholders, about the importance of having meetings that quorate to resolve important organisational issues | 7 LLF meetings attended |
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: TOWN-PLANNING AND BUILDING SURVEY | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To collect revenue to ensure sound financial matters | | | | | |
| BS4 | Rand value revenue collected from building plan application | R930 884 collected | 75 165 collected | Collecting at least 80% of R1 154 462 from building plan applications by 30 June 2023 (R923 570) | R935 540 collected |  | The section streamlined internal processes to shorten turnaround times | | 80% of R1 215 648 (R972 518) |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To collect revenue to ensure sound financial matters | | | | | |
| TP2 | Rand value revenue collected from land use / development applications | R201 214 collected | R285 620 collected | Collecting 65% of R393 235 from land use / development applications by 30 June 2023 (R255 603) | R350 645 collected |  | The section streamlined internal processes to shorten turnaround times | | 60% of R414 076 (R248 446) |




| DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS | | | | | | | | | |
|--|---|---|--|--|---|---|--|---|--|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: DIRECTOR PLANNING AND HUMAN SETTLEMENTS | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the all the directorates KPI's are catered for | | | | | |
| DPHS4 | Directorate's SDBIP inputs provided before the 2023/24 SDBIP is tabled | Credible 2021/22 SDBIP inputs provided | Credible 2022/23 SDBIP inputs provided | Providing the office's SDBIP inputs before the draft 2023/24 SDBIP is submitted by 31 May 2023 | Credible 2023/24 SDBIP inputs provided |  | - | - | Credible 2024/25 SDBIP inputs provided |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the set goals of council are achieved | | | | | |
| DPHS6 | Number of SDBIP meetings with senior personnel in own directorate conducted | 12 SDBIP meetings conducted | 12 SDBIP meetings conducted | Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2023 | 12 SDBIP meetings conducted |  | - | - | 12 SDBIP meetings conducted |
| SECTION: HOUSING SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To address the housing backlog | | | | | |
| HOU3 | Number of old municipal housing stock transferred | 400 Verification completed. No Title Deeds distributed yet. R0 | 205 Applications verification forms submitted to the Attorney, but only 183 Title Deeds Registered from the old municipal housing stock. R1 060 | Transferring at least 122 old municipal housing stock by 30 June 2023 R39 903 | Forward 122 applications to attorney. 76 Title Deeds received from attorneys. 76 Transfers completed. R0 |  | Undue delays in tracing lost Deeds. Adverts are first placed in the Newspapers, to locate the lost Deeds in terms of the Deed Registries Act of 1937 | A new, more sufficient system introduced. The Provincial Department will capture first time transfers on HSS, and an Attorney appointed by the Department directly completes the transfer and registration on the approval status of the beneficiary on HSS | Registering 400 beneficiaries |




| DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS | | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
| SECTION: HOUSING SERVICES | | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year | |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To register Matlosana Housing needs beneficiaries to establish the current housing backlog | | | | | | |
| HOU2 | Number of needs registered on the Matlosana Housing Needs Register | 2 200 Needs registered | 2 670 Needs registered | Registering 5 000 beneficiaries on the Matlosana Housing needs register for housing opportunities by 30 June 2023 | 4 172 Needs registered |  | The Online Central System has been disrupted by load shedding. The capturing cannot happen at the speed and consistency required | To implement flexi working hours, for Officials to remain home and capture on the laptops during load shedding at the main building. Also requested additional laptops | 400 Needs registered | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To develop sustainable Human Settlements | | | | | | |
| HOU4 | Number of informal settlements assessed (enumerated and categorised) in the Matlosana area | New indicator | 3 Settlements (Jouberton extension 24 squatters (Waterfall), Kanana Ext 5 and Jouberton extension 25 squatters (Freedom Square) assessed - 2 439 Households enumerated. Developer must enumerate and classify Matlosana Estate extension 10 (Meiringspark Jacaranda squatters) | Assessing at least 1 informal settlement (enumerated and categorised) at Dominionville by 30 June 2023 | The Dominionville assessment (enumerated and classified) were not conducted. No report to Council |  | The Community has been objecting to anything other than a confirmation of land ownership change from Shivu Uranium, to unlock the development potential of their Settlement. Funding was requested during the Adjustment Budget, but not approved for the 2022/23 FY | More meetings to be arranged with the community to explain the process of relocation | Dominionville assessment | |




| DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS | | | | | | | | | |
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| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: LAND AFFAIRS | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | Administer the applications for acquisition of municipal land to ensure the access of land for various uses | | | | | |
| LAN1 | Percentage of applications for equations of municipal land administered and finalised | 45% 202 Acquisition applications received / 91 Resolved | 58% 246 Acquisition applications received / 143 Resolved | Administering and finalizing at least 85% of all acquisition applications by 30 June 2023 | 92% 316 Acquisition applications received / 292 Resolved |  | Priority was given to unresolved cases | | 90% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To update and maintain a credible register of all land leases, monitoring validity and escalations | | | | | |
| LAN2 | Percentage of all lease applications received and finalised | 48.6 % 107 Received / 52 Resolved | 40% 114 Lease applications received / 46 applications finalised | Processing and finalising at least 85% of all lease applications within 90 days by 30 June 2023 | 95% 113 Acquisition applications received / 107 Resolved |  | Priority was given to unresolved cases | | 90% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To monitor income generating facilities and to reconciled leased land owned by the municipality | | | | | |
| LAN3 | Number of compliance inspections on land leased for agricultural purposes conducted | 12 Compliance inspections conducted | 12 Compliance inspections conducted | Conducting 12 compliance inspections on land leased for agricultural purposes by 30 June 2023 | 12 Compliance inspections conducted |  | - | - | 12 Compliance inspections conducted |
| SECTION: TOWN-PLANNING AND BUILDING SURVEY | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that land use applications are processed within 90 days | | | | | |
| TP1 | Percentage of land use applications received, paid for, and finalised within the legislated timeframe of 90 days from the date of submission | 100% 186 Applications received / 186 applications finalised | 95% 172 Applications received / 164 applications finalised | Finalising at least 95% of all land use applications within 90 days by 30 June 2023 | 100% 368 Applications received / 368 applications finalised |  | The section streamlined internal processes to shorten turnaround times | | 96% |




| DIRECTORATE: PLANNING AND HUMAN SETTLEMENTS | | | | | | | | | |
|--|--|--|---|--|---|---|---|---------------------------------------|------------------------|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: TOWN-PLANNING AND BUILDING SURVEY | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure compliance with building regulations, standards, and Municipal By-Laws | | | | | |
| BS1 | Percentage of building contravention (to prevent submitting for legal action within 6 weeks from detection) resolved | 52.7% 146 Received / 77 Resolved | 60% 233 Building contravention received / 142 resolved | Resolving at least 65% of conducted building inspections to monitor and enforce compliance with the building regulations and standards across the CoM municipal area by 30 June 2023 | 90,7% 206 detected / 187 resolved |  | A Court Application has been filed at the High Court to resolve the many reported cases on non-compliance. Result efficiency in detection to the actual prosecution of all the non-compliance matters | | 75% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that building plans are assessed within 30 working days | | | | | |
| BS2 | Percentage of all building plans assessed within 30 days from receipt of application and payment to finalisation of assessment | 95.2% 1 044 Received / 994 Resolved | 98,62% 944 of plans received / 931 of plans assessed | Receiving and assessing at least 98% of all building plan applications within the legal stipulated timeframe of 30 working days by 30 June 2023 | 99,5% 595 Plans received / 606 plans assessed |  | The section streamlined internal processes to shorten turnaround times | | 96% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To attend to all requests for building inspections | | | | | |
| BS3 | Percentage of building inspections conducted within 32 working hours from the time of request of appointment | 100% 1 377 Inspections booked / 1 377 attended to | 100% 2 271 Inspections booked / 2 271 attended to | Ensuring that least 100% of all building inspection requests are attended to by 30 June 2023 | 100% 2 793 Plans received / 2 793 plans assessed |  | - | - | 100% |



| DIRECTORATE LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
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| KEY PERFORMANCE AREA 2: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION | | | | | | | | | |
| SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To attend to all LLF meetings to ensure industrial harmony | | | | | | |
| DLED5 | Number of LLF meetings attended | 12 LLF meetings attended | 11 LLF meetings attended | Attending 8 LLF meetings by 30 June 2023 | 7 LLF meetings attended |  | The 27 October 2022 meeting was postponed due to SAMWU prior commitments | The Municipal Manager to sensitized LLF stakeholders, about the importance of having meetings that quorate to resolve important organisational issues | 7 LLF meetings attended |
| SECTION: MARKETING AND COMMUNICATION | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To distribute internal & external newsletters to ensure transparency with Council affairs | | | | | | |
| COM3 | Number of internal newsletters compiled & distributed to all employees of Council | 6 Internal newsletters compiled and distributed | 6 Internal newsletters compiled and distributed | Compiling & distributing 6 internal newsletters to all employees of Council by 30 June 2023 | 6 Internal newsletters compiled and distributed |  | - | - | 6 Internal newsletters compiled and distributed |

| DIRECTORATE LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
|--|--|--|--|---|--|---|---|--|---------------------------------------|
| KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
| SECTION: LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To conduct consultations meeting to share information with all relevant stakeholders aimed at the economic revitalisation of these areas to support the development of Small Enterprises, cooperatives and Small, Micro and Medium Enterprises (SMMEs), to grow | | | | | |
| LED3 | Number of LED consultation meetings conducted with stakeholders | 12 LED consultation meetings conducted | 12 LED consultation meetings conducted | Conducting 4 LED consultation meetings with stakeholders by 30 June 2023 | 4 LED consultation meetings conducted |  | - | - | 4 LED consultation meetings conducted |
| SECTION: FRESH PRODUCE MARKET | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide an enabling environment at the Matlosana Fresh Produce Market and to comply with legislation | | | | | |
| FPM2 | Number of OHS recommendation implemented at the FPM to ensure a regulatory environment | 83% 12 recommendations received / 10 resolved | 50% 0 new recommendations received. 2 Rolled over / 1 resolved | Resolving at least 80% of all Occupational Health & Safety recommendation by 30 June 2023 | 0% 0 new recommendations received. 1 Rolled over from 2021/22 / 0 resolved |  | The Fresh Produce Market need to be deep cleansed. The Cleansing Machine tender is advertised on 8 June 2023 to address the finding | Finalise tender and appoint a service provider | 80% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To facilitate the Matlosana Agricultural Production and Fresh Produce Market in terms of food security and to provide a trading platform | | | | | |
| FPM4 | Number of Matlosana Agricultural markets (Farmers Market) facilitated | New indicator | New indicator | Facilitating the implementation of 2 Matlosana Agricultural markets (Farmers Market) by 30 June 2023 | 2 Farmers Markets facilitated |  | - | - | N/A |

| DIRECTORATE LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
|--|---|---|---|--|--|---|---|---------------------------------------|------------------------|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: MARKETING AND COMMUNICATION | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To increase marketing initiatives in all sectors for local economic development and growth and the expansion of the tourism sector | | | | | |
| COM1 | Rand value spent on marketing activities | Branding material purchased. Matlosana newspapers printed, and media communication conducted R322 490 spent | Branding material. Matlosana newspapers printed, and media communication conducted R608 336 | Spending R650 865 on marketing activities according to Marketing Plan by 30 June 2023 | Branding material. Matlosana newspapers printed, and media communication conducted R386 500 spent |  | Unfortunately, orders closed earlier than expected. Poor planning | Ensure proper planning in future | R688 615 spent |
| SECTION: FRESH PRODUCE MARKET | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To promote the fresh produce market to ensure a well-informed community | | | | | |
| FPM3 | Rand value spent on fresh produce market programmes | R149 000 spent | Marketing material (branded diaries) purchased. R23 850 spent | Spending on fresh produce market programmes by 30 June 2023 | Market billboards & signage, calendars for farmers Market Day; Branded memory sticks and magnetic market info; Tents for Farmers Market Day R146 230 |  | - | - | R211 600 spent |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To collect revenue to ensure financial sustainability | | | | | |
| FPM5 | Rand value revenue collected from rental estate | R1 384 811 collected | R781 007 collected | Collecting R1 200 000 from rental estate by 30 June 2023 | R1 261 640 collected |  | - | - | R1 263 600 collected |

| DIRECTORATE LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
|--|--|---|-----------------------|--|-----------------------|---|---|---------------------------------------|------------------------|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: FRESH PRODUCE MARKET | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To collect revenue to ensure financial sustainability | | | | | |
| FPM6 | Rand value revenue collected from ripening and cooling rooms | R1 408 015 collected | R 1 414 788 collected | Collecting R1 500 000 from ripening & cooling rooms by 30 June 2023 | R1 803 772 collected |  | - | - | R1 579 500 collected |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To collect revenue to ensure financial sustainability | | | | | |
| FPM7 | Rand value revenue collected from market commission (dues) | R19 749 348 collected | R16 645 610 collected | Collecting R18 864 000 from market commission (dues) by 30 June 2023 | R19 959 610 collected |  | - | - | R19 863 792 collected |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To collect revenue to ensure financial sustainability | | | | | |
| FPM8 | Rand value revenue collected from rental of carriages | R250 136 collected | R86 313 collected | Collecting R150 000 from rental of carriages by 30 June 2023 | R148 919 collected |  | Rental carriages are booked on request and need | N/A | R157 950 collected |




| DIRECTORATE LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
|--|--|---|---|---|---|---|--|--|--|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: DIRECTOR LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the all the directorates KPI's are catered for | | | | | |
| DLED4 | Directorate's SDBIP inputs provided before the 2023/24 SDBIP is tabled | Credible 2021/22 SDBIP inputs provided | Credible 2022/23 SDBIP inputs provided | Providing the office's SDBIP inputs before the draft 2023/24 SDBIP is submitted by 31 May 2023 | Credible 2023/24 SDBIP inputs provided |  | - | - | Credible 2024/25 SDBIP inputs provided |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that the set goals of council are achieved | | | | | |
| DLED6 | Number of SDBIP meetings with senior personnel in own directorate conducted | 12 SDBIP meetings conducted | 12 SDBIP meetings conducted | Conducting 12 SDBIP meetings with senior personnel in own directorate by 30 June 2023 | 10 SDBIP meetings conducted |  | It was impossible to arrange additional meetings as planned to deal with backlog due to Directors tight schedule | In future planning will be improved to ensure that meeting is held as expected | 12 SDBIP meetings conducted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To promote employment, advance social and economic welfare, contribute to transforming the mining industry and ensure that mining companies contribute to the development of the areas where they operate | | | | | |
| DLED7 | Number of reports on Corporate Social Investment /Social Labour Plan projects implemented submitted to Council | The Social Labour Plan Projects confirmed with Harmony. 3 Reports regarding the Social Labour Plan submitted, but not approved by Council | 4 Reports regarding the Social Labour Plan submitted to the Municipal Manager | Submitting 4 reports on Corporate Social Investment /Social Labour Plan projects implemented to Council by 30 June 2023 | 3 Reports regarding the Social Labour Plan submitted to Council |  | As there was no additional progress from the 2nd quarter, the 3rd quarter report was not submitted | N/A | 4 Reports |







| DIRECTORATE LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
|--|--|---|---|--|--|---|---|---|---|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: MARKETING AND COMMUNICATION | | | | | | | | | |
| Operational and Compliance | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To promote the city and communicate programmes to ensure a well-informed community | | | | | |
| COM2 | Number of external newsletters compiled and distributed regarding Council affairs to the community | 6 External newsletters compiled and distributed | 6 External newsletters compiled and distributed | Compiling and distributing 6 external newsletters regarding Council affairs to the community by 30 June 2023 | 6 External newsletters compiled and distributed |  | - | - | 6 External newsletters compiled and distributed |
| SECTION: FRESH PRODUCE MARKET | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide an enabling environment at the Matlosana Fresh Produce Market and to comply with legislation | | | | | |
| FPM1 | The Fresh Produce Market Policy reviewed and approved | Draft Market By-Law was submitted to the subcommittee for consideration | Not achieved | Reviewing and approving the Fresh Produce Market Policy by 31 March 2023 | Reviewing and approving the Fresh Produce Market Policy not done |  | The Fresh Produce Market Policy was submitted, but not addressed at the policy workshop held on 14th and 15th June 2023 | To workshop the policy as per planned monthly policy workshop scheduled for July 2023 | Fresh Produce Market Turnaround Strategy |



11





Outcome 9 Indicators from National Government




Chapter 3



| SERVICE DELIVERY | | | | | | | | | |
|---|--|--|--|--|---|---|--|---|------------------------------|
| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
| Roads and Storm-Water Drainage (KPA 1: Service Delivery & Infrastructure Development) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To grade roads to maintain the existing road infrastructure | | | | | |
| ROA1 | Kilometres roads graded in the CoM municipal area | 78.782 Km roads graded. R2 833 656 | 100,015 Km roads graded. R7 356 527 | Grading of 120 km roads in the Matlosana area as per maintenance programme by 30 June 2023 R8 157 092 | 120 Km roads graded. R7 556 521 |  | - | - | 100 Km roads graded |
| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
| OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES | | | | | | | | | |
| Financial Management (KPA 2: Municipal Institutional Development and Transformation) | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure an effective external audit process (Exception report) | | | | | |
| MM2 | Percentage of external audit queries answered within required time frame | | 100% 5 AG exception queries received / 5 answered | Answering 100% of all the directorate's audit queries (exception report / communications) received from the Auditor-General within the required time frame by 31 December 2022 | 98% 47 AG exception queries received / 46 answered |  | Finding was issued by AG just before finalisation of the audit | To ensure that all queries are responded to within the agreed timeframe | 100% |
| DT11 | | 100% 5 AG exception queries received / 5 answered | 100% 2 AG exception queries received / 2 answered | | 100% 2 AG exception queries received / 2 answered |  | - | - | 100% |



| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
|--|--|--|---|--|---|---|---|---|------|
| OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES | | | | | | | | | |
| Financial Management (KPA 2: Municipal Institutional Development and Transformation) | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | | | | | | |
| DCS1 | Percentage of external audit queries answered within required time frame | 100% 3 AG exception queries received / 3 answered | 100% 5 AG exception queries received / 5 answered | Answering 100% of all the directorate's audit queries (exception report / communications) received from the Auditor-General within the required time frame by 31 December 2022 | 100% 7 AG exception queries received / 7 answered |  | - | - | 100% |
| CFO1 | | 100% 129 AG exception queries received / 129 answered | 97% 79 AG exception queries received / 77 answered | | 100% 81 AG exception queries received / 81 answered |  | - | - | 100% |
| DPS1 | | No AG queries received | No AG queries received | | No AG queries received |  | - | - | 100% |
| DCD2 | | 100% 2 AG exception queries received / 2 answered | 100% 1 AG exception queries received / 1 answered | | No AG queries received |  | - | - | 100% |
| DPHS1 | | No AG queries received | 100% 3 AG exception queries received / 3 answered | | 100% 3 of audit queries received / 3 of audit queries answered |  | - | - | 100% |
| DLED1 | | 100% 3 AG exception queries received / 3 answered | 100% 9 AG exception queries received / 9 answered | | No AG queries received |  | - | - | 100% |



| LED / ENABLING ENVIRONMENT | | | | | | | | | |
|--|--|--|---|---|---|---|---|---|---|
| DIRECTORATE: LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
| Local Economic Development (KPA 3: Local Economic Development) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure alignment between LED strategies and NDP Vision 2030 to synergize the communication between the three spheres of government | | | | | |
| LED2 | Number of cooperatives and SMME's established and functional | Submissions by the SMME's for business proposals on LED projects at internal evaluation stage R369 982 | 1 Cooperative and 2 SMMEs resuscitated and functional. R149 999 | Establishing / resuscitating 2 functional cooperatives and 6 SMME's in the Matlosana area by 30 June 2023 | 2 Cooperatives and 6 SMME's in the Matlosana area resuscitated and functional. R1 148 211 |  | - | - | Establishing / resuscitating 2 functional cooperatives and 6 SMME's |
| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
| Revenue Management (KPA 4: Municipal Financial Viability & Management) | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To identify the grants received as revenue to better service delivery | | | | | |
| BUD9 | Grants as a percentage of revenue received | 99.63% R718 023 500 received | 98.43% R649 203 000 received | Receiving 100% of grants as revenue received per DORA by 31 March 2023 | 98,96% R696 706 000 received |  | Offset of unspent conditional grants on the second allocation paid in December 2022 DORA has been adjusted by R26 515 000 | The municipality need to resolve the matters with SCM, Bid Committees & PMU to ensure all capital grants is spent | |



| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
|--|--|--|--|--|---|---|--|---|------------------------|
| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
| Revenue Management (KPA 4: Municipal Financial Viability & Management) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To control debt management to ensure financial sustainability | | | | | |
| REV1 | Percentage of debtors outstanding as of own revenue (gross debtors) | 46.57% R2 548 039 379 outstanding | 36,81% R2 439 685 897 outstanding | Having at the most 35% of debtors outstanding of own revenue (gross debtors) by 30 June 2023 | 30,57% R2 398 516 829 outstanding |  | More intensive credit control actions | | 35% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To control debt management to ensure financial sustainability | | | | | |
| REV2 | Percentage of debt collected as a percentage of money owed to the municipality | 30% R1 614 862 900 collected | 25.71% R1 704 512 647 collected | Collecting at least 25% of debt of money owed to the municipality by 30 June 2023 | 21.6% R1 703 349 880 outstanding |  | Late billing made it impossible for credit control actions to be implemented | More intensive credit control actions to be implemented | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To increase Payments Received vs. Monthly Levies (Collection rate of billings) | | | | | |
| REV3 | Percentage increase in annual debtor's collection rate | 9.96% Decrease (from previous 73.36% to 63.4%) | 5.89% Increase (from previous 63.4% to 69,29 | Increasing 2.1% (63,4% to 65.5%) in annual service debtors collection rate by 30 June 2023 | 7.6% Increase from previous 63,4% to 71%) |  | More intensive credit control actions | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To collect revenue for property rates to comply with legislation (Implementation of the Municipal Property Rates Act, 2004 (Act no. 6 of 2004) | | | | | |
| RM1 | Rand value revenue collected from budgeted revenue for property rates | 65% R317 774 885 collected | 104% R349 305 590 collected | Collecting at least 95% of budgeted revenue for property rates by 30 June 2023 | 102% R356 974 433 collected |  | The payment incentives which ended in December and the arrear government debt which was settled lead to the over-achievement | | |





| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
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| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
| Expenditure Management (KPA 4: Municipal Financial Viability & Management) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To control expenditure management to ensure financial sustainability | | | | | |
| BUD2 | Percentage of operational budget spent on repairs and maintenance | 3.76% R163 406 961 spent | 5% R206 162 348 spent | Spending at least 3% of R390 671 795 on repairs and maintenance by 30 June 2023 | 7,3% R291 564 209 spent |  | The Repair and Maintenance budget was revised and increased during the February 2023 adjustment budget | | 6% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To control expenditure management to ensure financial sustainability | | | | | |
| BUD3 | Rand value of MIG expenditure as a percentage of the annual allocation | 103.56% R78 529 677 spent | 104% R97 195 456 spent | Spending at least 90% of R100 187 000 As the annual MIG expenditure allocation by 30 June 2023 (R 90 168 300) | 56,82% R50 676 776 spent |  | MIG Consultants delay in submission of variation orders, slow rate of progress by contractors, delay in project registration. NDPG contractor payments to key professionals & consultants. Eskom attached the grant funded investment accounts that results in delay of payments and expenditure | Contractors need to be held accountable, SCM Committee's need to fast track procurement. PMU need to step up managing the project | 85% |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To submit sec 71 reports to NT to comply with legislation | | | | | |
| BUD10 | Number of section 71 report submitted to NT | 12 Electronic version of the section 71 report submitted | 12 Electronic version of the section 71 report submitted | Submitting 12 electronic version of the section 71 report to the NT database by 30 June 2023 | 12 Electronic version of the section 71 report submitted |  | - | - | 12 Electronic version of the section 71 report submitted |




| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
|--|--|--|---|--|---|---|-------------------------|---|------------------------------|
| OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES | | | | | | | | | |
| Financial Management (KPA 5: Good Governance and Public Participation) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that all audit findings raised in the AG Report and Management Report are assigned, monitored, and executed effectively and consistently | | | | | |
| MM3 | Percentage of assigned audit findings raised in the AG Report and Management Report resolved | New indicator | 100% 7 Assigned audit findings received / 6 assigned audit findings resolved 87% (2019/20) No new assigned audit findings received. 1 Rolled over / 1 assigned audit findings resolved 100% (2020/21 FY) | Resolving at least 100% of assigned audit findings raised in the 2020/21 and 2021/22 AG Report and Management Report by 30 June 2023 (PAAP) | 80% 2 audit findings received, and 2 findings resolved 100% (2020/21 FY) 5 Assigned audit findings received / 3 assigned audit findings resolved 60% (2021/22 FY) |  | | | 90% |
| DTI2 | | New indicator | 4 Assigned audit findings received / 4 assigned audit findings resolved (2019/20 FY) 100% 3 Assigned audit findings received / 3 assigned audit findings resolved (2020/21 FY) 100% | | 100% 1 Assigned audit findings received / 1 assigned audit findings resolved (2020/21) 100% and 9 Assigned audit findings received / 9 assigned audit findings resolved (2021/22) 100% |  | - | - | 90% |




| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
|--|--|--|---|--|--|---|---|---|------------------------------|
| OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES | | | | | | | | | |
| Financial Management (KPA 5: Good Governance and Public Participation) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To ensure that all audit findings raised in the AG Report and Management Report are assigned, monitored, and executed effectively and consistently | | | | | |
| DCS2 | Percentage of assigned audit findings raised in the AG Report and Management Report resolved | New indicator | 70% 6 Assigned audit findings received / 6 assigned audit findings resolved (2019/20) 100% and 4 Assigned audit findings received / 1 assigned audit findings resolved (2020/21) 25% | Resolving at least 100% of assigned audit findings raised in the 2020/21 and 2021/22 AG Report and Management Report by 30 June 2023 (PAAP) | 48% 20 Assigned audit findings received / 9 assigned audit findings resolved (2020/21) 45% and 38 Assigned audit findings received / 19 assigned audit findings resolved (2021/22) 50% |  | Some of the findings cannot be corrected but can be avoided for the next audit | To ensure that the Directorate complies with regulations, policies, and procedures to avoid audit findings. To be able to respond to audit findings in time in an event there are findings identified | 90% |
| CFO2 | | New indicator | 56% 102 Assigned audit findings received / 58 Assigned audit findings resolved (2019/20) (2020/21) FY | | 35% 86 Assigned audit findings received / 46 assigned audit findings resolved (2020/21) 53% and 81 Assigned audit findings received / 13 assigned audit findings resolved (2021/22) 16% |  | Management prioritised the critical findings that has the biggest impact on the 2022/23 audit but continues to attend to the other as well. | Continuous improvement on systems and controls | 90% |




| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
|--|--|--|--|---|---|--|-------------------------|---|------------------------------|
| OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES | | | | | | | | | |
| Financial Management (KPA 5: Good Governance and Public Participation) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To ensure that all audit findings raised in the AG Report and Management Report are assigned, monitored, and executed effectively and consistently | | | | | | |
| DPS2 | Percentage of assigned audit findings raised in the AG Report and Management Report resolved | New indicator | No assigned audit finding for 2019/20 or 2020/21 received | Resolving at least 100% of assigned audit findings raised in the 2020/21 and 2021/22 AG Report and Management Report by 30 June 2023 (PAAP) | 100% No assigned audit finding for 2020/21 received. 1 Assigned audit findings received / 1 assigned audit findings resolved (2021/22 FY) |  | - | - | 90% |
| DPHS2 | | New indicator | 100% 1 Assigned audit finding for received/ 1 Assigned audit finding resolved (2019/20). No assigned audit finding received for 2020/21 | | 100% No assigned audit finding for 2020/21 received. 1 Assigned audit findings received / 1 assigned audit findings resolved (2021/22 FY) |  | - | - | 90% |



| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | | |
|--|--|---|---|---|---|--|---|---|------------------------|--|
| OFFICE OF THE MUNICIPAL MANAGER AND ALL DIRECTORATES | | | | | | | | | | |
| Financial Management (KPA 5: Good Governance and Public Participation) | | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year | |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To ensure that all audit findings raised in the AG Report and Management Report are assigned, monitored, and executed effectively and consistently | | | | | | | |
| DCD2 | Percentage of assigned audit findings raised in the AG Report and Management Report resolved | New indicator | 100% 1 Assigned audit finding for received/ 1 Assigned audit finding resolved (2019/20). No assigned audit finding received for 2020/21 | Resolving at least 100% of assigned audit findings raised in the 2020/21 and 2021/22 AG Report and Management Report by 30 June 2023 (PAAP) | No assigned audit finding for 2020/21 or 2021/22 received |  | - | - | 90% | |
| DLED2 | | New indicator | 31% 2 Assigned audit findings received / 2 assigned audit findings resolved 100% (2019/20 FY) and 11 Assigned audit findings received / 2 assigned audit findings resolved 18% (2020/21 FY | | 30% 12 Assigned audit findings received / 2 assigned audit findings resolved 16% (2020/21 FY) and 9 Assigned audit findings received / 4 assigned audit findings resolved % (2021/22 FY) |  | Virtual training on FreshMark arranged for 22/06/2023 on how to address issues raised by AG. Some of the activities could not be implemented before end of financial year due to limited available time | To address remaining findings during 2023/24 financial year | 90% | |

| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
|--|---|--|---|--|---|---|-------------------------|--|--|
| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
| Financial Management (KPA 5: Good Governance and Public Participation) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To submit the 2020/21 Financial Statements on time to comply with legislation | | | | | | |
| CFO7 | 2020/21 Financial statements submitted to the Auditor-General | 2019/20 Financial Statements submitted on 9 November 2020 | 2020/21 Financial Statements submitted to the AG on 06/10/2021 | Submitting the 2020/21 financial statements to the Auditor-General by 31 August 2022 | 2020/21 Financial Statements submitted to the Auditor-General on 31/08/2022 |  | - | - | 2022/23 Financial Statements submitted |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To approve the budget to comply with legislation | | | | | | |
| BUD4 | Number of 2023/24 Budget planning process timetables tabled | 2021/22 Budget Process Plan tabled. CC51/2020 dated 10/09/2020 | 2022/23 Budget Process Plan was tabled in Council. CC87/21 dated 06/10/2021 | Tabling the 2023/24 budget planning process timetable by 31 August 2022 | 2023/24 Budget Process Plan tabled. CC141/2022 dated 30/08/2022 |  | - | - | 2024/25 Budget Process Plan tabled |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To approve the budget to comply with legislation | | | | | | |
| BUD6 | Number of final 2023/24 budgets approved | Final 2021/22 Budget approved. CC64/2021 dated 04/06/2021 | Final 2022/23 Budget approved. CC88/2022 dated 15/06/2022 | Approving the final 2023/24 budget in Council by 31 May 2023 | 2023/24 Budget approved by Council. CC 77/2023 dated 31/05/2023 |  | - | - | 2024/25 Budget approved |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To approve the budget to comply with legislation | | | | | | |
| BUD6 | Number of final 2023/24 budgets approved | Final 2021/22 Budget approved. CC64/2021 dated 04/06/2021 | Final 2022/23 Budget approved. CC88/2022 dated 15/06/2022 | Approving the final 2023/24 budget in Council by 31 May 2023 | 2023/24 Budget approved by Council. CC 77/2023 dated 31/05/2023 |  | - | - | 2024/25 Budget approved |

| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | | |
|--|---|--|--|---|--|---|--|--|---|--|
| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | | |
| Financial Management (KPA 5: Good Governance and Public Participation) | | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year | |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To approve the budget to comply with legislation | | | | | | |
| BUD7 | 2023/24 Budget related policies approved | Final 2021/22 Budget policies & tariffs approved. CC64/2021 dated 04/06/2021 | Final 2022/23 Budget policies & tariffs approved. CC88/2022 dated 15/06/2022 | Approving the final 2023/24 budget related policies and tariffs in Council by 31 May 2023 | Final 2023/24 Budget Policies & Tariffs approved by Council. CC 77/2023 dated 31/05/2023 |  | - | - | Final 2024/25 Budget policies & tariffs | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To approve the Adjustment Budget to comply with legislation | | | | | | |
| BUD8 | Number of 2022/23 Adjustment Budgets approved | 2020/21 Adjustment Budget approved. CC17/2021 dated 31/03/2022 | 2021/22 Adjustment Budget approved CC36/2022 dated 18/03/2022 | Approving the 2022/23 adjustment budget in Council by 28 February 2023 | 2022/23 Adjustment Budget approved by Council. CC25/2023 dated 28/02/2023 |  | - | - | 2023/24 Adjustment Budget approved | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To implement a Supply Chain Management policy to comply with legislation | | | | | | |
| SCM7 | Number of SCM reports submitted to Council on the SCM policy implementation | 4 Quarterly reports submitted, but none approved by Council | 3 Reports submitted to Council | Submitting 4 quarterly reports on the implementation of SCM policy to council by 30 June 2023 | 5 Reports submitted to Council |  | 4th Quarter report of 2021/22 also approved by Council | | 4 Reports submitted to Council | |

| FINANCIAL, ADMINISTRATIVE AND CAPACITY | | | | | | | | | |
|--|---|--|--|---|---|---|-------------------------|--|---|
| DIRECTORATE PLANNING AND HUMAN SETTLEMENTS | | | | | | | | | |
| Disputes (KPA 5: Good Governance and Public Participation) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide basic municipal housing services and to curb financial losses | | | | | |
| HOU5 | Percentage of housing disputes resolved | 50% 34 Disputes received / 17 Resolved | 100% 19 Housing disputes received / 19 disputes resolved | Resolving at least 90% 100% of all housing disputes in the Matlosana area by June 2023 | 100% 21 Housing disputes received / 21 disputes resolved |  | - | - | 100% |
| PERFORMANCE MANAGEMENT AND INTEGRATED DEVELOPMENT PLANNING | | | | | | | | | |
| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
| Performance Management (KPA 5: Good Governance and Public Participation) | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To table the 2021/22 Audited Annual Report to comply with section 121 of MFMA | | | | | |
| PMS3 | Audited 2021/22 Annual Report tabled before Council | 2019/20 Audited Annual Report tabled. CC41/2021 dated 31/05/2021 | 2020/21 Audited Annual Report tabled. CC37/2022 dated 18/03/2022 | Tabling the Audited 2021/22 Annual Report before Council by 31 January 2023 | 2021/22 Audited Annual Report tabled in Council. CC9/2023 dated 31/01/2023 |  | - | - | 2022/23 Audited Annual Report tabled |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To approve the final 2023/24 SDBIP to ensure compliance with legislation | | | | | |
| PMS6 | Final 2023/24 SDBIP approved by Executive Mayor | Final 2021/22 SDBIP approved. MM107/2021 dated 14/06/2021. EM3/2021 dated 28/06/2021 | Final 2022/23 SDBIP approved. MM181/2022 dated 30/06/2022. EM5/2021 dated 30/06/2022 | Approving final 2023/24 SDBIP by Executive Mayor (28 days after approval of budget) by 30 June 2023 | Final 2023/24 SDBIP approved by the Executive Mayor. MM142/2023 dated 13/06/2023. EM10/2023 dated 20/06/2023. CC114/2023 dated 12/07/2023 |  | - | - | Final 2024/25 SDBIP approved by the Executive Mayor |



| PERFORMANCE MANAGEMENT AND INTEGRATED DEVELOPMENT PLANNING | | | | | | | | | |
|---|---|---|---|---|---|---|-------------------------|--|--|
| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
| Integrated Development Planning (KPA 5: Good Governance and Public Participation) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To give effect to the amended 2023/24 IDP Process Plan | | | | | |
| IDP1 | Number of amended 2023/24 IDP Process Plan tabled in Council | 2021/22 IDP Process Plan tabled and adopted by Council. CC51/2020 dated 10/09/2020 | 2022/23 IDP Process Plan tabled in Council. CC87/2021 dated 06/10/2021 | Tabling the amended 2023/24 IDP Process Plan in Council by 31 August 2022 | Amended 2023/24 Process Plan tabled in Council. CC 141/2022 dated 30/8/2022 |  | - | - | Amended 2024/25 IDP Process Plan tabled in Council |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To invite public comments after the tabling of the draft IDP to comply with legislation and to obtain inputs from the community | | | | | |
| IDP5 | Public comments invited by Council after tabling of the draft 2023/24 Amended IDP | Public comments invited via Klerksdorp Record newspaper, website, and social media in terms of COVID-19 Regulations | Public comments invited on 25 March 2022 in Klerksdorp Record newspaper | Inviting public comments after the tabling of the draft 2023/24 Amended IDP for inputs from the community by 30 April 2023 | Public comments invited 07/04/2023 |  | - | - | Public comments invited |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To approve the 2023/24 Amended IDP to comply with legislation | | | | | |
| IDP6 | Number of final 2023/24 Amended IDP approved by Council | Final 2021/22 IDP Amendments approved. CC51/2021 dated 31/05/2021 | Final 2022/23 Revised IDP approved by Council. CC86/2022 dated 15/06/2022 | Approving the final 2023/24 Amended IDP by Council by 31 May 2023 | Final 2023/24 Amended IDP approved by Council CC 78/2023 on 31/05/2023 |  | - | - | Final 2024/25 Amended IDP approved by Council |



| PERFORMANCE MANAGEMENT AND INTEGRATED DEVELOPMENT PLANNING | | | | | | | | | |
|---|---|--|---|--|---|---|---|--|---|
| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
| Reduce Corruption (KPA 5: Good Governance and Public Participation) | | | | | | | | | |
| Outcome 9 | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To table the 2020/21 Oversight Report to comply with s.129(1) of the MFMA | | | | | | |
| MPAC4 | Number of 2021/22 Oversight Report tabled before Council | 2019/20 Oversight Report tabled in Council. CC81/2021 dated 24/08/2021 | 2020/21 Oversight Report tabled at Council: CC90/2022 dated 15/6/2022 | Tabling the 2021/22 Oversight Report before Council by 31 March 2023 | 2021/2022 Oversight Report tabled in Council. CC 56/2023 dated 21/04/2023 |  | Due to high volume of Management responses, interviews had to be extended | N/A | 2022/23 Oversight Report tabled |
| LABOUR RELATIONS | | | | | | | | | |
| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
| Governance (KPA 5: Good Governance and Public Participation) | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | To sign the 2023/24 Performance Agreements to comply with legislation | | | | | | |
| PMS7 | Number of 2023/24 Performance Agreements with section 54A and 56 employees signed | 8 x 2021/22 Performance Agreements signed on 28/06/2021 | 8 x 2022/23 Performance Agreements approved. MM181/2022 dated 30/06/2022. EM5/2021 dated 30/06/2022 | Signing 8 x 2023/24 Performance Agreements with section 54A & 56 employees by 30 June 2023 | Eight 2023/24 Performance Agreements signed with section 54A & 56 employees |  | - | - | Eight 2024/25 Performance Agreements signed with section 54A & 56 employees |






12




National Key Performance Indicators


Chapter 3


| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
|---|--|--|--|---|--|--|----------------------|---------------------------------------|------------------------|
| KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: WATER SERVICES | | | | | | | | | |
| National Key Performance Indicator | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide basic municipal services | | | | | |
| WAT1 | Percentage of households in the CoM area provided with access to basic level of water | 98% 180 483 Hh with access / 3 899 Hh below minimum level | 99% 183 834 Hh with access / 1 020 Hh below minimum level | Providing at least 98% of households in the CoM area with access to basic level of water by 30 June 2023 | 99% 182 382 Hh with access / 1 021 Hh below minimum level |  | - | - | 98% |
| SECTION: SANITATION SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide basic municipal services | | | | | |
| SAN1 | Percentage of households in the CoM area provided with access to basic level of sanitation | 92% 170 545 Hh with access / 13 837 Hh below minimum level | 92.7% 171 328 Hh with access / 13 526 Hh below minimum level | Providing at least 92% of households in the CoM area with access to basic level of sanitation by 30 June 2023 | 94% 171 437 Hh with access / 11 966 Hh below minimum level |  | - | - | 92% |


| DIRECTORATE TECHNICAL AND INFRASTRUCTURE | | | | | | | | | |
|---|--|--|--|---|--|---|----------------------|---------------------------------------|------------------------|
| KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT | | | | | | | | | |
| SECTION: ELECTRICAL SERVICES | | | | | | | | | |
| National Key Performance Indicator | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide basic municipal services | | | | | |
| ELE1 | Percentage of households in the CoM area provided with access to basic level of electricity | 92% 169 257 Hh with access / 15 125 Hh below minimum level | 92% 170 537 Hh with access / 14 317 Hh below minimum level | Providing at least 92% of households in the CoM area with access to basic level of electricity by 30 June 2023 | 93% 170 652 Hh with access / 12 751 Hh below minimum level |  | - | - | 92% |
| SECTION: REFUSE REMOVAL SERVICES | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To provide basic municipal services | | | | | |
| REF1 | Percentage of households in the CoM area provided with access to basic level of refuse removal | 92% 170 181 Hh with access to refuse removal / 14 201 Hh below minimum level | 92% 170 798 Hh with access to refuse removal / 14 056 Hh below minimum level | Providing at least 93% of households in the CoM area with access to basic level of refuse removal by 30 June 2023 | 93% 170 985 Hh with access to refuse removal / 12 418 Hh below minimum level |  | - | - | 92% |


| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | | |
|---|--|---|---|--|---|---|--|--|---|--|
| KEY PERFORMANCE AREA 1: SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT | | | | | | | | | | |
| SECTION: REVENUE MANAGEMENT | | | | | | | | | | |
| National Key Performance Indicator | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year | |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | Indigent Subsidy for Free Basic Services allocations to comply with legislation | | | | | | | |
| REV4 | Rand value spend on free basic services | R195 000 887 spent | R206 774 602 spent | Spending R227 293 175 on free basic services by 30 June 2023 - (Account Holders) | R140 342 008 spent |  | Indigents were cancelled on the system as indigent status was to change as some consumers status was changing. The members of the community are responding slowly to make new applications | Intensive drives to raise awareness of indigent subsidies to the community (ward by ward) and the ward councillors | R189 075 578 | |
| REV5 | Number of approved households with free basic services (indigents) | 21 779 Approved households with free basic services | 22 886 Approved households with free basic services | Approving at least 25 000 households with free basic services (indigents) by 30 June 2023 | 16 073 Approved households with free basic services) |  | | | 20 000 Approved households with free basic services | |
| REV6 | Percentage of households registered earning less than R3 820 per month | 25% | 20.36% | Registering at least 25% of households earning less than R4 020 per month by 30 June 2023 - (vs. total active accounts). | 14,13% |  | | | 20% | |
| REV7 | Rand value spend on free basic alternative services | R34 644 838 spent | R49 445 614 spent | Spending R68 715 422 on free basic alternative services by 30 June 2023 | R81 753 108 spent |  | Number if indigents for FBAE is higher than what the section budgeted for and as a result the vote is overspending, Budget to be closely monitored going forward | | R | |
| REV8 | Number of households with free basic alternative energy (indigents) approved | 13 177 Approved households with free basic alternative energy | 15 329 Approved households with free basic alternative energy | Approving at least 15 000 households with free basic alternative energy (indigents) by 30 June 2023 | 16 526 Approved households with free basic alternative energy |  | | | 18 000 Approved households with free basic alternative energy | |



| | | | | | | | | | |
|--|---|--|--|--|--|---|---|---|------------------------|
| DIRECTORATE LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
| KEY PERFORMANCE AREA 3: LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
| SECTION: LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | |
| National Key Performance Indicator | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To create jobs to reduce unemployment and enhance local economic development activities | | | | | |
| LED1 | Number of permanent / sustainable jobs which exceed 3 months | 152 Permanent / sustainable jobs which exceed 3 months created | 102 Permanent / sustainable jobs which exceed 3 months created | Creating 150 permanent / sustainable jobs which exceed 3 months through the Municipality's local economic development initiatives including capital projects by 30 June 2023 | 102 Permanent / sustainable jobs which exceed 3 months created |  | Due to the poor economy and vandalism at project sites, no additional jobs can be created | Ensure that control is enhanced by generating physical inspection registers | 100 Jobs |
| DIRECTORATE CORPORATE SUPPORT | | | | | | | | | |
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: SKILLS DEVELOPMENT | | | | | | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To spend a percentage of municipality's budget on implementing its workplace skill plan | | | | | |
| SKIL1 | Rand value spent on Skills Development (Training) expenditure for 2022/23 | R154 163 spent | R1 284 039 spent | Spending on Skills Development (Training) for 2022/23 by 30 June 2023 R1 978 788 | R1 795 678 spent |  | Some training programmes are in progress and payment will only be done after that | Training programme to be paid on completion in December 2023 | R2 000 000 Spent |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To obtain a percentage of municipality's budget on implementing its workplace skill plan | | | | | |
| SKIL2 | Rand value income received from SETA Training Income/Rec for 2022/23 | R1 716 859 received | R1 077 582 received | Receiving a mandatory grant R2 120 000 from SETA Training Income / Rec for 2022/23 by 30 June 2023 | R2 561 218 received |  | Income is determined by LGSETA based on the evaluation reports submitted to WSP & ATR | | R2 020 000 collected |

| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
|--|--|---|---------------------------|--|---------------------------|---|--|---|------------------------|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: BUDGET AND TREASURY OFFICE | | | | | | | | | |
| National Key Performance Indicator | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | To control expenditure management to ensure financial sustainability | | | | | |
| BUD1 | Rand value of capital expenditure as a percentage of planned capital spent | 80% R193 940 531 spent | 77% R174 996 503 spent | Spending at least 85% of planned capital expenditure by 30 June 2023 | 51% R104 307 269 spent |  | MIG Consultants delay in submission of variation orders, slow rate of progress by contractors, delay in project registration. NDPG contractor payments to key professionals & consultants. Eskom attached the grant funded investment accounts that results in delay of payments and expenditure | Contractors need to be held accountable, SCM Committee's need to fast track procurement. PMU need to step up managing the project | 85% |

| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
|--|-------------------------------------|---|---------|--|--------------------|---|---|--|------------------------|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: BUDGET AND TREASURY OFFICE | | | | | | | | | |
| National Key Performance Indicator | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | Financial Viability expressed | | | | | |
| CFO8 | Ratio for Cost coverage for 2022/23 | 2:1 | 0.24:1 | Calculating the cost coverage ratio at 1:1 for 2022/23 by 30 June 2023 A=(B+C)/D Where: “A” represents cost coverage. “B” represents all available cash at a particular time. “C” represents investments. “D” represents monthly fixed operating expenditure | 0.11:1 |  | The municipalities cash flow constraints necessitate that cash should be utilised to service creditors and therefore the available cash won't always exceed a month's operating expenditure. Eskom payment pressure this quarter further reduced the ratio. | Management will implement revenue enhancement and cost containment strategies. | |

| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
|--|-------------------------------------|---|---------|---|--------------------|---|--|---------------------------------------|------------------------|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: BUDGET AND TREASURY OFFICE | | | | | | | | | |
| National Key Performance Indicator | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | Financial Viability expressed | | | | | |
| CFO9 | Ratio for Debt coverage for 2022/23 | 492.91:1 | 298:1 | Calculating the debt coverage ratio at 60:1 for 2022/23 by 30 June 2022 A=(B-C) / D Where: “A” represents debt coverage. “B” represents total operating revenue received. “C” represents operating grants. “D” represents debt service payments (i.e. interest + redemption) due within the financial year. | 254:1 |  | New loans can only be considered if the costing indicates that it could be advantageous to finance a project | | |

| DIRECTORATE BUDGET AND TREASURY | | | | | | | | | |
|--|--|---|---------|---|--------------------|---|-------------------------------------|--|------------------------|
| KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT | | | | | | | | | |
| SECTION: BUDGET AND TREASURY OFFICE | | | | | | | | | |
| National Key Performance Indicator | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | | Financial Viability expressed | | | | | |
| CFO10 | Percentage of Outstanding Service Debtors to Revenue ratio for 2022/23 | 254% | 233% | Calculating the outstanding service debtors to revenue ratio at 150% for 2022/23 by 30 June 2023 A=B/C Where: “A” represents outstanding service debtors to revenue. “B” represents total outstanding service debtors. “C” represents annual revenue actually received for services. | 264% |  | Debtors accruing due to non-payment | Debt collection should be improved, and irrecoverable debt should be written off | |

| OFFICE OF THE MUNICIPAL MANAGER | | | | | | | | | |
|--|--|--|--|---|--|---|----------------------|---------------------------------------|------------------------------|
| KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | |
| SECTION: PERFORMANCE MANAGEMENT | | | | | | | | | |
| National Key Performance Indicator | | Previous Financial Years Actual Performance | | 2022/23 Financial Year | | Rating | Reason for Deviation | Measures Taken to Improve Performance | 2023/24 Financial Year |
| | | 2020/21 | 2021/22 | Annual Target | Actual Performance | | | | |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | The number of people from employment equity target groups employed in the first three highest levels of management | | | | | | |
| PMS8 | Number of male employees on the first three highest levels of management | 27 Male employees Black - 23 White - 3 Coloured - 1 Indian - 0 | 29 Male employees Black - 25 White - 2 Coloured - 1 Indian - 1 | Employing 30 male employees on the first three highest levels of management by 30 June 2023 (Excluding section 54A and 56 employees) | 30 Male employees employed Black - 26 White - 2 Coloured - 1 Indian - 1 |  | – | – | 30 Male employees employed |
| NR | INDICATOR | MEASURABLE OBJECTIVE: | The number of people from employment equity target groups employed in the first three highest levels of management | | | | | | |
| PMS9 | Number of female employees on the first three highest levels of management | 9 Female employees Black - 8 White - 1 Coloured - 0 Indian - 0 | 9 Female employees Black - 8 White - 1 Coloured - 0 Indian - 0 | Employing 9 female employees on the first three highest levels of management by 30 June 2023 (Excluding section 54A and 56 employees) | 10 Female employees employed Black - 9 White - 1 Coloured - 0 Indian - 0 |  | – | – | 10 Female employees employed |

13. REPORT OF THE AUDIT COMMITTEE

CITY OF MATLOSANA LOCAL MUNICIPALITY AUDIT COMMITTEE (AC) REPORT ON ANNUAL PERFORMANCE REPORT FOR PERIOD ENDED 30 JUNE 2023





1. AUDIT COMMITTEE FIDUCIARY DUTIES

We are pleased to present our report for the financial year ended 30 June 2023.

In terms of Section 166 of the Municipal Finance Management Act (No. 56 of 2003), the Audit Committee must:

- (a) advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the municipality on matters relating to: -
 - (i) Internal financial controls and internal audit;
 - (ii) Risk management;
 - (iii) Accounting policies;
 - (iv) The adequacy, reliability, and accuracy of financial reporting and information;
 - (v) Performance management;
 - (vi) Effective governance;
 - (vii) Compliance with the MFMA, the DORA and any other applicable legislation;
 - (viii) Performance evaluation; and
 - (ix) Any other issues referred to it by the municipality
- (b) review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its effectiveness, and its overall level of compliance with the MFMA, the DORA and any other applicable legislation;
- (c) respond to the Council on any issues raised by the Auditor-General in the audit report;
- (d) carry out such investigations into the financial affairs of the municipality as the council of the municipality may request;
- (e) perform such other functions as may be prescribed.

The principles of King IV Report, customised to municipal environment also advise that the Audit Committee should:

-  ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.
-  satisfy itself of the expertise, resources, and experience of the municipality's finance function.
-  be responsible for overseeing of internal audit.
-  be an integral component of the risk management process.

2. PURPOSE

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act and Circular 65 issued by National Treasury. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter 2022/23, and it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

3. ATTENDANCE OF AC MEETING

The Audit Committee, consisting of independent outside members, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

The Audit Committee is satisfied with the attendance and participation of Management and Stakeholder departments during the meeting.

4. EFFECTIVENESS OF INTERNAL CONTROL

Our review of the internal control environment revealed that there has been a room for improvement in the system of internal control of the municipality and reducing the matters of emphasis paragraph contained in the municipality audit report. Furthermore, there are several deficiencies in the system of internal controls identified and reported by both the Internal Auditors and the Auditor-General in their reports. However, the Audit Committee noted Management's commitment and action plan to correct deficiencies throughout the financial year.

5. IN-YEAR MANAGEMENT AND MONTHLY / QUARTERLY REPORTING

The municipality has monthly and quarterly reporting system to the Council as required by the Municipal Finance Management Act (MFMA). Monitoring and reviews of performance information were done periodically in the year under review. The Internal Audit quality assurance review and auditing of performance information was performed throughout the year.



6. RISK MANAGEMENT

The Audit Committee is of the opinion that municipality's risk management has improved for the better of the year, and the municipality did implement a comprehensive risk management strategy and related policies. Management has however established Risk Management Committee to assist in the strengthening of sound and effective approach in developing strategic risk management plans and there is a sense of appreciation of the impact of the municipality's risk management framework on the control environment. There is a room for improvement in so far as risk monitoring and fraud prevention.

7. COMPLIANCE WITH LAWS AND REGULATIONS

Several non-compliance with the enabling laws and regulations were identified during the year. Thus far there is a room for improvement in so far as establishing an effective system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

The Audit Committee recommended that Management should develop a compliance management system that includes the following amongst others:

-  development of compliance management policy and compile the compliance universe.
-  consider using the internal resources to coordinate the activities of the compliance officer i.e. Risk Manager to be considered to assist Management with reports to be presented to The Audit Committee for oversight.

8. INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

The Audit Committee is satisfied with the effectiveness of Internal Audit and recommend that Management and Council should capacitate this unit. The above conclusion is based on:

- ✚ Timeous approval the internal audit charter, strategic and operational plans, internal audit activities, staffing (including competence and qualifications), and organizational structure of the Internal Audit Unit.
- ✚ Satisfactorily implementation of the approved the annual internal audit plan and all major changes to the plan.
- ✚ There were no unjustified restrictions or limitations on work of the internal audit.
- ✚ Compliance with the IIA's international standards for the professional practice by Internal Auditing unit
- ✚ Partial implementation of remedial action plan on internal audit findings by management. The Internal Auditors to be provided training on ethics as that has now become compulsory for all registered members of the Institute of Internal Auditors South Africa.
- ✚ Improved implementation of the Continuous Professional Development for Auditors.

9. EXTERNAL AUDIT

- ✚ The Audit Committee did review the Auditor-General 's proposed audit scope and approach, including coordination of audit effort with internal audit in respect of 2021/22 financial year; and during 2022/2023 AGSA was invited to Audit Committee meetings on a regular basis, to discuss any matters that the committee or auditors believe should be discussed privately during in-committee.
- ✚ The Audit Committee evaluated management responses to the reports or findings of the Auditor-General (Action plan to address prior year findings) on quarterly basis and gave inputs and advice on how best to address the findings raised by the AGSA.
- ✚ The Audit Committee interacted with Final Audit and Management Letter issued by AGSA.
- ✚ The Post Audit Action Plan was developed and presented to the Audit Committee during the 04th Quarter of the financial year for noting and monitoring of the implementation of corrective measures. There is still room for improvement regarding the timeous implementation of the Management's action plans on a web- based Action Plan.

10. FINANCIAL PERFORMANCE

The Audit Committee reviewed the quality, accuracy, usefulness, reliability, and appropriateness of monthly, quarterly, and annual financial reporting and observed that there is a serious room for improvement in so far as compliance with section 122 of the MFMA and management's review and monitoring of financial reports.

The Audit Committee considered the quarterly finance report during the financial year recommended as follows:

- ✚ Management should develop an audit action plan to address the under-performance (revenue collection and creditors payments) /overall implementation of revenue enhancement strategy.
- ✚ Data cleansing should be conducted.
- ✚ Accounting Officer Investigations on the prohibited expenditures be shared with the Audit Committee that includes the deviations incurred that could end up being irregular expenditures and be presented to relevant stakeholders including AGSA.
- ✚ Finance reports should be audited monthly by risk and internal audit.
- ✚ Disciplinary board matters be fast tracked as the board experienced a delay in submission of supporting information for the cases reported to the Board.

11. PERFORMANCE MANAGEMENT

The Audit Committee reviewed functionality of the performance management system and it appears to be functional, however there is a room for improvement in so far as achievement of planned targets is concerned and submission of portfolio of evidence timeously i.e.

- ✚ A few POE does not align with KPI.
- ✚ From time to time no measures to improve targets.

Management should develop an action plan to address the under-performance.

Performance evaluation of Senior Managers for 2021/22 financial year was concluded in line with the PMS framework/policy.

12. LITIGATIONS

The Audit Committee noted that the municipality is a defendant in several claims, and they are opposing some of these claims. The ultimate outcome of these matters cannot presently be determined due to the nature of these litigations, majority of which are outstanding for a longer period. However, there is room for improvement in so far as monitoring and evaluations of legal service providers.

13. CONSEQUENCE MANAGEMENT FRAMEWORK

Council to foster and integrate the culture of accountability in the municipality. The Audit Committee recommends development and implementation of consequence management framework.

14. IMPLEMENTATION OF AUDIT COMMITTEE RECOMMENDATIONS BY MANAGEMENT

A material number of Audit Committee recommendations to Management were implemented. There is still a room for improvement in this regard.

15. LEADERSHIP

Municipal Council did provide somewhat effective leadership based on a culture of honesty and good governance. However, there is a room for improvement in so far as Management's oversight on the Financial Statements, Performance Reporting and Compliance with Laws and Regulations governing the Municipality.

16. CONCLUSION

The Audit Committee wishes to acknowledge the commitment from Council, Municipal Manager, Management and Staff of the Municipality. We would also like to thank the Speaker and Executive Mayor for their support, Councillors, Senior Management for their efforts and Internal Audit and Performance Management for their contributions towards good governance of the municipality.



Chairperson: City of Matlosana Local Municipality Audit Committee

30 August 2023

Chapter 4



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

INTRODUCTION

In terms of the approved top structure (CC64/2017 dated 21 April 2017), the municipality consists of the Office of the Municipal Manager and seven directorates, namely Corporate Support, Budget and Treasury, Community Development, Public Safety, Local Economic Development, Technical and Infrastructure and Planning and Human Settlements.

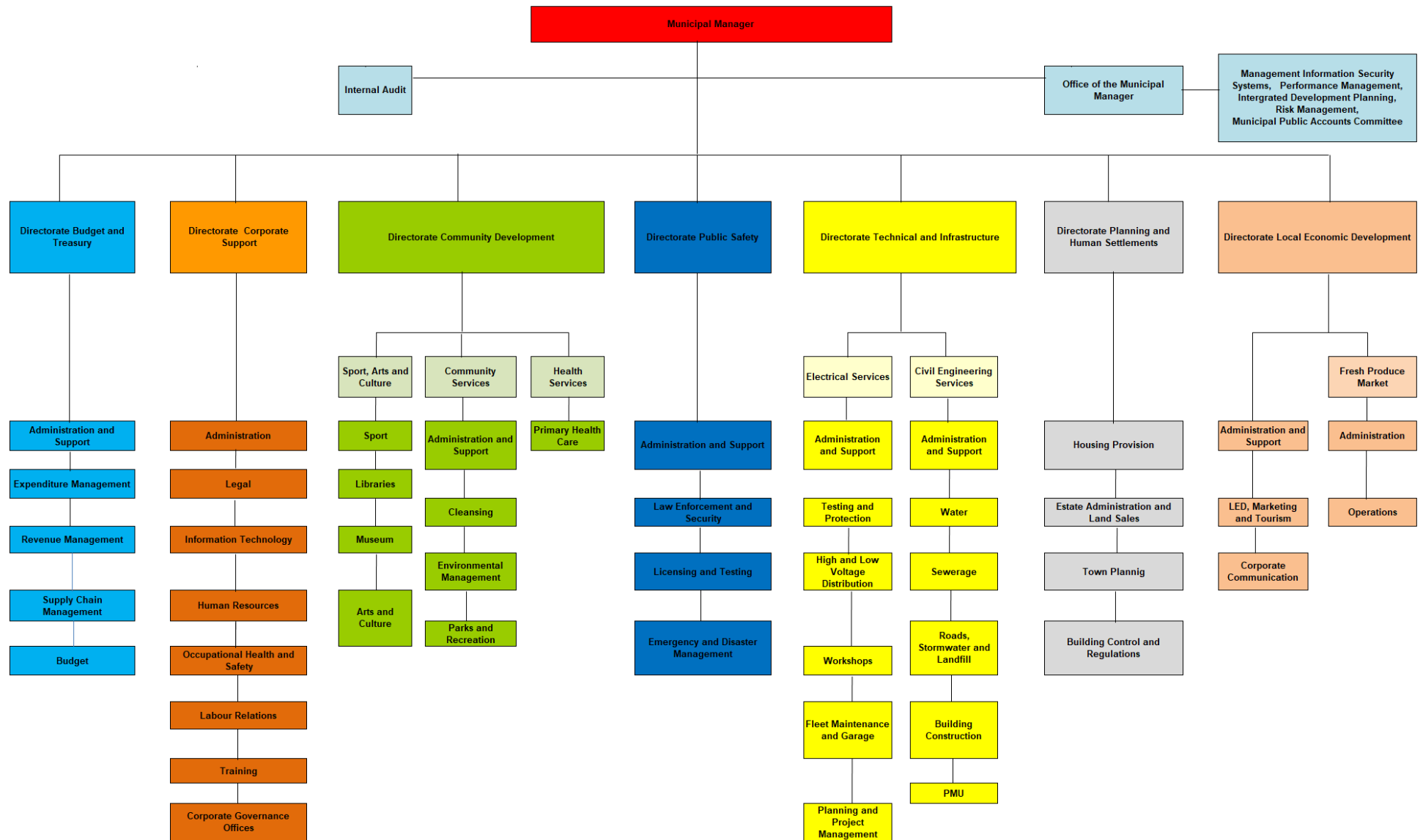
Several workshops were conducted since 27 May 2022, to expedite the process plan effectively and efficiently to finalization of the organisational structure as prescribed in the Local Government: Municipal Systems Act, 2000 (Act No: 32 of 2000). Local Government: Municipal Staff Regulations dated 20 September 2021.

Workshops were conducted on:

- 14 – 17 February 2023 – Concerns regarding strategic workshop recommendations not addressed.
- 12 April 2023 – Draft structure with amendments were presented.
- 18 May 2023 - Strategic workshop to finalize the organogram.
- 12 July 2023 – Submitted to Council, CC120/2023, but referred back.

The City of Matlosana currently has approved personnel complement of 2 543 posts of which 1 863 were filled at 31 June 2023.

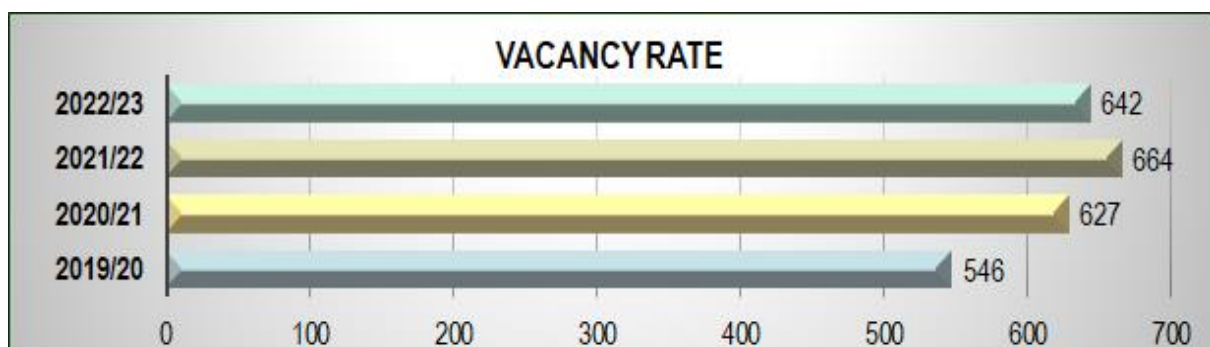
The municipality's top structure is as follows:



COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 Employee Totals, Turnover and Vacancies

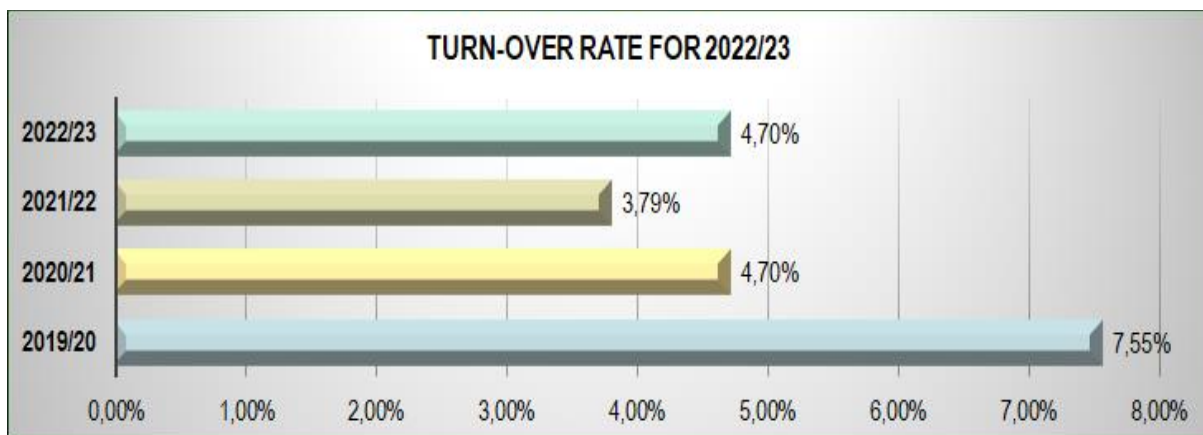
| EMPLOYEES | | | | | |
|---|--------------|----------------|--------------|---------------------|----------------|
| DESCRIPTION | 2021/22 | 2022/23 | | | |
| | Employees | Approved Posts | Employees | Number of Vacancies | % of Vacancies |
| | No | No | No | No | % |
| Water Services | 101 | 125 | 99 | 26 | 21% |
| Sanitation Services | 179 | 242 | 174 | 68 | 28% |
| Electrical and Mechanical Engineering | 117 | 151 | 122 | 29 | 19% |
| Solid Waste Management Services | 220 | 336 | 209 | 127 | 38% |
| Human Settlements | 18 | 23 | 18 | 5 | 22% |
| Roads and Storm-Water Drainage | 132 | 183 | 131 | 52 | 28% |
| Licensing Services | 90 | 125 | 102 | 23 | 18% |
| Civil Administration, Building Construction and PMU | 57 | 76 | 50 | 26 | 34% |
| Local Economic Development | 15 | 19 | 14 | 5 | 26% |
| Fresh Produce Market | 27 | 45 | 25 | 20 | 44% |
| Libraries and Museum | 79 | 86 | 78 | 8 | 9% |
| Cemeteries and Aerodrome | 55 | 63 | 54 | 9 | 14% |
| Parks, Open Spaces, Faan Meintjes and Orkney Vaal | 166 | 219 | 159 | 60 | 27% |
| Sport and Recreation | 82 | 132 | 82 | 12 | 9% |
| Occupational Health Centre | 8 | 15 | 8 | 7 | 47% |
| Traffic, Security, Fire and Disaster Management | 199 | 291 | 206 | 85 | 29% |
| Strategic and Regulatory (PMS, IDP, IA, MPAC and Risk Management) | 16 | 23 | 17 | 6 | 26% |
| Corporate Policy Offices and Other | 315 | 389 | 315 | 74 | 19% |
| TOTAL | 1 876 | 2 543 | 1 863 | 642 | 25% |



| TURN-OVER RATE: 2022/23 | | | | |
|-------------------------|----------------------|-------------------|--|---------------|
| Year | Total approved posts | New appointments* | Terminations during the financial year** | Turnover rate |
| 2019/20 | 1 984 | 40 | 120 | 7,55% |
| 2020/21 | 1 904 | 30 | 112 | 4,70% |
| 2021/22 | 2 540 | 97 | 95 | 3,79% |
| 2022/23 | 2 543 | 96 | 107 | 4,70% |

* Figures does not include internal appointments

** Figurers includes resignations, retirements, deceased, dismissals, medical board and expired contract



| VACANCY RATE: 2022/23 | | | |
|--|----------------------|---|---|
| Designations | Total approved posts | Vacancies (total time that vacancies exist using full-time equivalents) | Vacancies (as a proportion of total posts in each category) |
| Municipal Manager | 1 | 0 | 0% |
| CFO | 1 | 0 | 0% |
| Other s56 Managers (excluding Finance posts) | 6 | 1 | 17% |
| Other s56 Managers (Finance posts) | 0 | 0 | 0% |
| Safety and Security Officers | 29 | 6 | 21% |
| Fire fighters | 47 | 5 | 11% |
| Senior management: Levels 1 - 3 (excluding Finance posts) | 38 | 16 | 42% |
| Senior management: Levels 1 - 3 (Finance posts) | 7 | 3 | 43% |
| Highly skilled supervision: levels 4 - 6 (excluding Finance posts) | 114 | 26 | 23% |
| Highly skilled supervision: levels 4 - 6 (Finance posts) | 23 | 3 | 13% |
| TOTAL | 266 | 60 | 22,56 |

COMMENTS ON VACANCIES AND TURNOVER

The overall vacancy rate at the close of the financial year was 25%. The filling of vacancies remains a challenge due to the financial situation of the municipality. Vacant critical positions are however being given priority for filling.

The turnover rate for 2022/23 is at 4.7% which represents 96 new personnel appointments and 107 personnel terminations.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The City of Matlosana acknowledges that its most important assets are its employees. The onus therefore is on the municipality to ensure that these assets are developed, maintained and motivated to ensure that the municipal workforce services are sustained.

This is achieved through proper human resource processes and procedures aligned to Section 67 of the Municipal Systems Act (Act 32 of 2000) as amended which ensure compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration.

Municipal workforce management is achieved through the HR Strategy, adherence to and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace.

4.2 Policies

| HR AND OTHER POLICIES AND PLANS | | | | |
|---------------------------------|---|-----------|----------|-------------------------|
| NAME OF POLICY | | COMPLETED | REVIEWED | DATE ADOPTED BY COUNCIL |
| | | % | % | |
| 1 | Affirmative Action | | | |
| 2 | Attraction and Retention | 100% | 100% | 04 September 2012 |
| 3 | Code of Conduct for employees | 100% | 100% | 25 September 2013 |
| 4 | Delegations, Authorisation and Responsibility | 100% | 100% | 05 February 2009 |
| 5 | Disciplinary Code and Procedures | 100% | 100% | 04 September 2012 |
| 6 | Essential Services | | | |
| 7 | Employee Assistance / Wellness | 100% | 100% | 25 September 2013 |
| 8 | Employment Equity | 100% | 100% | 25 September 2013 |
| 9 | Exit Management | | | |
| 10 | Grievance Procedures | 100% | 100% | 29 November 2012 |
| 11 | HIV/Aids | 100% | 100% | 04 September 2012 |
| 12 | Human Resource and Development | | | |
| 13 | Information Technology | 100% | 100% | 29 January 2016 |
| 14 | Job Evaluation | 100% | N/A | 05 July 2016 |
| 15 | Leave | 100% | 100% | 29 November 2012 |

| HR AND OTHER POLICIES AND PLANS | | | | |
|---------------------------------|--|-----------|----------|-------------------------|
| NAME OF POLICY | | COMPLETED | REVIEWED | DATE ADOPTED BY COUNCIL |
| | | % | % | |
| 16 | Occupational Health and Safety | 100% | 100% | 4 September 2012 |
| 17 | Official Housing | | | |
| 18 | Official Journeys | 100% | 100% | 29 November 2012 |
| 19 | Official Transport to attend Funerals | 100% | 100% | 04 September 2012 |
| 20 | Official Working Hours | 100% | 100% | 28 February 2023 |
| 21 | Organisational Rights | 100% | 100% | 25 September 2013 |
| 22 | Payroll Deductions | | | |
| 23 | Performance Management | 100% | 100% | 25 July 2017 |
| 24 | Recruitment, Selection and Appointments | 100% | 90% | 28 February 2023 |
| 25 | Remuneration Scales and Allowances | | | |
| 26 | Resettlement | | | |
| 27 | Sexual Harassment | 100% | 100% | 04 September 2012 |
| 28 | Skills Development | 100% | 100% | 28 February 2023 |
| 29 | Smoking | 100% | 100% | 04 September 2012 |
| 30 | Special Skills | | | |
| 31 | Work Organisation | | | |
| 32 | Uniforms and Protective Clothing | 100% | 100% | 04 September 2012 |
| 33 | Telephone | 100% | 80% | 31 July 2018 |
| 34 | Retirement Planning | 100% | 100% | 04 September 2012 |
| 35 | Records Management | 100% | 100% | 25 November 2014 |
| 36 | Legal Services | 100% | 100% | 29 November 2012 |
| 37 | National Fresh Produce Market | 100% | 100% | 29 November 2012 |
| 38 | Billboards | 100% | 100% | 29 November 2012 |
| 39 | Internet | 100% | 100% | 29 November 2012 |
| 40 | Server Security | 100% | 100% | 29 November 2012 |
| 41 | Workstation Security | 100% | 100% | 29 November 2012 |
| 42 | E-mail Use | 100% | 100% | 29 November 2012 |
| 43 | Study and Bursary | 100% | 100% | 25 September 2013 |
| 44 | Web Content Management | 100% | 100% | 25 September 2013 |
| 45 | Project Management Framework Policy | 100% | 100% | 25 September 2013 |
| 46 | Corporate Identity | 100% | 100% | 25 September 2013 |
| 47 | Risk Management | 100% | 100% | 31 May 2021 |
| 48 | Risk Management Strategy | 100% | 100% | 25 September 2013 |
| 49 | Fraud and Corruption Prevention Strategy | 100% | 100% | 31 May 2021 |
| 50 | Investigation Policy | 100% | 100% | 25 September 2013 |
| 51 | Use of Council Vehicle | 100% | 100% | 25 September 2013 |
| 52 | Media Policy | 100% | 100% | 25 September 2013 |
| 53 | Administration of Immovable Property | 100% | 100% | 25 November 2014 |
| 54 | Induction | 100% | 100% | 04 September 2012 |

| HR AND OTHER POLICIES AND PLANS | | | | |
|---------------------------------|---|-----------|----------|-------------------------|
| NAME OF POLICY | | COMPLETED | REVIEWED | DATE ADOPTED BY COUNCIL |
| | | % | % | |
| 55 | Investors | 100% | 100% | 29 November 2012 |
| 56 | Public Private Partnerships | 100% | 100% | 29 November 2012 |
| 57 | Expanded Public Works Programme | 100% | 100% | 29 November 2012 |
| 58 | Software Installation Services | 100% | 100% | 29 January 2016 |
| 59 | Password Protection | 100% | 100% | 29 January 2016 |
| 60 | Back-up Management | 100% | 100% | 29 January 2016 |
| 61 | User Account Management | 100% | 100% | 29 January 2016 |
| 62 | Co-operative | 100% | 100% | 29 January 2016 |
| 63 | Informal Trading | 100% | 100% | 29 January 2016 |
| 64 | Vehicle Replacement | 100% | 100% | 30 May 2017 |
| 65 | Leave of absence for Councillors | 100% | 100% | 28 November 2017 |
| 66 | Admission of Public to meetings of Council | 100% | 100% | 28 November 2017 |
| 67 | Uniform standing disciplinary procedure for Councillors | 100% | 100% | 28 November 2017 |
| 68 | Leasing of Council Halls | 100% | 100% | 31 July 2018 |
| 69 | Overtime | 100% | 100% | 28 February 2023 |
| 70 | Appointment of Consultants | 100% | 100% | 26 November 2019 |
| 71 | Danger Allowance | 100% | 100% | 30 June 2020 |
| 72 | Occupational Health and Safety | 100% | 100% | 30 June 2020 |
| 73 | Land Management Policy | 100% | 100% | 30 June 2020 |
| 74 | Framework and Risk Management Policy | 100% | 100% | 31 May 2021 |
| 75 | Fraud and Corruption Prevention Policy | 100% | 100% | 31 May 2021 |
| 74 | Whistle Blowing Policy and Procedure | 100% | 100% | 31 May 2021 |
| 75 | Electrical Infrastructure Maintenance Policy | 100% | 100% | 29 November 2022 |
| 76 | Acting Allowance Policy | 100% | 100% | 28 February 2023 |
| 77 | Information Technology Security | 100% | 100% | 25 July 2023 |
| 78 | Medical Surveillance Policy | 100% | 100% | 25 July 2023 |
| 79 | Injury on duty Policy | 100% | 100% | 25 July 2023 |
| 80 | Fitness for duty Policy | 100% | 100% | 25 July 2023 |
| 81 | Asset Management Policy | 100% | 100% | 1 July 2022 |

COMMENT ON WORKFORCE POLICY DEVELOPMENT

The municipality has developed an Integrated Human Resources Management Strategy (IHRMS) with a focus on the importance of all municipal employees.

It is directly linked to our 2022/23 Integrated Development Plan (2022/23 IDP) priorities and will act as the blueprint to build on City of Matlosana's many strengths and skills, plus anticipate and develop new ones.

The municipality want to ensure that employees are motivated, safe, well informed, well rewarded, and proud of where they work.

Chapter 4

The IHRMS will be continually evolving and regularly updated; and it will position the municipality to meet future workforce needs and serve the community better as well as provide a more integrated approach to leadership and people management.

The strategy features initiatives such as Business Leadership, Motivate and Engage, Attraction Management, the further development of the Employee Assistance Programs, HR Policies and Practices, which are industry competitive, and the provision of opportunities for career and personal development.

Through a commitment to encouraging innovation, developing, and recognizing staff, communication as well as shared leadership, we aim to grow the future leaders of our organization.

4.3 Injuries, Sickness and Suspensions

| NUMBER OF INJURIES ON DUTY DURING 2022/23 | | | | |
|---|--------------------|------------------------------|---------------------------------------|-----------------------------------|
| Type of injury | Injury leave taken | Employees using injury leave | Proportion employees using sick leave | Average Injury leave per employee |
| | Days | No | % | Days |
| Required basic medical attention only | 721 | 59 | 8.9% | 12.2 |
| Temporary total disablement | 345 | 33 | 9.6% | 10.5 |
| Permanent disablement | 0 | 0 | 0 | 0 |
| Fatal | 0 | 0 | 0 | 0 |
| TOTAL | 1 066 | 92 | 18.5% | 22.7 |

✚ Short periods of sick leave taken by 42 employees = 113 days

✚ Longer periods of sick leave taken by 7 employees = 183 days

✚ Required basic medical attention without leave taken by 43 employees = 0 days

Total injuries on duties = 92 employees

SICK LEAVE

| NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) DURING 2022/23 | | | | |
|--|--------------------------|-----------------------------------|---------------------------------|---|
| Salary band | Total sick leave Days | Employees using sick leave No. | Total employees in post* No. | *Average sick leave per Employees Days |
| Municipal Managers and Directors | 11 | 1 | 8 | 1,38 |
| Deputy Directors and Assistant Directors | 190 | 46 | 45 | 4,22 |
| Managers | 720 | 52 | 61 | 11,80 |
| Coordinators and Senior Administrators | 1 036 | 290 | 360 | 2,88 |
| Officers and Clerks | 1 036 | 573 | 697 | 1,49 |
| Secretaries and PAs | 1 036 | 8 | 10 | 103,60 |
| Supervisors and tradesmen | 2 635 | 145 | 168 | 15,68 |
| General Workers | 4 042 | 739 | 1 194 | 3,39 |
| Total | 10 706 | 1854 | 2543 | 4,21 |

COMMENTS ON INJURY AND SICK LEAVE

The widespread health education on WCA including completion of all forms; extra copies and certified items, needed; where to report; where to hand in all documents; especially notifying the OHC about an accident at work who is responsible for registration of the claim, is now bearing results. Most employees know how to fill in the forms and submission to Compensation fund happens within the first 48 hours.

The section attended a seminar arranged by the Compensation fund which assisted in the improvement on the administration of the IOD.

INTRODUCTION TO LABOUR RELATIONS

The Labour Relations role in the municipality is to ensure a harmonious relationship between management and officials and maintenance of disciplined workforce. Through this unit the municipality is ready to instil a culture of discipline and execute swift, consistent and decisive consequence management to drive proper accountability.

Workforce management is almost impossible in the absence of sound discipline within the workplace.

The municipality's Labour Relations section, located in the Human Resources Department, is effective and well recognised.

NUMBER AND PERIOD OF SUSPENSIONS

As part of mitigating risks, certain allegations of misconduct against officials such as fraud, dishonesty and theft require that precautionary suspensions be affected on these officials to prevent possibly of furthering the misconduct. In line with Disciplinary Procedure and Collective agreement the undermentioned officials were suspended pending investigations of the alleged misconduct and finalization of the disciplinary hearings.

| NUMBER AND PERIOD OF SUSPENSIONS 2022/23 | | | | |
|--|------------------------------|--------------------|--|----------------|
| Position | Nature of alleged misconduct | Date of Suspension | Details of disciplinary action taken or status of case | Date Finalised |
| Messenger | Harassment | 07/09/23 | 20/12/23 | Finalised |
| General Worker | Assault & Intimidation | 03/03/23 | 08/06/23 | Finalised |
| Driver License Examiner | Fraud & Corruption | 14/02/23 | 21/06/23 | Ongoing |
| Driver License Examiner | Fraud & Corruption | 14/02/23 | 21/06/23 | Ongoing |
| Driver License Examiner | Fraud & Corruption | 14/02/23 | 21/06/23 | Ongoing |

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

Disciplinary action taken against three (3) officials for financial misconduct.

4.4 Performance Rewards

PERFORMANCE REWARDS

In accordance with the Local Government: Municipal Performance Regulation for Municipal Managers and Managers directly accountable to Municipal Managers, 2006, regulation 32, a performance bonus, based on affordability, may be paid to an employee, after –

- (1) the annual report for the financial year under review has been tabled and adopted by the municipal Council;*
- (2) an evaluation of performance in accordance with the provisions of regulation 23; and*
- (3) approval of such evaluation by the municipal Council as a reward for outstanding performance.*

The evaluation of the performance of Section 54A and 56 managers forms the basis for rewarding outstanding performance.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The City of Matlosana develops its workforce by facilitating skills programmes aimed at capacitating employees. The Skills Development Strategy is also aimed at providing career guidance and support to employees and coordinating their development through structured learning. The Skills Development Act and Municipal Systems Act require employers to supply employees with the necessary training in order to develop their human resource capacity.

Training programmes and interventions are therefore undertaken on a regular and in an orderly way as planned in the Workplace Skills Plan.

Capacity Development is linked to the annual Workplace Skills Plan (WSP). All training needs that have been identified through the Council's Skills Audit and found to be a priority for the financial year were addressed through formal, informal training- and skills programmes.

The City of Matlosana annually submits a Workplace Skills Plan (WSP) and an Annual Training Report (ATR) as required by the Skills Development Act of 1998, to the Local Government Sector Education and Training Authority (LGSETA).

During the 2022/23 financial year, the WSP & ATR document was submitted to LGSETA on 30 April 2023 to comply with the legislation and receive mandatory and discretionary grants to further skills development initiatives within the municipality. For the financial year in question, the municipality was awarded R 1 380 646 after the successful submission of the WSP/ATR

NATIONAL KEY PERFORMANCE INDICATOR

See page 273 for details.

4.5 Skills Development and Training

| SKILLS MATRIX – 2022/23 | | | | | | | | | | |
|--|--------|--------------------------------------|--|------------------------|---|------------------------|--------------------------------------|------------------------|------------------------|------------------------|
| Management Level | Gender | Employees in post as at 30 June 2023 | Number of skilled employees required and actual as at 30 June 2022 | | | | | | | |
| | | | Learnerships | | Skills programmes and other short courses | | Other forms of training (Internship) | | Total | |
| | | No | Actual: End of 2021/22 | Actual: End of 2022/23 | Actual: End of 2021/22 | Actual: End of 2022/23 | Actual: End of 2021/22 | Actual: End of 2022/23 | Actual: End of 2021/22 | Actual: End of 2022/23 |
| MM and s 56 | Female | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Councillors, senior officials and managers | Female | 42 | 0 | 8 | 0 | 4 | 0 | 0 | 0 | 12 |
| | Male | 72 | 1 | 4 | 0 | 5 | 0 | 0 | 1 | 9 |
| Technicians and associate professionals | Female | 73 | 4 | 12 | 4 | 21 | 0 | 0 | 8 | 33 |
| | Male | 112 | 15 | 13 | 94 | 28 | 0 | 0 | 109 | 41 |
| Professionals | Female | 16 | 8 | 25 | 17 | 85 | 12 | 13 | 37 | 110 |
| | Male | 21 | 27 | 15 | 20 | 69 | 10 | 8 | 57 | 84 |
| Sub total | Female | 133 | 12 | 55 | 21 | 110 | 12 | 13 | 45 | 178 |
| | Male | 210 | 43 | 32 | 114 | 102 | 10 | 8 | 167 | 142 |
| TOTAL | | 343 | 55 | 87 | 135 | 212 | 22 | 21 | 212 | 320 |

| SKILLS DEVELOPMENT EXPENDITURE – 2022/23 | | | | | | | | | | |
|---|--------|------------------------------------|--|------------------|--|------------------|----------------------------|----------------|--------------------|------------------|
| | | | | | | | | | | R'000 |
| Management level | Gender | Employees as at 30 June 2023 | Original Budget and Actual Expenditure on Skills Development 2022/23 | | | | | | | |
| | | | Learnerships | | Skills programmes and other short courses | | Other forms of training | | Total | |
| | | No | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual |
| MM and s56 | Female | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legislators, senior officials and managers | Female | 16 | 50 000 | 0 | 60 000 | 40 000 | 0 | 0 | 110 000 | 40 000 |
| | Male | 21 | 50 000 | 45 000 | 60 000 | 15 000 | 0 | 0 | 110 000 | 60 000 |
| Professionals | Female | 16 | 40 000 | 40 000 | 70 000 | 50 000 | 80 000 | 80 000 | 190 000 | 170 000 |
| | Male | 21 | 40 000 | 40 000 | 50 000 | 50 000 | 30 000 | 30 000 | 120 000 | 120 000 |
| Technicians and associate professionals | Female | 73 | 50 000 | 50 000 | 100 000 | 100 000 | 0 | 0 | 150 000 | 150 000 |
| | Male | 112 | 50 000 | 50 000 | 100 000 | 100 000 | 0 | 0 | 150 000 | 150 000 |
| Clerks | Female | 274 | 50 000 | 40 000 | 100 000 | 100 000 | 0 | 0 | 150 000 | 140 000 |
| | Male | 86 | 50 000 | 40 000 | 100 000 | 100 000 | 0 | 0 | 150 000 | 140 000 |
| Service and sales workers | Female | 29 | 50 000 | 40 000 | 100 000 | 100 000 | 0 | 0 | 150 000 | 140 000 |
| | Male | 95 | 50 000 | 40 000 | 100 000 | 60 000 | 0 | 0 | 150 000 | 100 000 |
| Plant and machine operators and assemblers | Female | 8 | 50 000 | 40 000 | 50 000 | 50 000 | 0 | 0 | 100 000 | 90 000 |
| | Male | 90 | 50 000 | 40 000 | 100 000 | 100 000 | 0 | 0 | 150 000 | 140 000 |
| Elementary occupations | Female | 226 | 50 000 | 50 000 | 100 000 | 100 000 | 0 | 0 | 150 000 | 150 000 |
| | Male | 669 | 50 000 | 40 000 | 100 000 | 100 000 | 0 | 0 | 150 000 | 150 000 |
| Subtotal | Female | 644 | 340 000 | 250 000 | 580 000 | 540 000 | 80 000 | 80 000 | 1 000 000 | 870 000 |
| | Male | 1 099 | 340 000 | 295 000 | 610 000 | 525 000 | 30 000 | 30 000 | 1 000 000 | 850 000 |
| TOTAL | | 1 743 | 1 360 000 | 1 100 000 | 2 380 000 | 2 130 000 | 220 000 | 220 000 | 2 980 000 | 3 460 000 |

| FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT FOR 2022/23 | | | | |
|---|--|--|--|--|
| Description | Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | Competency assessments completed (Regulation 14(4)(b) and (d)) | Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
| Financial Officials | | | | |
| <i>Accounting Officer</i> | 1 | 1 | 1 | 1 |
| <i>Chief Financial Officer</i> | 1 | 1 | 1 | 1 |
| <i>Senior managers*</i> | 1 | 1 | 1 | 1 |
| <i>Any other financial officials</i> | 44 | 0 | 0 | 44 |
| Supply Chain Management Officials | | | | |
| <i>Heads of Supply Chain Management units</i> | 0 | 0 | 0 | 0 |
| <i>Supply Chain Management senior managers</i> | 1 | 0 | 0 | 1 |
| TOTAL | 52 | 7 | 7 | 52 |

* 5 Senior Manager positions vacant

COMMENTS ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

During the 2022/23 financial year, the Skills Development unit budgeted R2 000 000 to roll-out the training plan for the entire municipality, due to the delay by SCM processes in appointing Skills Development Providers, the Unit started late with implementation of skills programmes and has utilized only R1 720 678 for all interventions.

During the 2022/23 Financial Year, the Training and Development unit conducted skills audit process for level 1-6 officials from various departments within the municipality, i.e. Financial Services, Planning and Human Settlement, Technical and Infrastructure and Corporate Support. The process assisted in determining individual and department training needs. The municipal training plan for 2022/23 is developed based on the outcomes of the process

The City of Matlosana annually submits a Workplace Skills and an Annual Training Report (Plan (WSP & ATR) as required by the Skills Development Act of 1998, to the Local Government Sector Education and Training Authority (LGSETA). Training / Skills programmes are implemented on regular basis in an orderly way as planned in the Workplace Skills Plan (WSP).

In terms of regulation 14 of the Financial Competency, municipalities are required to train Budget and Treasury officials on prescribed finance competency skills in order to meet prescribed competency levels: Regulation 14:(4)(e).

During the 2022/23 Financial Year, two hundred and eighty-nine (289) official were trained on various skills, twenty-one (21) trained through training intervention i.e. bursaries and internships, and five (5) finance officials were enrolled on a Municipal Financial Management Programme (MFMP), Learnerships to meet prescribed finance competency levels requirements.

COMPONENT D: MANAGING WORKFORCE EXPENDITURE

4.6 Workforce Expenditure

INTRODUCTION TO WORKFORCE EXPENDITURE

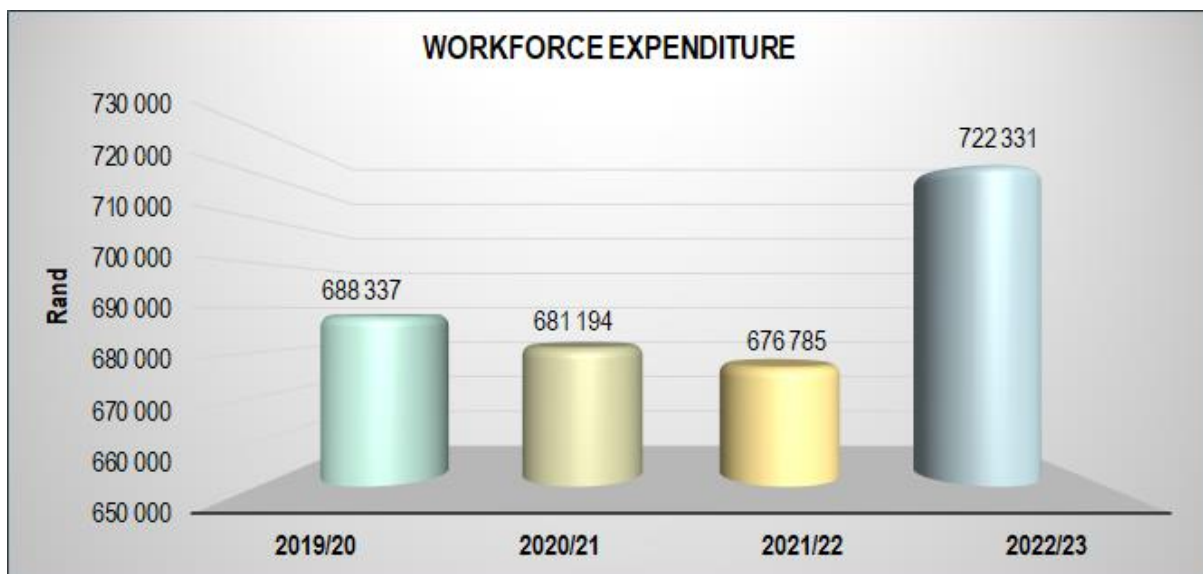
Workforce expenditure is a major part of the operational expenditure of the City of Matlosana. As it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel are employed to meet the mandate of the municipality in service delivery to the community as well as obtain its objectives.

There is a strong national drive for creating employment and municipalities are one arm of government that normally feel the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability of the City of Matlosana must be recognised. The creation and filling of posts are budgeted for and measured against the approved budget and operational requirements.

The remuneration part of the employment costs is determined through the bargaining Council and therefore out of our hands.

Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid. We have put a lot of emphasis on the monitoring and control of overtime worked, as we believe that overtime is only necessary in specific circumstances and can indicate inefficiency or staff shortages (including high absenteeism).

Performance management is of the utmost importance to increase the efficiency and thus output out of the workforce. There is still a way to go to implement the necessary measures and controls with the necessary buy-in of employees.



COMMENT ON WORKFORCE EXPENDITURE

Levels of municipal employment have declined, while vacancy rates and the average cost of employment have risen. However, there exist divergent employment and personnel expenditure trends within and between the different categories of municipalities that are masked by the aggregate figures.

Municipal employees and the skills they bring to the workplace are a critical input in the delivery of all services a municipality delivers.

The objective of managing municipal personnel is therefore not necessarily to minimize the “wage bill”, but rather to ensure that people with the required skills are recruited, retained and appropriately deployed. The proper management of personnel is therefore critical to the effective and efficient functioning of the municipality and must be prioritized across all municipal functions.

Municipal expenditure on personnel should comprise 40% of aggregated operational expenditure as guided by National Treasury.

| UPGRADED POSTS 2022/23 | |
|---|------|
| Number of employees whose salaries were increased due to their positions being upgraded | None |
| Employees whose salary levels exceed the grade determined by job evaluation | None |
| Employees appointed to posts not approved | None |

DISCLOSURES OF FINANCIAL INTERESTS

In terms of the requirements of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 disclosures were made by Councillors and senior managers concerning their financial interests (see **Appendix J**).

COMPONENT E: OVERSIGHT REPORTING

4.7 Staff Establishment

| STAFF ESTABLISHMENT – 2022/23 | |
|---|--|
| Does the City of Matlosana have an approved staff establishment? | Yes, it was approved in terms of CC 66/2012 dated 31 July 2012. A new top structure was approved on 21 April 2017 (CC64/2017) |
| Does the staff establishment provide for permanent and fixed posts? | Yes All senior manager positions are from 15 January 2023 CC2/2023) permanent. Only the position of the Municipal Manager is still on a fixed term |
| If yes, provide details of the approved senior manager posts (permanent and fixed posts). | Municipal Manager Chief Financial Officer Director Corporate Support Director Community Development Director Public Safety Director Local Economic Development Director Technical and Infrastructure Director Planning and Human Settlement |
| Was the staff establishment consulted with the MEC before approval by Council? | N/A |
| If no, provide reasons | The Municipal Systems Amendment Act, 7 of 2011, stipulates that the posts provided for on the organogram must be approved by the Municipal Council |
| Were the recommendations of the MEC incorporated into the approved structure? | N/A |
| If no, provide reasons | N/A |

4.8 Appointment of Senior Managers

| APPOINTMENT OF MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER – 2022/23 | | | | | | | |
|--|---------------|--------------------|------------|--|--|--|--|
| Post Title | Annual Salary | Term of Employment | | Highest Qualifications | Was the senior manager subject to competence assessment? | Does the senior manager hold political office? | Does the senior manager have a misconduct / criminal record? |
| | | From | To | | | | |
| Municipal Manager | R1 530 886 | 01/01/2023 | 31/12/27 | B Legume | Yes | No | No |
| Chief Financial Officer | R1 242 662 | 01/01/2023 | 31/12/27 | B Tech Internal Auditing Postgraduate Diploma in Accounting Science | Yes | No | No |
| Director Planning and Human Settlements | R1 479 361 | 01/03/2019 | 28/02/2024 | B Tech Town and Regional Planning. Postgraduate Diploma in Business Management | Yes | No | No |
| Director Corporate Support | R1 242 662 | 01/02/2018 | 31/01/2023 | Vacant | | | |
| Director Community Development | R1 242 662 | 01/02/2018 | 31/01/2023 | Vacant | | | |
| Director Public Safety | R1 242 662 | 01/02/2018 | 31/01/2023 | Vacant | | | |
| Director Technical and Infrastructure | R1 242 662 | 01/02/2018 | 31/01/2023 | Vacant | | | |
| Director Local Economic Development | R1 242 662 | 01/03/2019 | 28/02/2024 | Vacant | | | |

4.9 Employment Contracts

| EMPLOYMENT CONTRACTS FOR MUNICIPAL MANAGERS AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER – 2022/23 | | |
|--|--|--|
| Post title | Has the senior manager signed the employment contract with the municipality before commencement of duty? | Has the contract been submitted to the MEC within the prescribed period? |
| Municipal Manager | Yes, 01 January 2023 | Yes |
| Chief Financial Officer | Yes, 01 January 2023 | Yes |
| Director Planning and Human Settlements | Yes, 26 February 2019 | Yes |
| Director Corporate Support | Vacant | N/A |
| Director Community Development | Vacant | N/A |
| Director Public Safety | Vacant | N/A |
| Director Technical and Infrastructure | Vacant | N/A |
| Director Local Economic Development | Vacant | N/A |

4.10 Performance Agreements

| STAFF ESTABLISHMENT (SECTION 54A AND 56 EMPLOYEES) 2022/23 | | | | | |
|--|---|---|--|--|---|
| Post Title | Has the senior manager concluded a performance agreement with the municipality within the stipulated timeframe? | Has the performance agreement been submitted to the MEC within the prescribed period? | Is the performance agreement aligned to the SDBIP of the municipality? | Is the SDBIP aligned to the IDP of the municipality? | Did the senior manager receive a performance bonus for the previous year? |
| Municipal Manager | Yes | Yes | Yes | Yes | No |
| Chief Financial Officer | Yes | Yes | Yes | Yes | No |
| Director Planning and Human Settlements | Yes | Yes | Yes | Yes | No |
| Director Corporate Support | Vacant | | | | |
| Director Community Development | Vacant | | | | |
| Director Public Safety | Vacant | | | | |
| Director Technical and Infrastructure | Vacant | | | | |
| Director Local Economic Development | Vacant | | | | |

4.11 Minimum Competency Requirements

MUNICIPAL MANAGER AND DIRECTORS (SECTION 54A AND 56 MANAGERS)

| DESCRIPTION | REQUIREMENTS | MUNICIPAL MANAGER L SEAMETSO | CHIEF FINANCIAL OFFICER MM PETHLA | DIRECTOR PLANNING AND HUMAN SETTLEMENTS BB CHOCHÉ | DIRECTOR CORPORATE SUPPORT |
|--|---|---|---|---|----------------------------------|
| Higher Education Qualification | At least NQF Level 7 (S 54A) and Level 8 (S 56) in fields of senior management position | B Legume | B Tech Internal Auditing Postgraduate Diploma in Accounting Science | B Tech Town and Regional Planning. Postgraduate Diploma in Business Man | Vacant |
| Work-Related Experience | Minimum of two years at senior and five years at middle management level | Seven years in senior and five years in middle management | Seven years in senior and nine months in middle management | Thirteen years in senior and three months in middle management | N/A |
| Core Managerial and Occupational Competencies | As described in the Performance Regulations | Yes | Yes | Yes | N/A |
| Financial and Supply Chain Management Competency Areas: | Required Minimum Competency Level in Unit Standards = CPMF | Yes | Yes | Yes | N/A |
| <ul style="list-style-type: none"> Strategic Capability and Leadership Operational financial management Governance, ethics and values in financial management Financial and performance reporting Risk and change management Legislation, policy and implementation Stakeholder relations Supply Chain Management Project management Audit and assurance | | | | | |

Chapter 4

| DESCRIPTION | REQUIREMENTS | DIRECTOR TECHNICAL AND INFRASTRUCTURE | DIRECTOR PUBLIC SAFETY | DIRECTOR COMMUNITY DEVELOPMENT | DIRECTOR LOCAL ECONOMIC DEVELOPMENT |
|--|--|---|---------------------------|--------------------------------------|---|
| Higher Education Qualification | At least NQF Level 8 in fields of senior management position | Vacant | Vacant | Vacant | Vacant |
| Work-Related Experience | Minimum of two years at senior and five years at middle management level | N/A | N/A | N/A | N/A |
| Core Managerial and Occupational Competencies | As described in the Performance Regulations | N/A | N/A | N/A | N/A |
| Financial and Supply Chain Management Competency Areas: | Required Minimum Competency Level in Unit Standards = CPMF | N/A | N/A | N/A | N/A |
| <ul style="list-style-type: none"> ☞ Strategic Capability and Leadership ☞ Operational financial management ☞ Governance, ethics and values in financial management ☞ Financial and performance reporting ☞ Risk and change management ☞ Legislation, policy and implementation ☞ Stakeholder relations ☞ Supply Chain Management ☞ Project management ☞ Audit and assurance | | | | | |

Chapter 5



CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENT

The City of Matlosana posted a net audited deficit of R901.91 million which compares to the 2021/22 deficit of R695.02 million as per the financial summary. This was mainly due to the debt impairment that was finalized after year-end, and which exceeded the budgeted amount. Worth noting is the consistence decrease of our net deficit from the previous years.

Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

5.1 Statements of Financial Performance

| FINANCIAL SUMMARY | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|---------------|
| | | | | | | R' 000 |
| Description | 2021/22 | 2022/23 | | | 2022/23 Variance | |
| | Actual | Original | Adjusted | Actual | Original % | Adjustments % |
| <u>Financial performance</u> | | | | | | |
| Property rates | 451 441 | 507 345 | 532 836 | 456 397 | 89,96 | 85,65 |
| Service charges | 1 815 222 | 2 308 170 | 2 205 332 | 1 905 317 | 82,55 | 86,40 |
| Investment revenue | 10 646 | 9 270 | 9 270 | 15 304 | 165,09 | 165,09 |
| Transfers recognised operational | 506 442 | 561 824 | 559 978 | 551 494 | 98,16 | 98,48 |
| Other own revenue | 906 574 | 633 244 | 684 977 | 824 481 | 130,20 | 120,37 |
| Total revenue (excl. capital transfers and contributions) | 3 690 325 | 4 019 853 | 3 992 393 | 3 752 993 | | |
| Employee costs | 676 785 | 744 037 | 742 862 | 722 331 | 97,08 | 97,24 |
| Remuneration of Councillors | 34 189 | 39 456 | 39 456 | 36 912 | 93,55 | 93,55 |
| Depreciation & asset impairment | 363 151 | 440 000 | 440 000 | 379 302 | 86,21 | 86,21 |
| Finance charges | 156 918 | 10 123 | 10 124 | 249 907 | 2 468,70 | 2 468,46 |
| Materials and bulk purchases | 1 469 525 | 1 573 049 | 1 573 049 | 1 478 574 | 93,99 | 93,99 |
| Transfers and grants | 0 | 0 | 0 | 0 | - | |
| Other expenditure | 1 761 998 | 1 448 865 | 1 528 191 | 1 873 146 | 129,28 | 122,57 |
| Total expenditure | 4 462 566 | 4 255 530 | 4 333 682 | 4 740 172 | | |
| Surplus/(Deficit) | -772 241 | -235 677 | -341 289 | -987 179 | | |

| FINANCIAL SUMMARY (Continued) | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|------------------|---------------|
| R' 000 | | | | | | |
| Description | 2021/22 | 2022/23 | | | 2022/23 Variance | |
| | Actual | Original | Adjusted | Actual | Original % | Adjustments % |
| Transfers recognised - capital | 161 600 | 169 918 | 145 403 | 115 462 | 67,95 | 79,41 |
| Contributions recognised - capital and contributed assets | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers and contributions | -610 641 | | | -871 717 | | |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – |
| Surplus/(Deficit) for the year | -610 641 | | | -871 717 | | |
| Capital expenditure | | | | | | |
| Transfers recognised - capital | 161 600 | 169 918 | 145 403 | 103 175 | 60,72 | 70,96 |
| Public contributions and donations | – | – | – | – | – | – |
| Borrowing | – | – | – | – | – | – |
| Internally generated funds | 13 396 | 47 120 | 60 033 | 7 053 | 14,97 | 12% |
| Total sources of capital funds | 174 996 | 217 038 | 205 436 | 110 228 | | |
| Financial position | | | | | | |
| Total current assets | 951 281 | 1 313 700 | 1 654 581 | 905 426 | 68,92 | 54,72 |
| Total non-current assets | 5 614 961 | 5 066 938 | 5 055 337 | 5 506 021 | 108,67 | 108,92 |
| Total current liabilities | 2 814 183 | 1 831 731 | 2 362 598 | 3 587 431 | 195,85 | 151,84 |
| Total non-current liabilities | 498 273 | 81 274 | 81 274 | 470 132 | 578,45 | 578,45 |
| Community wealth / Equity | 3 223 786 | 4 167 993 | 4 044 229 | 2 353 884 | 56,48 | 58,20 |
| Cash flows | | | | | | |
| Net cash from (used) operating | 181 063 | 59 754 | 323 719 | 116 100 | 194,30 | 35,86 |
| Net cash from (used) investing | -192 059 | -217 038 | -217 005 | -192 205 | 88,56 | 88,57 |
| Net cash from (used) financing | -17 905 | -500 | 1 500 | -44 801 | 8 960,20 | -2 986,73 |
| Cash/cash equivalents at the year end | -28 901 | -157 784 | 108 214 | -120 906 | 76,63 | -111,73 |
| Cash backing/surplus reconciliation | | | | | | |
| Cash and investments available | 213 583 | 398 392 | 662 357 | 92 679 | – | 13,99 |
| Application of cash and investments | 0 | 596 164 | 1 008 488 | 213 584 | – | 21,18 |
| Balance - surplus (shortfall) | 213 583 | -197 772 | -346 131 | -120 905 | | |
| Asset management | | | | | | |
| Asset register summary (WDV) | 5 201 989 | 5 066 906 | 5 055 304 | 5 094 979 | 100,55 | 100,78 |
| Depreciation and asset impairment | 363 151 | 440 000 | 440 000 | 379 302 | 86,21 | 86,21 |
| Renewal of existing assets | 0 | 16 130 | 19 833 | 0 | – | – |
| Repairs and maintenance | 206 162 | 223 989 | 262 505 | 174 309 | 77,82 | 66,40 |

| FINANCIAL SUMMARY (Continued) | | | | | | |
|--|---------|----------|----------|---------|------------------|---------------|
| R' 000 | | | | | | |
| Description | 2021/22 | 2022/23 | | | 2022/23 Variance | |
| | Actual | Original | Adjusted | Actual | Original % | Adjustments % |
| Free services | | | | | | |
| Cost of free basic services provided | 193 793 | 204 237 | 204 237 | 204 237 | - | 0% |
| Revenue cost of free services provided | 88 826 | 93 004 | 93 004 | 93 004 | - | 0% |

| FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|---------------|
| R '000 | | | | | | |
| Description | 2021/22 | 2022/23 | | | 2022/23 Variance | |
| | Actual | Original | Adjusted | Actual | Original | Adjustment |
| Operating cost | | | | | | |
| Water | 1 040 839 | 773 426 | 786 833 | 899 660 | 116,32 | 114,34 |
| Waste-water (Sanitation) | 213 466 | 195 251 | 219 005 | 234 838 | 120,27 | 107,23 |
| Electricity | 1 173 196 | 1 662 842 | 1 723 777 | 1 892 306 | 113,80 | 109,78 |
| Waste management | 273 867 | 238 863 | 207 351 | 199 569 | 83,55 | 96,25 |
| Housing | 10 412 | 44 435 | 38 288 | 38 183 | 85,93 | 99,73 |
| Component A: sub-total | 2 711 780 | 2 914 817 | 2 975 254 | 3 264 556 | 112,00 | 112,00 |
| Storm-water drainage | - | - | - | - | - | - |
| Roads | 216 794 | 263 025 | 271 720 | 342 574 | 130,24 | 130,24 |
| Transport | - | - | - | - | - | - |
| Component B: sub-total | 216 794 | 263 025 | 271 720 | 342 574 | 130,24 | 126,08 |
| Planning | 55 856 | 0 | 0 | 0 | 0% | 0% |
| Local Economic Development | 26 268 | 35 582 | 26 233 | 24 020 | 67,51 | 67,51 |
| Component B: sub-total | 82 123 | 35 582 | 26 233 | 24 020 | 67,51 | 91,56 |
| Planning (strategic and regulatory) | - | - | - | - | - | - |
| Local Economic Development | - | - | - | - | - | - |
| Component C: sub-total | - | - | - | - | - | - |
| Community and Social Services | 11 745 | 109 147 | 113 544 | 105 213 | 96,40 | 96,40 |
| Environmental Protection | - | - | - | - | - | - |
| Health | 8 360 | 10 356 | 10 356 | 8 512 | 82,19 | 82,19 |
| Security and Safety | 218 017 | 203 882 | 256 952 | 243 361 | 119,36 | 119,36 |
| Sport and Recreation | 56 650 | 89 131 | 88 780 | 81 267 | 91,18 | 91,18 |
| Corporate Policy Offices and Other | 1 157 098 | 629 590 | 590 843 | 670 667 | 106,52 | 106,52 |
| Component D: sub-total | 1 451 870 | 1 042 106 | 1 060 475 | 1 109 020 | 106,42 | 104,58 |
| TOTAL EXPENDITURE | 4 462 568 | 4 255 530 | 4 333 682 | 4 740 170 | 111,39 | 109,38 |

COMMENT ON FINANCIAL PERFORMANCE

The City of Matlosana posted a net audited deficit of R884.5 million for the year under review (2022/23), while the 2021/22 deficit was R612.9 million. The following are the largest contributors to the increase in the deficit:

| EXPENDITURE COMPONENT | COMPARATIVE ANALYSIS | | | Percentage |
|------------------------------|----------------------|---------------------|--------------------|-------------|
| | 2023 | 2022 | Variance | |
| Impairment Losses (Reversal) | -3 650 921 | -35 209 847 | 31 558 926 | -90% |
| Finance Costs | -288 923 775 | -156 918 941 | -132 004 834 | 84% |
| Rental and Leases | -114 814 957 | -99 261 646 | -15 553 311 | 16% |
| Debt Impairment | -1 386 491 357 | -1 284 786 461 | -101 704 896 | 8% |
| Repairs & Maintenance | -174 308 501 | -207 488 594 | 33 180 093 | -16% |
| Bulk Purchases | -1 304 265 142 | -1 262 291 832 | -41 973 310 | 3% |
| Contracted Services | -102 800 530 | -126 571 875 | 23 771 345 | -19% |
| General Expenses | -269 038 926 | -214 904 837 | -54 134 089 | 25% |

Contracted Services

Contracted services are mandated services in terms of the Local Government: Municipal Structures Act 117 of 1998, a municipal by-law or the integrated development plan, and that the municipality is expected to have the capacity and expertise to deliver. These services are, however, being outsourced instead, due to capacity challenges, both in terms of human and financial resources.

General Expenses

Increase in the following general expenses items is has been noted:

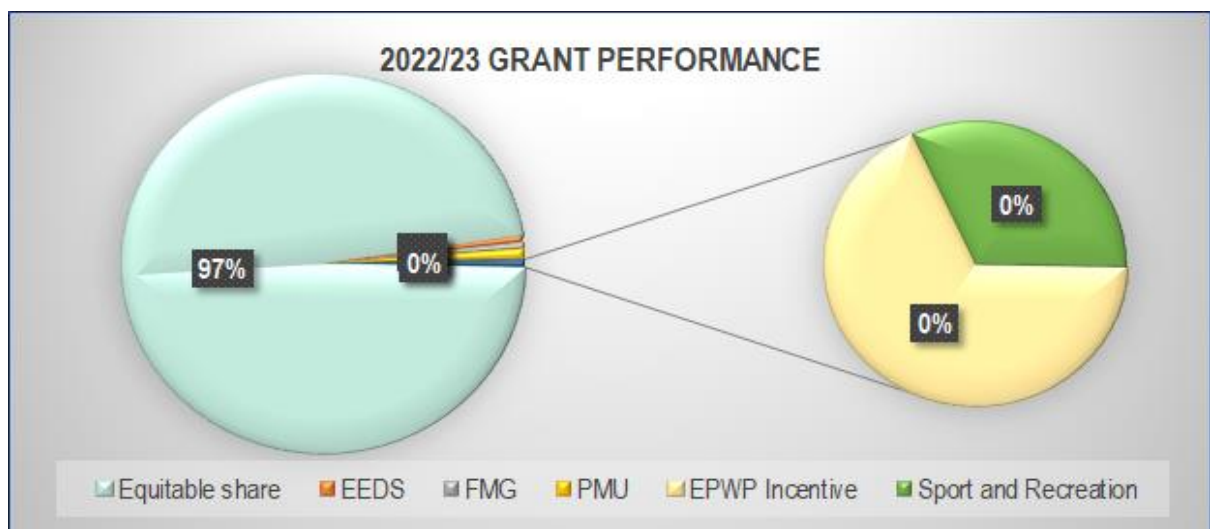
| EXPENDITURE COMPONENT | COMPARATIVE ANALYSIS | | | Percentage |
|-----------------------|----------------------|--------------|-------------|------------|
| | 2023 | 2022 | Variance | |
| ✚ Indigent cost | (81 753 108) | (49 445 614) | 32 307 494 | 63.33% |
| ✚ Insurance | (21 935 808) | (22 265 776) | (329 968) | 1.49% |
| ✚ Postage and courier | (3 714 722) | (6 865 941) | (3 151 219) | 54.1% |

The following are contributing factors on the above general expense components, which had a major impact towards the increase of the municipality's deficit in the 2022/23 financial year:

- ✚ **Indigent Cost:** The costs around the acquisition and distribution (transport) of paraffin has become unsustainable for the municipality.
- ✚ **Insurance:** The poor condition of roads (potholes) has led to an increase in claims against the municipality, hence the increase in the annual insurance premium.
- ✚ **Postage and courier:** The municipality is concerned about the poor services being provided by the Post Office, which has become dysfunctional due to its poor financial situation. The municipality is, however, compelled to budget for these costs, since the Post Office hold the licence in terms of the law. The capacitation of the ICT division, to explore other options of distributing monthly consumer statements, through SMS and emails, would make a huge impact as an alternative to the Post Office.

5.2 Grants

| GRANT PERFORMANCE | | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|------------------|----------------|
| R' 000 | | | | | | |
| Description | 2021/22 | 2022/23 | | | 2022/23 Variance | |
| | Actual | Budget | Adjusted | Actual | Original (%) | Adjustment (%) |
| Operating Transfers and Grants | | | | | | |
| National Government | 504 872 | 560 590 | 558 590 | 558 483 | 99,62 | 99,98 |
| Equitable share | 484 096 | 545 300 | 545 300 | 545 269 | 99,99 | 99,99 |
| EEDS | – | 5 000 | 3 000 | 2 997 | 59,95 | 99,92 |
| FMG | 3 123 | 3 100 | 3 100 | 3 006 | 96,99 | 96,99 |
| PMU | – | 5 009 | 5 009 | 5 028 | 100,38 | 100,38 |
| EPWP Incentive | 1 756 | 2 181 | 2 181 | 2 180 | 100,00 | 100,00 |
| COVID-19 | – | | | | | |
| Provincial Government | 1 570 | 1 478 | 1 388 | 1 036 | 70,14 | 74,69 |
| Sport and Recreation | 1 570 | 1 478 | 1 388 | 1 036 | 70,14 | 74,69 |
| Total | 506 442 | 562 068 | 559 978 | 559 520 | 99,55 | 99,92 |



COMMENT ON OPERATING TRANSFERS AND GRANTS

Grants were reported as per the DORA and the payment schedule received from National Treasury and the national and provincial departments. Additional conditional grant funding in the third quarter of the financial year, resulted in unspent grants for which the municipality had to apply for roll-overs.

5.3 Asset Management

INTRODUCTION TO ASSET MANAGEMENT

Vodacom assists Council with the unbundling of new projects and the verification of existing assets. As a result, Council obtained an unqualified audit opinion on assets management. However appropriate management is a challenge given low budget allocation due unfunded budget for the financial year.

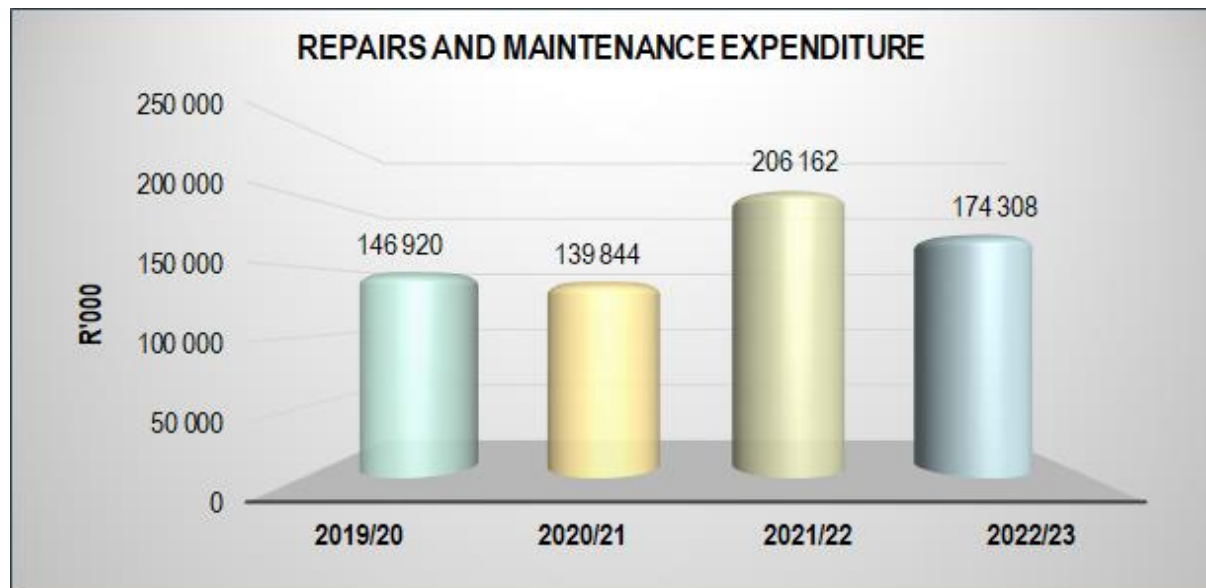
| TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2022/23 | | | | |
|--|---|-------------|-------------|------------|
| Asset 1 | | | | |
| Name | Turnkey services for the design & construction for Jouberton/Alabama bulk services (Civil & Electrical) | | | |
| Description | Turnkey services for the design & construction for Jouberton/Alabama bulk services (Civil & Electrical) | | | |
| Asset Type | Infrastructure | | | |
| Key Staff Involved | Roads Section | | | |
| Staff Responsibilities | Maintain Roads Infrastructure | | | |
| Asset Value | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | R18 284 821 | R25 737 873 | R34 007 411 | R232 296 |
| Capital Implications | None | | | |
| Future Purpose of Asset | Providing proper service delivery of bulk infrastructure | | | |
| Describe Key Issues | Maintain bulk infrastructure | | | |
| Policies in Place to Manage Asset | Yes | | | |
| Asset 2 | | | | |
| Name | Paving of taxi routes and storm-water drainage in Jouberton Phase 9 | | | |
| Description | Paving of taxi routes and storm-water drainage in Jouberton Phase 9 | | | |
| Asset Type | Infrastructure | | | |
| Key Staff Involved | Road section | | | |
| Staff Responsibilities | Maintain road infrastructure | | | |
| Asset Value | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | R855 496 | R9 135 580 | R13 779 655 | R4 692 878 |
| Capital Implications | None | | | |
| Future Purpose of Asset | Providing proper service delivery at road infrastructure | | | |
| Describe Key Issues | Maintain road infrastructure | | | |
| Policies in Place to Manage Asset | Yes | | | |
| Asset 3 | | | | |
| Name | Construction of New Sports Complex Khuma | | | |
| Description | Construction of New Sports Complex Khuma | | | |
| Asset Type | Infrastructure | | | |
| Key Staff Involved | Sports | | | |
| Staff Responsibilities | Maintain sports Facilities | | | |
| Asset Value | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | - | 29 875 274 | 25 390 300 | 2 949 852 |
| Capital Implications | None | | | |
| Future Purpose of Asset | Providing proper service delivery at Sports infrastructure | | | |
| Describe Key Issues | Maintain Sports infrastructure | | | |
| Policies in Place to Manage Asset | Yes | | | |

COMMENTS ON ASSET MANAGEMENT

The PMU unit manages the roll out and implementation of municipal projects mainly funded by CoGTA and other National transferee departments.

The assets are grant-funded, and the budget was approved for these capital projects. The assets were signed off with completion certificates obtained from the various contractors before these projects could be signed-off for completeness.

| REPAIR AND MAINTENANCE EXPENDITURE: 2022/23 | | | | |
|---|----------|----------|---------|-----------------|
| R' 000 | | | | |
| Description | Original | Adjusted | Actual | Budget variance |
| Repairs and Maintenance Expenditure | 223 989 | 262 504 | 174 308 | 117,20% |



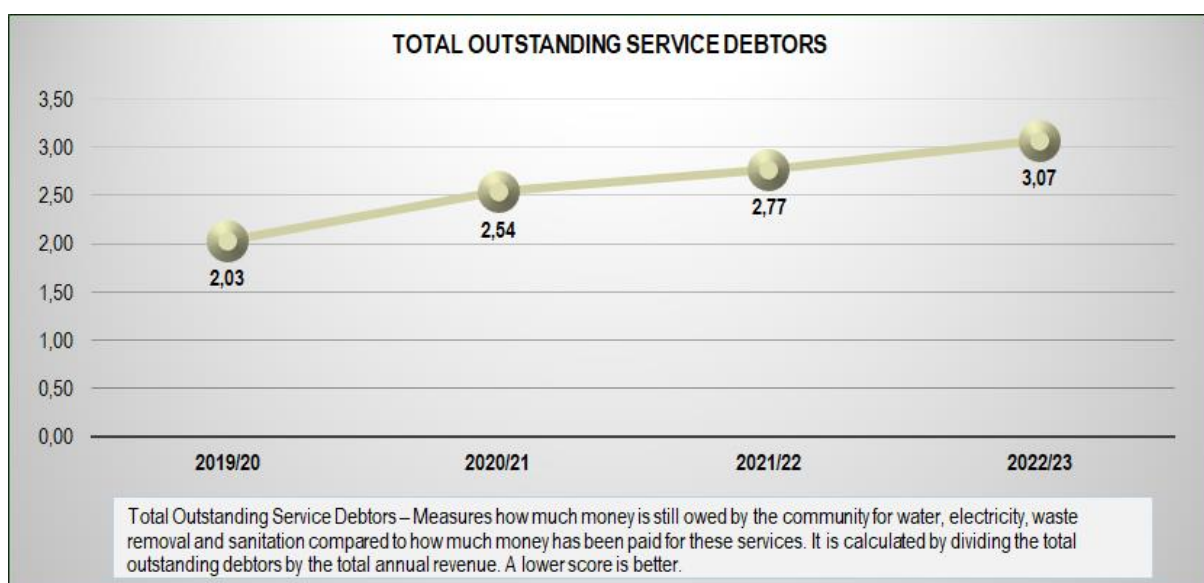
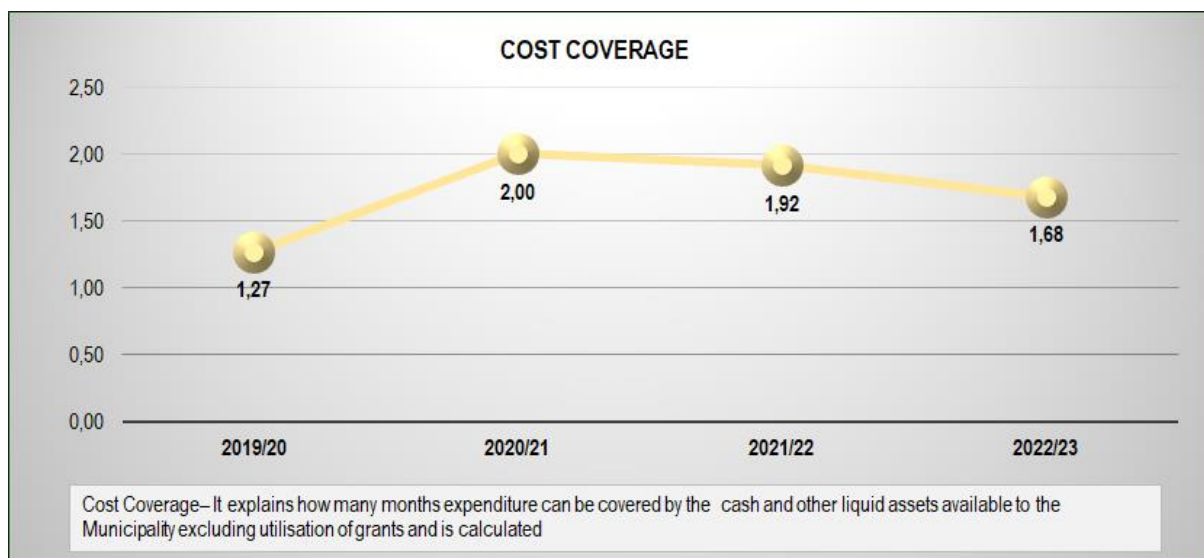
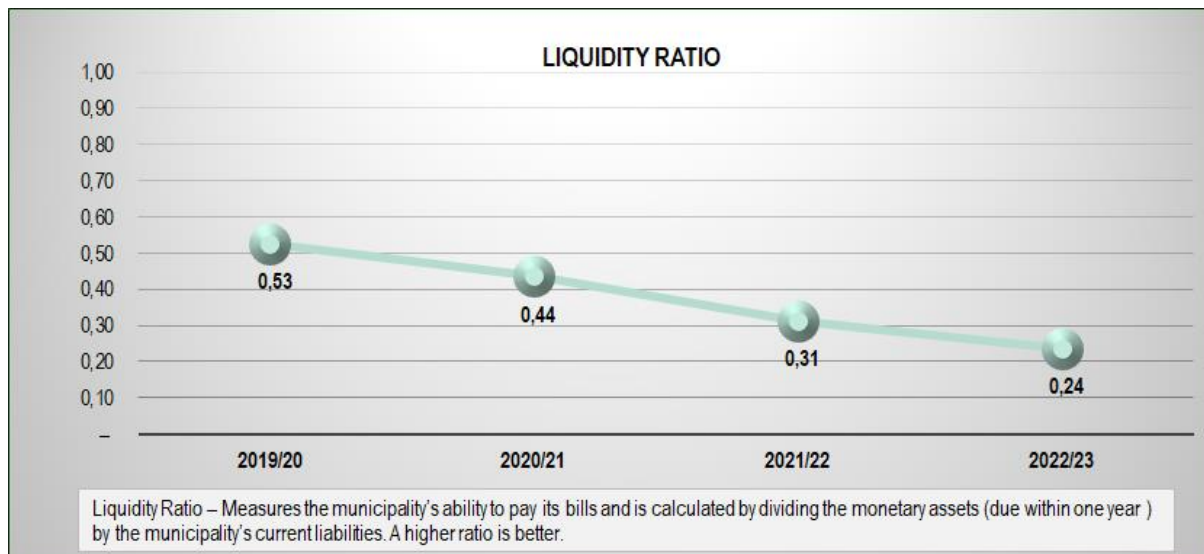
COMMENTS ON REPAIR AND MAINTENANCE EXPENDITURE

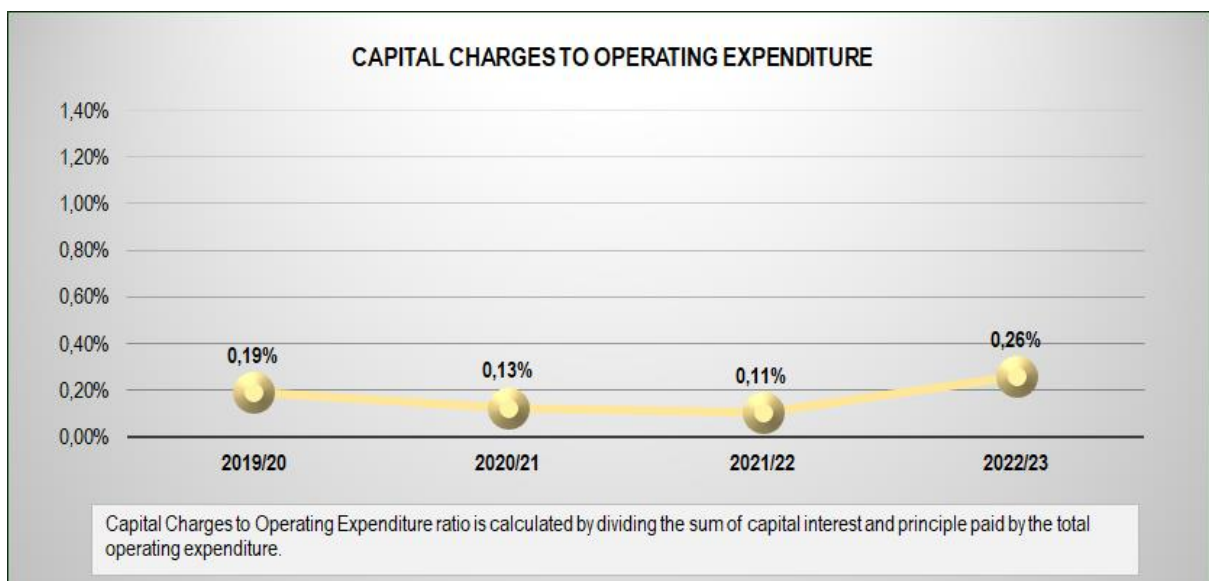
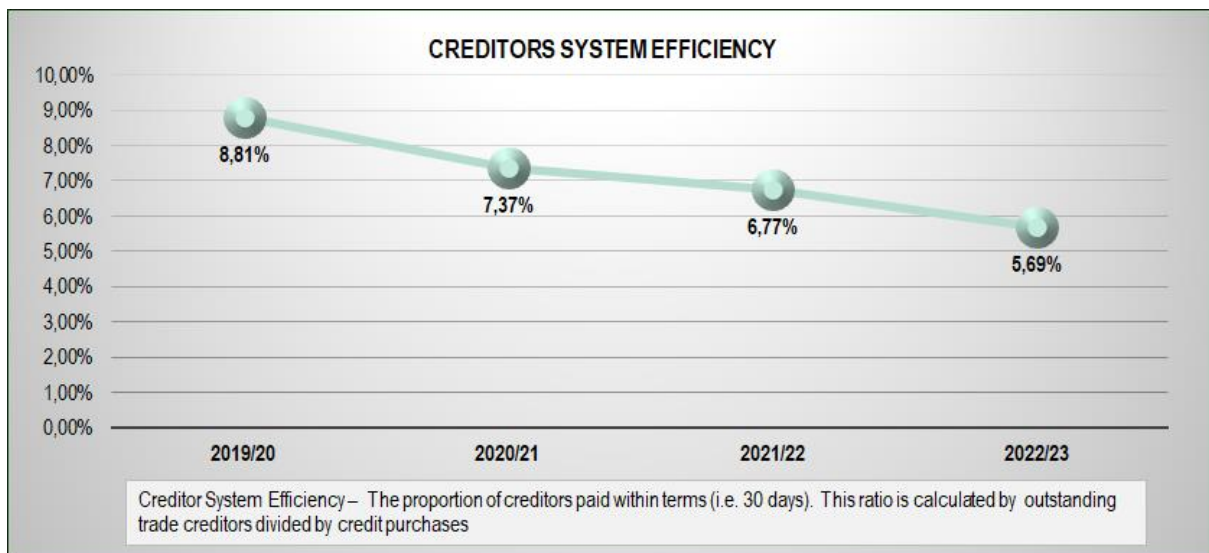
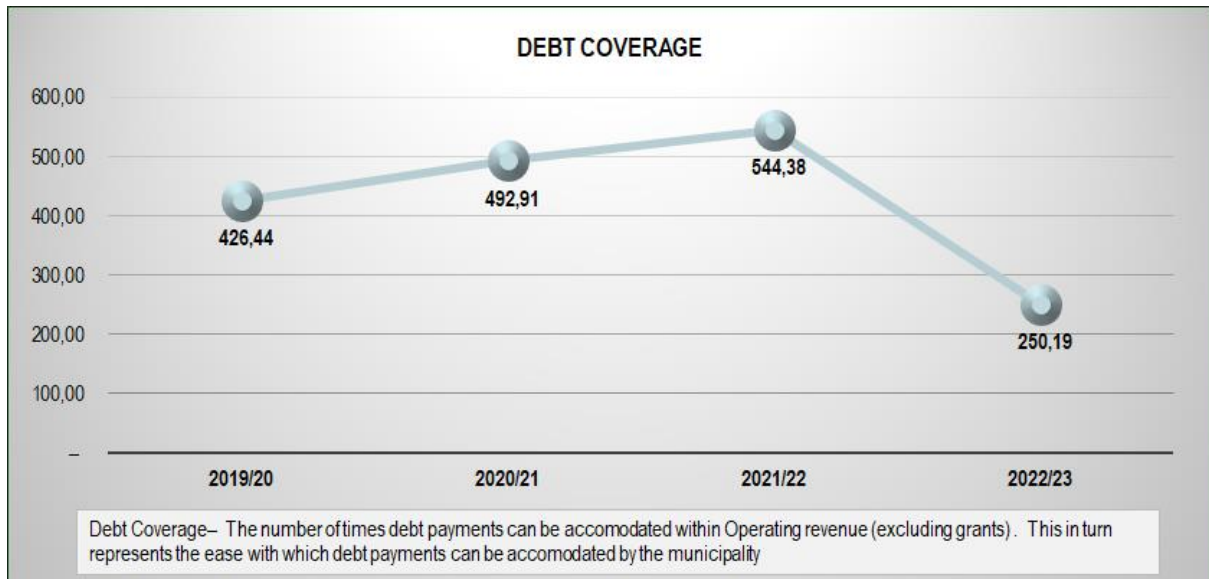
Expenditure on repair and maintenance was 7.3% of the total expenditure budget compared to the National Treasury norm of 8% of the municipality's operational budget.

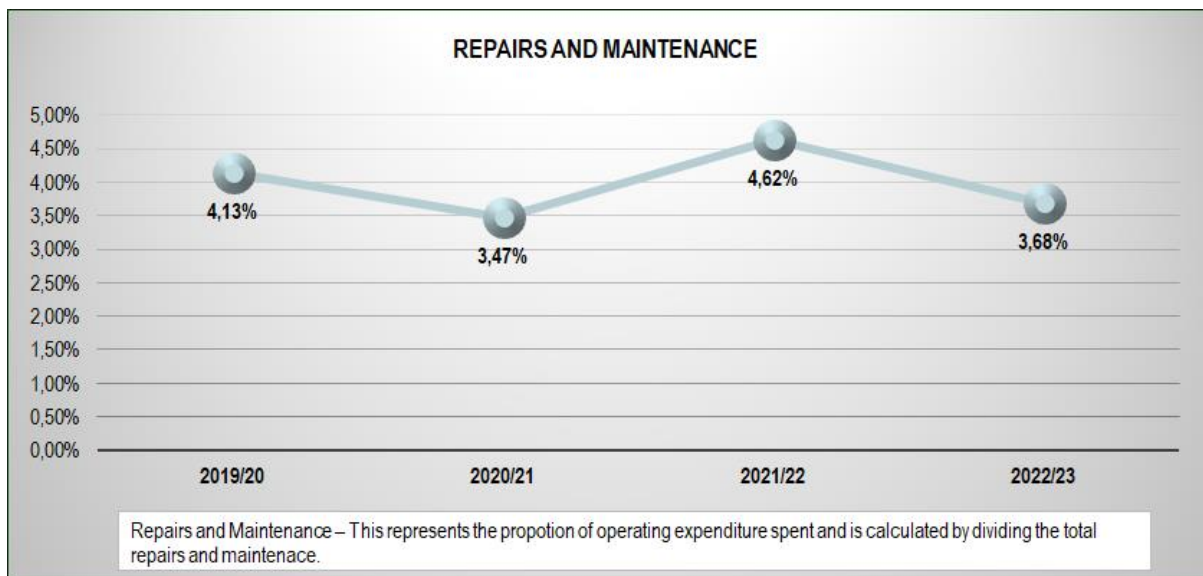
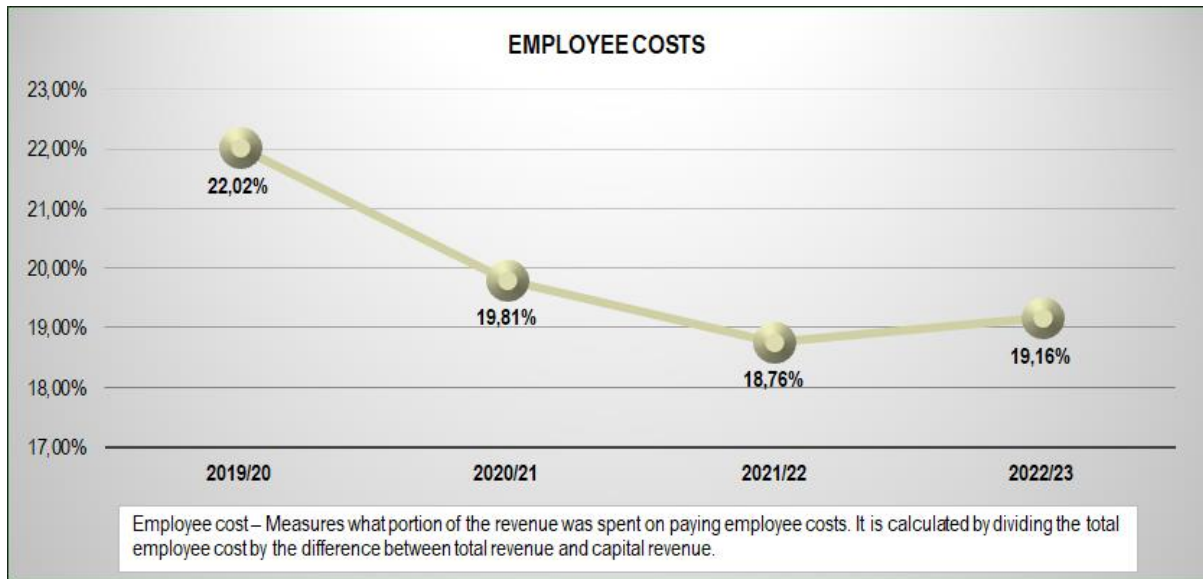
It must be noted that the salary cost of repair and maintenance is excluded from the 8%. Going forward the municipality need to increase the budget and expenditure to prevent further deterioration of our infrastructure assets.

The municipality has the challenge of aged infrastructure and fleet, which contribute towards high repairs and maintenance, and the hiring of contracted services on refuse removal and plant equipment. The replacements thereof require huge capital investments, which are not provided for in the annual allocation of Municipal Infrastructure Grants (MIG). The municipality is currently using its own revenue generated funds to acquire new fleet. Vat recovery funds are a major contributor towards the replacement of old vehicles that have become uneconomical to repair.

5.4 Financial Ratios Based on Key Performance Indicators







COMMENTS ON THE FINANCIAL RATIO

The liquidity ratio is unfavourable, and the lower ratio is mostly reflective of the increase in payables. The low liquidity ratio does require a major improvement in the bottom line as reflected on the statement of financial performance to rectify and bring the ratio in line with the norm. The recovery is dependent on the budget constraints and the higher debtors' impairment realised.

A higher cost coverage ratio is necessary in a highly fluctuating income environment as it indicates the ability to cover monthly fixed operational expenditure costs if there is a sudden loss of income. The lower ratio at present is of concern and needs to be addressed.

The total outstanding services debtors' ratio remains unfavourable in the last period, and it can be attributed to the low collection rate. Unrecoverable debts should also be written off to keep the ratio comparable between years.

Chapter 5

The debt coverage ratio is lower due to higher short term debt redemption commitments. The ratio is still positive and should improve again in the next financial year.

The financial performance of the municipality can be measured in the lower creditors' efficiency ratio. The municipality must work towards a cash positive budget to ensure that creditors can be serviced.

The low reliance on capital funding is reflected in the ratio of capital charges to operational expenditure. The ratio slightly increased due to short term debt redemption commitment.

The ratio of employee cost to revenue is relatively constant and falls in the ranges that are experienced in the local government sector. The slight increase is due in most part to higher percentage increase in employee costs in relation to the increase in revenue.

The lower rate for repairs and maintenance is a factor of both the lower actual spend on repairs and maintenance as well as the increase in total operating expenditure. This low rate remains a concern as it is lower than what is expected of a municipality as to ensure the assets are kept in service. It must be noted that the salary cost of repair and maintenance is not included and will increase the percentage if included.

Management must implement revenue enhancement and recovery strategies while ensuring that other non-essential costs are reduced and managed to enable the municipality to recover and improve the ratios and improve service delivery.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

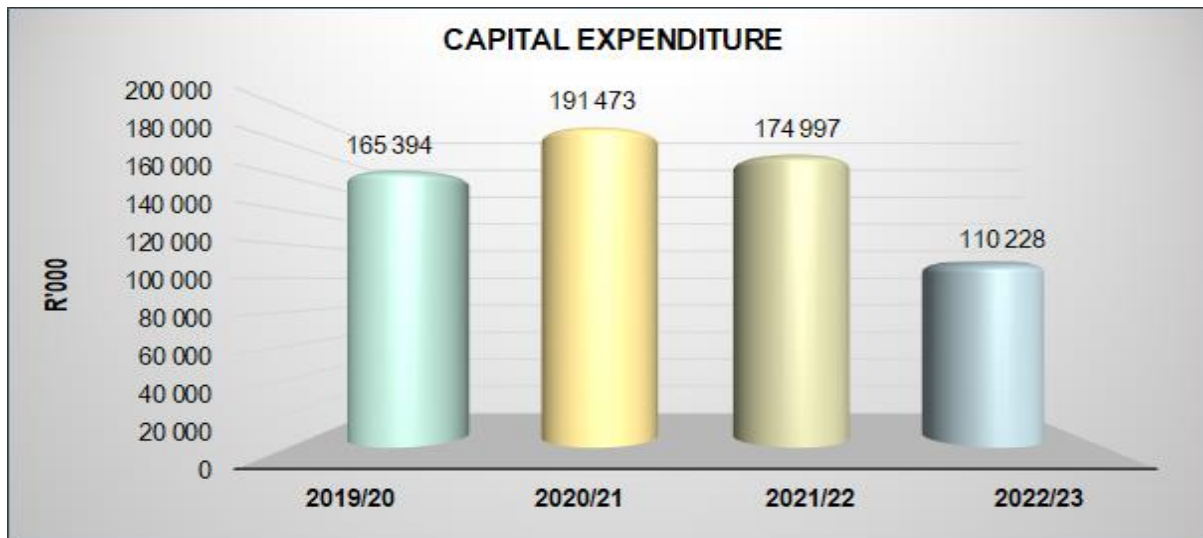
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme (INEP), Water Services Grant (WSG) and the Neighbourhood Development Partnership Grant (NDPG) mainly funded capital. For the year under review, more than 90% of MIG-funded capital budget was spent. NDPG also record spending of more than 90%. INEP and WSG grant recorded expenditure of only 56.8%.

Please note that the outlines of capital expenditure relating to the new works and renewal programmes, the full programme of capital projects and alignment of projects in wards are in **Appendices M, N and O**

5.5 Capital Expenditure

| CAPITAL EXPENDITURE 2022/23 | | | | | |
|---|------------|------------|------------|--------------------------|--------------------------|
| | | | | | R'000 |
| R million | Original | Adjustment | Audited | Original Budget variance | Adjusted Budget Variance |
| Capital expenditure | 217 | 205 | 110 | 50,8% | 53,7% |
| Operating expenditure | | | | | |
| Total expenditure | | | | | |
| Water and sanitation | 50 | 40 | 16 | 32,5% | 41,3% |
| Electricity | 56 | 56 | 31 | 56,6% | 56,6% |
| Housing | 6 | 5 | – | 0,0% | 0,0% |
| Roads, pavements, bridges, and stormwater | 57 | 37 | 24 | 41,6% | 64,1% |
| Other | 48 | 68 | 39 | 80,5% | 56,9% |
| | | | | | |
| Grants and subsidies | 170 | 145 | 103 | 60,7% | 71,0% |
| Other | 47 | 60 | 7 | 15,0% | 11,7% |
| | | | | | |
| Property rates | 507 | 533 | 456 | 90% | 86% |
| Service charges | 2 308 | 2 205 | 1 904 | 83% | 86% |
| Other own revenue | 96 | 80 | 151 | 157% | 190% |
| | | | | | |
| Employee related costs | 744 037 | 742 862 | 711 680 | 96% | 96% |
| Repairs and maintenance | 484 | 484 | 713 | 147% | 147% |
| Bulk purchases | 1 089 | 1 089 | 843 | 77% | 77% |
| | | | | | |
| Service charges: Electricity | 1 127 | 1 085 | 843 | 75% | 78% |
| Grants & subsidies: Electricity | 34 | 34 | 10 | 30% | 30% |
| | | | | | |
| Employee related costs: Electricity | 52 | 39 | 40 | 76% | 102% |
| Repairs and maintenance: Electricity | 83 | 101 | 87 | 106% | 86% |
| Bulk purchases: Electricity | 1 089 | 1 089 | 843 | 77% | 77% |
| Other expenditure: Electricity | 1 528 | 1 584 | 1 765 | 116% | 111% |
| | | | | | |
| Service charges: Water | 784 | 744 | 736 | 94% | 99% |
| Grants & subsidies: Water | 34 | 34 | 5 | 14% | 14% |
| | | | | | |
| Employee related costs: Water | 40 | 40 | 42 | 106% | 106% |
| Repairs and maintenance: Water | 9 | 9 | 5 | 50% | 50% |
| Bulk purchases: Water | 314 | 314 | 456 | 145% | 145% |
| Other expenditure: Water | 374 | 711 | 785 | 210% | 110% |

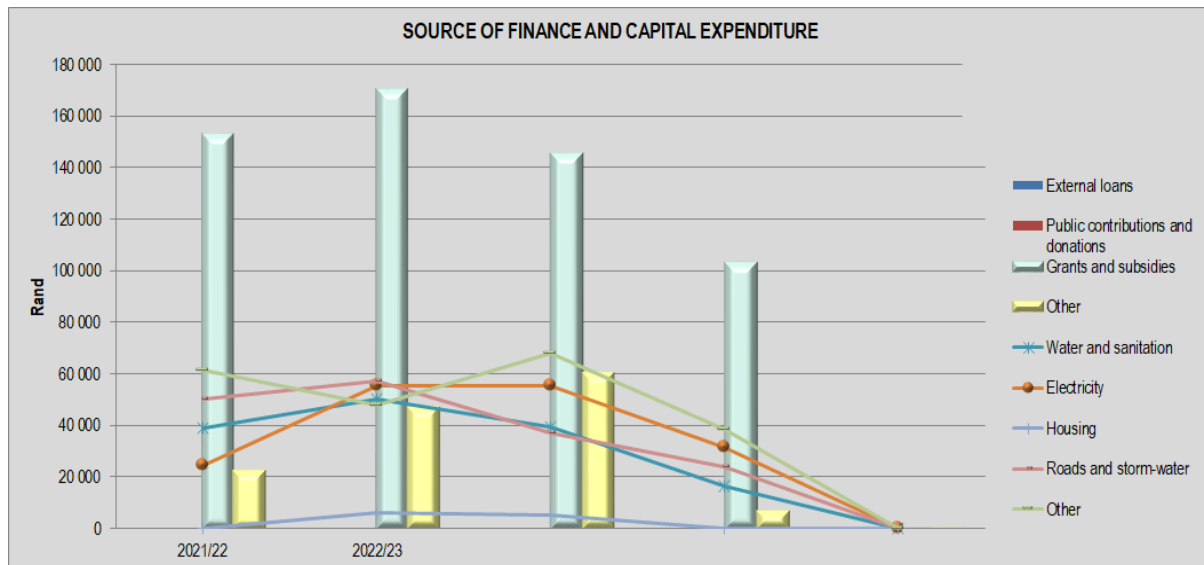


COMMENTS ON CAPITAL EXPENDITURE

As can be seen in the table below, the capital spending is above 90% of the total allocation for the year. Municipal spending on all essential services has reported high spending.

5.6 Sources of Finance

| CAPITAL EXPENDITURE - FUNDING SOURCES: 2021/22 TO 2022/23 | | | | | | |
|---|----------------|----------------|----------------|----------------|-------------------------------|---------------------------|
| | R' 000 | | | | | |
| Details | 2021/22 | 2022/23 | | | | |
| | Actual | Original (OB) | Adjustment | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| Source of finance | | | | | | |
| External loans | - | - | - | - | - | - |
| Public contributions and donations | - | - | - | - | - | - |
| Grants and subsidies | 152 582 | 169 918 | 145 403 | 103 176 | 61% | 71% |
| Other | 22 414 | 47 120 | 60 033 | 7 052 | 15% | 12% |
| Total | 174 996 | 217 038 | 205 436 | 110 228 | 51% | 54% |
| Percentage of finance | | | | | | |
| External loans | - | - | - | - | - | - |
| Grants and subsidies | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Capital expenditure | | | | | | |
| Water and sanitation | 38 712 | 50 250 | 39 506 | 16 312 | 32% | 41% |
| Electricity | 24 596 | 55 544 | 55 544 | 31 424 | 57% | 57% |
| Housing | - | 6 000 | 5 300 | 0 | 0% | 0% |
| Roads and stormwater | 50 206 | 57 182 | 37 145 | 23 808 | 42% | 64% |
| Other | 61 482 | 48 062 | 67 941 | 38 684 | 80% | 57% |
| Total | 174 996 | 217 038 | 205 436 | 110 228 | 51% | 54% |



COMMENT ON SOURCES OF FUNDING

The Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme (INEP), Water Services Grant (WSG) and the Neighbourhood Development Partnership Grant (NDPG) mainly funded capital.

There were no Council's own funded capital projects.

5.7 Capital Spending on Five Largest Projects

| CAPITAL SPENDING ON FIVE LARGEST PROJECTS: 2022/23 | | | | |
|---|--|-------------------|--------------------|-----------------------------------|
| Name of Project | 2022/23 | | | R' 000 |
| | Original Budget | Adjustment Budget | Actual Expenditure | Variance Original Variance (%) |
| A. Electrification of Alabama extension 5 (Ward 4) Phase 3 | 29 064 | 29 064 | 21 362 | 7% |
| B. Specialised vehicles for solid waste removal (Ward 1 - 39) | 18 344 | 18 344 | 17 332 | 94% |
| C. Upgrade taxi rank Jouberton Ext 19 (Ward 37) | 28 022 | 19 787 | 10 859 | 39% |
| D. Construction New 20 MVA Sub Alabama /Manzilpark | 22 000 | 22 000 | 6 225 | 28% |
| E. Specialised vehicles (Ward 1 - 39) | 20 589 | 20 589 | 5 363 | 26% |
| <i>Projects with the highest capital expenditure in 2022/23</i> | | | | |
| Name of Project - A | Electrification of Alabama extension 5 Phase 3 (Ward 4) | | | |
| Objective of Project | To provide electrification for the new development in Alabama ext. 5 | | | |
| Delays | None | | | |
| Future Challenges | None | | | |
| Anticipated citizen benefits | To improve electricity access to the community | | | |

| | |
|------------------------------|---|
| Name of Project - B | Specialised vehicles for solid waste removal (Ward 1 - 39) |
| Objective of Project | To improve collection of refuse and maintain environmental care |
| Delays | None |
| Future Challenges | None |
| Anticipated citizen benefits | To improve collection of refuse and maintain environmental care |
| Name of Project - C | Upgrade taxi rank Jouberton Ext 19 (Ward 37) WIP |
| Objective of Project | Upgrade taxi rank Jouberton |
| Delays | None |
| Future Challenges | None |
| Anticipated citizen benefits | To improve public access to transport in |
| Name of Project - D | Construction New 20 MVA Sub Alabama /Manzilpark (Ward 3 - 5) |
| Objective of Project | To maintain the current infrastructure |
| Delays | None |
| Future Challenges | None |
| Anticipated citizen benefits | To cater for the increased electricity supply demand |
| Name of Project - E | Specialised vehicles (Ward 1 - 39) WIP |
| Objective of Project | To improve service delivery to the community |
| Delays | None |
| Future Challenges | None |
| Anticipated citizen benefits | To improve service delivery to the community |

COMMENTS ON CAPITAL PROJECTS

The budget allocation for the development of basic infrastructure services is a constraint as there are increasing demands for new infrastructure due to the growth of the city in comparison to the available allocation.

The only challenge that does exist in all Council projects is that we have a lot of WIP projects and the issue that Council is facing is the shortage of funding to complete all WIP projects

5.8 Basic Service and Infrastructure Backlogs – Overview

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The closure of mines and migration of families from farming settlements to urban areas has put pressure on the upgrading of bulk infrastructure and increased settlement on unproclaim areas.

The backlog will affect the municipality negatively. The development of master plans for water, sewer, roads, and electricity will assist in assessment of backlogs as well as submission of reports for counter funding.

The repeated seismic incidents put more stress on the existing and old infrastructure in all areas of the municipality especially on the asbestos-cement pipes.

The above backlogs will soon affect the municipality in negative ways however, with the current efforts of submitting requests for funding through the development of Master Plans and Feasibility Reports some of the challenges will be addressed soon.

Chapter 5

Application for funding for the development of the various master plans is under consideration by the Development Bank of Southern Africa (DBSA). The application made to the DBSA for development of Master Plans was approved.

The Grant Agreement between DBSA and City of Matlosana has been signed and procurement of services provider is in the process.

| SERVICE BACKLOGS AS AT 30 JUNE 2023 | | | | |
|--|---|-------|--|-------|
| Households (Hh) | | | | |
| Services | *Service level and above minimum standard | | **Service level below minimum standard | |
| | No HHs | % HHs | No HHs | % HHs |
| Water | 182 382 | 99% | 1 021 | 1% |
| Sanitation | 171 437 | 94% | 11 966 | 6% |
| Electricity | 170 652 | 93% | 12 751 | 7% |
| Waste management | 170 985 | 93% | 12 418 | 7% |
| % Hhs are the service level and above / below minimum standard as a proportion of total Hhs. | | | | |

| MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2022/23 ON SERVICE BACKLOGS | | | | | |
|---|---------------|---------------|---------------|----------|-------------|
| R' 000 | | | | | |
| Details | Budget | Adjusted | Actual | Variance | |
| | | | | Budget | Adjust-ment |
| Infrastructure - Road Transport | 25 659 | 17 359 | 12 950 | | |
| Paving of taxi route and storm-water drainage | 5 056 | 3 477 | 3 023 | 60% | 87% |
| Paving of taxi route and storm-water drainage - Kanana (Phase 9) | 5 203 | 5 203 | 4 693 | 90% | 90% |
| Paving of taxi route and storm-water drainage - Khuma (Phase 9) | 15 400 | 8 678 | 5 233 | 34% | 60% |
| Infrastructure - Electricity | 4 480 | 4 480 | 3 776 | | |
| High mast lights at Jouberton hot spot areas (Phase 4) | 2 880 | 2 880 | 2 391 | 83% | 83% |
| High mast lights at Alabama Ex 4 & 5 (Phase 1) | 1 600 | 1 600 | 1 385 | 87% | 87% |
| Infrastructure - Water | 16 027 | 17 527 | 14 625 | | |
| Refurbishment of electrical and mechanical equipment in the water pump-stations | 12 527 | 12 527 | 11 118 | 89% | 89% |
| Jouberton / Alabama precinct development – Bulk water line | 3 500 | 5 000 | 3 507 | 100% | 70% |
| Infrastructure - Sanitation | 20 069 | 9 605 | 3 503 | | |
| Refurbishment of outfall sewer line from Jouberton Ext 19 to Alabama | 14 500 | 4 605 | 704 | 5% | 15% |
| Refurbishment of electrical and mechanical equipment in the sewer pump-stations | 5 569 | 5 000 | 2 799 | 50% | 56% |

| MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2022/23 ON SERVICE BACKLOGS | | | | | |
|---|----------------|---------------|---------------|----------|------------|
| R' 000 | | | | | |
| Details | Budget | Adjusted | Actual | Variance | |
| | | | | Budget | Adjustment |
| Other Specify: Sport | 10 431 | 3 799 | 2 950 | | |
| New Sports Complex in Khuma Ext 9 (Phase 2) | 10 431 | 3 799 | 2 950 | 28% | 78% |
| Other Specify: Local Economic Development | 8 064 | 8 064 | 4 345 | | |
| Upgrading of Fresh Produce Market (Phase 2) | 8 064 | 8 064 | 4 345 | 54% | 54% |
| Other Specify: Refuse Removal | 10 447 | 23 344 | 20 828 | | |
| Solid Waste Cell between Stilfontein and Klerksdorp | 8 302 | 18 344 | 17 332 | 209% | 94% |
| Klerksdorp landfill sites (Cell 3) development (Phase 1) | 2 146 | 5 000 | 3 496 | 163% | 70% |
| Infrastructure - Other | 5 009 | 5 009 | 5 028 | | |
| PMU fees | 5 009 | 5 009 | 5 028 | 100% | |
| TOTAL | 100 187 | 89 187 | 68 005 | | |

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

The above backlogs will soon affect the municipality in negative ways however, with the current efforts of submitting requests for funding through the development of Master Plans and Feasibility Reports some of the challenges will be addressed soon.

Application for funding for the development of the various master plans is under consideration by the Development Bank of Southern Africa (DBSA). The application made to the DBSA for development of Master Plans was approved.

The Grant Agreement between DBSA and City of Matlosana has been signed and procurement of services provider is in the process.

COMMENTS ON BACKLOGS

The City of Matlosana has to further implement two major projects for water supply to strengthen the existing supply to various communities and to unlock further development which already eminent. The implementation of a further bulk sanitation project will unlock among others the development on the east of Klerksdorp.

Lack of funding on capital projects by the municipality and the ageing infrastructure remains a challenge for the quicker strengthening of bulk services to support development.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's cash flow is monitored on a daily basis and is a major challenge as indicated by the various ratios. The municipality's investments consist mainly of government grants of which the MIG is the main contributor and some securities.

During each month, investments are made and withdrawn as part of the cash flow management process.

5.9 Cash Flow

| CASH FLOW OUTCOMES | | | | |
|---|-----------------|-----------------|-----------------|----------------|
| | | | | R'000 |
| Description | 2021/22 | 2022/23 | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Ratepayers and other | 1 846 773 | 2 288 258 | 2 552 223 | 1 768 737 |
| Government - operating | 506 442 | 561 824 | 561 824 | 547 682 |
| Government - capital | 161 600 | 169 918 | 169 918 | 150 412 |
| Interest | 74 523 | 108 337 | 108 337 | 139 888 |
| Dividends | – | – | – | – |
| Payments | | | | |
| Suppliers and employees | -2 294 545 | -3 068 583 | -3 068 583 | -2 250 428 |
| Finance charges | -113 731 | – | – | -240 191 |
| Transfers and Grants | – | – | – | – |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 209 777 | 59 754 | 323 719 | 116 100 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Receipts | | | | |
| Decrease (Increase) in non-current debtors | -632 | 33 | – | -870 |
| Decrease (increase) other non-current receivables | -18 | – | – | 5 296 |
| Decrease (increase) in non-current investments | -3 | – | – | – |
| Payments | | | | |
| Capital assets | -191 406 | -217 038 | -217 038 | -196 631 |

| CASH FLOW OUTCOMES | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| R'000 | | | | |
| Description | 2021/22 | 2022/23 | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | -192 059 | -217 005 | -217 038 | -192 205 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Receipts | | | | |
| Short term loans | – | – | – | – |
| Borrowing long term/refinancing | -41 745 | – | – | -11 022 |
| Increase (decrease) in consumer deposits | 2 810 | 1 500 | 1 500 | 4 727 |
| Payments | | | | |
| Repayment of borrowing/NT Liabilities | -7 685 | | | -38 505 |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | -46 620 | 1 500 | 1 500 | -44 800 |
| NET INCREASE/ (DECREASE) IN CASH HELD | -28 902 | -155 751 | 108 181 | -120 905 |
| Cash/cash equivalents at the year-begin: | 242 485 | 310 855 | 310 855 | 213 584 |
| Cash/cash equivalents at the year-end: | 213 584 | 155 104 | 419 036 | 92 679 |

5.10 Borrowing and Investments

INTRODUCTION TO BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The loan book is reducing constantly as loans are serviced. The municipality's investments consist mainly of government grants of which the Equitable Share grant, MIG, INEP and NDPG grants is the main contributor and some securities.

| ACTUAL BORROWINGS: 2020/21 TO 2022/23 | | | |
|--|---------------|---------------|--------------|
| R' 000 | | | |
| Instrument | 2020/21 | 2021/22 | 2022/23 |
| Municipality | | | |
| Long-Term Loans (annuity/reducing balance) | 16 021 | 12 866 | 9 363 |
| MUNICIPALITY TOTAL | 16 021 | 12 866 | 9 363 |

| MUNICIPAL INVESTMENTS | | | |
|---|----------------|----------------|------------------|
| R' 000 | | | |
| Investment type | 2020/21 | 2021/22 | 2022/23 |
| | Actual | Actual | Actual |
| Deposits – Bank | 238 797 | 189 970 | 74 665 |
| Guaranteed Endowment Policies (sinking) | 10 776 | 11 338 | 12 094 |
| TOTAL | 249 573 | 201 308 | 86 759,00 |

COMMENTS ON BORROWING AND INVESTMENTS

No new loans were taken up in the past financial year. The current loan book is reducing as loans are serviced.

Municipal annual deposits have decreased from R 201 million to R 86 million.

The municipality's investments consist mainly of government grants of which the MIG, NDPG and Equitable Share grants are the main contributor.

5.11 Public Private Partnerships

PUBLIC PRIVATE PARTNERSHIPS

Council does not have any Public Private Partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 Supply Chain Management

SUPPLY CHAIN MANAGEMENT

The Council developed a Supply Chain Management Policy and practices, in compliance with the guidelines set down by Supply Chain Management legislation and regulations. The policy is being reviewed on an annual basis, and tabled with each year's budget. The reviews are done in line with the applicable amendments to SCM related legislation and regulations.

In terms of the municipal Supply Chain Management Policy, and section 117 of the Municipal Finance Management Act, no Councillor may be a member of a municipal bid committee or any other committee evaluating or approving tender, quotations, contracts or other bids, nor attend any such meeting as an observer.

5.13 GRAP Compliance

GRAP COMPLIANCE

The City of Matlosana applies General Recognised Accounting Practices (GRAP) in the compilation of its financial statements.

Chapter 6



CHAPTER 6 – AUDITOR-GENERAL'S AUDIT FINDINGS

INTRODUCTION

The audited 2022/23 Annual Report, including the Annual Financial Statements and Annual Performance Report was submitted to the Auditor-General on 31 August 2023 for auditing.

COMPONENT A: AUDITOR-GENERAL'S OPINION OF FINANCIAL STATEMENTS 2021/22

6.1 Auditor-General Report 2021/22

AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2021/22

Unqualified opinion – Financial Performance

"In my opinion, the financial statements present fairly, in all material respects, the financial position of the City of Matlosana as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (DoRA)."

Unqualified opinion – Predetermined objectives

"I did not identify any material findings on the usefulness and reliability of the reported performance information on the selected key performance area of the municipality."

COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2021/22

Management is pleased that the municipality again obtained unqualified audit opinions for the financial statements.

Management is also aware that to not regress and to improve the opinions going forward, that attention to matters noted in the audit must be addressed. It will therefore formulate the post audit action plan which will be monitored by the audit steering committee on a regular basis.

The municipality is currently busy with the implementation of the Post Audit Action Plan (PAAP), after receipt of the final Audit and Management Report. The Provincial Treasury has introduced the Web-based Post Audit Action Plan (PAAP), to assist the municipalities to report progress timeously.

COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2021/22

Performance Management received an unqualified audit opinion from the Auditor-General.

COMPONENT B: AUDITOR-GENERAL's OPINION 2022/23

6.2 Auditor-General's Report 2022/23



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the North West Provincial Legislature and the Council on the City of Matlosana

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the City of Matlosana Local Municipality set out on pages 398 to 482, which comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the City of Matlosana Local Municipality as of 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.



Chapter 6

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

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. The statement of financial performance indicates that the municipality incurred a net loss of R884 537 984 to the year ended 30 June 2023, and at this date, the municipality's total current liabilities exceeded its total current assets by R2 682 005 128. These conditions, along with other matters set forth in note 45, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unauthorised, irregular and fruitless and wasteful expenditure

9. As disclosed in note 47 to the financial statements, unauthorised expenditure of R369 616 587 was incurred in the current year and unauthorised expenditure of R4 133 642 424 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.
10. As disclosed in note 48 to the financial statements, irregular expenditure of R273 995 874 was incurred in the current year and irregular expenditure of R3 966 427 579 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.
11. As disclosed in note 49 to the financial statements, fruitless and wasteful expenditure of R233 384 410 was incurred in the current year and fruitless and wasteful expenditure of R198 727 423 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

Material losses

12. As disclosed in note 12 to the financial statements, the consumer debtors' balance has been significantly impaired. The allowance for impairment of consumer is R7 513 286 491 (2022: R6 292 463 439) which represents 94% (2022: 93%) of total consumer debtors. In addition, as disclosed in note 32 to the financial statements, contributions of R1 381 465 877 (2022: R1 284 786 461) to the debt impairment provision were incurred as a result of significant impairment of debtors.
13. As disclosed in note 33 to the financial statements, the municipality incurred distribution losses on electricity and water in excess of the norms of 38% (2022: 38%) and 58% (2022: 51%) respectively.



Restatement of corresponding figures

2

14. As disclosed in note 55 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Uncertainty relating to the future outcome of exceptional litigation

15. With reference to note 51 to the financial statements, the municipality is the defendant in a number of lawsuits. The municipality is opposing the claims amounting to R692 076 695. The ultimate outcome of the matters cannot currently be determined and no provision for any liability that may result has been made in the financial statements.

Other matters

16. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

17. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion on them.

Unaudited supplementary schedules

18. The supplementary information set out on page 483 not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

19. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
20. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.



Responsibilities of the auditor-general for the audit of the financial statements

21. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
22. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

23. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objective4s for selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
24. I selected the following key performance areas presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected key performance areas that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

| Key performance area | Page numbers | Purpose |
|--|---|--|
| Service delivery and infrastructure development | 178 – 194; 206 – 207; 255; and 270 - 272 | To ensure sustainable services to the community, to improve access and thereby reducing backlogs. This component includes water; sanitation; roads; electricity; waste management; and housing services and free basic services. |
| Local economic development | 257 and 273 | Skills development and job creation |

25. I evaluated the reported performance information for the selected programmes 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.



26. 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.

27. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

28. The material findings on the reported performance information for the selected programmes are as follows:

Service Delivery and Infrastructure Development

Km of storm-water drainage slab constructed, and Number of reports and drawings received of taxi route paved and km of storm-water drainage constructed in Kanana (Phase 9) (Wards 22, 23, 24 and 36)

29. There was no link between the indicator of Km of storm-water drainage slab constructed and number of reports and drawings received of taxi route paved and km of storm-water drainage constructed and the planned target of Laying of 0,021 km paved taxi routes and constructing 0,02km of edge beams and modifying the construction of 0.90 Km v-drains at Thandanani Road and constructing 14 storm-water drainage slabs at Agapanthus and J Molefe Roads in Kanana

Various indicators

30. I could not determine whether the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.



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| Indicator | Target | Reported achievement |
|--|---|--|
| Percentage of households in the CoM area provided with access to basic level of water | Providing at least 98% of households in the CoM area with access to basic level of water | 99% 182 382 Hh with access / 1 021 Hh below minimum level |
| Percentage of households in the CoM area provided with access to basic level of sanitation | Providing at least 92% of households in the CoM area with access to basic level of sanitation | 94% 171 437 Hh with access / 11 966 Hh below minimum level |
| Percentage of households in the CoM area provided with access to basic level of electricity | Providing at least 92% of households in the CoM area with access to basic level of electricity | 93% 170 652 Hh with access / 12 751 Hh below minimum level |
| Percentage of households in the CoM area provided with access to basic level of refuse removal | Providing at least 93% of households in the CoM area with access to basic level of refuse removal | 93% 170 985 Hh with access to refuse removal / 12 418 Hh below minimum level |

Local Economic Development

Number of permanent / sustainable jobs which exceed 3 months

31. An achievement of 102 was reported against a target of 150. I could not determine whether reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Other matters

32. I draw attention to the matters below.

Achievement of planned targets

33. 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.



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| <i>Targets achieved: 65%</i> <i>Budget spent: [61] %</i> | | |
|---|------------------------|----------------------|
| Key service delivery indicator not achieved | Planned target | Reported achievement |
| Number of water pump-stations refurbished with electrical and mechanical equipment at the Matlosana area (Wards 1 - 39) | 08 | 05 |
| Number of new Sports Complex in Khuma Ext 9 (Ward 31) (Phase 2) constructed | 01 | 00 |
| Number of the existing Fresh Produce Market (Phase 2) (Ward 9) upgraded | 01 | 00 |
| Number of taxi ranks with facilities constructed in Jouberton Ext 19 (Ward 37) | 01 | 00 |
| Number of Jouberton reservoirs (Ward13) refurbished | 01 | 00 |
| Kilometre of outfall sewer line from Jouberton Ext 19 to Alabama (Wards 4-6) upgraded (target: Appointing a contractor and establishing the site for the upgrading sections of the sewer pipeline from Jouberton Ext 19 to Alabama (Wards 4-6) by 30 June 2023) | 02 | 00 |
| Number of sewer pump-stations refurbished with electrical and mechanical equipment at the Matlosana area (Wards 1 - 39) | 01 | 00 |
| Kilometre of taxi routes paved, and km of storm-water drainage constructed in Khuma (Phase 9) (Wards 33,35,38) | 2.21 & 2.19 | 00 & 00 |
| Kilometres of line constructed in Alabama Ext 5 (Ward 4) (Phase 2) | 4.9 KM MV & 16.4 KM LV | 00 & 00 |
| Number of approved households with free basic services (indigents) | 25 000 | 16 073 |

Material misstatements

34. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for service delivery and infrastructure development and local economic development. Management did not correct the misstatements and I reported material findings in this regard.



Report on compliance with legislation

35. 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.
36. 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.
37. 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.
38. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual reports

39. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

40. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
41. Reasonable steps were not taken to prevent unauthorised expenditure of R369 616 587, as disclosed in note 47 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by insufficient budget planning and monitoring.
42. Reasonable steps were not taken to prevent irregular expenditure of R273 995 874, as disclosed in note 48 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the municipality not adhering to supply chain regulations regarding advertising for the minimum period required. Irregular expenditure of R50 747 470 was incurred on supply, delivery, and storage of illuminating paraffin, including transportation to the indigent households that resides in rural and urban electrified area.



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43. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R233 384 410, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest incurred on amounts owed to Eskom and Midvaal.

Consequence management

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

Human resource management

45. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act.

Other information in the annual report

46. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and the selected key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.
47. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
48. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
49. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, 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

50. I considered internal control relevant to my audit of the financial statements, reported



performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

- The leadership did not ensure that adequate policies and procedures were implemented to enable and support the understanding and execution of internal controls, processes, and responsibilities, resulting in material findings over performance information, the recurrence of material findings over financial information and compliance with laws and regulations.
- Non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored, and control measures implemented. Furthermore, the action plans to address prior year audit findings were not adequately implemented and monitored.
- Management does not have an adequate risk strategy that addresses identified risks in supply chain management. Furthermore, the effectiveness of the audit committee and internal audit's role as an assurance provider was compromised by management's inability to adequately address and react to internal audit's findings and recommendations as well as non-compliance with laws and regulations.

Material irregularities

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

Material irregularities identified during the audit

The material irregularities identified are as follows:

Pollution of water resource not prevented: Orkney wastewater treatment works

52. The municipality did not take reasonable measures at Orkney Wastewater Treatment works to prevent pollution or degradation of the environmental and water resources from occurring, continuing or recurring as required by section 28(1) of the National Environmental Management Act and section 19(1) of the National Water Act. The wastewater treatment works have not been properly functional for more than three years, with overflows causing some serious pollution to the site and surroundings. This is due to vandalism, stolen equipment, and dilapidated infrastructure. The non-compliance is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resources.
53. The accounting officer was notified of the MI on the 28 November 2022 and due to change in accounting officer, the MI was re-issued on the 24 January 2023.



The Accounting Officer agreed with the MI and provided response to the re-issued notification on the 24 February 2023, and 11 May 2023 with an action plan to respond to the material irregularity. A determination letter on appropriate action taken was submitted to the accounting officer on the 29 June 2023, based on the written submissions received and assessed. However, based on follow-up visit in October 2023, it was evident that there is no progress made to resuscitate the WWTW and get critical components functional. Further, little to no progress has been made on the overall refurbishment of the WWTW where major issues such as the non-functioning installations at the plant are not being addressed. The lack of progress results in untreated effluent from the WWTW being discharged into the environment.

54. I received a progress report and substantiating documentation from the accounting officer on 27 October 2023 and considered the representations made. I am in the process of assessing the additional documentation and determining the most suitable action to take.

Status of previously reported material irregularities

Market dues not collected

55. The municipality has a market where fresh produce are sold on a daily basis and market dues are payable to the municipality at an agreed percentage of the total turnover. All money due to the municipality for the sales at the fresh produce market were not collected, which is in contravention with section 65(2)(f) of the MFMA, which requires that the accounting officer must take all reasonable steps to ensure that the municipality has and maintains a system of internal control in respect of debtors and revenue. This non-compliance resulted in a material financial loss of R43 323 273 to the municipality for the financial years 2017-18, 2018-19, 2019-20 and 2020-21. In the current year, a further loss of R3 149 521 was incurred as disclosed in note 37 to the financial statements.
56. The accounting officer was notified of the material irregularity on 31 March 2021 and invited to make a written submission on the actions taken or to be taken to address the matter. The accounting officer indicated that the following actions have been taken or planned to address the material irregularity:
- An independent service provider was appointed to conduct an investigation to determine the cause of the loss and which officials should be held liable. The investigation was concluded during April 2021.
 - The accounting officer subsequently initiated disciplinary steps against all ten implicated officials based on the outcome of the investigation, after which two officials were dismissed, three resigned and three received final written warnings coupled with monthly repayments of shortages. The disciplinary process of the remaining two other officials is still in progress and the municipality indicated that the process will be finalised by 15 December 2022.



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- Immediately after the dismissal of the two officials and the resignation of the other three officials mentioned above, the municipality instructed the attorneys to initiate legal action to attach the employees' pension fund against the five officials for the recovery of the losses. At the date of this report, the matter was still ongoing and was expected to be finalised within the next three months.
 - Investigation reports relating to the matter were also referred to the Directorate for Priority Crime Investigation (Hawks) for further action and it is ongoing at the date of this report.
57. I received the response and substantiating documentation on 05 October 2023 and considered the representations made. I am in the process of determining the most suitable action to take.

Municipal accounts not paid within 30 days – Midvaal

58. The accounting officer did not take all reasonable steps to ensure that payments for bulk water purchases were made within 30 days of receiving the relevant invoice or statement, contrary to section 65(2)(e) of the MFMA. This contravention resulted in a material financial loss for the municipality due to interest of R100 598 837 levied on the outstanding balance on 30 June 2021. During the 2021-22 financial year, the municipality incurred further interest of R53 917 924. The fruitless and wasteful expenditure was disclosed in note 48 of the 2022 financial statements.
59. The accounting officer was notified of the material irregularity on 19 February 2021 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer indicated that the municipality is unable to settle creditors within 30 days due to cash flow concerns, although a payment arrangement was entered into, this is only honoured by the municipality when cash is available to pay.
60. As the accounting officer failed to implement appropriate actions, consequently, I recommended that the accounting officer should take the following actions to address the material irregularity, which should be implemented by 1 March 2023. The recommendations were as follows:
61. Appropriate action should be taken to enhance the existing financial plan and to commence with implementation of the revised financial plan to address the financial problems of the municipality that are preventing it from paying Midvaal within 30 days, as required by MFMA section 65(2)(e). The revised financial plan should include realistic timeframes and milestones to be achieved and include as a minimum strategy to:
- increase revenue
 - increase the collection of revenue
 - efficiently manage the available resources of the municipality to optimise costs
 - reduce water distribution losses



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- negotiate a reasonable payment arrangement with Midvaal and properly budget for the amounts to be paid.
62. The accounting officer requested an extension for the implementation date of the recommendations as contained in audit report on the 8 March 2023. The due date to implement the recommendations was extended to 30 September 2023.
63. On the 04 September 2023 the accounting officer submitted a progress report and substantiating documents to indicate progress being made with implementation of the recommendations.
64. As most of the actions being implemented by the accounting officer are still in progress, an additional six months extension was granted on 29 November 2023 to allow accounting officer time to fully implement the recommendations.
65. I will follow-up on the implementation of the planned actions during my next audit.

Municipal accounts not paid within 30 days – Eskom

66. The accounting officer did not take all reasonable steps to ensure that payments for bulk electricity purchases were made within 30 days of receiving the relevant invoice or statement, contrary to section 65(2)(e) of the MFMA. This contravention resulted in a material financial loss for the municipality due to interest of R202 009 476 levied on the outstanding balance 30 June 2021. During the 2021-22 financial year, the municipality incurred further interest of R58 784 952. The fruitless and wasteful expenditure was disclosed in note 48 of the 2022 financial statements.
67. The accounting officer was notified of the material irregularity on 19 February 2021 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer indicated that the municipality is unable to settle creditors within 30 days due to cash flow concerns, although a payment arrangement was entered into, this is only honoured by the municipality when cash is available to pay.
68. As the accounting officer failed to implement appropriate actions, consequently, I recommend that the accounting officer should take the following actions to address the material irregularity, which should be implemented by 1 March 2023 The recommendations are as follows:
69. Appropriate action should be taken to enhance the existing financial plan and to commence with implementation of the revised financial plan to address the financial problems of the municipality that are preventing it from paying Eskom within 30 days, as required by section 65(2)(e) of the MFMA. The revised financial plan should include realistic timeframes and milestones to be achieved and include as a minimum strategy to:
- increase revenue



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- increase the collection of revenue
 - efficiently manage the available resources of the municipality to optimise costs
 - reduce electricity distribution losses
 - Negotiate a reasonable payment arrangement with Eskom and properly budget for the amounts to be paid.
70. The accounting officer requested an extension for the implementation date of the recommendations as contained in audit report on the 8 March 2023. The extension request was granted to take effect on the 30 September 2023.
71. On the 04 September 2023 the accounting officer submitted a progress report and substantiating documents to indicate progress being made with implementation of the recommendations.
72. As most of the actions being implemented by the accounting officer are still in progress, an additional six months extension was granted on 29 November 2023 to allow accounting officer time to fully implement the recommendations.
73. I will follow-up on the implementation of the planned actions during my next audit.

Other reports

74. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

75. The South African Police Service are conducting several investigations into the awarding of tenders by the municipality, prompted by the accounting officer during 2020. These investigations were still ongoing at the date of this report.
76. During 2015, a consulting firm was requested by the North West Office of the Premier to conduct an investigation into allegations of financial misconduct at the municipality. The investigation was completed and a report with recommendations issued to the Office of the Premier, but at the date of this report, it has not been tabled in the council.



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In addition, the accounting officer referred the report to the Directorate for Priority Crime Investigations (Hawks) for further action, which was still on going at the date of this report.

Auditor General

Rustenburg

30 November 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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



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

Communication with those charged with governance

3. 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.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation | Sections or regulations |
|--|--|
| Municipal Finance Management Act 56 of 2003 | Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b) |
| MFMA: Municipal Budget and Reporting Regulations, 2009 | Regulations 71(1), 71(2), 72 |



| Legislation | Sections or regulations |
|---|--|
| MFMA: Municipal Investment Regulations, 2005 | Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3) |
| MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 | Regulations 5(4), 6(8)(a), 6(8)(b), 10(1) |
| MFMA: Municipal Supply Chain Management Regulations, 2017 | Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f) |
| Municipal Systems Act 32 of 2000 | Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b) Parent municipality with ME: Sections 93B(a), 93B(b) Parent municipality with shared control of ME: Sections 93C(a)(iv), 93C(a)(v) |
| MSA: Municipal Planning and performance Management Regulations, 2001 | Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii) |
| MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006 | Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3) |
| MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014 | Regulations 17(2), 36(1)(a) |



| Legislation | Sections or regulations |
|---|---|
| MSA: Disciplinary Regulations for Senior Managers, 2011 | Regulations 5(2), 5(3), 5(6), 8(4) |
| Annual Division of Revenue Act | Section 11(6)(b), 12(5), 16(1); 16(3) |
| Construction Industry Development Board Act 38 of 2000 | Section 18(1) |
| Construction Industry Development Board Regulations | Regulations 17, 25(7A) |
| Municipal Property Rates Act 6 of 2004 | Section 3(1) |
| Preferential Procurement Policy Framework Act 5 of 2000 | Sections 2(1)(a), 2(1)(f) |
| Preferential Procurement Regulations, 2017 | Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2) |
| Preferential Procurement Regulations, 2022 | Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4) |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section 34(1) |



COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE - 2022/23

Management is pleased that the municipality again obtained unqualified audit opinions for the financial statements.

Management is also aware that to not regress and to improve the opinions going forward, that attention to matters noted in the audit must be addressed. It will therefore formulate the post audit action plan which will be monitored by the audit steering committee on a regular basis.

The municipality is currently busy with the implementation of the Post Audit Action Plan (PAAP), after receipt of the final Audit and Management Report. The Provincial Treasury has introduced the Web-based Post Audit Action Plan (PAAP), to assist the municipalities to report progress timeously.

COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2022/23






Performance Management received qualified audit opinion from the Auditor-General.

Management is also aware the regression and will strive to improve the opinions going forward. Attention to matters noted in the audit must be addressed. It will therefore formulate the post audit action plan which will be monitored by the audit steering committee on a regular basis.



Glossary



| GLOSSARY | |
|---|---|
| ACCESSIBILITY INDICATORS | Explore whether the intended beneficiaries can access services or outputs. |
| ACCOUNTABILITY DOCUMENTS | Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year, and Annual Reports. |
| ACTIVITIES | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe, “what we do”. |
| ADEQUACY INDICATORS | The quantity of input or output relative to the need or demand. |
| ANNUAL REPORT | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General. |
| APPROVED BUDGET | The annual financial statements of a municipality as audited by the Auditor-General and approved by Council or a provincial or national executive. |
| BASELINE | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| BASIC MUNICIPAL SERVICE | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that area. If not provided, it may endanger the public health and safety or the environment. |
| BUDGET YEAR | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| COST INDICATORS | The overall cost or expenditure of producing a specified quantity of outputs. |
| DISTRIBUTION INDICATORS | The distribution of capacity to deliver services. |
| FINANCIAL STATEMENTS | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| GENERAL KEY PERFORMANCE INDICATORS | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| IMPACT | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| INPUTS | All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment, and buildings. |
| INTEGRATED DEVELOPMENT PLAN (IDP) | Set out municipal goals and development plans. |
| NATIONAL KEY PERFORMANCE AREAS | <ul style="list-style-type: none">  Service Delivery & Infrastructure  Economic Development  Municipal Transformation and Institutional Development  Financial Viability and Management  Good governance and Public Participation |

| | |
|--|--|
| OUTCOMES | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve". |
| OUTPUTS | The final products or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation or a service such as processing an application) that contributes to the achievement of a Key Result Area. |
| PERFORMANCE INDICATOR | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes, and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered). |
| PERFORMANCE INFORMATION | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure. |
| PERFORMANCE STANDARDS | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance, standards are divided into indicators and the time factor. |
| PERFORMANCE TARGETS | The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given period. |
| SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included. |
| VOTE | One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i> |

Appendices



APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL – ATTENDANCE

| COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE - 2022/23 | | | | | |
|--|-----------------------|--|-----------------------------------|--------------------------------|--------------------------------|
| Council Members | Full Time / Part Time | Committees Allocated | * Ward and / or Party Represented | % of Council Meetings Attended | % Apologies for non-attendance |
| | FT/PT | | | | |
| Cllr SOC Barrends | FT | MMC Infrastructure | ANC Ward 4 | 80% | 20% |
| Cllr CJ Bester | PT | Community Services Infrastructure | DA Ward 28 | 90% | 10% |
| Cllr PH Booth | PT | Community Services Infrastructure | VF+ | 95% | 5% |
| Cllr A Bonga | PT | Public Safety Transversal Issues | ANC Ward 1 | 90% | 10% |
| Cllr JGR Bornman | PT | Electrical Engineering Public Safety | DA Ward 29 | 90% | 10% |
| Cllr PZM Burrell | PT | Corporate Services Local Economic Development | DA | 90% | 10% |
| Cllr RRB Buys | PT | Community Services Electrical Engineering Planning & Human Settlement Sport, Arts & Culture Transversal Issues | PA | 100% | 0% |
| Cllr TV Chabalala | FT | MMC Community Services | ANC | 90% | 10% |
| Cllr M Coetzee | PT | Community Services Infrastructure | DA | 75% | 25% |
| Cllr A Combrinck | PT | Community Services Transversal Issues | DA Ward 16 | 80% | 20% |
| Cllr GLJ Cromhout | PT | Public Safety Sport, Arts & Culture | DA | 95% | 5% |
| Cllr SJ Dial | PT | Corporate Services Infrastructure Planning & Human Settlement Transversal Issues | ACDP | 80% | 20% |
| Cllr MA Dude | PT | Planning & Human Settlement Public Safety | EFF | 50% | 50% |
| Cllr PA du Preez | PT | Infrastructure Public Safety | VF+ Ward 30 | 100% | 0% |
| Cllr BS Faku | PT | Finance & Debt Normalization | EFF | 50% | 50% |
| Cllr VO Foboke | PT | Electrical Engineering Local Economic Development | ANC Ward 36 | 100% | 0% |
| Cllr PN Fourie | PT | Planning & Human Settlement | VF+ | 100% | 0% |
| Cllr N Gelderblom | PT | Corporate Services Sport, Arts & Culture | DA | 95% | 5% |

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE - 2022/23 | | | | | |
|--|-----------------------|--|-----------------------------------|--------------------------------|--------------------------------|
| Council Members | Full Time / Part Time | Committees Allocated | * Ward and / or Party Represented | % of Council Meetings Attended | % Apologies for non-attendance |
| | FT/PT | | | | |
| Cllr JR Griffin | PT | Corporate Services Electrical Engineering | VF+ | 100% | 0% |
| Cllr PA Hlekiso | PT | Transversal Issues | EFF | 50% | 50% |
| Cllr AC Holtzhausen | PT | Finance & Debt Normalization Local Economic Development | VF+ | 100% | 0% |
| Cllr SL Jonas | PT | Corporate Services | ANC Ward 5 | 95% | 5% |
| Cllr KB Kali | PT | Electrical Engineering Local Economic Development | EFF | 45% | 55% |
| Cllr F Kasonkomona | PT | Electrical Engineering Public Safety | DA | 100% | 0% |
| Cllr OE Kgwabane | PT | Corporate Services | ANC Ward 24 | 100% | 0% |
| Cllr JT Kgwasi | PT | Community Services Infrastructure | ANC Ward 10 | 90% | 10% |
| Cllr TG Khoza | FT | MMC Public Safety | ANC | 80% | 20% |
| Cllr SP Kloppers | PT | MPAC | VF+ | 95% | 5% |
| Cllr ML Kodisang | FT | MMC Local Economic Development | ANC | 90% | 10% |
| Cllr KR Latha | PT | Sport, Arts & Culture | ANC Ward 33 | 100% | 0% |
| Cllr JJ le Grange | PT | Finance & Debt Normalization Local Economic Development | DA Ward 19 | 100% | 0% |
| **Cllr KM Lethoko | PT | Finance & Debt Normalization Local Economic Development Infrastructure | PA | 100% | 0% |
| Cllr KE Mabebe | FT | MMC Transversal Issues | ANC Ward 7 | 90% | 10% |
| Cllr MI Mache | PT | Community Services | EFF | 90% | 10% |
| Cllr FC Mahlophe | FT | MMC Electrical Engineering | ANC | 95% | 5% |
| Cllr ML Mahumapelo | FT | MMC Sport, Arts & Culture | ANC Ward 23 | 65% | 35% |
| Cllr SJ Majiji | PT | MPAC | ANC Ward 31 | 100% | 0% |
| Cllr MI Mangesi | PT | MPAC | ANC Ward 11 | 95% | 5% |
| Cllr MI Maseko | FT | MMC Corporate Services | ANC Ward 9 | 80% | 20% |

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE - 2022/23 | | | | | |
|--|-----------------------|---|-----------------------------------|--------------------------------|--------------------------------|
| Council Members | Full Time / Part Time | Committees Allocated | * Ward and / or Party Represented | % of Council Meetings Attended | % Apologies for non-attendance |
| | FT/PT | | | | |
| *Cllr ML Mathopa | PT | Finance & Debt Normalization Local Economic Development Infrastructure Public Safety | PA | 90% | 10% |
| Cllr MN Mbele | PT | MPAC | ANC Ward 8 | 95% | 5% |
| Cllr AB Mdyali | PT | Infrastructure | EFF | 65% | 35% |
| Cllr CK Modise | PT | Sport, Arts & Culture | EFF | 75% | 25% |
| Cllr II Modisenyane | PT | Finance & Debt Normalization Local Economic Development Infrastructure Planning & Human Settlement | F4SD | 50% | 50% |
| Cllr MA Mokgatla | PT | Sport, Arts & Culture | ANC Ward 26 | 100% | 0% |
| Cllr IM Mokhele | PT | Infrastructure Sport, Arts & Culture | ANC Ward 27 | 100% | 0% |
| Cllr NP Mokoto | PT | Public Safety | ANC Ward 14 | 95% | 5% |
| Cllr PM Molutsi | PT | Sport, Arts & Culture Transversal Issues | DA | 60% | 40% |
| Cllr SL Mondlane | FT | Speaker | ANC | 90% | 10% |
| Cllr AM Morake | PT | Finance & Debt Normalization Public Safety | ANC Ward 32 | 95% | 5% |
| Cllr MM Mosiako | FT | MPAC Chairperson | F4SD | 90% | 10% |
| Cllr JM Mosupa | FT | MMC Human Settlement | ANC | 100% | 0% |
| Cllr M Mosweu | PT | Corporate Services | EFF | 30% | 70% |
| Cllr A Mothupi | PT | Community Services Public Safety | ANC Ward 2 | 100% | 0% |
| Cllr PY Mtshawulana | PT | MPAC | ANC Ward 12 | 100% | 0% |
| Cllr SR Mulhanga | PT | Community Services Electrical Engineering Transversal Issues | ANC Ward 6 | 100% | 0% |
| Cllr K Ndincedo | FT | Single Whip | ANC Ward 21 | 95% | 5% |
| Cllr ZE Ntshanga | PT | MPAC | ANC Ward 34 | 100% | 0% |
| Cllr FD Oortman | PT | MPAC | EFF | 80% | 20% |

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE - 2022/23 | | | | | |
|--|-----------------------|--|-----------------------------------|--------------------------------|--------------------------------|
| Council Members | Full Time / Part Time | Committees Allocated | * Ward and / or Party Represented | % of Council Meetings Attended | % Apologies for non-attendance |
| | FT/PT | | | | |
| Cllr MS Pelele | PT | MPAC | ANC Ward 13 | 100% | 0% |
| Cllr T Pheto | PT | MPAC | DA | 90% | 10% |
| Cllr BM Plaatjie | PT | Electrical Engineering Infrastructure Local Economic Development | ANC Ward 37 | 95% | 5% |
| Cllr EM Postma | PT | Corporate Services Planning & Human Settlement | DA Ward 17 | 100% | 0% |
| Cllr AM Ramphele | FT | MMC Finance & Debt Normalization | ANC | 65% | 35% |
| Cllr K Ross | PT | Planning & Human Settlement Transversal Issues | DA | 100% | 0% |
| Cllr L Scott | PT | Sport, Arts & Culture Transversal Issues | VF+ | 100% | 0% |
| Cllr TS Seabeng | PT | Finance & Debt Normalization | ANC Ward 22 | 95% | 5% |
| Cllr MN Seitisho | PT | Corporate Services Transversal Issues | ANC Ward 18 | 95% | 5% |
| Cllr KV Seitshero | PT | Sport, Arts & Culture | ANC Ward 35 | 100% | 0% |
| Cllr RM Sello | PT | Planning & Human Settlement Sport, Arts & Culture | ANC Ward 20 | 95% | 5% |
| Cllr TE Sepale | PT | Planning & Human Settlement Electrical Engineering | ANC Ward 25 | 45% | 55% |
| Cllr S Sesana | PT | MPAC | DA | 80% | 20% |
| Cllr PJ Swart | PT | Finance & Debt Normalization | DA Ward 15 | 90% | 10% |
| Cllr FI Tagaree | PT | MPAC | ANC Ward 3 | 80% | 20% |
| Cllr OR Thabanchu | PT | Finance & Debt Normalization Local Economic Development | ANC | 100% | 0% |
| Cllr NJ Tsolela | FT | Executive Mayor | ANC | 95% | 5% |
| Cllr W Wallhorn | PT | MPAC | DA Ward 39 | 100% | 0% |
| Cllr WG Zitwane | PT | Community Services Planning & Human Settlement | DA Ward 38 | 95% | 5% |

*Cllr Mathopa Replaced Cllr Lethoko Resigned 08 February 2023

**Cllr Lethoko Replaced Cllr Mathopa Effective 03 March 2023

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

| MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES - 2022/23 | |
|---|--|
| COMMITTEE | PURPOSE OF COMMITTEE |
| Finance and Debt Normalization Committee | <ul style="list-style-type: none"> Regulated by the LG: MFMA |
| Planning and Human Settlements | <ul style="list-style-type: none"> Building Regulations Municipal Planning Pontoons, ferries, jetties, piers and harbours Billboards and the display of advertisements in public places |
| Local Economic Development | <ul style="list-style-type: none"> Local Tourism Markets Street trading |
| Community Services | <ul style="list-style-type: none"> Childcare facilities Municipal Health services – not executed by the Provincial department of Health Municipal airports Amusement facilities Cemeteries, funeral parlours, and crematoria Cleansing Facilities for the accommodation, care, and burial of animals Local amenities Municipal abattoirs Municipal parks and recreation Pounds Public places Refuse removal, refuse dumps and solid waste disposal |
| Corporate Services | <ul style="list-style-type: none"> Records Management Legal Services Communication HR Administration HR Development and Training Labour Relations Administration of staff benefit schemes Administration of employment equity policy Keeping of personnel records Disciplinary procedures administration Administration of SETA Committee to develop system and procedures providing for fair, efficient, effective, and transparent personnel administration including: <ul style="list-style-type: none"> Conduct of disciplinary hearings Representation of Council on the Local Bargaining Committee System for the monitoring, measuring, and evaluating staff performance System for capacity building and training Recruitment, selection, transfer, and appointment of personnel Promotion and demotion |

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

| MAYORAL AND OTHER COMMITTEES AND PURPOSES OF COMMITTEES - 2022/23 | |
|---|--|
| COMMITTEE | PURPOSE OF COMMITTEE |
| Public Safety | <ul style="list-style-type: none">  Firefighting services  Municipal public transport  Trading regulations  Control of public nuisances  Licensing of dogs  Licensing and control of enterprises that sell food to the public  Noise pollution  Traffic and parking  Control of enterprises that sell liquor to the public |
| Sport, Arts and Culture | <ul style="list-style-type: none">  Sports stadia and recreational activities |
| Infrastructure | <ul style="list-style-type: none">  Municipal public works  Storm-water management systems  Water and sanitation services  Fencing and fences  Municipal roads |
| Electrical Engineering | <ul style="list-style-type: none">  Electricity and gas reticulation  Street lighting |
| Transversal Issues | <ul style="list-style-type: none">  Deal with all Transversal Issues in the Office of the Executive Mayor  Administer women, youth, disabled and elderly matters |
| Mandating Committee: Mining houses | <ul style="list-style-type: none">  To facilitate, intervene and assess progress, developments, challenges and based on reports to chart a way forward to achieve the sustainable development of communities in the Matlosana Council jurisdiction area aligned with Mining Houses sustainable development objectives  To discuss the transfer of certain properties of Mining Houses to the Council  To mandate the Implementation Committee to proceed on a strategic drive, e.g., the incorporation of assets  To make recommendations to Council about joint LED projects |
| Midvaal Water Committee | <ul style="list-style-type: none">  To represent Council on the Midvaal Water Companies Management Structure |

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

| THIRD TIER STRUCTURE - 2022/23 | |
|--|------------------------|
| TITLE | NAME |
| Deputy Director: Office of the Municipal Manager | Marumo ME |
| Chief Risk Officer | Moabelo NM |
| Chief Audit Executive | Marobane N |
| Security Manager (MISS) | Botsheleng M |
| Deputy Director: Mechanical Services | Rannona KD |
| Deputy Director: Public Safety | Marais AJS |
| Deputy Director: Community Services | Masilo MJ |
| Deputy Director: Sport, Arts and Culture | Morebodi MG |
| Deputy Director: Corporate Services | Vacant |
| Deputy Director: Human Resource and Labour Relations | Malongoa TF |
| Deputy Director: Office of the Executive Mayor | Marumo SE |
| Deputy Director: ICT | Shaikhmag M |
| Deputy Director: Income and Expenditure | Kgoete BO |
| Deputy Director: Budget and Treasury Office | Sekgala TO |
| Assistant Manager: Internal Audit | Molelekwa PT |
| Assistant Director: LED | Vacant |
| Assistant Director: Corporate Communication | Makgetha ND |
| Market Master | Ramokanate MV |
| PMU Manager | Ntsie MMR |
| Assistant Director: Water | Vacant |
| Assistant Director: Sewerage | Pilusa JJ |
| Assistant Director: Roads, Stormwater and Landfill | Matsi WP |
| Assistant Director: Development Planning and Building | Selemoseng LD |
| Assistant Director: Housing Services | Phala SP |
| Assistant Director: Planning and Project Management | Akkers ME |
| Assistant Director: High and Low Voltage Distribution | Mabaso SA |
| Assistant Director: Municipal Services, Garage and Mechanical Workshop | Matsaola PO |
| Assistant Director: Traffic and Security | Nkgapele MA |
| Assistant Director: Licensing | Vacant |
| Assistant Director: Fire and Rescue | Mapato PS |
| Assistant Director: Primary Health Care | Motsoenyane NM |
| Assistant Director: Refuse Removal and Cleansing | Du Plessis TW |
| Assistant Director: Parks and Cemeteries | Vacant |
| Assistant Director: Library Services | Mampana NS |
| Assistant Director: Administration | Jansen Van Rensburg JE |
| Assistant Director: Legal Services | Mokansi MG |
| Records Manager | Mothoiwa GD |
| Assistant Director: Human Resource Management and Development | Mbotshane AT |
| Assistant Director: Labour Relations | Sebetlele AJ |
| Assistant Director: Office of the Speaker | Moholoeng TE |
| Assistant Director: Office of the Whip | Mogakwe PK |
| Assistant Director: Expenditure Management | Lethoo JG |
| Assistant Director: Supply Chain Management | Motileni TB |
| Assistant Director: Debt Management | Gouwe EN |
| Assistant Director: Revenue Management | Kegakilwe TN |
| Assistant Director: Budgeting and Planning | Rossouw HS |

APPENDIX D – FUNCTIONS OF MUNICIPALITY

| MUNICIPAL FUNCTIONS - 2022/23 | |
|---|------------|
| CONSTITUTION SCHEDULE 4, PART B FUNCTIONS: | (YES / NO) |
| Air pollution | Yes |
| Building regulations | Yes |
| Childcare facilities | Yes |
| Electricity and gas reticulation | Yes |
| Firefighting services | Yes |
| Local tourism | Yes |
| Municipal airports | Yes |
| Municipal planning | Yes |
| Municipal health services | Yes |
| Municipal public transport | Yes |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | Yes |
| Pontoons, ferries, jetties, piers, and harbours, excluding the regulation of international and national shipping and matters related thereto | Yes |
| Storm-water management systems in built-up areas | Yes |
| Trading regulations | Yes |
| Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems | Yes |
| Beaches and amusement facilities | Yes |
| Billboards and the display of advertisements in public places | Yes |
| Cemeteries, funeral parlours, and crematoria | Yes |
| Cleansing | Yes |
| Control of public nuisances | Yes |
| Control of undertakings that sell liquor to the public | Yes |
| Facilities for the accommodation, care and burial of animals | Yes |
| Fencing and fences | Yes |
| Licensing of dogs | Yes |
| Licensing and control of undertakings that sell food to the public | Yes |
| Local amenities | Yes |
| Local sport facilities | Yes |
| Markets | Yes |
| Municipal abattoirs | Yes |
| Municipal parks and recreation | Yes |
| Municipal roads | Yes |
| Noise pollution | Yes |
| Pounds | Yes |
| Public places | Yes |
| Refuse removal, refuse dumps and solid waste disposal | Yes |
| Street trading | Yes |
| Street lighting | Yes |
| Traffic and parking | Yes |

APPENDIX E – WARD REPORTING

| FUNCTIONALITY OF WARD COMMITTEES - 2022/23 | | | | | |
|--|--|----------------------------------|---|---|---|
| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes / No) | Number of monthly Committee meetings held during the year | Number of monthly reports submitted to Speaker's Office on time | Number of quarterly public ward meetings held during year |
| Ward 01 | Cllr BONGA A Mogothwane G Seekolo ME Leeto KE Mathamela S Pitso J Kewana NM Phiri DD Letshoenyo K Ntsie LJ Majelenyane SJ | Yes | 12 | 12 | 4 |
| Ward 02 | Cllr MOTHUPI A Wanyane S Nwenya H Namane Sam Diamond G Jars Mary Mmusi HB Mogapi MR Mokonopi MK Nombewu DM Seitisho B | Yes | 12 | 12 | 0 |
| Ward 03 | Cllr TAGAREE I Botes AL Le Ray C Swartz Brenda Magardie RC Nortjie P Jumar H Loots P Moses R Nhlapo PV Ditshabaditshaba J | Yes | 12 | 12 | 0 |
| Ward 04 | Cllr BARREND S Radebe C Christie C Maitland RT Taunyane L Masefu C Misapitso CT Mosadi MH Molefe IK Shabangu S Letebele IE | Yes | 12 | 12 | 2 |
| Ward 05 | Cllr JONAS SL Mothibedi M Molefi MA Ngake Ben Molaioa TS Gaanakgomo B Taunyana N Madikane S Shwabane KA Nkongq EM Molefe A | Yes | 12 | 12 | 3 |
| Ward 06 | Cllr MULHANGA SR Khambula M Khumalo V Senyasamore M Moses LP Matusse LC Rankokwadi S Moloi L Letsape MB Mano M Nonogwe B | Yes | 12 | 12 | 0 |
| Ward 07 | Cllr MABEBE KE Selebalo JJ Makame I Mabe LS Mabokae KH Shabalala D Moseme DM Mtolo RK Mosala M Tomose Z | Yes | 12 | 12 | 2 |

APPENDIX E – WARD REPORTING

| FUNCTIONALITY OF WARD COMMITTEES - 2022/23 | | | | | |
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| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes / No) | Number of monthly Committee meetings held during the year | Number of monthly reports submitted to Speaker's Office on time | Number of quarterly public ward meetings held during year |
| Ward 08 | Cllr MBELE MN Letsape T Leshupe E Gaolebe SE Dube OP Thango B Thamane R Ramatisa OM Dwane MT Mokoena MC Mokoete I | Yes | 12 | 12 | 0 |
| Ward 09 | Cllr MASEKO NM Mkuyane R Bangani LR Matthews TP Shuping TP Rorotyi M Mokoto RK Ngcetani S Molefe W Ntsane MM Sithole C | Yes | 12 | 12 | 6 |
| Ward 10 | Cllr KGWASI JT Setlhodi WD Kamele MM Nche TJ Motlhabane NR Taunyane MM Mokgosi I Faku IN Rathebe R Norman NE Mxaku N | Yes | 12 | 12 | 7 |
| Ward 11 | Cllr MANGESI MI Lethuri L Ngobeni S Dire MY Ndleleni PT Mosiwathaga W Moselane B Mothibi SE Dube JV Mokoena AM Titshala P | Yes | 12 | 12 | 1 |
| Ward 12 | Cllr MTSHAWULANA PY Mzibedi LD Mabuda VG Motaung P Nonkonyama E Mnanzana MT Sapepa MM Masena M Mokonopi LI Tulman RM | Yes | 12 | 12 | 1 |
| Ward 13 | Cllr PELELE MS Mafaesa K Mathiba TC Lethebe T Masawe I Makume AA Mtyhuda T Gwele K Maleho MD Mooketsi S Warona B | Yes | 12 | 12 | 3 |
| Ward 14 | Cllr MOKOTO NP Mohitshane TJ Medupe TS Shuping JR Jaars SN Scheepers C Moashetsi KM April BM Maropeng MM Leshomo J | Yes | 12 | 12 | 3 |

APPENDIX E – WARD REPORTING

| FUNCTIONALITY OF WARD COMMITTEES - 2022/23 | | | | | |
|--|---|----------------------------------|---|---|---|
| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes / No) | Number of monthly Committee meetings held during the year | Number of monthly reports submitted to Speaker's Office on time | Number of quarterly public ward meetings held during year |
| Ward 15 | Cllr SWART PJ Burger CM Mafaisa NM Kleinhans JF Motlalepule JM Brenkman NG Baepi D Kruger Y Almeida PA Kgalapa LN Maamogwa E | Yes | 12 | 12 | 0 |
| Ward 16 | Cllr COMBRINCK A MAICHU DG Machine PJ Knoetze H Baas TA Van Zyl SA Bosch JA Symington SB Smit SL Sekete OF Nelson KO | Yes | 12 | 12 | 0 |
| Ward 17 | Cllr POSTMA EM Smit JJ Strydom AJ Hattingh CJ Jooste G Moleko PH Ntsizi TC Hattingh J Kasonkomona T Warren S Strydom HE | Yes | 12 | 12 | 0 |
| Ward 18 | Cllr SEITISHO MN Madikane S Sebape ML Phokela MD Kopakae T Moraladi M Lephadi KL Mei MI Mokopanele DS Makhetha TA Moeng MM | Yes | 12 | 12 | 3 |
| Ward 19 | Cllr LE GRANGE JJ Nyaqela KL Bester A Lubbe Z Scholtz MH Nel AP Van der Merwe J Fourie BT Setsosa E Le Grange MC Scholtz MC | Yes | 12 | 12 | 0 |
| Ward 20 | Cllr SELLO RM Motsiri MA Nkatsoana M Botsielo T Mbebane PJ Lomo LR Makaekae MJ Modiakgotla S Monyau NA Modisadife R Oageng T | Yes | 12 | 12 | 1 |
| Ward 21 | Cllr NDINCEDE K Njikelana S Dlokwana L Mqwebavu N Maswabi G Mopeli MM Majikijela NG Welishi D Gasas S Mnqanqeni N Gwangxu A | Yes | 12 | 12 | 3 |

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| FUNCTIONALITY OF WARD COMMITTEES - 2022/23 | | | | | |
|--|--|----------------------------------|---|---|---|
| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes / No) | Number of monthly Committee meetings held during the year | Number of monthly reports submitted to Speaker's Office on time | Number of quarterly public ward meetings held during year |
| Ward 22 | Cllr SEABENG TS Matlala TM Khalapa DL Maleme SM Cungwa PJ Magano MR Mafata NAA Thubisi KM Lipholo MS Betha UR Kalamore G | Yes | 12 | 12 | 8 |
| Ward 23 | Cllr MAHUMAPELO MP Nyathela M Tjeko B Dlobela V Xakatha M Meko L Maphalala M Gaanakgomo M Mpheqeke V Mphatse N Madlala A | Yes | 12 | 12 | 3 |
| Ward 24 | Cllr KGWABANE OE Bojosi MS Seleke BJ Ratima MS Kepadisa SL Mvala M Dipholo TA Kgoro PT Mhlungu DJ Ngeni KI Mosime M | Yes | 12 | 12 | 5 |
| Ward 25 | Cllr SEPALE TE Nonjola PA Maine R Mtshoniswa L Riet A Makae E Mohorosi N Ntsheare SM Tokwane SG Taunyane SJ Semoeng KS | Yes | 12 | 12 | 0 |
| Ward 26 | Cllr MOKGATLA MA Mofokeng E Sechumi PE Gciva HN Mahlalela MW Resentsoere M Ndindwa MN Moleta MQ Gooster VN Konyana MD Mkekula M | Yes | 12 | 12 | 4 |
| Ward 27 | Cllr MOKHELE IM Moiwa MV Molefe SM Kwaso ML Nyamane PP Ngwenya M Mathoka EM Mohlomi P Galeboe DL Nyakiso MW Ncapayi DM | Yes | 12 | 12 | 4 |
| Ward 28 | Cllr BESTER CJ Kubeka ST Bothma A Mahlalela NM Sehlabaka A Mamapule BF Motswana BM Botha AW Booth MC Pii MS Bornman JR | Yes | 12 | 12 | 0 |

APPENDIX E – WARD REPORTING

| FUNCTIONALITY OF WARD COMMITTEES - 2022/23 | | | | | |
|--|--|----------------------------------|---|---|---|
| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes / No) | Number of monthly Committee meetings held during the year | Number of monthly reports submitted to Speaker's Office on time | Number of quarterly public ward meetings held during year |
| Ward 29 | Cllr BORNMAN JGR Gorathe TT Groenewald BE Ngxangane KM Khwaza KD Deyssel EH Makoakoa MM Gojane M Zikhali BV Molalogi JS Ntsoahae PG | Yes | 12 | 12 | 0 |
| Ward 30 | Cllr DU PREEZ PA Madlala BP Lamb CJ Sandham RH Swanepoel PJ Fourie JJ Stander FR Botha JJ Trollip M Marais FR Koekemoer PJ | Yes | 12 | 12 | 0 |
| Ward 31 | Cllr MAJILI SJ Tanga SA Zihle M Mdanka S Mandla SL Vumenjanl SB Mabaso KK Matebele NC Majola NK Metshe T Nphatedi RI | Yes | 12 | 12 | 0 |
| Ward 32 | Cllr MORAKE AM Moletsane M Oompie FE Molefe PD Vangkolor S Keboneliwe KE Modise RN Magosi JB Mosia BM Le Roux MT Manyela MM | Yes | 12 | 12 | 3 |
| Ward 33 | Cllr LATHA KR Fuba PJ Ntshanga NL Role N Tshabalala DN Ngalonkulu IJ Mali PL Sereko MD Khalipa NE Masobebele NF Makgale GD | Yes | 12 | 12 | 2 |
| Ward 34 | Cllr NTSHANGA ZE Sigade SR Muyane BD Shongwe PZ Mongi FC Phiri P Malope BP Ximba TD Leokaoke ME Mothibi MD Makgele JR | Yes | 12 | 12 | 1 |
| Ward 35 | Cllr SEITSHERO KV Tyolo DB Dondolo S Silinda JM Mogale GM Lengana DP Oliphant SO Nomazele BK Mdleleni AF Lenkoe MD Msikinya TE | Yes | 12 | 12 | 0 |

APPENDIX E – WARD REPORTING














| FUNCTIONALITY OF WARD COMMITTEES - 2022/23 | | | | | |
|--|---|----------------------------------|---|---|---|
| Ward Name (Number) | Name of Ward Councillor and elected Ward Committee members | Committee established (Yes / No) | Number of monthly Committee meetings held during the year | Number of monthly reports submitted to Speaker's Office on time | Number of quarterly public ward meetings held during year |
| Ward 36 | Cllr FOBOKO VO Tatai M Manyobe ME Lehihi ED Motsie PJ Shomang M Maine MG Galeboe B Scheepers MJ Moleje TC Theljane MA | Yes | 12 | 12 | 2 |
| Ward 37 | Cllr PLAATJIE BM Mzizi PE Setshaba ST Mvundlela DD Motshweni RB Sebopelo PD Busakwe MG Motlhaku T Bakaqane NI Tladi MF Sekwati M | Yes | 12 | 12 | 5 |
| Ward 38 | Cllr ZITWANE WG Mahloane KP Sello RKI Tlisane E Sebohuli M Mogale GR Sebetlela SS Otsile MF Thwala PD MahlophE A Satyo NM | Yes | 12 | 12 | 7 |
| Ward 39 | Cllr WALLHORN W Diedericks AS Strydom NH Erasmus S De Villiers HC Botha JA Wilken I Maddonni G Cronje E Coetzee JH Diedericks WE | Yes | 12 | 12 | 0 |

APPENDIX F – WARD INFORMATION

| WARD TITLE: WARD NAME (NUMBER) 2022/23 | | | | |
|--|---|------------|------------|-------------|
| Capital Projects: Seven Largest in 2022/23 (Full List at Appendix O) | | | | |
| R' 000 | | | | |
| No. | Project Name and detail | Start Date | End Date | Total Value |
| 1 | Electrical Alabama Ext 5 Phase 3 – Ward 4 | 2022/12/01 | 2023/06/30 | 21 362 |
| 2 | Jouberton Taxi Rank – Ward 37 | 2021/12/08 | 2023/06/30 | 10 859 |
| 3 | Vehicles - Wards 1 - 39 | 2022/07/01 | 2023/06/30 | 5 363 |
| 4 | Vehicles Solid Waste Removal - Wards 1 - 39 | 2022/07/01 | 2023/06/30 | 17 332 |
| 5 | Paving of Taxi Routes and Stormwater Kanana Phase 9 - Wards 22, 23, 24 and 36 | 2021/05/27 | 2023/06/30 | 4 693 |
| 6 | Paving of Taxi Route and Stormwater Drainage Khuma Phase 9 - Wards 33,35 and 38 | 2022/07/01 | 2023/06/30 | 5 233 |
| 7 | Construction of new 20 KVA Substation Alabama / Manzilpark – Wards 3 - 5 | 2022/07/01 | 2023/06/30 | 6 225 |

| BASIC SERVICE PROVISION 2022/23 | | | | |
|---|----------------|----------------|----------------|----------------|
| DETAIL | WATER | SANITATION | ELECTRICITY | REFUSE |
| Households with the minimum service level and above | 182 382 | 171 437 | 170 652 | 170 985 |
| Households below minimum service level | 1 021 | 11 966 | 12 751 | 12 418 |
| Total Households* | 183 403 | 183 403 | 183 403 | 183 403 |
| <i>*Including informal settlements</i> | | | | |

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2022/23

| MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS | | |
|---|---|-------------------------|
| DATE OF COMMITTEE | COMMITTEE RECOMMENDATIONS DURING 2022/23 | RECOMMENDATIONS ADOPTED |
| 19 August 2022 | Activity Report 2021/2022  CAE to give feedback on the monitoring of the Implementation Plans. | Adopted |
| | Post Audit Action Plan 2020/21  The report has been noted by AC members.  That Internal Audit should audit the Post Audit Action Plan in order to verify the percentage reported as completed. | |
| | AFS Preparation Plan 2021/22  The report has been noted by AC members.  That all the components of Annual Financial Statements completed to be submitted to Internal Audit for review and thereafter to Audit Committee members. | |
| | Supply Chain Management Report 4th 2021/22  The report has been noted by AC members.  Acting CFO to prepare annual SCM report highlighting status on the implementation of the procurement plan of 2021/22 and submit it to Council. | |
| | ICT Report 4th quarter 2021/22  The report has been noted by AC members.  Acting Municipal Manager to give feedback at the next meeting on the status of approval of IT Governance Framework and Charter submitted to Council. | |
| | Risk Management 4TH Quarter Risk Management report - Risk Register  That the Audit committee noted the reports.  That Acting Municipal Manager table the risk management report to Council, so that they are fully aware of risks associated with the Municipality. | |
| | | |
| 31 October 2022 | Revenue Enhancement Report  That cognizance be taken that the progress report regarding revenue enhancement was not submitted due to the following reasons: <ul style="list-style-type: none"> Revenue enhancement was discussed at Top Management, MAYCO and Budget Management Committee meetings and thereafter, the Executive Mayor as the Chairperson of the Budget Management Committee established several intervention measures. The progress on the implementation of the intervention measures to improve revenue collection will be reported to the audit committee. | Adopted |
| | Information and Communication Technology  That progress of the ICT Strategic and Steering Committee be submitted to the Audit Committee. | |

| MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS | | |
|---|---|-------------------------|
| DATE OF COMMITTEE | COMMITTEE RECOMMENDATIONS DURING 2022/23 | RECOMMENDATIONS ADOPTED |
| 31 October 2022 | <p>Revenue Enhancement Report</p> <ul style="list-style-type: none"> That cognizance be taken that the progress report regarding revenue enhancement was not submitted due to the following reasons: <ul style="list-style-type: none"> Revenue enhancement was discussed at Top Management, MAYCO and Budget Management Committee meetings and thereafter, the Executive Mayor as the Chairperson of the Budget Management Committee established several intervention measures. The progress on the implementation of the intervention measures to improve revenue collection will be reported to the audit committee. <p>Performance Management</p> <ul style="list-style-type: none"> That cognizance be taken of the report on the Service Delivery and Budget Implementation Plan for the period, July to September 2022 as presented by the Performance Manager. That cognizance be taken of the concern regarding non-adherence to deadlines for submission and lack of provision of reasons for deviations and remedial action. That Managers, and those in new acting positions be given the opportunity to correct concerns raised. That the Performance Manager raise challenges at the Top Management meeting. <p>Progress Report on Post Audit Action Plan 2021/22</p> <ul style="list-style-type: none"> That cognizance be taken of the presentation regarding the post audit action plan as presented by the Acting Chief Financial Officer that highlighted among other matters the following: <ul style="list-style-type: none"> That the information has been uploaded on the Treasury portal and distributed to Audit Steering Committee Members and Directors. That the Director: Planning and Human Settlement has already engaged the directorate to address findings. The total number of findings are 145, comprising mostly of compliance and internal control issues. That cognizance be taken that the Audit Steering Committee meetings will commence on the Thursday, 9 February 2023 where progress will be received from the Directors. That Managers strive to achieve more than 90% at the next quarter. That cognizance be taken that the Deputy Director: ICT has already commenced addressing ICT related findings including: <ul style="list-style-type: none"> Firewall issues and ICT Strategy and has submitted items to Council. ICT Strategy Committee has been established. SITA has been engaged. | Adopted |


























| MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS | | |
|---|--|-------------------------|
| DATE OF COMMITTEE | COMMITTEE RECOMMENDATIONS DURING 2022/23 | RECOMMENDATIONS ADOPTED |
| 31 October 2022 | <p>Litigation Reports</p> <ul style="list-style-type: none"> That cognizance be taken of the Litigation Report as presented by the Chief Litigation Officer and highlights the following information: <ul style="list-style-type: none"> That some matter has been outstanding for the prolonged periods due to plaintiff being dominus litus and abandon the matter and as a measure to cut costs the municipality does not compel the plaintiff to proceed with the matter. That the unit has finalized about six (6) matter on the report to date and the files will be closed where there are no prospects of success and city attorneys have been engaged to proposed settlements where necessary. That some matters have been put in abeyance due to unfunded budget and position of the municipality and the inadequate budget allocated to Legal Services, hence the focus in on current matters. That the Legal Services Unit categorize cases accordingly for the committee to have a proper background and advise accordingly. <p>That the updated Litigation Report be provided to all members.</p> | Adopted |
| 02 February 2023 | <p>2021/2022 Annual Report</p> <ul style="list-style-type: none"> That cognizance be taken that the MPAC is busy undertaking the public oversight on the oversight report. The comments as provided by the Audit Committee be considered during the finalization of the Annual Report. That the Annual Report be recommended to Council for adoption. | Adopted |
| 17 May 2023 | <p>Litigations Report</p> <p>The Acting director presented the litigation report and indicated that the Municipality is currently reviewing the long outstanding cases and progress shall be provided in the next meeting.</p> | |
| 26 May 2023 | <p>Third Quarter Risk Management Report</p> <ul style="list-style-type: none"> That the risk management report be noted. That risk assessments be finalized to allow Internal Audit to develop their three-year rolling plan. <p>Third Quarter Finance Report</p> <ul style="list-style-type: none"> That the report be noted. That the current ratio be addresses as a matter of urgency. That the revenue enhancement strategies be implemented. That consequence management be applied on the under- performing contractors. That the AG debt be paid urgently. That a report on the DBSA credit control assistance be provided. <p>Revenue Enhancement Strategy</p> <ul style="list-style-type: none"> That the report be noted. <p>That progress on the revenue enhancement strategy be provided in the next meeting.</p> | Adopted |

















| MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS | | |
|---|--|-------------------------|
| DATE OF COMMITTEE | COMMITTEE RECOMMENDATIONS DURING 2022/23 | RECOMMENDATIONS ADOPTED |
| 26 May 2023 | <p>Third Quarter ICT Report</p> <ul style="list-style-type: none"> It was noted that the ICT governance processes were addressed, the IT audit issues were resolved, and that the IT unit is servicing approximately 800 IT users with limited staff complement. That the ICT report be noted. That the reviewed ICT structure be recommended to Council. That the Municipal Manager must develop a temporary IT Structure while awaiting the approval of the institutional organogram. <p>Progress on Material Irregularity</p> <ul style="list-style-type: none"> It was noted that there were two Material Irregularities namely: <ul style="list-style-type: none"> That the Progress on ESKOM and MIDVAAL irregular materiality be noted. That the submission on debt relief be shared with the Audit Committee once the provincial treasury has made comments. <p>UIF Reduction Strategy</p> <ul style="list-style-type: none"> That it be noted that its intention was to ensure that the City of Matlosana is able to reduce the previous UIF through investigation as and when they happen and also to ensure that the current procurement plan is implemented and that the UIF is reduced drastically. That the UIF reduction strategy be noted. That progress on the implementation of the strategy be provided in the next meeting. <p>2023/2024-2025/2026 MTREF</p> <ul style="list-style-type: none"> That it be noted by Audit Committee members. The budget was consisted of annexure A-2023/24 MTREF budget assessment, annexure B-A1 to A2 2023/24 to 2025/26 MTREF budget schedules and annexure C-Manual A7 Cash Flow. The budget also included the comment from the provincial treasury for compliance with the MFMA and the budget schedule. That the 2023/2024-2025/2026 MTREF be noted and recommended to Council with the provincial treasury observation. <p>2023-2024 IDP Amendments</p> <ul style="list-style-type: none"> That the following issues were noted: <ul style="list-style-type: none"> Chapter three of the IDP amendment include the ward-based plan. The strategic objectives were amended as per the recently held strategic plan The document includes the unfunded projects, Sector departmental plans and the capital projects for the 2022-2026. That the IDP amendment plan be noted That the strategic plan document with strategic objectives be shared with the members of the Audit Committee. That the reviewed organization structure be tabled at the special audit committee before finalization by Council | Adopted |

APPENDIX H – LONG TERM CONTRACTS

| LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2022/23) | | | | |
|--|---|---------------------------|-------------------------|--------------------|
| Name of service Provider | Description of services rendered by the service provider | Starting date of contract | Expiry date of contract | Project manager |
| <ul style="list-style-type: none"> Khuwait Group JV Tlopo Constructions Mksa Holdigs (Pty) Ltd Elegant Line Trading 785 CC Lomakhosi Trading Projects CC Tsekgoprojects Construction CC Jolobe Trading (Pty) Ltd Kwende Electrical Supplies CC Dirabotle Projects (Pty) Ltd TSK Resources (Pty) Ltd | Appointment of panel of service providers for repairs and maintenance of LV & Mv network for a period of 36 months on as and when required basis | 01 July 2022 | 01 July 2025 | Electricity |
| <ul style="list-style-type: none"> KKS Wealth Creations (Pty) Ltd Mohaumolutsi Civil Works (Pty) Ltd Ezekiel Moeti Construction CC Excellence Business Academy CC Bornfree Investments 271 (Pty) Ltd Bonolo Supply Distribution and Enterprise CC Mantebo Investment (Pty) Ltd Amandla Building & Construction (Pty) Ltd Ek Construction & All General Trading CC Jmbro Civils (Pty) Ltd Lethukuthula Development Projects CC Rs Rekopane Projects (Pty) Ltd Mafaesa Trading Enterprise Meitu Trading (Pty) Ltd Khosi / Vuyo Logistics CC | Appointment of service providers for the rehabilitation and resealing of roads, emergency pothole patching within the City of Matlosana jurisdiction for a period of 36 months on as and when required basis. | 11 July 2022 | 11 July 2025 | Roads |
| <ul style="list-style-type: none"> Mamokomane Funeral Parlour (Pty) Ltd Remmogo Retlotlegile Holdings Mojalefa Phoofole Funeral Home | Invitation to bid for a panel of undertakers to provide indigent burials as and when required for a period of 36 months | 12 September 2022 | 12 September 2025 | community services |

| LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2022/23) | | | | |
|---|--|---------------------------|-------------------------|--------------------|
| Name of service Provider | Description of services rendered by the service provider | Starting date of contract | Expiry date of contract | Project manager |
| Sebenza Engineering Projects | Invitation to bid for leasing of 10 refuse removal trucks for a period of 36 (thirty – six) months | 05 December 2022 | 05 December 2025 | Community services |
| Malatsi A Tshepo Trading (Pty) Ltd Khuwait Holdings (Pty) Ltd Mercycon CC Furahini Enterprise (Pty) Ltd Variegated (Pty) Ltd Practicon Trading and Enterprise CC Boitumelo Padi Business Solution (Pty) Ltd Torren Enterprise Agah Marketing and Projects (Pty) Ltd Mafaesa Trading Enterprise CC Emin Trading Enterprise (Pty) Ltd Boka – Ipelo Guesthouse Lisebo Holding Maureey (Pty) Ltd Maupa Manage Trading Enterprise NTK Mining Suppliers Lepene Projects A Joy Communications Khethuthula Holdings Rhuone Projects And Plant Hire Sennes General Trading Bokao Amahle Holdings TD Monare Holdings Lekgethos Trading and Projects Glanlicious Trading Enterprise Kgosietsile Projects GOE Trading Sisipho Group Bokang Katlego Trading and Projects | Appointment of service providers for the supply, delivery & offloading of electrical materials, on an as and when required basis for a period of 36 (thirty – six) months. | 05 December 2022 | 05 December 2025 | Electrical |

| LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2022/23) | | | | |
|--|--|---------------------------|-------------------------|-----------------|
| Name of service Provider | Description of services rendered by the service provider | Starting date of contract | Expiry date of contract | Project manager |
|  Khuwait Group (Pty)Ltd Ratanang Suppliers and Projects | Appointment of service providers for the supply, delivery and offloading of electrical poles on an as and when required basis for the period of 36 (thirty-six) months | 12 December 2022 | 12 December 2025 | Electrical |
|  MVE Consulting CC  Rapidus (Pty) Ltd  NEP Consulting Engineers (Pty) Ltd  Maphuthu Holdings (Pty) Ltd  Mont Consulting Engineers CC  Ix Engineers (Pty) Ltd  TMA Consulting Engineers CC  Boitseanape Quantity Surveyors (Pty) Ltd  Tekrod Consulting Engineers (Pty) Ltd  THA Mot Engineering Consultants (Pty) Ltd  CRA Consulting Engineers (Pty) Ltd  M and T's Group Consultants (Pty) Ltd  Engineering Aces (Pty) Ltd  Snethemba Consultants (Pty) Ltd  Molekwa Mali Monkoe Consultants (Pty) Ltd  Metsweding Consulting Engineers CC  Management Design and Construction Consultants (Pty) Ltd  Tshashu Consulting & Project Managers (Pty) Ltd  Kipp Consulting Engineers North (Pty) Ltd  Blacc Engineering Services (Pty) Ltd  Kiwango Infrastructure and Development (Pty) Ltd  Bataung Projects And Training (Pty) Ltd  EKS Consulting Engineers CC  Luvhengo Consulting Engineers CC | Appointment of panel of consultants for professional engineering related services for a period of 36 (thirty-six) months | 22 May 2023 | 21 May 2026 | PMU |

| LONG TERM CONTRACTS (LARGEST CONTRACTS ENTERED INTO DURING 2022/23) | | | | |
|--|--|---------------------------|-------------------------|-----------------|
| Name of service Provider | Description of services rendered by the service provider | Starting date of contract | Expiry date of contract | Project manager |
|  Onboard Consulting Engineers (Pty) Ltd  TM Africa Engineering Services (Pty) Ltd  Mangethe Group (Pty)Ltd  Motla Consulting Engineers (Pty) Ltd  Arrowpoint Consulting (Pty) Ltd  C V Chabane and Associates (Pty) Ltd  Zonk Engineering Consultants (Pty) Ltd  Kgosi-Entle Engineering (Pty) Ltd  Molutsi Project Managers and Consulting Engineers (Pty) Ltd  Skotane Development Consultants (Pty) Ltd  Mthombeni And Associates CC  VNMM Consulting Engineers CC  MFS Mosebo Projects (Pty) Ltd  Molekwa Mali Monkoe Consultants (Pty) Ltd  Korone Consulting Engineers CC  King and Associates Engineering and Project Managers (Pty) Ltd  Malankane Consulting Engineers (Pty) Ltd  Melokuhle Management CC  Urbantech Holdings (Pty) Ltd  Civbiz (Pty) Ltd  Pule Ramasimong Development Consultant and Project  LSO Consulting Engineers (Pty) Ltd  TKQ Consulting (Pty) Ltd  MK and Associates Development Consultants (Pty) Ltd  Mthombeni and Associates CC | Appointment of panel of consultants for professional engineering related services for a period of 36 (thirty-six) months | 22 May 2023 | 21 May 2026 | PMU |

APPENDIX I – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

| SERVICE PROVIDER PERFORMANCE SCHEDULE – 2022/23 | | | | | | |
|--|--|--|---|---|---|---|
| Purpose | Service Indicators | 2021/22 | | 2022/23 | | 2023/24 |
| | | Target | Actual | Target | Actual | Target |
| To construct a new sports complex in Khuma Ext 9 (Ward 31)(Phase 2) to provide recreational facilities for the community | Number of new Sports Complex in Khuma Ext 9 (Ward 31)(Phase 2) constructed | Constructing of a new sport complex in Khuma Ext 9 (Ward 31) mostly completed, but the basketball court surfacing is not done yet. R12 193 171 | A new sport complex in Khuma Ext 9 (Ward 31) constructed. R25 390 299 | Constructing a new sport complex in Khuma Ext 9 (Ward 31)(Phase 2) by constructing players tunnel; constructing throwing sporting codes (long jump, triple jump, discuss throw, javelin throw, shot put); constructing 0,05km of 110mmø of HDPE pipe; constructing 0,15km of 32mmø - 65mmø galvanized steel pipe by 30 June 2023 R3 430 929 (Split vote R3 798 818 with PMU22 - R367 888) | Tender was advertised on 4 April 2023 with closing date 10 May 2023. R2 629 950 | Constructing a new sport complex in Khuma Ext 9 (Ward 31)(Phase 2) by - constructing players tunnel - constructing throwing sporting codes (long jump, triple jump, discuss throw, javelin throw, shot put) - constructing 0,05km of 110mmø of HDPE pipe - constructing 0,15km of 32mmø - 65mmø galvanized steel pipe by 31 August 2023 |

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

| DISCLOSURES OF FINANCIAL INTERESTS - 2022/23 | | |
|--|--------------------|--|
| Position | Name | Description of Financial interests* (None or details) |
| EXECUTIVE TEAM | | |
| Executive Mayor | ClIr NJ Tsolela | Dan Construction - 100% Robert & James - 50% BeydinBuild - 100% |
| Speaker of Council | ClIr SL Mondlane | Black Pearl Pty Ltd - 100% Mainstream - 100% |
| Single Whip of Council | ClIr K Ndincede | None |
| MEMBERS OF MAYORAL COMMITTEE | | |
| Corporate Services | ClIr IM Maseko | Tsegang Bomne - 2009/001403124 |
| Transversal Issues | ClIr KE Mabebe | - |
| Planning & Human Settlement | ClIr JM Mosupa | Mosupas Family Trust -2016/019671/07 - 100% |
| Sport, Arts and Culture | ClIr ML Mahumapelo | Covid-19 Stress Relief Fund |
| Finance and Debt Normalization | ClIr AM Ramphele | None |
| Local Economic Development | ClIr ML Kodisang | Dhacha Enterprise Pty Ltd - 100% - 2019/343764/07 |
| Public Safety | ClIr TG Khoza | None |
| Community Services | ClIr TO Chabalala | None |
| Infrastructure | ClIr SOC Barrends | Ya Rona Karona Trading Enterprise LTD PTY -100% |
| Electrical Engineering | ClIr FC Mahlophe | None |
| COUNCILLORS | | |
| Ward Councillor W28 | ClIr Bester CJ | None |
| Ward Councillor W1 | ClIr Bonga A | None |
| PR Councillor | ClIr PH Booth | None |
| Ward Councillor Ward29 | ClIr JGR Bornman | None |
| PR Councillor | ClIr Burrell PZM | Optimum NW Services - 50% Optumum Cleaning Services - 50% |
| PR Councillor | ClIr RRB Buys | Ponelopele Promotions Enterprise - 5% |
| PR Councillor | ClIr Coetzee M | None |
| Ward Councillor W16 | ClIr Combrinck A | Anumelmig Vullisverwydering CC – 51% Member of the MCPF |
| PR Councillor | ClIr Cromhout GLJ | Wholesale Manager at Daly Wholesale - +R480 000.00 Member of the MIBCO Pension Fund |
| PR Councillor | ClIr Dial SJ | SJ Dial Trading Enterprise - 100% |
| Ward Councillor W30 | ClIr Du Preez PA | BravoPlex32000 - 100% |
| PR Councillor | ClIr Dude MA | None |
| PR Councillor | ClIr Faku BS | Kanana Arts Centre (NPO)-Chair |
| Ward Councillor W36 | ClIr Foboke VO | Convic Detroy Pty Ltd - 2015/443280/07-100% |
| PR Councillor | ClIr Fourie PN | None |

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

| DISCLOSURES OF FINANCIAL INTERESTS - 2022/23 | | |
|--|---------------------|--|
| Position | Name | Description of Financial interests* (None or details) |
| COUNCILLORS | | |
| PR Councillor | Cllr Gelderblom N | None |
| PR Councillor | Cllr Griffin JR | None |
| PR Councillor | Cllr Hlekiso PA | None |
| PR Councillor | Cllr Holtzhausen AC | None |
| Ward Councillor W5 | Cllr Jonas SL | None |
| PR Councillor | Cllr Kali KB | Dogs of the Road Cabs (Taxi Industry) – Owner Member of NFMW |
| PR Councillor | Cllr Kasonkomona F | Cadillac Business Solutions - 2010/105293/23 - 100% Nkumbu Trading - 2009/123266/23 - 40% |
| Ward Councillor Ward24 | Cllr Kgwabane OE | Kgwabane Trading Enterprise Pty Ltd - 100% |
| PR Councillor | Cllr Kloppers SP | Wonder Transport - 50% Wonder Belt - 50% |
| Ward Councillor W33 | Cllr Latha KR | None |
| Ward Councillor W19 | Cllr Le Grange JJ | Mitchell & Le Grange Property – 40% Mitchell & Le Grange Property – 50% JJ Le Grange Financial Services – Accounting Member of the MCPF |
| *PR Councillor | Cllr Lethoko KM | |
| PR Councillor | Cllr Mache MI | None |
| Ward Councillor W31 | Cllr Majiji SJ | None |
| Ward Councillor Ward11 | Cllr Mangesi MI | Thamalalang Close Corporation-80%-2009/119906/23 |
| **PR Councillor | Cllr Mathopa ML | Logeno Pty Ltd - 2018/480280/07 - 100% - Dormant Old Mutual Superfund |
| Ward Councillor W8 | Cllr Mbele MN | Barungwa Trading Enterprise Pty Ltd - 100% Morou Industries - 70% Welela Tech Solutions - 100% Matlosana Black Business Chamber of Commerce & Industry-undeclared Tsa Rona Investment Holdings – undeclared |
| PR Councillor | Cllr Mdyali AB | Bublebayeza Diamond Cutting Works (Pty) Ltd-Director |
| PR Councillor | Cllr Modise CK | None |
| PR Councillor | Cllr Modisenyane II | None |
| Ward Councillor W26 | Cllr Mokgatla MA | None |
| Ward Councillor W27 | Cllr Mokhele IM | Meokgo Matiba Foundation - CEO - not active now |
| Ward Councillor W14 | Cllr Mokoto NP | None |
| PR Councillor | Cllr Molutsi PM | None |

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

| DISCLOSURES OF FINANCIAL INTERESTS - 2022/23 | | |
|--|---------------------|---|
| Position | Name | Description of Financial interests* (None or details) |
| Ward Councillor W32 | Cllr Morake AM | None |
| MPAC Chairperson | Cllr Mosiako MM | None |
| PR Councillor | Cllr Mosweu ME | None |
| Ward Councillor W2 | Cllr Mothupi A | None |
| Ward Councillor W12 | Cllr Mtshawulana PY | None |
| Ward Councillor W6 | Cllr Mulhanga SR | Eddietom Trading Enterprise (Pty) Ltd - 100% |
| Ward Councillor 34 | Cllr Ntshanga ZE | Golden Nation Fuel-Director-2020/696198/07 |
| PR Councillor | Cllr Oortman FD | Fileng Trading - 100% |
| Ward Councillor W13 | Cllr Pelele MS | Mothusi Enterprise - 100% |
| PR Councillor | Cllr Pheto T | None |
| Ward Councillor W37 | Cllr Plaatjie BM | Happy Plaatjie Enterprise - 100% - 2016/421482/07 |
| Ward Councillor W17 | Cllr Postma E M | None |
| PR Councillor | Cllr Ross K L | None |
| PR Councillor | Cllr Scott L | None |
| Ward Councillor W22 | Cllr Seabeng T S | None |
| Ward Councillor W18 | Cllr Seitisho M N | None |
| Ward Councillor W35 | Cllr Seitshero KV | Patradesa - 100% |
| Ward Councillor W20 | Cllr Sello RM | None |
| Ward Councillor W25 | Cllr Sepale TE | None |
| PR Councillor | Cllr Sesana S P | Sesana Phakoe Associates - 50% |
| Ward Councillor W15 | Cllr Swart P J | Member of the Fusion funds Sanlam |
| Ward Councillor W3 | Cllr Tagaree FI | Member of Old Mutual Pension Fund |
| PR Councillor | Cllr Thabanchu OR | Thabelanang Trading Ent (pty) Ltd - 100% Reflexoo Medical (Pty) Ltd - 50% Ka Lerato Guesthouse (Pty) Ltd - 100% |
| Ward Councillor W39 | Cllr Wallhorn W | Choje Enviro – 2010/119456/23 – 50% (please note that CC is being deregistered) Member of NFMW |
| Ward Councillor W38 | Cllr Zitwane WG | None |

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

| DISCLOSURES OF FINANCIAL INTERESTS - 2022/23 | | |
|--|---------------|--|
| Position | Name | Description of Financial interests* (None or details) |
| SENIOR MANAGERS | | |
| Municipal Manager | Ms L Seametso | House Flamwood R1.5m - |
| Director Budget and Treasury (CFO) | Ms MM Phetla | Mercy Angels – R80 000 |
| Director Planning and Human Settlements | Mr BB Choche | Erf 5236 in Kuruman - R1.0 m Erf 6225 in Mothibistat - R 600 000 Erf 4613 in Kuruman – R 230 000 |
| Director Corporate Support | Vacant | N/A |
| Director Community Development | Vacant | N/A |
| Director Technical and Infrastructure | Vacant | N/A |
| Director Public Safety | Vacant | N/A |
| Director Local Economic Development | Vacant | N/A |

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

| REVENUE COLLECTION PERFORMANCE BY VOTE 2022/23 | | | | | | |
|--|------------------|------------------|------------------|------------------|-----------------|-------------|
| R' 000 | | | | | | |
| Vote description | 2021/22 | 2022/23 | | 2022/23 Variance | | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments |
| 1.1 - Executive & Council | 645 | 400 | 400 | 7 | 2% | 2% |
| 1.2 - Budget & Treasury Office | 1 099 574 | 1 217 802 | 1 226 130 | 1 313 350 | 100% | 99% |
| 1.3 - Corporate Service | 1 289 | 2 428 | 2 328 | 2 786 | 115% | 120% |
| 2.1 - Roads | 68 268 | 53 187 | 46 881 | 39 026 | 73% | 83% |
| 2.2 - Water | 879 795 | 1 018 228 | 991 469 | 989 977 | 97% | 100% |
| 2.3 - Sewer | 143 839 | 207 797 | 178 641 | 141 144 | 68% | 79% |
| 2.4 - Electricity | 1 017 620 | 1 209 703 | 1 176 456 | 973 030 | 80% | 83% |
| 2.5 - Housing | 7 778 | 50 976 | 33 976 | 12 666 | 25% | 37% |
| 3.1 - LED | - | - | - | - | - | - |
| 3.2 - Market | 36 862 | 27 257 | 28 356 | 15 811 | 58% | 56% |
| 4.1 - Community & Social Services | 2 585 | 3 485 | 3 485 | 2 359 | 68% | 68% |
| 4.2 - Sport & Recreation | 275 065 | 15 947 | 5 559 | 4 528 | 28% | 81% |
| 4.3 - Public Safety | 44 033 | 33 404 | 32 444 | 27 837 | 83% | 86% |
| 4.4 - Health | - | - | - | - | - | - |
| 4.5 - Cleansing | 274 572 | 349 153 | 369 860 | 345 934 | 99% | 94% |
| Total Revenue by Vote | 3 851 925 | 4 189 767 | 4 095 985 | 3 868 455 | | |

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

| REVENUE COLLECTION PERFORMANCE BY SOURCE 2022/23 | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|-------------|
| R '000 | | | | | | |
| Description | 2021/22 | 2022/23 | | | 2022/23 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments |
| Property rates | 451 441 | 507 345 | 532 836 | 456 397 | 89,9%6 | 85,65% |
| Property rates - penalties & collection charges | | | | | | |
| Service Charges - electricity revenue | 872 297 | 1 127 210 | 1 084 563 | 832 427 | 73,85% | 76,75% |
| Service Charges - water revenue | 649 775 | 783 676 | 743 676 | 736 246 | 93,95% | 99,00% |
| Service Charges - sanitation revenue | 125 338 | 173 864 | 153 673 | 141 354 | 81,30% | 91,98% |
| Service Charges - refuse revenue | 167 812 | 223 421 | 223 421 | 195 291 | 87,41% | 87,41% |
| Service Charges - other | 0 | 0 | 0 | 0 | 0 % | 0% |
| Rentals of facilities and equipment | 6 815 | 8 105 | 8 833 | 4 135 | 51,02% | 46,81% |
| Interest earned - external investments | 10 646 | 9 270 | 9 270 | 15 304 | 165,09% | 165,09% |
| Interest earned - outstanding debtors | 461 322 | 513 875 | 582 914 | 550 754 | 107,18% | 94,48% |
| Dividends received | 0 | 0 | 0 | 0 | 0% | 0%% |
| Fines | 5 171 | 4 523 | 4 523 | 8 869 | 196,09% | 196,09% |
| Licences and permits | 8 687 | 10 384 | 9 199 | 7 219 | 69,52% | 78,48% |
| Agency services | 0 | 0 | 0 | 0 | 0% | 0% |
| Transfers recognised - operational | 506 442 | 561 824 | 559 978 | 551 494 | 98,16% | 98,48% |
| Other revenue | 424 580 | 96 358 | 79 508 | 253 503 | 263,08% | 318,84% |
| Gains on disposal of PPE | 0 | 0 | 0 | 0 | 0% | 0% |
| Environmental Protection | 0 | 0 | 0 | 0 | 0% | 0% |
| Total Revenue (excluding capital transfers and contributions) | 3 690 325 | 4 019 855 | 3 992 394 | 3 752 993 | | |

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| CONDITIONAL GRANTS: EXCLUDING MIG 2022/23 | | | | | |
|---|---------------|-----------------------|---------------|----------|-----------------------|
| R' 000 | | | | | |
| Details | Budget | Adjustments Budget | Actual | Variance | |
| | | | | Budget | Adjustments Budget |
| Neighbourhood Development Partnership Grant | 30 000 | 21 000 | 12 921 | 43% | 62% |
| | | | | | |
| Other Specify: | | | | | |
| Sport & Recreation | 1 478 | 1 388 | 1 036 | 70% | 75% |
| EPWP | 2 181 | 2 181 | 2 181 | 100% | 100% |
| INEP | 29 064 | 29 064 | 24 633 | 85% | 85% |
| EEDSM | 5 000 | 3 000 | 3 | 60% | 100% |
| WSIG | 15 676 | 11 161 | 6 905 | 44% | 62% |
| FMG | 3 100 | 3 100 | 3 007 | 97% | 97% |
| TOTAL | 86 499 | 70 894 | 53 680 | | |

COMMENTS ON CONDITIONAL GRANTS AND GRANTS RECEIVED FROM OTHER SOURCES

Grants were reported as per the DORA and the payment schedule received from National Treasury and the national and provincial departments.

APPENDIX M: CAPITAL EXPENDITURE –

NEW & UPGRADE / RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

| Capital Expenditure - New Assets Programme* 2022/23 | | | | | | |
|---|------------|-----------------|-------------------|--------------------|-----------------------------|------------|
| R '000 | | | | | | |
| Description | 2021/22 | 2022/23 | | | Planned Capital expenditure | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | 2023/24 | 2024/25 |
| Capital expenditure by Asset Class | | | | | | |
| Infrastructure - Total | 114 | 217 | 205 | 110 | 193 | 180 |
| Infrastructure: Road transport - Total | 50 | 57 | 37 | 24 | 37 | 124 |
| <i>Roads, Pavements & Bridges</i> | 50 206 | 57 182 | 37 145 | 23 808 | 37 392 | 124 116 |
| Infrastructure: Electricity - Total | 25 | 56 | 56 | 31 | 30 | 26 |
| <i>Generation</i> | 24 596 | 55 544 | 55 544 | 31 424 | 29 800 | 26 123 |
| Infrastructure: Water - Total | 25 | 29 | 25 | 10 | 61 | 29 |
| <i>Water purification</i> | 24 542 | 28 715 | 24 786 | 9 728 | 60 992 | 29 000 |
| Infrastructure: Sanitation - Total | 14 | 22 | 15 | 7 | 22 | 1 |
| <i>Sewerage purification</i> | 14 170 | 21 535 | 14 720 | 6 584 | 22 246 | 1 000 |
| Community - Total | 61 | 44 | 73 | 18 | 21 | – |
| <i>Recreational facilities</i> | 25 390 | 10 431 | 3 799 | 2 950 | 12 000 | 0 |
| <i>Other</i> | 36 092 | 36 092 | 33 591 | 69 436 | 14 907 | 8 709 |
| TOTAL CAPITAL EXPENDITURE ON NEW ASSETS | 175 | 217 | 205 | 110 | 193 | 180 |

APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

No budget available for upgrade / renewal programme due to financial constraints.

APPENDIX N – CAPITAL PROGRAMME BY PROJECT

| CAPITAL PROGRAMME BY PROJECT: 2022/23 | | | | | |
|---------------------------------------|-----------------|-------------------|----------------|------------------------|-----------------------|
| | | | | | R' 000 |
| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
| WATER | 28 715 | 24 786 | 9 728 | 39% | 34% |
| | | | | | |
| ELECTRICITY | 55 544 | 55 544 | 31 424 | 57% | 57% |
| | | | | | |
| SANITATION / SEWERAGE | 21 535 | 14 720 | 6 584 | 45% | 31% |
| | | | | | |
| ROADS AND STORM-WATER | 57 182 | 37 145 | 23 808 | 64% | 42% |
| | | | | | |
| SPORTS, ARTS & CULTURE | 10 431 | 3 799 | 2 950 | 78% | 28% |
| | | | | | |
| HOUSING | 6 000 | 5 300 | - | 0% | 0% |
| | | | | | |
| REFUSE REMOVAL | 10 447 | 23 344 | 20 828 | 89% | 199% |
| | | | | | |
| SAFETY AND SECURITY | 3 000 | 3 000 | 633 | 21% | 21% |
| | | | | | |
| ICT AND OTHER | 24 184 | 37 798 | 14 273 | 38% | 59% |
| | | | | | |
| TOTAL | 217 038 | 205 436 | 110 228 | | |

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

| CAPITAL PROGRAMME BY PROJECT BY WARD: 2022/23 | | |
|---|-------------------|--------------------------|
| | | R' 000 |
| Capital Project | Ward(s) affected | Works completed (Yes/No) |
| ELECTRICAL | | |
| Electrical Alabama Ext 5 Ph 3 | 3 | 2 1362 |
| Construction New 20 KVA Substation Alabama / Manzilpark | 3, 4 and 5 | 6 225 |
| STORM-WATER | | |
| Upgrade of Taxi Rank Jouberton | 37 | 10 858 |
| Paving of Taxi Routes and Storm-water Drainage in Khuma Phase 9 | 33,35 and 38 | 5 233 |
| Paving of Taxi Routes and Stormwater Drainage in Kanana Phase 9 | 22, 23, 24 and 36 | 4 593 |
| REFUSE REMOVAL | | |
| Vehicles | 1 - 37 | 5 363 |
| Vehicles Solid Waste Removal | 1 - 37 | 17 331 |

**APPENDIX P – SERVICE CONNECTION BACKLOGS AT
SCHOOLS AND CLINICS**

ALL SCHOOLS ARE COVERED BY PUBLIC WORKS

**APPENDIX Q – SERVICE BACKLOGS EXPERIENCED
BY THE COMMUNITY WHERE ANOTHER SPHERE OF
GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION**

The electricity access backlog in the ESKOM jurisdiction is as follows:

| AREA | BACKLOG |
|---|---------------|
| Tigane (including farms and CPA Ward 18 | 6 700 |
| Khuma | 2 345 |
| Kanana | 2 449 |
| Mine villages and private lands | 7 612 |
| TOTAL | 19 106 |

**APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE
BY THE MUNICIPALITY**

No loans or grants were made by the City of Matlosana during the 2022/23 financial year

List of Acronyms



| LIST OF ACRONYMS | |
|------------------|---|
| Acronym | Description |
| AC | Audit Committee |
| AFS | Annual Financial Statements |
| AG | Auditor-General |
| AGSA | Auditor-General of South Africa |
| AOPO | Audit of Performance Information |
| APR | Annual Performance Report |
| AR | Annual Report |
| ASSA | Actuarial Society of South Africa |
| BAC | Bid Adjudication Committee |
| BCX | Business Connexion Ltd |
| BCEA | Basic Conditions of Employment Act |
| BEC | Bid Evaluation Committee |
| BEP | Bucket Eradication Programme |
| BSC | Bid Specification Committee |
| BTO | Budget and Treasury Office |
| CBD | Central Business District |
| CBP | Community Based Plan |
| CC | Closed Corporation |
| CC | Council Committee resolution |
| CCTV | Closed-circuit television |
| CFO | Chief Financial Officer |
| CIDB | Construction Industry Development Board |
| COID | Compensation for Occupational Injuries and Diseases |
| COIDA | Compensation for Occupational Injuries and Diseases Act |
| CoM | City of Matlosana |
| COVID-19 | Corona Virus Infectious Disease 2019 |
| CWP | Community Work Programme |
| CPA | Community Property Association |
| CRR | Capital Replacement Reserve |
| CRU | Community Residential Unit |
| DAMG | Disaster Assessment Management Grant |
| DBSA | Development Bank of South Africa |
| DCD | Director Community Development |
| DCS | Director Corporate Support |
| DDM | District Development Model |
| DEFF | Department of Environment, Forestry and Fisheries |
| DKKDM | Dr Kenneth Kaunda District Municipality |
| DLCA | Driving License Card Account |
| DLED | Director Local Economic Development |
| DMRE | Department of Mineral Resources and Energy |
| DoRA | Division of Revenue Act |
| DPHS | Director Planning and Human Settlements |
| DPS | Director Public Safety |

| LIST OF ACRONYMS | |
|------------------|--|
| Acronym | Description |
| DRP | Disaster Recovery Plan |
| DRM | District Risk Management |
| DTI | Director Technical and Infrastructure |
| DTI | Department of Trade and Industry |
| DWAF | Department of Water Affairs |
| EECF | Employment Equity Consultative Forum |
| EEDSM | Energy Efficiency Demand Side Management |
| EFT | Electronic Fund Transfer |
| ELRS | Electricity Loss Reduction Strategy |
| EPWP | Extended Public Works Programme |
| ERA | Electricity Regulatory Authority |
| FFC | Financial and Fiscal Commission |
| FIFO | First-in, first-out |
| FMG | Financial Management Grant |
| FMG | Financial Markets Group |
| FNB | First National Bank |
| GAMAP | Generally Accepted Municipal Accounting Practice |
| GIS | Geographical Information System |
| G/L | General Ledger |
| GRAP | Generally Accepted Accounting Practice |
| HDA | Housing Development Agency |
| HDF | Housing Development Fund |
| HHs | Households |
| IA | Internal Audit |
| IAS | International Accounting Standards |
| ICT | Information Communication Technology |
| IDP | Integrated Development Plan |
| IGR | Inter-governmental Relations |
| IHRMS | Integrated Human Resources Management Strategy |
| IMFO | Institute of Municipal Finance Officers |
| INEP | Integrated National Electrification Program |
| IOD | Injury on Duty |
| IPSAS | International Public Sector Accounting Standards |
| JV | Joint Venture |
| LLF | Local Labour Forum |
| KPA | Key Performance Areas |
| KPI | Key Performance Indicators |
| LED | Local Economic Development |
| LGSETA | Local Government Sector Education and Training Authority |
| LUMS | Land Use Management Scheme |
| MATLOSANA | Klerksdorp, Orkney, Stilfontein and Hartbeesfontein |
| MFPM | Matlosana Fresh Produce Market |
| MAYCO | Mayoral Committee |

| LIST OF ACRONYMS | |
|------------------|--|
| Acronym | Description |
| mSCOA | Municipal Standard Chart of Accounts |
| ME's | Municipal Entities |
| MEC | Member of the Executive Council |
| MEGF | Municipal Employee Gratuity Fund |
| MCPF | Municipal Councillors Pension Fund |
| MIG | Municipal Infrastructure Grant |
| MISA | Municipal Infrastructure Support Agent |
| MFMA | Municipal Financial Management Act |
| MM | Municipal Manager |
| MPAC | Municipal Public Accounts Committee |
| MSA | Municipal Systems Act |
| NCOP | National Council of Provinces |
| NDPG | Neighbourhood Development Partnership Grant |
| NERSA | National Energy Regulator of South Africa |
| NFMW | National Fund for Municipal Workers |
| NRS | National Regulatory Standard |
| NW | North-West |
| OHC | Occupational Health Centre |
| OHS | Occupational Health and Safety |
| PAA | Public Audit Act of South Africa |
| PAC | Performance Audit Committee |
| PFMC | Pension Fund for Municipal Councillors |
| PGDS | Provincial Government Development Sector |
| PMS | Performance Management System |
| POE | Portfolio of Evidence |
| PPE | Personal Protective Equipment |
| PR | Proportional Representation |
| PPPF | Public Private Partnership Forum |
| (Pty) Ltd | Proprietary Limited |
| RDP | Rural Development Plan |
| RMU | Ring Main Unit |
| ROI | Return on Investment |
| RTMC | Road Traffic Management Corporation |
| SAFA | South African Football Association |
| SA GAAP | South African Statements of Generally Accepted Accounting Practice |
| SALA PF | South African Local Authorities Pension Fund |
| SALGA | South African Local Government Association |
| SARS | South African Revenue Service |
| SCM | Supply Chain Management |
| SDBIP | Service Delivery and Budget Implementation Plan |
| SDL | Skills Development Levy |
| SETA | Sector Education and Training Authority |
| SITA | State Information Technology Agency |

| LIST OF ACRONYMS | |
|------------------|---|
| Acronym | Description |
| SMME | Small, Medium and Micro Enterprises |
| SLA | Service Level Agreement |
| SPLUMA | Spatial Planning and Land Use Management |
| STR | Small Town Regeneration |
| TLB | Tractor-Loader-Backhoes |
| UIFW | Unauthorised, Irregular, Fruitless and Wasteful |
| VAT | Value Added Tax |
| VMR | Village Main Reef |
| WACC | Weighted Average Cost of Capital |
| WCA | Workers Compensation Assistance |
| WSIG | Water Services Infrastructure Grant |
| WSP | Workplace Skills Plan |
| WWTP | Wastewater Treatment Plant |

VOLUME II

Annual Financial Statements for the year ended 30 June 2023



City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

General Information

Nature of business and principal activities

To provide democratic and accountable government to the local communities,
To ensure sustainable service delivery to communities,
To promote social and economic development,
To promote a safe and healthy environment and
To encourage the involvement of communities and community organisations in the matters of local government.

The entity's operations are governed by the Local Government: Municipal Structures Act 117 of 1998, the Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, and various other acts and regulations.

The City of Matlosana is a Grade 5 rated municipality.

Mayoral committee

Executive Mayor

Speaker

Councillors

NJ Tsolela

S.L. Mondlane

K. Ndincede (Chief Whip)

M.L. Kodisang

K.E. Mabebe

T.V. Chabalala

J.M. Mosupa

F.C. Mahlophe

M.L. Mahumapelo

A.M. Ramphele

N.M. Maseko

S.O.C. Barrends

T.G. Khoza

Chief Finance Officer (CFO)

M. Phetla

Accounting Officer

L. Seametso

Registered office

Bram Fischer Street
Klerksdorp
2571

Business address

Bram Fischer Street
Klerksdorp
2570

Postal address

P.O. Box 99
Klerksdorp
2570

Bankers

ABSA Bank Limited
Investec Bank Limited
First National Bank
Nedbank Limited

Auditors

Auditor General of South Africa

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Abbreviations used:

| | |
|------|---|
| COID | Compensation for Occupational Injuries and Diseases |
| DBSA | Development Bank of South Africa |
| GRAP | Generally Recognised Accounting Practice |
| MIG | Municipal Infrastructure Grant (Previously CMIP) |
| ME | Municipal Entities |
| MEC | Member of the Executive Council |
| MFMA | Municipal Finance Management Act |
| EPWP | Expanded Public Works Programme |

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

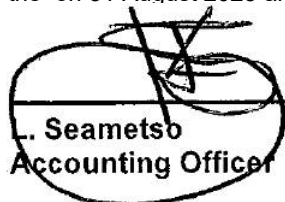
The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 398.

The annual financial statements set out on page 398, which have been prepared on the going concern basis, were approved by the on 31 August 2023 and were signed on its behalf by:


J. Seametso
Accounting Officer

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

| Figures in Rand | Note(s) | 2023 | 2022 Restated* |
|---|---------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Inventories | 8 | 52 414 101 | 38 539 180 |
| Receivables from exchange transactions | 9 | 7 725 188 | 6 034 786 |
| VAT receivable | 11 | 301 873 312 | 209 843 653 |
| Consumer debtors | 12 | 450 734 124 | 460 467 559 |
| Other receivable | | - | 7 357 |
| Cash and cash equivalents | 13 | 92 678 877 | 213 583 670 |
| | | 905 425 602 | 928 476 205 |
| Non-Current Assets | | | |
| Investment property | 2 | 345 682 384 | 349 895 390 |
| Property, plant and equipment | 3 | 5 094 979 057 | 5 210 117 451 |
| Intangible assets | 4 | 1 297 383 | 1 297 383 |
| Heritage assets | 5 | 9 967 364 | 9 979 858 |
| Other financial assets | 6 | 12 094 383 | 11 337 586 |
| Eskom Deposit | | 40 403 414 | 39 533 828 |
| Nature reserve wildstock | | 1 597 200 | 2 031 699 |
| | | 5 506 021 185 | 5 624 193 195 |
| Total Assets | | 6 411 446 787 | 6 552 669 400 |
| Liabilities | | | |
| Current Liabilities | | | |
| Other financial liabilities | 14 | 11 415 109 | 3 502 848 |
| Payables from exchange transactions | 15 | 3 451 842 292 | 2 687 876 569 |
| Consumer deposits | 16 | 46 501 593 | 41 774 897 |
| Employee benefit obligation | 18 | 21 397 000 | 19 178 000 |
| Unspent conditional grants and receipts | 17 | 56 274 736 | 25 137 351 |
| Distribution payable | 20 | - | 38 505 544 |
| | | 3 587 430 730 | 2 815 975 209 |
| Non-Current Liabilities | | | |
| Other financial liabilities | 14 | 14 538 487 | 33 472 410 |
| Employee benefit obligation | 18 | 305 833 468 | 324 755 260 |
| Provisions | 19 | 149 760 416 | 140 044 856 |
| | | 470 132 371 | 498 272 526 |
| Total Liabilities | | 4 057 563 101 | 3 314 247 735 |
| Net Assets | | 2 353 883 686 | 3 238 421 665 |
| Accumulated surplus | | 2 353 883 682 | 3 238 421 667 |
| Total Net Assets | | 2 353 883 682 | 3 238 421 667 |

* See Note 54 & 55

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Performance

| Figures in Rand | Note(s) | 2023 | 2022 Restated* |
|---|---------|------------------------|------------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Market dues | | 19 959 610 | 18 771 956 |
| Service charges | 21 | 1 905 316 850 | 1 815 221 526 |
| Rental of facilities and equipment | | 4 135 017 | 4 217 688 |
| Licences and permits | | 7 218 936 | 7 701 222 |
| Commissions received | 39 | 13 830 750 | 13 735 741 |
| New Connection Fees | | 701 040 | 685 273 |
| Reconnection Fees | | 43 478 419 | 85 199 347 |
| Rental income | | 4 494 325 | 3 583 304 |
| Insurance Fees | | 4 948 236 | 3 174 222 |
| Other income | | 17 538 278 | 15 680 564 |
| Interest received - investment | 22 | 566 058 651 | 471 967 651 |
| Total revenue from exchange transactions | | 2 587 680 112 | 2 439 938 494 |
| Revenue from non-exchange transactions | | | |
| Taxation revenue | | | |
| Property rates | 23 | 456 396 936 | 451 441 226 |
| Interest from Property Rates | | 50 406 437 | 43 424 197 |
| Donations Received | 40 | 98 146 072 | 25 016 401 |
| Donation from Dept of Human settlements | 26 | - | 218 892 037 |
| Transfer revenue | | | |
| Government grants & subsidies | 24 | 666 956 617 | 668 042 233 |
| Fines, Penalties and Forfeits | | 8 868 764 | 5 170 607 |
| Total revenue from non-exchange transactions | | 1 280 774 826 | 1 411 986 701 |
| Total revenue | 25 | 3 868 454 938 | 3 851 925 195 |
| Expenditure | | | |
| Employee related costs | 27 | (722 330 690) | (666 133 757) |
| Remuneration of councillors | 28 | (36 911 611) | (34 189 332) |
| Depreciation and amortisation | 29 | (379 302 379) | (363 540 490) |
| Finance costs | 31 | (249 906 775) | (125 506 941) |
| Rental and lease expenditure | | (114 814 957) | (99 261 646) |
| Debt Impairment | 32 | (1 386 491 357) | (1 284 786 461) |
| Bulk purchases | 33 | (1 304 265 142) | (1 262 291 832) |
| Contracted services | 34 | (102 800 530) | (126 571 875) |
| Repairs and maintenance | 35 | (174 308 501) | (207 488 594) |
| General Expenses | 36 | (269 038 926) | (214 904 837) |
| Total expenditure | | (4 740 170 868) | (4 384 675 765) |
| Operating deficit | | (871 715 930) | (532 750 570) |
| Loss on disposal of assets and liabilities | | (16 572 392) | (21 231 879) |
| Fair value adjustments | | - | 561 147 |
| Finance cost on Employee Benefits | | (39 017 000) | (31 412 000) |
| Actuarial gains/losses | 18 | 49 234 000 | 10 523 000 |
| Gain/(Loss) on biological assets | | (434 499) | (300 549) |
| PPE Impairment loss | 30 | (3 650 921) | (35 199 378) |
| Inventories (losses)/gains | | 933 702 | 28 857 |
| Revenue loss from market | 37 | (3 314 944) | (3 149 521) |
| Deficit for the year | | (12 822 054) | (80 180 323) |
| | | (884 537 984) | (612 930 893) |

* See Note 54 & 55

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus / deficit | Total net assets |
|---|----------------------------------|----------------------|
| Opening balance as previously reported | 3 845 049 858 | 3 845 049 858 |
| Adjustments | | |
| Correction of errors 55 | 6 302 702 | 6 302 702 |
| Balance at 01 July 2021 as restated* | 3 851 352 560 | 3 851 352 560 |
| Changes in net assets | | |
| Deficit for the year | (612 930 893) | (612 930 893) |
| Total changes | (612 930 893) | (612 930 893) |
| Restated* Balance at 01 July 2022 | 3 238 421 666 | 3 238 421 666 |
| Changes in net assets | | |
| Deficit for the 8 Months | (884 537 984) | (884 537 984) |
| Total changes | (884 537 984) | (884 537 984) |
| Balance at 30 June 2023 | 2 353 883 682 | 2 353 883 682 |

* See Note 54 & 55

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Cash Flow Statement

| Figures in Rand | Note(s) | 2023 | 2022 Restated* |
|---|---------|-----------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Receipts from customers | | 1 654 344 201 | 1 713 672 455 |
| Grants | | 698 094 002 | 648 606 024 |
| Interest income | | 139 887 887 | 74 523 209 |
| Other receipts | | 114 393 109 | 152 536 522 |
| | | <u>2 606 719 199</u> | <u>2 589 338 210</u> |
| Payments | | | |
| Employee costs | | (775 228 923) | (727 280 346) |
| Suppliers | | (1 480 906 891) | (1 613 046 430) |
| Finance costs | | (240 191 216) | (113 730 603) |
| VAT received | | 5 708 089 | 74 496 878 |
| | | <u>(2 490 618 941)</u> | <u>(2 379 560 501)</u> |
| Net cash flows from operating activities | 38 | <u>116 100 258</u> | <u>209 777 709</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 3 | (196 631 056) | (191 406 299) |
| Proceeds from sale of property, plant and equipment | 3 | 5 296 100 | - |
| Purchase of investment property | 2 | - | (3 000) |
| Purchase of heritage assets | 5 | - | (17 580) |
| Eskom deposits | | (869 586) | - |
| Security deposit paid to Eskom movement | | - | (632 108) |
| Net cash flows from investing activities | | <u>(192 204 542)</u> | <u>(192 058 987)</u> |
| Cash flows from financing activities | | | |
| Movement of other financial liabilities | | (11 021 662) | (41 745 546) |
| Movement in consumer deposits | | 4 726 696 | 2 809 749 |
| Movement in HDA | | (38 505 544) | (7 684 630) |
| Net cash flows from financing activities | | <u>(44 800 510)</u> | <u>(46 620 427)</u> |
| Net increase/(decrease) in cash and cash equivalents | | <u>(120 904 794)</u> | <u>(28 901 705)</u> |
| Cash and cash equivalents at the beginning of the year | | 213 583 670 | 242 485 375 |
| Cash and cash equivalents at the end of the year | 13 | <u>92 678 876</u> | <u>213 583 670</u> |

* See Note 54 & 55

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|

Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

| | | | | | | |
|---|----------------------|---------------------|----------------------|----------------------|----------------------|--------|
| Sale of goods | 18 864 000 | - | 18 864 000 | 19 959 610 | 1 095 610 | |
| Service charges | 2 227 134 076 | (102 838 960) | 2 124 295 116 | 1 905 316 850 | (218 978 266) | Note 1 |
| Rental of facilities and equipment | 4 146 749 | 124 031 | 4 270 780 | 4 135 017 | (135 763) | |
| Licences and permits | 9 766 050 | (1 066 050) | 8 700 000 | 7 218 936 | (1 481 064) | |
| Commissions received | 16 719 152 | - | 16 719 152 | 13 830 750 | (2 888 402) | |
| Connections Disconnections | 80 043 373 | - | 80 043 373 | 43 478 419 | (36 564 954) | Note 2 |
| Rental income | 3 946 990 | 604 000 | 4 550 990 | 4 494 325 | (56 665) | |
| Discount received | 1 227 926 | - | 1 227 926 | 4 948 236 | 3 720 310 | |
| Recoveries | (10 585) | - | (10 585) | - | 10 585 | |
| Other income | 60 154 976 | (17 194 093) | 42 960 883 | 17 538 278 | (25 422 605) | Note 3 |
| New connection Fees | 869 041 | - | 869 041 | 701 040 | (168 001) | |
| Interest received | 477 117 165 | 63 066 283 | 540 183 448 | 566 058 651 | 25 875 203 | Note 4 |
| Total revenue from exchange transactions | 2 899 978 913 | (57 304 789) | 2 842 674 124 | 2 587 680 112 | (254 994 012) | |

Revenue from non-exchange transactions

Taxation revenue

| | | | | | | |
|----------------------------|-------------|------------|-------------|-------------|--------------|--------|
| Property rates | 507 345 285 | 25 490 580 | 532 835 865 | 456 396 936 | (76 438 929) | Note 5 |
| Interest on property rates | 46 027 053 | 5 972 947 | 52 000 000 | 50 406 437 | (1 593 563) | |
| Donations received | 31 530 | - | 31 530 | 98 146 072 | 98 114 542 | |

Transfer revenue

| | | | | | | |
|---|----------------------|------------------|----------------------|----------------------|---------------------|--------|
| Government grants & subsidies | 731 742 000 | (26 361 000) | 705 381 000 | 666 956 617 | (38 424 383) | Note 6 |
| Fines, Penalties and Forfeits | 4 635 002 | 225 544 | 4 860 546 | 8 868 764 | 4 008 218 | |
| Total revenue from non-exchange transactions | 1 289 780 870 | 5 328 071 | 1 295 108 941 | 1 280 774 826 | (14 334 115) | |

Total revenue

4 189 759 783 (51 976 718) 4 137 783 065 3 868 454 938 (269 328 127)

Expenditure

| | | | | | | |
|----------------------------------|------------------------|----------------------|------------------------|------------------------|----------------------|---------|
| Personnel | (751 062 097) | 11 558 953 | (739 503 144) | (722 330 690) | 17 172 454 | Note 7 |
| Remuneration of councillors | (39 455 853) | - | (39 455 853) | (36 911 611) | 2 544 242 | |
| Depreciation and amortisation | (440 000 000) | - | (440 000 000) | (379 302 379) | 60 697 621 | Note 8 |
| Finance costs | (10 123 478) | - | (10 123 478) | (249 906 775) | (239 783 297) | Note 9 |
| Lease rentals on operating lease | (55 032 236) | (2 434 377) | (57 466 613) | (114 814 957) | (57 348 344) | Note 10 |
| Debt Impairment | (788 344 417) | - | (788 344 417) | (1 386 491 357) | (598 146 940) | Note 11 |
| Bulk purchases | (1 088 923 911) | (314 002 976) | (1 402 926 887) | (1 304 265 142) | 98 661 745 | Note 12 |
| Contracted Services | (134 922 451) | (18 075 241) | (152 997 692) | (102 800 530) | 50 197 162 | Note 13 |
| Repairs and maintenance | (359 326 277) | (35 694 313) | (395 020 590) | (174 308 501) | 220 712 089 | Note 14 |
| General Expenses | (274 324 982) | (69 290 628) | (343 615 610) | (269 038 926) | 74 576 684 | Note 15 |
| Total expenditure | (3 941 515 702) | (427 938 582) | (4 369 454 284) | (4 740 170 868) | (370 716 584) | |

Operating deficit

248 244 081 (479 915 300) (231 671 219) (871 715 930) (640 044 711)

| | | | | | | |
|--|---|---|---|--------------|--------------|---------|
| Loss on disposal of assets and liabilities | - | - | - | (16 572 392) | (16 572 392) | Note 16 |
|--|---|---|---|--------------|--------------|---------|

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|--------------------|----------------------|----------------------|--|---|-----------|
| Figures in Rand | | | | | | |
| Impairment loss/ Reversal of impairments | - | - | - | (3 650 921) | (3 650 921) | |
| Fair value adjustments | - | - | - | (39 017 000) | (39 017 000) | Note 16 |
| Actuarial gains/losses | - | - | - | 49 234 000 | 49 234 000 | Note 16 |
| Loss on biological assets and agricultural produce | - | - | - | (434 499) | (434 499) | Note 16 |
| Inventories losses/write-downs | - | - | - | 933 702 | 933 702 | Note 16 |
| Loss from transfer of functions between entities not under common control | - | - | - | (3 314 944) | (3 314 944) | Note 16 |
| | - | - | - | (12 822 054) | (12 822 054) | |
| Deficit before taxation | 248 244 081 | (479 915 300) | (231 671 219) | (884 537 984) | (652 866 765) | |
| Capital expenditure | 217 037 651 | (11 601 345) | 205 436 306 | 110 167 732 | (95 268 574) | |
| Actual amount on comparable basis as presented in the budget and actual comparative statement | 31 206 430 | (468 313 955) | (437 107 525) | (994 705 716) | (557 598 191) | |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|-----------------|--------------------|-------------|--------------|--|---|-----------|
| Figures in Rand | | | | | | |

Note 1 - The loadshedding and distribution losses resulted in less revenue being realised than was originally budgeted for.

Note 2 - The service provider who was appointed to do the connections and reconnections was not active throughout the full 12 months due contract issues and hence the actual revenue was less than originally budgeted.

Note 3 - There was a surge in property sales in the current year and this was not originally anticipated and hence the higher than budgeted revenue from other income.

Note 4 - Due to the growing debtors book due to non-payments from consumers, the interest charged on overdue amounts continued to rise in the current year.

Note 5 - The anticipated growth in property rates did not materialise and only a marginal growth from the prior year was actually realised.

Note 6 - There was significant under-spend on the capital grants than was originally anticipated.

Note 7 - There was more vacancies in the current year than were originally anticipated, especially at senior management level.

Note 8 - The WIP is included in the budget. The variance is due to projects that are not yet finalised. Impairment and write-offs also reduced the depreciation amount

Note 9 - As a result of the interest levied by Eskom and Midvaal on the overdue accounts, the municipality has more than anticipated finance costs.

Note 10 - The municipality needed to hire more equipment than was originally budgeted in order to facilitate service delivery.

Note 11 - Due to the non payment by consumers the municipality has had to impair more of the debt and this is putting strain on the municipality's liquidity.

Note 12 - There was less incurred on electricity due to the on-going loadshedding crisis and there might have been more budgeted that was actually necessary.

Note 13 - There was better management of the contracted services in the current year and this led to savings in the expenditure than was budgeted for.

Note 14 - The understanding is due to cash flow constraints.

Note 15 - There were cashflow constraints that did not allow the municipality to spend the originally budgeted amounts

Note 16 - The municipality does not budget for gains and losses as they are not part of normal operations.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies

| Figures in Rand | Note(s) | 2023 | 2022 |
|-----------------|---------|------|------|
|-----------------|---------|------|------|

1. Significant account policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. When any significant judgements and sources of estimation uncertainty are applicable, they have been disclosed in the relevant policy.

In the application of the municipality's accounting policies, which are described above, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered to reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. The municipality categorises cash and cash equivalents as financial assets: loans and receivables. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

Allowance for slow moving, damaged and obsolete stock

Management makes an estimate of the selling price and direct cost to sell to determine the net realisable value of inventory items. Allowance for obsolete stock is recognised when stock is slow moving and/or will not be used. The difference between the cost of inventory and the net realisable value is recognised in the statement of financial performance.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Useful lives and residual values

The entity's management determines the estimated useful lives and related depreciation charges for assets as noted in accounting policies 1.5 and 1.6.

This estimate is based on industry norm.

Management will increase the depreciation charge prospectively where useful lives are less than previously estimated useful lives.

Management will decrease the depreciation charge prospectively where useful lives are more than previously estimated useful lives.

Where changes are made to the estimated residual lives, management also makes these changes prospectively.

Trade receivables, loans and other receivables

The entity assesses its trade receivables, loans and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Where the impairment for trade receivables, loans and other receivables is calculated on a portfolio basis, these are based on historical loss ratios. These annual loss ratios are applied to the balances in the portfolio. The impairment is measured as the difference between the

receivables' carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate, computed at initial recognition. The impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Employee benefit obligations

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price. Where there is no active market, fair value is determined using valuation techniques. Such valuation techniques include using recent arm's length market transactions, reference to current market values of other similar instruments, discounted cash flow analysis and option pricing models.

1.5 Wild stock

The entity recognises wild stock when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Wild stock are measured at their fair value less costs to sell.

The fair value of livestock is determined based on market prices of livestock of similar age, breed, and genetic merit.

A gain or loss arising on initial recognition of wild stock or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of wild stock is included in surplus or deficit for the period in which it arises.

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Accounting Policies

1.6 Investment property (continued)

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

| Item | Useful life |
|-----------------|-------------|
| Property - land | indefinite |

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Accounting Policies

1.7 Property, plant and equipment (continued)

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|------------------------------------|---------------------|---------------------|
| Buildings and community facilities | Straight-line | 5 to 80 years |
| Furniture and fixtures | Straight-line | 4 to 15 years |
| Motor vehicles | Straight-line | 4 to 20 years |
| Office equipment | Straight-line | 4 to 10 years |
| Emergency equipment | Straight-line | 4 to 20 years |
| Library books | Straight-line | 5 to 10 years |
| Infrastructure | Straight-line | 5 to 80 years |

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.8 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Accounting Policies

1.8 Intangible assets (continued)

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Intangible assets have an indefinite useful life.

The factors that was taken into account to determine that the Intangible assets have a indefinite useful life was:

- (a) The asset could be efficiently managed by another management team
- (b) There are not a lot of competitors or potential competitors that would be able through their action to effect the lifespan of the intangible assets
- (c) There is very little if any maintenance expenditure associated with the intangible assets to keep deriving service potential from the intangible assets
- (d) The useful life of the assets is not dependant on the useful life of other assets of the municipality.

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 arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.9 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Heritage assets are shown at cost and are not depreciated owing to uncertainty regarding to their estimated useful lives.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Accounting Policies

1.9 Heritage assets (continued)

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.10 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets measured at fair value.
- Financial assets measured at amortised cost.
- Loans and receivables.
- Financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained/ incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the municipality has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

1.11 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Accounting Policies

1.11 Statutory receivables (continued)

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, a municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

Accounting Policies

1.12 VAT

The City of Matlosana accounts for value-added tax (VAT) on the payment basis.

1.13 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.14 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Accounting Policies

1.14 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water Inventory

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality 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, and is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at Statement of Financial Position 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. Water is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year-end.

1.15 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by .

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

1.16 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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).

Accounting Policies

1.16 Impairment of cash-generating assets (continued)

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 municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

1.17 Impairment of non-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.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

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 managed 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 service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Accounting Policies

1.18 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised in the period during which the employee renders the related service. The Entity recognises the expected cost of performance bonuses only when the Entity has a present legal or constructive obligation to make such payment, and if a reliable estimate can be made.

The Entity provides long-service leave to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance. The projected unit credit method has been used to value the obligation.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The entity provides post-retirement health care benefit to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Accounting Policies

1.19 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 51.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Accounting Policies

1.19 Provisions and contingencies (continued)

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.20 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.21 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Accounting Policies

1.21 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Accounting Policies

1.22 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction..

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- (a) It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- (b) The amount of the revenue can be measured reliably; and
- (c) There has been compliance with the relevant legal requirements

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- (b) the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Levies

Levies are recognised as revenue when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- (b) the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- (a) the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- (b) internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- (c) historical information on declarations previously submitted by defaulting levy payers; and
- (d) the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue..

Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

Government grants

Government grants are recognised as revenue when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- (b) the amount of the revenue can be measured reliably, and
- (c) to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- (b) the amount of the revenue can be measured reliably; and
- (c) to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.23 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value-added taxation.

1.24 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.25 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.26 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Accounting Policies

1.27 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred otherwise than in accordance with section 15 or 11(3) of the MFMA and includes:

- (a) overspending of the total amount appropriated in the approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation, or
- (f) a grant by the municipality otherwise than in accordance with the act.

1.28 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance

1.29 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance

1.30 Gratuities

The municipality provides gratuities for qualifying staff members in terms of the relevant conditions of employment. The expenditure is recognised in the statement of financial performance when the gratuity is paid.

1.31 Segment information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board:

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.32 Consumer Deposits

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.33 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget covers the fiscal period from 2022/07/01 to 2023/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The municipality deems variances that are above R5 000 000 as material variances that require explanations

Accounting Policies

1.34 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.35 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.36 Comparative information

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified.

1.37 New standards and interpretations

Application of all of the GRAP standards listed below will be effective from a date to be announced by the Minister of Finance.

Management has considered all the of the listed GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

- (a) GRAP 18 Segment Reporting.
- (b) GRAP 1 (amended): Presentation of Financial Statements 01 April 2020
- (c) GRAP 34: Separate Financial Statements 01 April 2020
- (d) IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue 01 April 2020
- (e) IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue 01 April 2020
- (f) Directive 7 (revised): The Application of Deemed Cost 01 A

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
|-----------------|------|------|
|-----------------|------|------|

2. Investment property

| | 2023 | | | 2022 | | |
|---------------------|---------------------|---|----------------|---------------------|---|----------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Investment property | 440 247 697 | (94 565 313) | 345 682 384 | 452 755 142 | (102 859 752) | 349 895 390 |

Reconciliation of investment property - 2023

| | Opening balance | Disposals | Depreciation | Total |
|---------------------|--------------------|-----------|--------------|-------------|
| Investment property | 349 895 390 | (938 908) | (3 274 098) | 345 682 384 |

Reconciliation of investment property - 2022

| | Opening balance | Additions | Disposals | Depreciation | Total |
|---------------------|--------------------|------------|-------------|--------------|-------------|
| Investment property | 335 272 010 | 24 000 000 | (5 871 316) | (3 505 304) | 349 895 390 |

Pledged as security

No assets have been pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

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3. Property, plant and equipment

| | 2023 | | | 2022 | | |
|-------------------------------------|----------------------|---|----------------------|----------------------|---|----------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 106 558 756 | - | 106 558 756 | 106 616 800 | - | 106 616 800 |
| Community | 1 148 677 330 | (736 372 749) | 412 304 581 | 1 185 072 728 | (743 094 851) | 441 977 877 |
| Infrastructure | 2 033 817 158 | (7 702 887 934) | 4 330 929 224 | 1 875 540 658 | (7 462 108 030) | 4 413 432 628 |
| Buildings | 475 538 341 | (321 046 175) | 154 492 166 | 474 559 116 | (298 416 390) | 176 142 726 |
| Other property, plant and equipment | 210 419 409 | (119 725 079) | 90 694 330 | 198 916 570 | (126 969 150) | 71 947 420 |
| Total | 3 975 010 994 | (8 880 031 937) | 5 094 979 057 | 3 840 705 872 | (8 630 588 421) | 5 210 117 451 |

Reconciliation of property, plant and equipment - 2023

| | Opening balance | Additions | Disposals | Depreciation | Impairment loss | Total |
|-------------------------------------|----------------------|--------------------|---------------------|----------------------|--------------------|----------------------|
| Land | 106 616 800 | - | (58 044) | - | - | 106 558 756 |
| Community | 441 977 877 | 22 000 890 | (207 301) | (50 206 164) | (1 260 721) | 412 304 581 |
| Infrastructure | 4 413 432 628 | 233 608 828 | (17 081 957) | (296 910 466) | (2 119 809) | 4 330 929 224 |
| Buildings | 176 142 726 | 1 594 166 | - | (23 019 197) | (225 529) | 154 492 166 |
| Other property, plant and equipment | 71 947 420 | 26 981 044 | (2 296 918) | (5 892 454) | (44 762) | 90 694 330 |
| | 5 210 117 451 | 284 184 928 | (19 644 220) | (376 028 281) | (3 650 821) | 5 094 979 057 |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

| | Opening balance | Additions | Disposals | Disposal accumulated depreciation | Disposal accumulated impairment | Depreciation | Impairment loss | Total |
|-------------------------------------|----------------------|--------------------|---------------------|---|---------------------------------------|----------------------|---------------------|----------------------|
| Land | 105 826 001 | 1 200 000 | (409 201) | - | - | - | - | 106 616 800 |
| Community | 452 962 018 | 58 050 345 | (4 014 859) | 2 550 028 | 94 909 | (54 878 231) | (12 786 333) | 441 977 877 |
| Infrastructure | 4 390 979 821 | 334 342 791 | (45 386 058) | 30 844 073 | 2 414 876 | (279 566 885) | (20 195 990) | 4 413 432 628 |
| Buildings | 201 329 251 | 211 553 | (613 022) | 311 880 | 55 982 | (23 279 781) | (1 873 137) | 176 142 726 |
| Other property, plant and equipment | 55 570 747 | 23 713 227 | (4 644 993) | 3 313 113 | 156 586 | (5 816 374) | (344 886) | 71 947 420 |
| | 5 206 667 838 | 417 517 916 | (55 068 133) | 37 019 094 | 2 722 353 | (363 541 271) | (35 200 346) | 5 210 117 451 |

Pledged as security

No assets pledged as security:

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|-----------------|------|------|

3. Property, plant and equipment (continued)

Carrying amounts of infrastructure projects experiencing delays or halted:

Property, plant and equipment that was not used for any period of time during the reporting period that significantly impacted the delivery of goods and services of the entity (Carrying amount)

| | | |
|---|-------------------|-------------------|
| Jouberton Youth Development Centre (SAFA Safe Hub) | 1 275 670 | - |
| Anti-tampering pillar boxes | - | 296 710 |
| Construction of an Athletic Track and Field at Matlosana Stadium in Jouberton | 4 648 180 | 4 648 180 |
| Jouberton Central Park Development | 172 088 | 172 088 |
| Alabama Substation | 35 920 673 | 34 251 045 |
| Municipal Service Centre (Thusong Centre) | 1 837 738 | 1 837 738 |
| Jouberton Event Space (Open Air Amphitheatre and Play Park) | 518 948 | 518 948 |
| | 44 373 297 | 41 724 709 |

Jouberton Youth Development Centre (SAFA Safe Hub) - Project is in the inception phase and due to limited budget allocation, the project will only be implemented when budget becomes available

Construction of an Athletic Track and Field at Matlosana Stadium in Jouberton - Project was halted due to budget shortfall (MIG). Request for internal funding to complete the project have been sent through to council, however it has not been approved as yet.

Alabama Substation - This project is neither halted nor delayed, this project will only be completed once the Construction of 88KV Medium Voltage Loop-in-loop out Line in Alabama Substation project have been completed, which is currently not completed and remain in WIP, as these two mentioned projects run in conjunction with each other.

Jouberton Central Park Development - Project is in inception phase and delayed, and due to limited budget allocation (NDPG), the project will only move over to construction phase once additional budget becomes available.

Municipal Service Centre (Thusong Centre) - Project is in inception phase and delayed, and due to limited budget allocation (NDPG), the project will only move over to construction phase once additional budget becomes available.

Jouberton Event Space (Open Air Amphitheatre and Play Park) - Project is in inception phase and delayed, and due to limited budget allocation (NDPG), the project will only move over to construction phase once additional budget becomes available.

Reconciliation of Work-in-Progress 2023

| | Included within Infrastructure | Included within Community | Total |
|--------------------------------|--------------------------------|---------------------------|--------------------|
| Opening balance | 783 377 439 | 125 075 779 | 908 453 218 |
| Additions/capital expenditure | 163 296 115 | 18 298 299 | 181 594 414 |
| Transferred to completed items | (173 301 773) | (58 215 426) | (231 517 199) |
| | 773 371 781 | 85 158 652 | 858 530 433 |

Reconciliation of Work-in-Progress 2022

| | Included within Infrastructure | Included within Community | Total |
|--------------------------------|--------------------------------|---------------------------|--------------------|
| Opening balance | 621 627 934 | 71 485 245 | 693 113 179 |
| Additions/capital expenditure | 317 842 320 | 53 590 534 | 371 432 854 |
| Transferred to completed items | (157 742 222) | - | (157 742 222) |
| | 781 728 032 | 125 075 779 | 906 803 811 |

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|-----------------|------|------|

3. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Repairs and maintenance

The municipality's amount is R174 308 501 (2021-22 R206 162 348) for the financial reporting year. In determining the repairs and maintenance amount the municipality has exclusively disclosed amounts charged by service providers.

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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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4. Intangible assets

| | 2023 | | | 2022 | | |
|--------------------------|---------------------|---|----------------|---------------------|---|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software, other | 1 297 383 | - | 1 297 383 | 1 297 383 | - | 1 297 383 |

Reconciliation of intangible assets - 2023

| | Opening balance | Total |
|--------------------------|--------------------|-----------|
| Computer software, other | 1 297 383 | 1 297 383 |

Reconciliation of intangible assets - 2022

| | Opening balance | Total |
|--------------------------|--------------------|-----------|
| Computer software, other | 1 297 383 | 1 297 383 |

Pledged as security

No assets pledged as security:

Factors considered in determining assets with indefinite useful lives

- (a) The asset could be efficiently managed by another management team
- (b) There are not a lot of competitors or potential competitors that would be able through their action to effect the lifespan of the intangible asset
- (c) There is very little if any maintenance expenditure associated with the intangible assets to keep deriving service potential from the intangible assets
- (d) The useful life of the assets is not dependant on the useful life of other assets of the municipality

City of Matlosana

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5. Heritage assets

| | 2023 | | | 2022 | | |
|--|---------------------|-------------------------------------|----------------|---------------------|-------------------------------------|----------------|
| | Cost / Valuation | Accumulated impairment losses | Carrying value | Cost / Valuation | Accumulated impairment losses | Carrying value |
| Museum collectable, monuments and heritage sites | 9 988 944 | (21 580) | 9 967 364 | 10 001 338 | (21 480) | 9 979 858 |

Reconciliation of heritage assets 2023

| | Opening balance | Disposals | Impairment losses recognised | Total |
|--|--------------------|-----------|------------------------------------|-----------|
| Museum collectable, monuments and heritage sites | 9 979 858 | (12 394) | (100) | 9 967 364 |

Reconciliation of heritage assets 2022

| | Opening balance | Additions | Disposals | Impairment losses recognised | Total |
|--|--------------------|-----------|-----------|------------------------------------|-----------|
| Museum collectable, monuments and heritage sites | 9 995 969 | 17 580 | (24 190) | (9 501) | 9 979 858 |

Heritage assets which fair values cannot be reliably measured

A number of heritage assets were identified during the current year's verification. Although these assets were recorded in the register as required by the MFMA, the nature of the assets did not allow for values to be assigned to them. It was impracticable to do so as no fair values exists for these assets.

Restricted title

There are no restrictions on the title to assets.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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|-----------------|------|------|
|-----------------|------|------|

5. Heritage assets (continued)

Pledged as security

No assets are pledged as security.

6. Other financial assets

Designated at fair value

Investments

| | |
|------------|------------|
| 12 094 383 | 11 337 586 |
|------------|------------|

The Sanlam Capital Guaranteed Fund is a unit trust which is comprised of stock exchange securities in which investors can buy units. The units trusts are measured at fair value using quoted market prices.

Non-current assets

Designated at fair value

| | |
|------------|------------|
| 12 094 383 | 11 337 586 |
|------------|------------|

Financial assets at fair value

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 measurements. 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 (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 applies inputs which are not based on observable market data.

Fair values of financial assets measured or disclosed at fair value

Class 1

| | |
|------------|------------|
| 12 094 383 | 11 337 586 |
|------------|------------|

The unit trusts are measured based on the fair value of quoted market prices.

Nominal value of financial assets at cost

Sanlam Capital guaranteed fund - 040710409X0

| | |
|---------|---------|
| 756 775 | 709 617 |
|---------|---------|

Sanlam Capital guaranteed fund - 040644725X0

| | |
|------------|------------|
| 11 337 608 | 10 627 969 |
|------------|------------|

| | |
|-------------------|-------------------|
| 12 094 383 | 11 337 586 |
|-------------------|-------------------|

7. Other receivables

Loan to Klerksdorp Rolbalklub

Short term portion of loan

| | |
|---|-------|
| - | 7 357 |
|---|-------|

An existing loan to the Klerksdorp Rolbalklub is being repaid with an interest rate of 5% applicable. The MFMA stopped the practice of giving loans to sport bodies.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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| Figures in Rand | 2023 | 2022 |
|---|---------------------|---------------------|
| 8. Inventories | | |
| Consumable stores | 48 998 560 | 35 140 443 |
| Water for distribution | 3 076 767 | 3 087 095 |
| Fuel (Diesel, Petrol) | 280 844 | 238 221 |
| Museum stores - at authorised value | 57 930 | 73 421 |
| | 52 414 101 | 38 539 180 |
| Inventories recognised as an expense during the year | 59 238 296 | 38 390 842 |
| Inventories write downs recognised as an expense during the year 2022/23 (R1 459 780,89) 2021/22 (R 271 692). | | |
| Inventory pledged as security | | |
| No inventory is pledged as security. | | |
| 9. Receivables from exchange transactions | | |
| Receivables | 10 386 366 | 8 945 964 |
| Housing and housing rentals | 1 950 000 | 1 700 000 |
| Impairment of other receivables | (4 611 178) | (4 611 178) |
| | 7 725 188 | 6 034 786 |
| Trade and other receivables impaired | | |
| As of 30 June 2023, trade and other receivables of R 4 611 178 (2022: R 4 611 178) were impaired and provided for. | | |
| Reconciliation of provision for impairment of trade and other receivables | | |
| Opening balance | (4 405 176) | (4 068 015) |
| Provision for impairment | - | (337 161) |
| | (4 405 176) | (4 405 176) |
| 10. Receivables from non-exchange transactions | | |
| Fines (statutory receivable) | 75 986 529 | 70 961 049 |
| Impairment of fines | (75 986 529) | (70 961 049) |
| | - | - |
| Receivables from non-exchange (statutory receivable) transactions impaired | | |
| As of 30 June 2023, other receivables from non-exchange transactions of R 75 986 529 (2022: R 70 961 049) were impaired and provided for. | | |
| The amount of the provision was R 5 025 480 as of 30 June 2023 (2022: R 2 424 600). | | |
| Reconciliation of provision for impairment of receivables from non-exchange (statutory receivable) transactions | | |
| Opening balance | (70 961 049) | (68 536 449) |
| Provision for impairment | (5 025 480) | (2 424 600) |
| | (75 986 529) | (70 961 049) |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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|--|------------------------|------------------------|
| 11. VAT receivable | | |
| Value Added Tax | 301 873 312 | 209 843 653 |
| 12. Consumer debtors | | |
| Gross balances | | |
| Rates (statutory receivables) | 443 209 503 | 392 830 994 |
| Electricity | 575 589 588 | 516 591 901 |
| Water | 2 543 662 404 | 2 172 984 849 |
| Sewerage | 356 720 812 | 318 130 354 |
| Refuse | 653 918 773 | 560 643 178 |
| Other service charges | 250 868 197 | 219 963 570 |
| VAT on consumer debtors | 624 154 893 | 532 466 918 |
| Interest on overdue accounts | 2 515 896 445 | 2 039 319 234 |
| | 7 964 020 615 | 6 752 930 998 |
| Less: Allowance for impairment | | |
| Rates (statutory receivables) | (418 126 281) | (366 046 214) |
| Electricity | (543 014 382) | (481 368 609) |
| Water | (2 399 705 095) | (2 024 822 094) |
| Sewerage | (336 532 375) | (296 438 958) |
| Refuse | (616 910 565) | (522 416 295) |
| Other service charges | (236 670 435) | (204 939 732) |
| VAT on consumer debtors | (588 831 158) | (496 161 204) |
| Interest on overdue accounts | (2 373 496 200) | (1 900 270 333) |
| | (7 513 286 491) | (6 292 463 439) |
| Net balance | | |
| Rates (statutory receivables) | 25 083 222 | 26 784 780 |
| Electricity | 32 575 206 | 35 223 292 |
| Water | 143 957 309 | 148 162 755 |
| Sewerage | 20 188 437 | 21 691 396 |
| Refuse | 37 008 208 | 38 226 883 |
| Other service charges | 14 197 762 | 15 023 838 |
| Value added tax on consumer debtors | 35 323 735 | 36 305 714 |
| Interest on overdue accounts | 142 400 245 | 139 048 901 |
| | 450 734 124 | 460 467 559 |
| Included in above is receivables from exchange transactions | | |
| Electricity | 32 575 206 | 35 223 292 |
| Water | 143 957 309 | 148 162 755 |
| Sewerage | 20 188 437 | 21 691 396 |
| Refuse | 37 008 208 | 38 226 883 |
| Other service charges | 14 197 762 | 15 023 838 |
| Value added tax on consumer debtors | 35 323 735 | 36 305 714 |
| Interest on overdue accounts | 142 400 245 | 139 048 901 |
| | 425 650 902 | 433 682 779 |
| Included in above is receivables from non-exchange transactions (taxes and transfers) | | |
| Rates (statutory receivables) | 25 083 222 | 26 784 780 |
| Net balance | 450 734 124 | 460 467 559 |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

| Figures in Rand | 2023 | 2022 |
|---|--------------------|--------------------|
| 12. Consumer debtors (continued) | | |
| Rates | | |
| Current (0 -30 days) | 47 777 955 | 41 696 688 |
| 31 - 60 days | 11 589 994 | 11 921 531 |
| 61 - 90 days | 10 501 638 | 9 250 581 |
| 91 - 120 days | 373 339 915 | 329 962 195 |
| Provision for bad debts | (418 126 280) | (366 046 215) |
| | 25 083 222 | 26 784 780 |
| Electricity | | |
| Current (0 -30 days) | 147 210 473 | 57 851 920 |
| 31 - 60 days | 22 034 130 | 16 338 924 |
| 61 - 90 days | 13 538 195 | 13 393 418 |
| 91 - 120 days | 392 806 791 | 352 911 573 |
| Provision for bad debts | (543 014 383) | (405 272 543) |
| | 32 575 206 | 35 223 292 |
| Water | | |
| Current (0 -30 days) | 187 859 394 | 70 524 910 |
| 31 - 60 days | 49 603 164 | 39 856 484 |
| 61 - 90 days | 45 867 515 | 37 247 000 |
| 91 - 120 days | 2 260 332 332 | 1 973 619 471 |
| Provision for bad debts | (2 399 705 096) | (1 973 085 110) |
| | 143 957 309 | 148 162 755 |
| Sewerage | | |
| Current (0 -30 days) | 17 885 783 | 9 636 150 |
| 31 - 60 days | 6 444 928 | 6 104 952 |
| 61 - 90 days | 6 163 453 | 5 352 930 |
| 91 - 120 days | 326 226 647 | 297 036 323 |
| Provision for bad debts | (336 532 374) | (296 438 959) |
| | 20 188 437 | 21 691 396 |
| Refuse | | |
| Current (0 -30 days) | 26 944 954 | 13 213 390 |
| 31 - 60 days | 11 238 201 | 9 777 016 |
| 61 - 90 days | 10 965 948 | 9 231 769 |
| 91 - 120 days | 604 769 669 | 528 421 003 |
| Provision for bad debts | (616 910 564) | (522 416 295) |
| | 37 008 208 | 38 226 883 |
| Other services | | |
| Current (0 -30 days) | 29 162 748 | 19 595 729 |
| 31 - 60 days | 3 316 173 | 4 267 816 |
| 61 - 90 days | 1 929 979 | 9 234 919 |
| 91 - 120 days | 216 459 296 | 186 904 770 |
| Provision for bad debts | (236 670 434) | (204 979 396) |
| | 14 197 762 | 15 023 838 |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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|-----------------|------|------|
|-----------------|------|------|

12. Consumer debtors (continued)

Value added tax on consumer debtors

| | | |
|-------------------------|-------------------|-------------------|
| Current (0 -30 days) | 43 312 947 | 25 559 734 |
| 31 - 60 days | 13 877 062 | 11 367 567 |
| 61 - 90 days | 11 740 478 | 11 144 334 |
| 91 - 120 days | 555 224 406 | 484 395 283 |
| Provision for bad debts | (588 831 158) | (496 161 204) |
| | 35 323 735 | 36 305 714 |

Interest on overdue accounts

| | | |
|-------------------------|--------------------|--------------------|
| Current (0 -30 days) | 106 818 814 | 46 511 954 |
| 31 - 60 days | 52 306 035 | 45 810 955 |
| 61 - 90 days | 51 719 563 | 45 108 184 |
| 91 - 120 days | 2 305 036 837 | 1 901 888 141 |
| Provision for bad debts | (2 373 481 004) | (1 900 270 333) |
| | 142 400 245 | 139 048 901 |

Reconciliation of allowance for impairment

| | | |
|---|------------------------|------------------------|
| Balance at beginning of the year | (6 292 463 439) | (5 039 633 689) |
| Contributions to allowance | (1 494 001 361) | (1 386 837 591) |
| Debt impairment written off against allowance | 273 178 309 | 134 007 841 |
| | (7 513 286 491) | (6 292 463 439) |

Statutory receivables general information

Property rates (Statutory receivable)Property rates (Statutory receivable)

Included in consumer debtors above, are amounts receivable by the municipality as a result of Rates levied and billed as per the Municipal Property Rates Act No. 6 of 2004.

The rates are calculated using the value of the property and the applicable tariff which is based on the usage of the property, this will also be subject to any applicable rebates based on the nature of the consumer.

The rates receivables have been impaired collectively with other consumer debtors and a discount rate of 11,75% (based on the prevailing prime lending rate as at 30 June 2023) was applied to the estimated future cash flows.

Consumer debtors pledged as security

None of the consumer receivables were pledged as security for any financial liability.

13. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------|-------------------|--------------------|
| Cash on hand | 68 500 | 68 500 |
| Bank balances | 17 945 045 | 23 545 195 |
| Short-term deposits | 74 665 332 | 189 969 975 |
| | 92 678 877 | 213 583 670 |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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13. 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 2021 | 30 June 2023 | 30 June 2022 | 30 June 2021 |
| ABSA BANK - Cheque Account - 4060008684 | 425 411 | 412 892 | 406 245 | 425 411 | 412 892 | 406 245 |
| ABSA BANK - Cheque Account - 01000100176 | 2 663 777 | 6 608 022 | 7 025 734 | 13 246 917 | 27 008 789 | (475 307) |
| ABSA BANK - Cheque Account - 950164379 (Council water) | 1 495 956 | 1 338 367 | 367 680 | 1 567 846 | (4 997 774) | 2 568 086 |
| ABSA BANK - Cheque Account - 950000090 (Market) | 2 001 231 | 415 482 | 970 662 | 2 554 244 | 970 662 | 970 662 |
| ABSA Bank - 407826177 - Call Account | 184 280 | 35 859 329 | 25 952 017 | 184 280 | 35 996 742 | 26 045 411 |
| ABSA Bank - 4081494682 - Call Account | 43 782 | 48 306 112 | 27 889 522 | 43 764 | 48 501 570 | 27 973 184 |
| ABSA Bank - 4086111223 - Call Account | 5 389 952 | 11 736 143 | 1 475 978 | 5 389 952 | 11 779 551 | 1 479 921 |
| ABSA Bank - 4073033854 - Call Account | 9 528 573 | 2 448 730 | 9 160 399 | 9 528 573 | 2 454 555 | 9 174 925 |
| ABSA Bank - 9056825047 - Call Account | 7 692 752 | 294 659 | 3 776 708 | 7 692 752 | 295 519 | 3 789 287 |
| ABSA Bank - 9074204063 - Call Account | 2 712 116 | 756 613 | 3 476 738 | 2 712 116 | 758 453 | 3 483 260 |
| ABSA Bank - 9090072264 - Call Account | 1 549 | 30 033 545 | 42 047 625 | 1 549 | 30 119 437 | 42 124 482 |
| Investec Bank - 1400057452500 Call Account | 7 704 406 | 7 212 680 | 6 950 101 | 7 704 406 | 7 212 680 | 6 950 101 |
| FNB - 71037411669 - Collateral | 57 003 | 53 946 | 51 847 | 57 021 | 53 962 | 51 847 |
| Nedbank - 03/7881151374 - Call Account | - | 23 869 560 | 57 761 051 | - | 23 960 788 | 57 922 465 |
| FNB - 70379020873 - Collateral | 14 000 | 14 000 | 14 000 | 14 000 | 14 000 | 14 000 |
| ABSA Bank - Call Account - 4071085841 (Housing) | 157 601 | 153 773 | 152 091 | 150 627 | 150 627 | 150 627 |
| FNB - 62879341700 - Call Account | 23 529 053 | 28 822 717 | 59 787 675 | 23 529 053 | 28 822 717 | 59 787 675 |
| ABSA Bank - 9377065203 - Call Account | 17 807 866 | - | - | 17 807 866 | - | - |
| Total | 81 409 308 | 198 336 570 | 247 266 073 | 92 610 377 | 213 515 170 | 242 416 871 |

14. Other financial liabilities

At amortised cost

| | | |
|------------|-------------------|-------------------|
| DBSA Loans | 9 363 331 | 12 866 178 |
| Redefine | 16 590 265 | 24 109 080 |
| | 25 953 596 | 36 975 258 |

| | | |
|--|-------------------|-------------------|
| Total other financial liabilities | 25 953 596 | 36 975 258 |
|--|-------------------|-------------------|

City of Matlosana

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14. Other financial liabilities (continued)

DBSA Loan

| | |
|----------------------|---------------------------|
| Type of loan | Annuity loan |
| Original amount | R35 269 878 |
| Period of loan | 15 years |
| Date loan received | September 2010 |
| Redemption date | September 2025 |
| Interest rate | Fixed 10.56% |
| Purpose of loan | Bulk Infrastructure |
| Terms and conditions | Payable on monthly basis. |

Redefine Loan

| | |
|----------------------|--------------------------|
| Type of loan | Annuity loan |
| Original amount | R51 987 915,58 |
| Period of loan | 10 years |
| Date loan received | August 2016 |
| Redemption date | August 2026 |
| Purpose of loan | Road construction |
| Terms and conditions | Payable on monthly basis |

Non-current liabilities

| | | |
|-------------------|------------|------------|
| At amortised cost | 14 538 487 | 33 472 410 |
|-------------------|------------|------------|

Current liabilities

| | | |
|-------------------|------------|-----------|
| At amortised cost | 11 415 109 | 3 502 848 |
|-------------------|------------|-----------|

15. Payables from exchange transactions

| | | |
|-------------------------------|----------------------|----------------------|
| Trade payables | 3 148 875 866 | 2 384 826 845 |
| Payments received in advanced | 112 997 004 | 81 745 286 |
| Accrued leave pay | 104 287 888 | 94 787 058 |
| Retentions | 27 304 320 | 33 728 746 |
| Agency Fee Payable | 37 872 001 | 54 639 077 |
| Sundry creditors | 4 886 054 | 23 160 478 |
| Housing : Absa bank account | 150 627 | 150 627 |
| 13th Cheque Accrual | 15 468 532 | 14 838 452 |
| | 3 451 842 292 | 2 687 876 569 |

16. Consumer deposits

| | | |
|-----------------------|------------|------------|
| Water and Electricity | 46 501 593 | 41 774 897 |
|-----------------------|------------|------------|

City of Matlosana

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| 17. Unspent conditional grants and receipts | | |
| Unspent conditional grants and receipts comprises of: | | |
| Unspent conditional grants and receipts | | |
| Municipal Infrastructure Grant | 21 375 948 | 194 412 |
| Integrated National Electrification Programme (INEP) | 4 430 725 | - |
| Financial Management Grant (FMG) | 103 741 | 10 476 |
| Department of Water Affairs and Forestry (DWAf) | 276 464 | 276 464 |
| Water Services Infrastructure Grant (WSIG) | 5 755 625 | 1 499 776 |
| Expanded Public Works Programme (EPWP) | 30 151 | 30 128 |
| Fire Grant | 557 326 | 557 326 |
| Library Grant | 2 095 313 | 2 042 747 |
| Neighbourhood Development Partnership Grant (NDPG) | 8 078 938 | 7 256 807 |
| Dr Kenneth Kaunda District Municipality | 213 176 | 213 176 |
| Disaster Assessment Management Grant | 200 000 | 200 000 |
| District Grant | 4 581 284 | 4 581 284 |
| Museum Grant | 321 601 | 22 851 |
| Disaster Management Grant (COVID) | 8 251 904 | 8 251 904 |
| Energy Efficiency Demand Side Management (EEDSM) | 2 540 | - |
| | 56 274 736 | 25 137 351 |

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18. Employee benefit obligations

Reconciliation of employee benefit obligations - 2023

| | Opening Balance | Movement | Utilised during the year | Total |
|-------------------------------------|--------------------|------------------|--------------------------|--------------------|
| Continuous medical aid contribution | 303 199 000 | (3 696 000) | (14 871 000) | 284 632 000 |
| Long service awards | 40 773 000 | 5 990 000 | (4 307 000) | 42 456 001 |
| | 343 972 000 | 2 294 000 | (19 178 000) | 327 088 001 |

Reconciliation of employee benefit obligations - 2022

| | Opening Balance | Movement | Utilised during the year | Total |
|-------------------------------------|--------------------|-------------------|--------------------------|--------------------|
| Continuous medical aid contribution | 289 311 000 | 27 618 000 | (13 730 000) | 303 199 000 |
| Long service awards | 39 062 000 | 5 356 000 | (3 645 000) | 40 773 000 |
| | 328 373 000 | 32 974 000 | (17 375 000) | 343 972 000 |

Carrying values

| | | |
|---------------------------|--------------------|--------------------|
| Non - current liabilities | 305 691 000 | 324 794 000 |
| Current liabilities | 21 397 000 | 19 178 000 |
| | 327 088 000 | 343 972 000 |

Post retirement medical aid plan

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current conditions of service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

In accordance with the requirements of GRAP 25, the projected unit credit method has been applied. The assumption underlying the funding method is that the employer's post employment medical scheme costs in respect of an employee should be fully recognised by the time that the employee reaches fully accrued age. The valuation has been made with reference Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 207, and is consistent with the requirements of GRAP 25.

Changes in the present value of the defined benefit obligation:

| | 2023 | 2022 |
|------------------------|--------------------|--------------------|
| Opening balance | 303 199 000 | 289 311 000 |
| Service cost | 9 299 000 | 8 941 000 |
| Interest cost | 34 836 000 | 28 063 000 |
| Actuarial loss/ (gain) | (47 831 000) | (9 386 000) |
| Expected contributions | (14 871 000) | (13 730 000) |
| | 284 632 000 | 303 199 000 |

Key financial assumptions

| | 2023 | 2022 |
|---------------------------------|--------|--------|
| Discount rate | 12,37% | 11,77% |
| Health care cost inflation rate | 7,97% | 8,40% |
| Net discount rate | 4,08% | 3,01% |

Key demographic assumptions

| | 2023 | 2022 |
|---|--------------------------|--------------------------|
| Average retirement age | 62 | 62 |
| Proportion with a spouse dependant at retirement | 55% | 55% |
| Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at retirement | 15% | 15% |
| Mortality during employment | SA 85-90 light PA(90) -1 | SA 85-90 light PA(90) -1 |
| Mortality post- employment | | |

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18. Employee benefit obligations (continued)

Sensitivity analysis

Additional text

| Sensitivity analysis on accrued liability | Change | Eligible employees | Continuation members | Total | % change |
|---|--------|--------------------|----------------------|---------|----------|
| Central assumptions | | 132.833 | 151.799 | 284.632 | |
| Health care inflation rate | +1% | 158.362 | 164.633 | 322.995 | 13% |
| | -1% | 112.308 | 140.511 | 252.819 | -11% |
| Discount rate | +1% | 113.187 | 141.017 | 254.204 | -11% |
| | -1% | 157.494 | 164.215 | 321.709 | 13% |
| Post employment mortality | +1 yr | 129.554 | 146.570 | 276.124 | -3% |
| | -1 yr | 136.064 | 157.048 | 293.112 | 3% |
| Average retirement age | -1 yr | 145.395 | 151.799 | 297.194 | 4% |
| Membership continuation | -10% | 114.808 | 151.799 | 266.607 | -6% |

| Sensitivity analysis on current- service and interest costs for the year ending 28/02/2023 | Change | Current Svc. Cost | Interest cost | Total | % change |
|--|--------|-------------------|---------------|------------|----------|
| Central assumptions | - | 9 299 000 | 34 836 000 | 44 135 000 | - |
| Health care inflation rate | +1% | 11 483 000 | 40 001 000 | 51 484 000 | 17% |
| | -1% | 7 601 0 | 30 597 000 | 38 198 0 | -13% |
| Discount rate | +1% | 7 727 000 | 33 357 000 | 41 084 000 | -7% |
| | -1% | 11 331 0 | 36 492 0 | 47 823 0 | 8% |
| Post-employment mortality | +1% | 9 047 000 | 33 692 000 | 42 739 000 | -3% |
| | -1% | 9 550 000 | 35 981 000 | 45 531 000 | 3% |
| Average retirement age | -1 yr | 9 989 000 | 36 327 000 | 46 316 000 | 5% |
| Membership continuation | -10% | 8 060 000 | 32 588 000 | 40 648 000 | -8% |

Long service awards

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a long-service award is payable after 10 years of continuous service, and every 5 years of continuous service thereafter, to employees. The provision is an estimate of the long-service based on historical staff turnover.

| Changes in the present value of the defined benefit obligation: | 2023 | 2022 |
|---|-------------------|-------------------|
| Opening balance | 40 773 000 | 39 062 000 |
| Service cost | 3 212 000 | 3 144 000 |
| Interest cost | 4 181 000 | 3 349 000 |
| Actuarial loss/(gain) | (1 403 000) | (1 137 000) |
| Expected benefits | (4 307 000) | (3 645 000) |
| | 42 456 000 | 40 773 000 |
| | 42 456 000 | 40 773 000 |

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18. Employee benefit obligations (continued)

The expected vesting is the total value of the long-service awards that were expected to be awarded to eligible employees over the year, based on the data at the previous valuation date. Employees are usually entitled to take this award in whole or in part as cash, with the remainder taken as leave.

At the previous valuation, employees' costs to council were provided to determine the Rand value of the long service award provision. At this valuation, it was established that the long service award earnings definition is used in practice. The impact of this change in the long service awards earnings definition is disclosed above.

| Key financial assumptions | 2023 | 2022 |
|---|--------|--------|
| Discount rate | 10.92% | 10.81% |
| General earnings inflation rate (long-term) | 6.39% | 7.33% |
| Net effective discount rate | 4.26% | 3.24% |

| Key demographic assumptions | 2023 | 2022 |
|-----------------------------|----------------|----------------|
| Average retirement age | 62 | 62 |
| Mortality during employment | SA 85-90 light | SA 85-90 light |

The table below indicates that if earnings inflation is one percentage point greater than the long-term assumption made, the liability will be 6% higher than the results shown.

| Sensitivity analysis on the unfunded accrued liability | Change | Liability | % Change |
|--|--------|------------|----------|
| Central assumptions | | 42 456 000 | |
| General earnings inflation rate | +1% | 44 568 000 | 5% |
| | -1% | 40 508 000 | -5% |
| Discount rate | +1% | 40 430 000 | -5% |
| | -1% | 44 688 000 | 5% |
| Average retirement age | +2 yrs | 46 709 000 | 10% |
| | -2 yrs | 37 627 000 | -11% |
| Withdrawal rates | x2 | 35 917 000 | -15% |
| | x0.5 | 46 657 000 | 10% |

| Sensitivity analysis on current-service and interest costs for year ending 30/06/2023 | Change | Current- Svc. Cost | Interest cost | Total | % change |
|---|--------|--------------------|---------------|-----------|----------|
| Central assumptions | | 3 212 000 | 4 181 000 | 7 393 000 | |
| General earnings inflation rate | +1% | 3 433 000 | 4 420 000 | 7 853 000 | 6% |
| | -1% | 3 011 000 | 3 960 000 | 6 971 000 | -6% |
| Discount rate | +1% | 3 032 000 | 4 316 000 | 7 348 000 | -1% |
| | -1% | 3 413 000 | 4 025 000 | 7 438 000 | 1% |
| Average retirement age | +2 yrs | 3 515 000 | 4 640 000 | 8 155 000 | 10% |
| | -2 yrs | 2 894 000 | 3 681 000 | 6 575 000 | -11% |
| Withdrawal rates | x2 | 2 478 000 | 3 426 000 | 5 904 000 | -20% |
| | x0.5 | 3 723 000 | 4 672 000 | 8 395 000 | 14% |

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|-----------------|------|------|

19. Provisions

Reconciliation of provisions - 2023

| | Opening Balance | Additions | Change in estimate | Total |
|------------------------------|-----------------|------------|--------------------|-------------|
| Environmental rehabilitation | 140 044 856 | 16 553 302 | (6 837 742) | 149 760 416 |

Reconciliation of provisions - 2022

| | Opening Balance | Additions | Change in estimate | Total |
|------------------------------|-----------------|------------|--------------------|-------------|
| Environmental rehabilitation | 127 223 050 | 11 776 338 | 1 045 468 | 140 044 856 |

Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur rehabilitation costs to restore the site at the end of its useful life. Provision has been made for the net present value of this cost.

Assumption used

- The discount rate used of 11.82% is the weighted average cost of capital (WACC) calculated for both the Klerksdorp and Hartbeesfontein landfill sites.
- The scheduled dates of total closure and rehabilitation are anticipated to be between 2025 and 2038.

20. Housing Project Liability

The City of Matlosana entered into a catalytic project with the department of Human Settlements and MXN Development Construction (Pty) Ltd (the contractor) in order to make land available for development. The municipality receives money from the department which it then uses to pay the contractor for the development of bulk infrastructure and recognises the infrastructure as an asset and the money used to pay the contractor as revenue.

Reconciliation of Amounts received from the department of Human Settlements

| | | |
|-----------------|---------------|-------------------|
| Opening balance | 38 505 544 | 48 886 842 |
| Receipts | 100 000 000 | 250 000 000 |
| Utilised | (139 065 689) | (260 381 298) |
| Transfers | 560 145 | - |
| | - | 38 505 544 |

Reconciliation of the Housing project liability

| | | |
|---|----------|-------------------|
| Amount due to the Department of Human Settlements | - | 12 307 838 |
| Amount due to MXN Development Construction | - | 26 197 706 |
| | - | 38 505 544 |

21. Service charges

| | | |
|---------------------------------|----------------------|----------------------|
| Sale of electricity | 832 426 519 | 872 296 577 |
| Sale of water | 736 245 524 | 649 775 466 |
| Sewerage and sanitation charges | 141 353 903 | 125 337 767 |
| Refuse removal | 195 290 904 | 167 811 716 |
| | 1 905 316 850 | 1 815 221 526 |

City of Matlosana

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| 22. Investment revenue | | |
| Interest revenue | | |
| Bank | 15 304 450 | 10 646 113 |
| Interest charged on consumer debtors | 550 754 201 | 461 321 538 |
| | 566 058 651 | 471 967 651 |
| 23. Property rates | | |
| Rates received | | |
| Total rates received | 456 396 936 | 451 441 226 |
| Valuations | | |
| Residential | 21 466 419 178 | 21 311 020 166 |
| State | 1 150 574 100 | 1 028 572 100 |
| Municipal | 1 193 386 644 | 1 056 568 844 |
| Agricultural | 2 337 444 400 | 2 342 238 401 |
| Business | 6 067 061 475 | 6 189 535 308 |
| | 32 214 885 797 | 31 927 934 819 |

Valuations on land and buildings are performed every 5 years. The valuations were done by DDP Valuers on behalf of the municipality.

The general valuation was implemented on 01 July 2020.

City of Matlosana

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| 24. Government grants & subsidies | | |
| Operating grants | | |
| Equitable share | 545 269 807 | 484 096 443 |
| National: Expanded Public Works Program (EPWP) | 2 180 978 | 1 755 872 |
| Financial Management Grant (FMG) | 3 006 735 | 3 122 688 |
| Disaster Management Grant (COVID) | - | 15 897 319 |
| Library Grant | 857 435 | 1 348 537 |
| Museum Grant | 179 250 | 221 370 |
| | 551 494 205 | 506 442 229 |
| Capital grants | | |
| Municipal Infrastructure Grant (MIG) | 68 005 464 | 97 356 588 |
| Integrated National Electrification Programme Grant (INEP) | 24 633 275 | - |
| Neighbourhood Development Partnership Grant (NDPG) | 12 921 062 | 55 743 192 |
| Water Services Infrastructure Grant (WSIG) | 6 905 151 | 8 500 224 |
| Energy Efficiency Demand Side Management Grant (EEDSM) | 2 997 460 | - |
| | 115 462 412 | 161 600 004 |
| | 666 956 617 | 668 042 233 |
| Municipal Infrastructure Grant | | |
| Balance unspent at beginning of year | 194 412 | 63 120 |
| Current-year receipts | 89 187 000 | 97 551 000 |
| Conditions met - transferred to revenue | (68 005 464) | (97 356 588) |
| Roll over denied | - | (63 120) |
| | 21 375 948 | 194 412 |
| An amount of R100 187 000 was allocated to the municipality. However an amount of R11 000 000 was withheld by National Treasury. | | |
| Conditions still to be met - remain liabilities (see note 17) | | |
| The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor house holds, micro enterprise and social institutions servicing poor communities. | | |
| Integrated National Electrification Programme Grant (INEP) | | |
| Balance unspent at beginning of year | - | 3 315 010 |
| Current-year receipts | 29 064 000 | - |
| Conditions met - transferred to revenue | (24 633 275) | - |
| Roll over denied | - | (3 315 010) |
| | 4 430 725 | - |
| Conditions still to be met - remain liabilities (see note 17). | | |
| The purpose of the grant is to implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings and the installation of relevant bulk infrastructure.. | | |
| Financial Management Grant | | |
| Balance unspent at beginning of year | 10 476 | 71 140 |
| Current-year receipts | 3 100 000 | 3 100 000 |
| Conditions met - transferred to revenue | (3 006 735) | (3 089 524) |
| Other | - | (71 140) |

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| 24. Government grants & subsidies (continued) | | |
| | 103 741 | 10 476 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| The purpose of the grant is to promote and support reforms in financial management by building capacity in municipalities to implement the municipal finance management act. | | |
| DWAF | | |
| Balance unspent at beginning of year | 276 464 | 276 464 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| The purpose of the grant is to provide water to support economical, social and environmental sectors. | | |
| WSIG | | |
| Balance unspent at beginning of year | 1 499 776 | 2 322 186 |
| Current-year receipts | 11 161 000 | 10 000 000 |
| Conditions met - transferred to revenue | (6 905 151) | (8 500 224) |
| Roll over denied | - | (2 322 186) |
| | 5 755 625 | 1 499 776 |
| An amount of R15 676 000 was allocated to the municipality. However an amount of R4 515 000 was withheld by National Treasury. | | |
| Conditions still to be met - remain liabilities (see note 17). | | |
| The purpose of the grant is to provide water services. | | |
| EPWP | | |
| Balance unspent at beginning of year | 30 128 | - |
| Current-year receipts | 2 181 000 | - |
| Conditions met - transferred to revenue | (2 180 977) | - |
| Roll over | - | 30 128 |
| | 30 151 | 30 128 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| Provide explanations of conditions still to be met and other relevant information. | | |
| Fire | | |
| Balance unspent at beginning of year | 557 326 | 557 326 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| Library | | |
| Balance unspent at beginning of year | 2 042 747 | 2 391 284 |
| Current-year receipts | 910 000 | 1 000 000 |
| Conditions met - transferred to revenue | (857 434) | (1 348 537) |
| | 2 095 313 | 2 042 747 |
| Conditions still to be met - remain liabilities (see note 17). | | |

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| 24. Government grants & subsidies (continued) | | |
| The purpose of the grant is to provide for Library Services. | | |
| NDPG Grant | | |
| Balance unspent at beginning of year | 7 256 807 | 3 589 877 |
| Current-year receipts | 21 000 000 | 63 000 000 |
| Conditions met - transferred to revenue | (12 921 062) | (55 743 193) |
| Roll-over denied | (7 256 807) | (3 589 877) |
| | 8 078 938 | 7 256 807 |
| An amount of R30 000 000 was allocated to the municipality. However an amount of R9 000 000 was withheld by National Treasury. | | |
| Conditions still to be met - remain liabilities (see note 17). | | |
| District MEYMP | | |
| Balance unspent at beginning of year | 213 176 | 213 176 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| The purpose of the grant is to fund small-scale, short-term activities that address needs in your community and communities abroad. Each district chooses which activities it will fund with these grants. | | |
| Disaster Assessment Management Grant | | |
| Balance unspent at beginning of year | 200 000 | 200 000 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| The purpose the grant is to ensure that sufficient funds are available in the event of disasters. | | |
| District Grant | | |
| Balance unspent at beginning of year | 4 581 284 | 4 581 284 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| The purpose of the grant is to fund small-scale, short-term activities that address needs in your community and communities abroad. Each district chooses which activities it will fund with these grants. | | |
| Museum Grant | | |
| Balance unspent at beginning of year | 22 851 | 10 221 |
| Current-year receipts | 478 000 | 234 000 |
| Conditions met - transferred to revenue | (179 250) | (221 370) |
| | 321 601 | 22 851 |
| Conditions still to be met - remain liabilities (see note 17). | | |
| The purpose of the grant is to enable museums to focus on excellence in their programs and operations and to contribute to the understanding of the world and our place in it - our past, our present, and our future. | | |
| Disaster Assessment Management Grant (COVID) | | |
| Balance unspent at beginning of year | 8 251 904 | 24 149 223 |

City of Matlosana

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| 24. Government grants & subsidies (continued) | | |
| Conditions met - transferred to revenue | - | (15 897 319) |
| | 8 251 904 | 8 251 904 |

Conditions still to be met - remain liabilities (see note 17).

The purpose of the grant to assist the municipality and community in reducing the financial burden caused by the COVID 19 pandemic.

EEDSM

| | | |
|---|--------------|-----------|
| Balance unspent at beginning of year | - | 731 811 |
| Current-year receipts | 3 000 000 | - |
| Conditions met - transferred to revenue | (2 997 460) | - |
| Roll over denied | - | (731 811) |
| | 2 540 | - |

An amount of R5 000 000 was allocated to the municipality. However an amount of R2 000 000 was withheld by National Treasury.

Conditions still to be met - remain liabilities (see note 17).

The purpose of the grant is to provide for electricity.

25. Revenue

| | | |
|--------------------------------------|----------------------|----------------------|
| Sale of goods | 19 959 610 | 18 771 956 |
| Service charges | 1 905 316 850 | 1 815 221 526 |
| Rental of facilities and equipment | 4 135 017 | 4 217 688 |
| Licences and permits | 7 218 936 | 7 701 222 |
| Commissions received | 13 830 750 | 13 735 741 |
| Royalties received | 43 478 419 | 85 199 347 |
| Rental income | 4 494 325 | 3 583 304 |
| Discount received | 4 948 236 | 3 174 222 |
| Other income | 17 538 278 | 15 680 564 |
| New connections | 701 040 | 685 273 |
| Interest received - investment | 566 058 651 | 471 967 651 |
| Property rates | 456 396 936 | 451 441 226 |
| Interest on property rates | 50 406 437 | 43 424 197 |
| Donation received | 98 146 072 | 25 016 401 |
| Donation from Dept Human Settlements | - | 218 892 037 |
| Government grants & subsidies | 666 956 617 | 668 042 233 |
| Fines, Penalties and Forfeits | 8 868 764 | 5 170 607 |
| | 3 868 454 938 | 3 851 925 195 |

City of Matlosana

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25. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

| | | |
|------------------------------------|----------------------|----------------------|
| Sale of goods | 19 959 610 | 18 771 956 |
| Service charges | 1 905 316 850 | 1 815 221 526 |
| Rental of facilities and equipment | 4 135 017 | 4 217 688 |
| Licences and permits | 7 218 936 | 7 701 222 |
| Commissions received | 13 830 750 | 13 735 741 |
| Royalties received | 43 478 419 | 85 199 347 |
| Rental income | 4 494 325 | 3 583 304 |
| Discount received | 4 948 236 | 3 174 222 |
| Other income | 17 538 278 | 15 680 564 |
| New Connection Fees | 701 040 | 685 273 |
| Interest received - investment | 566 058 651 | 471 967 651 |
| | 2 587 680 112 | 2 439 938 494 |

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

| | | |
|----------------------------|-------------|-------------|
| Property rates | 456 396 936 | 451 441 226 |
| Interest on property rates | 50 406 437 | 43 424 197 |
| Surcharges and Taxes | 98 146 072 | 25 016 401 |
| Donation received | - | 218 892 037 |

Transfer revenue

| | | |
|-------------------------------|----------------------|----------------------|
| Government grants & subsidies | 666 956 617 | 668 042 233 |
| Fines, Penalties and Forfeits | 8 868 764 | 5 170 607 |
| | 1 280 774 826 | 1 411 986 701 |

26. Donation from Department of Human Settlements

| | | |
|---|---|-------------|
| Infrastructure from Department of Human Settlements | - | 218 892 037 |
|---|---|-------------|

The municipality has an agreement with the Department of Human Settlements for the development of land for housing the community. The bulk infrastructure that has been developed is for the benefit of the municipality and community hence it constitutes as revenue for the City of Matlosana.

City of Matlosana

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| 27. Employee related costs | | |
| Basic | 448 721 010 | 431 993 175 |
| Medical aid - company contributions | 48 900 263 | 47 292 368 |
| UIF | 3 883 090 | 3 889 979 |
| WCA | 3 266 478 | 2 766 181 |
| SDL | 6 180 656 | 6 123 733 |
| Accrued leave pay movement | 9 512 920 | (21 700 351) |
| Defined contribution plans | (14 871 000) | (13 730 000) |
| Travel, motor car, accommodation, subsistence and other allowances | 13 446 904 | 12 983 414 |
| Overtime payments | 69 475 476 | 61 809 667 |
| Long-service awards | (1 095 000) | (501 000) |
| 13th Cheques | 33 962 488 | 33 144 891 |
| Housing benefits and allowances | 6 311 931 | 6 548 937 |
| Professional membership fees | 239 695 | 250 751 |
| Pension fund | 85 913 927 | 83 156 254 |
| Leave paid out | 7 032 140 | 11 089 671 |
| Cellphone allowance | 1 449 712 | 1 016 087 |
| | 722 330 690 | 666 133 757 |

Remuneration of municipal manager - TSR Nkhumise

| | | |
|---|----------|------------------|
| Annual Remuneration | - | 973 477 |
| Car Allowance | - | 226 799 |
| Cellphone Allowance | - | 20 000 |
| Contributions to UIF, Medical and Pension Funds | - | 15 292 |
| | - | 1 235 568 |

TSR Nkhumise was appointed as Municipal Manager from May 2017 to 30 April 2022.

Remuneration of Acting Municipal Manager - L Seametso

| | | |
|---|----------------|----------------|
| Annual Remuneration | 487 008 | 198 106 |
| Contributions to UIF, Medical and Pension Funds | 5 579 | 1 368 |
| Acting Allowance | - | 21 872 |
| | 492 587 | 221 346 |

L Seametso was appointed as Acting MM from 01 May 2022 to 31 October 2022.

Remuneration of Acting Municipal Manager - MM Molawa

| | | |
|---|----------------|----------|
| Annual Remuneration | 202 097 | - |
| Car Allowance | 24 000 | - |
| Contributions to UIF, Medical and Pension Funds | 20 279 | - |
| | 246 376 | - |

MM Molawa was appointed as Acting MM from 01 November 2022 to 31 December 2022.

City of Matlosana

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27. Employee related costs (continued)

Remuneration of Municipal Manager - L Seametso

| | | |
|---|----------------|----------|
| Annual Remuneration | 743 148 | - |
| Subsistence | 2 090 | - |
| Contributions to UIF, Medical and Pension Funds | 8 515 | - |
| | - | - |
| | 753 753 | - |

L Seametso was appointed as Municipal Manager from January to date.

Remuneration of Acting Chief Financial Officer - BO Kgoete

| | | |
|---|----------|----------------|
| Annual Remuneration | - | 449 774 |
| Car Allowance | - | 117 405 |
| Acting Allowances | - | 48 859 |
| Contributions to UIF, Medical and Pension Funds | - | 240 776 |
| | - | 856 814 |

Mr BO Kgoete was appointed acting chief financial officer from 01 May 2021 to 28 February 2022

Remuneration of Acting Chief Financial Officer - P Thelele

| | | |
|---|----------------|----------------|
| Acting Allowance | 159 816 | 133 180 |
| Contributions to UIF, Medical and Pension Funds | 2 838 | 3 103 |
| | 162 654 | 136 283 |

Mr P Thelele was appointed acting Chief Financial Officer from 01 March 2022 to 31 December 2022

Remuneration of Chief Financial Officer - MM Phetla

| | | |
|---|----------------|----------|
| Annual Remuneration | 603 234 | - |
| Contributions to UIF, Medical and Pension Funds | 6 645 | - |
| | 609 879 | - |

Ms MM Phetla was appointed Chief Financial Officer from 01 January 2023 to date

Remuneration of Director Corporate Services - L Seametso

| | | |
|---|----------------|------------------|
| Annual Remuneration | 198 106 | 990 532 |
| Contributions to UIF, Medical and Pension Funds | 2 350 | 13 448 |
| Subsistence Allowance | 1 421 | 1 603 |
| | 201 877 | 1 005 583 |

L Seametso went back to her position as Director Corporate Services from 01 November 2022 to 31 December 2022.

Remuneration of Acting Director of Corporate Services - M Botsheleng

| | | |
|---|----------------|----------------|
| Annual Remuneration | 109 146 | 104 048 |
| Acting Allowance | 17 112 | 7 823 |
| Contributions to UIF, Medical and Pension Funds | 31 675 | 41 107 |
| Subsistence | - | 3 031 |
| Travel allowance | 19 951 | - |
| | 177 884 | 156 009 |

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27. Employee related costs (continued)

Mr M Botsheleng was appointed as acting Director Corporate Services from 01 May 2022 to 31 August 2022

Remuneration of Acting Director of Corporate Services - NM Moabelo

| | | |
|---|----------------|----------|
| Annual Remuneration | 436 584 | - |
| Acting Allowance | 29 236 | - |
| Contributions to UIF, Medical and Pension Funds | 126 563 | - |
| Car and Other Allowances | 139 079 | - |
| | 731 462 | - |

Mr NM Moabelo was appointed as acting Director Corporate Services from 01 July 2022 to date

Remuneration of Director Planning and Human Settlements - BB Choche

| | | |
|---|------------------|------------------|
| Annual Remuneration | 1 175 047 | 1 175 047 |
| Car Allowance | 244 280 | 240 000 |
| Contributions to UIF, Medical and Pension Funds | 15 803 | 17 921 |
| | 1 435 130 | 1 432 968 |

BB Choche has been appointed as the Director of Planning and Human Settlements from the 1st of March 2019.

Remuneration of Director Technical and Infrastructure - R Madimutsa

| | | |
|---|----------------|------------------|
| Annual Remuneration | 211 841 | 1 271 047 |
| Car Allowance | 24 000 | 144 000 |
| Contributions to UIF, Medical and Pension Funds | 3 521 | 17 921 |
| | 239 362 | 1 432 968 |

R Madimutsa has been appointed as Director Technical and Infrastructure from February 2018 to 31 August 2022.

Remuneration of Director Community Development - MM Molawa

| | | |
|---|----------------|------------------|
| Annual Remuneration | 415 034 | 939 692 |
| Car Allowance | 60 000 | 144 000 |
| Contributions to UIF, Medical and Pension Funds | 50 279 | 236 007 |
| | 525 313 | 1 319 699 |

MM Molawa was appointed as Director Community Development from February 2018 to 31 January 2023.

Remuneration of Director of Local Economic Development - LL Fourie

| | | |
|---|----------------|------------------|
| Annual Remuneration | 158 881 | 952 525 |
| Car Allowance | 24 000 | 144 000 |
| Contributions to UIF, Medical and Pension Funds | 17 314 | 207 811 |
| | 200 195 | 1 304 336 |

LL Fourie was appointed as the Director of Local Economic from 01 March 2019 to 31 August 2022.

Remuneration of Acting Director Public Safety - AJS Marais

| | | |
|---|---------|---|
| Annual Remuneration | 272 865 | - |
| Car And other Allowances | 63 908 | - |
| Contributions to UIF, Medical and Pension Funds | 81 433 | - |
| Acting Allowance | 15 264 | - |

City of Matlosana

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27. Employee related costs (continued)

| | |
|---------|---|
| 433 470 | - |
|---------|---|

AJS Marais was appointed As Acting Director Public Safety from February 2023 to date.

Remuneration of Director Public Safety - LJ Nkhumane

| | | |
|---|----------------|------------------|
| Annual Remuneration | 559 546 | 959 754 |
| Car Allowance | 84 000 | 144 000 |
| Contributions to UIF, Medical and Pension Funds | 57 662 | 104 197 |
| | 701 208 | 1 207 951 |

LJ Nkhumane was appointed as Director of Public safety from 01 February 2018 to 31 January 2023.

Remuneration of Acting Director of Local Economic Development - ND Makgetha

| | | |
|---|----------------|----------|
| Annual Remuneration | 326 580 | - |
| Car and other Allowances | 86 570 | - |
| Subsistence | 1 471 | - |
| Contributions to UIF, Medical and Pension Funds | 97 639 | - |
| | 512 260 | - |

ND Makgetha was appointed as the Acting Director of Local Economic Development from September 2022 till 28th February 2023.

Remuneration of Acting Director of Local Economic Development - PT Molelekwa

| | | |
|---|----------------|----------|
| Annual Remuneration | 180 807 | - |
| Car Allowance | 32 523 | - |
| Contributions to UIF, Medical and Pension Funds | 35 547 | - |
| | 248 877 | - |

PT Molelekwa was appointed Acting Director of Local Economic Development from April 1st to date .

Remuneration of Acting Director Infrastructure - JJ Pilusa

| | | |
|---|------------------|----------|
| Annual Remuneration | 623 148 | - |
| Car Allowance | 182 263 | - |
| Contributions to UIF, Medical and Pension Funds | 201 192 | - |
| | 1 006 603 | - |

JJ Pilusa was appointed as Acting Director Infrastructure from September to date.

Remuneration of Acting Director Community Services - MJ Masilo

| | | |
|---|----------------|----------|
| Annual Remuneration | 451 519 | - |
| Car Allowance | 114 076 | - |
| Contributions to UIF, Medical and Pension Funds | 122 811 | - |
| | 688 406 | - |

MJ Masilo was appointed Acting Director Community Services from February 2023 to date.

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27. Employee related costs (continued)

28. Remuneration of councillors

| | | |
|-----------------|-------------------|-------------------|
| Executive Mayor | 1 140 377 | 885 266 |
| Speaker | 929 159 | 900 724 |
| Councillors | 34 842 075 | 32 403 342 |
| | 36 911 611 | 34 189 332 |

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.

The Executive Mayor has two full-time bodyguards

The salaries, allowances and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

Remuneration of Executive Mayor - ME Kgaile

| | | |
|-----------------------------------|----------|---------------|
| Annual Remuneration | - | 56 902 |
| Councillors pension contributions | - | 8 535 |
| Cellphone allowance | - | 3 700 |
| Travel Allowance | - | 21 812 |
| | - | 90 949 |

ME Kgaile became the Mayor from August 2016 to July 2021

Remuneration of Executive Mayor - NJ Tsolela

| | | |
|-----------------------------------|------------------|----------------|
| Annual Remuneration | 724 476 | 498 272 |
| Councillors pension contributions | 103 960 | 42 677 |
| Cellphone allowance | 38 481 | 30 587 |
| Travel Allowance | 274 660 | 180 316 |
| | 1 141 577 | 751 852 |

Mr NJ Tsolela became Mayor from November 2021 to date.

Remuneration of Speaker- RW Ntozini

| | | |
|-----------------------------------|----------|----------------|
| Annual Remuneration | - | 191 038 |
| Councillors pension contributions | - | 26 562 |
| Cellphone allowance | - | 14 800 |
| Medical aid Allowance | - | 5 600 |
| Travel Allowance | - | 74 453 |
| | - | 312 453 |

Mr RW Ntozini became speaker from August 2016 till October 2021.

Remuneration of Speaker- SL Mondlane

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28. Remuneration of councillors (continued)

| | | |
|-----------------------------------|----------------|----------------|
| Annual Remuneration | 582 719 | 399 186 |
| Councillors pension contributions | 83 168 | 20 485 |
| Cellphone allowance | 42 600 | 29 600 |
| Travel Allowance | 221 374 | 139 842 |
| | 929 861 | 589 113 |

Ms SL Mondlane became a speaker from November 2022 to date.

Remuneration of Acting Executive Mayor - OR Thabanchu

| | |
|---------------------|---------------|
| Annual Remuneration | 65 437 |
| Cellphone allowance | 3 700 |
| Travel Allowance | 21 812 |
| | 90 949 |

Mr OR Thabanchu became acting executive mayor from 01 October 2021 to 31 October 2021.

Remuneration of Chief Whip - K Ndincede

| | | |
|-----------------------------------|----------------|----------------|
| Annual Remuneration | 546 301 | 536 787 |
| Councillors pension contributions | 77 970 | 76 818 |
| Cellphone allowance | 42 600 | 44 400 |
| Travel Allowance | 208 090 | 205 768 |
| | 874 961 | 863 773 |

Mr K Ndincede became the chief whip from June 2021 to date.

Remuneration of Councillors and Mayoral Committee Members

| | | |
|-----------------------------------|-------------------|-------------------|
| Annual Remuneration | 22 447 229 | 20 579 550 |
| Councillors pension contributions | 1 360 472 | 1 165 388 |
| Cellphone allowance | 2 785 500 | 3 382 663 |
| Medical aid contribution | 234 720 | 234 720 |
| Travel Allowance | 8 015 252 | 7 701 096 |
| | 34 843 173 | 33 063 417 |

29. Depreciation and amortisation

| | | |
|-------------------------------|-------------|-------------|
| Property, plant and equipment | 379 302 379 | 363 540 490 |
|-------------------------------|-------------|-------------|

City of Matlosana

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| 30. Impairment loss | | |
| Impairments | | |
| Property, plant and equipment | 3 650 921 | 35 199 302 |
| The assets that were impaired can be summarized as follow: For immovable assets (Infrastructure etc) the impairment was triggered by a change in the condition. For moveable assets, the impairment was triggered, either by a condition change during the physical verification, and or through the impairment of all moveable assets that could not physically be verified during this years physical verification, and with the intention of disposing these assets in line with the updated asset policy in the next financial year should these assets still not be verified during next years physical verification. | | |
| Heritage assets | - | 76 |
| For heritage assets, the impairment was triggered, either by a condition change during the physical verification, and or through the impairment of all heritage assets that could not physically be verified during this years physical verification. | | |
| | 3 650 921 | 35 199 378 |
| 31. Finance costs | | |
| Non-current borrowings | 1 192 575 | 1 543 978 |
| Interest on landfill site | 16 553 302 | 11 776 338 |
| Interest on overdue accounts | 232 160 898 | 112 186 625 |
| | 249 906 775 | 125 506 941 |
| 32. Debt impairment | | |
| Impairment of receivables from exchange transactions | - | 337 161 |
| Impairment of consumer debtors | 1 381 465 877 | 1 282 024 700 |
| Impairment of receivables from non-exchange transactions | 5 025 480 | 2 424 600 |
| | 1 386 491 357 | 1 284 786 461 |
| 33. Bulk purchases | | |
| Electricity - Eskom | 848 229 632 | 873 304 204 |
| Water | 456 035 510 | 388 987 628 |
| | 1 304 265 142 | 1 262 291 832 |
| Electricity (losses in units) | 197 854 298 | 224 393 020 |
| Electricity (losses as %) | 38% | 38% |
| Water (losses in units) | 22 746 405 | 18 655 012 |
| Water (losses as %) | 58% | 51% |
| | 220 600 799 | 243 048 121 |

Electricity and water are supplied by Eskom and the Midvaal Water Company.

The municipality is in the process of installing meters at all its premises to enable us to accurately measure and manage own use. A strategy has been developed to minimise distribution losses and it will be implemented over time due to budget constraints.

City of Matlosana

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| 34. Contracted services | | |
| Financial and Asset Management Services | 11 398 425 | 16 381 166 |
| Debt collection and Meter reading services | 31 096 607 | 41 670 109 |
| VAT management and recovery | 7 166 451 | 18 859 184 |
| Security Services | 36 049 486 | 39 065 224 |
| Other Contractors | 17 089 561 | 10 596 192 |

Contracted services are mandated services in terms of the Local Government : Municipal Structures Act 117 of 1998, a municipal by-law or the Integrated Development Plan that the municipality is expected to have the capacity and expertise to deliver but are being outsourced instead.

35. Repairs and Maintenance

Repairs and Maintenance for Property Plant and Equipment

| | | |
|-------------------------|-------------|-------------|
| Repairs and maintenance | 174 308 501 | 207 488 594 |
|-------------------------|-------------|-------------|

An amount of R174 308 501 (202: R207 488 594) was spent during the year in review. In determining this amount, the municipality has exclusively disclosed amounts charged by service providers.

36. General expenses

| | | |
|---------------------------------------|--------------------|--------------------|
| Advertising | 900 360 | 1 261 679 |
| Auditors remuneration | 8 287 782 | 6 379 631 |
| Bank charges | 9 740 142 | 9 020 919 |
| Cleaning | 263 476 | 2 047 155 |
| Commission paid | 13 027 439 | 16 848 885 |
| Legal costs and professional fees | 14 949 517 | 9 292 368 |
| Consumables | 6 931 963 | 3 146 817 |
| Discount allowed | 1 217 714 | 753 029 |
| Entertainment | 1 058 255 | 1 181 914 |
| Veterinary services | 115 320 | - |
| Insurance | 22 907 514 | 22 265 776 |
| Community development and training | 1 148 211 | 149 999 |
| VIP Toilets | - | 4 929 026 |
| Marketing | 1 182 842 | 1 314 908 |
| Medical expenses | 519 766 | 303 156 |
| Motor vehicle expenses | 30 109 212 | 21 329 494 |
| Pest control | 140 906 | 3 732 109 |
| Postage and courier | 3 714 722 | 6 865 941 |
| Printing and stationery | 5 419 981 | 4 478 262 |
| Protective clothing | 6 130 412 | 3 290 952 |
| Research and development costs | - | 85 129 |
| Royalties and license fees | 1 655 352 | 1 413 263 |
| Subscriptions and membership fees | 8 403 481 | 7 636 056 |
| Telephone and IT system related costs | 18 116 842 | 15 233 606 |
| Transport and freight | 44 284 | 40 731 |
| Training | 3 041 195 | 8 247 501 |
| Title deed search fees | 454 313 | 394 054 |
| Other miscellaneous | 3 584 710 | 7 423 118 |
| Traffic fines management | 64 161 | 182 544 |
| Indigent costs | 81 753 108 | 49 445 614 |
| Human Settlement Costs | 13 534 030 | 623 912 |
| Casual workers | 9 540 262 | 5 587 289 |
| Fines and penalties | 1 081 654 | - |
| | 269 038 926 | 214 904 837 |

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37. Revenue loss

Income loss

| | | |
|---------------------|-----------|-----------|
| Total loss incurred | 3 314 944 | 3 149 521 |
|---------------------|-----------|-----------|

These revenue losses relate to monies that were misappropriated from the market and there is an investigation currently ongoing from the HAWKS to identify and charge the responsible parties.

38. Cash generated from operations

| | | |
|--|--------------------|--------------------|
| Deficit | (884 537 984) | (621 263 674) |
| Adjustments for: | | |
| Depreciation and amortisation | 379 302 379 | 363 540 490 |
| Gain on sale of assets and liabilities | 25 891 622 | 21 532 428 |
| Gain on foreign exchange | - | (561 147) |
| Fair value adjustments | (756 797) | 31 412 000 |
| Donation from Dept of Human Settlements | - | (218 892 037) |
| Impairment loss on PPE | 3 650 921 | 35 199 378 |
| Debt impairment | 1 386 491 357 | 1 284 786 461 |
| Non cash donations | (98 146 072) | (25 016 400) |
| Employee benefits | (16 702 792) | 15 560 260 |
| Movements in provisions | 9 715 560 | 11 776 338 |
| Movement in leave accrual | (9 500 830) | (11 049 405) |
| Wild Stock adjustment | 434 499 | (300 549) |
| Inventory adjustment | (933 703) | 572 241 |
| 13th Cheque accrual | (630 080) | 71 834 |
| Changes in working capital: | | |
| Inventories | (12 941 218) | (5 818 573) |
| Receivables from exchange transactions | (1 690 402) | 162 699 |
| Consumer debtors | (1 373 635 955) | 1 285 084 414 |
| Other receivables from non-exchange transactions | (5 025 480) | (2 424 600) |
| Prepayments | 7 357 | 28 018 |
| Payables from exchange transactions | 774 096 633 | 554 177 137 |
| VAT | (90 126 142) | 78 941 294 |
| Unspent conditional grants and receipts | 31 137 385 | (17 572 070) |
| | 116 100 258 | 209 777 709 |

39. Agency Fees

| | | |
|----------------------|------------|------------|
| Commissions received | 13 830 750 | 13 735 741 |
|----------------------|------------|------------|

The North West Department of Community Safety and Transport Management issues motor vehicle licences to motorists for a prescribed fee. Given the geographical location of municipal offices, it is convenient for motorists to be able to renew their licences at these locations. The municipality facilitates the issuing of these licences and the collection of the prescribed fees.

The municipality acts on behalf of the Department to issue licences to, and collect money from motorists. The transaction is however between the Department, and the motorist (i.e. third party) - the party responsible for the payment of the licence fee. The municipality is not a party to the transaction with the third parties but rather facilitates the transaction between the Department and the motorist, and receives a commission fee accordingly.

40. Donations Received

| | | |
|--------------|------------|------------|
| PPE donated. | 98 146 072 | 25 016 401 |
|--------------|------------|------------|

The above relates to land and property plant and equipment that was donated during the year under review.

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|-----------------|------|------|

41. Other revenue

| | | |
|-----------------------------------|-------------------|--------------------|
| Agency Fees | 13 830 750 | 13 735 741 |
| Connections and Reconnection fees | 43 478 419 | 85 199 347 |
| Rental income | 4 494 325 | 3 583 304 |
| Discount received | 4 948 236 | 3 174 222 |
| Other income | 17 538 278 | 15 680 564 |
| New Connections | 701 040 | 685 273 |
| | 84 991 048 | 122 058 451 |

42. Auditors' remuneration

| | | |
|------|-----------|-----------|
| Fees | 8 287 782 | 6 379 631 |
|------|-----------|-----------|

43. Financial instruments disclosure

Categories of financial instruments

2023

Financial assets

| | At fair value | At amortised cost | Total |
|--|-------------------|--------------------|--------------------|
| Other financial assets | 12 094 383 | - | 12 094 383 |
| Trade and other receivables from exchange transactions | - | 7 725 188 | 7 725 188 |
| Consumer debtors | - | 450 734 124 | 450 734 124 |
| Cash and cash equivalents | - | 92 678 877 | 92 678 877 |
| Eskom Deposit | - | 40 403 414 | 40 403 414 |
| | 12 094 383 | 591 541 603 | 603 635 986 |

Financial liabilities

| | At amortised cost | Total |
|---|----------------------|----------------------|
| Consumer deposits | 46 501 593 | 46 501 593 |
| Other financial liabilities | 25 953 596 | 25 953 596 |
| Trade and other payables from exchange transactions | 3 451 842 292 | 3 451 842 292 |
| | 3 524 297 481 | 3 524 297 481 |

2022

Financial assets

| | At fair value | At amortised cost | Total |
|--|-------------------|--------------------|--------------------|
| Other financial assets | 11 337 586 | - | 11 337 586 |
| Receivables from exchange transactions | - | 6 034 786 | 6 034 786 |
| Other receivables | - | 7 357 | 7 357 |
| Consumer debtors | - | 460 467 559 | 460 467 559 |
| Cash and cash equivalents | - | 213 583 671 | 213 583 671 |
| Eskom deposits | - | 38 462 885 | 38 462 885 |
| | 11 337 586 | 718 556 258 | 729 893 844 |

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|-----------------|------|------|

43. Financial instruments disclosure (continued)

Financial liabilities

| | At amortised cost | Total |
|--|----------------------|----------------------|
| Consumer deposits | 41 774 897 | 41 774 897 |
| Other financial liabilities | 36 975 258 | 36 975 258 |
| Trade and other payables from exchange transactions | 2 687 876 569 | 2 687 876 569 |
| Department of Local Government and Human Settlements | 35 808 876 | 35 808 876 |
| | 2 802 435 600 | 2 802 435 600 |

44. Commitments

Authorised capital expenditure

Already contracted for but not provided for

| | | |
|---------------------------------|------------|-------------|
| • Property, plant and equipment | 97 278 413 | 127 428 667 |
|---------------------------------|------------|-------------|

Total capital commitments

| | | |
|---|------------|-------------|
| Already contracted for but not provided for | 97 278 413 | 127 428 667 |
|---|------------|-------------|

Total commitments

Total commitments

| | | |
|--------------------------------|------------|-------------|
| Authorised capital expenditure | 97 278 413 | 127 428 667 |
|--------------------------------|------------|-------------|

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Operating leases - as lessee (expense)

Minimum lease payments due

| | | |
|-------------------------------------|-------------------|------------------|
| - within one year | 9 562 466 | 1 364 040 |
| - in second to fifth year inclusive | 16 918 209 | - |
| | 26 480 675 | 1 364 040 |

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

45. Going concern

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.

We draw attention to the fact that at 30 June 2023, the municipality reported an operating deficit of R884 537 984 and at this date the municipality's total current liabilities exceeded its total current assets by R2 682 005 128. The municipality also impaired 90% of its current debtors due to poor revenue collection. These factors causes uncertainty relating to the municipalities' ability to operate as a going concern.

The municipality plans to address the above cash flow shortages through enhanced revenue collection and a resultant consistency in the payment of creditors, when they become due.

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.

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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46. Events after the reporting date

There were no material events that required an adjustment to the annual financial statements after the reporting date.

47. Unauthorised expenditure

| | | |
|---|----------------------|----------------------|
| Opening balance | 4 133 642 424 | 3 176 530 653 |
| Add: Unauthorised expenditure - current | 369 616 587 | 957 111 771 |
| Closing balance | 4 503 259 011 | 4 133 642 424 |

The over expenditure for the 2023 financial year is primarily due the impairment on the consumer debtors, and bulk purchases. The total balance including the opening balance will be dealt with in accordance with the MFMA requirements. No criminal or disciplinary steps have been taken.

Unauthorised expenditure: Budget overspending – per municipal department:

| | | |
|--|--------------------|--------------------|
| Budget and treasury office | 3 116 924 | 590 881 633 |
| City electrical engineering | 1 756 903 | - |
| Cleansing | 9 584 202 | 44 429 098 |
| Corporate Governance | 934 097 | 1 636 033 |
| Community Services | 111 071 322 | - |
| Council General | 14 250 | - |
| Sewerage | - | 5 598 998 |
| Health | 1 407 | - |
| Water section | 242 996 576 | 314 153 748 |
| Public safety | 140 906 | - |
| Local economic dev and marketing and tourism | - | 412 261 |
| | 369 616 587 | 957 111 771 |

48. Irregular expenditure

| | | |
|--|----------------------|----------------------|
| Opening balance | 3 966 427 579 | 3 665 341 389 |
| Prior period error | (16 669 433) | - |
| Add: Irregular Expenditure - current year | 273 995 874 | 284 952 893 |
| Irregular expenditure identified in the current year relating to prior periods | 2 940 250 | 16 133 297 |
| Irregular expenditure written off as irrecoverable - not condoned - CC102/2023 | (1 227 322 748) | - |
| | 2 999 371 522 | 3 966 427 579 |

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| 48. Irregular expenditure (continued) | | |
| Analysis of expenditure awaiting condonation per classification | | |
| Bid composition not constituted | 344 445 | 19 632 427 |
| Order splitting | 268 608 | - |
| Three quotes not attached | 114 164 | 1 487 473 |
| Non disclosure of interest | 47 176 939 | 37 118 817 |
| Regulation 32 appointment | - | 7 844 957 |
| Contravention of SCM Regulation 36 | 35 483 183 | 24 001 705 |
| Contravention of SCM Policy | 54 412 753 | 142 009 329 |
| Contracts expired | 38 802 750 | 10 806 094 |
| Tenders not advertised for the minimum period required | 100 333 281 | 58 185 388 |
| | 276 936 123 | 301 086 190 |

Contracts under review for potential non-compliance with procurement laws and supply chain regulations (with expenditure to-date)

| | | |
|------------------------|---|--------------------|
| COM/SCM/T/36/2019/2020 | Disciplinary steps taken/criminal proceedings Appointment of multiple service providers for hire and plant and equipment on as and when required basis for a period of thirty six(36) months effective 20/11/2020. | 36 585 310 |
| COM/SCM/T/26/2020/2021 | Appointment of service provider for VAT and recovery in the City of Matlosana for a period of 36 months effective 22/06/2020 | 27 899 582 |
| COM/SCM/T/31/2019/2020 | Construction of 11kv feeder line for Alabama substation extension 4 & 5 effective 12/10/2020 | 2 433 628 |
| COM/SCM/T/33/2019/2020 | Construction of VIP Latrines in KOSH Phase 1 effective 09/03/2021 | 15 710 637 |
| COM/SCM/T/31/2020/2021 | Refurbishment of water pump stations and reservoirs effective 09/03/2021 | 35 997 618 |
| COM/SCM/T/51/2020/2021 | Supply and erection of 358 mesh fencing around Stilfontein effective 24/06/2021 | 480 000 |
| COM/SCM/40/2020/2021 | Appointment of service provider for Risk management and insurance for a period of thirty-six(36) months effective 21/06/2021 | 18 552 038 |
| COM/SCM/T/18/2019/2020 | Upgrading of Mechanical and Electrical equipment in Kanana Phase 1 effective 14/09/2020 | 6 922 085 |
| COM/SCM/08/2021/22 | Appointment of physical security services providers for the City of Matlosana building, offices property for a period of thirty-six (36) months. | 117 235 666 |
| | | 261 816 564 |

Disciplinary steps taken/criminal proceedings

No disciplinary action has been taken as investigations are in progress for all irregular expenditure.

Additional Note

Irregular expenditure is calculated inclusive of VAT while the figures disclosed above have been presented in this set of AFS exclusive of VAT.

49. Fruitless and wasteful expenditure

| | | |
|--|--------------------|--------------------|
| Opening balance as previously reported | 198 727 423 | 85 506 270 |
| Add: Fruitless and wasteful expenditure identified - current | 233 384 410 | 113 221 153 |
| Closing balance | 432 111 833 | 198 727 423 |

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| 49. Fruitless and wasteful expenditure (continued) | | |
| The municipality incurred interest ,fines and penalties for late payment of the Eskom, SARS, Midvaal and Auditor General accounts. No disciplinary action has been taken as the expenses are a result of cashflow constraints. | | |
| 50. Additional disclosure in terms of Municipal Finance Management Act | | |
| Contributions to organised local government | | |
| Opening balance | 18 951 220 | 22 815 164 |
| Current year subscription / fee | 8 401 459 | 7 636 056 |
| Amount paid - current year | (9 000 000) | (11 500 000) |
| | 18 352 679 | 18 951 220 |
| Audit fees | | |
| Opening balance | 233 817 | 5 823 957 |
| Current year subscription / fee | 9 593 941 | 7 635 711 |
| Amount paid - current year | (9 756 261) | (13 225 851) |
| | 71 497 | 233 817 |
| PAYE and UIF | | |
| Opening balance | 8 227 669 | 7 962 053 |
| Current year subscription / fee | 104 842 825 | 101 860 255 |
| Amount paid - current year | (104 288 421) | (101 594 639) |
| | 8 782 073 | 8 227 669 |
| Pension and Medical Aid Deductions | | |
| Opening balance | 13 438 937 | 13 650 850 |
| Current year subscription / fee | 221 679 405 | 215 103 055 |
| Amount paid - current year | (233 447 305) | (215 314 968) |
| | 1 671 037 | 13 438 937 |
| VAT | | |
| VAT receivable | 299 626 006 | 209 843 653 |

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50. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2023:

| 30 June 2023 | Outstanding less than 90 days R | Outstanding more than 90 days R | Total R |
|-------------------------|--|--|------------------|
| Councillor Bangani JN | 709 | 8 076 | 8 785 |
| Councillor Bonga AH | 1 695 | 48 500 | 50 195 |
| Councillor Booth PH | 2 055 | 34 060 | 36 115 |
| Councillor Bornman JGR | 13 513 | 405 435 | 418 948 |
| Councillor Buys RRB | 2 795 | 10 341 | 13 136 |
| Councillor Dial SJ | 7 729 | 76 199 | 83 928 |
| Councillor Dude MA | 853 | 71 175 | 72 028 |
| Councillor Faku BS | 4 105 | 78 816 | 82 921 |
| Councillor Jonas SL | 7 622 | 107 769 | 115 391 |
| Councillor Kali KB | 6 094 | 130 133 | 136 227 |
| Councillor Kodisang ML | - | 135 241 | 135 241 |
| Councillor Le Grange JJ | 2 664 | 10 546 | 13 210 |
| Councillor Majiji SJ | 2 208 | 18 500 | 20 708 |
| Councillor Mangesi MI | 26 312 | 33 326 | 59 638 |
| Councillor Mathopa ML | 121 | 6 288 | 6 409 |
| Councillor Mokgatla MA | 4 381 | 78 561 | 82 942 |
| Councillor Ntshanga ZE | 517 | 19 912 | 20 429 |
| Councillor Oortman FD | - | 103 049 | 103 049 |
| Councillor Ross KL | 3 136 | 2 290 | 5 426 |
| Councillor Seitshero KV | 1 586 | 23 805 | 25 391 |
| Councillor Tagaree FI | 2 030 | 15 634 | 17 664 |
| Councillor Thabanchu OR | - | 13 474 | 13 474 |
| | 90 125 | 1 431 130 | 1 521 255 |

| 30 June 2022 | Outstanding less than 90 days R | Outstanding more than 90 days R | Total R |
|--------------------------|--|--|------------------|
| Councillor Burrell BR | 2 774 | 6 280 | 9 054 |
| Councillor Ndela N | 1 494 | 53 909 | 55 403 |
| Councillor Kali KB | 6 491 | 144 131 | 150 622 |
| Councillor Kodisang ML | 23 645 | 189 596 | 213 241 |
| Councillor Mokgatla MA | 5 378 | 85 417 | 90 795 |
| Councillor Majiji SJ | 3 504 | 34 673 | 38 177 |
| Councillor Moholobela MA | 782 | 77 175 | 77 957 |
| Councillor Booth PH | 14 102 | 40 704 | 54 806 |
| Councillor Oortman FD | 894 | 106 925 | 107 819 |
| Councillor Mosupa DT | 4 576 | 14 710 | 19 286 |
| Councillor Faku BS | 4 209 | 53 478 | 57 687 |
| Councillor Bonga A | 3 080 | 64 799 | 67 879 |
| Councillor Seitshero KV | 1 560 | 35 805 | 37 365 |
| Councillor Mbele MN | 1 034 | 12 500 | 13 534 |
| Councillor Jonas SL | 6 063 | 115 621 | 121 684 |
| | 79 586 | 1 035 723 | 1 115 309 |

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

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| 50. Additional disclosure in terms of Municipal Finance Management Act (continued) | | |
| 30 June 2023 | Highest outstanding amount | Aging (in days) |
| Councillor Bangani JN | 8 976 | - |
| Councillor Barrends SAC | 31 | - |
| Councillor Bonga AH | 63 940 | - |
| Councillor Booth PH | 43 991 | - |
| Councillor Bornman JGR | 405 435 | - |
| Councillor Buys RRB | 10 341 | - |
| Councillor Dial SJ | 76 199 | - |
| Councillor Dude MA | 76 899 | - |
| Councillor Faku BS | 84 211 | - |
| Councillor Jonas SL | 116 533 | - |
| Councillor Kali KB | 145 744 | - |
| Councillor Kodisang ML | 195 048 | - |
| Councillor Le Grange JJ | 10 546 | - |
| Councillor Majiji SJ | 34 368 | - |
| Councillor Mangesi MI | 35 453 | - |
| Councillor Mathopa ML | 6 288 | - |
| Councillor Mbele MN | 11 454 | - |
| Councillor Mokgatla MA | 88 366 | - |
| Councillor Mondlane SL | 2 315 | - |
| Councillor Masweu ME | 972 | - |
| Councillor Ntshanga ZE | 19 912 | - |
| Councillor Oortman FD | 106 877 | - |
| Councillor Ross KL | 2 290 | - |
| Councillor Seitshero KV | 35 805 | - |
| Councillor Tagaree FI | 15 634 | - |
| Councillor Thabanchu OR | 14 508 | - |
| | 1 612 136 | - |
| 30 June 2022 | Highest outstanding amount | Aging (in days) |
| Councillor Bogatsu SPJ | 11 799 | - |
| Councillor Bonga A | 73 841 | - |
| Councillor Booth PH | 60 151 | - |
| Councillor Burrell BR | 8 395 | - |
| Councillor Chao NM | 46 | - |
| Councillor Faku BS | 99 403 | - |
| Councillor Jonas SL | 119 293 | - |
| Councillor Kali KB | 147 102 | - |
| Councillor Kodisang ML | 196 787 | - |
| Councillor Majiji SJ | 43 169 | - |
| Councillor Maletse NP | 9 115 | - |
| Councillor Matetoane NI | 10 877 | - |
| Councillor Matetoane NI | 58 882 | - |
| Councillor Mbele MN | 21 478 | - |
| Councillor Moeng PN | 137 | - |
| Councillor Moholobela MA | 79 052 | - |
| Councillor Mokgatla | 88 658 | - |
| Councillor Mongale SD | 727 | - |
| Councillor Mophethe LE | 31 277 | - |
| Councillor Mosupa DT | 20 742 | - |
| Councillor Nani SH | 28 434 | - |
| Councillor Ndela N | 81 211 | - |
| Councillor Nongqayi PT | 46 159 | - |
| Councillor Oortman FD | 107 339 | - |
| Councillor Qankase VS | 4 866 | - |

City of Matlosana

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| 50. Additional disclosure in terms of Municipal Finance Management Act (continued) | | |
| Councillor Seitshero KV | 42 453 | - |
| Councillor Sithole SL | 12 460 | - |
| | 1 403 853 | - |

City of Matlosana

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| 51. Contingencies | | |
| Claims against the Municipality | | |
| Owamajola Trading Enterprises JV | 300 000 000 | 300 000 000 |
| Mataka & Morathi Attorneys | 84 200 | 84 200 |
| Owamajola | 3 396 512 | 3 396 512 |
| Nicolaas Johannes Myburg | 1 007 879 | 1 007 879 |
| SO Matshidiso | 63 447 354 | 63 447 354 |
| Bakgeni Civils & Construction | 171 000 | 171 000 |
| P&S Basson | 283 200 | 283 200 |
| Ke A Dira Construction CC | 17 391 228 | 17 391 228 |
| HL Matlala T/A Gorogang Plant Hire | 1 572 713 | 1 572 713 |
| Ndabangaungue S | 150 000 | 150 000 |
| MR M Seero | 5 000 000 | 5 000 000 |
| Itumre Building Supply CC | 563 816 | 563 816 |
| Owamajola Trading | 110 587 932 | 110 587 932 |
| Diggers Development | 435 232 | 435 232 |
| Moore Stephens | 5 108 173 | 5 108 173 |
| S.J Khabu | - | 1 500 000 |
| Bonang Trading Developments | 1 015 000 | 1 015 000 |
| Henry Tsheopo Molaoa | 150 000 | 150 000 |
| MMT MT Trading Enterprise | 1 100 000 | 1 100 000 |
| VM Tlaphisi | 810 000 | 810 000 |
| Kgwadi ya Madiba JV | 57 715 367 | 57 715 367 |
| Vesta Technical Services (Pty) Ltd | 15 080 630 | 15 080 630 |
| Khuma councillors & Mr Morebudi | 15 130 090 | 15 130 090 |
| IMIC Investments (Pty) Ltd | 329 536 | 329 536 |
| SO Matshidiso Construction and Project | 85 000 000 | - |
| Christina Van Der Merwe | 1 600 000 | 1 600 000 |
| Aganang Consulting Engineer CC | 4 920 757 | - |
| Ammatakho Beleggings CC | 26 076 | 26 076 |
| | 692 076 695 | 603 655 938 |

Owamajola Trading Enterprises JV / City of Matlosana

Issued summons against the municipality for alleged damages suffered for being appointed for the disconnection and reconnection of electricity supply to defaulters for a period of R36 months and not receiving an instruction from the Municipality.

Mataka & Morathi Attorneys/ Matlosana Local Municipality - Case No: 2334/15

Litigation and claims between the plaintiff and the municipality for non- payment of services allegedly rendered.

Owamajola / City of Matlosana

The plaintiff sued the City of Matlosana for non-payment for services rendered.

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51. Contingencies (continued)

Nicolaas Johannes Myburg / City of Matlosana

Damages to his property due to fire outbreak after the fire brigade reacted to his call and arrived after their equipment malfunctioned.

SO Matshidiso / City of Matlosana

Action instituted against the Municipality for alleged damages for potential loss of profits as a result of the municipality alleged failure to appoint the plaintiff as a service provider following the advertisement of the tender.

City of Matlosana / Bakgeni Civils & Construction

Arbitration award for non-monetary claim to supplier

P&S Basson / City of Matlosana

A summons was brought against the Council for psychological shock and emotional shock by the Plaintiffs.

Ke A Dira Construction CC / City of Matlosana

Council is defending summons brought against the Council by the plaintiff for losses alleged to have been experienced due to the revision of tender FS 1/2011.

HL Matlala T/A Gorogang Plant Hire / City of Matlosana

Gorogang terminated its agreement with the City of Matlosana and issued summons claiming the amount stipulated.

Ndabangaunque S (plaintiff) / City of Matlosana (defendant)

Summons was issued against the Council as well as Mr VW Sofe who is employed by the City of Matlosana as a traffic officer, for the alleged unlawful arrest

City of Matlosana / MR M Seero

Mr Seero instituted action against the employer for damages suffered due to alleged occupational detriment.

Itumre Building Supply CC / City of Matlosana

The City of Matlosana is defending the matter. The case of action started during 2011

City of Matlosana

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51. Contingencies (continued)

Owamajola Trading / City Of Matlosana

Alleged unlawful termination of a Service Level Agreement

City of Matlosana / Diggers Development

Diggers Development is claiming the amount based on the allegations that the municipality over billed them for water services.

Moore Stephens/ City of Matlosana

The plaintiff's institution legal process against the City of Matlosana for payment for service rendered.

City of Matlosana / S.J Khabu

The City of Matlosana is sued for the death of a contractor on site. The contractor was engulfed by the top soil while repairing a pipe and died as a result. The matter has been settled.

City of Matlosana / Bonang Trading Developments

Breach of contract on training contract of ward members, The company liquidated, the owner of the company has passed on, rescission of the liquidation has not been filled. The attorneys shall determine if the liquidator still persist with the claim.

Henry Tsheopo Molaoa (plaintiff) / City of Matlosana (defendant)

Summons was issued against the Council as well as Mr TT Tlholatlung, who is employed by the City of Matlosana as a traffic officer for the alleged unlawful arrest.

MMT MT Trading Enterprise / City of Matlosana

The Plaintiff's issued summons for services rendered against City of Matlosana

City of Matlosana / VM Tlaphisi

VM Tlaphisi instituted summons to city of Matlosana

Kgwadi ya Madiba JV / City of Matlosana

Claimant referred the dispute matter for adjudication relating to breach of contract and repudiation and respect of contracts for construction of Jouberton taxi rank

Vesta Technical Services (Pty) Ltd / City of Matlosana

City of Matlosana

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51. Contingencies (continued)

The claimant instituted legal action against the City of Matlosana for a cancelled service level agreement which the City is defending due to non functionality of the system the service provider had implemented.

City of Matlosana / Khuma councillors & Mr Morebudi

Various combined summons

IMIC Investments (Pty) Ltd / City of Matlosana

The claimant instituted legal action against the City of Matlosana. The claim is based on material that was purchased by three contractors on a Council Project (Bucket Eradication Programme).

Christina Van Der Merwe / City of Matlosana

The plaintiff has brought a declaratory application to ensure compliance with section 3 of Act 40 of 2002. The matter is set to sit down for opposed hearing on 19 August 2022

Ammatakko Beleggings CC / City of Matlosana

Received instructions to assist with the stay of the sale in execution. Attorneys obtained copies of the court file and established that judgement was granted against the City of Matlosana on 2 April 2022 for payment in the amount R26 076,44 to Ammatkho Beleggings CC.

SO Matshidiso Construction and Project / City of Matlosana

The claimant instituted legal action against the City of Matlosana for unlawful disqualification in the tender process.

Aganang Consulting Engineers CC / City of Matlosana

The plaintiff sued the City of Matlosana for professional services rendered for a period of 36 months on NDPG program phase 2.

Contingent assets

Claims by the Municipality

| | | |
|-------------------------------------|--------------------|--------------------|
| Owamajola Trading | 3 709 727 | 3 709 727 |
| HL MATLALA T\ A GOROGANG PLANT HIRE | 14 154 419 | 14 154 419 |
| Munmap (Pty) Ltd | 650 000 | 650 000 |
| Isago at N12 Development / | 19 315 132 | 19 315 132 |
| Great Champs Trading | 76 639 | 76 639 |
| Mr Masisi | 2 887 462 | 2 887 462 |
| Johannes Jerry Van schalwyk | 66 930 749 | 66 930 749 |
| Isago at N12 Development | 10 000 000 | 10 000 000 |
| ISAGO at N12 Development | 24 000 000 | 24 000 000 |
| Motlamogang Martha Sessing | 4 339 959 | 4 288 294 |
| Esmeralda Botha | 87 205 | 87 205 |
| Jabulane Bhotile | 82 532 | 22 532 |
| Lucky Ramabodu | 559 029 | 559 029 |
| | 146 792 853 | 146 681 188 |

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51. Contingencies (continued)

Owamajola Trading / City of Matlosana

The plaintiff sued the City of Matlosana for service rendered and a counterclaim was instituted.

HL Matlala T/A Gorogang Plant Hire / City of Matlosana

Gorogang terminated its agreement with the City of Matlosana and issued summons claiming for the amount of R1 572 713.20. The City of Matlosana has a Counter claim R14 154 418,77

City of Matlosana / Munmap (Pty) Ltd

The City of Matlosana wrongfully paid R650 000,00 to Munmap after realising the mistake that was done, the City of Matlosana instituted legal action against Munmap to recover R650 000,00

The Attorneys report that they are still following the matter with the sheriff's board.

Isago at N12 Development / City of Matlosana, Abacus Asset Management And Sanral

Isago owes the municipality for the outstanding bulk municipal services to be installed which Isago failed to install by contractual agreement agreed date. The matter is currently suspended until further notice.

City of Matlosana / Great Champs Trading

GREAT CHAMPS TRADING (GCT) is a former tenant of the Municipality. It occupied premises belonging to the Municipality at the Matlosana Market. GTC have an outstanding debt arising from occupancy of rental space from the Municipality market.

City of Matlosana / Badiboa

Tender paving of taxi routes and storm water drainage contract cancelled by City of Matlosana due to Badiboa failing to progress with the contract.

City of Matlosana / Mr Masisi

City of Matlosana sued Mr Masisi for fruitless and wasteful expenditure.

City of Matlosana / Johannes Jerry Van schalwyk

Case no: 368 / 2022

Summons have been issued against the Defendant for misappropriation of funds at the Fresh Produce Market

City of Matlosana / Isago at N12 Development

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51. Contingencies (continued)

Failure to repay security fee to the City of Matlosana which was paid to Eskom on the start-up of the Gumtrees electrical substation.

City of Matlosana/ ISAGO at N12 Development

A This matter relates to the account and rebate of profits gained as the result of the sales of land in Ext 38 next to Matlosana Mall. This matter is suspended until further notice.

City of Matlosana / Motlamogang Martha Sessing

Summons have been issued against the Defendant for misappropriation of funds at the Fresh Produce Market

City of Matlosana/ Esmeralda Botha

Case no: 290/22: Summons have been issued against the Defendant for misappropriation of funds at the Fresh Produce Market

City of Matlosana / Jabulane Bhotile

Summons have been issued against the Defendant for misappropriation of funds at the Fresh Produce Market

City of Matlosana / Luck Rababodu

Case no: 396/2022: Summons have been issued against the Defendant for misappropriation of funds at the Fresh Produce Market

52. Change in estimate

Property, plant and equipment

Property, plant and equipment

The change in estimated useful lives of various assets of the municipality has resulted in the following decreases in depreciation for the mentioned categories for the financial year.

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Buildings | 562 346 | 1 498 258 |
| Infrastructure - Roads and storm water | 3 619 920 | 13 569 101 |
| Infrastructure - water and sewer | 2 546 811 | 77 579 389 |
| Infrastructure - Electricity | 1 106 817 | 75 179 |
| Other property, plant and equipment | 4 504 476 | 2 853 891 |
| | 12 340 370 | 95 575 818 |

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53. 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 and includes a note to the annual financial statements.

| | | |
|--|-------------------|-------------------|
| Emergencies | 17 177 815 | 13 740 682 |
| Sole supplier | 379 152 | 11 101 |
| Impractical and impossible to follow SCM processes | 1 689 210 | 5 333 413 |
| | 19 246 177 | 19 085 196 |

54. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2022

| | Note | As previously reported | Correction of error | Re-classification | Restated |
|---|------|------------------------|---------------------|-------------------|----------------------|
| Receivables from exchange transactions | | 1 839 550 | - | 4 195 236 | 6 034 786 |
| VAT receivable | | 206 843 375 | 3 000 278 | - | 209 843 653 |
| Investment property | | 349 864 970 | 30 420 | - | 349 895 390 |
| Property Plant and Equipment | | 5 201 986 162 | 8 131 289 | - | 5 210 117 451 |
| Eskom Deposit | | 38 462 885 | 1 070 943 | - | 39 533 828 |
| Payables from exchange transactions | | (2 690 644 693) | 6 963 360 | (4 195 236) | (2 687 876 569) |
| Unspent conditional grants and receipts | | (23 273 212) | (1 864 139) | - | (25 137 351) |
| Housing Project Liability | | (35 808 876) | (2 696 668) | - | (38 505 544) |
| Accumulated Deficit | | (3 223 786 184) | (14 635 483) | - | (3 238 421 667) |
| | | (174 516 023) | - | - | (174 516 023) |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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| 54. Prior-year adjustments (continued) | | | | | |
| Statement of financial performance | | | | | |
| 2022 | | | | | |
| | Note | As previously reported | Correction of error | Re-classification | Restated |
| License fees | | 8 686 802 | - | (985 580) | 7 701 222 |
| Rental income | | 2 597 724 | - | 985 580 | 3 583 304 |
| Employee related costs | | (676 784 703) | 10 650 946 | - | (666 133 757) |
| Reconnection fees | | 85 884 620 | - | (685 273) | 85 199 347 |
| New connection fees | | - | - | 685 273 | 685 273 |
| Depreciation | | (363 150 766) | (389 724) | - | (363 540 490) |
| Profit from disposal of assets | | (21 433 606) | 201 727 | - | (21 231 879) |
| Finance cost | | (156 918 941) | - | 31 412 000 | (125 506 941) |
| Finance cost on employee benefits | | - | - | (31 412 000) | (31 412 000) |
| Rental and lease expenditure | | (106 852 860) | 7 591 214 | - | (99 261 646) |
| Repairs and maintenance | | (206 162 348) | (1 326 246) | - | (207 488 594) |
| Bulk purchases | | (1 263 362 776) | 1 070 944 | - | (1 262 291 832) |
| Contrated services | | (106 548 875) | (20 023 000) | - | (126 571 875) |
| General expenses | | (225 451 288) | 10 546 451 | - | (214 904 837) |
| Impairment loss | | (35 209 847) | - | - | (35 209 847) |
| Inventories gains/losses | | (271 692) | - | 300 549 | 28 857 |
| Gain/loss on biological assets | | - | - | (300 549) | (300 549) |
| Total | | (3 064 978 556) | 8 322 312 | - | (3 056 656 244) |

Cash flow statement

2022

| | Note | As previously reported | Correction of error | Restated |
|---|------|------------------------|---------------------|---------------------|
| Cash flow from operating activities | | | | |
| Payments made to suppliers | | (1 641 761 762) | 28 715 332 | (1 613 046 430) |
| Cash flow from financing activities | | | | |
| Movement in other financial liabilities | | (10 333 546) | (31 412 000) | (41 745 546) |
| Movement in HDA | | (10 381 298) | 2 696 668 | (7 684 630) |
| | | (20 714 844) | (28 715 332) | (49 430 176) |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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55. Prior period errors

Error 1:

In the prior year, a journal was passed that resulted in the unspent conditional Library and Museum grants, being understated by R1 853 917,99 and R10 221,00 respectively. It also increased Payables from exchange transactions by R1 864 139.

Error 2

In the prior year, Leave pay was incorrectly calculated, this consequently led to leave pay being overstated by R10 650 946 and leave accrual being overstated by R10 650 946.

Error 3

In the prior year, there was misallocation of VAT receivable. This led to overstatement of VAT receivable by R3 000 279 and understatement of Distribution payable by R2 696 668.

Error 4

There was an overstatement of unauthorised expenditure in the prior year due to an error in the calculation, this consequently led to unauthorised expenditure being overstated by R165 161 215.

Error 5

In the prior year, a portion of rental income was incorrectly recognised as Licence fees. This transaction led to the understatement of Rental income by R985 580 and overstatement of Licence fees by R985 580.

Error 6

In the prior year, Contingent liability for Diggers development was incorrectly disclosed as R4 325 232. This led to an overstatement of Contingent liabilities by R3 889 999.

Error 7

In the prior year, Contingent asset for Munmap (Pty) Ltd was incorrectly disclosed as R1 255 516. This led to an overstatement of Contingent assets by R605 516.

Error 8

The difference of R685 273 relates to a prior year error. We separated new meter connections total from the reconnections of disconnected customer accounts on the face of the income statement.

Error 9

During the financial year, management performed, as part of its annual policies and procedures, an asset verification and reconciliation. A number of differences were identified that warranted adjustments to be made to the asset register and the financial records of the municipality. These adjustments impacted all non-current assets line items, including all property, plant and equipment, investment property, heritage assets and intangible asset classes. Due the materiality of the amounts, these restatements were made retrospectively in accordance with GRAP 3. Detailed asset registers, as required by the MFMA, is kept with reason for each adjustment made.

The above led to the following misstatements: Property plant and equipment was understated by R 8 131 289, Investment property was understated by R30 421, Accumulates surplus was understated by R6 690 586, Depreciation expense was understated by R389 724, Impairment loss was overstated by R10 487 and Loss on disposal of assets was overstated by R 201 727.

Error 10

In the prior year we separated Finance cost on employee benefits from finance cost. This resulted in a difference of R31 412 000.

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55. Prior period errors (continued)

Error 11

In the prior year, a portion of Eskom Deposits for small accounts was incorrectly classified as Bulk Purchases. This transaction led to the understatement of Eskom Deposits by R1 070 943 and overstatement of Bulk Purchases by R1 070 943.

Error 12

In the prior year, an amount of R8 318 165 for telephone and printer costs was included in Rental and lease expenditure. Furthermore other lease expenditure of R726 950 was erroneously included in the General Expenses vote. These transactions led to the overstatement of Rental and Lease Expenditure by R7 591 214

Error 13

In the prior year, expense items relating to 2022 were recorded in the 2023 financial period. This transaction led to the overstatement of Repairs and Maintenance by R1 326 246

Error 14

In the prior year, amounts of R18 859 184 for VAT consultancy costs and R1 163 816 for debt collection and meter reading were included in General expenditure instead of Contracted Services. These transactions led to the understatement of Contracted Services by R20 023 000

Error 15

In the prior year, an amount of R300 549 for Gain/Loss on Biological Assets was incorrectly included in Inventory Gains/Losses vote. This transaction led to the understatement of Gain/Loss on Biological Assets by R300 549 and an overstatement of the Inventory Gains/Losses by the same amount.

Error 16

In the prior year, there was a amount of R4 195 236.33 that was incorrectly mapped to payables from exchange transactions and this resulted receivables from exchange transactions being understated and payables being understated as well.

Error 17

In the prior year certain transactions relating to the 2022 financial year of assessment were not recorded as the invoices were only received after the preparation of the annual financial statements, this resulted in expenditure being understated by R3 457 007 and trade payables being overstated by the same amount.

Error 18

The opening balance for trade payables was understated due to various omissions and this resulted in the overstatement of accumulated surplus by R446 066.90 and understatement of payables from exchange transactions by the same amount.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

| | | |
|--|---|--------------|
| Decrease in Payables from exchange transactions due to error 1 | - | 1 864 139 |
| Increase in unspent conditional grant error 1 | - | (1 864 139) |
| Decrease in Payables from exchange transactions due to error 2 | - | 10 650 946 |
| Increase in VAT receivable due to error 3 | - | 3 000 278 |
| Increase in Distribution payable due to error 3 | - | (2 696 668) |
| Increase in receivables from exchange transactions due to error 14 | - | 4 195 236 |
| Increase in Property, plant and equipment due to error 9 | - | 8 131 289 |
| Increase in Investment property due to error 9 | - | 30 421 |
| Increase in Eskom Deposits due to error 11 | - | 1 070 943 |
| Increase in payables from exchange transactions due to error 17 | - | 3 457 007 |
| Increase in Payables from exchange transactions due to error 16 | - | (4 195 236) |
| Increase in Payables from exchange transactions due to error 9 | - | (1 648 650) |
| Increase in Payables from exchange transactions due to error 18 | - | (446 067) |
| Increase in Payables from exchange transactions due to error 14 | - | (5 551 546) |
| Increase in Accumulated Surplus | - | (14 635 483) |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

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| 55. Prior period errors (continued) | | |
| Statement of financial performance | | |
| Decrease in employee costs due to error 2 | - | (10 650 946) |
| Increase in rental Income due to error 5 | - | (985 580) |
| Decrease in License fees due to error 5 | - | 985 580 |
| Increase in Depreciation expense due to error 9 | - | 389 724 |
| Decrease in Impairment loss due to error 9 | - | (10 487) |
| Increase in profit from disposal of assets due to error 9 | - | (201 727) |
| Decrease in Reconnection fees error 8 | - | (685 273) |
| Increase in New connections error 8 | - | 685 273 |
| Decrease in Finance cost error 10 | - | (31 412 000) |
| Increase in Finance cost on employee benefits error 10 | - | 31 412 000 |
| Decrease in Bulk Purchases due to error 11 | - | (1 070 943) |
| Decrease in Rental and Lease expenditure due to error 12 | - | (7 591 214) |
| Increase in Repairs and maintenance due to error 13 | - | 1 326 246 |
| Increase in Contracted Services due to error 14 | - | 20 023 000 |
| Decrease in General Expenses due to error 12, 13 & 14 | - | (10 546 451) |
| Increase in Inventory (losses/gains) due to error 15 | - | 300 549 |
| Decrease in Gains/losses of biological assets due to error 15 | - | (300 549) |
| Cash flow statement | | |
| Cash flow from operating activities | | |
| Suppliers | - | 28 715 332 |
| Cash flow from financing activities | | |
| Other financial liabilities | - | (31 412 000) |
| HDA | - | 2 696 668 |
| | - | (28 715 332) |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements

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56. Related parties

Relationships

| | |
|--------------------------------|------------|
| Accounting Officer | L Seametso |
| Councillor AM Morake | |
| Councillor MA Mokgatla | |
| Councillor SJ Dial | |
| Councillor JR Griffin | |
| Councillor SJ Majiji | |
| Councillor MS Dude | |
| Councillor SR Mulhanga | |
| Councillor WG Zwitwane | |
| Councillor KM Lethoko | |
| Councillor PY Mtshawulana | |
| Councillor NP Nyaqela | |
| Councillor F Kasonkomona | |
| Councillor PH Booth | |
| Councillor MS Pelele | |
| Councillor ZE Ntshanga | |
| Councillor T Pheto | |
| Councillor FD Oortman | |
| Councillor BS Faku | |
| Councillor A Bonga | |
| Councillor PN Fourie | |
| Councillor BM Plaatjie | |
| Councillor KV Seitshero | |
| Councillor RM Sello | |
| Councillor AB Mdyali | |
| Councillor JGR Bornman | |
| Councillor CK Modise | |
| Councillor PA Du Preez | |
| Councillor MI Mache | |
| Councillor TE Sepale | |
| Councillor Wiese (Holtzhausen) | |
| Councillor OE Kgwabane | |
| Councillor KR Latha | |
| Councillor JT Kgwasi | |
| Councillor MN Mbele | |
| Councillor SL Jonas | |
| Councillor MR Mokhele | |
| Councillor VO Foboke | |
| Councillor NJ Tsolela | |
| Councillor ML Kodisang | |
| Councillor KE Mabebe | |
| Councillor TV Chabalala | |
| Councillor JM Mosupa | |
| Councillor FC Mahlophe | |
| Councillor ML Mahumapelo | |
| Councillor AM Ramphele | |
| Councillor NM Maseko | |
| Councillor MM Mosiako | |
| Councillor A Combrinck | |
| Councillor MI Mangesi | |
| Councillor EM Postma | |
| Councillor PJ Swart | |
| Councillor FI Tagaree | |
| Councillor PZM Burrel | |
| Councillor TS Seabeng | |
| Councillor SP Sesana | |
| Councillor MN Seitisho | |
| Councillor PA Hlekiso | |

City of Matlosana

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56. Related parties (continued)

Councillor PM Molutsi
Councillor W Wallhorn
Councillor GLI Cromhout
Councillor ME Mosweu
Councillor KB Kali
Councillor L Scott
Councillor OR Thabanchu
Councillor SP Kloppers
Councillor RRB Buys
Councillor CJ Bester
Councillor KL Ross
Councillor JJ Le Grange
Councillor M Coetzee
Councillor TG Khoza
Councillor SOC Barrends
Councillor K Ndincede
Councillor SL Mondlane
Councillor N Gelderblom
Councillor JN bangani
Councillor RRB Buys
Councillor KM Lethoko

Compensation to accounting officer and other key management

| | | |
|------------------------------|-----------|-----------|
| Short-term employee benefits | 9 299 000 | 8 941 000 |
|------------------------------|-----------|-----------|

Key management information

| Class | Description | Amount |
|--|---|-----------|
| Municipal Manager | L Seametso was appointed MM from January 2023 till date | 1 448 218 |
| Chief Financial Officer | MM Phetla was appointed chief financial officer from January 2023 | 609 879 |
| Acting Chief Financial Officer | P Thelele was appointed acting chief financial officer from March 2022 to December 2022. | 162 654 |
| Director Public Safety | LJ Nkhumane was appointed as Director Public Safety from February 2018 to January 2023 | 701 208 |
| Director Economic Development | LL Fourie was appointed as the Director of Local Economic Development from the 1st of March 2019 to 31st of August 2022 | 200 195 |
| Director Planning and Human Settlement | BB Choche has been appointed as the Director of Strategic Planning and Human Settlement from the 1st of March 2019. | 1 435 130 |
| Director Community Development | MM Molawa was appointed as Director Community Development from February 2018 till 31 January 2023 | 771 689 |
| Acting Director Corporate Services | NM Moabelo was appointed as Acting Director Services from July 2022 till date | 731 461 |
| Acting Director Technical and Infrastructure | JJ Pilusa was appointed as the Director of Technical and Infrastructure from September 2022 till date. | 1 006 603 |
| Acting Director Local Economic Development | ND Makgetha was appointed as Acting Director LED from September 2022 till February 2023 | 512 260 |
| Acting Director Local Economic Development | PT Molelekwa was appointed as Acting Director LED from April 2023 till date | 248 877 |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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56. Related parties (continued)

| | | |
|---------------------------------------|---|---------|
| Acting Director Community Development | MJ Masilo was appointed a Acting Director Community Development from February 2023 till date. | 688 406 |
| Acting Director Public Safety | AJS Marais was appointed as Acting Director Public Safety from February 2023 till date | 433 470 |
| Acting Director Corporate Services | M Botsheleng was appointed as Acting Director Corporate Services from 01 May 2022 to 31 August 2022 | 177 884 |

57. Risk management

Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide services for other stakeholders and 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 disclosed in Note 14, cash and cash equivalents disclosed in Note 13, and equity as disclosed in the statement of financial position.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Total borrowings

| | | | |
|---------------------------------|----|----------------------|----------------------|
| Current liabilities | | 3 569 000 298 | 2 814 182 526 |
| Non-current liabilities | | 481 568 416 | 498 272 526 |
| | | 4 050 568 714 | 3 312 455 052 |
| Less: Cash and cash equivalents | 13 | 92 678 877 | 213 583 671 |
| Net debt | | 3 957 889 837 | 3 098 871 381 |
| Total equity | | 2 353 883 682 | 3 223 786 184 |
| Total capital | | 6 311 773 519 | 6 322 657 565 |

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a central treasury department under policies approved by the . Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

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57. Risk management (continued)

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. During 2023 and 2022, the municipality's borrowings at variable rate were denominated in Rand.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 2023 | 2022 |
|--|-------------|-------------|
| Other financial assets | 12 094 383 | 11 337 586 |
| Consumer debtors | 450 734 124 | 460 467 559 |
| Other receivables | - | 7 357 |
| Cash and cash equivalents | 92 678 877 | 213 583 671 |
| Receivables from exchange transactions | 6 489 456 | 6 034 786 |

The municipality is exposed by a guarantee for a loan at DBSA and is secured by the Nedbank investment as disclosed in Note 11 .

City of Matlosana

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58. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of fifteen major functional areas: Budget And Treasury Office ,Budget And Treasury Office , Corporate Governance ,Budget And Treasury Office , Community Services ,Budget And Treasury Office , Local Economic Dev & Marketing Tourism ,Budget And Treasury Office , Housing ,Budget And Treasury Office , Civil Engineering ,Budget And Treasury Office , Water Section ,Budget And Treasury Office , City Electrical Engineering ,Budget And Treasury Office , Sewerage ,Budget And Treasury Office , Cleansing ,Budget And Treasury Office , Health ,Budget And Treasury Office , Council General ,Budget And Treasury Office , Market ,Budget And Treasury Office , Public Safety ,Budget And Treasury Office and Sports Arts And Culture. The segments were organised around the type of service delivered. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

| Reportable segment | Goods and/or services |
|--|---|
| Budget And Treasury Office | Financial management, debt management, supply chain management, accounting and financial reporting. |
| Corporate Governance | The mandate of this segment is to ensure governance structures are in place to ensure a functionally operating entity and also deal with all legal matters as and when they arise. |
| Community Services | Providing the community with social services and facilities to enable the all residents to partake in communal activities. |
| Local Economic Dev & Marketing Tourism | Promoting the local economy. |
| Housing | Develop and release land for residential and business purposes |
| Civil Engineering | Provision of and maintenance roads, bridges and other infrastructure, |
| Water Section | Providing residents, business and industry with clean, safe and reliable drinking water. Additionally providing water to businesses for irrigation or mining activities and maintaining the water infrastructure. |
| City Electrical Engineering | Distributing electricity to residential and commercial consumers. Also maintaining electrical infrastructure. |
| Sewerage | Treating wastewater and safely disposing it and maintaining the infrastructure to ensure compliance with environmental requirements. |
| Cleansing | Collecting and disposing of waste in a safe manner, as required by legislation. Ensuring the general cleanliness of the municipal public areas. |
| Health | Providing employees with a safe and healthy working environment. Promoting employee wellness. |
| Market | Providing fresh produce to the community and related stakeholders |
| Public Safety | Protecting the public. Safeguarding the community from disasters and potential danger and threats. Ensuring compliance with road regulations. |
| Sports Arts And Culture | Promoting the diverse cultures present in the local community. Promoting local sports and arts |

City of Matlosana

Annual Financial Statements for the year ended 30 June 2023

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58. Segment Information

Segment Information for the year ended 30 June 2023

| | BUDGET AND TREASURY OFFICE | CORPORATE GOVERNANCE | COMMUNITY SERVICES | LOCAL ECONOMIC DEV & MARKETING,TOU RISM | HOUSING | CIVIL ENGINEERING | WATER SECTION | CITY ELECTRICAL ENGINEERING | SEWERAGE | CLEANSING | HEALTH | COUNCIL GENERAL | MARKET | PUBLIC SAFETY | SPORTS ARTS AND CULTURE | Grand Total |
|---|----------------------------------|-------------------------|-----------------------|---|---------------------|----------------------|----------------------|-----------------------------------|----------------------|----------------------|-------------------|--------------------|---------------------|---------------------|----------------------------|------------------------|
| Revenue | | | | | | | | | | | | | | | | |
| Revenue from exchange transactions | | | | | | | | | | | | | | | | |
| Market Dues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (19 959 610) | 0 | 0 | (19 959 610) |
| Service Charges | 0 | 0 | 0 | 0 | 0 | 0 | (736 245 524) | (832 426 519) | (141 353 903) | (195 290 904) | 0 | 0 | 0 | 0 | 0 | (1 905 316 849) |
| Rental of facilities and equipment | 0 | 0 | (636) | (174) | (3 835 662) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (148 919) | 0 | (149 627) | (4 135 017) |
| License fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (7 218 936) | 0 | (7 218 936) |
| Agency services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (13 830 750) | 0 | (13 830 750) |
| New Connection Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (701 040) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (701 040) |
| Connections and reconnections | 0 | 0 | 0 | 0 | 0 | 0 | (508 622) | (42 950 765) | (19 032) | 0 | 0 | 0 | 0 | 0 | 0 | (43 478 419) |
| Rental income | 0 | (195 936) | (127 508) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (3 065 412) | (1 083 580) | (21 890) | (4 494 325) |
| Insurance fees | (4 948 236) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (4 948 236) |
| Other income | (2 522 014) | (2 561 218) | (1 938 601) | 0 | (8 654 238) | (306 081) | (66 172) | (45 647) | 0 | 0 | 0 | (7 980) | (51 261) | (1 142 251) | (242 815) | (17 538 278) |
| Interest received - investment | (138 264 585) | 0 | 0 | 0 | 0 | 0 | (241 649 974) | (55 641 541) | (3 694 769) | (126 709 789) | 0 | 0 | (97 992) | 0 | 0 | (566 058 651) |
| Total revenue from exchange transactions | (145 734 835) | (2 757 154) | (2 066 745) | (174) | (12 489 899) | (306 081) | (978 470 292) | (931 765 512) | (145 067 705) | (322 000 692) | 0 | (7 980) | (23 323 194) | (23 275 516) | (414 332) | (2 587 680 111) |
| Revenue from non-exchange transactions | | | | | | | | | | | | | | | | |
| Property rates | (456 396 936) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (456 396 936) |
| Interest from Property rates | (50 406 437) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (50 406 437) |
| Donations received | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Donation from Dept of Human settlements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (98 146 072) | (98 146 072) |
| Government grants and subsidies | (548 276 542) | 0 | 0 | 0 | 0 | (35 398 696) | (7 580 343) | (31 973 624) | (10 368 757) | (23 932 847) | 0 | 0 | (4 996 793) | 0 | (4 429 015) | (666 956 617) |
| Fines, Penalties and Forfeits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (662 290) | 0 | 0 | 0 | 0 | 0 | (8 206 474) | 0 | (8 668 764) |
| Total revenue from non-exchange transactions | (1 055 079 915) | 0 | 0 | 0 | 0 | (35 398 696) | (7 580 343) | (32 635 914) | (10 368 757) | (23 932 847) | 0 | 0 | (4 996 793) | (8 206 474) | (102 575 087) | (1 280 774 825) |
| Total revenue | (1 200 814 750) | (2 757 154) | (2 066 745) | (174) | (12 489 899) | (35 704 777) | (986 050 634) | (964 401 426) | (155 436 462) | (345 933 540) | 0 | (7 980) | (28 319 987) | (31 481 990) | (102 989 419) | (3 868 454 937) |
| Expenditure | | | | | | | | | | | | | | | | |
| Employee related costs | 78 459 642 | 48 081 188 | 71 888 191 | 6 769 375 | 16 167 716 | 59 614 574 | 42 211 377 | 57 942 867 | 50 933 145 | 69 709 543 | 7 146 057 | 30 830 140 | 7 702 427 | 126 455 531 | 48 418 916 | 722 330 690 |
| Remuneration of councillors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36 911 611 | 0 | 0 | 0 | 36 911 611 |
| Depreciation and amortisation | 0 | 5 914 576 | 132 879 631 | 3 003 298 | 3 580 957 | 99 259 440 | 0 | 39 497 129 | 48 712 350 | 0 | 2 338 931 | 1 393 588 | 10 764 269 | 4 326 081 | 27 632 128 | 379 302 379 |
| Impairment loss - Reversal of impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance costs | 10 044 292 | 0 | 0 | 0 | 0 | 55 226 957 | 0 | 83 949 | 32 740 923 | 0 | 0 | 79 679 389 | 0 | 72 131 263 | 0 | 249 906 774 |
| Rental and lease expenditure | 0 | 0 | 4 306 969 | 0 | 0 | 8 540 830 | 16 353 371 | 3 746 538 | 11 169 972 | 55 896 130 | 0 | 9 265 881 | 0 | 0 | 5 535 267 | 114 814 957 |
| Debt impairment | 156 871 727 | 0 | 0 | 0 | 0 | 0 | 448 662 861 | 608 301 690 | 52 618 439 | 120 036 640 | 0 | 0 | 0 | 0 | 0 | 1 386 491 357 |
| Revenue loss | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Repairs and maintenance | 8 281 980 | 675 074 | 6 061 353 | 6 549 | 45 158 | 23 982 662 | 10 969 015 | 80 027 505 | 12 763 282 | 15 256 830 | 0 | 76 374 | 1 580 293 | 10 793 875 | 3 788 551 | 174 308 501 |
| Bulk purchases | 0 | 0 | 0 | 0 | 0 | 0 | 456 035 510 | 848 229 632 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 304 265 142 |
| Contracted Services | 14 187 576 | 0 | 3 250 162 | 0 | 4 877 575 | 0 | 26 526 244 | 1 384 739 | 2 715 178 | 1 665 185 | 705 572 | 11 398 425 | 0 | 36 089 873 | 0 | 102 800 529 |
| General expenses | 40 221 785 | 19 768 796 | 32 511 759 | 2 951 117 | 14 313 139 | 3 854 138 | (5 998 145) | 49 133 059 | 11 559 875 | 1 598 716 | 5 843 936 | 65 316 602 | 5 780 158 | 14 775 586 | 7 408 407 | 269 038 926 |
| Total expenditure | 308 067 003 | 74 439 634 | 250 898 066 | 12 730 339 | 38 984 545 | 250 478 602 | 994 760 234 | 1 688 347 107 | 223 213 164 | 264 163 042 | 16 034 496 | 234 872 010 | 25 827 146 | 264 572 209 | 92 783 270 | 4 740 170 866 |
| Operating (Surplus) / Deficit | (892 747 748) | 71 682 480 | 248 831 321 | 12 730 165 | 26 494 645 | 214 773 824 | 8 709 600 | 723 945 681 | 67 776 702 | (81 770 497) | 16 034 496 | 234 864 030 | (2 492 841) | 233 090 219 | (10 206 149) | 871 715 930 |
| Loss on disposal of assets and liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 572 392 | 0 | 0 | 0 | 16 572 392 |
| Finance cost on Employee Benefits | 39 017 000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 017 000 |
| Actuarial gains/losses | (47 831 000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1 403 000) | 0 | 0 | 0 | (49 234 000) |
| Gain/(Loss) on biological assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 434 499 | 0 | 434 499 |
| PPE Impairment loss | 0 | 0 | 100 | 0 | 0 | 3 650 821 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 650 921 |
| Inventories (losses)/gains | (933 702) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (933 702) |
| Revenue loss from market | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 314 944 | 0 | 0 | 3 314 944 |
| (Surplus) / Deficit for the period | (902 495 449) | 71 682 480 | 248 831 421 | 12 730 165 | 26 494 645 | 218 424 645 | 8 709 600 | 723 945 681 | 67 776 702 | (81 770 497) | 16 034 496 | 250 033 422 | 822 103 | 233 524 718 | (10 206 149) | 884 537 984 |

**Final consolidation of this report was done
by the Performance Management Unit**

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