


2021/2022

# THEMBISILE HANI LOCAL MUNICIPALITY DRAFT ANNUAL REPORT

# Chapter 1

CONTENTS


CONTENTS ..... 2

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY ..... 7

COMPONENT A: MAYOR'S FOREWORD ..... 7

COMPONENT B: EXECUTIVE SUMMARY ..... 11

1.1. MUNICIPAL MANAGER'S OVERVIEW ..... 11

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW ..... 13

1.3. SERVICE DELIVERY OVERVIEW ..... 25

1.4. FINANCIAL HEALTH OVERVIEW ..... 25

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW ..... 27

1.6. 2020/2021 AUDITOR GENERAL REPORT ..... 27

1.7. STATUTORY ANNUAL REPORT PROCESS ..... 28

CHAPTER 2 – GOVERNANCE ..... 30

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE ..... 30

2.1 POLITICAL GOVERNANCE ..... 30

2.2 ADMINISTRATIVE GOVERNANCE ..... 35

COMPONENT B: INTERGOVERNMENTAL RELATIONS ..... 37

2.3 INTERGOVERNMENTAL RELATIONS ..... 37

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION ..... 38

2.4 PUBLIC MEETINGS ..... 39

2.5 IDP PARTICIPATION AND ALIGNMENT ..... 55

COMPONENT D: CORPORATE GOVERNANCE ..... 55

2.6 RISK MANAGEMENT, ANTI-CORRUPTION AND ANTI-FRAUD ..... 55

2.7 ANTI-CORRUPTION AND ANTI-FRAUD ..... 56

2.8 SUPPLY CHAIN MANAGEMENT ..... 57

2.9 BY-LAWS ..... 59

2.10 WEBSITES ..... 59

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES ..... 60

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I) ..... 61

COMPONENT A: BASIC SERVICES ..... 61

3.1 WATER PROVISION ..... 62

3.2 WASTE WATER (SANITATION) PROVISION ..... 74

3.3 ELECTRICITY ..... 78

3.4 WASTE MANAGEMENT (THIS SECTION INCLUDES REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND CEMENTORIES) ..... 80

3.5 HOUSING ..... 85

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT ..... 86

COMPONENT B: ROAD TRANSPORT ..... 87

3.7 ROADS AND STORMWATER ..... 87

3.8 BUSINESS LICENCING AND ADMINISTRATION ..... 91

3.9 SAFETY AND SECURITY (TRAFFIC LAW ENFORCEMENT AND LICENCING) ..... 92

COMPONENT C: PLANNING AND DEVELOPMENT ..... 95

3.10 PLANNING INCLUDING TOWN-PLANNING ..... 95

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES) ..... 98

3.12 STRATEGIC PLANNING AND REGULATORY (INCLUDING PMS, IDP, AND OFFICE OF THE MUNICIPAL MANAGER) ..... 101

COMPONENT D: COMMUNITY & SOCIAL SERVICES ..... 115

3.13 LIBRARIES, EDUCATION, COMMUNITY FACILITIES AND SPORTS,CEMETORIES AND CREMATORIUMS 115

3.14 HEALTH AND WELFARE ..... 120

COMPONENT E: HEALTH AND ENVIROMENTAL PROTECTION ..... 121

3.15 HEALTH INSPECTION OF PREMISE AND BUSINESS FOR LICENCING ..... 121

3.16 DISASTER MANAGEMENT ..... 122

COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES ..... 124

3.17 EXECUTIVE AND COUNCIL ..... 124
3.18 BUDGET AND TREASURY OFFICE ..... 128
3.19 HUMAN RESOURCE(CORPORATE) SERVICES ..... 135
3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES ..... 145
3.21 LEGAL AND ADMINISTRATION SERVICES ..... 147
3.22 FLEET MANAGEMENT ..... 148
COMPONENT G: MISCELLANEOUS ..... 161
3.23 ANNUAL PERFORMANCE REPORT ..... 161
COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD ..... 161
3.24 FINANCE ..... 267
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II) ..... 271
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL ..... 271
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES ..... 271
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE ..... 272
4.2 POLICIES ..... 272
4.3 INJURIES, SICKNESS AND SUSPENSIONS ..... 274
4.4 PERFORMANCE REWARDS ..... 274
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE ..... 274
4.5 SKILLS DEVELOPMENT AND TRAINING ..... 275
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE ..... 276
4.6 EMPLOYEE EXPENDITURE ..... 277
CHAPTER 5 – FINANCIAL PERFORMANCE ..... 278
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE ..... 279
5.1 STATEMENTS OF FINANCIAL PERFORMANCE ..... 279
5.2 GRANTS ..... 281
5.3 ASSET MANAGEMENT ..... 282

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS ..... 282
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET ..... 282
5.5 CAPITAL EXPENDITURE ..... 282
5.6 SOURCES OF FINANCE ..... 283
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS ..... 284
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW ..... 286
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS ..... 286
5.9 CASH FLOW ..... 286
5.10 BORROWING ..... 287
COMPONENT D: OTHER FINANCIAL MATTERS ..... 288
5.11 GRAP COMPLIANCE ..... 288
5.12 SUPPLY CHAIN MANAGEMENT ..... 288
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS ..... 289
COMPONENT A: AUDITOR-GENERAL OPINION 2020/2021 ..... 289
6.1 AUDITOR GENERAL REPORTS 2020/2021 ..... 289
COMPONENT B: AUDITOR-GENERAL OPINION 2021/2022 ..... 295
6.2 AUDITOR GENERAL REPORTS 2021/2022 ..... 295
APPENDIX A (I) – LIST OF WARD COUNCILLORS ..... 304
APPENDIX A (II) – LIST OF PR COUNCILLORS ..... 306
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES ..... 308
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE ..... 309
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY ..... 310
APPENDIX E – WARD REPORTING ..... 312
APPENDIX F – WARD INFORMATION ..... 338
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22 ..... 339
APPENDIX H - LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP ..... 344

# Chapter 1

APPENDIX I: MUNICIPAL SERVICE PROVIDER PERFORMANCE ..... 345

APPENDIX J – DISCLOSURE OF FINANCIAL INTERESTS ..... 415

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE ..... 419

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE ..... 419

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG ..... 421

APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME ..... 422

APPENDIX N – CAPITAL PROGRAMME BY PROJECT BY WARD 2021/22 ..... 424

APPENDIX O - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION ..... 429

VOLUME II: AUDITED ANNUAL FINANCIAL STATEMENTS (ANNEXURE A) ..... 430

ACTION PLAN 2021/22 ..... 527

# Chapter 1

## CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR'S FOREWORD

#### 1. EXECUTIVE MAYOR'S FOREWORD



Our performance as a Municipality for each financial year is measured by whether we have achieved the key objectives set out in our IDP within the allocated budget.

**VISION**

The Municipality's vision is as follows:

"To better the lives of our people through equitable, sustainable service delivery and economic development"

**MISSION**

Thembisile Hani Local Municipality aims to work towards achieving its long-term vision by:

- Participatory Integrated Development Planning
- Sustainable, accountable and accelerated service delivery
- Promoting socio-economic development
- Intensifying community participation
- Shared economic growth
- Allocating resources within budgetary constraints

- Ensuring effective and efficient financial governance
- Applying good and transparent corporate governance and Batho Pele principles in order to create a high performing municipality

**THEMBISILE HANI LOCAL MUNICIPALITY VALUES & PRINCIPLES**

The Municipality will continue to be driven by and observe the following service delivery principles:

- Putting people first
- Treating people with respect ,treating people with dignity
- Showing humility and humbleness as servant of the people
- Treating Citizens as our bosses and create environment that is welcoming and solution oriented.
- Establish culture of professional, Ethical and Moral Behaviour
- Cultivate a culture of hard work, commitment and accountability
- At all-time protect the assets, finances and the image of our Municipality

**KEY POLICY DEVELOPMENTS**

Council resolution TH-NDC 141/05/2022, the Council adopted a five-year Integrated Development Plan, which is a single, inclusive and strategic plan for the development of the municipality as a whole. It links, integrates, coordinates plans and aligns resources and the budget. Council also approved the budget in 2022/2023, SDBIP and reviewed the IDP.

The 2021/2022 Annual Report reflects on whether our performance is gearing us towards our objective of becoming one of the top 5 best performing Municipalities – whether the limited resources at our disposal are enabling progress of meeting our service delivery obligations – or whether the goals we set ourselves to achieve have been a highest mountain to climb resulting in an unsatisfactory report. Effective financial policies and systems are envisaged to ensure financial viability and sustainability.

As alluded in the 2021/2022 budget speech, there are challenges facing Thembisile Hani Local Municipality as a fast growing municipality. These are the highlights which further confirm that *we are yet not where we were before*:

- Improving access to potable water in Thembisile Hani Local Municipality remains an apex priority. I am proud to say that there has been significant work completed on water infrastructure projects during the 2017/2018 financial year. The construction of a 10 Ml/ Day Water Treatment Plant (known as Bundu Weir/ Moses River) is currently under implementation, and the first phase was completed in December 2018, where 2.5 Ml/ Day was commissioned, and Booster pump will be installed to kwaggafontien 2022/2023.and Sheldon water infrastructure phase 1 completed 2020/2021 and phase 2 continuing in the 2022/2023 financial year.

**KEY SERVICE DELIVERY IMPROVEMENTS**

During the period under review, a concerted effort to implement projects and programs that were budgeted for and encapsulated in our IDP were undertaken and the outcomes thereof are evident within our area of jurisdiction.

Our IDP and Budget consultation meetings gave us the opportunity to listen to the community's needs and we acted on delivering the much needed services. Amongst the completed 2021/ 2022 projects the following are highlights:

- Allocation of an additional R 4 000 000.00 to the Municipality due to good performance on expenditure on Water Services Infrastructure Grant (WSIG)
- 100% expenditure on the Municipal Infrastructure Grant (MIG).
- 100% expenditure on the Water Services Infrastructure Grant (WSIG).
- Completion of kwaggafontien A (Madamini ) ward 29 -2km
- Completion of Suncity A bus route ward 19-1km
- Completion of Luthuli Link route ward 22-1km and culvert bridge
- Completion of Montainview bus route ward 14 (Simunye drive)-1km
- Commissioning of the Phase 2 of the Upgrading of Kwaggafontein Bulk Pipeline project.
- Completion of Sheldon water infrastructure phase 1 ward 9 and ward 14
- Completion of Tweefontien C and DK water infrastructure phase 1 ward 12
- Completion of Maboko water infrastructure phase 1 ward 21
- Completion of Ntokozweni water infrastructure phase 1 ward 17
- Completion of Bomandu replacement of Asbestos pipe phase 1 ward 7 and ward 24
- Completion of Suncity A ward 19, Kwamhlanga ward 32 and kwaggafontien A ward 27 Drilling of Borehole
- Completion of Luthuli Water Waste Treatment Works phase 1
- Completion of the Refurbishment of Kwamhlanga Sewer Oxidation Ponds phase1
- Completion of KwaMhlanga Stadium phase 1

Though we had to journey through the harsh realities of economic meltdowns, job-losses resulting in an increased unemployment rate and people living beyond poverty lines, factors which affected payment for services negatively, the report indicates improvements that reaffirm that *even though we are still not where we want to be, we are indeed moving forward*.

**PUBLIC PARTICIPATION**

The Municipality uses Ward committee meetings, Mayoral outreach meetings, Budget and IDP indaba, radio interviews, and loud-hailing and stakeholder meetings to engage the public in decision making process like budget consultation meetings and to improve accountability to communities.

**FUTURE ACTIONS**

Good governance, leadership and good financial management were enhanced for the period under review through functional Portfolio Committees, Municipal Public Accounts Committee and the Audit Committee (external). The task ahead is to attain 100% of our developmental goals in the remaining financial years through good leadership, good governance and sound financial management to ensure the following: -

- To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible roads
- To create integrated and sustainable human settlements through the proactive planning and development of land
- To create a safe, clean and healthy environment conducive for social development and recreation
- To improve the financial status of the municipality through prudent budget planning, stringent financial management and improved revenue collection
- To create a conducive environment for economic development, investment attraction and job creation.
- To improve organizational efficiency and promote a culture of professional conduct in order to render quality services
- To deepen democracy and promote active community participation in the affairs of the institution

**AGREEMENTS / PARTNERSHIPS**

The Municipality in Partnership with Sector Departments in the province, participates in a number of service delivery initiatives through CRDP where departments collaborate in a comprehensive way to among others, build schools, houses, assists communities in agriculture and encourage SMME`s in the project they initiate.

**CONCLUSION**

The fundamental thing to do for the society is to be thoroughly free and make sovereign decisions is when they fulfil all the social and economic needs without reliance to others. Commitment by all in this Municipality without reservations is on the rise. The political will is evident and will continue to add value to the required changes. I pledge my competence, commitment and knowledge to this Municipality.



**Cllr. LJ Dikgale**

**Executive Mayor**

# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW



**MUNICIPAL MANAGER'S OVERVIEW**

The 2021/2022 Annual Report will reflect on the progress made in achieving the objectives of Thembisile Hani Local Municipality (THLM) as outlined in our Service Standards, the Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan (SDBIP). There are various factors that were considered in our planning, the primary ones being the population size and households. The population size and number of households is proving to be increasing rapidly as compared to the statistics of 2011. This rapid growth affects the planning of the Municipality as the demand for service delivery increases.

During the year under review our budget expectations were not fully realised. We budgeted for property rates amounting to R 55 779 235 and we received R 28 506 969, service charges R 114 395 597 and we received R 3.4 million and we budgeted for other revenue amounting to R 50.1 million and we received R 5.0 million. This calls on us to intensify our revenue enhancement strategies and embark on extensive awareness campaigns to educate our people about the importance of paying for Municipal services. The Municipality has obtained an Unqualified Audit opinion for the 2021/2022 financial year with a number of matters being emphasized by the Auditor General of South Africa (AGSA). Based on the AGSA 's opinion a detailed audit action plan has been developed and it is monitored on a regular basis to track compliance and implementation of AGSA's recommendations.

To ensure accurate financial reporting the management of the Municipality, the Internal Auditors and other quality assures are working together with the Audit Committee and on a regular basis the committee provides guidance on the Municipality's financial matters. The Audit Committee also monitors the implementation of the Audit Action Plan (AAP) to assist the Municipality to improve audit outcomes.

The Municipality is financially stable, however we are still encountering challenges with revenue collection. We are currently implementing the revenue enhancement strategy and it is yielding good results. We are seeing slight improvement in the collection rate since we have introduced the Amnesty (90% discount) for consumers as per the strategy. We have also extended our pay points. Consumers can now pay for Municipal services at Spar, Shoprite, Checkers, Pep, Boxer and Post Office. We strongly believe that with all these measures in place in this regard our communities will be encouraged to pay for Municipal services.

# Chapter 1

Water is one of the major challenges wherein the people of THLM do not get water on their taps on a daily basis, we rely on the Vula-vala programme which is a water rationing programme to try and ensure that all households' gets water from their taps at least ones a week. During the financial year under review we were able to supply clean drinking water consistently to the people of Matheyzensloop, Boekenhouthoek, Bundu and Machipe from our very own water source which is Bundu Weir. These areas are now isolated from our two main water sources which are Rand Water and City of Tswane (CoT) meaning that we are now be able to channel the water from those areas to other areas that are struggle with water. The Moloto Ground Water Scheme Development project has been completed, however we are still experiencing some challenges with the operations and we believe that they will be resolved urgently and the people of Moloto will be able to get 2 mega litres per day from the project. We believe that these projects and other water related projects that we are implementing will yield good results in alleviating water challenges in THLM.

The roads within the municipality are in bad condition due to the heavy rains that we experienced at the beginning of the year 2022. Plans to improve our roads are in place. The municipality is working in collaboration with the provincial department of Public Works, Roads and Transport and other service providers to accelerate the roads re-gravelling programme. The machinery that was received by the municipality from Nkangala District is assisting the municipality to keep the roads in good condition.

One of our major accomplishments for this financial year is the completion of the KwaMhlanga Stadium project. The people of THLM have been requesting the municipality to look into the issue of the stadium and the municipality has listened and implemented the project. We believe that this project will promote social cohesion in our society and boost the economy of the municipality through the activities that will be taking place at the stadium.

In addition, we continue to engage and consult members of the public through various programmes such as the Mayoral Outreach, IDP and budget consultative meetings using different communication channels. The meetings were held in clusters and we had to use other platforms such as radio and social media to try and reach out to the majority of our people.

On behalf of the administration of Thembisile Hani Local Municipality, I wish to express my profound gratitude to the political leadership provided by the Executive Mayor and Members of the Mayoral Committee. We also wish to thank all Councillors, Officials and our different stakeholder for their role in improving the lives of the people of THLM. Let us grow THLM together.



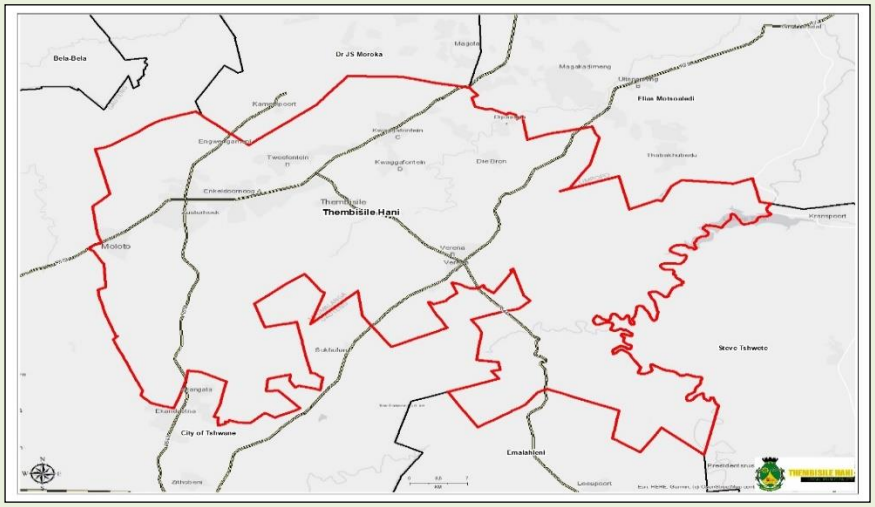
**Mr. O.N. Nkosi**
**Municipal Manager**

# Chapter 1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### ABOUT THEMBISILE HANI LOCAL MUNICIPALITY

### LOCALITY MAP – ADJACENT LOCAL MUNICIPALITIES




### SOCIO-ECONOMIC OVERVIEW

Mathyzensloop, Boekenhouthoek, Bundu, Enkeldoornoog, Goederede, Moloto North & South, Sun CityA-C, Phola Park, Buhlebesizwe, Vlaklaagte 1, Mzimuhle, Sybrandskraal, Vlakfontein, Witnek, Skoongesight, Modderfontein, Valchspruit, Blesbokfontein, Taaifontein, Rietfontein A, Rietfontein(Bly N Bietjie), Papskuil, Vandykspruit, Loopspruit, Nooitgedaght, Serengkop, Rooipoort, Swaartkoppies, Waterval Farm, Rooiground, Gemsbokfontein.

The majority of the urban areas are informal settlements with limited infrastructure. Urban sprawl due to un-contained and unplanned extensions of settlements is apparent and leads to challenges in providing bulk and reticulation infrastructure. Population density in urban areas is high and low in rural residential areas. Mathyzensloop, Kwaggafontein, Verena, Milliva, Kwamhlanga and Moloto can be regarded as principal business nodes with a neighbourhood shopping centre with some anchor tenants such as chain stores in each node. Secondary nodes exist along the R573 provincial road leading to Marble Hall. Similar nodes exist along the R25 provincial road which links Kempton Park, Bronkhorstspruit and Verena to Groblersdal. To some extent, the two above mentioned Provincial Roads Act as regional activity spines.

Most of the urban, peril-urban and agricultural settlements are situated along the R573 provincial road also known as the Moloto road. The road serves as a major communication and transportation route for the Municipality, linking it with Marble hall and Groblersdal to the east and Gauteng to the south- west. Many future residential and economic developments in the region are planned along the Moloto road.

The economic analysis of the area indicates that Thembisile Hani Local Municipality's local economy is dominated by community services, trade (formal & informal, with the latter performing higher than the former) and manufacturing. The remaining sectors are all relatively small. The Municipal area's economy is very small when its gap is compared to that of the other Municipalities. Agriculture has a high potential and needs to be nurtured. So is eco-tourism encompassed with rehabilitation of dilapidating tourist destinations and formation of a tourist belt? Therefore, specific actions need to be undertaken to broaden the tax base and improve participation in these activities.

There are a few mining activities around the area and these contribute to the creation of jobs and their service levels programs need to contribute to the upliftment of the community of THLM. This issue is pursued by both Council and Municipality. There is a need to sign MOU's by the Municipality and mine owners. The application for expansion of the Palesa mine is receiving the attention of the Municipality and the Department of Energy.

**VISION AND MISSION**

**VISION**

"To better the lives of our people through equitable, sustainable service delivery and economic development ".

**MISSION**

Thembisile Hani Local Municipality aims to work towards achieving its long-term vision by:

- Participative Integrated Development Planning
- Sustainable and accountable, accelerated service delivery
- Promotion of socio-economic development
- Intensified community participation
- Shared economic growth
- Allocate resources within annual budgetary constraints

**DEMOGRAPHIC PROFILE**

**Population Size**

According to Stats SA (2011 census), 310 458 people were recorded in 2011 which accounts for 23.7% of nkangala's population. The population grew by 1.9% pa between 2001 & 2011. The population number is estimated to be in the area of 447 250 people by 2030 given the historic population growth rate per annum. Of the total population 52.4% are female and 47.6% are male and approximately 99.2% are Africans. Youth up to 34 years of age is estimated at 68.7% of the population and the number of households is 75 634 which amounts to 4 people per household and 21.2% of the total households in Nkangala. Female headed households are estimated at 46.1% and child headed (10-17 years) households at 0.9 % in 2011. The Municipality's population has increased by about an additional 33 000 households in 2015. To date the total number of households in Thembisile is 109 282. According to the Community survey 2016 the population growth now stands at 333 331 and is estimated to reach 416 282

Table: 2.1: population size

| Demographic indicators | Stats SA Census | Stats SA census | Share of nkangala's figure | Share of Mpumalanga's figure | Ranking: highest (1) – lowest (18) |
|---|---|---|---|---|---|
| | 2001 | 2011 | 2011 | 2011 | |
| **Population number** | 258 871 | 310 458 | 23.7% | 7.7% | 5 |
| **Number of households** | 58 797 | 75 634 | 21.2% | 7.0% | 6 |
| **Area size – km²** | | 2 385 | 14.2% | 3.1% | 15 |
| **Population per km²** | | 130 | | | |

Source: statistic South Africa, 2011.

**Population Composition**

**The gender composition**

The gender composition of the Municipality indicates that 47.6 % of the population is male and 52.4 % is female. The dominance of the female population is evident over the whole age spectrum. Figure 3.2.2a below shows that there is an increased distortion in gender composition in the age groups ranging between 15 and 54 where there are noticeably less males as compared to females. This can be attributed to the migration of the male populace to the Gauteng region to seek better employment opportunities.

Table 3.2.2.1a: geography by gender

| Geography | Year | Male | Female | Total |
|---|---|---|---|---|
| **Thembisile** | 2001 | 119 928 | 138 944 | 258 872 |
| | 2011 | 147 659 | 162 775 | 310 434 |
| **Nkangala** | 2001 | 491 225 | 529 363 | 1 020 588 |
| | 2011 | 656 247 | 651 882 | 1 308 129 |
| **Mpumalanga** | 2001 | 1 497 325 | 1 625 661 | 3 122 986 |
| | 2011 | 1 974 055 | 2 065 883 | 4 039 938 |

Source: statistic South Africa, 2011.

Table 3.2.2.1b: geography by gender (percentages)

| Geography | Year | Male | Female | Total |
|---|---|---|---|---|
| **Thembisile** | 2001 | 46.3% | 53.7% | 100.0% |
| | 2011 | 47.6% | 52.4% | 100.0% |
| **Nkangala** | 2001 | 48.1% | 51.9% | 100.0% |
| | 2011 | 50.2% | 49.8% | 100.0% |
| **Mpumalanga** | 2001 | 47.9% | 52.1% | 100.0% |
| | 2011 | 48.9% | 51.1% | 100.0% |

Source: statistic South Africa, 2011.

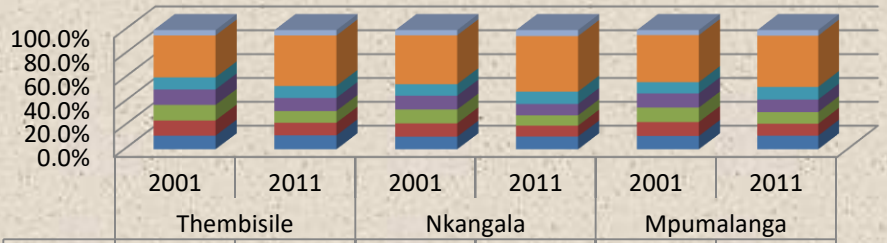
**The age structure**

The age structure of the Municipality shows a youthful population distribution. In 2001, there was strong evidence of declining fertility, which is indicated by a steady decline in the population groups 10-14, 5-9 and 0-4, this is also evident in 2011. It is also evident that the population of the Municipality is concentrated in the younger age groups, with the population group between 10 and 19 being the largest. The distribution is similar for both males and females, except for the notable larger female population at all age groups. It is further evident from the graph that there is a noticeable decline in both men and women in the age category 15 – 20 years. The economically active population is standing at 62, 9%, and these are people between the ages of 15 and 64. The Municipality also has a dependency ratio of 58, 9% because the rest of the population is either too young or too old to generate income. (See figure 3.2.2c below)

Table 3.2.2.2: Age structure

| Geography | Year | 00 - 04 | 05 - 09 | 10 - 14 | 15 - 19 | 20 - 24 | 25-64 | 65+ | total |
|---|---|---|---|---|---|---|---|---|---|
| **Thembisile** | 2001 | 29 611 | 32 806 | 33 817 | 33 671 | 26 242 | 90 929 | 11 775 | 258 851 |
| | 2011 | 36 232 | 32 859 | 30 643 | 33 778 | 31 337 | 131 333 | 14 124 | 310 306 |
| **Nkangala** | 2001 | 108 079 | 114 044 | 118 592 | 118 038 | 98 433 | 418 671 | 44 597 | 1 020 454 |
| | 2011 | 140 505 | 119 150 | 113 132 | 124 098 | 136 115 | 609 710 | 65 419 | 1 308 129 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Mpumalanga** | 2001 | 348 681 | 364 704 | 379 895 | 370 283 | 295 409 | 1 231 135 | 132 662 | 3 122 769 |
| | 2011 | 461 559 | 402 772 | 396 348 | 424 278 | 427 541 | 1 737 728 | 189 714 | 4 039 940 |




| | 2001 Thembisile | 2011 Thembisile | 2001 Nkangala | 2011 Nkangala | 2001 Mpumalanga | 2011 Mpumalanga |
|---|---|---|---|---|---|---|
| 65+ | 4.5% | 4.6% | 4.4% | 5.0% | 4.2% | 4.7% |
| 25-64 | 35.1% | 42.3% | 41.0% | 46.6% | 39.4% | 43.0% |
| 20 - 24 | 10.1% | 10.1% | 9.6% | 10.4% | 9.5% | 10.6% |
| 15 - 19 | 13.0% | 10.9% | 11.6% | 9.5% | 11.9% | 10.5% |
| 10 - 14 | 13.1% | 9.9% | 11.6% | 8.6% | 12.2% | 9.8% |
| 05 - 09 | 12.7% | 10.6% | 11.2% | 9.1% | 11.7% | 10.0% |
| 00 - 04 | 11.4% | 11.7% | 10.6% | 10.7% | 11.2% | 11.4% |

**Socio-economic development**

**Employment and unemployment indicators**

About 97 744 people are economically active out of these 37% which is 36 165 are unemployed, 61 579 which is 63% are economically active youth (between age of 15 – 34 years) almost half which is 30 790 are unemployed. Out of the 37% unemployment rate the highest is the female population as a result of the loss of jobs and the decline in new job opportunities in the neighbouring urban areas such as Witbank, Middelburg and Pretoria exacerbate the unemployment rate. The Socio Economic Report and Outlook further indicates the following about the Municipality:

- Unemployment rate of 37.0% (strict definition) in 2011 amounted 36 139 unemployed as a percentage of the year of 97 744 - decreasing trend (estimated 2013 unemployment figure by IHS global insight 36.4%).
- Unemployment rate for females 39.9% and males 34.1% - youth unemployment rate of 49.4% in 2011.
- Highest unemployment in Ward 30 (50.1%) & lowest unemployment in Ward 1 (29.0%).
- Employment number 17.3% of nkangala's employed.
- Employment increased by 27 468 between 2001 & 2011 according to the census – almost 3 000 new jobs per annum – 4% of provincial job creation target.
- Formal employment 54.3% & informal employment 22.5%.

Table 3.2.3.1: Thembisile Hani labor indicators

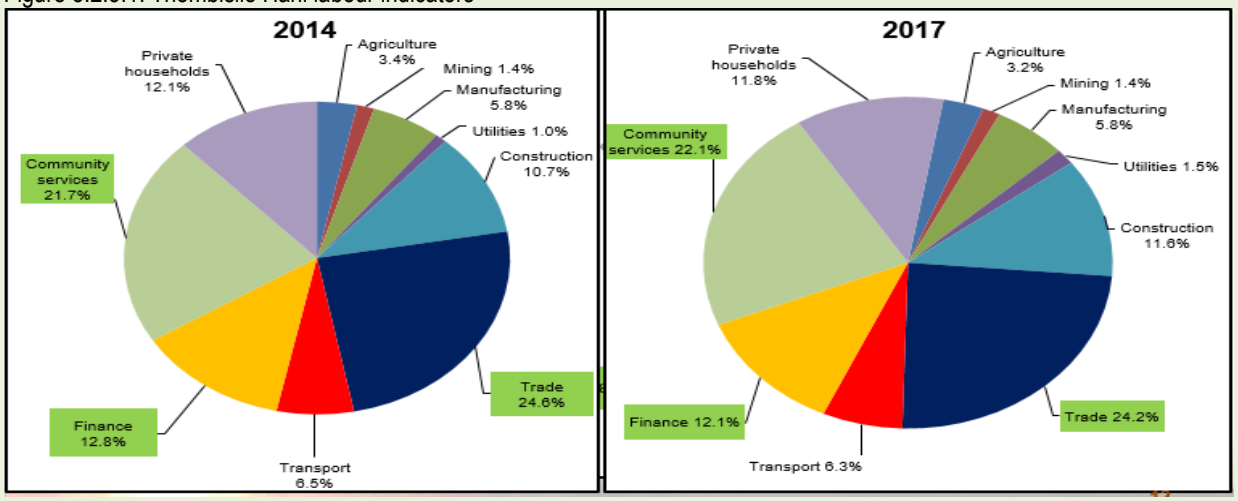
| Labour Indicators | Census | Census | Share Of Nkangala's Figure | Ranking: Best (1) – Worst (18) |
|---|---|---|---|---|
| | 2001 | 2011 | 2011 | |
| **Working Age Population** | 151 714 | 195 457 | | |

| | | | | |
|---|---|---|---|---|
| **Economically Active Population (Eap)/Labour Force** | 69 910 | 97 744 | | |
| **Number Of Employed** | 34 137 | 61 605 | 17.3% | |
| **Number Of Unemployed** | 35 773 | 36 139 | 23.7% | |
| **Unemployment Rate (%)** | 51.2% | 37.0% | | 15 |

Source: socio-economic report and outlook for Mpumalanga, 2014

The Socio-economic report and outlook (sero) report further illustrated that the leading employment industries within the Municipality are community services at 21.2% and trade at 24.2%. Prevailing trends have also shown a decreasing role/share of manufacturing and trade and increasing role/share of community services & finance as the main employers. These figures appear to be declining as they went down from 21.7% and 24.6% respectively.

Figure 3.2.3.1: Thembisile Hani labour indicators




Source: socio-economic report and outlook for Mpumalanga,

**Poverty rate**

Thembisile's poverty rate is estimated at around 40% or 128 890 poor people and this makes the Municipality the poorest in the district and forth poorest in the entire province, this is however a declining trend. The bottom 40% of households shared 12.2% of the total income in 2013. Statssa's multidimensional poverty index (sampi) in Thembisile Hani has improved from 0.07 in 2001 to 0.02 in 2011.

Table 3.2.3a poverty and inequality

| **Indicators** | **Trend** | | | **Latest figure** | **Better (+) or worse (-) than nkangala** | **Better (+) or worse (-) than province** | **Ranking: best (1) – worst (18)** |
|---|---|---|---|---|---|---|---|
| | **2001** | **2004** | **2009** | **2012** | | | |
| **Poverty rate** | 53.3% | 52.8% | 47.7% | 40.8% | (-) (30.6%) | (-) (36.9%) | 15 |
| **Number of people in poverty** | 145 068 | 145 708 | 142 877 | 128 890 | | | 15 |
| **Poverty gap (r million)** | r176 | r240 | r339 | r346 | | | 14 |

Source: Mpumalanga socio-economic outlook report, Mpumalanga department of finance, 2014

**Individual income**

Table 3.2.3b: geography by individual income (R)

| | | No income | 1-400 | 401 - 800 | 801 - 1 600 | 1 601 - 3 200 | 3 201 - 6 400 | 6 401 - 12 800 | 12 801 - 25 600 | 25 601 - 51 200 | 51 201 + | Total | Average |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Thembisile** | 2001 | 880 | 4 498 | 9 169 | 1 1259 | 5 132 | 2 254 | 747 | 210 | 0 | 0 | 34 149 | 1 589 |
| | 2011 | 131 799 | 85 110 | 8 946 | 39 693 | 19 563 | 8 613 | 4 344 | 2 025 | 429 | 225 | 300 747 | 907 |
| **Nkangala** | 2001 | 4 137 | 22 046 | 40 579 | 49 193 | 41 283 | 24 612 | 12 732 | 5 272 | 0 | 0 | 199 854 | 2 644 |
| | 2011 | 401 493 | 44 643 | 29 014 | 96 955 | 80 664 | 62 900 | 48 168 | 33 747 | 12 323 | 4 826 | 814 733 | 3 182 |
| **Mpumalanga** | 2001 | 12 619 | 134 766 | 139 875 | 131 103 | 100 495 | 64 222 | 32 064 | 14 831 | | | 629 975 | 2 239 |
| | 2011 | 1 243 674 | 159 802 | 103 097 | 310 187 | 211 586 | 150 589 | 122 607 | 84 152 | 30 239 | 12 436 | 2 428 369 | 2 720 |

Source: statistic South Africa, 2011.

**Education indicators**

In the Municipality citizens that are 20 years of age and older with no schooling account for 18.0% (31 711) total population of the Municipality (34.4% of nkangala's district), and this is one of the highest in the province. The total population that are 20 years of age and older with matric & higher qualification account for the 31.6% of the total population and this has shown an improvement but is still however lower than both district and provincial averages (third lowest in the province). The functional literacy rate (15+ with grade 7+) is also improving but is still lower than the district and provincial averages. The matric pass rate was sitting at 73.0 % in 2013 and the university/degree admission rate was only 18.0% in 2013. Thembisile Hani Municipal area has 72 government funded ecd (early childhood development) centers in 2014/15 financial year.

Table 3.2.3.4: education indicators

| Education indicators | Trend | Latest figure | Better (+) or worse (-) than nkangala | Better (+) or worse (-) than province | Ranking: best (1) – worst (18) |
|---|---|---|---|---|---|
| | 2001 | 2011 | | | |
| **Number of people 20+ with no schooling** | 43 736 | 31 711 | | | 15 |
| **Population 20+ with no schooling (%)** | 33.9% | 18.0% | (-) (11.5%) | (-) (14.0%) | 13 |
| **Population 20+ with matric & higher (%)** | 19.6% | 31.6% | (-) (40.2%) | (-) (38.8%) | 16 |
| **Functional literacy rate (%)** | 57.5% | 71.8% | (-) (79.0%) | (-) (76.9%) | 14 |

Source: socio-economic report and outlook for Mpumalanga, 2014

**Population groups**

Thembisile Hani Local Municipality has a total population of 310 458 people, of whom 99, 2% are black African, and 0, 3% are Indian/Asian. The other population groups make up the remaining 0, 5%. Based on the aforementioned, it is evident that the Municipal population is predominantly composed of black Africans.

**Percentage distribution of Thembisile Hani Local Municipality**

| Group | Percentage |
|---|---|
| Black african | 99,2% |
| Coloured | 0,2% |
| Indian/asian | 0,3% |
| White | 0,1% |
| Other | 0,2% |

**Household trends**

The number of households in Thembisile Hani Local Municipality have increased by about 13.5%, from 65 394 in 2007 to 75 634 in 2011. The average household size is 4 persons per household and 46, 1% of households are headed by females. only 16,3% of households have access to piped water inside the dwelling, 72,1% of households have access to piped water inside the yard and 4,6% have no access to piped water. Table 2.2.2 below shows the current household trends in the Municipality.

**Household trends (source s statistics South Africa, 2011)**

| Enumeration type | Figures and percentages |
|---|---|
| Number of households | 75,634 |
| Average household size | 4,1 |
| Female headed households | 46,1% |
| Formal dwellings | 85,6% |
| Housing owned/paying off | 76,1% |
| Flush toilet connected to sewerage | 6,8% |
| Weekly refuse removal | 4,6% |
| Piped water inside dwelling | 16,3% |
| Electricity for lighting | 92,3% |

**Population languages: source: stats SA**

| Language | Percentage |
|---|---|
| Afrikaans | 0,4% |
| English | 1,2% |
| Isindebele | 58,4% |
| Isixhosa | 1% |
| Isizulu | 12,5% |
| Sepedi | 12,6% |
| Sesotho | 4,8% |
| Setswana | 1,9% |
| Sign language | 0,3% |
| Siswati | 2,9% |
| Tshivenda | 0,4% |
| Xitsonga | 2,6% |
| Other | 0.9% |
| Not applicable | 0,1% |

**Education profile**

The attainment of education is a key indicator of a developing society. The level of education of a society influences its welfare through its indirect influence on health, fertility and life expectancy. in Thembisile, of those aged 20 years and older, 18,3% have completed some primary school, 32,4% have some secondary education, 26,2% have completed matric, and 5,2% have some form of higher education, while 18% have no form of schooling. considering that the labor absorbing market requires at least some level of skilled labour for decent work, the Municipality's population is largely unskilled with only 5,2% of the population having some form of higher education and training. This therefore, further exacerbates unemployment rates.

**Highest educational levels**

| Group | Percentage |
|---|---|
| No schooling | 2,6% |
| Some primary | 44,8% |
| Completed primary | 6,5% |
| Some secondary | 33% |
| Completed secondary | 11,7% |
| Higher education | 1,3% |
| Not applicable | 0,1 |

**Employment profile**

About 97 744 people are economically active (employed or unemployed but looking for work), and of these, 37% are unemployed. of the 48 741 economically active youth (15 – 34 years) in the area, almost half (49, 4%) are unemployed. the unemployment rate in the Municipality is currently standing at 37% with the female population accounting for most of the unemployment status. the loss of jobs and the decline in new job opportunities in neighbouring urban areas such as Witbank, Middelburg and Pretoria exacerbate the unemployment rate.

| Employment status | Number |
|---|---|
| Employed | 61 605 |
| Unemployed | 36 139 |
| Discouraged work seeker | 13 477 |
| Not economically active | 84 188 |

**Source: Statistics South Africa, 2011**

**Income categories**

The main labour absorbing markets in the Municipality are social services, business services, retail, trade and agriculture. These markets provide the basis for employment and income within the Municipality and suggest that the Municipality must concentrate on labour intensive programmes and skills development when rendering services. Approximately 13, 8 % of the households within the Municipality have no income and more than 50% of the households earn less than r 50 000 per annum.

**Household income**

| Income | Percentage |
|---|---|
| None income | 13,8% |
| R1 - R4,800 | 5,6% |
| R4,801 - R9,600 | 9,7% |
| R9,601 - R19,600 | 20,3% |
| R19,601 - R38,200 | 23,6% |

| | |
|---|---|
| R38,201 - R76,400 | 15,2% |
| R76,401 - R153,800 | 7,4% |
| R153,801 - R307,600 | 2,9% |
| R307,601 - R614,400 | 1% |
| R614,001 - R1,228,800 | 0,2% |
| R1,228,801 - R2,457,600 | 0,1% |
| R2,457,601+ | 0,1% |

**Economic analysis**

The City of Tshwane and areas such as Bronkhorstspruit and Witbank provide a regional function to areas in Thembisile (e.g. trade services, banking, manufacturing, storage, transport, etc.), because of its size and level of sophistication. The economy is unable to generate a significant number of direct employment opportunities for the local communities. The economies of surrounding townships and rural areas comprise mostly of informal activities and largely serve the immediate consumption needs of local people.

The Municipality is further characterised by limited job opportunities and high levels of unemployment and illiteracy. As a result, there are very limited industrial activities and high levels of dependency and poverty. The dependency on neighboring towns and cities to provide job opportunities has necessitated a culture were a significant amount of the population commutes on a daily or regular basis to areas such as Tshwane, Ekurhuleni, Johannesburg and Emalahleni.

Economic activities within the Municipality are dominated by public services and informal trade particularly those found at main intersections in Moloto, Kwamhlanga, Tweefontein, Verena and Kwaggafontein. The Municipality also has potential for mining, agriculture and eco-tourism. The Municipal area is largely suitable to agriculture, both for ploughing and stock farming. The indigenous knowledge of communities within the Municipality should also be sustained. These include knowledge and skills in bead work, traditional painting, weaving, and grass work.

The small industrial parks that were developed by the Kwandebele government are now in disuse. There is a need for the Municipality to resuscitate these small industrial parks in order to contribute to sustainable employment within the Municipal area.

**Employment status comparison with district and province**

| Area | Employed | Unemployed | Discouraged work seekers |
|---|---|---|---|
| **Thembisile** | 61 611 | 36 141 | 13 476 |
| **Nkangala** | 355 478 | 152 250 | 42 554 |
| **Mpumalanga** | 969 771 | 448 126 | 150 844 |

**Economic sectors and activities**

**Agriculture**

Apart from the urban settlements highlighted above, the rural parts of the Thembisile Hani Local Municipality are predominantly utilized for agricultural purposes. The agricultural land towards the east of Verena is predominantly utilized by large scale farmers while the agricultural land to the west of Verena in the Thembisile Hani area is utilized by local and emerging farmers. Extensive agriculture, particularly cattle and game farming is the predominant form of farming.

**Mining**

There are currently limited mining activities occurring in the southern portions of the Municipality along the R568 road. A number of external stakeholders have shown interest in developing mining opportunities within the Municipality.

**Tourism**

The tourism attraction sites in the Municipality include the Zithabiseni holiday resort in the Mabusa nature reserve (to be restored to its former glory) and the main tourism node: the Kgodwana village and Loopspruit winery at Schoongezicht, just east of the R568 between Kwamhlanga and Ekangala in the south.

**Trade and local business**

The economic activity around the intersection of routes R568 and R573 in the vicinity of Kwamhlanga represents the highest order activity node in the Municipality this is probably the most strategic intersection in the entire Municipal area, and it is surrounded by a fairly large number of households (formal and informal). The result is a fairly high concentration of economic activity with a variety of shopping facilities (formal and informal), a taxi rank, and community facilities which include, amongst others, the Solomon Mahlangu stadium and the former Kwandebele government offices.

The second most significant activity node in the Thembisile Hani area is found in Kwaggafontein b at the intersection between route R573 and the link road between Kwaggafontein and Verena where a large shopping Centre (Kwaggafontein Mall) exists. The Thembisile Hani Local Municipality offices are also located in this precinct.

There are about five other emerging/secondary activity nodes that can be distinguished in the Thembisile Hani area: the first is in the vicinity of Moloto, the second at Enkeldoornoog b, the third one at Vlaklaagte 2, the fourth at mathys zyn loop to the North, and the fifth at Verena around the intersection between routes R25 and R544 in the southern parts of the Thembisile Hani Local Municipality. These are all smaller nodes (second order) that are still in the process of development, and comprise a mixture of formal and informal retail, commercial and service industry activities.

**Job creation initiatives**

The Municipality must focus on maximizing its contribution to job creation, by ensuring that service delivery and capital projects implementation use labor intensive methods wherever appropriate. The Municipality furthermore supports job creation initiatives through the community works programme and the pew programmes.

**Social analysis**

**Integrated and sustainable human settlements and housing**

The lack of housing has been highlighted as one of the key challenges facing communities during many community outreach meetings. A housing survey conducted in 2009 indicated a huge backlog in housing delivery. Many people within the Municipality live in informal houses (mud houses and shacks) which are either too old to be inhabited or a structurally weak and are thus vulnerable to being destroyed by bad weather (storm/rain during the summer). The housing survey revealed that there was a housing backlog of about 9764 units, and there are currently no recent statics to gauge whether or not this backlog has increased or subsided.

The unavailability of an integrated human settlements plan and the retention of land for integrated human settlements have over time resulted in the eruption of informal settlements in almost all the Municipal areas. This is exacerbated by the allocation of land by some traditional authorities without having considered the necessary impact.

The Municipality has also participated in housing delivery programmes with national and provincial departments of human settlements over the years. The programmes that were used to fund some of the housing development projects in the Municipality include:

- Projects link programme (Greenfields programme)
- Peoples housing programme
- Community based rural subsidy programme
- Disaster/emergency programme
- Community based individual programme

**Health**

Thembisile is served with health care facilities such as clinics and visiting points. The following health facilities are provided within the Municipality:

| Facility name | Location | Number |
|---|---|---|
| Kwamhlanga hospital | Kwamhlanga | 1 |
| Community health center (24 hour service) | Buhlebesizwe / Vlaklaagte 2, Kwaggafontein, Moloto, Verena, Kwamhlanga and Thembalethu | 6 |
| Clinics (8 hour service) | Empilweni, Gemsbokspruit / Mzimuhle, Goederede, Vlaklaagte 1, Kameelpoortnek, Tweefontein C, Tweefontein D, Tweefontein A, Tweefontein M, Vriesgewacht,, Tweefontein H, Boekenhouthoek/ Zithabiseni and Kwagga A, Tweefontein G clinic | 15 |
| Mobile clinics | Verena CHC mobile, Thembalethu CHC mobile, Kwaggafontein CHC mobile and Moloto CHC mobile<br>table: 37 time table for mobile clinics | 4 |

Both primary and secondary health care facilities are problematic in certain areas due to limited resources, which make it difficult to ensure that all the communities are provided with the minimum acceptable levels of health services. Most of the clinics do not provide a 24-hour service due to lack of staff and resources, but the Municipality is fairly well served with health facilities.

**Sports, Art and Culture**

Thembisile Hani Local Municipality has two stadiums namely, Solomon Mahlangu stadium and the Kwaggafontein stadium, located in Kwamhlanga and Kwaggafontein respectively. The Solomon Mahlangu stadium has an array of facilities to support different sporting codes including netball, tennis, basketball and boxing. In order to fortify the potential of the sporting hub all sporting facilities in the vicinity of the stadium should be upgraded, maintained and integrated to the existing hub. the regional sport and recreation master plan conducted for the Nkanngala District Municipality in 2003 provides an assessment of the type of facilities currently in the Municipal area (e.g. soccer, netball, athletics etc.), together with their location and condition. (See Municipal SDF for further detail). The four libraries in the Municipality need to be maintained and furnished with books in order to encourage the community to read and write. There is a need for a mobile library needed in Loopspruit.

**Some of the challenges relating to sport, arts and culture include:**

- Lack of a funding model for the naming, renaming and signage of geographical features, streets, heritage sites and settlements;
- Heritage sites and tourist attraction sites in the Municipality are not formalised and promoted;
- Shortage and minimal access to sporting facilities by the local community;
- Sport committees at ward level exist but are dysfunctional;

- There is a need for an additional community gymnasium to encourage the wellness of community;
- The community gymnasium facility at Kwaggafontein stadium need to be professional run;
- The lack of art and development centre

**Telecommunication and postal services**

There are four post offices within the Municipality. These are located at Kwaggafontein, Verena, Kwamhlanga and Somarobogo. There were 24 lobby post boxes serving the community, two were removed from Verena and one from Somarobogo by the South African post office. These where removed because of the ineffectiveness of the service and were consequently replaced by street delivery service. The street delivery system might be effective but might be hindered by the lack of street names and proper house numbering. The Municipality and the post office must develop the mechanism of ensuring that farm communities have access to this service. On average the Municipality is well serviced with telecommunication services including cellphone networks. Approximately 68, 2% of the households reported that they had access to telephone facilities at home or nearby, while 27, 8% had access to a cell phone only. Only 1, 4% of the population had no access to any form of telecommunication.

**The following problems have been raised by the community:**

The delivery of letters is delayed due to contradicting stand numbers.

**Public transport**

Most of the residents of the Municipality work in Gauteng and commute to Tshwane and the surrounding areas on a daily basis. Buses and taxis are used as a staple mode of transport to work. This makes the R573 (Moloto road) very busy during peak hours and poses a higher risk of motor car accidents. Transport infrastructure in the form of bus/taxi terminals are also not adequately provided to cater for the business. Existing infrastructure is dilapidated and needs to be restored or upgraded. The public transport traffic volumes put considerable strain on the road infrastructure.

**Moloto rail corridor development initiative**

The Moloto rail corridor development initiative was launched at national and provincial government level and enjoys the full support of the Nkangala District Municipality and local Municipalities in the district. The main focus of the initiative is to replace the bus commuter system along the Moloto road with a rail commuter system. The objective is to provide safer, faster and more efficient rail transport, while buses and taxis will be used as part of a feeder system to the railway stations along the Moloto rail corridor.

The railway line and stations will form the basis for the nodal system, which will be used as a tool to promote the development of retail and community facilities at stations. Stations will be developed in accordance with the concept of transit orientated development, which promotes high density, mixed land use within walking distance from stations. These toads will create the critical mass required to stimulate viable economic activity. Through careful planning, a range of community services can be provided along the railway line, ensuring that the community has access to a full range of community services through use of the railway system.

# Chapter 1

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The Municipality provided communities with potable water and sanitation. The portable water is purchased from three external water source and the Municipality has recently commissioned the Bundu Weir source which its own by the Municipality. The water and sanitation systems are operated and maintained according to the blue and green drop requirements. The Municipality is committed to achieve blue and green drop status in future.

The Municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, health care risk waste management. Regular solid waste collection service is provided to business, institutions and households within the jurisdiction of the Municipality. Waste collection from residential premises is carried out on fortnight basis. The growing Municipal population is exacerbating the demand on resources and services, and increasing the generation of waste to meet many of these demands.

The Municipality has recorded the below amount of services and the receipt of the water quality

- Provided 64 267 households with access to basic water
- Provided 64 061 households with access to basic refuse removal
- Provided 80 028 households with access to basic electricity
- Provided 2 460 households with access to basic sanitation (water borne system)
- Provided 64 267 households with access to free basic water (6 kl)

### CHALLENGES

- The provision of free basic electricity in Thembisile Hani Local Municipality where Eskom is the supplier.
- No proper indigent register
- Community of Thembisile Hani Local Municipality requires water borne sanitation system and not the VIP toilets anymore
- Inadequate and inconsistent water supply
- Shortfall of 36.1 mega litres per day in water supply water supply
- Lack of own water source
- Inadequate water storage in Moloto
- Huge backlog on gravel roads
- High level of informal settlements mushrooming rapidly which add to the already housing

## 1.4. FINANCIAL HEALTH OVERVIEW

| **Financial Overview - 2021/2022**<br>**R** | | | **R** |
|---|---|---|---|
| **Details** | **Original budget"000** | **Adjustment Budget** | **Actual** |
| **Income** | | | |
| Property Rates | 42 971 856 | 55 779 235 | 27 778 759 |
| Grants | 648 245 000 | 648 245 000 | 662 220 000 |

| | | | |
|---|---|---|---|
| Service Charges | 125 466 024 | 114 395 597 | 114 396 000 |
| Public Contribution & Donation | 0 | 0 | 0 |
| Fines, Penalties & Forfeits | 10 552 896 | 12 621 066 | 3 913 007 |
| Other Revenue | 77 077 656 | 83 955 685 | 5 170 350 |
| Sub Total | 904 313 448 | 914 996 583 | 813 478 116 |
| Less Expenditure | 1 107 942 960 | 1 139 932 672 | 1 019 443 184 |
| **Net Total*** | **-203 629 512** | **-224 936 089** | **-205 965 068** |
| * Note: surplus/(- deficit) | Note: operational and capital included on the expenditure | | T1.4.2 |

| **2021/2022 Operating Ratios (adjusted budget)0** | |
|---|---|
| **Detail** | **%** |
| Employee Cost | 19% |
| Councillors Cost | 3% |
| Repairs & Maintenance | 1.08% |
| Finance Charges & Depreciation | 9.5% |
| | T1.4.3 |

**LIQUIDITY RATIO**

Liquidity ratio for 2020/2021 is 3:4 and for 2021/2022 is 5:4

**COMMENT ON OPERATING RATIOS**

Employee costs is within the acceptable norm of approximately 14.80% plus 2.77% for Councillors costs which is equals to 17.57% to total operating cost. Repairs and maintenance constitute 4.0%. Although the percentage is below the norm, there are no major repair and maintenance backlogs. Finance charges and depreciation is 19.04% to total operating cost. This medium percentage informs that the Municipality is in a position to take up additional external funding.

| **Total Capital Expenditure** | | | |
|---|---|---|---|
| | **R** | | |
| **Detail** | **2019/2020** | **2020/2021** | **2021/2022** |
| Original Budget | 167 646 750 | 174 846 000 | 185 513 100 |
| Adjustment Budget | 199 443 408 | 238 173 000 | 194 827 880 |
| Actual Expenditure | 196 058 218 | 218 012 000 | 188 952 461 |
| % | 98.30% | 91% | 96.96% |

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Thembisile Hani Local Municipality has an organizational structure which is aligned to the IDP and is reviewed annually to ensure operational effectiveness.

The organogram has the following departments:

- Department: Municipal Manager's Office
- Department: Corporative Services
- Department: Budget and Treasury Office
- Department: Technical Services
- Department: Social Development Services
- Department: Development and Town Planning Services

The Municipal Manager and all Managers have signed employment contracts and annual performance agreements

The percentage of vacant posts on the Municipality's organogram is at 9.5% by the end of the financial year.

The major priority for the Municipality in terms of organisational development relates to organisational reengineering wherein the Municipality has contracted a service provider on a multiyear agreement to undertake this process. The service provider is expected to assist the Municipality in developing relevant job descriptions for each employee, assisting the Municipality in conducting the job evaluation for the purpose of the proper grading of the Municipality and embedding and cascading Performance Management System to all levels. The second priority in the continuous capacity building of Municipal employees in terms of the Municipal finance under the MFIP programme as well as other capacity building initiatives for other employees. The Municipality's record management unit plays an important role in the affairs of the Municipality in line with the Archives Act of South Africa Act no. 43 of 1996. Another development for the Municipality was the use and adoption of grap standards by the finance department to guide on the accounting standards and the adoption of Mscoa that the Municipality is currently using.

## 1.6. 2020/2021 AUDITOR GENERAL REPORT

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 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 financial year (2020/2021) Thembisile Hani Local Municipality received unqualified opinion.

## 1.7. STATUTORY ANNUAL REPORT PROCESS

| No. | Activity | Timeframe |
|---|---|---|
| 1 | Consideration of Next Financial Year's Budget and IDP Process Plan. Except For The Legislative Content, The Process Plan Should Confirm In-Year Reporting Formats To Ensure That Reporting and Monitoring Feeds Seamlessly into The Annual Report Process At The End Of The Budget / IDP Implementation Period July | July |
| 2 | Implementation And Monitoring Of Approved Budget And IDP Commences (In Year Financial Reporting). | |
| 3 | Finalise The 4th Quarter Performance Report For Previous Financial Year | |
| 4 | Submits Draft Annual Report Including Annual Financial Statements And Performance Report To Auditor General | August |
| 5 | Annual Performance Report as Submitted to Auditor General to Be Provided As Input To The IDP Analysis Phase | |
| 6 | Auditor General Audits Annual Report Including Annual Financial Statements And Performance Data | September - October |
| 7 | Municipalities Receive And Start To Address The Auditor General's Findings | |
| 8 | Commencement of Draft Budget/ IDP Finalisation for Next Financial Year. Annual Report And Oversight Reports To Be Used As Input | |
| 9 | Receive Management Letter And Provide Final Comments On Findings | November |
| 10 | Auditor-General Submit Audit Opinion | |
| 11 | Executive Mayor Tables Annual Report and Audited Financial Statements to Council Complete With The Auditor- General's Report | January |
| 12 | Audited Annual Report Is Made Public And Representation Is Invited | February |
| 13 | Oversight Committee Assesses Annual Report | |
| 14 | Council Adopts Oversight Report | March |
| 15 | Council Table Next Financial Year Budget / IDP And Invite Public Representation | |
| 16 | Oversight Report Is Made Public | April |
| 17 | Oversight Report Is Submitted to Relevant National & Provincial Stakeholders And Legislature | |
| 18 | Council Approve Next Financial Year Budget / IDP | May |
| 19 | Make Public Approved Budget And IDP | June |
| 20 | Finalize SDBIP And Performance Agreements For Next Financial Year | |
| 21 | Make Public SDBIP And Performance Agreements | July |

**COMMENT ON THE ANNUAL REPORT PROCESS**

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

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

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 to other priority areas needing attention.
The Annual Report of a Municipality must be tabled in the Municipal Council on or before 31 January each year (MFMA section 127). In order to enhance oversight functions of the Council, this must be interpreted as an outer deadline; hence the Municipality must submit the Annual Report as soon as possible after year end, namely, August. The entire process is concluded in the first or second week of December for all Municipalities, the same year in which the financial year ends and not a year later, as is currently the case. It is expected that effective management of performance will also result from this change.

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

The above can only occur if the Municipality set appropriate key performance indicators and performance targets with regards to the development of priorities and objectives in its IDP and outcomes (MSA s41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, s24).

The Annual Report content will assist Municipal Councillors, residents, oversight institutions and other users of Annual Reports with information and progress made on service delivery. It must align with the Integrated Development Plan (IDP), budget, Service Delivery and Budget Implementation Plan (SDBIP), and in year reports. the contents will also assist with the annual audit other key aspect of the reform in combining the relevant information into the new Annual Report format will assist the Municipality to streamline operations and processes through combined Committees, reduce costs, time and effort. There will be a limited need for the Municipality to have different Committees to deal with financial and non-financial related matters.

# Chapter 2

## CHAPTER 2 – GOVERNANCE

To govern is to exercise political, economic and administrative authority to manage the nation's affairs. Governance is the complex 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 of procedures and protocols. Communities as an interest group in Municipal affairs participates through Public Participation mechanisms and processes in the decision making systems of Council.

This includes interaction with the stakeholders in shaping the performance of the Municipality in order to enhance a healthy relationship and minimizing 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 Municipal outreach's, IDP and budget consultations. This ensures that the community participates in identifying needs and make inputs on the performance of the Municipality. This process ensures healthy relations with the community and minimizes conflict. Administrative governance ensures transparent administration, regular feedback to the community, compliance to the required rules, processes and laws by which Council is operated, regulated and controlled.

The political structure of Thembisile Hani Local Municipality comprises of the Executive Mayoral System that consists of:

Executive Mayor
Hon. Speaker
Chief whip
MPAC Chairperson
Mayoral Committee
Councillors

The Municipal Manager is the administrative head and acts as a link between the politicians and the administration. The Municipal Manager is supported by the following section 56 managers appointed in terms of the Municipal Systems Act:

Manager Corporate Services (MCS)
Manager Technical Services (MTS)
Manager Social Development Services (MSDS)
Chief Financial Officer (CFO)
Manager Development and Town Planning Services (MDTPS)

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

*MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the Municipality.*

The Executive Mayor is the political head of the Municipality. The position of Speaker is a full-time post, and takes responsibility for the running of Council meetings. The speaker is the chairperson of the Council. The office of the chief-whip is established to create synergy and to maintain discipline among Councillors from various political parties. The role of the chief-whip of the Council covers both the political and administrative domains of Council with emphasis on the political aspect. The chief whip deals with the well-being and attendance of all Councillors.

# Chapter 2

The Municipal Council consists of 32 Ward Councillors and 32 PR Councillors. The Council meetings are governed according to the approved rules of order. Council has established the Mayoral Committee system with section 79 and 80 Committees who makes recommendations to Council.

Section 79 Committees of the Council report directly to Council, in accordance with the terms of reference of such Committees approved by Council. This Committee provide general oversight and monitor the activities in the Municipality over both the administrative and executive arms of the Municipality. This section 79 Committees are chaired by independent Councillors other than members of the Mayoral Committee.

Section 80 Committees assist and report to the Executive Mayor. The Executive Mayor has appointed the Mayoral Committee members as chairpersons for each of the Committees.

The Municipality has its own Audit and Performance Committee. The Audit Committee meets a minimum of four times per year and is an independent advisory body that advises Council, Political Office-bearers, the Accounting Officer and the Management of the Municipality on matters related to Internal Control, Internal Audits, Risk Management, Accounting policies and adequacy reliability and accuracy of financial reporting and information, performance management, effective governance compliance with the MFMA, the division of revenue Act and provide comments to Municipal Public Accounts Committee (MPAC) and Council on the Annual Report.

MPAC is an oversight Committee of council established in terms of Section 79.A of the Municipal Structures Act, and the position of MPAC Chairperson is a full-time post. The MPAC comprises of non-executive Councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good governance in the Municipality. MPAC also make comments and recommendations on the Municipal Annual Report for council consideration and adoption throught the oversight report.

| | |
|---|---|
|  | **EXECUTIVE MAYOR**<br><br>**Cllr. L.J. Dikgale (**Political Head)<br><br>The Executive Mayor identifies the needs of the Municipality, review and evaluate those needs, in order of priority, recommend to the Municipal Council strategies, programme and services to address priority needs through the Integrated Development Plan, and estimates the value of revenue and expenditure, taking into account any applicable national and provincial development plans, recommends and determine the best way to deliver strategies, programmes and services to the maximum benefit of the community. The Executive Mayor also performs a ceremonial role. |
|  | **SPEAKER**<br><br>**Cllr. M.P. Msiza (**Chairperson of Council)<br><br>Presides at meetings of the Council. Maintain order during meetings and ensure that meetings are conducted in accordance with the rules of order of the Council. |



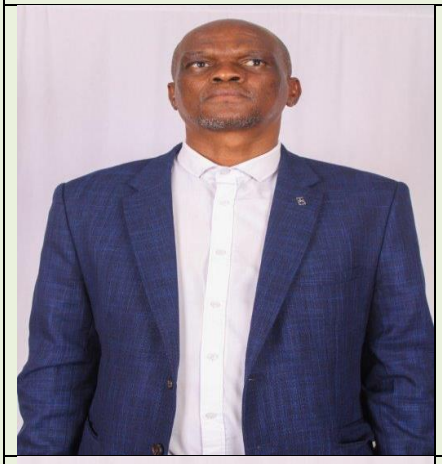
**CHIEF WHIP**

**Cllr. T.E. Motanyane**

Manage Councillors and maintain discipline in Council

The chief whip ensures that Councillors are accountable to the communities, that code of conduct is respected and adhered to by all Councillors. The chief whip ensures discipline during Council and Committee meetings. She facilitates political debates, workshop for all Councillors.

**MEMBERS OF MAYORAL EXECUTIVE COMMITTEE:**



**MMC TECHNICAL SERVICES**

**Cllr.T.L. Mabena**

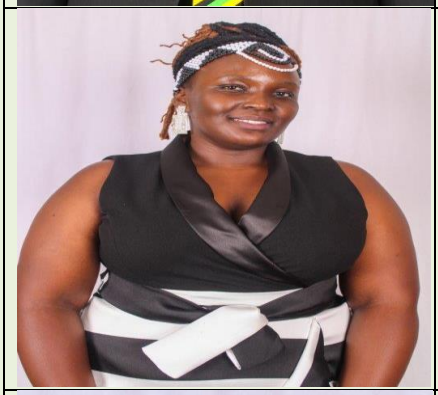
Provisioning of infrastructure development, maintenance and service delivery to ensure sustainable services to all communities.



**MMC FINANCE SERVICES**

**Cllr. J.E. Mthimunye**

Provide and manage financial services to ensure financial viability, compliance and reporting.

| | |
|---|---|
|  | **MMC LOCAL ECONOMIC DEVELOPMENT**<br><br>**Cllr. L.X. Mtsweni**<br><br>Ensures that the LED unit`s mandate of coordinating LED related activities is realized and the push towards the eradication of poverty and job creation fulfilled. |
|  | **MMC SOCIAL DEVELOPMENT SERVICES**<br><br>**Cllr. N.T. Skhosana**<br><br>Render integrated community services to all its communities. |
|  | **MMC CORPORATE SERVICES**<br><br>**Cllr. E.M. Malekane**<br><br>Provides Corporate Services to ensure efficient support of organisational processes. |
|  | **MPAC CHAIRPERSON**<br><br>**Cllr. L.M. Tshabangu**<br><br>MPAC provides oversight over the executive functionaries of Council to ensure good governance in the Municipality. |

# Chapter 2

**Councillors**

Councillors provide a vital link between communities they serve and the Municipality. They are responsible for representing the needs and interests of the people they represent, regardless of whether they voted for them. Although Councillors are not usually full time professionals, they are bound by a code of conduct. The Councillors serve for five years.

Thembisile Hani Local Municipality comprises 32 Ward Councillors and 32 pr Councillors. See **Appendix A** where a full list of Councillors can be found (including Committee allocations).

Award Councillor has to balance the expectations of his/her Ward and that of their political party. the Ward Councillor is the chairperson of the Ward Committee, responsible for convening the constituency meeting to elect Ward Committee members, calling Ward Committee meetings, ensuring that a schedule of meetings is prepared, handling queries and complaints in the Ward, resolving disputes and making referrals of unresolved disputes to the Municipality, ensuring that the Ward Committee does what the Municipality expects about reporting procedures.

See **Appendix B** which sets out Committees and Committee purposes.

The Ward Councillors should be fully involved in all community activities that the Ward Committee is engaged with and communicate the activities and meetings schedules to the pr Councillors. PR means proportional representation, where voters vote for a political party not an individual candidate within a party. 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 got. The party decides which members fill those Councillor places. A PR Councillor is allocated to a Ward and provides support to the Ward Councillor in things that relate to the Ward or the Ward Committee.

A PR Councillor handles queries and complaints in consultation with the Ward Councillor, assist with resolving of disputes and making referrals, help with implementation of projects, support the Ward Councillor without replacing the Ward Councillor, attend Ward Committee meetings, constituency meetings and special meetings

**Political decision-making**

The legal framework empowers the Executive Mayor to provide political leadership for policy and outcomes, and holds the Municipal Manager and other senior managers responsible for implementation and outputs.
The Executive Mayor presides at meetings of the Mayoral Committee and performs the duties, including any ceremonial functions, and exercises the powers delegated by the Municipal Council except those powers that are reserved by the constitution of the republic of South Africa and other applicable Regulations.

The Executive Mayor appoints members of the Mayor Committee to assist with carrying duties in terms of section 80 of the Municipal System Act. The Executive Mayor reports to Council on the execution of his delegated powers.

Council is chaired by the speaker and the Executive Mayor chairs the Mayoral Committee meetings and executive duties through Council resolutions, delegations and Committees.

Council has also formed section 79 Committees which meet monthly except the Audit Committee and MPAC, which normally meet quarterly. This section 79 Committees are chaired by an independent Councillors other than members of the Mayoral Committee. Their main function is to monitor the activities of the members of the Mayoral Committee.

The administration is charged with the responsibility to implement Council resolutions and to submit monthly progress reports to the relevant MMC'S who in turn report to the section 79 Council Committees. All Council resolutions are monitored and implemented.

# Chapter 2

## 2.2 ADMINISTRATIVE GOVERNANCE

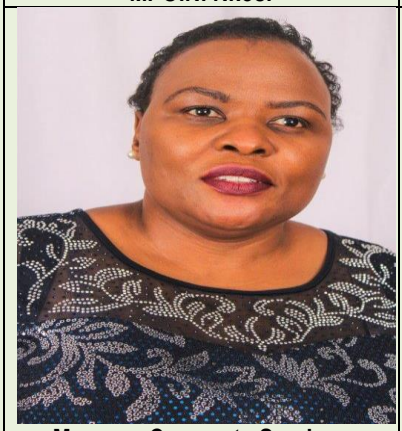
**INTRODUCTION TO ADMINISTRATIVE GOVERNANCE**

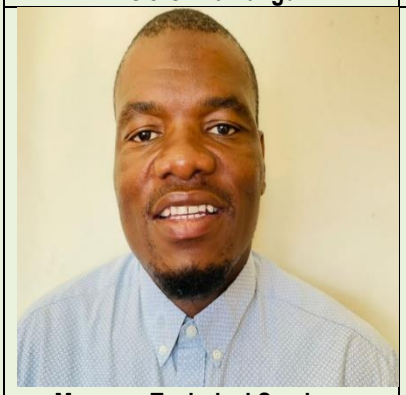
*MFMA section 60 (b): The Municipal Manager of a Municipality is the accounting officer of the Municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the Municipality and any entity under the sole or shared control of the Municipality.*

The administration is led by the Municipal Manager (MM), who is appointed in terms of section 54a of the Municipal Systems Act. The Municipal Manager is employed on a contract basis, which includes a contract of employment, an annual performance agreement with performance objectives and targets and procedures for evaluating performance. The Municipal Manager is the accounting officer of the Municipality.

Together with other Managers the MM leads the administration by amongst others implementing Council resolutions, advising Council and its Committees, lead the IDP and budget planning and implementation processes. There are functions that are delegated by Council to the Municipal Manager, who in turn sub-delegates certain functions to the CFO and other managers. Under their leadership, Municipal officials attend community consultative meetings, report in management meetings on plans and progress in addressing community issues.

**TOP MANAGEMENT**

| ADMINISTRATIVE STRUCTURE | FUNCTIONS |
|---|---|
|  <br>**Municipal Manager**<br>**Mr O.N. Nkosi** | As head of administration and accounting officer of the Municipality the Municipal Manager is subject to the policy directions of the Municipal Council, responsible and Accountable for duties and responsibilities outlined under section 55 of the Municipal Systems Act and 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. Implementing a monitoring and evaluation methodology in line with legislative requirements. provide leadership and directive in operating of the performance management system and monitoring and evaluation, development of the SDBIP, quarterly performance reports and Annual Report<br>units: IDP, Performance Management System, Youth Development, Local Economic Development, Public Participation, Risk Management, Internal Audit and Communication. |
|  <br>**Manager Corporate Services**<br>**Ms S.A. Nxumalo** | Establishing and maintaining structures that will, within the parameters of legality and good governance provide the administration that will be appropriately relevant, timeous and effective execution of tasks and be transparent as well as provide conducive environment to stimulate Public Participation within the co-operative governance<br><br>Units: Human Resources Management and Development, ICT and Administrative Services, Legal and Council Secretarial Services and Fleet Management. |

| | |
|---|---|
|  <br>**Chief Financial Officer**<br>**Mrs J.G. Mahlangu** | Ensure effective and efficient strategic management of the finance portfolio, which includes Budgetary Management, Financial Accounting Management, Supply Chain Management, Credit Control Management, Investments and Banking, Treasury Management. |
|  <br>**Manager Technical Services**<br>**Mr V.L. Skosana** | Providing water, roads, storm-water and sanitation through a well-established and maintained infrastructure that will stimulate growth resulting in a broader income base and will encourage taxpayers to sustain payments through a well-established and maintained infrastructure. |
|  <br>**Manager Social Development Services**<br>**Mr A.K. Chego** | Developing and maintenance of recreational facilities by establishing a friendly, green, clean, neat and beautiful city, developing and maintaining the cultural heritage of and to render a sustainable cleansing service to all residence of the Thembisile Hani Local Municipality. establishing a safe and crime free environment where all people can develop to their full potential by promoting safer communities through prevention, preparedness, response, recovery, education and enforcement. |

| | |
|---|---|
|  <br>**Manager Develepment and Town Planning Services<br>Mr M.S. Tsebe** | Development and Town Planning Services (DTPS) is one of the key departments within Thembisile Hani Local Municipality with the sole purpose of building the economic capacity of our local area and ensure proper spatial planning for development. Integrated Development Planning is one of the critical functions of the Department.<br><br>Key performance area of the department:<br>• Investment Promotion<br>• Smme Development<br>• Job Creation through CWP and EPWP<br>• Development and support of Local business in Agriculture, Tourism, Manufacturing and Mining sectors.<br>• Town and Regional Planning<br>• Geographic Information System<br>• Building Inspection<br>• Integrated Development Planning. |
| All the above mentioned positions are section 56 positions. | |

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Thembisile Hani Local Municipality, 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, participates through Public Participation mechanisms and processes in the decision making system of Council.

### 2.3 INTERGOVERNMENTAL RELATIONS

The Constitution (1996) states that '*government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated*' (section 40(1)). The '*distinctive*' element refers to the autonomy enjoyed by the spheres; that is, the degree to which each sphere is the final decision-maker on a particular matter that falls within its area of competence.

The creation by the constitution of this decentralised governance system, which comprised the three distinct but inter-related spheres of government, also gave rise to the need for a systematic system of igr to give effect to the principles of cooperative government.

To realise these principles, the IGRF Act was promulgated on 15 August 2005. The Act provides for an institutional framework for the three spheres of government to facilitate coherent government, effective provision of service, monitoring implementation of policy and legislation, and realization of developmental goals of government as a whole.
In spelling out the principles of cooperative government and IGR, the constitution binds all spheres of government and organs of state in each sphere of government to three basic principles:

(i) **A common loyalty to the Republic as a whole.** This means that all spheres are committed to secure the well-being of the people of the republic and, to that end, must provide effective, transparent, accountable and coherent government for the republic as a whole. This is the object of cooperative government.

(ii) **The distinctiveness of the spheres should be respected.** A sphere must remain within its constitutional mandate, and when exercising those powers, must not do so in a manner that encroaches on the geographical, functional or institutional integrity of another sphere, except where specifically directed otherwise.

(iii) **The spheres of government must take concrete steps to realize cooperative government** by –

a) fostering friendly relations;
b) assisting and supporting one another;
c) informing one another of, and consulting one another on, matters of common interest;
d) coordinating their actions and legislation with one another;
e) Adhering to agreed procedures; and avoiding legal proceedings against one another.

**PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

The Executive Mayor and the Municipal Manager represent and participate in the Premiers coordinating Committee, where issues affecting the province and the Municipalities are discussed. The speaker and officials in the office of the speaker attends and participate in the provincial speaker's forum, provincial Ward Committee forum and the provincial anti-corruption forum.

There are expanded public works programme projects in progress for cleaning the environment that will be registered as projects at the department of Public Works. Furthermore, the department of Environmental Affair appointed 270 EPWP's and department of Corporative Governance and Traditional Affairs appointed 60 EPWP's for clearing illegal dumping sites.

**DISTRICT INTERGOVERNMENTAL STRUCTURES**

Elected Councillors and officials represent the Thembisile Hani Local Municipality in neighbouring Municipalities such as Nkangala District Municipality, where issues of mutual interest such as the IDP and budget are discussed and implemented.

Nkangala District Municipality provide support to Thembisile Hani Local Municipality by appointing the Shared Audit Committee to advice council of the municipality and management at large, there's also a district Risk and Audit forum developed by district to allow auditors and risk officers a platform to share knowledge on matters of Risk and Audit and resolutions of that forum are escalated to District Municipal Managers forum.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

**OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The introduction of Public Participation office has become a catalyst in ensuring that izimbizo and outreach meetings are meaningful to communities. this office has been strategically introduced to ensure that izimbizo's and outreaches constitute a communication approach that will underpin participatory democracy. The office is also central to governance as it brings government closer to the people. It is further to ensure that izimbizo's and outreaches remain a unique platform for communities to raise issues, share views and build strategic partnerships between the Municipality and its constituencies.

Thembisile Hani Local Municipality has established Ward Committees as a mechanism for public accountability and Public Participation. The Ward Committees assist Ward Councillors in the execution of their duties, which includes the handling of complaints and feedback to communities. Provincial government has also provided community development workers to the Municipality, to assist with the dissemination of information and the mobilisation of communities in government programmes.

Ward Councillors convene six mandatory ward community meetings per annum and as and when the need arises to discuss matters affecting the community and give feedback on reported matters. The Executive Mayor undertakes a Mayoral outreach programme which provides a platform for further interaction and engagement with the communities on regular intervals.

## 2.4 PUBLIC MEETINGS

The Executive Mayor led consultative meetings in all Wards during the month of April and May 2022 as part of the strategy for ensuring adequate Public Participation in the preparation for the compilation of the IDP and budget for the 2022/2023 financial year.

The Municipal Systems Act provides for Municipalities to establish structured mechanisms for Public Participation in order to ensure community participation in all the affairs of the Municipality. The Act stipulates that the Municipality must develop and adopt a community communication strategy/plan. The strategy should serve as the guiding tool on how the community is engaged to give their inputs and suggestions on services, projects and programmes offered by the Municipality. In order to comply with the Municipal Systems Act, Thembisile Hani Local Municipality will have to develop a revised Public Participation policy/strategy in the coming financial year.

The Municipality like any local government has a three legged structure, which is integrated and interdependent. The legs of the Municipality are the Council, administration and the community. The cohesion of these parts underpins a successful developmental local government.
The Municipality needs a formal consultation, participation and communication policy/strategy, special attention with regard to the development of the policy/strategy are the following:

- Continuation the Mayoral outreach programme, which affords local leaders the opportunity to interact with communities on issues of service delivery.
- Continued engagement of sector departments and utilities in the various processes and forums for Integrated Development Planning (IDP).
- utilisation of the various mechanisms to communicate, such as local newspapers where available, local radio stations where available, flyers, Ward Councillors, community development workers (CDW's), Ward Committees, account statements and loud hailing.
- Ongoing negotiations with provincial departments that no project will be implemented in the Municipal area of jurisdiction prior to consultation with the Council.
- Ongoing bi or multi-lateral processes around a number of developmental challenges and initiatives such as the youth agriculture and the Moloto rail corridor.

The local government Municipal systems states that "a Municipality through appropriate mechanisms, processes and procedures established in terms of chapter 4, must involve the local community in the development, implementation and review of the Municipality's Performance Management System, and, in particular, allow the community to participate in the setting of appropriate key performance indicator and performance targets for the Municipality". thus the Municipality has held its IDP Indaba in May 2017 to ensure that communities are afforded the opportunity to set the performance target for the Municipality. in attendance among others were:-

- Councillors
- Community Development Workers
- Ward Committees
- Traditional Leadership
- Traditional Health Practitioners (THP)
- Interfaith Organisation
- Business Forums
- Religion Formations
- Progressive Youth Structures
- Community Based Care Structures
- Government Departments

# Chapter 2

**ASSESSMENT OF COMMUNITY NEEDS**

The Municipality has collected the following community needs during the 2021/2022 financial year to inform the 2022/2023/27 IDP

| Ward | Issues |
|---|---|
| Traditional leaders | • Enquiring and complaining about new areas that are recently being developed and having project starting in new other areas<br>• Complaining about land invasion and requesting the Municipality to intervene<br>• Requesting water and electricity at Vezubuhle (the whole of Vezubuhle)<br>• Complaining about Ward 7 cemeteries not being fenced<br>• Requesting a satellite office for service fee payment at Luthuli<br>• Requesting a stormwater control<br>• Complaining about water meters. Some residents don't have them at Tweefontein K<br>• Requesting and complaining about road to cemeteries to be re-gravelled.<br>• Complaining about road re-gravelling<br>• Requesting re-gravelling of roads at Luthuli<br>• Requesting recreational facilities at Luthuli<br>• Requesting a community hall for pensioners<br>• Requesting a researcher to research in the community and report back to the traditional leaders<br>• Requesting high mast lights at the cemeteries<br>• Complaining and requesting road gravelling at mountain view |
| Ward 1 | • *Requesting a satellite office at Ward 1*<br>• *Requesting a high mast light at main road block 7 centre babazon*<br>• *Requesting water supply and street lights at babazon*<br>• *Complaining and requesting water and a community hall*<br>• Complaining about high mast lights being few at Moloto North<br>• Requesting tap water in the Ward<br>• Complaining about not having water at Block D<br>• Complaining about the waste collecting truck not collecting along every street<br>• Requesting a satellite office where the community will go and pay their services<br>• Requesting a school at Moloto North<br>• Complaining about incomplete projects around Moloto North<br>• Requesting electricity, the whole block of Section D.D<br>• Requesting bus roads at block d.d<br>• Complaining about their RDP houses not being issued in a formal manner |
| Ward 2 | • *Requesting electricity supply at Moloto North*<br>• Requesting a tap water<br>• Complaining about not having water at Block D<br>• Complaining about septic Tanks, some of them being broken, some leaking<br>• Complaining about the waste collecting truck not collecting every street<br>• Requesting a satellite office where the community will go and pay their services<br>• Complaining about incomplete projects around Moloto North<br>• Requesting electricity, the whole block of Section D.D<br>• Complaining about road bus. They are incomplete<br>• Requesting bus roads at Block D.D<br>• Complaining about their RDP houses not being issued to them in a formal way.<br>• Requesting a school |
| Ward 3 | • *Requesting water, high mast lights inside where he is residing*<br>• *Requesting roads to be re-gravelled*<br>• *Requesting a satellite office*<br>• *Requesting tarring of internal roads at block 5*<br>• *Complaining and requesting re-gravelling of internal roads at Block 5 Moloto*<br>• Complaining about payment of flat rate.<br>• Requesting water meters and roads at Moloto<br>• Requesting a RDP houses |

| | |
|---|---|
| | • Requesting street lights at Block 5 Ward 3<br>• Requesting water (the whole of block 5 near the garage at Ward 3 Moloto south)<br>• Requesting a community hall and a library<br>• Requesting yellow bins<br>• Requesting a RDP house<br>• Requesting a tar road at Moloto Block 5<br>• Complaining about water tank not delivering to every house<br>• Requesting roads and a primary school at Moloto south<br>• Requesting that all the valves be monitored and maintained<br>• Requesting high mast lights at block 5<br>• Requesting a community hall at Moloto<br>• Requesting a road to cemeteries of Moloto |
| Ward 4 | • *Requesting water supply at Leratong*<br>• *Complaining about un-improvement at Leratong*<br>• *Requesting a bridge between Luthuli and Ward 4*<br>• Requesting a RDP house<br>• Requesting bus routes at Zakheni<br>• Requesting a bridge at Zakheni<br>• Requesting a primary school at Zakheni ext<br>• Complaining about holding a meeting during a week<br>• Requesting the main road of Zakheni to be completed<br>• Requesting that projects done around Zakheni be monitored.<br>• Requesting a RDP house<br>• Complaining about a hole that was left after the bridge was built at Zakheni<br>• Requesting water<br>• Complaining about Zakheni residence misusing water |
| Ward 5 | • *Requesting houses at Thembalethu*<br>• *Requesting a stormwater control*<br>• Complaining about the positioning of high mast lights<br>• Complaining about un-energised high mast light<br>• Requesting three high mast lights at Thembalethu outline<br>• Requesting the flat rate(water) to be decreased to R40-50<br>• Requesting a community hall at Thembalethu<br>• Requesting a post office and a community hall for next year<br>• Requesting water<br>• Requesting a high mast light at Thembalethu outline<br>• Lack of service delivery at Thembalethu<br>• Roads not being properly gravelled<br>• Complaining about unemployment<br>• Extension of the tar road (clinic)<br>• Extension of high mast lights<br>• Requesting stormwater drainage to control water that is damaging tar road<br>• Complaining about roads that need to be constructed |
| Ward 6 | • *Complaining about a stream of water that requires a bridge to be built.*<br>• *Requesting fixing of road via Phola Park community hall*<br>• *Complaining about a bridge that over flows when it's raining at jordan*<br>• *Complaining and requesting electricity*<br>• *Requesting a high mast light at the main road of Phola Park*<br>• Complaining about a dam, and requesting a stormwater<br>• Requesting a high mast light next to sizamile primary school<br>• Requesting recreational facilities (sports ground) at Phola Park ext.<br>• Requesting a bridge. Next to/close to ziphakamiseni<br>• Requesting electricity at new stands and a RDP house<br>• Requesting a clinic at Phola Park<br>• *Requesting fixing of road via Phola Park community Hall* |
| Ward 7 | • *Requesting a tarred road at Mathysensloop*<br>• *Requesting re-gravelling at Mathysensloop stadium* |

| | |
|---|---|
| | • *Requesting a tarred road Ward 7 mabhala street*<br>• *Requesting a borehole at madala stand*<br>• *Requesting water Reticulation, the whole of madala portion*<br>• *Requesting recreational facilities*<br>• *Requesting a borehole at Mathysensloop*<br>• *Requesting a borehole*<br>• *Complaining about a bridge that over flows when it's raining at jordan*<br>• *Complaining and requesting electricity*<br>• Complaining about the cemetery issue (entrance fee)<br>• Requesting the Municipality to work hand in hand with the traditional leaders<br>• Requesting a stormwater control at Boekenhouthoek<br>• Complaining about not having water at mhlamunyene, the whole section.<br>• Complaining about receiving un-hygienic water from the water<br>• Requesting a high mast light at boekenhouthoek, close to ruben<br>• Requesting a special school (hearing and low iq) for disabled candidates<br>• Requesting the Municipality to assist the local candidates with a Saturday school (extra classes)<br>• Requesting a stormwater control/ stormwater drainage<br>• Requesting a high mast light at ruben boekenhouthoek<br>• Requesting high mast lights to be maintained and energised<br>• Complaining about incomplete projects ( roads at chilli entrance boekenhouthoek ) |
| Ward 8 | • *Requesting electricity, water and tarred road at Ward 08*<br>• *Requesting a clinic / mobile clinic at Langkloof*<br>• *Requesting street lights at Langkloof*<br>• *Requesting water at Langkloof*<br>• *Requesting pot holes to be covered at Langkloof*<br>• *Requesting a solar system at Ward 08*<br>• *Requesting meter readers and requesting each and every house hold to have a tank*<br>• *Requesting electricity at Ward 8*<br>• *Requesting network at Ward 8*<br>• *Requesting recreational facilities*<br>• Requesting water at doorfontein<br>• Requesting re-gravelling of roads at farm Watervaal<br>• Requesting electricity at farm water<br>• Requesting roads/re-gravelling of roads at Thabakhubedu<br>• Requesting a pumping machine to operate kwa-jiyane<br>• Requesting a solar power/boreholes<br>• Requesting RDP houses<br>• Request the tar road in internal roads<br>• Request the bridge in a bus road<br>• Request the dust bin for waste collection<br>• Request the apollo<br>• Request water reticulation<br>• Request skill centre<br>• Request extension of tar road<br>• Request the satellite office for payment of services<br>• Request the grave yard to be fenced<br>• Request primary & secondary school<br>• Request job opportunities<br>• Request chairs for community hall<br>• Request sports field to be graded |
| Ward 9 | • *Requesting a RDP house*<br>• *Requesting a community clinic at Tweefontein J*<br>• *Complaining about Thembisile Hani Local Municipality not assisting in arts and culture*<br>• *Requesting tarred and Tweefontein J*<br>• *Requesting water reticulation at Sheldon, the whole of Sheldon*<br>• *Requesting water supply on all important areas like clinics and police stations.*<br>• *Complaining about leakages and not being attended when they are being reported* |

| | |
|---|---|
| | • Requesting a community hall for senior citizen<br>• Requesting all high mast lights to be energised at buhlebuzile<br>• Requesting a multi- purpose centre for the residence<br>• Roads to einel 2 experience some water leakage.<br>• Community member is concerned about water leakages<br>• Requesting a multi-purpose centre<br>• Requesting toilets<br>• In need of a Municipal satellite office so that they can pay their services easily<br>• Road maintenance<br>• Requesting php houses<br>• Requesting a primary school at zenzele<br>• Complaining about crime<br>• Complaining about unemployment and their advising the Municipality to employ local people in local projects.<br>• *Requesting a pavement in Ward 9* |
| Ward 10 | • *Requesting a sports ground at skhahla Ward 10*<br>• *Requesting a public transport for primary school students*<br>• *Requesting a stormwater control at Ward 10*<br>• *Complaining and requesting a bridge*<br>• *Enquiring about the solar system request-when are they getting*<br>• *Requesting toilets at Ward 10*<br>• Complaining about the waste tank not collecting/ entering each and every street<br>• Complaining about rural residents not getting water<br>• Complaining about the water tank not servicing all the residents<br>• Complaining about not being told the correct service fee rate<br>• Complaining about taps that are leaking<br>• Complaining about other residents receiving free services<br>• Requesting a RDP houses<br>• Requesting a stormwater control at Mzimuhle<br>• Requesting that all high mast lights be energies<br>• Requesting more high mast lights at Mzimuhle<br>• Requesting a stormwater control at Mzimuhle<br>• Requesting a VIP toilet<br>• Requesting a notice board (where all public notices will be pasted)<br>• Requesting a free public transport for kids to be transported to school<br>• Complaining about the Municipality not intervening in sports and arts affairs.<br>• Requesting a waste truck to collect all the waste being dumped by surrounding residents of Mzimuhle<br>• Requesting a giant yellow waste bin at Mzimuhle<br>• Complaining about a stormwater that is being blocked by sand at Mzimuhle<br>• Complaining about a disaster house. A complain was laid but up until now, it wasn't attended<br>• *Requesting high mast light (6) at Mzimuhle (four way stop at the main entrance)* |
| Ward 11 | • *Complaining about high mass lights that were supposed to be 24 but they are 10 and they are un-energised*<br>• *Complaining about a bore hole that was build inside someone's house hold*<br>• *Requesting a community hall at Ward 11*<br>• *Requesting a stormwater at Verena c*<br>• *Sports facilities are being requested at Ward 11*<br>• *Requesting regravelling at '' new stands "*<br>• *Requesting stormwater control*<br>• *Requesting a satellite office at Verena.*<br>• *Requesting indigent forms to be*<br>• *Requesting jojo tanks, filled with water each and every resident of Verena*<br>• *Requesting bore holes at Verena d*<br>• *Enquiring about electricity on when is it going to be installed at Verena c*<br>• *Requesting bore holes at block d and block c.*<br>• *Requesting flashing toilets at Verena d and c*<br>• *Requesting a primary and high school (institution)*<br>• *Complaining about pot holes at Verena d main tarred road*<br>• *Requesting speed humps at Verena four way (main road)* |

| | |
|---|---|
| | • Request water tap<br>• Request electricity<br>• Support the payment of services<br>• Complain about the pampers that are all over the village<br>• Request the meter box of electricity<br>• Cost for services<br>• Request centre of hiv& aids<br>• Request the support from the Municipality regarding HIV/AIDS activities<br>• Request access to public transport via Mpumalanga road which is known as Witbank road.<br>• Request the road regravelling<br>• Request the Mayor to look after indigent families<br>• Request food parcel<br>• Request job opportunity<br>• Request road regravelling<br>• Request RDP houses<br>• Request job opportunities<br>• Request sewerage toilet<br>• Request the extension of high mast light<br>• Request to be in a list of indigent<br>• Request water reticulation |
| Ward 12 | • *Complaining and requesting tarred road at ''dk'' Tweefontein cCand water network*<br>• Community complaining about youth unemployment<br>• Crime<br>• Water leakage and wasting water<br>• No taps in his stand and his paying Municipal service<br>• Lake of service delivery (Municipality)<br>• Unemployment (no contract but permanent jobs by the residents)<br>• Nepotism<br>• Requesting spots facilities<br>• High rate of crime<br>• Unemployment<br>• Requesting for industrial area for job creation<br>• Shortage of water<br>• Unemployment<br>• Complaining about water leakages.<br>• No electricity |
| Ward 13 | • *Requesting the Municipality to install proper water pipes*<br>• *Requesting high mast lights at B2 to be energised all of them*<br>• *Requesting a stormwater control and tarred*<br>• *Requesting a community hall at B2 and Tweefontein K*<br>• *Requesting a clinic at Ward 13*<br>• *Complaining about not having a title deed*<br>• *Requesting the cemeteries at Ward 13 to be fenced*<br>• Complaining about a meter that is not operating in a proper manner<br>• Complaining about the waste truck not keeping/sticking to the time slot<br>• Complaining about not having a title deed<br>• Complaining about a high mast light that causes distraction<br>• Complaining about not having water<br>• Requesting sewerage toilet<br>• Requesting stormwater<br>• Request the high mast light to maintained<br>• Request RDP house<br>• Request the community hall for pensioners<br>• Request stormwater in a bus road<br>• Development of the community park<br>• Request the office of led to support cooperatives<br>• Request the collection of waste |

| | |
|---|---|
| | • Request job opportunity<br>• Request php houses<br>• Request community hall<br>• Requesting electricity<br>• Requesting road regravelling<br>• Requesting the plastic & dustbin<br>• Request clinic<br>• Request outline road to be maintained<br>• Requesting clinic at outline of B2<br>• Requesting water pipe to be maintained<br>• Requesting two pedestrian bridge next to sofuyile Tweefontein B1& B2 |
| Ward 14 | • *Requesting a school (primary school)*<br>• *Requesting a tarred road at simunye street*<br>• *Requesting water at Ward 14*<br>• Requesting re-gravelling<br>• Requesting a grader to dig at the cemeteries (free of charge)<br>• Requesting a mini-reservoir for next year<br>• Requesting a public-park at mountain view<br>• Requesting a community hall at mountain view<br>• Requesting a mobile clinic at mountain view<br>• Requesting a satellite office at mountain view<br>• Requesting electricity at mountain view zone 6<br>• Complaining about a stream (river) across zone1 and zone 2 and requesting it to be fixed<br>• Requesting toilets (flashing ones) at mountain view<br>• Requesting water at mountain view zone 6 |
| Ward 15 | • *Requesting a tarred road at Ward 15 (inside houses)*<br>• *Requesting the road at masese to be fixed. It has a lot of pot holes*<br>• *Complaining and requesting water reticulation at Ward 15*<br>• *Requesting a high mast lights at Ward 15 (outline)*<br>• *Complaining about projects not being allocated to Ward 15*<br>• Complaining about cemetery fee.<br>• Requesting a community hall for the pensioners<br>• Requesting monitoring when it comes to local projects.<br>• Requesting a satellite office for service (fleet rate) fee payment<br>• Requesting flashing toilet<br>• Requesting RDP house<br>• *Complaining about projects not being allocated to Ward 15*<br>• Complaining about pot holes that where left after construction work<br>• Requesting a RDP house<br>• Complaining about high mast lights that are not energised around Tweefontein<br>• Requesting a stormwater control at Tweefontein e<br>• Requesting roads at Tweefontein e<br>• Requesting a clinic at Tweefontein e<br>• Requesting a satellite office at Tweefontein e<br>• Requesting street names at Tweefontein e<br>• Requesting a RDP house. |
| Ward 16 | • *Requesting a satellite office at Buhlebesizwe no:2*<br>• *Requesting re-gravelling of roads at Ward 16*<br>• *Complaining and requesting jobs and job creation*<br>• *Complaining about projects not being allocated to section aa*<br>• *Requesting flushing toilets at section aa*<br>• Requesting a stormwater control at Buhlebesizwe no:2 Sun Citylocation<br>• Requesting vip toilets at Buhlebesizwe no: 2<br>• Requesting a honey sucker for the VIP toilets at Buhlebesizwe no: 2<br>• Complaining about the waste truck not collecting each and every street<br>• Complaining about the Municipality not interfering in public transport issues<br>• Requesting recreational facilities/sports ground at Buhlebesizwe no:2 |

| | |
|---|---|
| | • Requesting a community hall<br>• Requesting an office/centre to work at/ do her projects<br>• Complaining about title deeds. They must be fixed first before residents pay their services<br>• Requesting regravelling of extra sand that was left after construction work at RDP open space Buhlebesizwe no:2<br>• Requesting electricity around RDP ext new stand<br>• Complaining about being side lined in terms of corporative projects<br>• Complaining about RDP houses that are not well build at RDP Buhlebesizwe<br>• Complaining about stormwater control that are not well build at Buhlebesizwe no:2 RDP<br>• Requesting electricity and water at Buhlebesizwe no:2 |
| Ward 17 | • *Requesting electricity network at Ward 17, extension.*<br>• *Requesting a high school and a primary at Ward 17*<br>• *Requesting a stormwater control at Milliva RDP*<br>• Complaining about not getting water.<br>• Complaining about water meters that are leaking inside<br>• Complaining about a bridge (to be extended) this issue was reported last year but it was un-attended<br>• Requesting a stormwater control<br>• Requesting a geyser and a stove.<br>• Requesting an apollo's Tweefontein n<br>• Complaining about incomplete road<br>• Requesting roads at Tweefontein n<br>• Requesting a sports facility<br>• Requesting a tertiary (high institution)<br>• Requesting a satellite office at Tweefontein f<br>• Requesting Nkanngala District Municipalityto assist in job creation<br>• Requesting electricity at Tweefontein f<br>• Requesting a satellite office at Tweefontein f for fleet rate payment and other service payment<br>• Complaining about un-energised apollo's<br>• Requesting taps at Tweefontein f<br>• Requesting a satellite office at Tweefontein f<br>• Requesting recreational facilities (sports ground)<br>• Requesting ground to be re-gravelled<br>• Complaining about the road at 1st stop Tweefontein f all the apollos there, they are not energised<br>• Complaining about un-energised lights at Tweefontein f<br>• Requesting a community hall for pensioners or a tent for min-while<br>• Requesting a bridge at Tweefontein f<br>• Complaining about not having a post box/ not receiving his mail<br>• Requesting a shopping complex at Tweefontein f<br>• Requesting street humps at Tweefontein f |
| Ward 18 | • *Requesting a stormwater control that will lead water to gandi*<br>• *Requesting re-gravelling at Ward 18. The whole of it*<br>• *Requesting water reticulation at Thokoza/requesting Thokoza to be included in the next financial year projects concerning water*<br>*Requesting about electricity at Thokoza*<br>• Requesting a stormwater control at simunye street<br>• Complaining about not having water at Thokoza<br>• Requesting a community hall at Thokoza<br>• Requesting road signs that indicate the location (Thokoza)<br>• Requesting re-graveling of roads at Thokoza<br>• Requesting high mast lights to be energised<br>• Requesting roads at ghanda street, Thokoza<br>• Requesting water at Thokoza ext.<br>• Requesting stormwater control at Thokoza ext.<br>• Requesting a tap where he is residing at the given address<br>• Requesting a RDP house<br>• Requesting water at Thokoza where his old- age centre is (he owns an old age centre)<br>• Requesting re-gravelling of street at new stands, Thokoza<br>• Requesting a youth centre |

| | |
|---|---|
| | • Requesting a stormwater control<br>• Requesting maintenance at Thokoza, all roads<br>• Requesting sports grounds to be re-gravelled at Thokoza<br>• Requesting job opportunities |
| Ward 19 | • *Requesting a stormwater control at Sun City C*<br>• *Requesting a school at Ward 19 and water*<br>• *Requesting water at Sun Citya and a tarred road to the clinic and a stormwater*<br>• *Requesting tarring of internal roads*<br>• *Complaining about a bridge that needs to be fixed. Reason being it over-flows and residents can't walk*<br>• *Requesting boreholes at Sun City D*<br>• Requesting high mast lights at Sun City AA<br>• Requesting roads at a.a<br>• Requesting water<br>• Requesting water the whole of Sun City AA<br>• Requesting water and a community hall<br>• Requesting a satellite office for service payment around Sun City AA<br>• Requesting an internship programme from agriculture to accommodate all the un-employed youth.<br>• Requesting a jojo tank<br>• Requesting street names at Sun City AA<br>• Requesting a community hall<br>• Requesting a clinic<br>• Requesting recreational facilities<br>• Requesting a satellite office at Sun City AA<br>• Requesting street lights to be monitored and maintained at Sun City AA<br>• Requesting water at Sun City AA<br>• Requesting pedestrian tar roads and pedestrian bridge<br>• Requesting speed humps at Moloto road near Sun City AA<br>• Requesting re-gravelling of roads at Sun City A, B, C and AA<br>• Requesting a community hall at Sun City<br>• Requesting recreational facilities |
| Ward 20 | • *Requesting dongs to be closed after any construction has been done.*<br>• *Complaining and requesting electricity at Sun City AA and Vezubuhle*<br>• *Requesting a high school at sun- city AA*<br>• *Requesting internal streets to be named*<br>• Requesting that cemeteries be re-gravelled at Sun City AA next to an open space<br>• Requesting a satellite office to pay services fleet rate<br>• Requesting roads at Sun City AA<br>• Requesting roads at Sun City AA and may they be made solid<br>• Requesting/complaining about not having water. The whole of nyabela street |
| Ward 21 | • *Requesting an RDP house.*<br>• *Requesting a community hall and requesting it at ward 21*<br>• *Requesting high mast lights to be energised at ward 21*<br>• Requesting a clinic<br>• Requesting a hall<br>• Requesting electricity<br>• Enquiring about the RDP houses<br>• *Requesting more RDP houses at Ward 21* |
| Ward 22 | • *Requesting tarred to be fixed including pot holes*<br>• *Requesting inspectors to come from human settlement and inspect those RDP houses*<br>• *Requesting a community hall*<br>• *At maboko, they are requesting a bus for primary and secondary students. They are also requesting water.*<br>• *Requesting tarring of internal roads at Msholozi*<br>• *Requesting high mast lights at Msholozi*<br>• Requesting roads at cemeteries<br>• Requesting a public parking at the cemeteries<br>• Requesting a no parking sign at the cemeteries<br>• Requesting more street lights at Mandela |

| | |
|---|---|
| | • Complaining about water (not getting water, the whole of section 10 at Mandela)<br>• Complaining about livestock that is loitering around<br>• Requesting a primary school at Luthuli<br>• Requesting a community hall at Mahlabathini<br>• Requesting a RDP house<br>• Requesting a taps<br>• Requesting a clinic that will accommodate mahlathini, Luthuliand Msholozi<br>• Complaining about Luthuli being side lined when it comes to other project like stormwater control and roads<br>• Requesting re-gravelling of roads at Luthuli<br>• Requesting roads and bus routes at Luthuli<br>• Requesting street signs<br>• Complaining about electricity at Luthuli<br>• Requesting re-gravelling at Luthuli<br>• Requesting stormwater control at Luthuli<br>• Requesting a satellite office for service fee payment at Luthuli<br>• *Requesting a pavement, community hall and toilets at Ward 22* |
| Ward 23 | • *Requesting a RDP house*<br>• *Complaining about not receiving services from the local Municipality*<br>• *Requesting sports/playground at Phumula A1, A2, B1 and C1*<br>• *Requesting the Municipality to set an appointment with Eskom for the community (something like imbizo)*<br>• *Requesting toilets at a1 Phumula*<br>• *Requesting high mast lights at A1 Phumula*<br>• *Requesting tarred at section A1*<br>• *Requesting a stormwater control at Phumula.*<br>• *Requesting high mast lights to be energised at Phumula*<br>• *Requesting a community hall at Phumula*<br>• Requesting a community hall at Phumula<br>• Requesting a platform for the community of Phumula where they are going to state their issues<br>• Requesting a shopping centre for the Phumula community<br>• Requesting fencing at the cemeteries of Phumula<br>• Requesting an office where he can do his HIV/AIDS programme for the community<br>• Requesting a community clinic (not a mobile one) for the community of Phumula<br>• Requesting toilets at Phumula<br>• Requesting electricity |
| Ward 24 | • *Requesting water and bore holes at Machipe*<br>• *Requesting speed humps at main street of Machipe*<br>• *Requesting water supply at Machipe*<br>• *Requesting a stormwater control at Machipe*<br>• Requesting high mast lights to be energised at Machipe<br>• Requesting the Municipality to assist with corporative<br>• Requesting a stormwater control<br>• Requesting that after construction, the holes that are left be closed<br>• Requesting a community clinic at Bundu<br>• Requesting a stormwater control at Boekenhouthoek kwa- jane<br>• Requesting a high mast light at Boekenhouthoek, close to Ruben<br>• Requesting that the Municipality must not issue previous statements from previous years<br>• Requesting a special school (hearing and low iq) for disabled candidates<br>• Requesting the Municipality to assist the local candidates with a Saturday school (extra classes)<br>• Requesting a stormwater control/ stormwater drainage<br>• Requesting a high mast light at Ruben Boekenhouthoek<br>• Requesting a high mast lights at Boekenhouthoek. The whole of boekenothoek<br>• Requesting high mast lights to be maintained and energised |
| Ward 25 | • *Requesting a stormwater control at wad 25*<br>• Enquiring about the pavement (the street is incomplete, the street to masombuka emaqwetheni)<br>• Requesting that the grader be used on weekends to fladder the spots grounds.<br>• Enquiring about the feedback report how its being draft |
| Ward 26 | • *Complaining about a stream river and requesting a bridge or stormwater control* |

| | |
|---|---|
| | • *Requesting a sports ground*<br>• *Complaining about incomplete bus routes at thembalethu that are not complete*<br>• Amakhosi are complaining about not being invited in some of the meetings<br>• Requesting a stormwater control for next year<br>• Requesting a researcher to research in the community and report back to the traditional leaders<br>• Requesting high mast lights at the cemeteries<br>• Requesting toilets (flushing ones) at kwagga c<br>• Requesting a high mast light at kwagga c next to mphephulo<br>• Complaining about the shortage of water around kwagga C<br>• Requesting flushing toilets at kwagga c<br>• Requesting the Municipality to assist in job creation<br>• Complaining about unemployment rate around thembisile. (its high)<br>• Requesting an RDP house<br>• Requesting flushing toilets<br>• Complaining about electricity and requesting it at Kwaggafointein C |
| Ward 27 | • Request water, high mass lights and roads maintenance<br>• Request tar roads<br>• Do not want the vip toilets but flushing toilets<br>• Skills development centre<br>• Roads maintenance<br>• Street lights/high mast light<br>• Disaster management to assist families that need houses<br>• Request for electricity<br>• Palesa mine uses THLM water but not charged<br>• Request community hall<br>• Asbestos pipe changed to pvc plastic pipes<br>• Completion of water reticulation<br>• Regravelling of internal roads |
| Ward 28 | • *Complaining about not being notified as a Ward Committee member*<br>• *Requesting an appointed contractor to be punctual and work on a time frame*<br>• Requesting the Municipality to communicate with the community<br>• Requesting stormwater control<br>• Requesting a jojo tank<br>• Requesting water meter all the residence of bhundu<br>• Requesting roads<br>• Requesting a high mast light next to spar kwagga A<br>• Requesting a community park<br>• Requesting assistance from the Municipality to assist him with his corporative<br>• Requesting a stormwater control at Ward 28<br>• Requesting a special school for low iq/disabled candidates around kwagga A<br>• Requesting an RDP house<br>• Requesting a community hall/temporally tent<br>• Complaining about potholes at the cemeteries of kwagga A<br>• Requesting re-gravelling/ maintenance of the roads outlined roads at kwagga A<br>• Requesting speed humps from sifikile to R573 |
| Ward 29 | • Php houses completion in Ward 29<br>• Mobile clinic introduction and the schedule of dates be given by the department of health<br>• Installation of street lights or high mast light in crime spot areas<br>• Request community hall<br>• Sports grounds development in Ward 29<br>• Request businesses sites to be released when they apply<br>• Meter box for electricity installation<br>• Completion of the vip toilets in Ward 29<br>• Job opportunities for the youth<br>• Park or recreational facilities in the form of multipurpose functions<br>• Darla to clarified the land issue especially farm in Ward 29<br>• By-law on land requisition in Ward 29 |

| | |
|---|---|
| | • Asbestos pipe changed to pvc plastic pipes<br>• Regravelling of internal roads |
| Ward 30 | • *Enquiring about water, when would this problem be solved and requesting a satellite office*<br>• *Complaining about incomplete tarred/roads at Tweefontein j closed to the high school*<br>• *Requesting a toilet*<br>• *Requesting a stormwater control*<br>• Municipality to do feasibility study before building RDP houses to avoid the issue of wetland<br>• In need of vip toilet<br>• In need of stormwater drainage to control water that damage houses<br>• They complaining about water from dam stream that are destroying the tire road and cemetery<br>• Highmast light are not operating<br>• In need of apollo's<br>• Proper inspection was not done well when RDP houses were built<br>• In need of community hall<br>• Request extension of highmast light and repair those that are there |
| Ward 31 | • *Complaining about un-energised high mast lights*<br>• *Requesting stormwater control at Ward 31*<br>• *Requesting water supply at section d (entabeni)*<br>• *Requesting our road to be tarred at Kwaggafontein D*<br>• Requesting the Municipality to assist with home based care (khomani home base care)<br>• Requesting stormwater control and roads at kwagga D<br>• Complaining about un-energised high mast lights around kwagga D<br>• Requesting road and electricity<br>• Requesting a RDP house<br>• Requesting a high mast light at kwagga D<br>• Requesting speed humps at d-line<br>• Requesting recreational facilities at kwagga D<br>• Requesting a community hall at kwagga D<br>• Requesting that the agenda/report be written in isindebele<br>• Requesting re-gravelling<br>• Requesting re-gravelling of roads next to the dum/farm<br>• Requesting temporally tents mine while her RDP house is still being build<br>• Requesting a jojo tank where he is located. He owns a little farm<br>• Requesting assistant from the Municipality to assist her with a disability school and senior citizen school<br>• Requesting a tlb (re-gravelling ) |
| Ward 32 | • *Requesting that, all the requested needs be implemented*<br>• *Requesting a bus-waiting room*<br>• *Complaining about the shopping centre at kwa-mhlanga cross roads. Requesting it to be extended.*<br>• Complaining about not getting food parcels<br>• Complaining about poor service delivery<br>• Complaining about a meter that was inserted and it was leaking<br>• Complaining about a proof of residents that are being issued at the Municipality. They are not permitted at other banks<br>• Complaining about being side-lined by the Municipality in teams of food parcels<br>• Complaining about kwamhlanga not being clean<br>• Requesting maintenance in every infrastructure<br>• Requesting maintenance at thembisile show ground<br>• Complaining about pot holes at section c kwa-mhlanga |

**WARD COMMITTEES**

In terms of the Municipal Structures Act, (Act 117 of 1998) Municipalities are required to establish Ward Committees to enhance community participation in Municipal development processes. In compliance with this legislative requirement the Municipality has established 32 Ward Committees which are functional. The Ward Committees have since their establishment added much value to Municipal processes by providing inputs from a community perspective. They play a major role in the IDP process, both in terms of highlighting community priorities but also in maintaining constant communication between the Council and the communities. A number of training opportunities were made available for Ward Committee members to augment their capacity. Proportional representative Councillors are deployed in Wards to strengthen participation and communication.

**MAYORAL OUTREACH MEETINGS**

**The following Mayoral outreach meetings were held during the 2021/2022 financial year:**

| Date | Time | Cluster | Wards/Structures | Venue |
|---|---|---|---|---|
| 5 April 2022 (Tuesday) | 09H00-12H00 | All | All Hon. Councillors, Ward Committee Secretaries and CDW's | Kwaggafontein Community Hall |
| 5 April 2022 (Tuesday) | 14H00-16H00 | All | Religious Organisations, Media Houses, Elderly and Disability | Kwaggafontein Community Hall |
| 6 April 2022 (Wednesday) | 09H00-12H00 | All | Sector Departments Youth and sport Organisations | Kwaggafontein Community Hall |
| 6 April 2022 (Wednesday) | 14H00-16H00 | All | Traditional Healers | Kwaggafontein Community Hall |
| 7 April 2022 (Thursday) | 09H00-12H00 | All | Traditional Leaders | Kwaggafontein Community Hall |
| 7 April 2022 (Thursday) | 15H00-17H00 | All | Businesses | Kwaggafontein Community Hall |
| 20 APRIL 2022 (Wednesday) | 09H00-12H00 | Cluster 03 | 01,02 & 03 | Moloto Old Age Centre (Moloto) |
| 20 April 2022 (Wednesday) | 14H00- 16H00 | Cluster 04 | 04,06,14,18,19,20,22 & 32 | Vezubuhle Community Hall (Vezubuhle) |
| 21 April 2022 (Thursday) | 09H00-12H00 | Cluster 05 | 05,09,15,16,17 & 30 | Zamani School Open Ground (Tweefontein F) |
| 21 April 2022 (Thursday) | 14H00-16H00 | Cluster 06 | 12,13,17,21 & 23 | Siphiwe School Open Ground (Tweefontein C) |
| 4 May 2022 (Wednesday) | 09H00-12H00 | Cluster 07 | 8 (Farms) | Rietfontein (Bly n Bietjie) Farms |
| 4 May 2022 (Wednesday) | 14H00-16H00 | Cluster 08 | 08,10 & 11 | Bawokuhle Primary School Open Space (Mzimuhle) |
| 5 May 2022 (Thursday) | 09H00-12H00 | Cluster 01 | 07 & 24 | Mabena Open Space (Bundu) |
| 5 May 2022 (Thursday) | 14H00-16H00 | Cluster 02 | 25, 26, 27, 28, 29 & 31 | Kwaggafontein Community Hall (Kwaggafontein C) |
| 6 May 2022 (Friday) | 09H00-12H00 | Cluster 09 | 32 (Farms) | Hokai School Open Ground (Hokai) |

# Chapter 2

**IDP PROCESS PLAN**

| IDP PHASES | ACTIVITIES | DATES |
|---|---|---|
| **Pre-Planning Phase** | Before starting the planning process, an IDP process plan must be drawn up. This plan is meant to ensure the proper management of the Integrated Development Planning process. The plan must be set out in writing, in terms of the legislation and must comply with the provisions of the district framework plan in terms of the binding national and provincial planning frameworks, mechanisms and processes stipulated in the framework plan of the district. | All municipalities must adopt their IDP process plans by August 2021 subsequent to the adoption of the district framework plan by the 30 August 2021 |
| **Analysis Phase** | During this phase information is collected on the existing conditions within the Municipality. When assessing the existing level of development in the Municipality, the level of access to basic services and those communities that do not have access to these services must be identified. Focus must be on the types of problems faced by community in the area and the causes of these problems. The identified problems are assessed and prioritized in terms of what is urgent and what needs to be done first. Information on availability of resources is also collected during this phase. Priority issues highlighted during the 2015/16 IDP processes will also be revised and confirmed during this phase. Com-munity meetings, stakeholder meetings, surveys, opinion polls and researched information should form the basis of this phase. | This phase should be completed by 31 October 2020 |
| **Strategies Phase** | Municipalities must begin to contemplate on the best possible strategies to tackle the identified challenges. critical in this process in order to ensure a focused analysis, the municipal vision must be confirmed and development objectives containing clear statements of what the Municipality would like to achieve in the medium term to deal with the problems outlined in the first phase be confirmed. Internal transformation needs, Council's development priori-ties must be taken into account when formulating Council objectives. This process should involve strategic workshops, targeted stakeholder engagements, public hearings, sector provincial and national department's engagements, social partners, interest-based groups and organized civil society.<br>once the Municipality has worked out where it wants to go | This phase should be completed by 31 January 2022 |
| **Projects Phase** | During this phase the Municipality works on the designs and content/specifications of projects identified during the prior phases. Clear details for each project have to be worked out. Clear targets must be set and indicators worked out to measure performance as well as the impact of individual programmers and projects. The identified projects must have a direct link to the priority issues and objectives identified in the previous phase. Municipalities must ensure engagement of internal technical Committees, possibly with selected key stakeholders. The needs and views of the affected communities must be taken as a priority. The project technical Committees and their subcommittees must be able to distinguish between the strategic Municipal wide development programmes and the localized community-level projects. | This phase should be completed by 31 January 2021 |
| **Integration Phase** | Thembisile Hani Local Municipality embarked on Mayoral outreach programmer from September to November 2019 in all 32 Wards. | By 28 February 2022 |

| | | |
|---|---|---|
| | Once all projects have been identified, the Municipality must confirm that the identified projects will achieve the desired impact in terms of addressing the identified challenges and are aligned with the objectives and strategies and comply with legislation. the identified programmes/projects will set the pace and direct the trajectory emanating from the overall picture of the development plans of all the stakeholders, including sector departments and social partners | |
| **IDP Indaba** | amendment of IDP according to comments | By 29 March 2022 |
| **Approval Phase** | submission of draft IDP to Council<br>road show on Public Participation and publication<br>submissions of IDP to Council for approval and adoption | By 30 May 2022 |

**SCHEDULE OF KEY DATES**

| IDP Phase | Activity | IDP Steering Committee | Mayoral IDP/Budget Steering Committee | Strategic Planning Workshop | IDP/Budget Indaba | Mayoral Comm. Sitting | Council Sitting | Community Meetings | Public Notice Date | Due date for Completion of Process |
|---|---|---|---|---|---|---|---|---|---|---|
| Preparation<br><br>01 July-30 August | Preparation and Adoption of IDP Process Plan | 07 August 2021 | N/A | N/A | N/A | 14 August 2021 | 30 August 2021 | N/A | By 08 September 2021 | 30 August 2021 |
| Analysis<br><br>01 August-30 October | Community Meetings<br><br>Preparation of IDP Analysis Report | 23 October 2021 | N/A | N/A | N/A | N/A | N/A | September-October 2021 | N/A | 31 October 2021 |
| Strategies<br><br>01-30 November | Refinement of Objectives and Strategies | 11 November 2021 | N/A | 15/16 January 2022 | N/A | N/A | N/A | N/A | N/A | 30 January 2022 |
| Projects<br><br>01December- 30 January | Project confirmation<br><br>Budget/IDP steering Committee meeting | 29 January 2022 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 30 January 2021 |
| Integration | Consultation with Sector | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 28 February 2022 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 01-28 February | Departments, Confirmation of budgets, Integration with Sector plans | | | | | | | | | |
| Approval<br><br>01-February to 30 April | Preparation of IDP/Budget for Council Approval<br><br>Community Engagements<br><br>Publication of Notices | 26 February 2022 | N/A | N/A | N/A | 20 March 2022 | 27 March 2022 | 10-20 April 2020 | By 14 April 2022 | 29 March 2022 |
| Adoption of amendments to the IDP and Budget | Publication of Notices<br><br>Final Approval of IDP and Budget | 23 April 2022 | 25 April 2022 | N/A | 10 May 2022 | 22 May 2022 | 30 May 2022 | N/A | By 15 June 2022 | 30 June 2022 |

**Summary**

For the purpose of reviewing the IDP, the Municipality conducted a series of Public Participation/ Mayoral Izimbizo meetings during the months of September, October and November, January, February and March to get inputs from communities regarding current service delivery issues and needs. according to the Municipal Systems Act (32 of 2000) the *"Municipality must within 14 days of the adoption of the IDP give notice to the public of the adoption of the plan and that copies of the extracts from the plan are available for public inspection at specified places".* As such a notice was issued inviting communities to give inputs within a period of 21 days after publishing the notice. The Municipality further dedicated the month of April 2022 for holding community consultation meetings in order to provide an opportunity for further inputs from community members, stakeholders and representatives.

**Comment on the effectiveness of the public meetings held**

Council benefits positively as a result of the above systems, in that consultation is done with the broader community of Thembisile Hani on matters of service deliver

# Chapter 2

## 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, KPI's, and 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 KPI's in the strategic plan? | Yes |
| Do the IDP KPI's align to the section 57 managers | Yes |
| Do the IDP KPI's lead to functional area KPI's as per the SDBIP? | Yes |
| Do the IDP KPI's align with the provincial KPI's on the 12 outcomes | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes |
| * section 26 Municipal Systems Act 2000 | |

## COMPONENT D: CORPORATE GOVERNANCE

The scope of corporate governance includes the political, administrative, intergovernmental governance and public accountability and participation to ensure that the Municipality is managed to the required desires of the community within the rules, processes and laws by which the Municipality is operated, regulated and controlled.

The national and provincial outcomes for local government can be seen in **appendix n**

## 2.6 RISK MANAGEMENT, ANTI-CORRUPTION AND ANTI-FRAUD

The Municipality has established a functional Risk Management Unit which is headed by Chief Risk Officer and it strives to maintain an effective, efficient and transparent system of risk management. This unit use the National Treasury risk management framework as a guideline to discharge its day to day responsibilities and operations.
The following risk management related 2021/22 policies has been developed and approved by Council in order to intensify the effectiveness, efficiency and transparency systems of risk management within the Municipality:

Risk management policy
Risk management strategy
Risk management methodology
Risk management charter
Whistle blowing policy
Gift policy
Risk appetite and tolerance framework
Anti Corruption Stratery
Prevention of Fraud and Corruption Policy
Business Continuity Policy
Business Continuity Management Framework

The Municipality is under shared Risk Management Anti-Fraud and Anti-Corruption Committee (RMAFACC) services with Nkangala District Municipality (NDM) which meets on quarterly basis and is chaired by an independent external person. The Committee oversee the risk management and anti fraud and anti-corruption related matters and ensures that risk assessments

are conducted on annual basis, monitoring reports submitted on quarterly basis and risk management related policies are reviewed and approved by the appropriate structures. The RMAFACC Chairperson further liaise with the Accounting Officer and submit the RMAFACC report to Audit Committee on quarterly basis.

The Top 5 risks of the Municipality are:

1. Inadequate revenue collection.
2. Inadequate fleet management.
3. Land invasion and encroachment.
4. Poor maintenance of road infrastructure.
5. Inadequate provision of water and sanitation services.

## 2.7 ANTI-CORRUPTION AND ANTI-FRAUD

### ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality strongly discourage the activities of theft, fraud and corruption internally and externally. The matters relating to corruption and fraud are monitored by Risk Management Unit and Risk Management Anti-Fraud and Anti-Corruption Committee.

Chief Risk Officer bi-annually conducts anti- fraud and corruption awareness campaigns to educate both Municipal staff members and honourable Councillors about the risks relating to fraud and corruption.

During awareness campaigns stakeholders are encouraged to report any fraud and corrupt related matters and the whistle blowers may remain anonymous and will be protected.

The Anti-Fraud and Corruption Strategy, Fraud Prevention Plan, the Whistle Blowing Policy and Gift Policy has been developed and approved by Council and these documents are aligned to the Prevention of Corrupt Activities Act (POCA) and Prevention and Combatting of Crime Activities Act (PRECCAA) the whistle blowing policy was developed in line with the protected disclosure Act.

Risk Management unit, Internal Audit unit and Legal unit has a vital role to play in ensuring that the Municipality become free from fraudulent and corrupt activities, by conducting preliminary investigations and special Internal Audit assignment on any fraud and corruption reported matters.

Part of the 2021/22 annual risk assessment report included the fraud risk register. The register indicates all the possible risks which relates to fraud and corruption. The register is monitored on quarterly basis together with the operational and strategic risks and the report is escalated to Council through Audit Committee.
Anyone found to have contravened any Act or policy, by being involved in the activities of theft, fraud and corruption is subjected to the disciplinary Committee.

During May 2022 the Council has approved the budget to appoint the service provider to assist THLM with the forensic investigations relating to the matters of Fraud and Corruption and other maladministration for a period of 36 months.

### CONCLUSION

For its success, the risk management framework describes its reliance upon gaining commitment from senior management and Council, establishing the business processes, including assigning responsibilities for change, resourcing, communication, training and reinforcing a risk culture throughout the Municipality.

The implementation of a risk management framework will enable the Municipality to improve its management of risks, and drive performance, i.e. improvement of stakeholder value.

An effective risk management framework will enable senior management to understand the potential upside and downside of actions, and to understand the management of risk in order to raise the likelihood of issues while reducing the likelihood of failure and decrease the uncertainty of overall financial performance.

The risk management framework will assist the Municipality to better allocate risk management resources, provide better performance indicators and monitoring opportunities and improve risk reporting throughout the Municipality.

In addition, the framework will assist the Municipality with identification of unidentified risks, and highlight control gaps and unnecessary and excessive controls, elimination of which will produce cost saving. Such a framework will necessarily present risk awareness throughout the Municipality.

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

The SCM Policy of Thembisile Hani Local Municipality was adopted by Council and is reviewed every year together with budget related policies. In terms of the Supply Chain Policy, section 6(2) (a), Council must maintain an oversight role over the implementation of the municipal supply chain management policy. The accounting officer is mandated to report to Council on the implementation of the Supply Chain Management Policy. The Council has maintained its mandate on a quarterly basis on the implementation of the Supply Chain Management policy. The COVID-19 pandemic affected the implementation of the policy due to the turnaround time of project implementation.

The SCM Division processed a total of 252 orders for the 2021/2022 financial year. The total value of orders that were processed amounted to R30 972 580.60. The list of all orders raised during the 12 months is attached. The total expenditure incurred includes tenders that were appointed for a period of 36 months e. g Fleet Management and Technical services (Roads and Stormwater, Water and Sanitation as well as Electrical services).

Procurement of goods and services in cases of emergencies and where it was impractical to follow the SCM process amounted to R349 010. The Deviation Report was tabled to council for noting. Furthermore, there was no unauthorised expenditure that was incurred. The total irregular expenditure amounted to R72 908 793 and fruitless and wasteful expenditure amounted to R8 036. The report was tabled to Council and reported Executive Mayor, Provincial Treasury and Auditor-General South Africa. The irregular expenditure was caused by non-compliance with PPR Regulations on sub-construction for projects above the the value of R30 million. Below is the list of multi-year projects which led to high value of irregular expenditure.

| Supplier Name | Expenditure incurred | Legislation transgressed against | Reason for Transgression | Services |
|---|---|---|---|---|
| Bidvest Bank | R 4 779 155.84 | SCM Reg 32 | Appointed using Regulation 32 instead of Bidding Process | Rental of Fleet |
| Kgotso Mokone Traders | R 24 714 372.70 | PPR 9(1) | No mandatory subcontracting conditions included in the bid document for tender above R30 Million | Moloto Water Infrastructure |
| KJM Business Enterprice | R 14 744 417.64 | PPR 9(1) | No mandatory subcontracting conditions included in the bid document for tender above R30 Million | Upgrading Kwamhlanga Stadium |

| | | | | |
|---|---|---|---|---|
| Jasino General Services | R 5 157 896.27 | CIDB reg 17 | CIDB - Unsuitable bidders awarded contracts | Construction of Mountain View (Simunye) Bus Route |
| Zembeleni Transport | R 5 446 008.60 | PPR 9(1) | No mandatory subcontracting conditions included in the bid document for tender above R30 Million | Construction of Sheldon Water Infra Pipelines |
| DKPB Construction (Pty)Ltd | R 6 795 139.70 | PPR 9(1) | No mandatory subcontracting conditions included in the bid document for tender above R30 Million | Upgrading Mabhoko Water Infrastructure |
| Namasango Business Enterprise | R 4 178 908.18 | PPR 9(1) | No mandatory subcontracting conditions included in the bid document for tender above R30 Million | Construction of Tweefontein C & DK Water Infrastructure |
| Stickson General Services | R 6 557 866.95 | SCM Reg 28(1)(c) | Municipal rates in arrears for more than 3 months at the time of award | Construction of Entokozwniwater infrastructure-Phase 1 |
| NDIYASE TRANSPORT AND PROJECTS (PTY) LTD | R 173 695.28 | PPR 8(2) | Local Content | Worksuit orange hats |
| EM SKHOSI TRADING (PTY) LTD | R 99 050.00 | PPR 8(2) | Local Content | Safety boots ,Water boots |
| LESEDI EMBELLISH TOURS AND SAF | R 199 962.00 | PPR 8(2) | Local Content | Safety boots ,Water boots |
| KABAU HOLDINGS (PTY) LTD | R 62 320.00 | PPR 8(2) | Local Content | OHS Committee Uniform |
| **TOTAL** | **R 72 908 793.16** | | | |

At the beginning of the year, the National Treasury issued a notice on the Constitutional Court judgment regarding Preferential Procurement Regulations, 2017 which led to the suspension of procurement of goods and services from 16th February to 30th May 2022, pending the Court judgement, therefore all procurement above the value of R30 000.00 was not implemented which resulted in extending various projects. Thus, the short list of awarded tenders. Attached is the list of appointed operational services.

| Description | Service Provider | Amount | Award date |
|---|---|---|---|
| Appointment of a panel of service providers to provide financial advisory and debt collection services for a period of 36 months | Double M MEDPRAC Solutions | Contingency-based rate of 10.5% per recovery | 30-Dec-21 |
| Appointment of a panel of service providers to provide financial advisory and debt collection services for a period of 36 months | LMK Mgoni Group (Pty) Ltd | Contingency-based rate of 14.25% per recovery | 31-Dec-21 |
| Appointment of a panel of service providers to provide financial advisory and debt collection services for a period of 36 months | Noko Maimela Incorporated | Contingency-based rate of 10% per recovery | 01-Jan-22 |
| Leasing and maintenance of photocopying machine and other related product for a period of 36 months | Databox Technologies cc | R911 379.32 (R75 945.27 per month) | 03-Jan-22 |
| Appointment of a professional service provider to provide data management solutions and verifications system for a period of 36 months | Fast Moving T/A Uhhiya | R 2 277 000.00 (Incl. VAT) | 03-Jan-22 |
| Supply , delivery and maintenance of 3rd level support in all ICT matters for a period of 36 months | Matupunuka ICT (Pty) Ltd | R375 066,55 (Exclu. VAT) | 18-May -22 |

Procurement plans will be developed on operational and capital projects and adhered to in order to implement the budget projects as per IDP. All planned capital projects for the financial year were appointed on competitive bidding processes.

## 2.9 BY-LAWS

**COMMENT ON BY-LAWS PERFORMANCE OVERALL**

We have gazetted the below By-Laws in the 2021/2022 financial year

- ✓ Credit Control and Debt Collection By-Laws
- ✓ Indigent By-Laws
- ✓ Tariffs By-Laws
- ✓ Property Rates By-Laws

## 2.10 WEBSITES

| **Municipal Website: Content And Currency Of Material** | | | |
|---|---|---|---|
| **Documents Published On The Municipality's Website** | **Yes /No** | **Documents Published On The Municipality's Website** | **Yes /No** |

| | | | |
|---|---|---|---|
| Current annual and adjustments budgets and all budget-related documents | Yes | Current annual and adjustments budgets and all budget-related documents | Yes |
| All current budget-related policies | Yes | All current budget-related policies | Yes |
| The previous Annual Report (2020/21) | Yes | The previous Annual Report (2020/21) | Yes |
| The Annual Report 2020/21 published | Yes | The Annual Report 2020/21 published | Yes |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2000) and resulting scorecards | Yes | All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2000) and resulting scorecards | Yes |
| All service delivery agreements | No | All service delivery agreements | Yes |
| All long-term borrowing contracts | No | All long-term borrowing contracts | No |
| Contract register | Yes | Contract register | Yes |
| 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 2020/21 | 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 2020/21 | No |
| Public-private partnership agreements referred to in section 120 made in 2020/21 | No | Public-private partnership agreements referred to in section 120 made in 2020/21 | No |
| All quarterly reports tabled in the Council in terms of section 52 (d) during 2021/22 | Yes | All quarterly reports tabled in the Council in terms of section 52 (d) during 2021/22 | Yes |

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality has conducted public satisfaction survey through public participation meetings to gauge public satisfaction on the services provided by the municipality. These participation meetings to some extent were a mirror with which to gauge public satisfaction on the service provided by the Municipality. These meetings serve to address some of the constraints and challenges the Municipal Council and communities face. About 15 Mayoral outreach meetings were held during 2021/2022 financial year.

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

### INTRODUCTION

Service delivery is 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 departmental objectives of the Thembisile Hani Local Municipality, certain issues are set out to be achieved during the financial year.

**The following have been achieved during 2021/2022 as per community survey:**

- Provided 64 267 households with access to basic water
- Provided 64 061 households with access to basic refuse removal
- Provided 80 028 households with access to basic electricity
- Provided 2 460 households with access to basic sanitation (water borne system)
- Provided 64 267 households with access to free basic water (6 kl)

## COMPONENT A: BASIC SERVICES

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

### INTRODUCTION TO BASIC SERVICES

| BASIC SERVICE PROVISION | CHALLENGES |
|---|---|
| Water | • Lack of water storage in Kwamhlanga, Suncity and Moloto,<br>• Water losses that are above the norm set by Department of Water and Sanitation.<br>• Incosistence bulk water supply from City of Tshwane Metropolitan Municipality.<br>• Dr. JS Moroka Local Municipality is currently not supplying water to our Municipality.<br>• Ageing infrastructure (asbestos pipes)<br>• Theft or vandalism of water infrastructure<br>• Illegal connection to the bulk water system.<br>• Slow progress of implementation of Loskop Dam Bulk Infrastructure projects.<br>• Poor revenue collection to properly operate and maintain the water infrastructure. |
| Refuse removal | • Shortage of staff<br>• Inadequate waste collection trucks (compactor trucks)<br>• Limited funding |
| Sanitation | • Huge sanitation backlog caused by the demand for waterborne system.<br>• Limited funding for operation and maintenance (below national treasury norm)<br>• Community of Thembisile Hani Local Municipality requires water borne sanitation system and not the VIP toilets anymore<br>• Lack of maintenance on VIP toilets<br>• High risk rating on green drop |
| Electricity for energising high mast light and maintenance | • Lengthy Eskom process to energise highmast lights and boreholes.<br>• Limited funding and resources for own maintenance team<br>• Ever increasing electricity household's connections due to new estsblishment or township. |
| Roads and storm-water drainage | • Flooded gravel roads<br>• Limited funding for maintenance and construction of new roads<br>• Limited resurces for internal maintenance for gravel roads<br>• Stormwater challenges through all wards<br>• Huge backlog on gravel (unpaved) roads |

| | |
|---|---|
| | • Limited budget to reseal roads |

**DEFINITION OF A HOUSEHOLD / HOUSING UNIT**

Household: a *household* consists of a person, or a group of persons, who occupy a common dwelling (or part of it) for at least four days a week and who provide themselves jointly with food and other essentials for living. In other words, they live together as a unit. People who occupy the same dwelling, but who do not share food or other essentials, were enumerated as separate households. For example, people who shared a dwelling, but who bought food and ate separately, were counted as separate households. Visitors, both foreign and south African, as well as boarders who stayed with a household on *census night*, were counted as part of that household. People who were absent on census night, but were not counted elsewhere (either because they were working, travelling, at a church vigil, at an entertainment centre, and so on), and returned to the household on Tuesday, 10 October, were counted as part of the household. Live-in domestic workers and live-in employees were regarded as separate households. (Statistics: south Africa, census 2011)
Housing unit: it is a unit of accommodation for a household, which may consist of one structure, more than one structure, or part of a structure. Examples of each are a house, a group of rondavels, and a flat. In informal areas and overcrowded conditions a housing unit may hold more than one household.

**DEFINITION OF AN INFORMAL SETTLEMENT**

Informal settlements are groups of people living on land they have no legal claim to. It is also known as an unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings. Informal settlements are also referred to as a squatter settlement, slum or a shanty town. (Statistics: South Africa, Census 2011).

## 3.1 WATER PROVISION

Thembisile Hani Local Municipality is the Water Services Authority (WSA) as well as the Water Service Provider (WSP) for its area of jurisdiction and which currently operates two interlinked water supply systems that delivers potable water to rural towns and villages situated within the Municipality.

There are **two bulk water supply systems** with **five supply resources** which forms the northern section of the Western Highveld Scheme and crosses into the Greater Marble Hall and Thembisile Hani Local Municipalities, and consists of:

a) **System 1: Northern Supply 1.**

(i) **Dr JS Moroka bulk water supply purchase -** This system comprises the bulk water supply purchase from Dr JS Moroka LM. Thembisile Hani has a service level agreement with Dr JS Moroka LM to be supplied with water from the Weltevreden Water Treatment Works. This source supplies the areas of Kwaggafontein; Boekenhouthoek; Mathys Zyn Loop and Vrischewaagd.

Since 2019 there was a limited supply provided to THLM which has reduced significantly over time to where the current supply of water from Dr JS Moroka to THLM is zero.

THLM has therefore developed the below Bundu scheme to address water supply to the abovementioned effected townships.

(ii) **Bundu Supply System -** The Bundu Water supply scheme is a scheme developed by the Thembisile Hani local Municipality. It abstracts water from the Moses River at Bundu, where the water is treated and then pumped to a 10 Ml command reservoir at Mathyssensloop. This system is designed to supply the AADD of 5.04 Ml/d of Goederede, Boekenhouthoek and Mathyssensloop. The system is currently supplying 2.5 ml/d and on completion in July 2021 will increase the supply to the full 5.04 ml/d (2million m3 /a).

b) **System 2: Southern Supply.**

This system includes the purchase of bulk water from two supply resources namely Rand Water and the City of Tshwane. The supply from City of Tshwane supplies bulk water from the Bronkhorstspruit WTW. These two sources supply the southern sections of Moloto, Kwamhlanga, Thembalethu, Tweefontein, Vlaklaagte and Verena as follows:

(i) **Rand Water bulk water supply purchase** – the annual daily bulk water supply from Rand Water system has ranged from 29 Ml/d in 07/2019 to the current 32.7 Ml/d on average. The bulk potable water is supplied through Ekandustria Reservoir in Ekangala and through the Thembalethu Reservoirs.

(ii) **City of Tshwane bulk water supply purchase** – The Bronkhorstspruit Water Treatment Works was designed to supply bulk water supply to THLM. This has continued after the CoT took over the then Kungwini Local Municipality based on the old Service Level Agreement (SLA). The bulk supply by the CoT as per the below graph indicates an averaged of approximately 1.8 Ml/d against the required 10.6 Ml/d.

A bulk connection has been constructed between the Rand Water and City of Tshwane bulk lines to allow the supply from either source to be distributed to both parts of the network.

c) **Borehole Supply System**

SML Projects has recently been appointed by Thembisile Hani Local Municipality under the "Implementation of water projects for a period of 36 months" which included the appointment for drilling, refurbishment and equipping of boreholes in ward 19,22,27,28,29,31,32 as well as requested to conduct an audit and database of the existing boreholes within the Municipality.

The report indicated a total of 189 boreholes of which are as follows:

- Handpumps 34
- Windmills 18
- Solar panel operated submersibles pumps 19
- Electrically operated submersible pumps 56
- Generator operated pumps 24
- Not equipped 38

Out of 189 boreholes only 65 were tested and 50 test results submitted. The remaining 15 boreholes are still to be submitted. Handpumps were not tested as it was presumed very low yield boreholes.

Most boreholes are found in Ward 8 and 32. From the 189 boreholes a total of 40 boreholes is operational with a combined yield of 40.66 l/s which equals 2 927.5 Kl/day based on a 20 hour per day operation.

Remedial measures implemented by THLM to address/ alleviate the water shortage challenges are as follows:

- Refurbishment of water infrastructure Projects through the Water Services Infrastructure Grant to reduce the water losses by an estimated 18 Ml per day.
- Reconfiguratuon of Zakheni Bulk Line to alleviate the water shortage faced by Ward 4.
- Completion of Upgrading of Existing Infrastructure from Agricultural Project to Augment Borehole Water Supply in Bundu (Moses River) Multi-Year Project (Work Package 1 to 6), which currently supply 2.5ML/Day to Bomando area.
- Completion of two (2) 5ML reservoirs in Suncity and Moloto area.

- Construction of 4ML Moloto ground water scheme, the project was supposed to be be completed in October 2019 however due to unforeseen challenges of delays from energising (Eskom) as well as vandalism, the completion date was then moved further to September 2021, while Eskom is busy replacing the Eskom vandalised equiptments.
- Abstraction of water from Loskop Dam project, this project is a long term (multi-year) activity undertaken by the Department of Water and Sanitation (DWS) whereby the Nkangala District Municipality (NDM) has been appointed as an implementing agent. Its aim is to augment the bulk water supply of THLM by about 20 Ml per day upon completion. The current progress is that Thembisile Hani Local Municipality has been granted a 15 Ml per day abstraction licence and the Implementation Readiness Study is at the final stage of approval, which will grant NDM to start with physical construction in the 2021/22 financial year.





**COMMENT ON WATER SERVICES PERFORMANCE OVERALL:**

DWS to experdite the implementation of abstraction of 20 Ml per day from Loskop Dam project as mandated by the former President in June 2016. All bulk water supply projects to be priorotised and completed as planned.

The baseline information below was sourced from 2011 Sensus Statistics SA and 2018 Household Survey Statistics.

| **water service delivery levels**<br><br>**Households** | | |
|---|---|---|
| **Description** | **2020/21** | **2021/22** |

| | actual | actual |
|---|---|---|
| | no. | no. |
| ***water:*** **(above min level)** | | |
| piped water inside dwelling | 12 300 | 12 300 |
| piped water inside yard (but not in dwelling) | 54 549 | 54 549 |
| using public tap (stand pipes ) | 0 | 0 |
| other water supply (within 200m) | 3 693 | 3 693 |
| *minimum service level and above sub-total* | **58 248** | **58 248** |
| *minimum service level and above percentage* | **77.04%** | **70.39%** |
| ***water:*** **(below min level)** | | |
| using public tap (more than 200m from dwelling) | 1 131 | 1 131 |
| other water supply (more than 200m from dwelling | 486 | 486 |
| no water supply | 3 441 | 3 441 |
| *below minimum service level sub-total* | 5 058 | 5 058 |
| *below minimum service level percentage* | 6.69% | 6.11% |
| **total number of households*** | 75 600 | 82 740 |
| *** - to include informal settlements** | | |

The wording "*within/more 200m from dwellings*" be replaced with "*stand pipes*" as it challenging to measure.

| **households - water service delivery levels below the minimum Households** | | | |
|---|---|---|---|
| **Description** | **2019/2020** | **2020/2021** | **2021/2022** |
| | **actual no.** | **Actual no.** | **Actual no.** |
| **formal settlements** | | | |

| | | | |
|---|---|---|---|
| total households | 72 920 | 30 240 | 33 096 |
| households below minimum service level | 2 680 | 2 023 | 2 023 |
| proportion of households below minimum service level | 4% | 6.68% | 6.11% |
| **informal settlements** | | | |
| total households | 2 680 | 45 360 | 49 644 |
| households ts below minimum service level | 1 160 | 3 034 | 3 033 |
| proportion of households ts below minimum service level | 43% | 6.69% | 6.11% |

The information below is as per the community survey.

| **water service delivery levels** | households | |
|---|---|---|
| **Description** | **2020/2021** | **2021/2022** |
| | **actual** | **actual** |
| | **no.** | **no.** |
| ***water:*** **(above min level)** | | |
| piped water inside dwelling | 12 300 | 12 300 |
| piped water inside yard (but not in dwelling) | 54 549 | 54 549 |
| using public tap (stand pipes ) | 0 | 0 |
| other water supply (within 200m) | 3 693 | 3 693 |
| *minimum service level and above sub-total* | **58 248** | **58 248** |
| *minimum service level and above percentage* | 53.3% | 47.73% |
| ***water:*** **(below min level)** | | |
| using public tap (more than 200m from dwelling) | 1 131 | 1 131 |
| other water supply (more than 200m from dwelling | 486 | 486 |
| no water supply | 3 441 | 3 441 |
| *below minimum service level sub-total* | 5 058 | 5 058 |
| *below minimum service level percentage* | 4.63% | 4.14% |
| **total number of households*** | **109 282** | **122 029** |
| *** - to include informal settlements** | | |

The wording "*within/more 200m from dwellings*" be replaced with "*stand pipes*" as it challenging to measure.

| Households - Water Service Delivery Levels Below The Minimum Households | | | |
|---|---|---|---|
| **Description** | **2019/2020** | **2020/2021** | **2021/2022** |
| | **Actual No.** | **Actual No.** | **Actual No.** |
| **Formal Settlements** | | | |
| Total Households | 70 542 | 43 713 | 48 812 |
| Households Below Minimum Service Level | 5 058 | 5 058 | 5 058 |
| Proportion Of Households Below Minimum Service Level | 7% | 11.57% | 10.37% |
| **Informal Settlements** | | | |
| Total Households | 5 058 | 65 569 | 73 217 |
| Households Ts Below Minimum Service Level | 3 441 | 3 034 | 3 034 |
| Proportion Of Households Ts Below Minimum Service Level | 68% | 4.63% | 4.14% |

**EMPLOYMENT INFORMATION**

| Employees: Water Services | | | | | |
|---|---|---|---|---|---|
| **Task Grade** | **2020/2021** | **2021/2022** | | | |
| | **Employees** | **Posts** | **Employees** | **Vacancies (Fulltime Equivalents)** | **Vacancies (As A % Of Total Posts)** |
| | **No.** | **No.** | **No.** | **No.** | **%** |
| 15 | 1 | 1 | 1 | 0 | 0% |
| 13 -11 | 2 | 13 | 3 | 9 | 69% |
| 10 – 8 | 17 | 30 | 19 | 11 | 37% |
| 7 – 5 | 13 | 20 | 2 | 18 | 90% |
| 4 – 2 | 38 | 38 | 36 | 2 | 5% |
| Total | 71 | 102 | 61 | 40 | 39% |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021 AND 2021/2022 TECHNICAL SERVICES**

| VOTE | DETAILS | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 105 | SALARIES | 1 721 612 | 932 237 | 601 623.00 | 888 061.70 |
| 105 | BONUS | 144 555 | 70 385 | 144 552.00 | 72 504.49 |

| | | | | | |
|---|---|---|---|---|---|
| 105 | SALGBC | 895 | 505 | 900.00 | 618.00 |
| 105 | ACTING ALLOWANCES | 18 560 | 0 | 18 564.00 | 0 |
| 105 | PENSION CONTRIBUTIONS | 340 216 | 187 388 | 340 212.00 | 166 749.51 |
| 105 | MEDICAL AID CONTRIBUTION | 121 628 | 63 316 | 121 632.00 | 28 904.40 |
| 105 | HOUSING SUBSIDIES | 0 | 0 | 0 | 0 |
| 105 | UIF CONTRIBUTION | 12 871 | 7 420. | 12 876.00 | 9 212.87 |
| 105 | STANDBY ALLOWANCE | 10 510 | 5 255 | 10 512.00 | 16 128.00 |
| 105 | TRAVEL ALLOWANCES | 0 | 0 | 0 | 0 |
| 105 | CELLPHONE ALLOWANCE | 0 | 0 | 4 800.00 | 0 |
| 105 | SKILLS DEVELOPMENT LEVY | 9 396 | 9 396 | 17 580.00 | 9 454.67 |
| 105 | TOLL GATE FEES | 970 | 970 | 1 584.00 | 173.91 |
| 105 | ACCOMODATION | 0 | 0 | 52 656.00 | 0 |
| 105 | FOOD AND BEVARAGES | 0 | 0 | 5 256.00 | 0 |
| 105 | TRAVEL AND SUBSTANCE | 0 | 0 | 14 580.00 | 0 |
| 105 | UNIFORM | 198 450 | 198 450 | 746 917.00 | 199 962.00 |
| 105 | MULTIPURPOSE CENTRE IN PHUMULA | 867 245 | 0 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 105 | OVERTIME | | 867 245 | 504.00 | 0 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021 AND 2021/2022 PMU**

| VOTE | DETAILS | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 500 | SALARIES | 3 103 285 | 3 094 460 | 3 145 092.00 | 3 488 370.64 |
| 500 | BONUS | 165 622 | 257 771 | 165 624.00 | 288 309.20 |
| 500 | SALGBC | 866 | 895 | 864.00 | 988.80 |
| 500 | ACTING ALLOWANCES | 34 370 | 8 893 | 34 368.00 | 8 963.95 |
| 500 | PENSION CONTRIBUTIONS | 521 466 | 531 794 | 521 472.00 | 592 314.61 |
| 500 | MEDICAL AID CONTRIBUTION | 186 772 | 245 289 | 186 768.00 | 306 166.32 |
| 500 | UIF CONTRIBUTION | 13 980 | 14 277 | 13 980.00 | 17 003.52 |
| 500 | STANDBY ALLOWANCE | 0 | 0 | 0 | 0 |
| 500 | TRAVEL ALLOWANCES | 450000 | 450000 | 450 000.00 | 541 755.52 |
| 500 | CELLPHONE ALLOWANCE | 37800 | 37800 | 37 800.00 | 37 800.00 |
| 500 | SKILLS DEVELOPMENT LEVY | 36358 | 31629 | 36 360.00 | 43 744.08 |
| 500 | COMPUTER EQUIPMENT | 0 | 0 | 0 | 0 |
| 500 | PROFFESIONAL CONSULTANT FEES | 500000 | 557699 | 99 996.00 | 0 |
| 500 | RENTAL OF OFFICE EQUIPMENT | 17940 | 1494 | 17 940.00 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 500 | ADVERTISEMENT TENDERS | 124120 | 52986 | 124 116.00 | 0 |
| 500 | OVERTIME | 0 | 0 | 150 000.00 | 0 |
| 500 | PRINTING STATIONERY | 56250 | 16652 | 56 256.00 | 47 196.00 |
| 500 | TRAINING | 85850 | 0 | 166 013.00 | 78 400.00 |
| 500 | ACCOMODATION | 256278 | 70318 | 176 119.00 | 55 090.00 |
| 500 | FOOD AND BEVERAGES | 59706 | 29110 | 59 712.00 | 17 227.00 |
| 500 | AIR TRANSPORT | 5000 | 0 | 5 004.00 | 0 |
| 500 | HOUSING | 0 | 0 | 0 | 4 822.55 |
| 500 | TRAVEL SUBSISTENCE | 87432 | 80105 | 87 432.00 | 13 972.11 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021 AND 2021/2022 WATER DISTRIBUTION SERVICES**

| VOTE | DETAILS | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 540 | SALARIES | 0 | 0 | 17 543 301 | 13 004 758.71 |
| 540 | WATER PIPELINE BUNDU WARD | 3 961 109 | 3 961 109 | 0 | 0 |
| 540 | AGRIC PROJECTS IN BUNDU WARD 24 CIVIL ENGINEER | 17 055 285 | 17 055 285 | 8 157 423.99 | 10 333 074,15 |
| 540 | BOMANDO WATER INFRASTRUCTURE (MULTI-YEAR PROJECT) – PIPEWORK | 15 626 284 | 13 579 876 | 17 757 489.28 | 15 441 295.03 |
| 540 | SHELDON WATER INFRA PIPELINES MULTI-YR PROJ | 2 000 418 | 1 261 234 | 6 977 509.69 | 6 067 399.73 |
| 540 | UPGRADE OF NTOKOZWENI WATER INFRASTRUCTURE | 461 245.88 | 401 083.37 | 9 546 404.58 | 8 301 221.37 |

| | | | | | |
|---|---|---|---|---|---|
| 540 | TWEEFONTEIN C & DK WATER INFRA PIPELINES MUL | 2 361 335 | 2 053 335 | 6 903 929.12 | 6 003 416.63 |
| 540 | UPGRADE MABHOKO WATER INFRASTRUCTURE MULTI-YR P | 3 000 000 | 2 406 631 | 9 658 931.33 | 8 399 070.72 |
| 540 | MAATHEYZESLOOP KWAGGAFONTEIN BOOSTER | 0 | 0.00 | 500 000.00 | 434 782.61 |
| 540 | OUTSOURCED DRILL | 2 850 505 | 2 591 996 | 0 | 0 |
| 540 | ILLING REFURBISHMENT & EQUIPPING OF BOREHOLES_THLM | 3 850 505 | 3 850 505 | 0 | 0 |
| 540 | INDIGET RELIEF FREE BASIC WATER | 0 | 129 573 024.00 | 0 | 129 573 024.00 |
| 540 | WATER PURCHASE | 147778827 | 150773812 | 143 878 824 | 130 575 656.54 |
| | 540 | 25 218 032 | 25 153 171 | 17 396 610 | 16 136 480.00 |
| 540 | WATER TANKER COVID | 19858519 | 18781595 | 0 | 0 |
| 540 | CELLPHONE ALLOWANCES | 0 | 0 | 111 600.00 | 81 000.00 |
| 540 | HOUSING SUBSIDIES | 0 | 0 | 12 936.00 | 11 574.12 |
| 540 | OVERTIME | 0 | 0 | 999 996.00 | 1666059.09 |
| 540 | STANDBY ALLOWANCES | 0 | 0 | 960 576.00 | 142 445.57 |
| 540 | TRAVEL ALLOWANCE | 0 | 0 | 141 000.00 | 140550.20 |
| 540 | BONUS | 0 | 0 | 1 119 000.00 | 1 063327.19 |
| 540 | SALGBC | 0 | 0 | 7 524.00 | 7 786.80 |
| 540 | MEDICAL AID CONTRIBUTION | 0 | 0 | 1 158 272.00 | 1 234 750.68 |
| 540 | PENSION FUND | 0 | 0 | 3 106 860.00 | 2 604 628.63 |

| | | | | | |
|---|---|---|---|---|---|
| 540 | UIF CONTRIBUTION | 0 | 0 | 124 768.00 | 130 118.56 |
| 540 | MATERIAL SUPPLIES | 1 133 200 | 0 | 3 000 000.00 | 2 874 598 .35 |
| 540 | RADIO & TV TRANSMISSIONS | 0 | 0 | 0.00 | 0.00 |
| 540 | PRITING PUBLICATIONS AND BOOKS FLYYERS & POSTERS | 0 | 0 | 0.00 | 0.00 |
| 540 | SKILLS DEVEL LEVY | 0 | 0 | 162 916.00 | 167 259.82 |
| 540 | TOLL GATE FEES | 0 | 0 | 2 628.00 | 0 |
| 540 | ACCOMODATION | 0 | 0 | 28 684.00 | 0 |
| 540 | FOOD AND BEVERAGES | 0 | 0 | 5 268.00 | 0 |
| 540 | TRAVEL AND SUBSISTENCE | 0 | 0 | 34 368.00 | 4 523.94 |
| 540 | ACTING AND POST RELATED ALLOWANCES | 0 | 0 | 76 524.00 | 28 779.88 |
| 540 | MOLOTO GROUNDWATER SCHEME | 1 618 228 | 1 407 063 | 0 | 0 |
| 540 | UPGRADING OF SUN CITY A RESERVOIR WSIG | 7 200 000 | 6 258 654 | 0 | 0 |
| 540 | UPGRADING OF MOLOTO STORAGE RESERVOIR WSIG | 10 470 120 | 9 104 437 | 0 | 0 |
| 540 | UPGRADING OF VERENA A WATER INFRASTRUCTURE (MIG) | 932 636 | 810 989 | 0 | 0 |
| 540 | UPGRADING OF WATER BULK LINE_ALL WARDS(THLM) | 5 516 457 | 5 516 457 | 0 | 0 |
| 540 | REPLACEMENT OF BOMANDU ASBESTOS PIPES | 3 770 051 | 2 754 748 | 2 623 088.00 | 2 112 200.70 |
| 540 | CONSTRUCTION OF MOLOTO WATER INFRASTRUCTURE | 7 650 596.47 | 6 652 692.58 | 31 829 128.27 | 27 766 049.39 |
| 540 | REFURBISHMENT OF WATER NETWORK COVID 19 | 7 945 843 | 7 945 843 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 540 | REFURBISHMENT OF PIPE WORKS MULTI-YR PROJECTS | 3 930 000 | 3 411 700 | 0 | 0 |
| 540 | REFURBISHMENT OF VADALISED MUNICIPAL GANTRIES | 0.00 | 0.00 | 978 891.88 | 978 891.88 |
| 540 | ACQUISITION OF WATER TANKER | 4 623 000 | 4 020 000 | 6 934 499.85 | 6 029 999.87 |
| 540 | CIVIL WATER SER DEV PLAN& WATER CONSERV DEMAND PLAN(WSDP&WCD/MP) | 1 400 000 | 1 217 391 | 1 400 000 | 1 387 125.56 |
| 540 | MAINTENANCE OF UNSPECIFIED ASSETS OPERATIONAL BUNDU WATER TREATMENT WORKS(COVID19) | 2 000 000 | 1 739 130 | 2 499 000 | 2 294 633.13 |
| 540 | WATER TAKERS CONTRACTING FOR WATER TANKERS(WSIG) | 500 000 | 433 900 | 0 | 0 |
| 540 | REFURBISH; DRILLING AND EQUIPING BOREHOLES IN VARIOUS VILLAGES IN THLM | 0 | 0 | 0 | 0 |
| 540 | REFURBISH; DRILLING AND EQUIPING BOREHOLES IN VARIOUS VILLAGES IN THLM | 3000 000 | 1 359 987 | 0 | 0 |
| 540 | DRILL; REFURBISH & EQUIP BOREHOLE KLIPFONTEIN; SUN CITY A-D; | 428 571 | 323 952 | 0 | 0 |
| 540 | DRILL; REFURBISH & EQUIP OF BOREHOLE W 22 LUTHULI;MAHLABATHI | 428 571 | 172 762 | 0 | 0 |
| 540 | DRILL; REFURBISH & EQUIP OF BOREHOLE W 27 KWAGGAFONTEIN | 428 571 | 328 483 | 0 | 0 |
| 540 | DRILL; REFURBISH & EQUIP OF BOREHOLE W 28 KWAGGAFONTEIN | 428 571 | 320 568 | 0 | 0 |
| 540 | DRILL; REFURBISH & EQUIP OF BOREHOLE W 29 KWAGGAFONTEIN | 428 571 | 279 482 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 540 | DRILL; REFURBISH & EQUIP OF BOREHOLE W 31 KWAGGAFONTEIN E; D | 428 571 | 326 316 | 0 | 0 |
| 540 | DRILL; REFURBISH & EQUIP OF BOREHOLE W 32 VARIOUS FARMS | 428 571 | 349 185 | 0 | 0 |

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

Majority of communities within the Municipality use pit/VIP toilets, 25% of the communities have VIP (Ventilated Improved Pit) toilets, 4% have septic tanks and only 4% have water borne system. since 2011/12 the communities have rejected the VIP toilets and prefer the water borne system, and the current backlog still remains at 75%. Areas making 4% are: Kwamhlanga serviced by 3 x 0.5 ml/day oxidation ponds and Tweefontein K by 1.5 ml/day waste water treatment works.

Proffessional services for Luthuli waste treatment works for 13ml/d for various villages within thembisile to eradicate the backlog which is huge on sanitation was conducted on an ongoing basis since the 2018/19 financial year and was budgeted in subsequent financial years until the current financial year because this is a 20 year plan that the Municipality implements in Phases..

### MEASURES TAKEN TO IMPROVE PERFORMANCE

Through IDP processes all communities are involved in voicing their needs to the Municipal officials and Councillors. The sections providing service is aimed at ensuring proper rendering of sanitation services while preventing environmental pollution caused by poor sanitation services
Below are the projects implemented by the Municipality to improve the sanitation provision as stated below:

- Refurbishment of Tweefontein K Wastewater Treatment Works.
- Refurbishment of KwaMhlanga Oxidation Ponds.
- Fencing of Luthuli Wastewater Treatment Works.
- A feasibility study has been conducted to investigate other alternative solution to eradicate the sanitation backlog.

The baseline information below was sourced from 2011 Sensus Statistics SA and 2018 Household Survey Statistics.

| **sanitation service delivery levels** | | |
|---|---|---|
| Household | | |
| **Description** | **2020/2021** | **2021/2022** |
| | **Outcome** | **outcome** |
| | **no.** | **no.** |
| ***sanitation/sewerage:*** **(above minimum level)** | | |
| flush toilet (connected to sewerage) | 5 118 | 5 118 |
| flush toilet (with septic tank) | 1 242 | 1 242 |

| | | |
|---|---|---|
| chemical toilet | 1 230 | 1 230 |
| pit toilet (ventilated) | 15 642 | 15 642 |
| other toilet provisions (above min.service level) | 0 | 0 |
| *minimum service level and above sub-total* | 23 232 | 23 232 |
| *minimum service level and above percentage* | 30.73% | 28.07% |
| ***sanitation/sewerage:*** **(below minimum level)** | | |
| bucket toilet | 672 | 672 |
| other toilet provisions (below min.service level) | 49 737 | 49 737 |
| no toilet provisions | 1 959 | 1 959 |
| *below minimum service level sub-total* | 52 368 | 52 368 |
| *below minimum service level percentage* | 69.27% | 63.29% |
| **total households** | **75 600** | **82 740** |
| ***total number of households including informal settlements** | | |

| **households - sanitation service delivery levels below the minimum households** | | |
|---|---|---|
| | **2020/2021** | **2021/2022** |
| | **Actual no.** | **Actual** |
| **formal settlements** | | |
| total households | 30 240 | 33 096 |
| households below minimum service level | 20 947 | 20 947 |
| proportion of households below minimum service level | 69.27% | 63.29% |
| **informal settlements** | | |
| total households | 45 360 | 49 644 |
| households ts below minimum service level | 31 420 | 31 420 |
| proportion of households ts below minimum service level | 69.27% | 63.29% |

The information below is as per the community survey.

| **sanitation service delivery levels** | | |
|---|---|---|
| Household | | |
| **Description** | **2020/2021** | **2021/2022** |
| | **Outcome no.** | **outcome no.** |
| ***sanitation/sewerage:*** **(above minimum level)** | | |
| flush toilet (connected to sewerage) | 5 118 | 5 118 |

| | | |
|---|---|---|
| flush toilet (with septic tank) | 1 242 | 1 242 |
| chemical toilet | 1 230 | 1 230 |
| pit toilet (ventilated) | 15 642 | 15 642 |
| other toilet provisions (above min.service level) | 0 | 0 |
| *minimum service level and above sub-total* | 23 232 | 23 232 |
| *minimum service level and above percentage* | 21.26% | 19.04% |
| ***sanitation/sewerage:* (below minimum level)** | | |
| bucket toilet | 672 | 672 |
| other toilet provisions (below min.service level) | 49 737 | 49 737 |
| no toilet provisions | 1 959 | 1 959 |
| *below minimum service level sub-total* | 52 368 | 52 368 |
| *below minimum service level percentage* | 47.9% | 42.91% |
| **total number of households** | **109 282** | **122 029** |

**households - sanitation service delivery levels below the minimum**

**Households**

| **2019/20** | **2019/2020** | **2020/2021** |
|---|---|---|
| | **Actual no.** | **Actual** |
| **formal settlements** | | |
| total households | 43 713 | 48 812 |
| households below minimum service level | 20 947 | 20 947 |
| proportion of households below minimum service level | 47.92% | 42.91% |
| **informal settlements** | | |
| total households | 65 569 | 73 217 |
| households ts below minimum service level | 31 421 | 31 421 |
| proportion of households ts below minimum service level | 47.92% | 42.91% |

## EMPLOYMENT INFORMATION

| Employees: Sanitation Services | | | | | |
|---|---|---|---|---|---|
| **Task Grade** | **2020/2021** | **2021/2022** | | | |
| | **Employees** | **Posts** | **Employees** | **Vacancies (Fulltime Equivalents)** | **Vacancies (As A % Of Total Posts)** |
| | **No.** | **No.** | **No.** | **No.** | **%** |
| 15 | 1 | 0 | 0 | 0 | 0% |
| 13 -11 | 1 | 5 | 1 | 4 | 80% |

| | | | | | |
|---|---|---|---|---|---|
| 10 – 8 | 2 | 9 | 1 | 8 | 11% |
| 7 – 5 | 9 | 7 | 3 | 2 | 2.7% |
| 4 – 2 | 13 | 14 | 13 | 1 | 7% |
| Total | 26 | 35 | 18 | 15 | 43% |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021 AND 2021/2022 SANITATION SERVICES**

**NOTE: water and sanitation using vote number 560**

| VOTE | DETAILS | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 560 | WASTE WATER TREATMENT WORK PUMP STATION LITHULI | 1 500 000 | 1 309 589 | 0 | 0 |
| 560 | DESIGN APPROVAL CIVIL ENGINEER T/FONTEIN K | 5 881 239 | 5 114 121 | 0 | 0 |
| 560 | REFURBISHMENT OF SEWER OXIDATION PONDS | 2 750 000 | 2 472 700 | 0 | 0 |
| 560 | UPGRADE TWEEFONTEIN K WWTW | 7 985 248 | 6 746 787 | 0 | 0 |
| 560 | OPERATION OF SANITATION WORKS | 1 113 823 | 969 734 | 0 | 0 |
| 560 | MAINTENANCE OF ELCTRICAL PANEL AT WWT PLANT | 488 250 | 220 626 | 0 | 0 |
| 560 | CELLPHONE ALLOWANCES | 11 200 | 11 200 | 14 000.00 | 14 400.00 |
| 560 | ACTING ALLOWANCES | 61 046 | 32 601 | 61 044.00 | 18 181.98 |
| 560 | STANDBY ALLOWANCES | 91 146 | 91 147 | 91 152.00 | 0 |
| 560 | SALARIES | 4 786 036 | 4 622 078 | 4 755 048 | 4 876845.65 |
| 560 | BONUS | 410 621 | 405 791 | 425 616.00 | 399320.58 |
| 560 | SALGBC | 2 861 | 2 861 | 2 796.00 | 2 966.40 |
| 560 | PENSION CONTRIBUTIONS | 951 702 | 920 671 | 993 708.00 | 952 725.05 |
| 560 | MEDICAL AID CONTRIBUTION | 274 482 | 274 482 | 352 468.00 | 389095.2 |

| | | | | | |
|---|---|---|---|---|---|
| 560 | OVERTIME:STRUCTURED OVERTIME | 0 | 0 | 249 996.00 | 481182.83 |
| 560 | UIF CONTRIBUTION | 48 036 | 43 848 | 48 036.00 | 48 988.30 |
| 560 | SKILLS DEVELOPMENT LEVY | 49 128 | 43 902 | 49 128.00 | 58 797.08 |
| 560 | TOLL GATES | 2 633 | 0 | 2 628.00 | 0 |
| 560 | REPAIR & MAINTENANCE OF SANITATION TWEEFONTEIN K | 0.00 | 0.00 | 464 772.00 | 399 167.83 |

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICTY

The Municipality is installing and maintaining high mast lights and street lights. the challenges faced in 2020/2021 were due to limited funding to install high mast lights, street lights and energising of lights . the Municipality have a total number of 330 high mast lights and 1400 street lights.

The Municipality used the IDP processes to identify communities living in poverty and sourced funding from government through established programmes to respond to the need for basic services by the communities that are living in poverty.

### EMPLOYMENT INFORMATION

| Employees: Engineering Services | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 15 | 0 | 1 | 0 | 1 | 8.3% |
| 13 -11 | 0 | 0 | 0 | 0 | 0% |
| 10 - 8 | 2 | 6 | 2 | 4 | 66% |
| 7 - 5 | 0 | 0 | 0 | 0 | 0% |
| 4 - 2 | 5 | 5 | 5 | 0 | 0% |
| Total | 7 | 12 | 7 | 5 | 41% |

Totals Should Equate To Those Included In The Chapter 4 Total Employee Schedule. Employees And Posts Numbers Are As At 30 June. *Posts Must Be Established And Funded In The Approved Budget Or Adjustments Budget. Full-Time Equivalents Are Calculated By Taking The Total Number Of Working Days Lost (Excluding Weekends And Public Holidays) While A Post Remains Vacant And Adding Together All Such Days Lost By All Posts Within The Same Set (E.G. 'Senior Management') Then Dividing That Total By 250 To Give The Number Of Posts Equivalent To The Accumulated Days.

**FINANCIAL PERFORMANCE EXPENDITURE FOR 2020/2021 AND 2021/2022 FINANCIAL YEAR: ELECTRICITY SERVICE**

| VOTE | DETAILS | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 530 | SALARIES | 962 478 | 780 040 | 1 180 438 | 1 222 786.23 |
| 530 | BONUS | 83 219 | 40 283 | 98 220.00 | 99 732.24 |
| 530 | SALGBC | 600 | 503 | 841.00 | 865.20 |
| 530 | STANDBY ALLOWANCE | 39 155 | 39 155 | 0 | 0 |
| 530 | PENSION CONTRIBUTIONS | 172 573 | 140 407 | 207 753.00 | 215 421.46 |
| 530 | MEDICAL AID CONTRIBUTION | 61 320 | 35 518 | 64 735.00 | 79 240.80 |
| 530 | UIF CONTRIBUTION | 10 704 | 7 070 | 11 704.00 | 12 599.60 |
| 530 | OVERTIME | 0 | 0 | 99 996.00 | 0 |
| 530 | CELLPHONE ALLOWANCE | 9 600 | 9 600 | 9 600.00 | 9 600.00 |
| 530 | STANDBY | 0 | 0 | 0 | 0 |
| 530 | FREE BASIC ELECTRICITY | 1 715 470 | 112 544 | 1 139 123.00 | 53 008.13 |
| 530 | SKILLS DEVELOPMENT LEVY | 9 264 | 6 659 | 12 027.00 | 13 279.16 |
| 530 | MATERIALS AND SUPPLIES | 1 130 436 | 0 | 1 500 000 | 1 418 663 .10 |
| 530 | ACTING AND POST RELATED ALLOWANCES | 0 | 0 | 12 996 | 0 |
| 530 | ELECTRICITY AND WATER | 13 290 497 | 13 335 221 | 17 229 760 | 21 237 689.44 |
| 530 | MEALS AND BEVERANGES | 1 899 | 0 | 2 112 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 530 | ACCOMODATION | 9 459 | 0 | 10 512 | 0 |
| 530 | TOLL GATE FEES | 1 426 | 0 | 1 584 | 0 |
| 530 | ENERGY EFFICIENCY PROGRAMME | 100 000 | 62 609 | 0 | 0.00 |
| 530 | ACQUISITIONS DESIGN & IMPLEMENTATION OF ENERGY EFFICIENCY PROGRAMME | 3 600 000 | 3 067 692 | 4 500 000.00 | 3 911 983.65 |

**COMMENTS ON THE PERFORMANCE OF ELECTRICAL AND MECHANICAL ENGINEERING OVERALL**

The electricity unit consist of only two artisan and 5 general workers which are responsible for all 32 wards. which makes it difficult for turnaround time on maintenance. The unit is currently reporting to the Assistant manager roads and stormwater, while we are looking at options on the organogram to adopt the well-established maintenance team for electrical unit during the coming financial years depending on the financial status of the Municipality.

## 3.4 WASTE MANAGEMENT (THIS SECTION INCLUDES REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND CEMENTORIES)

**INTRODUCTION TO WASTE MANAGEMENT**

The waste management section's function is to provide an acceptable, affordable and sustainable waste collection to all the residents of Thembisile Hani Local Municipality.
Description of the activity: -

- Refuse removal
- Street cleansing
- Clearing of illegal dumping sites
- Cemeteries

| **Solid Waste Service Delivery Levels** | | | |
|---|---|---|---|
| | **Households** | | |
| **Description** | **2019/2020** | **2020/2021** | **2021/2022** |
| | Actual | Actual | Actual |
| | No. | No. | No. |
| ***Solid Waste Removal:*** **(Minimum Level)** | | | |
| Removed at least forthnight | 15 085 | 113 3381 | 164 419 |
| **Total Number Of Households** | 109 282 | 109 282 | 109 282 |

**Municipal Integrated Waste Management Plan**

The primary objective of compiling an IWMP is to integrate and optimise waste management so that the efficiency of the waste management system is maximised, and the impacts and financial costs associated with waste management are minimised, thereby improving the quality of life of all South Africans.

# Chapter 3

The objective of the status quo, or gap analysis, as the first phase in the development of an IWMP for THLM, is to qualify and quantify all aspects related to current waste management services and practices carried out by the Municipality, with a view to using this information as a basis for future waste management planning. The report therefore includes a situational analysis of the various themes of solid waste management relevant to THLM e.g. the areas serviced, the waste management services rendered, their efficiency, cost effectiveness, social and environmental acceptability, etc. Specific objectives of the gap analysis phase, as outlined in the terms of reference for the project.

**The street cleaning and clearing of illegal dumping**

The street cleaning and clearing of illegal dumping services is done by EPWP participants for all the streets in towns, main entrances, and open spaces. EPWP participants are appointed to assist with street cleaning services. The clearing of illegal dumping is done through municipal officials and private contractors.

**Waste storage and disposal**

Currently, there are is one class B permitted landfill site in Kwaggafontein. The Kwaggafontein landfill site is currently under construction with six cells, offices, leachate pond, Weight Bridge and sorting and recycling facility. Two cells and licheate pond are finished. This will be the first land fill site to be constructed in Thembisile Hani LM. Construction of area 3600.491 m2 and 3675 disposal cell was done in the 2018/2019 financial year through MIG funds. Addidtional cell 3 Area 6452.053 m2 ,Cell 4 area 7429.131m2, Cell 5 area 5678.571m2, cell 6 Area 7626,389 m2 of disposal cells are still in the process of construction estimated completion time December 2021.

**Recycling**

There is only one buy-back centre in KwaMhlanga, and reclamation activities are taking place at the landfill site in kwaggafontein, the Municipality has initiated the waste pickers' database inordr to support waste pickers in all the 32. currently the Municipality has assisted over 100 waste pickers with relief funding and PPE through the Department of Forestry Fisheries, and Environment. The Municipality is in the process of implementing recycling project on all it facilities by placing separation at source bins that will have differents colours for all types of waste.

**Environmental education and awareness**

A number of awareness campaigns were conducted during the course of the financial year. Environmental educators were appointed through the Expanded Public Works Programme (EPWP) called 'Green Good Deeds' for a duration of 24 months. This project had positive impact on the successful implementation of environmental awareness campaigns and other Envrionmental programmes. The Municipality will be conducting capacity building about environmental management every quarter. The Municipality will be rolling out a stimus cleaning program from the Department of Forestry and Fisheries on the second quarter of the 2020/2021 financial year.

**Measures taken to improve performance**

The construction of kwaggafontein land fill site which is now complete and ready for operations. The Department of Environment Forestry and Fisheris to licence the kwaMhlanga and Verena new landfill sites. The waste collection and separation st source to be practice at schools the Municipality has prvided 56 schools with recyptables to assist the schools with waste management.

The Municiapality has acquired two compactor trucks, two skip loader trucks and 40 skip bins in order to enhance waste collection services in the community, business and schools in the year 2021/2022 financial year. This will help the Municipality to collect waste effectively and efficiently as per the waste collection schedule. The Municipality will also be able to collect skip bins on business and school within a short period of time.

# Chapter 3



**STREET CLEANING**




**CLEARING OF ILLEGAL DUMPING SITES**



**REFUSE REMOVAL**

**EMPLOYEE INFORMATION**

| Waste Management & Environment | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 15 | 1 | 4 | 3 | 1 | 25% |
| 13 -11 | 0 | 1 | 0 | 1 | 100% |
| 10 - 8 | 0 | 30 | 7 | 23 | 23% |
| 7 - 5 | 19 | 5 | 4 | 1 | 20% |
| 4 - 2 | 3 | 54 | 2 | 52 | 96% |
| Total | 23 | 94 | 16 | 78 | 82% |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR 2020/21 AND 2021/22 FINANCIAL YEAR: SOLID WASTE MANAGEMENT**

| VOTE | DETAILS | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 520 | SALARIES | 4974641 | 4064833 | 5 178 676.00 | 4 595 450.27 |
| 520 | BONUS | 465193 | 335893 | 517 019.00 | 378 283.08 |
| 520 | SALGBC | 2280 | 2032 | 2 280.00 | 2 224.80 |
| 520 | ACTING ALLOWANCES | 48637 | 20108 | 48 636.00 | 36 861.72 |
| 520 | PENSION CONTRIBUTIONS | 888971 | 794516 | 888 972.00 | 887 739.41 |
| 520 | MEDICAL AID CONTRIBUTION | 322657 | 321209 | 382 656.00 | 369 580.28 |
| 520 | HOUSING SUBSIDIES | 0 | 0 | 0 | 0 |
| 520 | UIF CONTRIBUTION | 40080 | 32299 | 40 080.00 | 38 024.02 |
| 520 | OVERTIME | 0 | 0 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 520 | TRAVEL ALLOWANCES | 120000 | 120000 | 141 000.00 | 140550.20 |
| 520 | CELLPHONE ALLOWANCE | 23400 | 23400 | 23 400.00 | 23 400 |
| 520 | SKILLS DEVELOPMENT LEVY | 47185 | 39120 | 59 184.00 | 52 456.20 |
| 520 | PROVISION FOR LAND FILLSITE | 1 650 000 | 1 101 653 | 1 650 000 | 1 101 653 |
| 520 | EPWP | 2029000 | 2029000 | 2 127 000.00 | 2 126 052.28 |
| 520 | EPWP(OWN FUNDING) | 1 151 000 | 1 058 100 | 1 290 996.00 | 1 881 495.00 |
| 520 | TRANSPORT WITHOUT OPERATOR | 26 320 | 39 995 | 26 316.00 | 31 273.98 |
| 520 | ACCOMODATION | 31 056 | 25 898 | 31 056.00 | 15 053.00 |
| 520 | FOOD & BEVERAGE | 5 270 | 5 185 | 5 268.00 | 4 160.52 |
| 520 | TOLL GATE FEES | 2 630 | 1 368 | 2 628.00 | 165.00 |
| 520 | CAR HIRE | 8 950 | 4 710 | 8 952.00 | 0 |
| 520 | FLIGHT BOOKING | 12 100 | 10 875 | 12 096.00 | 0 |
| 520 | UPGADE KWAGGA LAND FILL CIVIL ENGINEER | 7 000 000.00 | 6 158 494.00 | 8 791 453.68 | 7 730 061.14 |
| 520 | PHUMULA MULTIPURPOSE CENTER | 1 080 022 | 1 080 022 | 0 | 0 |
| 520 | COST: ACQUISITION PURCHASE OF SKIP BINS FOR COVID 19 | 1 080 022 | 1 080 022 | 0 | 0 |
| 520 | COST: ACQUISITIONS PURCHASEOF COMPACTOR TRUCK FOR COVID 19 | 5 808 400 | 5 808 400 | 0 | 0 |
| 520 | COST:ACQUISITION PURCHASE OF SKIP LOADER TRUCK FOR COVID 19 PURPOSES | 4 812 048 | 4 812 048 | 0 | 0 |
| 520 | CONSTRUCTION OF MULTI-PURPOSE CENTRE IN MOLOTO NORTH (MULTI-YEAR PROJECT) - WARD 2 | 436 620 | 381 408 | 0 | 0 |
| 520 | UPGRADING OF KWAGGAFONTEIN STADIUM | 0.00 | 0.00 | 0 | 0 |
| 520 | UPGRADING OF KWAMHLANGA STADIUM (MULTI-YEAR PROJECT) - WARD 32 | 22 014 688 | 20 770 774 | 18 344 674.20 | 15 952 487.15 |

### COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT OVERALL

There are Expanded Public Works Programme projects in progress for cleaning the environment that will be registered as projects at the Department of Public Works. 754 EPWP participants were appointed under this programme in 2021/22 financial year.

### INTRODUCTION TO CEMETERIES AND CREMATORIUMS

The Municipality has forty (40) cemeteries located in different scatted villages. The community in the rest of the incorporated areas in the Thembisile Hani Local Municipality area utilises the cemeteries in the nearest vicinity. The service delivery priorities are to provide and maintain cemeteries, to continuously update and keep record of cemetery registers – now captured on a manual database. Plan and develop maintain future cemeteries to ensure that sufficient space is available. Another priority is to maintain and upgrade the existing equipment, vehicles, system, and procedures to ensure a quality service to the community. The foregoing priorities were not met the maintaining of all cemeteries by cutting grass, removal of weeds, and planting of trees. The database is kept up to date, and the cemetery registers are updated regularly. The vehicles and machinery were maintained and repaired where necessary. EPWP projects will be introduced to clean cemeteries, and through that, local people will received an income and cemeteries will be cleaned.

### CREMATORIUMS

Crematoriums not applicable to Thembisile Hani Local Municipality.

There are no Municipal entities rendering pollution control and bio diversity.

## 3.5 HOUSING

### INTRODUCTION TO HUMAN SETTLEMENTS

To accelerate housing delivery through efficient and effective management and quality service delivery as well as through integrated and collective sustainable housing programmes. Our priority is to eradicate informal settlements and give our communities a dignity they deserve as contained in the constitution of the Republic of South Africa.

| **Percentage Of Households With Access To Basic Housing** | | | | | |
|---|---|---|---|---|---|
| Year End | Total Households (Including In Formal And Informal Settlements) | Households In Formal Settlements | Percentage Of Hhs In Formal Settlements | Households In Informal Settlements | Percentage Of Hhs In Informal Settlements |
| 2019/20 | 109600 | 75345 | 90% | 34 255 | 60% |
| 2020/2021 | 109600 | 75345 | 90% | 34 255 | 60% |
| 2021/2022 | 109600 | 75345 | 90% | 34 255 | 60% |

**EMPLOYEE INFORMATION**

| Employees: Human settlement Services (excluding town planning) | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 15 | 1 | 1 | 1 | 0 | 0% |
| 13 -11 | 2 | 3 | 1 | 2 | 64% |
| 10 - 8 | 0 | 7 | 4 | 3 | 42% |
| 7 - 5 | 2 | 0 | 0 | 0 | 0% |
| 4 - 2 | 0 | 0 | 0 | 0 | 0% |
| Total | 5 | 11 | 6 | 5 | 50% |

**COMMENTS ON THE PERFORMANCE OF HUMAN SETTLEMENTS OVERALL**

The Thembisile Hani Local Municipality had 150 rural subsidy housing projects allocated on the IDP in 2016/2017 financial year. The housing project was implemented by the Provincial Department of Human Settlements. The Municipality perform the function to register housing needs register, identify and allocate beneficiaries for housing subsidies. In total from 2016/17 to 2017/18 the Municipality received 600 allocations for those two financial years. During the 2018/19 financial Municipality received 150 allocations although there is still a back log remaining. The Municipality was allocated a 100 housing units during 2020/2021 financial year. There was no allocation for 2021/2022.

## 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.
- Main sources of income consist of transfers from other spheres of government of which intergovernmental transfers are the most important. a portion of this income (equitable share) is earmarked for indigent relief which will be used to alleviate and address poverty
- The Municipality gives 6kl in respect of water to all our residential clients
- There is a portion of money paid over to Eskom on behalf of our clients for the 50kw of electricity provided to each household

**CHALLENGES:**

- The Municipality did not have a sufficient number of indigent in the register in the 2021/2022 financial year. Only 467 applications were approved to be in the register.

# Chapter 3

## COMPONENT B: ROAD TRANSPORT

### 3.7 ROADS AND STORMWATER

The Municipal road network which serves as feeder roads to national road known as Moloto road R573, forms the backbone of our transportation system, making it possible to access both personal and economic needs within its jurisdiction and to meet the mobility and socio-economic needs of the communities. As the responsible roads authority for the construction and operations maintenance of the Municipal road network, Thembisile Hani Local Municipality has ensured that its strategic planning processes are in line with the Municipal Acts e.g. Dora, which provide guidance to the allocated funds within the Municipalities. Therefore, the Municipality achieved its road planning strategy by entirely depending on the allocated Municipal Infrastructure Grants (MIG) and its operational and maintenance funds. Major success in some villages of THLM, has been noticed through the work done by the Municipal maintenance teams and by the District Municipality. The challenges faced by the Municipality during 2020/21 FY, was again insufficient budget on both construction and maintenance due to the reprioritization of budget to cater water projects, insufficient resources and collection of revenue. In order to improve performance, the Municipality drafted a programme of action, and made sure that resources are utilized efficiently and effectively so. During this period, assistance was also received from Nkangala District Municipality. Based on the information compiled by Endecon ubuntu for roads master plan THLM comprises of 2269.77km unpaved, 198.9km paved and 16.4km interlocking block paved roads.

| Gravel Road Infrastructure | | | | |
|---|---|---|---|---|
| | Total Gravel Roads | New Gravel Roads constructed | Gravel Roads Upgraded To Tar/block paving | Gravel Roads Graded Or Maintained |
| 2019/2020 | 2269.77 | 0km | 0.35km | 45.4km |
| 2020/2021 | 2269.77 | 0km | 4.8km | 41km |
| 2021/2022 | 2269.77 | 0km | 4.1km | 42km |

| Asphalted Road Infrastructure Kilometres | | | | | |
|---|---|---|---|---|---|
| | Total Asphalted Roads | New Asphalt Roads(Km) | Existing Asphalt Roads Re-Asphalted (Km) | Existing Asphalt Roads Re-Sheeted(Km) | Asphalt Roads Maintained (No.) |
| 2019/2020 | 250km | 0km | 0km | 0km | 7 roads Maintained |
| 2020/2021 | 254,8km | 0km | 0km | 0km | 8 roads maintained |
| 2021/22 | 198,9km | 0km | 0k | 0k | 9 roads maintaned |

**Paved roads completed in 2021/22 financial year by Thembisile Hani Local Municipality**

a) Madamini Bus road- 2km
b) Luthuli Link-bridge Road -0.1km
c) Mountainview road - 1km
d) Suncity A W19 road- 1.6km
e) Rehabilitation of thokoza bridge-7.2km

**EMPLOYEE INFORMATION**

| Employees: Roads And Stormwater | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 15 | 1 | 1 | 1 | 0 | 0% |
| 13 -11 | 1 | 3 | 1 | 2 | 67% |
| 10 - 8 | 0 | 34 | 25 | 9 | 26% |
| 7 - 5 | 34 | 4 | 0 | 4 | 100% |
| 4 - 2 | 12 | 15 | 11 | 4 | 26% |
| Total | 48 | 57 | 38 | 19 | 33% |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021 AND 2021/2022: ROAD AND STORMWATER**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 550 | SALARIES | 9,321,575 | 9,796,287.22 | 9 555 040 | 9 910 935.40 |
| 550 | BONUS | 879,919.00 | 853,439.19 | 879 924.00 | 818 478.41 |
| 550 | BARGAINING COUNCIL | 5,014.00 | 5,504.40 | 5 116.00 | 5283.90 |
| 550 | ACTING ALLOWANCE | 74,098.00 | 20,318.62 | 95 100.00 | 63 455.36 |

| | | | | | |
|---|---|---|---|---|---|
| 550 | STANDBY ALLOWANCE | 165,712.00 | 7,830.66 | 165 708.00 | 137 438.00 |
| 550 | PENSION CONTRIBUTIONS | 2,213,760 | 1,920,727.70 | 2 168 060 | 1 920 257.91 |
| 550 | MEDICAL AID CONTRIBUTION | 531,372.00 | 514,737.36 | 531 372.00 | 495 582.84 |
| 550 | HOUSING SUBSIDIES | 10,068.00 | 20,254.71 | 23 068.00 | 23 148.24 |
| 550 | UIF CONTRIBUTION | 82,128.00 | 82,377.60 | 85 128.00 | 88 073.32 |
| 550 | CELLPHONE ALLOWANCES | 30,700.00 | 33,000.00 | 31 796.00 | 33 000.00 |
| 550 | TRAVEL ALLOWANCES | 120,000.00 | 135,797.16 | 141 000.00 | 140550.20 |
| 550 | OVERTIME:STRUCTURED OVERTIME | 0 | 22839.48 | 200 004.00 | 50464.84 |
| 550 | SKILLS DEVELOPMENT LEVY | 98,907.00 | 87,577.81 | 106 404.00 | 110 466.25 |
| 550 | MATERIALS AND SUPPLIES | 2,000,000 | 2,043,078.30 | 2 000 004 | 1 993 351.95 |
| 550 | TRAVEL SUBSISTANCE | 6,840.00 | 1,041.00 | 6840 | 4147 |
| 550 | ACCOMODATION | 15,790.00 | 0 | 15 792.00 | 5 560.00 |
| 550 | FOOD AND BEVERAGES | 5,260.00 | 0 | 5 256.00 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 550 | TOLL GATE FEE | 82,128.00 | 82,377.60 | 1 584.00 | 0 |
| 550 | CONTRACTORS:MAINTENANCE OF UNSPECIFIED ASSETS MAINTENANCE OF VARIOUS ROADS ALL WARDS(SUB SOIL DRAINAGE) | 0 | 0 | 1 500 000 | 1 303 938 |
| 550 | CONTRACTORS:MAINTENANCE OF UNSPECIFIED ASSETS CORR MAINT RE-GRAVELLING VARIOUS ROADS OWN FUNDS | 2 000 000 | 1 486 288 | 7 600 000 | 7 545 091 |
| 550 | UPGRADE LUTHULI LINK ROAD PHASE 2 FROM GRAVEL TO PAVED - WARD 22 | 7 714 664 | 6 704 381 | 39 783.41 | 34 594.27 |
| 550 | CONSTRUCTION OF CHRIS HANI BUS ROUTE | 1 867 216 | 1 867 216 | 0 | 0 |
| 550 | DESIGN & CONSTRUCT SUN CITY AA BUS ROUTE WARD 20 MIG | 3 300 940 | 3 290 358 | 0 | 0 |
| 550 | CONSTRUCTION OF KWA-MHLANGA B LINK ROAD | 1 582 204 | 1 582 204 | 0 | 0 |
| 550 | CONSTRUCTION OF MOLOTO SOUTH BUS ROUTE - WARD 1 MIG | 0 | 0 | 0 | 0 |
| 550 | EXISTING:UPGRADING:ROAD INFRASTRUCTURE:MADAMINI BUS ROUTE | 6 500 000 | 5 638 415 | 12 016 054.00 | 10 397 167.75 |
| 550 | EXISTING:UPGRADING:ROAD INFRASTRUCTURE:ROADS MANDELA LUTHULI | 8 248 369 | 7 172 495 | 13 459 140.00 | 12 451 258.27 |
| 550 | EXISTING:UPGRADING:ROAD INFRASTRUCTURE:ROADS AND STORMWATER | 7 098 399 | 6 121 977 | 11 523 144.74 | 9 502 954.80 |
| 550 | EXISTING:UPGRADING:ROAD INFRASTRUCTURE:ROADS:THEMBALETHU BUS | 10 500 000 | 8 723 212 | 4 612 403.68 | 4 010 885.40 |
| 550 | THEMBALETHU BUS ROUTE OWN FUNDING | 0 | 0 | 688 788.00 | 582 600.00 |
| 550 | REHABILITATION OF THOKOZA(WARD18) | 4 600 000 | 3 612 120 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 550 | REHABILITATION RIETFONTEIN | 400 000 | 57 467 | 0 | 0 |
| 550 | CONSTRUCTION OF MOUNTAINVIEW (MANDELA DRIVE) BUS ROUTE - WARD 14 MIG | 7 000 000 | 6 045 924 | 6 718 397.45 | 5 842 084.74 |
| 550 | CONSTRUCTION OF MATHYZENSLOOP BUS ROUTE - WARD 7 MIG | 0 | 0 | 0 | 0 |
| 550 | CONSTRUCTION OF BOEKENHOUTHOEK BUS ROUTE - WARD 24 MIG | 8 018 345 | 6 972 484 | 3 164 456.00 | 2 751 695.10 |
| 550 | CONSTRUCTION OF SUN CITY A BUS ROUTE - WARD 19 MIG | 7 800 000 | 6 429 037 | 2 224 397 | 1 980 082.11 |
| 550 | CONSTRUCTION OF ZAKEHNI BUS ROUTE - WARD 4 MIG | 0 | 0 | 0 | 0 |
| 550 | DESIGN & CONSTRUCT MOLOTO NORTH BUS ROUTE WARD 2 MIG | 1 109 640 | 1 109 642 | 0 | 0 |

## 3.8 BUSINESS LICENCING AND ADMINISTRATION

### INTRODUCTION TO LICENCING

The Municipality administers and manages business operations within its jurisdiction – specifically in the following categories; sale or supply of meals or perishable foodstuffs, provision of certain types of health facilities or entertainment, and hawking in meals or perishable foodstuffs in terms of Mpumalanga Business Act, no 2 of 1996.

### Working Relationships

The environmental health practitioners under the Department of Health, acting on behalf of the District Municipality, together with Municipal staff perform environmental health inspections prior to issuing of licenses for purpose of compliance with standards for business buildings.

The Municipality inspects applications for liquor licenses to comment on compliance issues related to land-use management and operating times.

### COMMENT ON BUSINESS LICENCING AND ADMINISTRATION PERFORMANCE OVERALL

The Municipality is in the process of reviewing street trading by-law during 2021/2022 financial year. More than 200 business trading licences were processed during the year under review.

**EMPLOYEE INFORMATION**

| Employees: Business licesing and administration | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 15 | 0 | 0 | 0 | 0 | 0% |
| 13 -11 | 1 | 2 | 2 | 0 | 0% |
| 10 - 8 | 1 | 2 | 0 | 2 | 100% |
| 7 - 5 | 0 | 0 | 0 | 0 | 0% |
| 4 - 2 | 0 | 0 | 0 | 0 | 0% |
| Total | 2 | 4 | 2 | 2 | 50% |

## 3.9 SAFETY AND SECURITY (TRAFFIC LAW ENFORCEMENT AND LICENCING)

**INTRODUCTION**

According to schedule 4-part B and schedule 5 part B of the constitution Municipal public transport and traffic policing is the competency of the Municipality.

**A brief background of the Municipal traffic**

The Traffic department operates with 20 Traffic Officers – namely; 2 senior superintendents, 2 assistant superintendents, 2 superintendents, 14 traffic officers.

**AARTO implementation**

The roll out of the administrative adjudication of the Road Traffic Offences Act has been approved by the Council under item number: the/ndc 37/08/2011.

NB: The Municipality is amongst the eight (8) Issuing Authorities to implementing AARTO with effect from 1st October 2021.

**Comment on safety and security performance overall**

**i) monthly joint security clusters plenary meetings:**

The Traffic department attends Technical Committee munimec, safety forum, Mpumalanga LETCOM.

The Traffic department attends Technical Committee MUNIMEC, Community Safety Forum, Mpumalanga LETCOM.

**ii) case flow meetings:**
The traffic department attends monthly meeting to ensure smooth running of cases at courts.

**iii) joint police and traffic operations:**

The traffic department does ongoing operations with other law enforcement agencies in the Municipality.

**EMPLOYEE INFORMATION**

| Employees: Traffic | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 15 | 0 | 1 | 0 | 1 | 100% |
| 13 -11 | 4 | 11 | 6 | 5 | 45% |
| 10 - 8 | 2 | 28 | 17 | 11 | 39% |
| 7 - 5 | 14 | 6 | 0 | 6 | 100% |
| 4 - 2 | 1 | 0 | 0 | 0 | 0% |
| Total | 21 | 46 | 23 | 23 | 50% |

**FINANCIAL PERFORMANCE EXPENDITURE 2020/2021 AND 2021/2022 FINANCIAL YEAR: TRAFFIC SERVICES**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 108 | SALARIES | 9,451,516.00 | 9,295,320.61 | 9 848 076.00 | 9 895045.33 |
| 108 | BONUS | 776,048.00 | 795,764.11 | 811 824.00 | 815836.48 |
| 108 | SALGBC | 3,933.00 | 4,019.40 | 4 036.00 | 4 202.40 |
| 108 | ACTING ALLOWANCE | 49,000.00 | 14,962.10 | 48 996.00 | 34 796.72 |
| 108 | OVERTIME: STRUCTURED | 119,506.00 | 815,495.79 | 219 504.00 | 189 594.62 |

| | | | | | |
|---|---|---|---|---|---|
| | OVERTIME: NON STRUCTURED COVID PURPOSES | 500,000.00 | 500,000.00 | 0 | 0 |
| 108 | PENSION CONTRIBUTIONS | 1,842,458.00 | 1,842,471.30 | 1 846 456.00 | 1 936615.54 |
| 108 | MEDICAL AID CONTRIBUTIONS | 1,045,581 | 1,118,008.86 | 1 155 251.00 | 1 228861.44 |
| 108 | HOUSING SUBSIDIES | 32,680.00 | 30,092.71 | 32 676.00 | 23 148.24 |
| 108 | STANDBY ALLOWANCE | 97,331.00 | 35,616.00 | 97 332.00 | 18 984.00 |
| 108 | U I F CONTRIBUTIONS | 67,816.00 | 61,234.82 | 68 412.00 | 71949.98 |
| 108 | CELLPHONE ALLOWANCES | 48,800.00 | 46,080.00 | 48 804.00 | 43 200.00 |
| 108 | SKILLS DEVELOPMENT LEVY | 107,789.00 | 97,884.85 | 108 584.00 | 122182.03 |
| 108 | SUBSISTANCE AND TRAVELLING | 0 | 0 | 0 | 0 |
| 108 | REPAIRS & MAINTENANCE OF SPEED CAMERA | 36015 | 5707 | 56,015.00 | 7 044 |
| 108 | ACCOMODATION | 102,116.00 | 49,680.00 | 102 120.00 | 5 160.00 |
| 108 | FOOD AND BEVERAGES | 23,386.00 | 13,578.00 | 23 388.00 | 1 881.60 |

| | | | | | |
|---|---|---|---|---|---|
| 108 | FIRE ARMS FOR TRAFFIC OFFICERS | 300000 | 199927.50 | 0 | 0 |
| 108 | PROVISION BAD DEBTS TRAFFIC FINES | 11032313 | 0 | 0 | 1 690 945.37 |
| 108 | TOLL GATE FEES | 2,633. 0 0 | 0 | 2 628.00 | 173.91 |
| 108 | SHIFT ALLOWANCE | 656,352.00 | 592,439.14 | 656 352.00 | 626 621.50 |
| 108 | SECURITY SERVICES | 23,521,040.00 | 23,545,632.16 | 27 241 798.00 | 27 111 798.31 |
| 108 | TRAFFIC UNIFORMS | 0 | 0 | 0 | 0 |
| 108 | MATERIALS AND SUPPLIES | 0 | 0 | 300 000.00 | 328 343.00 |
| 108 | DEBT COLLECTORS FOR TRAFFIC FINES | 880898 | 1,021,421.45 | 880 896.00 | 1 251 187.04 |

## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.10 PLANNING INCLUDING TOWN-PLANNING

**INTRODUCTION TO PLANNING**

The Town Planning unit is one of the strategic unit within the department of Development and Town Planning Services (DTPS) of Thembisile Hani Local Municipality. It is mandated to manage the spatial planning, built environment and land use management. Through working together with traditional leaders and other key stakeholders, the unit seek to guide overall spatial distribution of current & desirable future land uses in order to give effect to sustainable development goals and objectives. The unit oversees:

- Town Planning services i.e. provision of zoning information and processing of various land use applications i.e. rezoning applications.
- Building Control - Plan submission, inspection and (dis) approval thereof.

| Physical Planning | |
|---|---|
| **Opportunities** | **Challenges** |

| | |
|---|---|
| High proportion of land use management application | • Delays in turnaround time in terms of finalising applications. |
| Availability of developable land within THLM | • Most of the land is vested to national and provincial governments.<br>• Land invasion is perpetuated allegedly by tribal formations. |

**Spatial Development Framework (SDF)**

An SDF is a framework that seeks to guide, overall spatial distribution of current and desirable land uses within a Municipality in order to give effect to the vision, goals and objectives of the Municipal IDP. The aims of a Spatial Development Framework are to promote sustainable functional and integrated human settlements, maximise resource efficiency, and enhance regional identity and unique character of a place.

The Thembisile Hani Local Municipality SDF identified below mentioned areas as Strategic Development Arears (SDAs). SDAs are towns/villages or a group of villages located relatively close to each other where some form of economic, social and institutional activities, and a substantial number of people are usually found. These growth points seem to have a natural growth potential, but do not develop to their full potential due to the fact that capital investments are made on an ad hoc basis without any long term strategy for the area as a whole. The identified SDAs should be stimulated by amongst others, providing a higher level of service infrastructure which will ensure that appropriate services are available for potential business and service/light industrial concerns. The higher level of services, relative to other settlements in the area will also attract residential development to these growth points, with the implication that certain threshold values in population be reached, to provide for higher levels of social, physical, institutional and economic services;

• SDA 1: The area around the Moloto route between Moloto and KwaMhlanga (The Moloto settlement should thus expand in an easterly direction along the Moloto road and the proposed Moloto rail alignment).
• SDA 2: The area between KwaMhlanga and Enkeldoornoog which will represent infill development close to the KwaMhlanga Business Node and proposed railway station. This section has already experienced an influx of informal settlements.
• SDA 3: The eastern expansion areas around Kameelpoortnek towards the north of the KwaMhlanga intersection.
• SDA 4: The vacant area between route R573 (Moloto Road) and the northern extensions of Tweefontein (A, B, C, D, K, N and M). The Nkangala Municipality and Department of Human Settlements have already commenced with the establishment of two townships within SDA 4.
• SDA 5: The vacant area between Vlaklaagte 2 and Vlaklaagte 1 to the south of the Moloto road and rail.
• SDA 6: The area adjacent to route R573 (north and south) towards the west of Kwaggafontein, and surrounding the Kwaggafontein industrial area.
• SDA 7: The area to the south of Verena (towards Wolvenkop) and towards the north (Wellas) where informal settlement is already taking place, however it should be noted that the current Municipal SDF was prepared in 2015 and there will be a need for reviwal in the next financial year.

**Land Use Management Scheme (LUMS)**

A land use management scheme is a tool used by Municipality to guide and manage development according to the vision, strategies and policies of the Integrated Development Plan (IDP) and Spatial Development Framework (SDF), and in the interests of the general public to promote sustainable development and quality of life. The Municipality have recently developed and approved a SPLUMA compliant land use management scheme which came into operation on the 1st July 2020

The Land Use Scheme sets out the various Use Zones applicable to land and buildings in the Municipality and lists the purpose for which such land may and may not be used, and the purpose for which such land and buildings may only be used with consent of the Council.It sets out, among other things, general conditions applicable to all erven as well as new rules relating to “Spaza” or house shops, home enterprises, subsidiary dwelling units, child care centres on residential erven, land to be used for religious purposes, and conditions relating to agricultural holdings and farm land

# Chapter 3

## TOWNSHIP ESTABLISHMENT

Below table indicates number of township within the Municipality and their status quo

| Township name | Status of township | Number of sites | General Plan |
|---|---|---|---|
| KwaMhlanga-C | Approved- Developer appointeted | 1245 | Yes |
| Vlaklaagte Township | Approved- Developer appointeted | 500 | Yes |
| Vlaklaagte View | Approved- Developer appointeted | 1167 | Yes |
| Mashiloville | Approved- Developer appointeted | 524 | Yes |
| Emlanjeni | Approved- Developer appointeted | 500 | Yes |
| Buhlebesizwe Ext 1 (khazamula) | Approved- Developer appointeted | 2682 | No – only layout for now |
| Gemsbokspruit ( Sokhabo) | Underway | 800 | No – only layout for now |
| Tweefontein ( King Sokalana View) | Underway | 1100 | No - only layout for now |

## INTEGRATED HUMAN SETTLEMENTS PROJECTS

The Municipality in conjuction with Mpumalanga Department of Human Settlements have identified the following properties namely; portion 9 and 31 of Bultfontein 94 JS, Remainder of KwaMhlanga 617 JR and Portion 15 and 16 Witpoortjies for the integrated Human settlement projects entailing township establishment processes, Installation of Municipal Engineering services, Construction of top structure for qualifying beneficiaries.

The first phase of the project of which is township establishment process have successfully completed with the following approvals;

- Verena – 2018 sites
- Kwamhlanga -2826 sites
- King's Park opposite- 1167 Sites

## EMPLOYEE INFORMATION

| Employees: Town Planning | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Posts | Employees |
| | No. | No. | No. | No. | % |
| 15 | 0 | 1 | 0 | 1 | 100% |
| 13 -11 | 1 | 7 | 4 | 3 | 42% |
| 10 - 8 | 5 | 2 | 1 | 1 | 50% |
| 7 - 5 | 1 | 0 | 0 | 0 | 100% |

| | | | | | |
|---|---|---|---|---|---|
| 4 - 2 | 0 | 0 | 0 | 0 | 0% |
| Total | 7 | 10 | 5 | 5 | 50% |

**COMMENT ON TOWN PLANNING PERFORMANCE OVERALL**

The town planning unit consist of only one Town Planner, three Building Inspectors and one Admistrative officer. With high number of applications the municpality receive on daily basis, there is an urgent need to augment the current pool of sfaff with atleast two Town planners and Land use inspector.

## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The performance by the LED Unit is 79% for the 2021/2022 financial year as compared to 69% for 2020/2021 financial year.

The Unit has also re-establishing Local Economic Development (LED) forum with different stakeholders. These stakeholders range from government departments, SMME`s, NGO`s and Associations. The low percentatge perfomance was largely influenced by the covid 19 lockdown as the unit and or department is an interactive department with the public.

**LED STRATEGY**

The Local Economic Development (LED) strategy is once again being reviewed with the assistance of the Nkangala District Municipality (NDM). The draft strategy will be presented to the LED forum for the members to understand it and make inputs in case they had. It is expected that the strategy will be a working document and will be improved from time to time as and when members feel so.

**INVESTMENT ATTRACTION STRATEGY**

The Department has tabled to Council the investment attraction strategy. The strategy has ben adopted by council and it is expected that the Department will use the strategy to woo strategy to the Municipal shores to boost intvestment within the Municipality.

**OUTREACH MEETINGS**

The Unit hosted 2 outreach meetings for the previous year (2021/2022). These are meetings held with communities using stakeholders with a variety of skills and expertise aimed at enlightening members of the community on a particular subject: The outreach meetings are hosted in community halls, Kwaggafontein, Vezubuhle and Phola Park.

- Kwaggafontein Community Hall
- Vezubuhle Community Hall (Ithemba Lomphakathi)

**CREATION OF JOB OPPORTUNITIES THROUGH THE CAP**

TheLED Unit coordinated the creation of 1 460 down from 1 462job opportunities through Community Works Programme (CWP)

**JOBS CREATED**

| Description | Number Of Jobs Created | |
|---|---|---|
| | 2020/21 | 2021/22 |
| Community Work Program (CWP) | 1300 | 1302 |

| | | |
|---|---|---|
| EPWP (Environmental Sector) | 140 | 140 |
| EPWP (Social Sector) | - | - |
| MRTT | 20 | 20 |
| Total | 1 460 | 1 462 |

**EMPLOYMENT INFORMATION**

| Employees: Local Economic Development Services | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 15 | 1 | 1 | 1 | 0 | 0% |
| 13 -11 | 1 | 0 | 0 | 0 | 0% |
| 10 - 8 | 1 | 2 | 2 | 0 | 0% |
| 7 - 5 | 0 | 0 | 0 | 0 | 0% |
| 4 - 2 | 0 | 0 | 0 | 0 | 0% |
| Total | 3 | 3 | 3 | 0 | 0% |

**FINANCIAL PERFORMANCE EXPENDITURE 2020/2021 AND 2021/2022: LED AND IDP**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 103 | SALARIES | 3,168,412 | 3,906,331.36 | 4 583 830.00 | 4 094 744.64 |
| 103 | BONUS | 273,485 | 325,411.68 | 403 926.00 | 338 727.67 |
| 103 | SALGBC | 891 | 1,188 | 6 604.00 | 1 236.00 |
| 103 | ACTING ALLOWANCE | 0 | 2,894.22 | 20 000.00 | 0 |
| 103 | PENSION CONTRIBUTIONS | 610,354 | 763,975.33 | 610 356.00 | 803 132.86 |

| | | | | | |
|---|---|---|---|---|---|
| 103 | MEDICAL AID CONTRIBUTION | 230,642 | 122,566.50 | 230 640.00 | 182 086.32 |
| 103 | UIF CONTRIBUTION | 14,426 | 18,130.40 | 26 740.00 | 21 254.40 |
| 103 | CELLPHONE ALLOWANCES | 28,800 | 21,150 | 28 800.00 | 28 200.00 |
| 103 | TRAVEL ALLOWANCE | 186,000 | 216,389.92 | 221 152.00 | 223964.24 |
| 103 | SUBSISTANCE ALLOWANCE | 62,080 | 1,061.60 | 62 076.00 | 7 079.77 |
| 103 | ACCOMODATION | 42,120 | 0 | 42 120.00 | 8 340.00 |
| 103 | PROMOTIONAL ITEMS | 0 | 0 | 0 | 0 |
| 103 | FOOD & BEVERANGE | 6,570 | 0 | 6 576.00 | 2 233.40 |
| 103 | TOWN PLANNING | 0 | 0 | 0 | 0 |
| 103 | REMOVAL OF LAND INVADORS | 0 | 0 | 0 | 0 |
| 103 | BUSINESS AND ADVISORY | 0 | 0 | 0 | 0 |
| 103 | GRANTS IN –KIND TO SMME | 787130 | 770439 | 0 | 0 |
| 103 | LED PLAN | 0 | 0 | 0 | 0 |
| 103 | TOLL GATE FEES | 1,580 | 278.26 | 1 584.00 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 103 | CAR HIRE | 20,000 | 0 | 20 000.00 | 1 740.00 |
| 103 | FLIGHT BOOKING | 18,430 | 0 | 18 432.00 | 5 892.00 |
| 103 | IDP PROCESS | 0 | 0 | 0 | 0 |
| 103 | CATERING SERVICES | 105,300 | 0 | 0 | 0 |
| 103 | PRINTING AND PUBLICATION & BOOKS | 100,000 | 0 | 0 | 0 |
| 103 | ADVERTISING FINAL IDP | 230818 | 49140 | 0 | 0 |
| 103 | SKILLS LEVY | 32,268 | 36,670.07 | 52 584.00 | 45 584.73 |
| 103 | ACQUISITIONS: OUTSOURCED CONSTRUCTION OF STALLS | 284 201 | 1392 208 | 0 | 0 |
| 103 | TOWN ESTABLISHMENTT/FONTEIN E KWAGGA D | 2 005 313 | 2 005 313 | 0 | 0 |
| 103 | MANAGEMENT OF INFORMAL SETTLEMENTS MGT OF INFOR SETTLEMENTS REMOVAL OF LAND INVADERS COVID 19 | 2 012 484 | 2 012 484 | 0 | 0 |

## 3.12 STRATEGIC PLANNING AND REGULATORY (INCLUDING PMS, IDP, AND OFFICE OF THE MUNICIPAL MANAGER)

In today's organisational environment, budget oriented planning or forecast methods are insufficient for the organisation to prosper. There is a need to engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, evaluate progress and make judgments as necessary to stay on track.

Strategic plans therefore identify strategically important outcomes orientated goals and objectives against which the Municipality's medium-term results can be measured and evaluated by various identified stakeholders. 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.

# Chapter 3

As a component of its strategic plan, annual performance plan or IDP the Municipality must adopt, monitor and evaluate strategies that describe the approach the institution is to follow to create and operate monitoring and evaluation systems which will produce credible, accurate information on an on-going basis that gets used to improve service delivery and governance.

**INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY**

Currently the department comprises the following units:

**IDP UNIT**

Integrated Development Planning is a process through which Municipalities prepare a strategic development plan which extends over a five-year period. The Integrated Development Plan (IDP) is a **product** of the IDP process. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a Municipality.

In terms of the Municipal Systems Act, 2000, (Systems Act) the Chairperson of the Executive Committee or Executive Mayor or the chairperson of the Committee of appointed Councilors has the responsibility to manage the drafting of the IDP or to assign this responsibility to the Municipal Manager. The Municipal Manager is responsible for the implementation and monitoring of the IDP process.

Thembisile Hani Local Municipality has an IDP unit, under the office of the Development and Town Planning Services (DTPS) on its organizational structure. The key functions of the unit are as follows:

- providing inputs with regard to the development of the Municipal vision and strategy
- Ensures implementation and the productive execution of the Municipal vision.
- Compiling reports on divisional activities and progress in terms of action plans for consideration by Municipal Manager and Council.
- Representing the Municipality in multi-sectorial functions such as spatial planning, local economic development, infrastructure planning and development forums and functions.
- Participate and represent the Municipality in the districts IDP technical Committee. Representing the Municipality in local, district and provincial public meetings and Committees by making presentations, providing strategic inputs, communicating information in order to ensure participation.
- Manage administrative and organizational support for the coordination of IDP related activities.
- Preparing and communicating the process plan to ensure the understanding of the roles and responsibilities of all stakeholders.
- Manage development and review of the IDP and ensure the integration of the IDP/PMS/Budget in terms of statutes.

**OFFICE STRUCTURE**

The IDP office is located within the Development and Town Planning Services department. The following is a representation of positions in the IDP office as indicated on the 2020/2021 organisational structure.

| Task Grade | Position | Status 2021/2022 |
|---|---|---|
| 15 | Manager: Development and Town Planning Services | Filled |
| 10 | IDP Coordinator | Vacant |

**COMMENT ON IDP PERFORMANCE OVERALL**

The IDP unit is understaffed and requires at least two coordinators to support the assistant manager. This further makes it difficult to adhere to set timeframes and complete the required phases on time. The Municipality also has financial problems and cannot adequately provide for a budget aimed at the facilitation of stakeholder engagement meetings and workshops. There are also inadequate sector planning to support the various chapters of the IDP, this further frustrates priority setting and informed planning.

**PERFORMANCE MANAGEMENT UNIT**

The objective of performance management is to improve the performance of the Municipality as guided by the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (MSA), Local Government: Municipal Planning and Performance Management Regulations, 2001 and Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA). Performance Management is the central management tool which assist the Council to improve service delivery by channelling the efforts of its departments and employees to meet performance targets and in so doing ensure that the Municipality achieves its strategic objectives.
It is a strategic approach to management, which equips leaders, 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. The PMS will therefore ensure that all leaders, managers and individuals in the Municipality is held accountable for their actions, which should bring about improved service delivery and value for money.

**COMMENT ON PMS PERFORMANCE OVERALL**

The Performance Management System unit (PMS) consists of Assistant Manager reporting to the Municipal Manager and PMS experiential learner. The unit is not fully functional as the post for PMS coordinator is vacant, all the 2021/2022 quarterly performance reports are in place and also audited by our Internal Audit unit. The 2021/2022 PMS policy framework was adopted by Council.

**INTERNAL AUDIT UNIT**

Internal Audit is an independent function established within the Municipality to examine and evaluate the Municipality's activities. The purpose of Internal Auditing is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations.

The objective of Internal Audit is to assist the accounting officer and the Audit Committee in the effective discharge of their responsibilities; Internal Audit will provide them with independent analysis, appraisals, recommendations, counsel and information concerning the activities reviewed, with a view of improving accountability and performance.

**INTERNAL AUDIT RESPONSIBILITIES**

THLM Internal Audit unit draws its mandate from the MFMA section 165, standards for the professional practice of Internal Auditing and the Internal Audit Charter approved by the Audit Committee. We further make reference to king report on corporate governance (king IV) customized into local government environment.

MFMA section 165(2) states that the Internal Audit unit of a Municipality must:

- prepare a risk-based audit plan and an Internal Audit program for each financial year;

- advise the accounting officer and report to the Audit Committee on the implementation of the Internal Audit Plan and matters relating to-
    - Internal Audit;
    - Internal Controls;
    - Accounting procedures and practices;
    - Risk and Risk Management;
    - Performance Management;
    - Loss control; and
    - Compliance with this Act, the annual division of revenue Act and any other applicable legislation; and
- Perform such other duties as may be assigned to it by the accounting officer.

When executing its responsibilities, THLM Internal Audit Unit follows the standards for the professional practice of internal Auditing.

According to the Institute of Internal Auditors (IIA) Internal Auditing is defined as *"an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*

**EMPLOYEE INFORMATION**

**COUNCIL-APPROVED INTERNAL AUDIT UNIT STRUCTURE**

| Task Grade | Post | 2021/2022 |
|---|---|---|
| 15 | Chief Internal Auditor | Filled |
| 12 | Senior Internal Auditor | Filled |
| 12 | Senior Internal Auditor | Filled |

**COMMENT ON INTERNAL AUDIT PERFORMANCE OVERALL**

THLM Internal Audit unit performed its 2021/2022 operations as per the risk-based Internal Audit Plan approved by the Audit Committee for the financial year. According to the plan, the unit had Nineteen (19) planned audits and all the audits were executed and reported to Audit Committee.

As required by the MFMA, both the accounting officer and the Audit Committee were kept abreast of identified significant findings pertaining to internal controls; accounting procedures and practices; risk and risk management; performance management; loss control; and compliance with Acts relevant to the Municipality through submission of audit reports. Progress reports on implementation of the Internal Audit Plan were also submitted.

**COMMUNICATION**

**OBJECTIVE**

The main objective of this unit is to ensure effective communication within the municipality and externally to stakeholders and the community at large. In order for the Municipality to be able to realise our vision "to better the lives of our people through equitable, sustainable service delivery and economic development" we need to work together. It is the constitutional right of each and every member of the community to know what is happening in their Municipality, this unit is there to close the gap between the Municipality and its stakeholders by communicating municipal service delivery issues to the Municipal stakeholders including the community.

# Chapter 3

**EMPLOYMENT INFORMATION**

| Task Grade | Post | 2021/22 |
|---|---|---|
| 15 | Assistant Manager: Communication | Filled |

**COMMENT ON COMMUNICATION PERFORMANCE OVERALL**

In our quest to ensure effective communication we have been frequently using radio slots at iKwekwezi FM to communicate service delivery issues, mainly water issues which have been a major challenge during this financial year. The Municipality was reporting on progress through the Executive Mayor, Municipal Manager and the Head of Communication (HoC). In the media slots the listeners who are residents of Thembisile Hani Local Municipality (THLM) are given an opportunity to ask questions to the Municipal representatives with regards to service delivery issues in THLM. We also had constant interviews with Moutse Community Radio Station (MCRS), Kangala Community Radio Station (KCRS), Ikutani FM, Inakekelo FM and Eyethu FM through the HoC updating the public about programmes of the Municipality.
The Unit has been part of the planning teams for events organised by the Municipality and those organized by other departments (provincial and national). The unit is responsible for media mobilisation, drafting of Communication strategy and plan, branding and any other logistics that require Municipal interventions in the case of external events. The unit issues out public notices for the community through iKwekwezi FM, MCRS, KCRS, Eyethu FM, Ikutani FM and Inakekelo FM. Public notices are aslo placed on the Municipal notice boards that are mounted in our Municipal buildings. We issue out media statements when there are issues that need to be communicated or clarified by the Municipality. We also get coverage from Daily Sun, The new age, Mpumalanga press and Thembisile news.

We also use social media as it is currently growing as technology is advancing to strengthen our communication. Our Facebook page is active and it is updated as frequently as possible. We currenly have 12 928 people that follow the page. We also use a messaging portal to communicate with our stakeholders internally and externally, a tool which is proving to be very effective. The plan is to expand this messaging portal to a mini call Centre where we receive and resolve complaints from the public.

**Below are some of the photos taken by the Communication Unit during events or activities that are held at the Municipality:**






# Chapter 3






**YOUTH DEVELOPMENT**

**OBJECTIVE**

- To mainstream youth development in the affairs and structures of THLM through yearly planning, implementation, monitoring and evaluation of youth programmes utilising an escalating budget.
- To increase the active participation of THLM youth in the local economy
- To decrease the rate of drugs and substance abuse
- To curb the high rate of pregnancy and raise HIV/AIDS awareness amongst the youth through multifaceted programmes
- Skills development of unemployed youth through integrated skills development programme

**EMPLOYMENT INFORMATION**

| Task Grade | Post | 2021/2022 |
|---|---|---|
| 15 | Assistant Manager: Youth | Filled |
| 10 | Coordinator: Youth | Filled |

**COMMENT ON YOUTH DEVELLPMENT PERFORMANCE OVERALL**

Our youth development programmes must provide a wide range of services, opportunities and support to young people. The programme must build on the strength of young people through skills development, leadership training, mentoring and transitioning youth through different life and problem stages.
Focus areas:

1. Need's (not in education, employment and/or training)
2. Life and personal skills development
3. Work skills development
4. Leadership development
5. Mentoring
6. Education and
7. Entrepreneurship.

Our programmes are mostly done on a holistic level utilising social inclusion of Non-governmental Organisations and Non-profit Organisation. The following are the youth organisations in existence within the municipality:

1. Mukombe Youth Organisation
2. Funda Nathi
3. United Communities – Imbizo (UNICO)
4. MAYO

**RELATIONSHIP BETWEEN THEMBISILE HANI LOCAL MUNICIPALITY YOUTH DEVELOPMENT UNIT AND NATIONAL YOUTH DEVELOPMENT AGENCY**

Our relations with the National Youth Development on youth development related issues and programs continued to bear fruits for Thembisile Hani Local Municipality youth. This is informed by the continuous support that the youth in business are getting through their grant scheme. During the financial year 2021/22 the year under review, the NYDA has continued to fund the youth own co-operatives , SMME's and informal business through their grant scheme.

**CAREER GUIDANCE AND COUNSELLING**
**THEMBISILE HANI LOCAL MUNICIPALITY CAREER EXHIBITION**

One key area in youth development its education. Education also empowers individuals to participate meaningfully in the society. The amount and quality of education received by individuals is strongly associated with the probability of finding employment and with the level of wages one can expect to earn. It is for this reason, education is widely regarded as a key mechanism for bringing about transformation, eradication of poverty and reduction of unemployment. It is for that reason that the youth development will continuously conducting career guidance and counselling to the out-of-school youth (NEETs) and the youth at school.

This financial year 2021/22 and on the 08 June 2022 a career expo was held at Phaphamani Combined School. This programme was financially supported by the Nkangala District Municipality (NDM).
The targeted participants were grade 09 learners. The number of participants who registered their names on the attendance registers on the day of the career exhibition it was 197 learners.

**DRUGS AND SUBSTANCE ABUSE**

The municipality has over the years ensured the establishment and existence of the Local Drug Action Committee, which has been working tirelessly in the fight against drugs and substance abuse by conducting door-to-door campaign, dialogues, face-to-face engagement and assisting with rehabilitation process.

**SPORTS**

Youth Development Unit has been able to pull all strings working together with the Department of Culture, Sports and Recreation and Thembisile Hani Athletics Club to host Solomon Mahlangu Marathon, which is currently registered with Mpumalanga Athletics. The marathon will be taking place during the month of October every year. We envisage that in 2023 the marathon will run the following distances 5 km (fun walk/run), 10 km, 21 km and 42 km, with further intentions to register the 42 km as a pre-qualification for the Comrades Marathon by 2024.

**FINANCIAL PERFORMANCE EXPENDITURE FOR 2020/2021 AND 2021/2022: MUNICIPAL MANAGER'S, TOWN SECRETARY AND CHIEF EXECUTIVE**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 102 | SALARIES | 5,219,899.00 | 5,007,218.46 | 5 495 556.00 | 4 736416.25 |
| 102 | SALGBC | 616.00 | 712.80 | 612.00 | 545.90 |
| 102 | ACTING ALLOWANCE | 138,992.00 | 5,435.69 | 138 996.00 | 9500.94 |
| 102 | PENSION CONTRIBUTIONS | 262,086.00 | 262,086.00 | 262 092.00 | 255 836.00 |
| 102 | MEDICAL AID CONTRIBUTIONS | 165,495.00 | 145,350.78 | 165 492.00 | 138849.36 |
| 102 | U I F CONTRIBUTIONS | 10,944.00 | 10,729.52 | 10 956.00 | 12 044.16 |
| 102 | TRAVEL ALLOWANCES | 720,000.00 | 720,000.00 | 720 000.00 | 700000 |
| 102 | CELLPHONE ALLOWANCES | 102,000.00 | 102,000.00 | 102 000.00 | 97 000.00 |
| 102 | SKILLS DEVELOPMENT LEVY | 79,791.00 | 47,704.41 | 79 788.00 | 58 170.01 |
| 102 | TRAVELLING AND SUBSISTANCE | 100,000.00 | 11,037.99 | 99 996.00 | 39189.84 |
| 102 | ACCOMODATION | 100,000.00 | 0 | 129 996.00 | 59 952.66 |
| 102 | FOOD AND BEVERAGES | 41,316.00 | 0 | 41 316.00 | 15 206.08 |

| | | | | | |
|---|---|---|---|---|---|
| 102 | OPERATIONAL COST:EXTERNAL AUDIT FEES | 5,791,500.00 | 5,705,226.53 | 5 791 500.00 | 6 133 543.52 |
| 102 | TOLL GATE FEES | 15,000.00 | 0 | 15 000.00 | 495.48 |
| 102 | CAR HIRE | 21,060.00 | 0 | 21 060.00 | 2 803.48 |
| 102 | FLIGHT BOOKING | 47,380.00 | 0 | 47 376.00 | 12 179.54 |

**FINANCIAL PERFORMANCE EXPENDITURE FOR 2020/2021 AND 2021/2022: GOVERNANCE: INTERNAL AUDIT**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 102 | SALARIES | 1,401,506.00 | 1,484,918.04 | 1 504 572.00 | 1 545 890.61 |
| 102 | BONUS | 117,120.00 | 123,743.17 | 117 120.00 | 128 073.50 |
| 102 | SALGBC | 336.00 | 356.40 | 336.00 | 370.80 |
| 102 | SEMINAR,CONFERENCE WORKSHOP AND EVENTS: REGISTRATION FEE | 40,060.00 | 0 | 40 056.00 | 0 |
| 102 | ACTING ALLOWANCE | 21,240.00 | 0 | 21 240.00 | 9069.26 |
| 102 | PENSION CONTRIBUTIONS | 264,400.00 | 267,285.24 | 234 396.00 | 276 640.29 |
| 472 | MEDICAL AID CONTRIBUTIONS | 84,856.00 | 97,833.60 | 84 852.00 | 103276.80 |
| 102 | UIF CONTRIBUTIONS | 5,355.00 | 5,439.12 | 5 352.00 | 6 376.32 |
| 102 | TRAVEL ALLOWANCES | 120,000.00 | 139,920.06 | 141 000.00 | 140550.20 |

| | | | | | |
|---|---|---|---|---|---|
| 102 | CELLPHONE ALLOWANCES | 9,000.00 | 9,000.00 | 9 000.00 | 9 000.00 |
| 102 | MEMBERSHIP FEES | 15,000.00 | 8,452.50 | 15 000.00 | 8 875.14 |
| 102 | SKILLS DEVELOPMENT LEVY | 17,227.00 | 13,584.93 | 17 232.00 | 18 011.94 |
| 102 | TRAVELLING AND SUBSISTANCE | 31,590.00 | 13,321.60 | 31 596.00 | 15328.88 |
| 102 | ACCOMODATION | 77,830.00 | 0 | 77 832.00 | 15 500.00 |
| 102 | FOOD AND BEVERAGES | 18,450.00 | 0 | 18 456.00 | 4 364.00 |
| 102 | TOLL GATE FEES | 5,800.00 | 0 | 5 796.00 | 0 |
| 102 | CAR HIRE | 21,060.00 | 0 | 21 060.00 | 0 |
| 102 | FLIGHT BOOKING | 36,850.00 | 0 | 36 852.00 | 0 |
| 102 | ACCOUNTING AND AUDITING AUDIT INFORMATION (IT AUDITS.....) | 600000 | 0 | 900 000.00 | 900 000.00 |

**FINANCIAL PERFORMANCE EXPENDITURE FOR 2020/2021AND 2021/2022: COMMUNICATION, PMS, YOUTH DEVELOPMENT AND OTHER UNITS)**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| 102 | SALARIES | 8,250,068.00 | 8,113,090.35 | 8 686 560.00 | 8372092.82 |
| 102 | BONUS | 886,502.00 | 677,240.45 | 886 500.00 | 704493.44 |
| 102 | SALGBC | 11,582.00 | 2,494.80 | 11 580.00 | 2 564.70 |
| 102 | ACTING ALLOWANCE | 232,200.00 | 15,614.52 | 232 200.00 | 25 098.52 |
| 102 | PENSION CONTRIBUTIONS | 1,787,730.00 | 1,564,983.67 | 1 722 536.00 | 1 605346.10 |
| 102 | MEDICAL AID CONTRIBUTIONS | 780,000.00 | 726,657.60 | 780 000.00 | 762434.28 |
| 102 | U I F CONTRIBUTIONS | 44,052.00 | 38,073.84 | 44 252.00 | 44634.24 |
| 102 | TRAVEL ALLOWANCES | 780,000.00 | 726,657.60 | 802 504.00 | 779 472.88 |
| 102 | CELLPHONE ALLOWANCES | 81,900.00 | 80,400.00 | 81 900.00 | 76650 |
| 102 | NATIONAL REGISTRATION FOR ATTENDING CONFERENCES/WORKSHOP | 40,000.00 | 0 | 40 000.00 | 4 279.13 |
| 102 | SKILLS DEVELOPMENT LEVY | 98,862.00 | 85,290.59 | 101 368.00 | 106 654.82 |

| | | | | | |
|---|---|---|---|---|---|
| 102 | TRAVELLING AND SUBSISTANCE | 100,000.00 | 57,600.00 | 100 000.00 | 97875.94 |
| 102 | SHIFT ADDITIONAL REMUNERATION | 139,474.00 | 108,000.00 | 139 476.00 | 108 000.00 |
| 102 | ACCOMODATION | 121635 | 2660 | 119 676.00 | 82 510.00 |
| 102 | DOMESTIC:FOOD AND BEVERAGE (SERVED) | 31,944.00 | 736.00 | 31 944.00 | 20 596.53 |
| 102 | OVERTIME STRUCTURED | 216,493.00 | 242,536.00 | 216 492.00 | 263 576.16 |
| 102 | TOLL GATE FEES | 2,628.00 | 0 | 2 628.00 | 173.91 |
| 102 | CAR HIRE | 20,000.00 | 0 | 20 000.00 | 870.00 |
| 102 | FLIGHT BOOKINGS | 35,000.00 | 0 | 35 000.00 | 13 314.90 |
| 102 | CATERING | 259211 | 178475 | 259 216.00 | 162 040.00 |
| 102 | STAND BY ALLOWANCE | 222,860.00 | 152,797.68 | 222 864.00 | 158922.10 |
| 102 | MEDALS FOR FUN RUN /WALK | 26,900.00 | 26,800.00 | 28 860.00 | 24 950.00 |
| 102 | SPORTS AN RECREATION, REFEREES | 10,500 | 0 | 10 500.00 | 0 |
| 102 | ADVERTISING,PUBLICITY AND MARKETING GIFTS AND PROMOTIONAL ITEMS | 309622 | 308279 | 309 624.00 | 303 055.00 |
| 102 | HIRE CHARGES | 15000 | 0 | 15 000.00 | 6 650.00 |

| | | | | | |
|---|---|---|---|---|---|
| 102 | TRANSPORT PROVIDER | 192481 | 75970 | 192 480.00 | 172 436.60 |
| 102 | GRANT IN KIND FOR CO-OPERATIVE | 200,000 | 198,020 | 200 000.00 | 199 600.00 |

**FINANCIAL PERFORMANCE EXPENDITURE FOR 2020/2021 AND 2021/2022: GOVERNANCE: RISK**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 102 | SALARIES | 640,846.00 | 678,986.04 | 696 876.00 | 705 750.82 |
| 102 | BONUS | 53,554.00 | 56,582.17 | 53 556.00 | 58 562.58 |
| 102 | SALGBC | 112.00 | 118.80 | 108.00 | 123.60 |
| 102 | PENSION CONTRIBUTIONS | 137,180.00 | 122,217.48 | 124 776.00 | 126 495.11 |
| 623 | MEDICAL AID CONTRIBUTIONS | 42,473.00 | 48,850.20 | 35 060.00 | 49 521.60 |
| 102 | OWN TRANSPORT | 30,000.00 | 0 | 0 | 0 |
| 102 | UIF CONTRIBUTIONS | 1,788.00 | 1,813.04 | 2 088.00 | 2 125.44 |
| 102 | TRAVEL ALLOWANCES | 120,000.00 | 135,797.16 | 141 000.00 | 140550.20 |
| 102 | CELLPHONE ALLOWANCES | 9,000.00 | 9 000 | 9 000.00 | 9 000.00 |

| | | | | | |
|---|---|---|---|---|---|
| 102 | SKILLS DEVELOPMENT LEVY | 7,435.00 | 7,314.48 | 7 940.00 | 8 826.95 |
| 102 | TRAVELLING AND SUBSISTANCE | 30,000.00 | 0 | 28 400.00 | 4829.390 |
| 102 | ACCOMODATION | 40,840.00 | 2,637.50 | 40 836.00 | 12 920.00 |
| 102 | FOOD AND BEVERANGES | 15,800.00 | 2,219.54 | 15 804.00 | 4 164.70 |
| 102 | TOLL GATE FEES | 790.00 | 0 | 792.00 | 0 |
| 102 | CAR HIRE | 7,890.00 | 0 | 7 896.00 | 0 |
| 102 | FLIGHT BOOKINGS | 15,790.00 | 0 | 15 792.00 | 0 |
| 102 | OPERATIONAL COST:PROFESSIONAL BODIES; MEMBERSHIP AND SUBSCRIPTION-MEMBERSHIP FEES IRMSA | 2,110.00 | 0 | 2 112.00 | 1 755.00 |
| 102 | SEMINARS; CONFERENCES; WORKSHOPS AND EVENTS: NATIONAL SEMINARS | 21,000.00 | 0 | 21 000.00 | 0 |

**COMMENT ON STRATEGIC PLANNING PERFORMANCE OVERALL**

The department of Municipal Manager does not dispose over any capital projects and functions mainly focus on compliance with various Acts and Regulations.

# Chapter 3

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This Component Includes: Libraries; Sports, Art & Culture, Community Halls; A Child Care; Aged Care; Social Programmes, Gender.

### 3.13 LIBRARIES, EDUCATION, COMMUNITY FACILITIES AND SPORTS,CEMETORIES AND CREMATORIUMS

**INTRODUCTION TO LIBRARIES AND OTHERS**

**LIBRARIES**

The Municipal library services play a very important role in the work, education, and culture. The services that the libraries provide help people to carry out their work, studies and leisure time activities. Librarians assist anyone who needs assistance in finding information from books, encyclopedias, Encarta, pamphlets, periodicals and internet to meet their needs.

Community members take part in special programs and events in the library section, e.g., school projects, storytelling, reading clubs, etc.

| Service Objectives | Service Targets | 2020/2021 | 2021/2022 |
|---|---|---|---|
| Library Campaigns | 2 | The library awareness campaign was held during the 1st quarter at Sphiwe Secondary School in Tweefontein C. | Stoty telling event was held at Empumelelweni Creche in Tweefontein A as part of literacy week.<br><br>Two High Schools attended a library week at Phumula Library |

**EMPLOYEE INFORMATION**

| Employees: Libraries, Archives;Community Facilities;Other | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 15 | 1 | 1 | 1 | 0 | 0% |
| 13 -11 | 3 | 3 | 3 | 0 | 0% |
| 10 – 8 | 1 | 1 | 1 | 0 | 0% |
| 7 – 5 | 8 | 17 | 3 | 14 | 82% |
| 4 – 2 | 41 | 40 | 37 | 3 | 7.5% |

| | | | | | |
|---|---|---|---|---|---|
| Total | 54 | 62 | 45 | 17 | 27% |

**COMMENT ON LIBRARY SERVICES PERFORMANCE OVERALL**

- Two library events were held at Empumelelweni Creche and at Phumula Library.

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR SOCIAL DEVELOPMENT (COMMUNITY SERVICES) 2020/2021 AND 2021/2022**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 107 | SALARIES | 2,093,511.00 | 2,192,516.08 | 2 362 768.00 | 2 456 104.11 |
| 107 | BONUS | 379,167.00 | 176,083.85 | 379 164.00 | 202 507.66 |
| 107 | SALGBC | 1,584.00 | 792.00 | 1 584.00 | 988.80 |
| 107 | ACTING ALLOWANCE | 53,864.00 | 21,213.66 | 23 868.00 | 20 072.20 |
| 107 | PENSION CONTRIBUTIONS | 730,550.00 | 460,707.57 | 530 048.00 | 505785.35 |
| 107 | MEDICAL AID CONTRIBUTIONS | 190,404.00 | 246,800.43 | 390 904.00 | 303 078.24 |
| 107 | UIF CONTRIBUTIONS | 5,496.00 | 11,961.80 | 16 496.00 | 16 156.83 |
| 107 | TRAVEL ALLOWANCES | 120,000.00 | 135,797.16 | 141 000.00 | 140550.20 |
| 107 | CELLPHONE ALLOWANCES | 9,000.00 | 9,000.00 | 18 216.00 | 18 600.00 |
| 107 | SKILLS DEVELOPMENT LEVY | 42,264.00 | 22,143.13 | 42 264.00 | 29 904.65 |
| 107 | TRAVELLING AND SUBSISTANCE | 27,460.00 | 0 | 27 456.00 | 5488.51 |
| 107 | ACCOMODATION | 42,170.00 | 2,530.00 | 42 168.00 | 30 333.00 |

| | | | | | |
|---|---|---|---|---|---|
| 107 | FOOD AND BEVERAGE | 10,460.00 | 725.30 | 10 464.00 | 9 000.63 |
| 107 | CATERING FOR HIV/AIDS | 0 | 0 | 0 | 0 |
| 107 | ADVERTISING PUBLICITY AND MARKETING FOR HIV/AIDS | 37,950.00 | 0 | 37 956.00 | 0 |
| 107 | TOLL GATE FEE | 1,580.00 | 0 | 1 584.00 | 706.08 |
| 107 | CAR HIRE | 3,680.00 | 0 | 3 684.00 | 0 |
| 107 | FLIGHT BOOKING | 3,000.00 | 0 | 3 000 | 0 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR SPORTS GROUND, STADIUMS AND SPORTS FACILITY MANAGEMENT FOR 2020/2021AND 2021/2022**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 300 | SALARIES | 2,327,869.00 | 4,198,775.70 | 4 914 272.00 | 4695142.46 |
| 300 | SALGBC | 1,831.00 | 2,376.00 | 2 924.00 | 2708.90 |
| 300 | PENSION CONTRIBUTIONS | 677,431.00 | 849,778.38 | 962 600.00 | 939975.07 |
| 300 | MEDICAL AID CONTRIBUTIONS | 242,307.00 | 339,417.18 | 437 576.00 | 411644.64 |
| 300 | UIF CONTRIBUTIONS | 27,358.00 | 34,861.62 | 45 382.00 | 43591.04 |
| 300 | TRAVEL ALLOWANCES | 120,000.00 | 135,797.16 | 141 000.00 | 140 550.20 |
| 300 | CELLPHONE ALLOWANCES | 18,600.00 | 18,600.00 | 18 600.00 | 18 600.00 |
| 300 | SKILLS DEVELOPMENT LEVY | 40,216.00 | 40,669.99 | 57 124.00 | 54646.58 |
| 300 | OVERTIME:STRUCTURED OVERTIME | 0 | 0 | 60 000.00 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 300 | ACTING AND POST RELATED ALLOWANCES | 0 | 0 | 20 000.00 | 67 268.97 |
| 300 | CONTRACTORS:BUILDING SIGNAGE FOR GEOGRAPHIC NAMING COMMITTEE | 0 | 0 | 144 000.00 | 139 684.16 |
| 300 | TOLL GATE FEES | 11.00 | 0 | 2 496.00 | 0 |
| 300 | BONUS | 537,145.00 | 327,576.09 | 660 348.00 | 397 522.81 |
| 300 | FLIGHT BOOKING | 10000 | 0 | 0 | 0 |
| 300 | CONTRACTORS | 149 007 | 192 867 | 0 | 0 |
| 300 | CATERING | 0 | 0 | 0 | 0 |
| 300 | ADVERTISING,PUBLICITY AND MARKETING | 3,000.00 | 0 | 0 | 0 |
| 300 | CONSUMABLES:STANDARD RATED BOTTLED WATER FOR MINI MARATHON | 10,000.00 | 0 | 0 | 0 |
| 300 | ACCOMODATION SAMSRA GAMES | 0 | 0 | 0 | 0 |
| 300 | FOOD AND BEVERAGES SAMSRA | 0 | 0 | 0 | 0 |
| 300 | INSTRUMENT FOR ARTS AND CULTURE | 5,000.00 | 0 | 0 | 0 |
| 300 | EVENT PROMOTER MARKETING OF ARTS EXHIBITIONS | 0 | 0 | 0 | 0 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR COMMUNITY HALLS AND FACILITIES FOR 2020/2021 AND 2021/2022**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 300 | SALARIES | 5,279,126.00 | 3,713,273.81 | 2 651 670.00 | 2742617.16 |

| | | | | | |
|---|---|---|---|---|---|
| 300 | SALGBC | 3,864.00 | 2,890.80 | 3 864.00 | 2 121.80 |
| 300 | PENSION CONTRIBUTIONS | 1,378,800.00 | 776,850.97 | 1 378 800.00 | 555673.51 |
| 300 | MEDICAL AID CONTRIBUTIONS | 535,020.00 | 426,933.60 | 535 020.00 | 310432.80 |
| 300 | U I F CONTRIBUTIONS | 121,488.00 | 43,180.50 | 121 488.00 | 34229.72 |
| 300 | SKILLS DEVELOPMENT LEVY | 59,244.00 | 34,909.14 | 59 244.00 | 33 485.97 |
| 300 | TOLL GATE FEES | 15,800.00 | 0 | 15 804.00 | 0 |
| 300 | CONTRACTORS:BUILDING SERVICING AIRCONS AT MUNICIPAL OFFICES BY CONTRACTORS | 242400 | 67601.40 | 252 400.00 | 241 415.00 |
| 300 | INVENTORY CONSUMED:MATERIAL AND SUPPLIES | 560840 | 366703.69 | 675 844.00 | 539 045.79 |
| 300 | CONTRACTORS:BUILDING REPAIRS TO MUNICIPAL OFFICE BUILDINGS BY BUILDING CONTRACTOR | 100000 | 124895 | 99 996.00 | 99 724.70 |
| 300 | CONSUMABLE : STANDARD RATED | 55300 | 13943 | 55 296.00 | 0 |
| 300 | BONUS | 478495 | 301492.32 | 478 500.00 | 247711.98 |
| 300 | CELL PHONE | 14400 | 4800 | 14 400.00 | 4 800.00 |
| 300 | OVERTIME STRUCTURED | 10000 | 0 | 159 996.00 | 0 |
| 300 | ACTING AND POST RELATED ALLOWANCES | 76840 | 33546.93 | 76 836.00 | 67764.19 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE FOR LIBRARY AND ARCHIVES FOR 2020/2021 AND 2021/2022**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| 300 | SALARIES | 1,478,492.00 | 1,206,152.82 | 1 400 000.00 | 1547302.70 |
| 300 | OVERTIME:NON STRUCTURED | 0 | 0 | 20 000.00 | 0 |
| 300 | ACTING AND POST RELATED ALLOWANCES | 0 | 0 | 20 000.00 | 2 386.75 |
| 300 | SALGBC | 594.00 | 475.20 | 700.00 | 607.70 |
| 300 | PENSION CONTRIBUTIONS | 259,167.00 | 226,567.10 | 270 000.00 | 296 091.51 |
| 300 | MEDICAL AID CONTRIBUTIONS | 97,270.00 | 76,088.40 | 110 000.00 | 142 203.60 |
| 300 | UIF CONTRIBUTIONS | 17,772.00 | 7,252.16 | 9 300.00 | 10 450.08 |
| 300 | SKILLS DEVELOPMENT LEVY | 13,812.00 | 10,550.36 | 17 000.00 | 17 502.84 |
| 300 | TOLL GATE FEES | 2,500.00 | 0 | 0 | 0 |
| 300 | BONUS | 123,208.00 | 102,870.34 | 131 000.00 | 130 727.92 |

**COMMENTS ON THE PERFORMANCE OF LIBRARIES, SPORTS AND OTHERS OVERALL**

The Municipality graded thirty-five (35) sports fields during 2021/2022 financial year. Bookings of facilities are on record for the hiring of these facilities.

## 3.14 HEALTH AND WELFARE

There is only one community hospital in the sub-region, Kwamhlanga hospital. There are six Community Health Centres (CHC) namely

- Kwaggafontein CHC
- Buhlebesizwe CHC
- Verena CHC
- Moloto CHC
- Thembalethu CHC
- Kwamhlanga CHC

There are fifteen clinics: namely

- Zithabiseni clinic
- Goederede clinic
- Mzimuhle clinic
- Mathyzensloop clinic
- Kwaggafontein “a” clinic
- Tweefontein “a” clinic
- Tweefontein ‘c’ clinic
- Tweefontein ‘d’ clinic
- Tweefontein ‘h’ clinic
- Veterinary clinic kwafene
- Tweefontein ‘m’ clinic
- Empilweni clinic
- Kameelpoortnek clinic
- Kwamhlanga clinic
- Vriesgewacht clinic
- Vlaklaagte no.1 clinic

The Municipality needs to strengthen the HIV/AIDS awareness campaign in its area of jurisdiction to minimise the infection rate. The high unemployment rate and the lack of skills creates poverty and increases the demand for social grants provision by government.

**COMMENT ON HEALTH SERVICES PERFORMANCE OVERALL**

The health service unit consist of one person who is coordinator, reporting to the Manager Social Development Service. The unit is fully functional. The Municipality conducted dialogues, HIV counselling and testing (hot) campaigns and training to support and reduce the impact of the HIV/AIDS on individuals, family community and society by expanding access to appropriate treatment, adhere care and support in accordance with the South African Strategic Plan (NSP) 2017-2022 to address focus for impact, and reach the 90 goals by 2030. The Municipality conducted 10 HIV/AIDS related campaigns in 2021-22 financial year. During the financial year 2020/2021 the Municipality like many other organisation in the world was affected by COVID19 pandemic. Thembisile Hani Local Municipalty has established a local Cpmmand Council which assist with the coordination of response stratgeis and programmes to deal with the spread of COVID19.

## COMPONENT E: HEALTH AND ENVIROMENTAL PROTECTION

### 3.15 HEALTH INSPECTION OF PREMISE AND BUSINESS FOR LICENCING

Environmental health services continued to be provided without funding from National Treasury. with a limited budget and diminishing resources the nine functional areas relating to environmental health services as defined in the National Health Act, no. 61 of 2003 were carried out but not fully to ensure effective and efficient service delivery within the areas of thembisile.

The service delivery priorities focused on water quality monitoring, food quality and safety, health surveillance of premises and vector control. However, the departmental of Technical Services was used for the monitoring of water quality.

**COMMENT ON HEALTH INSPECTION AND ENVIROMENTAL HEALTH PERFORMANCE OVERALL**

The Municipality conducted (96) business inspections in (37) villages. Routine business inspections were conducted by the environmental health practitioner.

**EMPLOYEE INFORMATION**

| Employees: Health Inspection (Environmental Health) | | | | | |
|---|---|---|---|---|---|
| Job Level | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 15 | 0 | 0 | 0 | 0 | 0% |
| 13 -11 | 0 | 0 | 0 | 0 | 0% |
| 10 - 8 | 0 | 0 | 0 | 0 | 0% |
| 7 - 5 | 0 | 0 | 0 | 0 | 0% |
| 4 - 2 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0 | 0% |

**POLLUTION CONTROL AND BIO DIVERSITY; LANDSCAPE**

Pollution control, bio diversity and landscape are not applicable to Thembisile Hani Local Municipality.

## 3.16 DISASTER MANAGEMENT

**INTRODUCTION**

The Municipality has a disaster management plan and plays a role in mobilizing a multi sectorial presentation respond to fire and other disaster are in the Municipality.

**Strategies**

- To ensure effective policing and access to emergency services.
- To promote inter-governmental relations.
- To develop disaster management plan.
- Development of risk management plan.

**COMMENT ON DISASTER MANAGEMENT PERFORMANCE OVERALL**

The Disaster Management Unit despite having only one official and insuffient budget managed to respond to a number of disaster incidents in the financial 2021/2022.

**EMPLOYEE INFORMATION**

| Employees: disaster management | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |

| | | | | | |
|---|---|---|---|---|---|
| 15 | 0 | 0 | 0 | 0 | 0% |
| 13 -11 | 1 | 1 | 0 | 1 | 100% |
| 10 - 8 | 0 | 3 | 1 | 2 | 66% |
| 7 - 5 | 1 | 0 | 0 | 0 | 0% |
| 4 - 2 | 0 | 6 | 0 | 6 | 0% |
| Total | 2 | 10 | 1 | 9 | 90% |

**TRANSVERSAL**

**INTRODUCTION**

The special programmes unit in the office of the Manager SDS, (which comprises four sub-programmes: issues on the status of women, issues on the status of persons with disability issues on the rights of a child and issues on elderly) is amongst others mandated to monitor and evaluate mainstreaming of gender equality and women empowerment, rights of persons with disability, elderly and rights of children into programmes of the Municipality. The core functions of special programmes unit are: advocacy, capacity building, policy analysis, research, monitoring and evaluation.

**Strategies**

- Guide the Municipality in developing appropriate programmes.
- Provide strategic interventions to facilitate gender policy implementation in the Municipality.
- Promote the integration of gender equity and equality, and women, persons with disability, elderly and children empowerment in the Municipality development programmes and service delivery
- Raise awareness on the constitutional and development roles and responsibilities of Municipal department stake holders as development agents.
- Alert stakeholders of the Municipality about the gender implications of their work.
- Contribute to the development of the performance systems by introducing gender-sensitive indicators

**COMMENT ON TRANSVERSAL PERFORMANCE OVERALL**

The Municipality has two officials dealing with special programmes.

**EMPLOYEE INFORMATION**

| Employees: Transversal | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 15 | 0 | 0 | 0 | 0 | 0% |
| 13 -11 | 1 | 1 | 1 | 0 | 0% |
| 10 - 8 | 0 | 0 | 0 | 0 | 0% |

| | | | | | |
|---|---|---|---|---|---|
| 7 - 5 | 1 | 1 | 1 | 0 | 0% |
| 4 - 2 | 0 | 0 | 0 | 0 | 0% |
| Total | 2 | 2 | 2 | 0 | 0% |

Transversal Unit implemented 15 programatic activities/ events during 2021-2022.

**FINANCIAL PERFORMANCE 2020/2021 AND 2021/2022: CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

The child care, aged care and social programme are using the same vote with libraries under vote 107: Social Development Services.

## COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: Corporate Policy Offices, Financial Services, Human Resource Services, ICT Services, and Property Services.

**INTRODUCTION TO CORPORATE POLICY OFFICES**

Chapter 7 of the constitution of the Republic of South Africa states that the Municipality comprise of Councillors, officials and the community. In order 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.

In order for the Municipality to be able to address the service delivery matters the Municipality must approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address matters of staff and this can only be achieved through the costed organogram that must be cost effective but also provide sufficient managerial and other positions in order to be able to render effective and satisfactory delivery of services.

Management must ensure that tools of trade are made available to the staff. This will include ICT services and networks including the necessary licenses. In order for the Municipality to finance the service delivery issues it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. the payment for services will be covered by the payments for rates and taxes and will include proper and sufficient Municipal service delivery networks like water pipes and reservoirs as well as sewer and electrical (street lights and high mast lights) networks and plant and equipment.

### 3.17 EXECUTIVE AND COUNCIL

This component includes: executive office (Executive Mayor; Councilors; and Public Participation).

**INTRODUCTION TO EXECUTIVE AND COUNCIL**

In terms of chapter 7 section 151 (2) of the constitution of the Republic of South Africa, 1996, the executive and legislative authority of a Municipality is vested in its Municipal Council.

The Municipal Council of the Thembisile Hani Local Municipality is established as a Municipality with a Mayoral Committee system which is combined with a Ward participatory system in terms of chapter 12 of the Municipal Structures Act, 117 of 1998.

# Chapter 3

Section 152 of the constitution spells out categorically clear, 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 is vested 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 can take decision. However there are certain matters on which the Executive Mayor as the head of the Municipality cannot take decisions i.e. the approval of the budget, 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 to the Executive Mayor by Council who will in turn also sub-delegate to the Municipal Manager. The Municipal Manager may also sub-delegate to managers who may in turn further sub-delegate to other officials.
Section 152 of the constitution sets among others the following objectives for local government:

(a) To provide democratic and accountable government for local communities
(b) To ensure the provision of services to communities in a sustainable manner
(c) To promote social and economic development

In order to ensure sustainable service delivery to the community's Council sets the top three service delivery priorities as follows in order to achieve good governance levels.

- Risk management: Council has developed risk management strategy or policy that enables Council to conduct risk assessment which has already been done. This exercise also enabled the Council to develop a plan on internal controls to mitigate and control.
- Internal Audit: Council managed to establish the Audit Committee and it sits regularly assisting on assessing the reporting on management of risk and other matters relating to good governance.
- Accounting and auditing: Council has established the Audit Committee which assists in reviewing the Annual Financial Statements and also to monitor the effectiveness of the internal controls and risk management.

**SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL**

| Detail | 2020/2021 | | 2021/2022 | |
|---|---|---|---|---|
| | Special Meetings | Ordinary Meetings | Special Meetings | Ordinary Meetings |
| Mayoral Committee | 02 | 09 | 02 | 09 |
| Technical Service Committee | 00 | 04 | 00 | 02 |
| SDS Committee | 00 | 07 | 00 | 05 |
| Audit Committee | 01 | 04 | 02 | 04 |
| Admin & Governance | 01 | 08 | 00 | 06 |
| LED Committee | 00 | 03 | 00 | 02 |
| Finance Committee | 00 | 06 | 00 | 04 |

| | | | | |
|---|---|---|---|---|
| Council Meeting | 05 | 06 | 07 | 07 |
| Corporate Services Committee | 01 | 08 | 00 | 06 |
| MPAC | 03 | 04 | 05 | 03 |

**EMPLOYEE INFORMATION**

| Employees: The Executive And Council | | | | | |
|---|---|---|---|---|---|
| | 2020/2021 | 2021/2022 | | | |
| Job Level | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 6 | 9 | 9 | 0 | 0% |
| 4 - 6 | 22 | 55 | 55 | 0 | 0% |
| 7 - 9 | 0 | 0 | 0 | 0 | 0 |
| 10 - 12 | 36 | 0 | 0 | 0 | 0% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0 |
| Total | 64 | 64 | 64 | 0 | 0% |

**EXPENDITURE ON COUNCIL GENERAL (100) FOR 2020/2021 AND 2021/2022 FINANCIAL YEAR:**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 100 | SALARIES | 4,450,950.00 | 3,555,403.19 | 5 025 631.00 | 4 058 322.39 |
| 100 | MOBILE DATA BUNDLES | 271,541.00 | 229,800.00 | 271 536.00 | 230 377.27 |
| 100 | PENSION CONTRIBUTIONS | 3,203,511.00 | 2,493,194.78 | 2 885 846.00 | 2 490 498.91 |
| 100 | MEDICAL AID CONTRIBUTIONS | 653,486.00 | 428,904.09 | 653 496.00 | 294 662.46 |
| 100 | TRAVEL ALLOWANCES | 6,263,452.00 | 5,305,902.70 | 6 013 460.00 | 5 046 656.53 |
| 100 | CELLPHONE ALLOWANCES | 2,412,702.00 | 2,604,400.00 | 2 412 696.00 | 2 605 992.03 |

| | | | | | |
|---|---|---|---|---|---|
| 100 | CLR ALLOWANCES | 10,298,182.00 | 10,375,239.20 | 9 598 258.00 | 10 309 898.63 |
| 100 | BUSINESS AND FINANCIAL MANAGEMENT | 84,160.00 | 0 | 0 | 0 |
| 100 | RADIO AND TV TRANSMISSION | 1 112 760 | 1 112 760 | 0 | 0 |
| 100 | PLANTS FLOWERS AND DECORACTION (SOMA) | 184,800.00 | 0 | 0 | 0 |
| 100 | CATERING SERVICES | 851 858 | 304 475 | 0 | 0 |
| 100 | MEMBERSHIP FEES | 1,859,339.00 | 1,885,960.40 | 2 843 406.00 | 1 942 165.75 |
| 100 | SKILLS DEVELOPMENT LEVY | 220,956.00 | 131,611.59 | 220 956.00 | 179 828.95 |
| 100 | PUBLIC PARTICIPATION | 100,000.00 | 99,810.00 | 260 054.40 | 260 052.00 |
| 100 | PUBLIC & PHOTOGRAPH | 5000 | 0 | 5 004.00 | 0 |
| 100 | TRAVELLING AND SUBSISTANCE | 124,120.00 | 5,441.92 | 111 704.40 | 54 857.38 |
| 100 | ACCOMODATION | 648 510 | 95 194.20 | 665 844.80 | 539 158.41 |
| 100 | WARD COMMITTEES EXPENDITURE | 3,790,000.00 | 3,731,000.00 | 4 227 850.50 | 2 375 873.00 |
| 100 | CORPORATE AND MUNICIPAL ACTIVITIES | 0 | 0 | 0 | 0 |
| 100 | FOOD AND BEVERAGES | 196100 | 27434.76 | 222 803.60 | 109 993.13 |
| 100 | ENTERTAINMENT:EXECUTIVE MAYOR CLLR GENERAL REFRESHMENTS MAYOR | 84,240.00 | 0 | 84 240.00 | 39 185.00 |
| 100 | OTHER TRANSPORT PROVIDER | 1 014 932 | 240 680 | 679 442.40 | 288 949.00 |

| | | | | | |
|---|---|---|---|---|---|
| 100 | TOLL GATE FEES | 31,590.00 | 0 | 31 956.00 | 286.96 |
| 100 | CAR HIRE | 63,180.00 | 0 | 63 180.00 | 58 077.97 |
| 100 | FLIGHT BOOKING | 87,910.00 | 0 | 79 120.80 | 14 906.07 |
| 100 | CLEANING SERVICES: LAUNDRY SERVICES DRY CLEAN SERVICE (GOWN FOR SPEAKER.....) | 0 | 0 | 996.00 | 710.00 |
| 100 | ADVERTISING; PUBLICITY AND MARKETING:CORPORATE AND MUNICIPAL ACTIVITIES | 405000 | 299458 | 297 504.00 | 284 480.00 |
| 100 | COST: ACQUISITIONS MACHINERY | 200 000 | 75 000 | 0 | 0 |
| 100 | COST: ACQUISITIONS PROCUMENT OF VEHICLE ( COVID 19) | 1 075 000 | 1 075 000 | 0 | 0 |
| 100 | COMMUNICATION: RADIO AND TV TRANSMISSIONS: RADIO AND TV INTERVIEWS | 1 053 000 | 1 053 000 | 98 460.00 | 98 360.00 |

**EXPENDITURE ON FOR 2020/2021 AND 2021/2022 FINANCIAL YEAR: COUNCIL GENERAL (100)**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 100 | SOMA | 0 | 0 | 184 800.00 | 184 800.00 |
| 100 | GRANTS IN-KIND | 50,000.00 | 0 | 45 000.00 | 0 |
| 100 | PRINTING,PUBLICATION & BOOKS | 5,000.00 | 0 | 0 | 0 |
| 100 | SEMINARS, CONFERENCE WORKSHOP | 206 000 | 22 999.88 | 123 504.00 | 50 380.00 |

## 3.18 BUDGET AND TREASURY OFFICE

### INTRODUCTION TO BUDGET AND TREASURY OFFICE

The department deals with the administration of finances of the Municipality i.e. own budget as well as the money received from government fiscal i.e. allocation by government to the Municipality to enhance service delivery as in mig and equitable

shares. In order for the Municipality to have effective service delivery, budget and IDP processes is being followed in order to ensure Public Participation to cover all community proposals in terms of projects.

The department must develop budget related policies and by-laws to govern consistently charging of moneys for services rendered to the communities. There will be internal and external audits in order to ensure management of risk and curbing corruption while encouraging the implementation of policies.

| Debt Recovery | | | | | |
|---|---|---|---|---|---|
| R | | | | | |
| Details Of The Types Of Account Raised And Recovered | 2020//2021 | | 2021/2022 | | |
| | Actual For Accounts Billed In Year | Actual Amount collected | Actual Amount Collected | Actual For Accounts Billed In Year | Proportion Of Accounts Value Billed That Were Collected % |
| Property Rates | 32 948 614 | 23 012 299 | 27 778 759 | 55 144 559 | 50 |
| Water | 15 774 758 | 1 044 211 | 2 204 260 | 76 414 661 | 3 |
| Sanitation | 436 341 | 123 212 | 196 027 | 1 890 529 | 10 |
| Refuse | 8 840 281 | 622 106 | 1 101 271 | 36 036 792 | 3 |
| Total | ***57 999 994*** | ***24 801 828*** | ***31 280 317*** | ***169 486 541*** | ***18*** |

The following problems were identified with regards to the below average collection rate and we have identified initiatives that will make a difference in the collection rate. One of the main actions to take is to make sure that we intensify the education to communities to pay Municipal services.

Different strategies have to be put in place for regular defaulters as opposed to consumers defaulting occasionally:-

- Through awareness campaigns, consumers need to be made aware of the services provided by the Council.
- We need to explain to the consumers why they have to pay for services
- Provision of incentives such as the 90% Amnesty reduction
- Political support
- Issuing monthly statements to the consumer on regularly for payment of services
- The deposits of regular defaulters should be increased according to their liability profile
- Implementation of credit control policy

**EMPLOYEE INFORMATION**

| Employees: Financial Services | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 15 | 5 | 5 | 4 | 1 | 20% |
| 13 -11 | 12 | 17 | 13 | 4 | 23% |

| | | | | | |
|---|---|---|---|---|---|
| 10 - 8 | 1 | 17 | 11 | 6 | 29% |
| 7 - 5 | 15 | 8 | 8 | 0 | 0% |
| 4 - 2 | 3 | 0 | 0 | 0 | 0% |
| Total | 36 | 47 | 36 | 11 | 23% |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021AND 2021/2022: BUDGET AND TREASURY**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 104 | SALARIES | 8,427,510.00 | 7,717,036.41 | 8 672 868.00 | 8 163 834.82 |
| 104 | SALARIES INTERNS | 750,456.00 | 614,949.40 | 750 456.00 | 650 532.20 |
| 104 | BONUS INTERNS | 58,200.00 | 51,192.91 | 58 200.00 | 53 041.34 |
| 104 | BONUS | 715,902.00 | 639,846.93 | 771 024.00 | 671 612.92 |
| 104 | SALGBC | 3 648 | 3 534.30 | 3 084.00 | 3 090.00 |
| | SALGBC-interns | 0 | 0 | 564.00 | 381.10 |
| 104 | ACTING ALLOWANCE | 545,109.00 | 153,662.38 | 245 112.00 | 138 014.14 |
| 104 | PENSION CONTRIBUTIONS | 1,240,130.00 | 1,614,112.11 | 1 240 128.00 | 1 692 575.74 |
| 104 | MEDICAL AID CONTRIBUTIONS | 637,739.00 | 709,019.88 | 757 740.00 | 804 146.88 |
| 104 | HOUSING SUBSIDIES | 21,786.00 | 23,148.24 | 22 792.00 | 23 148.24 |
| 104 | UIF CONTRIBUTIONS | 64578 | 53634.85 | 57 168.00 | 53 136.00 |
| | UIF CONTRIBUTIONS-interns | 0 | 0 | 7 416.00 | 6 653.36 |
| 104 | OVERTIME | 12,500.00 | 0 | 212 496.00 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 104 | TRAVEL ALLOWANCES | 360,000.00 | 271,594.32 | 680 000.00 | 557843.80 |
| 104 | CELLPHONE ALLOWANCES | 27,000.00 | 18,000.00 | 44 000.00 | 36 000.00 |
| 104 | BUSINESS AND ADVISORY:VALUER BUSINESS AND ADVISORY VALUER | 826,356.00 | 591,200.00 | 826 356.00 | 383 914.30 |
| 104 | BAD DEBTS WRITTEN OFF:BAD DEBTS WRITTEN OFF_PROPERTY RATES BAD DEBTS | 0 | 0 | 562 608.00 | 0 |
| 104 | PROVISION FOR BAD DEBTS | 541489 | 3719780.86 | 0 | 157 798 459.54 |
| 104 | SEARCH FEE | 112650 | 96956.61 | 112 656.00 | 55 000.00 |
| 104 | BANK CHARGES | 421196 | 661196.38 | 621 200.00 | 408 071.25 |
| 4104 | SKILLS DEVELOPMENT LEVY | 98683 | 84945.93 | 90 888.00 | 97 440.83 |
| 104 | SKILLS DEVELOPMENT LEVY-interns | 0 | 0 | 7 800.00 | 7 039.60 |
| 104 | ACCOMODATION | 237870 | 15582 | 237 876.00 | 21 390.75 |
| 104 | FOOD AND BEVERAGES | 59 017 | 4 385.76 | 59 016.00 | 5 554.92 |
| 104 | MSCOA BUSINESS AND ADVISORY:ACCOUNTING AND AUDITING BUDGET REFORM (MSCOA) | 855 285 | 1 021 541.52 | 805 284.00 | 694 237.50 |
| 104 | TRAINING FOR INTERNS | 90288 | 0 | 90 288.00 | 0 |
| 104 | BUSINESS AND ADVISORY:BUSINESS AND FINANCIAL MANAGEMENT CONSULTANT FOR MSCOA IMPLEMENTATION | 1 899 210 | 536 354.98 | 1 709 294.00 | 359 975.00 |
| 104 | TRAVELLING AND SUBSISTANCE | 161 940 | 2 006.42 | 161 940.00 | 5 072 |
| 104 | BUSINESS AND ADVISORY:ACCOUNTING AND | 4 000 000 | 3 921 330.64 | 5 395 381.00 | 4 263 901.14 |

| | | | | | |
|---|---|---|---|---|---|
| | AUDITING AFS PREPARATION AND FINANCE SUPPORT | | | | |
| 104 | VAT RECOVERY | 7360314 | 7945830.92 | 8 860 320.00 | 10 371 666.07 |
| 104 | DEBT COLLECTION | 3555500 | 2554008.85 | 3 555 504.00 | 1 635 724.44 |
| 104 | OUTSOURCED SERVICES:SECURITY SERVICES FEDELITY (CASH IN TRANSIT) | 105300 | 0 | 105 300.00 | 0 |
| 104 | TOLL GATE FEES | 26330 | 1070.88 | 26 328.00 | 286.96 |
| 104 | CAR HIRE | 36850 | 2520 | 36 852.00 | 0 |
| 104 | FLIGHT BOOKING | 47390 | 0 | 47 388.00 | 0 |
| 104 | REGISTRATION FEES FOR CONFERENCES | 125000 | 0 | 125000 | 11 700.00 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021AND 2021/2022: SUPPLY CHAIN**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 104 | SALARIES | 2,164,666.00 | 2,063,274.43 | 2 257 584.00 | 2 159 481.78 |
| 104 | BONUSES | 145,443.00 | 172,663.58 | 145 440.00 | 178 706.90 |
| 104 | BARGAINING COUNCIL | 2,760.00 | 594.00 | 2 760.00 | 618.00 |
| 104 | ACTING AND POST RELATED ALLOWANCES | 25,067.00 | 35,075.04 | 40 068.00 | 14 737.50 |
| 104 | Pension Fund Contributions | 426,633.00 | 410,642.26 | 426 636.00 | 426 993.20 |
| 104 | MEDICAL AID CONTRIBUTIONS | 95,174.00 | 88,394.40 | 98 172.00 | 103 071.60 |
| 104 | HOUSING BENEFITS | 10,893.00 | 11,574.12 | 11 196.00 | 11 574.12 |

| | | | | | |
|---|---|---|---|---|---|
| 104 | UNEMPLOYMENT INSURANCE | 10,708.00 | 9,065.20 | 10 704.00 | 10 627.20 |
| 104 | TRAVEL OR MOTOR VEHICLE | 120,000.00 | 135,797.16 | 141 000.00 | 140 550.20 |
| 104 | CELL PHONE ALLOWANCES | 9,000.00 | 9,000.00 | 9 000.00 | 9 000.00 |
| 104 | SIKLLS DEVELOPMENT LEVY | 23,144.00 | 19,531.97 | 23 148.00 | 24 584.30 |
| 104 | ACCOMODATION | 60,000.00 | 0 | 60 000.00 | 0 |
| 104 | FOOD AND BEVERAGES | 12,500.00 | 0 | 12 504.00 | 0 |
| 104 | TRANSPORT WITHOUT OPERATOR | 38464 | 0 | 38 460.00 | 0 |
| 104 | CAR HIRE | 3680 | 0 | 3 684.00 | 0 |
| 104 | FLIGHT BOOKING | 12000 | 0 | 12 000.00 | 0 |
| 104 | TOLL GATES | 1584 | 0 | 1 584.00 | 0 |
| 104 | NATIONAL SEMINARS CONFERENCES WORKSHOPS AND EVENTS:NATIONAL REGISTRATION | 15000 | 0 | 15 000.00 | 0 |
| 104 | OUTSOURCED SERVICES:PRINTING SERVICES PRINTING SERVICES | 300000 | 57563.25 | 300 000.00 | 47 639.24 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021AND 2021/2022: ASSET MANAGEMENT**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 104 | SALARIES | 1,784,509.00 | 1,914,513.33 | 1 957 716.00 | 2015639.84 |
| 104 | BONUSES | 234,208.00 | 159,634.01 | 255 204.00 | 166 719.76 |
| 104 | BARGAINING COUNCIL | 558.00 | 594.00 | 664.00 | 618.00 |

| | | | | | |
|---|---|---|---|---|---|
| 104 | ACTING AND POST RELATED ALLOWANCES | 16,128.00 | 30,344.66 | 41 128.00 | 31 900.77 |
| 104 | SOCIAL CONTRIBUTION PENSION | 358,443.00 | 384,910.05 | 398 440.00 | 402 587.98 |
| 104 | SOCIAL CONTRIBUTION MEDICAL | 129,277.00 | 139,446.00 | 154 276.00 | 154756.32 |
| 104 | UNEPLOYMENT INSURANCE | 8,923.00 | 9,065.20 | 10 928.00 | 10 627.20 |
| 104 | TRAVEL OR MOTOR VEHICLE | 120000 | 135797.16 | 141 000.00 | 140550.20 |
| 104 | CELL PHONE ALLOWANCES | 9000 | 9000 | 9 000.00 | 9 000.00 |
| 104 | SIKLLS DEVELOPMENT LEVY | 21347 | 18502.66 | 21 348.00 | 23 410.25 |
| 104 | ACCOMODATION | 31992 | 2637.50 | 31 992.00 | 8 662.66 |
| 104 | FOOD AND BEVERAGES | 8784 | 842.50 | 8 784.00 | 2 419.22 |
| 104 | TRANSPORT WITHOUT OPERATOR | 57912 | 0 | 57 912.00 | 11866.60 |
| 104 | INSURANCE EXCESS | 216800 | 11099.34 | 216 804.00 | 8 506.18 |
| 104 | INSURANCE UNDERWRITING PREMIUM | 2056000 | 2070697.41 | 2 705 860.00 | 1 954 160.23 |
| 104 | GRAP IMPLEMENTATION | 2423400 | 2342476.16 | 2 653 711.00 | 3 068 110.99 |
| 104 | DEPRECIATION INFRASTRUCUTRE | 35294493 | 0 | 35 294 496.00 | 0 |
| 104 | DEPRECIATION COMMUNITY ASSETS | 18775000 | 0 | 18 774 996.00 | 0 |
| 104 | DEPRECIATION FURNITURE AND FITTINGS | 1314252 | 0 | 1 314 252.00 | 0 |
| 104 | DEPRECIATION OFFICE EQUIPMENT | 1877496 | 0 | 1 877 496.00 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 104 | DEPRECIATION MOTOR VEHICLES | 3129170 | 0 | 3 129 168.00 | 0 |
| 104 | DEPRECIATION BUILDING | 4506000 | 4 506 000 | 4 506 000.00 | 0 |
| 104 | DEPRECIATION PLANT AND EQUIPMENT | 20000000 | 0 | 20 000 000.00 | 0 |
| 104 | TOLL GATE FEES | 1580 | 0 | 1 584.00 | 0 |
| 104 | CAR HIRE | 3680 | 0 | 3 684.00 | 0 |
| 104 | FLIGHT BOOKING | 10500 | 0 | 10 500.00 | 4 110.00 |
| 104 | SEMINARS CONFERENCES WORKSHOPS AND EVENTS:NATIONAL REGISTRAT | 15000 | 0 | 15 000.00 | 0 |

## 3.19 HUMAN RESOURCE(CORPORATE) SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The Municipality has submitted to the department of labour the employment equity report and return of earnings in terms of the Employment Equity Act and the compensation for occupational injuries and disease Act respectively. In addition to that, the work skills plan approved by Council has been submitted to the Local Government Seta

The approved organisational structure is in place and critical existing posts in the 2019/2020 financial year were filled based in line with structure. All the HR policies were reviewed and adopted by Council. The Municipality has undertaken the organisational reengineering to ensure that the organisation is in alignment with the IDP and budget as well as to ensure that the employee's job descriptions are aligned with these strategic documents.

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Total personnel expenditure trends in the last two years
The following table reflects the total personnel expenditure trends from 2019/2020 to 201/2022

| Financial Year | (R) |
|---|---|
| 2019/2020 | R 141 352 568 |
| 2020/2021 | R 150 745 983 |
| 2021/2022 | R 158 057 347 |

**Pension Fund**
The composition of membership for pension and provident funds was as follows

| Pension Fund | Number Of Members | | |
|---|---|---|---|
| | 2019/2020 | 2020/2021 | 2021/2022 |

| | | | |
|---|---|---|---|
| Municipal Gratuity Fund | 19 | 19 | 19 |
| National Fund For Municipal Workers | 17 | 19 | 19 |
| Joint Municipal Pension Fund | 0 | 0 | 0 |
| Sala Pension Fund 96 92 | 0 | 0 | 0 |
| Municipal Councillors Pension Fund | 64 | 64 | 64 |
| Municipal Employees Pension Fund | 345 | 334 | 334 |
| Meshawu Pension Fund | 0 | 0 | 0 |
| Samwu Pension Fund | 0 | 0 | 0 |
| GEPF | 0 | 0 | 0 |

**Medical Aid Funds**

The medical aid funds are accredited by the south African local government bargaining Council (slack).the Council 's actual expenditure for the 2021/2022 financial year towards the employer's contribution to total medical aid funds is **R 7 536 932**

| Medical Aid Fund | 2019/2020 Number of Members | 2020/2021 Number Of Members | 2019/2020 Employer's Contribution (R) | 2020/2021 Employer's Contribution (R) | 2021/2022 Number of Members | 2021/2022 Employer's Contribution (R) |
|---|---|---|---|---|---|---|
| LA Health | 34 | 45 | 1 018 858 | 1 381 014 | 45 | 1 659 057 |
| Hosmed | 34 | 29 | 1 329 951 | 1 384 890 | 26 | 1 189 091 |
| Bonitas | 37 | 40 | 1 445 116 | 1 513 382 | 38 | 167 625 |
| Munimed | 6 | 5 | 164 778 | 165 672 | 5 | 161 778 |
| Samwu Med | 157 | 167 | 3 792 259 | 4 155 546 | 153 | 4 359 381 |
| **Total** | **268** | **286** | **7 750 693** | **8 600 504** | **267** | **7 536 932** |

**Outstanding Monies**

MFMA circular 11 requires that Municipalities disclose arrears (outstanding monies) by Councillors and section 56 Managers:-

| Accounts in arrear as at present | Arrears: jun-2020 (R) | Arrears: jun-2021 (R) | Arrears: jun-2022 (R) |
|---|---|---|---|
| Councillors | 389 263 | 360 109 | 826 716 |

**Note: the full report is on annual financial statement**

**Disclosure concerning executive Councillors and section 56 managers**

The following table reflects the remuneration for executive Councillors and **section 56 managers**: -

| Designation | Remunerable( Package ) (R ) | | |
|---|---|---|---|
| | 2019/2020 | 2020/2021 | 2021/2022 |
| Executive Council | 25 154 166 | 5 913 775.82 | 3519154.56 |
| Section 56 Managers | 6,614,482 | 6 314 036.89 | 6047552.46 |
| Part Time/ Section 79 | 16 183 500 | 25 121 573.44 | 25271094.55 |

| Designation | Remuneration (Package) (R) | | |
|---|---|---|---|
| | 2019/2020 | 2020/2021 | 2021/2022 |
| Executive Mayor | 944 238 | 945 984.80 | 946375.93 |
| Speaker | 764 057 | 773,689.02 | 733108.45 |
| Mpac chairperson | 0 | 0 | 661352.72 |
| Chief Whip | 719 102 | 599 417.36 | 697155.76 |
| Council | 3 351 935 | 25 121 573.44 | 18507020.76 |
| Municipal Manager | 1 280 080 | 1 198 712.78 | 1189413.45 |
| Manager Corporate Service | 1 061 470 | 996 197.20 | 748498.35 |
| Manager SDS | 1 181 599 | 1,116,306.20 | 1037810.60 |
| Manager Technical Services | 1 011 221 | 1,007,492.73 | 994125.39 |
| CFO | 1 026 814 | 996 266.62 | 989397.57 |
| DTPS | 1 053 298 | 999 061.36 | 990947.25 |

**EMPLOYEE INFORMATION**

| Employees: Human Resource Services | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 15 | 1 | 1 | 1 | 0 | 0% |
| 13 -11 | 6 | 8 | 7 | 1 | 15.5% |

| | | | | | |
|---|---|---|---|---|---|
| 10 - 8 | 1 | 1 | 0 | 1 | 100% |
| 7 - 5 | 0 | 0 | 0 | 0 | 0% |
| 4 - 2 | 0 | 0 | 0 | 0 | 0% |
| Total | 8 | 10 | 8 | 2 | 20% |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021AND 2021/2022: CORPORATE SERVICES (HR)**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 106 | SALARIES | 4,231,313.00 | 3,778,791.93 | 4 062 004.00 | 3511255.25 |
| 106 | BONUS | 430,903.00 | 326,621.42 | 430 908.00 | 290546.90 |
| 106 | SALGBC | 1,386.00 | 1,128.60 | 1 392.00 | 988.80 |
| 106 | ACTING ALLOWANCE | 136,169.00 | 30,053.00 | 136 164.00 | 15914.47 |
| 106 | PENSION CONTRIBUTIONS | 817,752.00 | 802,495.97 | 817 752.00 | 750513.38 |
| 106 | MEDICAL AID CONTRIBUTIONS | 380,354.00 | 376,499.88 | 380 352.00 | 335564.64 |
| 106 | HOUSING SUBSIDIES | 21,786.00 | 23,148.24 | 21 792.00 | 23 148.24 |
| 106 | UIF CONTRIBUTIONS | 24,985.00 | 17,312.44 | 24 984.00 | 17003.52 |
| 106 | OPERATIONAL COST:SIGNAGE OHS SAFETY SIGNS | 52,654.00 | 0 | 0 | 0 |
| 106 | TRAVEL ALLOWANCES | 120,000.00 | 120,000.00 | 141 000.00 | 140550.20 |
| 106 | CELLPHONE ALLOWANCES | 13,000.00 | 13,000.00 | 13 248.00 | 13 800.00 |
| 106 | SKILLS DEVELOPMENT LEVY | 46,674.00 | 46,674.00 | 46 680.00 | 41243.45 |
| 106 | ADVERTISMENT | 333176 | 333176 | 383 176.00 | 251 743.85 |

| | | | | | |
|---|---|---|---|---|---|
| 106 | RENTAL OF OFFICE EQUIP | 1,295,630.00 | 1,295,630.00 | 1 295 628.00 | 1 522 465.80 |
| 106 | MATERIAL OF SUPPLIES | 1989265.50 | 1652605.05 | 1 987 104.80 | 1 837 801.28 |
| 106 | STRATEGIC PLANNING | 34,150.00 | 0 | 0 | 0 |
| 106 | WORKMEN'S COMPENSATION FUND | 737,096.00 | 0 | 737 100.00 | 541 555.28 |
| 106 | TRAVELLING AND SUBSISTANCE | 35,000.00 | 0 | 35 004.00 | 3741.42 |
| 106 | ACCOMODATION AND MEALS | 1438134 | 771550.84 | 468 320.00 | 407 090.00 |
| 106 | DOMESTIC:FOOD AND BEVERAGE (SERVED) | 0 | 0 | 219 960.00 | 102 304.84 |
| 106 | OPERATIONAL COST:UNIFORM AND PROTECTIVE CLOTHING PROCUREMENT OF PPE | 190135.58 | 188355.78 | 63 180.00 | 62 320.00 |
| 106 | SEMINARS; CONFERENCES; WORKSHOPS AND EVENTS:NATIONAL REGISTRATION FEE | 1494289 | 1128302.38 | 2 336 395.00 | 1 535 769.47 |
| 105 | HIRE CHARGES | 82,134.00 | 46,700.00 | 0 | 0 |
| 106 | COMPETENCY ASSESSMENT | 105300 | 0 | 155 300.00 | 35 237.00 |
| 106 | OHS PROGAMMES | 1154064.50 | 772936.33 | 0 | 0 |
| 106 | LEAVE DAYS | 758,160.00 | 235,384.18 | 758 160.00 | 754 937.03 |
| 106 | PROVISION FOR BONUS | 1,800,000.00 | 0 | 1 800 000.00 | 4 561 842.35 |
| 106 | PROVISION FOR LEAVE | 1,700,000.00 | 0 | 1 700 004.00 | 697 042.88 |
| 106 | PROVISION FOR ACTUARIES | 1,750,000.00 | 0 | 1 749 996.00 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 106 | TOLL GATE FEES | 4,738.00 | 3,899.23 | 4 740.00 | 2 732.20 |
| 106 | CAR HIRE | 25,591.00 | 5,850.00 | 6 840.00 | 5 760.00 |
| 106 | FLIGHT BOOKINGS | 6,000.00 | 0 | 6 000.00 | 0 |
| 106 | LONG TERM SERVICE | 1,339,800.00 | 1,384,683.19 | 1 339 800.00 | 1267039.11 |
| 106 | STANDBY ALLOWANCE | 61,011.00 | 28,738.92 | 61 008.00 | 29 744.68 |
| 106 | EMPLOYEE WELLNESS | 230000 | 0 | 680 004.00 | 361 615.00 |
| 106 | OCCUPATIONAL HEALTH & SAFETY TRAINING(COVID) | 295206 | 295206.50 | 0 | 0 |
| 106 | PEST CONTROL & FUMIGATION | 490206 | 448549.83 | 0 | 0 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021AND 2021/2022: FLEET MANAGEMENT**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 106 | SALARIES | 3,720,091.00 | 3,703,851.48 | 3 930 084.00 | 3873543.09 |
| 106 | BONUS | 290,521.00 | 308,017.14 | 290 520.00 | 321 963.34 |
| 106 | SALGBC | 1,454.00 | 1,663.20 | 1 752.00 | 1 709.80 |
| 106 | ACTING ALLOWANCE | 27,314.00 | 24,212.35 | 127 312.00 | 68 613.01 |
| 106 | PENSION CONTRIBUTIONS | 721,182.00 | 729,602.49 | 736 188.00 | 753 334.10 |
| 106 | MEDICAL AID CONTRIBUTIONS | 171,695.00 | 216,926.70 | 256 696.00 | 252270.60 |
| 106 | UIF CONTRIBUTIONS | 24,516.00 | 24,806.09 | 28 016.00 | 28 185.22 |

| | | | | | |
|---|---|---|---|---|---|
| 106 | TRAVEL ALLOWANCES | 120,000.00 | 135,797.16 | 141 000.00 | 140550.20 |
| 106 | CELLPHONE ALLOWANCES | 52,200.00 | 51,400.00 | 52 200.00 | 51 400.00 |
| 106 | STANDBY ALLOWANCE | 224,328.00 | 104,555.40 | 224 328.00 | 123949.94 |
| 106 | CONTRACTORS:MAINTENANCE OF UNSPECIFIED ASSETS | 2019274 | 1491914 | 1 961 284.00 | 1 809 393.99 |
| 106 | SKILLS DEVELOPMENT LEVY | 37,765.00 | 36,268.60 | 44 764.00 | 46 718.90 |
| 106 | CONTRACTORS:MAINTENANCE OF EQUIPMENT | 7897760 | 7273419.96 | 12 473 757.00 | 11 173 295.19 |
| 106 | FUEL | 6388701 | 5867305.38 | 7 072 986.20 | 8 506 113.18 |
| 106 | MOTOR VEHICLE LICENCE AND REGISTRATIONS | 910,792.00 | 644089.46 | 951 788.00 | 953 385.50 |
| 106 | RENTAL OF VEHICLE | 5,100,111.00 | 4,560,667.10 | 5 100 108.00 | 4 779 155.84 |
| 106 | EXECSS PAYMENT | 105,300.00 | 11,602.37 | 105 300.00 | 0 |
| 106 | TRANSPORT WITHOUT OPERATOR | 15,552.00 | 43,200.00 | 15 552.00 | 73636.38 |
| 106 | ACCOMODATION | 10,524.00 | 0 | 10 524.00 | 9 591.00 |
| 106 | FOOD AND BEVERAGES | 5,268.00 | 0 | 5 268.00 | 2 613.40 |
| 106 | VEHICLE TRACKING | 912,950.00 | 532,896.60 | 912 948.00 | 531 711.28 |
| 106 | TOLL GATE FEES | 1,580.00 | 0 | 1 584.00 | 424.35 |
| 106 | CAR HIRE | 295,560.00 | 0 | 295 560.00 | 220 850.11 |
| 106 | INTEREST PAID:FINANCE LEASES INTEREST ON FINANCE LEASE TRANSPORT ASSETS | 1300000 | 0 | 1 169 996.00 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| 106 | CONSUMABLES:STANDARD RATED OIL ISSUED | 211400 | 194552.04 | 211 404.00 | 0 |
| 106 | FLIGHT BOOKING | 10,000.00 | 0 | 9 996.00 | 0 |
| 106 | MATERIAL OF SUPPLIES | 521,530.00 | 367,838.64 | 469 379.00 | 227 975.19 |
| 106 | VEHICLE TRACKING & MONITORING OF MUNICIPAL FLEET | 912950 | 532896.60 | 912 948.00 | 531 711.28 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021AND 2021/2022: ICT**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 106 | SALARIES | 3,880,133.00 | 3,943,813.84 | 4 098 132.00 | 4204230.02 |
| 106 | BONUS | 317,912.00 | 329,457.12 | 317 916.00 | 347351.84 |
| 106 | SALGBC | 1,323.00 | 1,425.60 | 1 470.00 | 1 483.20 |
| 106 | ACTING ALLOWANCE | 21,060.00 | 13,345.14 | 66 060.00 | 92208.25 |
| 106 | PENSION CONTRIBUTIONS | 820,009.00 | 809,381.53 | 885 008.00 | 845277.19 |
| 106 | MEDICAL AID CONTRIBUTIONS | 283,619.00 | 334,717.08 | 290 120.00 | 357840.36 |
| 106 | HOUSING SUBSIDIES | 10,893.00 | 0 | 10 896.00 | 0 |
| 106 | UIF CONTRIBUTIONS | 21,420.00 | 21,756.48 | 24 920.00 | 25 505.28 |
| 106 | POSTAGE/FRANKLING MACHINE | 150,310.00 | 2,330.00 | 150 312.00 | 2 330.00 |
| 106 | TELECOMMUNICATION | 2,545,000.00 | 1,783,500.78 | 2 373 155.00 | 1 616 355.27 |
| 106 | TRAVEL ALLOWANCES | 120,000.00 | 135,797.16 | 141 000.00 | 140 550.20 |

| | | | | | |
|---|---|---|---|---|---|
| 106 | CELLPHONE ALLOWANCES | 9,000.00 | 9,000.00 | 9 000.00 | 13800 |
| 106 | AUDIO-VISUAL SERVICES ICT:HARDWARE REPAIRS & MAINTENANCE | 644,210.00 | 0 | 844 208.00 | 738 144.80 |
| 106 | CONSUMABLE: STANDARD RATED | 129931 | 68710.46 | 129924 | 0 |
| 106 | SKILLS DEVELOPMENT LEVY | 40,966.00 | 38,191.16 | 47 468.00 | 49296.98 |
| 106 | MAINTENANCE OF EQUIPMENT | 56,532.00 | 17,980.00 | 56 532.00 | 25 558.00 |
| 106 | MAINTENANCE OF UNSPECIFIED ASSETS | 147424 | 0 | 147 420.00 | 62 145.00 |
| 106 | BIO-MATRIX SYSTEM | 250,000.00 | 174290.47 | 49 996.00 | 0 |
| 106 | ACCOMODATION | 31,596.00 | 3,059.00 | 31 596.00 | 0 |
| 106 | FOOD AND BEVERAGES | 5,268.00 | 842.50 | 5 268.00 | 0 |
| 106 | TRAVELLING AND SUBSITENCE | 35,520.00 | 5,855.82 | 35 520.00 | 0 |
| 106 | MATERIAL OF SUPPLIES | 82,541.00 | 68,710.46 | 82 536.00 | 0 |
| 106 | PROFESSIONAL BODIES MEMBERS | 40,270.00 | 0 | 40 272.00 | 0 |
| 106 | GPS LICENCE FEES | 63,180.00 | 0 | 63 180.00 | 0 |
| 106 | SOFTWARE LICENCE | 5,409,220.00 | 4,942,776.52 | 7 037 996.40 | 6 119 999.04 |
| 106 | TOLL GATE FEES | 1,580.00 | 0 | 1 584.00 | 0 |
| 106 | CAR HIRE | 4740 | 0 | 4 740.00 | 0 |
| 106 | FLIGHT BOOKING | 10,000.00 | 0 | 9 996.00 | 0 |

**FINANCIAL PERFORMANCE AND CAPITAL EXPENDITURE 2020/2021 AND 2021/2022: LEGAL**

| VOTE | DETAIL | 2020/2021 BUDGET | 2020/2021 ACTUAL | 2021/2022 BUDGET | 2021/2022 ACTUAL |
|---|---|---|---|---|---|
| 106 | SALARIES | 1,897,851.00 | 1,977,415.94 | 2 016 732.00 | 2082544.90 |
| 106 | BONUS | 243,802.00 | 64,731.00 | 243 804.00 | 172295.91 |
| 106 | SALGBC | 3,564.00 | 594.00 | 3 564.00 | 618.00 |
| 106 | ACTING ALLOWANCES | 60,524.00 | 0 | 60 528.00 | 54045.44 |
| 106 | PENSION CONTRIBUTIONS | 400,370.00 | 399,811.22 | 401 368.00 | 417 975.12 |
| 106 | MEDICAL AID CONTRIBUTIONS | 196,023.00 | 198,582.48 | 206 020.00 | 214431.84 |
| 106 | HOUSING SUBSIDIES | 4,000.00 | 11,574.12 | 11 496.00 | 11 574.12 |
| 106 | UIF CONTRIBUTIONS | 9,221.00 | 9,065.20 | 9 216.00 | 10 627.20 |
| 106 | TRAVEL ALLOWANCES | 120,000.00 | 136,832.04 | 141 000.00 | 141621.44 |
| 106 | CELLPHONE ALLOWANCES | 9000 | 9000 | 9 000.00 | 9 000.00 |
| 106 | SKILLS DEVELOPMENT LEVY | 10,188.00 | 19,885.86 | 26 188.00 | 25 112.86 |
| 106 | TRAVELLING AND SUBSISTENCE | 26,316.00 | 0 | 26 316.00 | 457.04 |
| 106 | ACCOMODATION | 31,560.00 | 0 | 31 560.00 | 0 |
| 106 | FOOD AND BEVERAGES | 5,268.00 | 0 | 5 268.00 | 0 |
| 106 | LEGAL COST:LEGAL ADVICE AND LITIGATION | 2404004 | 1397444.74 | 1 875 607 | 986 131.77 |

| | | | | | |
|---|---|---|---|---|---|
| 106 | TOLL GATE FEES | 2,630.00 | 0 | 2 628.00 | 0 |
| 106 | BUSINESS AND ADVISORY:HUMAN RESOURCES BUSINESS AND FINANCIAL MANAGEMENT (DISCIPLINARY BOARD) | 0 | 0 | 620 000.00 | 571 909.84 |

## 3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

The ICT services are broadly defined as follows: -

1. Information Management Services
2. Information Technology Services
3. Information System Services
4. Network Management Services

**INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

The ICT unit is responsible for the delivery of ICT services across the Municipality. The unit is responsible for devising change programmes across the departments in order to deliver a modern ICT service function. The unit run the management and development of information and network systems which devise an effective ICT management

**Brief Introductory Comments**

Information, Communication & Technology services in the Thembisile Hani Local Municipality is regarded as a strategic resource. A strategic resource, which it is, viewed as both a critical and catalyst function for enabling service delivery at the customer face.
Key to the strategic nature of ICT in the Municipality is the enabling of the Municipal key objectives of the Municipality in order to meet its constitutional obligations. ICT enables the achievement of these obligations by deploying relevant information technology solutions.
The following policies have been developed and the related it service provided daily to
Departments: -

Corporate services department
Finance department
Social services department
Technical services department
Municipal Manager's Office
Political office bearers

| 2020/2021 Adopted Policies | 2021/22 Adopted Policies |
|---|---|
| Patch Management Policy | Patch Management Policy |
| Information Security Policy | Information Security Policy |

| | |
|---|---|
| Reviewed ICT Governance Framework | Reviewed ICT Governance Framework |
| Back-Up Policy | Back-Up Policy |
| ICT Change Management Policy | ICT Change Management Policy |
| Internet Usage Policy | Internet Usage Policy |
| Email Policy | Email Policy |
| Password Policy | Password Policy |
| Telephone Usage Policy | Telephone Usage Policy |
| THLM Corporate Gavernance Of ICT Charter | THLM Corporate Gavernance Of ICT Charter |
| | ICT Strategy |
| | Disaster Recovery Plan and Policy |
| | POPI Policy |

**EMPLOYEE INFORMATION**

| Employees: Information Technology | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 15 | 1 | 1 | 1 | 0 | 0% |
| 13 -11 | 3 | 5 | 5 | 0 | 0% |
| 10 - 8 | 0 | 8 | 4 | 4 | 50% |
| 7 - 5 | 2 | 5 | 4 | 1 | 20% |
| 4 - 2 | 0 | 0 | 0 | 0 | 0% |
| Total | 6 | 19 | 14 | 5 | 26% |

**COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL**

The Thembisile Hani Local Municipality has priority in its capital project running. This are:
Maintain and ensure the smoth running of Municipality

- Implementation of Disaster Recovery Site Phase 2
- ICT hardware/software maintenance
- Renewal of Microsoft Volume licence, Anti-virus, financial system licences (Munsoft and SAGE 300 people), Office 365 Licence.

- Procurement of VMware Exsi Vshere and Veeam Back-up Solution
- Updated Municipal website
- Emplemented Mscoa Compliant on financial system (Munsoft)
- Procurement of 21 laptops
- Maintained 04 (Workshop, Tweefontein K, Traffic Centre and Kwamhlanga satellite offices) satellite offices using wireless technology.

## 3.21 LEGAL AND ADMINISTRATION SERVICES

### INTRODUCTION TO LEGAL AND ADMINISTRATION SERVICES

The aim of legal services is to ensure a proper legal service to Council and the Municipal Manager, as well as the Executive Mayor and his members of Mayoral Committee and other structures in Council. Prepare and ensure approval of legal documents relating to Council.

### EMPLOYEE INFORMATION

| Employees: Legal & Secretariat Services | | | | | |
|---|---|---|---|---|---|
| Task Grade | 2020/2021 | 2021/2022 | | | |
| | Employees | Posts | Employees | Vacancies (Fulltime Equivalents) | Vacancies (As A % Of Total Posts) |
| | No. | No. | No. | No. | % |
| 15 | 1 | 1 | 1 | 0 | 0% |
| 13 -11 | 2 | 2 | 2 | 0 | 0% |
| 10 - 8 | 0 | 5 | 3 | 2 | 40% |
| 7 - 5 | 5 | 0 | 0 | 0 | 0% |
| 4 - 2 | 0 | 0 | 0 | 0 | 0% |
| Total | 8 | 8 | 6 | 2 | 25% |

**Note: All the legal expenditures are included in the Corporate Service (vote 106)**

### COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The Thembisile Hani Local Municipality has priority in its capital project running. This are:
Maintain and ensure the smoth running of Municipality

- Implementation of Disaster Recovery Site Phase 2
- ICT hardware/software maintenance
- Renewal of Microsoft Volume licence, Anti-virus, financial system licences (Munsoft and SAGE 300 people), Office 365 Licence.
- Procurement of VMware Exsi Vshere and Veeam Back-up Solution
- Updated Municipal website
- Emplemented Mscoa Compliant on financial system (Munsoft)
- Procurement of 21 laptops

- Maintained 04 (Workshop, Tweefontein K, Traffic Centre and Kwamhlanga satellite offices) satellite offices using wireless technology.

## 3.22 FLEET MANAGEMENT

**INTRODUCTION**

The section provides fleet services for the Municipality and in doing so it is guided by the fleet management policy.

**STATUS OF COUNCIL FLEET AS OF JULY 2021 TO JUNE 2022**

Thembisile Hani Local Municipality has a fleet management component responsible for the management and administration of One hundred and Eighty-One (181 fleet assets as per the revised fleet register for 2021/2022 financial year below including thirty-seven (37) leased vehicles from Bidvest. These fleet compositions consist of vehicles, plant and equipment

| | **TRACTORS** | | |
|---|---|---|---|
| **NO** | **REGISTRATION** | **MAKE** | **SERIES** |
| 1 | DDS 214 MP | MASSEY | 400 |
| 2 | DDS 201 MP | MASSEY | 400 |
| 3 | FPJ 632 MP | MASSEY | MF 400 |
| 4 | FPJ 638 MP | MASSEY | MF 400 |
| 5 | FPJ 642 MP | MASSEY | MF 400 |
| 6 | HFY 726 MP | TRACTOR | LANDINI SOLIS |
| 7 | HFY 731 MP | TRACTOR | LANDINI SOLIS |
| 8 | HFY 733 MP | TRACTOR | LANDINI SOLIS |
| 9 | DXD 889 MP | MASSEY | 400 |
| | **WATER CARTS** | | |

| | | | |
|---|---|---|---|
| 1 | DVC 918 MP | Nissan | A450 |
| 2 | FDV 718 MP | Nissan | A450 |
| 3 | DXS 697 MP | Faw | 28280 FL |
| 4 | DXS 688 MP | Faw | 28280FL |
| 5 | DXS 693 MP | Faw | CA Series |
| 6 | FLZ 923 MP | Isuzu | F-Series |
| 7 | FLZ 921 MP | Isuzu | F-Series |
| 8 | FMF 292 MP | Isuzu | F-Series |
| 9 | DSH 909 MP | Isuzu | F-Series |
| 10 | DSH 922 MP | Isuzu | F-Series |
| 11 | HDP 501 MP | Nissan | A899 |
| 12 | DHY 232 MP | Nissan | A520 |
| 13 | HCY 382 MP | Nissan | A898 |
| 14 | HCY 384 MP | Nissan | A898 |
| 15 | KLC 466 MP | Nissan | |
| 16. | P11CVT21335 | Nissan | |
| 17. | P11CVT21284 | Nissan | |

| | | | |
|---|---|---|---|
| | **HONEY SUCKER** | | |
| 1 | DSH 919 MP | Isuzu | F-Series |
| 2 | DSH 914 MP | Isuzu | F-Series |
| 3 | FZB 485 MP | N/Diesel | A899 |
| 4 | FZB 487 MP | N/Diesel | A899 |
| 5 | DS5011501 | Nissan | |
| 6 | DS5012202 | Nissan | |
| | **TIPPER TRUCK** | | |
| 1 | DXT 171 MP | Nissan | A898 |
| 2 | DXT 176 MP | Nissan | A898 |
| 3 | DRH 754 MP | Isuzu | F-Series |
| 4 | DRH 748 MP | Isuzu | F-Series |
| 5 | DVC 913 MP | Nissan | A450 |
| 6 | HDP 474 MP | N/Diesel | A899 |
| 7 | HDP 484 MP | N/Diesel | A899 |
| 8 | HBP 389 MP | N/Diesel | A899 |
| 9 | HDP 505 MP | N/Diesel | A899 |

| | | | |
|---|---|---|---|
| 10 | HDP 489 MP | N/Diesel | A899 |
| 11 | HFD 909 MP | N/Diesel | A899 |
| 12 | HDP 492 MP | N/Diesel | A899 |
| | **VARIETY** | | |
| 1 | DVC 923 MP | Nissan | Cabstar |
| 2 | HCD 563 MP | UD Trucks | P9156 |
| 3 | HBP 383 MP | N/Diesel | A975 |
| 4 | DRS 963 MP | Faw | CA Series |
| | **COMPACTORS** | | |
| 1 | HBY 802 MP | N/Diesel | A899 |
| 2 | DJN 789 MP | Nissan | |
| 3 | FSP 929 MP | Nissan | A898 |
| 4 | FVP 717 MP | UD Trucks | A899 |
| 5 | HGW 595 MP | N/ Diesel | G300 |
| 6 | HGW 609 MP | N/Diesel | G300 |
| | **GRADERS** | | |
| 1 | DPX 610 MP | Bell | 670D |

| | | | |
|---|---|---|---|
| 2 | DPX 617 MP | Komatsu | Motor Grader |
| 3 | FDV 722 MP | Caterpiller | Motor Grader |
| 4 | FZL 582 MP | Bell | Motor Grader |
| 5 | FWX 044 MP | Shantui | Grader |
| 6 | CWY 815 MP | Bell | L480C |
| 7 | HCN 357 MP | Bell | Motor Grader |
| 8 | KFH 708 MP | Bell | Motor Grader |
| 9 | KFH 806 MP | Bell | Motor Grader |
| 10. | KFJ 257 MP | Bell | Motor Grader |
| | **TLB** | | |
| 1 | CZN 065 MP | Caterpiller | Backhoeloader |
| 2 | FDV 720 MP | Bell | Backhoeloader |
| 3 | FVX 817 MP | Bell | Backhoeloader |
| 4 | FVX 819 MP | Bell | Backhoeloader |
| 5 | FVX 821 MP | Bell | Backhoeloader |
| 6 | FYD 917 MP | Bell | 315SK B/H/loader |
| 7 | FYD 922 MP | Bell | 315SK B/H/loader |

| | | | |
|---|---|---|---|
| 8 | FYD 924 MP | Bell | 315SK B/H/loader |
| 9 | KFH 793 MP | Bell | |
| 10 | KFH 800 MP | Bell | |
| 11 | KGX 238 MP | Bell | |
| | **EXCAVATOR** | | |
| 1 | JCB | JCB | Excavator |
| 2 | BELL | Bell | Excavator |
| 3 | Bell | Bell | Excavator |
| | **FRONT END LDR** | | |
| 1 | FRONT END LDR | | |
| | **JET PATCHER** | | |
| 1 | KNX 729 MP | Isuzu | Jet Patcher |
| | **DOZER** | | |
| 1 | BELL | Bell | Dozer |
| | **BOMAG** | | |
| 1 | FDR 834 MP | Caterpiller | Compactor |
| 2 | BELL BOOMAG | BOMAG | Single Drum |

| | | | |
|---|---|---|---|
| 3 | DRUM ROLLER | Bomag | |
| | **MINI BUSES** | | |
| 1 | DGG 503 MP | Toyota | Quantum |
| 2 | JTB 681 MP | Toyota | Quantum |
| 3 | KGS 761 MP | Toyota | Quantum |
| 4 | KGS 781 MP | Toyota | Quantum |
| | **BAKKIES** | | |
| 1 | DWW 136 MP | Nissan | Hardbody |
| 2 | DWW 137 MP | Nissan | Hardbody |
| 3 | DWW 134 MP | Nissan | Hardbody |
| 4 | DWW 142 MP | Nissan | Hardbody |
| 5 | DWW 141 MP | Nissan | Hardbody |
| 6 | DPY 734 MP | Nissan | Hardbody |
| 7 | DPY 715 MP | Nissan | Hardbody |
| 8 | DPY 707 MP | Nissan | Hardbody |
| 9 | DPY 780 MP | Nissan | Hardbody |

| | | | |
|---|---|---|---|
| 10 | DPY 701 MP | Nissan | Hardbody |
| 11 | DPY 769 MP | Nissan | Hardbody |
| 12 | DPY 802 MP | Nissan | Hardbody |
| 13 | DPY 808 MP | Nissan | Hardbody |
| 14 | DPY 747 MP | Nissan | Hardbody |
| 15 | DPY 772 MP | Nissan | Hardbody |
| 16 | DPY 725 MP | Nissan | Hardbody |
| 17 | DFS 353 MP | Ford | Ranger |
| 18 | FSB 890 MP | Nissan | Hardbody |
| 19 | FSB 801 MP | Nissan | Hardbody |
| 20 | FSB 887 MP | Nissan | Hardbody |
| 21 | FSB 882 MP | Nissan | Hardbody |
| 22 | FSB 891 MP | Nissan | Hardbody |
| 23 | DFY 131 MP | Nissan | 1400 |
| 24 | FYZ 069 MP | Nissan | Hardbody |
| 25 | FYZ 067 MP | Nissan | Hardbody |
| 26 | FYZ 066 MP | Nissan | Hardbody |

| | | | |
|---|---|---|---|
| 27 | FYZ 065 MP | Nissan | Hardbody |
| 28 | DRD 053 MP | Isuzu | KB |
| 29 | HFN 945 MP | Nissan | Hardbody |
| 30 | HFN 956 MP | Nissan | Hardbody |
| 31 | HFN 966 MP | Nissan | Hardbody |
| 32 | HFN 972 MP | Nissan | NP300 H/BODY |
| 33 | HFJ 699 MP | Toyota | Hilux |
| 34 | JTF 889 MP | Nissan H/body | |
| 35 | JTF 880 MP | Nissan H/body | |
| 36 | JSS 060 MP | Nissan H/body | |
| 37 | JTF 884 MP | Nissan H/body | |
| 38 | JSS 076 MP | Nissan H/body | |
| 39 | JSR 961 MP | Nissan H/body | |
| 40 | JSR 994 MP | Nissan H/body | |
| 41 | JSR 954 MP | Nissan H/body | |
| 42 | JSS 008 MP | Nissan H/body | |
| 43 | JSS 066 MP | Nissan H/body | |

| | | | |
|---|---|---|---|
| 44 | JSR 945 MP | Nissan H/body | |
| 45 | JSX 382 MP | Nissan H/body | |
| 46 | JTF 898 MP | Nissan H/body | |
| 47 | JSS 004 MP | Nissan H/body | |
| 48 | JSS 015 MP | Nissan H/body | |
| 49 | JTX 639 MP | Nissan H/body | |
| 50 | JTX 629 MP | Nissan H/body | |
| 51 | JSR 964 MP | Nissan H/body | |
| 52 | JSR 971 MP | Nissan H/body | |
| 53 | JTF906 MP | Nissan H/body | |
| 54 | JSS 014 MP | Nissan H/body | |
| 55 | JTX 635 MP | Nissan H/body | |
| 56 | JRS 939 MP | Nissan H/body | |
| 57 | JSR 937 MP | Nissan H/body | |
| 58 | JTF 874 MP | Nissan H/body | |
| 59 | JTF 893 MP | Nissan H/body | |
| 60 | JTF 903 MP | Nissan H/body | |

| | | | |
|---|---|---|---|
| 61 | JSR 935 MP | Nissan H/body | |
| 62 | JTL 428 MP | Nissan H/body | |
| 63 | JSS 012 MP | Nissan H/body | |
| | **SEDANS** | | |
| 1 | DFS 347 MP | Nissan | Almera |
| 2 | CXP 399 MP | Nissan | Almera |
| 3 | FSB 896 MP | Nissan | Tiida |
| 4 | FSB 895 MP | Nissan | Tiida |
| 5 | FSB 897 MP | Nissan | Tiida |
| 6 | FYZ 862 MP | Nissan | Tiida |
| 7 | FYZ 864 MP | Nissan | Tiida |
| 8 | FYZ 878 MP | Nissan | Tiida |
| 9 | FYZ 874 MP | Nissan | Tiida |
| 10 | FYZ 872 MP | Nissan | Tiida |
| 11 | DFT 019 MP | Mazda | Mazda 3 |
| 12 | HVV 223 MP | Mercedez - Benz | W 205 |
| 13 | DFR 930 MP | VW | Golf 1.6 |

| | | | |
|---|---|---|---|
| 14 | JPF 558 MP | Audi Q5 | Q5 |
| 15 | JTB 684 MP | Toyota | |
| 16 | JTB 687 MP | Toyota | |
| 17 | JTB 689 MP | Toyota | |
| 18 | JTB 686 MP | Toyota | |
| 19 | JVP 289 MP | Toyota | |
| 20 | JVP 768 MP | Toyota | |
| 21 | KNX 794 MP | BMW X1 | |
| 22 | KNT 275 MP | BMW X3 | |
| | **TRAILERS** | | |
| 1 | HJR 747 MP | H/con Trailers | BWOTO1 |
| 2 | DCJ 124 MP | FID | SCISSOR TIP |
| 3 | HJR 749 MP | H/con Trailer | BWOTO1 |
| 4 | HCJ 901 MP | H/con Trailer | BWOTO1 |
| 5 | HJR 737 MP | H/con Trailers | BOOT 01 |
| 6 | HJR 738 MP | Hoocan Trailers | BOOT 01 |
| 7 | HJR 752 MP | Hoocan Trailers | BOOT 01 |

| | | | |
|---|---|---|---|
| 8 | DDR 442 MP | Telecon | 6 Tonne |
| 9 | DDR 438 MP | Telecon | 6 Tonne |
| 10 | DDR 447 MP | Telecon | 6 Tonne |
| 11 | HCD 587 MP | Kearney's Truck & Trailer | Payloader |
| 12 | DCJ 096 MP | FID | Scissor Tip |
| 13 | DDR 434 MP | Telecon | 6 Tonne |
| 14 | JFS 622 MP | Trailer | |
| 15 | JFS 612 MP | Trailer | |
| 16 | JFS 619 MP | Trailer | |
| 17 | KMZ 497 MP | Lowbed Trailer | |
| 18 | KLT 962 MP | Diesel Bowser Trailer 2000L | |

**REPAIRS AND MAINTENANCE**

The council has appointed the following service providers for the maintenance and repairs of Municipal fleet ie

| | | |
|---|---|---|
| 1 Batazi and sons | Electrical services | 3years |
| 2 Bidvest | Vehicle lease | 3years |
| 2 Jabela construction | Yellow plant repairs | 3years |
| 3 Mdubane electrical | Tyres and wheels | 2years |
| 4 Zembeleni | White plant repairs | 3years |
| 5 Spek solution | Fleet monitoring system | 2years |
| 6 Siyafana nathi | Fuel services | 3years |

# Chapter 3

## COMPONENT G: MISCELLANEOUS

### 3.23 ANNUAL PERFORMANCE REPORT

**THIS COMPONENT INCLUDES: ANNUAL PERFORMANCE SCORECARD REPORT FOR THE CURRENT YEAR.**

The Municipal Planning and Performance Management Regulations (2001) 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, organized and managed, including determining the roles of the different role-players" (chapter 3, section 7, Municipal Planning and Performance Management Regulations, 2001).

The 2021/2022 Performance Management Framework and policy was adopted by Council

The Annual Performance Report must be presented to the Auditor General for auditing together with the Annual Financial Statements on 31 August 2022.

## COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

**INTRODUCTION AND BACKGROUND**

This report is compiled in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2). It covers the performance information of the Municipality from 1 July 2021 to 30 June 2022 and focuses on the implementation of the 2021/2022 Revised Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP). In addition, the report provides an overview of improvements made to the Performance Management System (PMS) and an overview of financial performance.

In the year under review (2021/2022), Thembisile Hani Local Municipality had six (6) departments, namely; Technical Services, Social Development Services, Corporate Services, Finance Service, Municipal Manager's Office, as well as the Development and Town Planning services

**PURPOSE**

The purpose of this report is to provide the records of the activities for the financial year 2021/2022 to Cooperative Governance and Traditional Affairs, Provincial and National Treasury, and Auditor-General and to the citizens of Thembisile Hani Local Municipality on progress being made by Municipality towards achieving the overall goals. Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens.

**METHODOLOGY FOLLOWED IN COMPILING THE REPORT**

In terms of Section 46 of the Municipal Systems Act 32 of 2000,
(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.
In terms of Chapter 6 of the Municipal System Act, No. 32 of 2000 Municipalities must monitor and measure the progress of their performance by preparing Quarterly, Mid-year and Annual Performance Reports.

**INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW**

In the 2021/2022 financial year, every attempt was made to ensure that the Municipality complies with the legislation concerning the development, operation and maintenance of a Performance Management System that is commensurate to the institutional service delivery objectives captured in the IDP. Thembisile Hani Local Municipality has continued to maintain an effective operation of the following mechanisms:

- The 2021/2022 IDP included strategic objectives, strategies and key performance indicators (KPI's) as required by the Municipal Systems Act, 32 of 2000;
- The budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies;
- Performance agreements which incorporates performance plans were developed and signed as required by the Municipal Performance Regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM);
- Quarterly performance reports were objectively and independently audited by the Internal Audit Unit verifying the accuracy and credibility of the reported performance information; and
- The Performance Audit Committee (PAC) functioned optimally in the year; in line with the Committee's approved terms of reference

**DEVELOPMENT OBJECTIVES**

The following are the strategic objectives that the Municipality has set:

- To improve the organisational development capacity of the Municipality in order to render effective service delivery
- To enhance revenue and to ensure financial viability and sustainability.
- To reduce infrastructure and service backlogs and to establish a high quality environment with the associated physical infrastructure.
- To improve the quality of life of the community by providing them, with water supply, sanitation, roads as well as amenities such community halls and basic recreational facilities.
- To improve the quality of life of the community through providing them with community facilities and containing the HIV/AIDS epidemic in the area.
- To ensure that residents live within a safe environment by illuminating strategic nodal point.
- To utilize the Municipal area's agricultural potential to the maximum
- To promote local economic development and growth through the identification and facilitation of economic opportunities, tourism and mining.

- To deepen democracy and strengthen democratic institutions through active Public Participation

**MUNICIPAL PRIORITIES**

The Annual Performance Report is structured to show how projects were implemented within the financial year to address the IDP priorities.

- issue 1: institutional development
- issue 2: financial viability
- issue 3: public participation and good governance
- issue 4: water
- issue 5: sanitation
- issue 6: electricity (communal and street light)
- issue 7: road and stormwater
- issue 8: public transport
- issue 9: cemeteries
- issue 10: waste and environmental management
- issue 11: Municipal facilities, sport, recreation, art & culture
- issue 12: public safety, security and emergency services
- issue 13: spatial planning and land use management
- issue 14: local economic development
- issue 15: youth development
- issue16: transversal issue

# Chapter 3

## OVERALL CONCLUSION

During the 2021/2022 financial year the overall performance of Thembisile Hani Local Municipality is **80%** success rate achievement. As compared to **79%** success rate achieved during the 2020/2021 financial year.

| KEY PERFORMANCE AREA | TOTAL NO. OF TARGET | | TOTAL ACHIEVED | | NOT ACHIEVED | |
|---|---|---|---|---|---|---|
| | No | % | No | % | No | % |
| 1. Basic Service Delivery | | | | | | |
| 1.1. Technical Services | 33 | 100% | 25 | 76% | 08 | 24% |
| 1.2. Social Development Services | 10 | 100% | 09 | 90% | 01 | 10% |
| 2. Municipal Transformation and Institutional Development | 31 | 100% | 20 | 65% | 11 | 35% |
| 3. Municipal Financial Viability and Management | 30 | 100% | 28 | 93% | 02 | 7% |
| 4. Good Governance And Public Participation | 52 | 100% | 45 | 87% | 07 | 13% |
| 5. Spatial Rationale | 03 | 100% | 01 | 33% | 02 | 67% |
| 6. Local Economic Development | 14 | 100% | 11 | 79% | 03 | 21% |
| **TOTAL** | **173** | 100% | **139** | **80%** | **34** | **20%** |

DocuSigned by:
C4DF01F36C244E4...

**O.N. Nkosi**

**Municipal Manager**

**Date:** 22/08/2022

# Chapter 3

## KPA: BASIC SERVICE DELIVERY AND INFRASTRACTURE DEVELOPMENT

The department of Technical Services overall performance for 2021/2022 financial year is 76% achievement. The department managed to achieve 25 targets out of the 33 planned targets, as compared to 74% achieved in 2020/2021 financial year, out of 46 planned targets 34 targets was achieved.

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| WATER | | | | | | | | | | | | |
| DTS007 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Bulk purchase water | Number of household provided with water | 82 653 households provided with water | 91 007 households provided with water by 30th June 2022 | R 143 878 824.00 | 64 267 households provided with water | R 232 333 367.58 | No | 26 740 household is being provided with water through the Water Tankers | To provide the number of household that receive water through the Water Tankers. | Water billing report water carts delivery reports |
| DTS033 | To provide household with basic services including water, | 6KI Free basic water | Number of HH provided with 6kl free basic water | 82 653 households provided with | 91 007 households provided with 6kl | In house | 64 267 households provided with water | In house | No | 26 740 household is being provided with water | To provide the number of household that receive | Water billing report water carts delivery reports |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | adequate sanitation, adequate public lighting and accessible road | | | 6kl free basic water | free basic water 30th June 2022 | | | | | through the Water Tankers | water through the Water Tankers. | |
| DTS034 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Water Sample | Number of water samples tested | 356 Water Samples tested | 356 Water Samples tested by 30th June 2022 | R1 080 000 | 589 Water Samples tested | R 908 920.25 | Yes | None | None | Water quality reports |
| DTS158 | To provide households with basic services including water, adequate sanitation, adequate public | Upgrading of Sheldon Water Infrastructure (Multi-Year Project) – | % progress in the Upgrading of Sheldon Water Infrastructure – Phase 1 | 40% Progress: Upgrading of Sheldon Water Infrastructure – Phase 1: | 100% Progress: Upgrading of Sheldon Water Infrastructure – Phase 1 by 30th June 2022: | R7,800,000 | 95% Progress: Upgrading of Sheldon Water Infrastructure – Phase 1 | R 6 977 509.68 | No | The practical completion was planned for the 9th June 2022, but upon arrival on site | The contractor to put in place measures so that we can reach | Monthly progress reports. Completion certificates. |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | lighting and accessible road | Ward 9,14 – Phase 1 | | *MIG Business Plan 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15% | *Setting Out 5% *Excavation 10%; *Rock Drill, Blasting & Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Construction of Chamber Base Slab 5%; *Chamber Walls and Cover Slabs 5% *Pipe Specials 5%;*Commissioning of the Project 5% | | *Setting Out 5%*Excavation 10%; *Rock Drill, Blasting & Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Construction of Chamber Base Slab 5%;*Chamber Walls and Cover Slabs 5%, *Pipe Specials 5% | | | we discovered that the service provider was not ready for practical completion, which necessitated that we reschedule the date of practical completion date until such time that the project is ready for practical completion. | practical completion. | |
| DTS160 | To provide households with | Upgrading of Tweefontein | % progress in the Upgrading | 40% Progress: Upgrading of | 80% Progress: Upgrading of | R7,000,000 | 88,74%; Setting out 5%; | R 6 903 930.67 | Yes | None | None | Monthly progress |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | basic services including water, adequate sanitation, adequate public lighting and accessible road | C and DK Water Infrastructure (Multi-Year Project) – Ward 12 | of Tweefontein C and DK Water Infrastructure | Tweefontein C and DK Water Infrastructure – Phase 1:<br><br>*MIG Business Plan 5%;*Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%;*Appointment of Contractor 5%; *Site Establishment 15% | Tweefontein C and DK Water Infrastructure – Phase 1 by 30th March 2022:<br><br>*Setting Out 5% *Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; | | Excavation 9,8%; Bedding 4,8%; Pipe laying 9,8%; Backfilling 9,8% | | | | | reports.' Completion certificates. |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/ COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| DTS161 | To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road | Upgrading of Ntokozweni Water Infrastructure (Multi-Year Project) – Ward 17 | % progress in the Upgrading of Ntokozweni Water Infrastructure | 40% Progress: Upgrading of Ntokozweni Water Infrastructure – Phase 1:<br><br>*MIG Business Plan 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15% | 100% Progress: Upgrading of Ntokozweni Water Infrastructure – Phase 1 by 30th June 2022:<br><br>*Setting Out 5% *Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipes 10% *Commissioning of the Project 5% | R 9 547 767 | 100% Progress: Upgrading of Ntokozweni Water Infrastructure – Phase 1<br><br>*Setting Out 5%*Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipes 10% | R 9 546 404.20 | Yes | None | None | Monthly progress reports.' Completion certificates. |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | | | *Commissioning of the Project 5% | | | | | |
| DTS162 | To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road | Upgrading of Mabhoko Water Infrastructure (Multi-Year Project) – Ward 17 | % progress in the Upgrading of Mabhoko Water Infrastructure | 40% Progress: Upgrading of Mabhoko Water Infrastructure – Phase 1:<br><br>*MIG Business Plan 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site | 70% Progress: Upgrading of Mabhoko Water Infrastructure – Phase 1 by 30th December 2021:<br><br>*Setting Out 5% *Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipes 10% | R 9 659 497 | 78% Progress: Upgrading of Mabhoko Water Infrastructure – Phase 1<br><br>*Setting Out 5%*Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of | R 9 658 931.33 | Yes | None | None | Monthly progress reports.' Completion certificates. |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | Establishment 15% | *Commissioning of the Project 5% | | Standpipes 10% *Commissioning of the Project 5% | | | | | |
| DTS164 | To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road | Bomando Water Infrastructure (Multi-Year Project) | % progress in the Upgrading of Bomando Water Infrastructure | 50% Progress: Upgrading of Bomando Water Infrastructure – Phase 1 by 30th June 2021:<br><br>*DWS Technical Report 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for | 100% Progress: Upgrading of Bomando Water Infrastructure – Phase 1 by 30th June 2022:<br><br>*Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meters 10%; *Installation of Standpipes 10% | R 20 573 000 | 100% Progress: Upgrading of Bomando Water Infrastructure – Phase 1<br><br>*Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meters 10%; *Installation of | R 17 757 489.28 | Yes | None | None | Monthly progress reports.' Completion certificates. |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15%;*Excavation 10% | *Commissioning of the Project 5% | | Standpipes 10% *Commissioning of the Project 5% | | | | | |
| DTS165 | To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road | Moloto Water Infrastructure (Multi-Year Project) | % progress in the Upgrading of Moloto Water Infrastructure | 50% Progress: Upgrading of Moloto Water Infrastructure – Phase 1 by 30th June 2021:<br><br>*DWS Technical Report 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of | 100% Progress: Upgrading of Moloto Water Infrastructure – Phase 1 by 30th June 2022:<br><br>*Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meters 10%; *Installation | R25,000,000 | 87% Progress: *DWS Technical Report 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment | R 31 815 839.39 | No | Slow progress on site | The Contractor to add more resources | Monthly progress reports.' Completion certificates. |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15%; *Excavation 10% | of Standpipes 10%<br><br>*Commissioning of the Project 5% | | 15%; *Excavation 10% *Preparation of pipe bedding 9% *Laying of Pipes 9% *Backfilling and Compaction of Trenches 9%; *Installation of Zonal Bulk Meters 5% *Installation of Standpipes 5% | | | | | |
| DTS172 | To provide households with basic services including water, adequate sanitation, adequate public | Upgrading of Water Treatment Works for agricultural projects in Bundu ward | % progress in the Upgrading of Water Treatment Works for agricultural projects in | 90% Progress: Upgrading of Water Treatment Works for agricultural projects in | 100% Progress: Upgrading of Water Treatment Works for agricultural projects in Bundu ward 24 Civil | R 10 918 397.68 | 100% Progress: Upgrading of Water Treatment Works for agricultural projects in | R 8 157 424.00 | Yes | None | None | Monthly progress reports.' Completion certificates. |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | lighting and accessible road | 24 Civil Engineering Water Treatment (Covid 19) | bundu ward 24 Civil Engineering Water Treatment | Bundu ward 24 Civil Engineering Water Treatment:<br><br>*Tender advert 2.5%*Appointment of Contractor 2.5%; *Site Establishment 2.5%; * Construction of WTW 5%; | Engineering Water Treatment by 30th March 2022:<br><br>Flocculation 2%;Sedimentation 2%;<br>* Pipework 2%;<br>*Sludge Ponds 2%;<br>Small Works 1%;<br>*Completion 1% | | Bundu ward 24 Civil Engineering Water Treatment<br><br>Flocculation 2%;Sedimentation 2%;<br>*Pipework 2%;*Sludge Ponds 2%;<br>Small Works 1%;<br>*Completion 1% | | | | | |
| DTS179 | To provide households with basic services including water, adequate sanitation, adequate public | Replacement of Asbestos Pipes – THLM – (Bomando Water Infrastructure Pipework) | % progress in the Replacement of Asbestos Pipes – THLM – (Bomando Water | 0 | 100% Progress: Replacement of Asbestos Pipes – THLM – Phase 2 by 30th December 2021: | R2,623 087.67 | 100% progress: Appointment of Contractor 10%;<br>Excavation 20%; Site Establishment 15%;; | R 2 429 030.80 | Yes | None | None | Monthly progress reports.' Completion certificates. |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | lighting and accessible road | (Multi-Year Project) | Infrastructure Pipework) Phase 2 | | *Appointment of Contractor 10%; *Site Establishment 15%; *Excavation 20%,*Replacement of Asbestos Pipes 10%; *Laying of New Pipes 25%; *Testing of Pipes 10%; *Commissioning of Project 10% | | Replacement of Asbestos Pipes 10%; Laying of new pipes 25%; Testing of Pipes 10 %; Commissioning of Project 10% | | | | | |
| DTS180 | To provide households with basic services including water, adequate sanitation, adequate public | Procurement of Water Tanker Trucks | % progress in the Procurement of 5 x Water Tanker Trucks | 50% Progress: Procurement of 5 x Water Tanker Truck: *30% Term of Reference for supply and delivery; *20% | 100% Progress: Procurement of 5 x Water Tanker Trucks by 30th March 2022: *50% Supply and Delivery. | R 5 427 000 | 100% Progress: Procurement of 5 x Water Tanker Trucks *50% Supply and Delivery. | R 5 426 999.99 | Yes | None | None | Delivery Note.' Trucks Registration Documents |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | lighting and accessible road | | | Appointment of supplier | | | | | | | | |
| DTS181 | To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road | Update and review of Water Service Development Plan (WSDP) | % progress of Updating and reviewing of Water Service Development Plan (WSDP) | 50% progress of Updating and reviewing of Water Service Development Plan (WSDP): *25% Allocation Letter *25% Proposal Report | 100% progress of Updating and reviewing of Water Service Development Plan (WSDP) by 30th September 2021: *25% Draft Report *25% Final Report | R1,400,000.00 | 100% progress of Updating and reviewing of Water Service Development Plan (WSDP): *25% Draft Report *25% Final Report | R 1 361 485.24 | Yes | None | None | Allocation Letter, Proposal Report, Draft Report, Final Report |
| DTS182 | To provide households with basic services including water, adequate sanitation, adequate public | Update and review of Water Conservation and Demand Management | % progress of Updating and reviewing of Water Conservation and Demand Management | 50% progress of Updating and reviewing of Water Conservation and Demand Management | 100% progress of Updating and reviewing of Water Conservation and Demand Management | | 100% progress of Updating and reviewing of Water Conservation and Demand Management | | Yes | None | None | Allocation Letter, Proposal Report, Draft Report, Final Report |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/ COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| | lighting and accessible road | Study (WC/DM) | Study (WC/DM) | Study (WC/DM):<br><br>*25% Allocation Letter<br>*25% Proposal Report | Study (WC/DM) by 30th December 2021:<br><br>*25% Draft Report<br>*25% Final Report | | Study (WC/DM) by 30th December 2021:<br><br>*25% Draft Report<br>*25% Final Report | | | | | |
| DTS183 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Water incidents | Number of registered / reported Water incidents resolved within 14 Days | 0 | 120 registered / reported water incidents resolved within 14 Days by 30th June 2022 | In house | 563 registered / reported water incidents resolved within 14 | In house | Yes | None | None | Incident Reporting Register, Job Cards |
| **SANITATION** | | | | | | | | | | | | |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DTS042 | To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road | Kwamhanga and Tweeefontein k Waste water Treatment | Number of Household provided with Basic sanitation | 2282 Households provided with Basic sanitation | 2282 Households provided with Basic sanitation by 30th June 2022 | In house | 2 460 Households provided with Basic sanitation | In house | Yes | None | None | Monthly Sanitation Billing Report |
| DTS098 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Sewage services (Operation and maintenance of WWTW) | Number of reports on Provision of Basic Sanitation | 12 reports on Provision of Basic Sanitation | 12 reports on Provision of Basic Sanitation by 30th June 2022 | R 464 772 | 12 reports on Provision of Basic Sanitation | R 0 | Yes | None | None | WWTW plant reports |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DTS184 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Sanitation incidents | Number of registered / reported sanitation incidents resolved within 14 Days | 0 | 120 registered / reported sanitation incidents resolved within 14 Days by 30th June 2022 | In house | 572 registered / reported sanitation incidents resolved within 14 Days | In house | Yes | None | None | Incident Reporting Register, Job Cards |
| | | | | | ELECTRICITY | | | | | | | |
| DTS147 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Design and implementation of energy efficiency program – Phase 3 | % progress in the Design and implementation of energy efficiency program – Phase 3 | 0% progress in the Design and implementation of energy efficiency program – Phase 3 | 100% Progress: Upgrading of Design and implementation of energy efficiency program – Phase 2 by 30th June 2022: *Technical Report 10%; *Preliminary | R 4 500 000 | 100% Progress: Upgrading of Design and implementation of energy efficiency program – Phase 2 | R 4 498 781.20 | Yes | None | None | Technical Report, Preliminary Design Report, Detailed Design Report, Monthly progress |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | Design Report 10%; *Detailed Design Report 20%; *Appointment of Contractors 10%; *Purchasing of Highmast Lights Material 20%; * Retrofitting of Highmast Lights 20%; *Completion 10% | | *Technical Report 10%; *Preliminary Design Report 10%; *Detailed Design Report 20%; *Appointment of Contractors 10%; *Purchasing of Highmast Lights Material 20%; * Retrofitting of Highmast Lights 20%; *Completion 10% | | | | | reports.' Completion certificates. |
| DTS185 | To provide household with basic services including water, | Electricity incidents | Number of registered / reported electricity | 0 | 120 registered / reported electricity incidents resolved | In house | 70 registered / reported electricity | In house | No | Insufficient resources | Re-planning of resources to be done to | Incident Reporting Register, Job Cards |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | adequate sanitation, adequate public lighting and accessible road | | incidents resolved within 14 Days | | within 14 Days by 30th June 2022 | | incidents resolved | | | | Fast-track work. | |
| ROAD AND STORMWATER | | | | | | | | | | | | |
| DTS117 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Designs and Construction of Luthuli Link Road - Ward 22 – Phase 2 | % progress in the Designs and Construction of Luthuli Link Road - Ward 22 – Phase 2 | 80% progress in the Designs and Construction of Luthuli Link Road - Ward 22 – Phase 2:<br><br>*5% MIG Business Plan;<br>*5% Preliminary Design Report;<br>*5% Detailed Design Report; | 100% Progress: Designs and Construction of Luthuli Link Road - Ward 22 – Phase 2 by 30th September 2021:<br><br>*10% finishing,<br>*10% Close out | R 39 783.41 | 100% progress:<br>*10% finishing,<br>*10% Close out | R 39 783.41 | Yes | None | None | Monthly progress report, Close-out reports |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand-over, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, *10% finishing, *10% Close out | | | | | | | | |
| DTS148 | To provide household with basic services including water, | Designs for Construction of Sun City A | % progress in the Designs and Construction | 70% Progress: Designs and Construction of Sun City A Bus | 100% Progress: Designs and Construction of Sun City A Bus | R 2 224 397 | 100% Progress: Designs and Construction of Sun City A Bus | R 2 196 481.17 | Yes | None | None | Monthly progress report, |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | adequate sanitation, adequate public lighting and accessible road | Bus Route - Ward 19 | of Sun City A Bus Route - Ward 19 | Route - Ward 19: *5% Preliminary Design Report; *5% Detailed Design Report, *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand-over, *10% Excavation, *10% Road Bed, *10% Subbase, * 10% Base | Route - Ward 19 by 30th March 2022: *10% Paving, *10% finishing, *10% Close out | | Route - Ward 19: *10% Paving, *10% finishing, *10% Close out | | | | | completion certificate |
| DTS150 | To provide household with | Designs for Construction | % progress in the Designs | 70% Progress: Designs and | 100% Progress: Designs and | R 3 164 456 | 85% Progress: Designs and | R 3 164 462.28 | No | The progress was delayed | The service provider has | Monthly progress |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | basic services including water, adequate sanitation, adequate public lighting and accessible road | of Boekenhouthoek Bus Route - Ward 24 | and Construction of Boekenhouthoek Bus Route - Ward 24 | Construction of Boekenhouthoek Bus Route - Ward 24:<br><br>*5% Preliminary Design Report; *5% Detailed Design Report, *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand-over, * 10% Excavation, * 10% Road Bed, * 10% | Construction of Boekenhouthoek Bus Route - Ward 24 by 30th June 2022:<br><br>*10% Paving, *10% finishing, *10% Close out | | Construction of Boekenhouthoek Bus Route - Ward 24:<br><br>*7% Paving, *5% finishing, *3% Close out | | | due to local business forum challenges in light of work opportunities that are being demanded. Community delayed the project by creating an illegal mine along the road. Delays due to the supplier not delivering the material on time and the contractor is currently on penalties | been instructed to increase resources and labour force. The contractor is on penalties and his been requested to resubmit the acceleration plan with a new programme. | report, completion certificate |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | Subbase,<br>* 10% Base | | | | | | | | |
| DTS153 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Designs for Construction of Mountain View (Simunye Drive) Bus Route - Ward 14 | % progress in the Designs and Construction of Mountain View (Simunye Drive) Bus Route - Ward 14 | 70% Progress: Designs and Construction of Mountain View (Simunye Drive) Bus Route - Ward 14:<br><br>*5% Preliminary Design Report; *5% Detailed Design Report, *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand- | 100% Progress: Designs and Construction of Mountain View (Simunye Drive) Bus Route - Ward 14 by 30th December 2021:<br><br>*10% Paving, *10% finishing, *10% Close out | R 6 718 397 | 100% Progress: Designs and Construction of Mountain View (Simunye Drive) Bus Route - Ward 14:<br><br>*10% Paving, *10% finishing, *10% Close out | R 6 718 290.39 | Yes | None | None | Monthly progress report, completion certificate |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | over, *10% Excavation, * 10% Road Bed, *10% Subbase, *10% Base | | | | | | | | |
| DTS167 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Mandela Luthuli Bridge Road | % progress in the Mandela Luthuli Bridge Road | 70% Progress: Mandela Luthuli Bridge Road:<br><br>*5% Preliminary Design Report; *5% Detailed Design Report,<br><br>*5% Term of Reference for Contractor; *5% Appointment of | 100% Progress: Mandela Luthuli Bridge Road by 30th June 2022:<br><br>*10% Paving, *10% finishing, *10% Close out | R 13 459 140 | 90% Progress: Mandela Luthuli Bridge Road:<br><br>*10% Paving, *10% finishing, *0% Close out | R 14 317 926.17 | No | Slow progress on site. | Contractor to add more resources, to speed up the progress. | Monthly progress report, completion certificate |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | Contractor, *5% Site hand-over, * 10% Excavation, * 10% Road Bed, *10% Subbase, *10% Base | | | | | | | | |
| DTS168 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Madamini Bus Route | % progress in the Madamini Bus Route | 70% Progress: Madamini Bus Route:<br><br>*5% Preliminary Design Report;<br><br>*5% Detailed Design Report, *5% Term of Reference for Contractor; *5% Appointment of | 100% Progress: Madamini Bus Route by 30th December 2021:<br><br>*10% Paving, *10% finishing, *10% Close out | R 12 016 054 | 100% Progress: Madamini Bus Route:<br><br>*10% Paving, *10% finishing, *10% Close out | R 11 956 742.93 | Yes | None | None | Monthly progress report, completion certificate |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | Contractor, *5% Site hand-over, * 10% Excavation, * 10% Road Bed, *10% Subbase, *10% Base | | | | | | | | |
| DTS169 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Thembalethu Bus Route | % progress in the Thembalethu Bus Route | 70% Progress: Thembalethu Bus Route: *5% Preliminary Design Report; *5% Detailed Design Report *5% Term of Reference for Contractor; *5% Appointment of | 100% Progress: Thembalethu Bus Route by 30th June 2022: *10% Paving, *10% finishing, *10% Close out | R 4 080 271 | 100% Progress: Thembalethu Bus Route: *10% Paving, *10% finishing, *10% Close out | R 4 612 403.68 | Yes | None | None | Monthly progress report, completion certificate |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | Contractor, *5% Site hand-over, * 10% Excavation, * 10% Road Bed, *10% Subbase, *10% Base | | | | | | | | |
| DTS170 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Roads and Stormwater in Ward 12 | % progress in the Roads and Stormwater in Ward 12 | 70% Progress: Roads and Stormwater in Ward 12:<br><br>*5% Preliminary Design Report; *5% Detailed Design Report, *5% Term of Reference for Contractor; *5% | 100% Progress: Roads and Stormwater in Ward 12 by 30th June 2022:<br><br>*10% Paving, *10% finishing, *10% Close out | R 11 983 292 | 100% Progress: Roads and Stormwater in Ward 12:<br><br>*10% Paving, *10% finishing, *10% Close out | R 10 956 742.93 | Yes | None | None | Monthly progress report, completion certificate |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | Appointment of Contractor, *5% Site hand-over, * 10% Excavation, * 10% Road Bed, *10% Subbase, *10% Base | | | | | | | | |
| SPORTS AND WASTE REMOVAL | | | | | | | | | | | | |
| SDS001 | To create a safe clean and healthy environment conducive for social development and recreation | Upgrading of Kwaggafontein Land fill site (Ward 25) – Phase 2 | % progress in the Upgrading of Kwaggafontein Land fill site (Ward 25) – Phase 2 | 60% Progress of Landfill Site Upgraded in Ward 25 – Phase 2: *5% Site Establishment, *5% Construction of storage sheds, | 100% Progress of Landfill Site Upgraded in Ward 25 – Phase 2 by 30 April 2021:<br><br>5% Construction of Internal roads, 5% Admin Block, 10% Security | R 6 030 480 | 90 Progress: 0% Obtaining of Landfill Site Approval from DWS, 10% Commissioning | R 8 770 960.08 | No | Awaiting for the approval of the Landfill site from the Department of Water and Sanitation. | THLM has requested DWS to inspect the landfill site for approval schedule for July 2022. | Monthly progress report, completion certificate, DWS approval for landfill site. |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | *5% Construction of recycling shed; *10% Construction of wet weather cell; *5% installation of pipes and Tank. *20% construction of stormwater drains, Stormwater pipes and Head Walls, 10% Construction of Sewer system | House, 10% Obtaining of Landfill Site Approval from DWS, 10% Commissioning | | | | | | | |
| SDS007 | To create a safe clean and | Upgrading of KwaMhlanga | % progress in the Upgrading | 75% progress in the | 100% Progress: Upgrading of | R 17 498 100 | 100% Progress: Upgrading of | R 18 345 359.98 | Yes | None | None | Monthly progress |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | healthy environment conducive for social development and recreation | stadium (Ward 32) – Phase 1 | of KwaMhlanga stadium (Ward 32) | Upgrading of KwaMhlanga stadium (Ward 32): *5% MIG Business Plan; *5% Preliminary Design Report; *5% Detailed Design Report *10% Term of Reference for Contractor; *10% Appointment of Contractor, *10% Site Establishment, *10% Earthworks & Drainage, | KwaMhlanga stadium (Ward 32) by 30th June 2022: *5% Refurbishment of Building Works, *5% Electrical Works; *5% HVAC *5% Cleaning of Stadium *5% Close out | | KwaMhlanga stadium (Ward 32): *5% Refurbishment of Building Works, *5% Electrical Works; *5% HVAC *5% Cleaning of Stadium *5% Close out | | | | | report, completion certificate |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/ COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| | | | | *10% Grass, *10% Fencing | | | | | | | | |
| **GRANT PERFORMANCE** | | | | | | | | | | | | |
| DTS189 | To ensure clean and effective financial governance and compliance with legislative framework | Municipal Infrastructure Grant (MIG) Budget Expenditure | % Progress of the Municipal Infrastructure Grant (MIG) Budget Expenditure | 100% Progress of the Municipal Infrastructure Grant (MIG) Budget Expenditure | 100% Progress of the Municipal Infrastructure Grant (MIG) Budget Expenditure by 30th June 2022 | R130,698,000 | 100% Progress of the Municipal Infrastructure Grant (MIG) Budget Expenditure | R 130 695 284.55 | Yes | None | None | Monthly Expenditure Report |
| DTS190 | To ensure clean and effective financial governance and compliance with legislative framework | Water Services Infrastructure Grant (WSIG) Budget Expenditure | % Progress of the Water Services Infrastructure Grant (WSIG) Budget Expenditure | 100% Progress of the Water Services Infrastructure Grant (WSIG) Budget Expenditure | 100% Progress of the Water Services Infrastructure Grant (WSIG) Budget Expenditure 30th June 2022 | R51,000,000 | 100% Progress of the Water Services Infrastructure Grant (WSIG) Budget Expenditure | R 55 000 000.00 | Yes | None | None | Monthly Expenditure Report |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DTS191 | To ensure clean and effective financial governance and compliance with legislative framework | Energy Efficiency and Demand-Side Management Programme (EEDMS) Budget Expenditure | % Progress of the Energy Efficiency and Demand-Side Management Programme (EEDMS) Budget Expenditure | 100% Progress of the Energy Efficiency and Demand-Side Management Programme (EEDMS) Budget Expenditure | 100% Progress of the Energy Efficiency and Demand-Side Management Programme (EEDMS) Budget Expenditure by 30th June 2022 | R 4,500,000 | 100% Progress of the Energy Efficiency and Demand-Side Management Programme (EEDMS) Budget Expenditure | R 11 822 182.40 | Yes | None | None | Monthly Expenditure Report |

## KPA: BASIC SERVICE DELIVERY AND INFRASTRACTURE DEVELOPMENT

The department of Social Development Services overall performance for 2021/2022 financial year is 90% achievement. The department managed to achieve 09 targets out of the 10 planned targets, as compared to 67% achieved in 2020/2021 financial year, out of 15 planned targets 10 targets was achieved

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| LED001 | To create a safe, clean and healthy environment conducive for social development and recreation | Expanded Public Works Programme | Number of FTE's and work opportunities created through the Expanded Public Works Programme | 174 FTE's (154 work opportunities created in Environment, Culture and Infrastructure | 462 FTE's (409 work opportunities created in Environment, Culture and Infrastructure by 30th June 2022 | R 3 398 000 | 754 FTE's (852 work opportunities created in Environment, Culture and Infrastructure) | R 3 734 105 | Yes | None | None | Appointment letters/ contracts of employment |
| SDS002 | To create a safe, clean and healthy environment conducive for social development and recreation | Refuse Removal KwaMhlanga and Tweefontein K | Number of Households with access to refuse removal weekly | 4 697 Households provided with refuse removal weekly | 4 000 Households provided with refuse removal weekly by 30th June 2022 | In house | 4 122 Households provided with refuse removal weekly | In house | Yes | None | None | Monthly reports and Trip sheets |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| SDS003 | To create a safe, clean and healthy environment conducive for social development and recreation | Refuse Removal Thembisile Areas | Number of Households with access to refuse removal monthly | 15 851 Households with access to refuse removal fortnightly | 105 282 Households with access to refuse removal monthly by 30th June 2022 | In house | 59 939 Households with access to refuse removal monthly | In house | No | Insufficient machinery, equipment and human resources | Budget for machinery, equipment and human resources | Monthly reports and Trip sheets |
| SDS009 | To create a safe, clean and healthy environment conducive for social development and recreation | Grading of Sports Fields | Number of sports fields graded | 32 sports fields graded | 32 sports fields graded by 30th June 2022 | In house | 35 sports fields graded | In house | Yes | None | None | Monthly reports |
| SDS017 | To create a safe, clean and healthy environment | Municipal Security Services reports | Number of quarterly status reports on Municipal | 3 status reports on Municipal security | 4 status reports on Municipal security submitted to the | R 25 521 044 | 4 status reports on Municipal security | R30 103 341. 20 | Yes | None | None | Quarterly status reports |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | conducive for social development and recreation | | security submitted to the Municipal Manager | submitted to the Municipal Manager | Municipal Manager by 30th June 2022 | | submitted to the Municipal Manager | | | | | |
| SDS018 | To create a safe, clean and healthy environment conducive for social development and recreation | Conducting of Road Blocks | Number of road blocks conducted | 33 road blocks conducted | 36 road blocks conducted 30th June 2022 | In house | 47 road blocks conducted | In house | Yes | None | None | Attendance registers and quarterly reports |
| SDS019 | To create a safe, clean and healthy environment conducive for social development and recreation | Conducting of Literacy Campaigns | Number of literacy campaigns conducted | 0 | 1 literacy campaign conducted by 30th June 2022 | In house | 1 literacy campaign conducted | In house | Yes | None | None | Attendance registers and reports |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| SDS020 | To create a safe, clean and healthy environment conducive for social development and recreation | Conducting of Library Campaigns | Number of library campaigns conducted | 1 library campaign conducted | 1 library campaign conducted by 30th June 2022 | In house | 1 library campaign conducted | In house | Yes | None | None | Attendance registers and reports |
| SDS021 | To create a safe, clean and healthy environment conducive for social development and recreation | Conducting of HIV/AIDS campaigns and dialogues | Number of HIV/AIDS campaigns and dialogues conducted | 7 HIV /AIDS campaigns and dialogues conducted | 8 HIV /AIDS campaigns and dialogues conducted by 30th June 2022 | In house | 10 HIV /AIDS campaigns and dialogues conducted | In house | Yes | None | None | Attendance registers and reports |
| SDS022 | To create a safe, clean and healthy environment | Conducting of awareness campaigns and events for | Number of awareness campaigns and events for | 12 awareness campaigns and events for women, | 8 awareness campaigns and events for women, elderly, | In house | 16 awareness campaigns and events for women, | In house | Yes | None | None | Attendance registers and reports |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | conducive for social development and recreation | women, elderly, people with disabilities and children | women, elderly, people with disabilities and children conducted | elderly, people with disabilities and children conducted | people with disabilities and children conducted by 30th June 2022 | | elderly, people with disabilities and children conducted | | | | | |

## KPA: MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT

The department of Corporate Services overall performance for 2021/2022 financial year is 65% achievement. The department managed to achieve 20 targets out of the 31 planned targets, as compared to 76% achieved in 2020/2021 financial year, out of 33 planned targets 25targets was achieved.

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DCS002 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Development and approval of employee job descriptions | Percentage of employees with signed job descriptions | 100% employees with signed job description | 100% employees with signed job description by 30th June 2022 | In house | 100% employees with signed job description | In house | Yes | None | None | Signed job descriptions. |
| DCS003 | To improve organizational efficiency and promote a culture of professional conduct in order | Development of individual performance management Policy | Number of IPMS policies reviewed and approved | 1 IPMS policy reviewed and approved | 1 IPMS policy reviewed and approved by 30th June 2022 | In house | 0 | In house | No | Policy is in a draft stage | Policy to be approved in July | Council resolution |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | to render quality services. | | | | | | | | | | | |
| DCS004 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Signing of Annual performance agreements by Municipal staff | Percentage of employees at Level 3 with signed annual performance agreements | 0 | 100% of employees at Level 3 with signed annual performance agreements by 30th June 2022 | In house | 0 | In house | No | We have not yet appointed the IPMS Officer | IPMS Officer to be appointed in the 2022 /23 financial year | Signed Performance agreements |
| DCS005 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Filling of vacant positions | Number of vacant positions filled | 11 vacant positions filled | 33 vacant positions filled by 30th June 2022 | In house | 02 vacant positions filled | In house | No | The position were frozen | The positions will be advertised in the next financial year | Appointment letters. |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| DCS006 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Development and approval of Works Skills Plan to LGSETA | Number of work skills plans developed and submitted to LGSETA | 1 work skills plans developed and submitted to LGSETA | 1 work skills plans developed and submitted to LGSETA by 30th April 2022 | In house | 1 work skills plans developed and submitted to LGSETA | In house | Yes | None | None | Proof of submission LGSETA |
| DCS007 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Operational revenue: Skills Development Levy Fund | Number of employees trained as part of the work skills plan | 179 employees trained as part of the work skills plan | 211 employees trained as part of the work skills plan by 30th June 2022 | R2,968,887 | 80 employees trained as part of the work skills plan | R 2 500 567 | No | Procurement was suspended by NT and was reopened late during the last month of the Financial year | Training will be rolled out in the new financial year | Training report and attendance register |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DCS008 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Implementation of work skills plan | Percentage of Municipal budget actually spent on implementing workplace skills plan | 0.50 % of Municipal budget actually spent on implementing workplace skills plan | 1% of Municipal budget actually spent on implementing workplace skills plan by 30th June 2022 | In house | 0.84% of Municipal budget actually spent on implementing workplace skills plan | In house | No | Procurement was suspended by NT and was reopened late during the last month of the Financial year | Training will be rolled out in the new financial year | Expenditure report |
| DCS009 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Implementation of Employment Equity Plan | Percentage of vacancies filled in line with employment equity targets | 100% of vacancies filled in line with employment equity targets | 100% of vacancies filled in line with employment equity targets by 30th June 2022 | In house | 0 | In house | No | The target could not be reached due to non-filling of vacant position | The target will be reached as soon as recruitment is conducted | Recruitment report |
| DCS010 | To improve organizational efficiency and | Submission of Employment Equity | Number of EER submitted to | 1 EER submitted to | 1 EER submitted to Dept. of Labour | In house | 1 EER submitted to | In house | Yes | None | None | Proof of submission |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | promote a culture of professional conduct in order to render quality services. | Reports to Dept. of Labour | Dept. of Labour | Dept. of Labour | by the 15th of January 2022 | | Dept. of Labour | | | | | |
| DCS011 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Submission of Litigation reports to Municipal Manager | Number of litigation reports submitted to Municipal Manager | 4 litigations reports submitted to Municipal Manager | 4 litigation reports submitted to Municipal Manager by 30th June 2022 | R 2 084 008 | 4 litigation reports submitted to Municipal Manager | R 635 953.72 | Yes | None | None | 4 Litigation reports |
| DCS012 | To improve organizational efficiency and promote a culture of professional | Approval of Human Resource policies by Council | Number of Humana Resource policies | 24 Human Resource policies approved by Council by | 24 Human Resource policies approved by | In house | 24 Human Resource policies approved by Council | In house | Yes | None | None | Council resolution |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | conduct in order to render quality services. | | approved by Council | 30th June 2022<br><br>(education training and development, attendance and punctuality, succession planning and career path,IPMS ,OHS,HR strategy, recruitment and employment,leave,fleet management, acting allowance,learnership and internship,overtime,private | Council by 30th June 2022<br><br>(education training and development, attendance and punctuality, succession planning and career path,IPMS ,OHS,HR strategy, recruitment and employment,leave,fleet management, acting allowance,learnership and internship,overtime,private work and declaration of | | (education training and development, attendance and punctuality, succession planning and career path,IPMS ,OHS,HR strategy, recruitment and employment,leave,fleet management, acting allowance,learnership and internship,overtime,private work and declaration of interest,relloc | | | | | |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | work and declaration of interest,relloc ation,sexual harrassment,s moking volunteers, retention strategy,HIV and AIDS, employee assistance, employees under the influence intoxicating substances, cell phone and wireless device policy, Development framework policy ) | interest,rellocati on,sexual harrassment,sm oking volunteers, retention strategy,HIV and AIDS, employee assistance, employees under the influence intoxicating substances, cell phone and wireless device policy, Development framework policy ) by 30th June 2022 | | ation,sexual harrassment,s moking volunteers, retention strategy,HIV and AIDS, employee assistance, employees under the influence intoxicating substances, cell phone and wireless device policy, Development framework policy) | | | | | |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DCS013 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Issuing of Audit reports on OHS inspection | Number of Audit reports issued on OHS inspection | 2 Audit reports issued on OHS inspection | 2 Audit reports issued on OHS inspection by 30th June 2022 | In house | 2 Audit reports issued on OHS inspection | In house | Yes | None | None | Inspection reports |
| DCS014 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Conducting Occupational Health and Safety committee meetings | Number of OHS committee meetings conducted | 4 OHS committee meetings conducted | 4 OHS committee meetings conducted by 30th June 2022 | In house | 4 OHS committee meetings conducted | In house | Yes | None | None | Attendance register, minutes |
| DCS016 | To improve organizational efficiency and promote a | Conducting of induction for | Number of inductions conducted for | 2 inductions conducted for | 2 inductions conducted for old and new | In house | 2 induction conducted for | In house | Yes | None | None | Attendance register |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | culture of professional conduct in order to render quality services. | new and old employees | old and new employees | old and new employees | employees by 30th June 2022 | | old and new employees | | | | | |
| DCS017 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Sitting of the Local Labour Forum meetings | Number of LLF meetings conducted | 5 LLF meetings conducted | 6 LLF meetings conducted by 30th June 2022 | In house | 6 LLF meetings conducted | In house | Yes | None | None | Attendance register |
| DCS018 | To improve organizational efficiency and promote a culture of professional conduct in order | Leasing of Municipal fleet | Number of Municipal fleet paid monthly on lease | 37 Municipal fleet paid monthly on lease | 37 Municipal fleet paid monthly on lease by 30th June 2022 | R 5,100,111 | 37 Municipal fleet paid monthly on lease | R 2 699 516.32 | Yes | None | None | Monthly statements |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | to render quality services. | | | | | | | | | | | |
| DCS019 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Development of operational plan for Municipal fleet | Number of operational plans developed for Municipal fleet | 1 Operational plans developed for Municipal fleet | 1 Operational plans developed for Municipal fleet by 30th June 2022 | In house | 1 Operational plans developed for Municipal fleet | In house | Yes | None | None | Operational plan |
| DCS020 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Repairs and maintenance of Municipal fleet | Number of repairs and maintenance reports of Municipal fleet produced and submitted to the HOD | 12 repairs and maintenance reports of Municipal fleet produced and submitted to the HOD | 12 repairs and maintenance reports of Municipal fleet produced and submitted to the HOD by 30th June 2022 | R 15 108 040 | 08 repairs and maintenance reports and 03 Invoices of Municipal fleet produced and submitted to the HOD | R 3 732 750.96 | No | Repairs and maintenance for the month of December have been commissioned however no report from service provider was submitted, which | To pursue the service provider to submit in time to enable the user unit to submit in time. | Monthly reports |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | | | | | | means no invoice or payment done. | | |
| DCS021 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Monitoring the usage of fuel | Number of reports produced and submitted to the HOD on the usage of fuel | 12 reports produced and submitted to the HOD on the usage of fuel | 12 reports produced and submitted to the HOD on the usage of fuel by 30th June 2022 | R 6 206 696 | 12 reports produced and submitted to the HOD on the usage of fuel | R 3 679 542.84 | Yes | None | None | Reports |
| DCS022 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Licensing of Municipal Fleet | Number of vehicle licenses renewed | 132 vehicle licenses renewed | 143 vehicle licenses renewed by 30th June 2022 | R 951 788 | 110 vehicle licenses renewed by 30th June 2022 | R 953 385.50 | No | There were additional vehicles procured during the financial year, hence the number of vehicles on the actual is more than the baseline | None | License certificates |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | | | | | | by 11 more vehicles | | |
| New | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Acquisition of Municipal Fleet. | Number of vehicles procured for Executive Mayor and Speaker | 2 vehicles purchased | 2 vehicles procured for Executive Mayor and Speaker by 30th June 2022 | R1 600 000 | 2 vehicles procured for Executive Mayor and Speaker by 30th June 2022 | R 1 408 806 | Yes | None | None | Delivery note. |
| DCS024 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Submission of Reports on the repairs and maintenance of ICT hardware | Number of reports submitted to the HOD on the repairs and maintenance of ICT hardware | 4 reports submitted to the HOD on the repairs and maintenance | 4 reports submitted to the HOD on the repairs and maintenance of ICT hardware by 30th June 2022 | R 844 208 | 4 reports submitted to the HOD on the repairs and maintenance of ICT hardware | R 0 | Yes | None | None | Reports |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DCS025 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Renewal of software | Number of software licenses renewed | Munsoft HR/Payroll,<br><br>Munsoft, 50 Microsoft volume, 210 Symantec antivirus, Server monitoring system, PMS system renewed | 1 x Munsoft, - Payroll, HR and Financial system, 1 x Netrix monitor, 50 x Microsoft volume, 210 x Symantec antivirus, 1 x Server monitoring system, 1 x PMS system, 35 x Office 365 renewed by 30th June 2022 | R 7 819 996 | 1 x Munsoft, - Payroll, HR and Financial system, 1 x Netrix monitor, 50 x Microsoft volume, 210 x Symantec antivirus, 1 x Server monitoring system, 1 x PMS system, 35 x Office 365 renewed | R 6 119 999.04 | Yes | None | None | License certificate |
| DCS029 | To improve organizational efficiency and promote a culture of professional | Formulation of Policy Development Framework Policy | Number of Policy Development Framework policies reviewed and | 1 Policy Development Framework policies reviewed and | 1 Policy Development Framework policies reviewed and approved by | In house | 1 Policy Development Framework policies reviewed and | In house | Yes | None | None | Council resolution |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | conduct in order to render quality services. | | approved by council | approved by council | council by 30th June 2022 | | approved by council | | | | | |
| DCS031 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Installation and implementation of Biometric clocking system | Number of reports on the implementation of Biometric clocking systems | 0 | 1 reports on the implementation of Biometric clocking systems by 30th June 2022 | In house | 0 | In house | No | The system couldn't be used due to health reasons posed by COVID 19 | The system will be reactivated in the 2022/23 | Report |
| DCS033 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Disinfecting and Deep cleansing services | Number of Municipal facilities disinfected and deep cleansed quarterly | 13 Municipal facilities disinfected and deep cleansed | 13 Municipal facilities disinfected and deep cleansed quarterly by 30th June 2022 | R 416, 496 | 13 Municipal facilities disinfected and deep cleansed quarterly | R 402 201 | No | Disinfecting was not done since the municipality received guidelines issued by the dept. of health advising them not to spray but replace that by | This will not be done going forward | Disinfection certificate or invoice |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | | | | | | wiping surfaces with disinfectants. | | |
| DCS036 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Material and Supply for Covid 19 | Number of Material and Supply for Covid 19<br><br>purchased | 3124 Material and Supply for Covid 19 purchased by 30th June 2021<br><br>( 600 hand Sanitizers<br><br>(70% alcohol); 790<br><br>Disinfectants<br><br>(10 Pro - fogger Disinfection units; 200 disinfection surface | 5 128 Material and Supply for Covid 19 purchased by 30th June 2022<br><br>( 80 x 25L hand Sanitizers (70% alcohol); 700 x 20L Disinfectants (800 disinfection surface Sanitizer Sprays (97%); 1524 Cleaning Cloth; 1524 Cloth masks 500 x 500ml empty sanitizer sprays | R 483, 504 | 2 825 Material and Supply for Covid 19 purchased | R 374 600.45 | No | The reason for not achieving is that there was a delay in the procurement of the COVID-19 materials. Procurement is at the advance stage and we will receive the materials before the end of the fourth quarter | Procurement is at the advance stage, we have the purchase order issued and the target is going to be met at the fourth quarter. | Delivery note |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | Sanitizer Sprays (97%); 762 Cleaning Cloth; 762 Cloth masks | | | | | | | | |
| MM009 | To deepen democracy and promote active community participation in the affairs of the institution | Updating of Municipal website | Rate of updating Municipal Website as per 75 of the MFMA | Updating of Municipal website quarterly and as and when required to comply with Sec 75 of MFMA | Updating of Municipal website quarterly and as and when required to comply with Sec 75 of MFMA by 30th June 2022 | In house | Updating of Municipal website quarterly and as and when required to comply with Sec 75 of MFMA but Section 52 not updated on Municipal website | In house | Yes | None | None | Screen shots |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| MM013 | To deepen democracy and promote active community participation in the affairs of the institution | Sitting of Council meetings | Number of ordinary council meetings conducted | 10 Ordinary council meetings conducted | 6 Ordinary council meetings conducted by 30th June 2022 | In house | 14 Ordinary council meetings conducted | In house | Yes | None | None | Attendance register |
| MM014 | To deepen democracy and promote active community participation in the affairs of the institution | Sitting of Mayoral Committee meetings | Number of Mayoral committee meeting conducted | 11 Mayoral committee meeting conducted | 11 Mayoral committee meeting conducted by 30th June 2022 | In house | 11 Mayoral committee meeting conducted | In house | Yes | None | None | Attendance register |

# Chapter 3

## KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The department of Finance Services overall performance for 2021/2022 financial year is 93% achievement. The department managed to achieve 28 targets out of the 30 planned targets, as compared to 90% achieved in 2020/2021 financial year, out of 30 planned targets 27 targets was achieved.

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DBT001 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Approve annual budget that are compliant with the MFMA and treasury standards | Number of annual budgets approved in line with MFMA and treasury standards | | 1 annual budgets approved in line with MFMA and treasury standards by 31st May 2022 | In house | 1 annual budgets approved in line with MFMA and treasury standards | In house | Yes | None | None | Council resolution |
| DBT002 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved | Budget adjustment in line with MFMA and treasury standards | Number of budgets adjusted in line with MFMA and treasury standards | 1 budget adjusted in line with MFMA and treasury standards by 28th February 2021 | 1 budget adjusted in line with MFMA and treasury standards by 28th February 2022 | In house | 1 budget adjusted in line with MFMA and treasury standards | In house | Yes | None | None | Council resolution |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | revenue collection | | | | | | | | | | | |
| DBT003 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Development of Audit Action Plan | Number of audit action plan developed | 0 | 1 Audit action plan developed by 28th February 2022 | In house | 1 Audit Action Plan developed | In house | Yes | None | None | Audit action plan |
| DBT005 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved | Revenue collection in line with the budgeted financial performance | Amount revenue collected excluding grants | | Revenue collected excluding grants by 30th June 2022 (R 266 753 000) | In house | R 28 445 086 | In house | No | Resistance of payment of services from communities, businesses and Government departments | Implementation of Revenue Enhancement Strategy and finalization of appointment of a panel of debt collectors has | Section 71 Monthly reports |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | revenue collection | | | | | | | | | | been finalized. | |
| | | | | | 1.Property Rates (R 55 779 000) | In house | R 1 322 122 | In house | No | Resistance of payment of services from communities, businesses and Government departments | Implementation of Revenue Enhancement Strategy and finalization of appointment of a panel of debt collectors has been finalized. | Section 71 Monthly reports |
| | | | | | 2.Service charges (R114 396 000) | In house | R 1 508 566 | In house | No | Resistance of payment of services from communities, businesses and Government departments | Implementation of Revenue Enhancement Strategy and finalization of appointment of a panel of debt | Section 71 Monthly reports |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | | | | | | | collectors has been finalized. | |
| | | | | | 3.Investment Revenue(R 5 062 000) | In house | R 2 827 092 | In house | No | Less investments made during the quarter | More investments has been done in the fourth quarter | Section 71 Monthly reports |
| | | | | | 4.Other own Revenue (R 91 516 000) | In house | R 3 551 115 | In house | No | Resistance of payment of services from communities, businesses and Government departments | Implementation of Revenue Enhancement Strategy and finalisation of appointment of a panel of debt collectors has been finalised. | Section 71 Monthly reports |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | Transfers (R648 245 000) | In house | R 681 245 000 | In house | Yes | None | None | Section 71 Monthly reports |
| DBT006 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Revenue enhancement outreach meetings | Number of outreach meeting conducted | 1 Outreach meetings conducted | 2 Outreach meetings conducted by 30th June 2022 | In house | 2 Outreach meetings conducted | In house | Yes | None | None | Attendance register and reports |
| DBT007 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved | Development of Data cleansing action plan | Number of data action plans developed | 1 data action plan developed | 1 data action plan developed by 30th June 2022 | In house | 1 data action plan developed | In house | Yes | None | None | Data cleansing action plan |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | revenue collection | | | | | | | | | | | |
| DBT008 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Implementation of data cleansing process | Number of reports submitted to the Municipal Manager on data cleansing | 3 quarterly reports submitted to the Municipal Manager on data cleansing | 4 quarterly reports submitted to the Municipal Manager on data cleansing by 30th June 2022 | In house | 4 quarterly reports submitted to the Municipal Manager on data cleansing | In house | Yes | None | None | Data cleansing action plan |
| DBT009 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Registration of Indigents | Number of indigents registered on the indigent register | 111 indigents registered on the indigent | 600 indigents registered on the indigent register by 30th June 2022 | In house | 467 indigents registered on the indigent register | In house | No | Low indigents registration turnover | Acceleration of the indigent's registration process through implementing the revised roadshow program. | Indigent register |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DBT010 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Provision of services to indigent households | Percentage of households earning less than R 1800 per month with access to free basic services | 100% of households earning less than R1800 per month with access to free basic services | 100% of households earning less than R1800 per month with access to free basic services by 30th June 2022 | In house | 100% of households earning less than R1800 per month with access to free basic services | In house | Yes | None | None | Indigent register |
| DBT011 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Fixed Asset Register compliance with GRAP | Number of action plan developed in line with FAR compliance with GRAP standards | 1 action plan developed in line with FAR compliance with GRAP standards | 1 action plan developed in line with FAR compliance with GRAP standards by 30th June 2022 | In house | 1 action plan developed in line with FAR compliance with GRAP standards | In house | Yes | None | None | Fixed Assets register |
| DBT012 | To improve the financial status of | Conduct asset verification | Number of asset | 1 asset verification | 2 asset verification | In house | 2 asset verification | In house | Yes | None | None | Assets verification |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | the Municipality through prudent budget planning, stringent financial management and improved revenue collection | and reconciliation | verifications and reconciliation conducted | and reconciliation conducted | and reconciliation conducted by 30th June 2022 | | and reconciliation conducted | | | | | and reconciliation reports |
| DBT013 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Updating of the fixed Asset register | Rate update of the Fixed Asset Register | Daily update of the Fixed Asset Register | Daily update of the Fixed Asset Register by 30th June 2022 | R 2 653 711 | Daily update of the Fixed Asset Register | R 2 653 711 | Yes | None | None | Assets register |
| DBT014 | To improve the financial status of the Municipality through prudent budget planning, stringent financial | Submission of Section 71 monthly budget statements | Number of section 71 monthly statements submitted within 10 days | 9 Section 71 monthly statements submitted within 10 days | 12 Section 71 monthly statements submitted within 10 days | In house | 12 Section 71 monthly statements submitted within 10 | In house | Yes | None | None | Proof of submission and 12 reports |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | management and improved revenue collection | | after the end of each month to the Executive Mayor, the provincial treasury and national treasury | after the end of each month to the Executive Mayor, the provincial treasury and national treasury | after the end of each month to the Executive Mayor, the provincial treasury and national treasury by 30th June 2022 | | days after the end of each month to the Executive Mayor, the provincial treasury and national treasury | | | | | |
| DBT015 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Submission of Supply Chain Management reports to Council | Number of Supply Chain Management reports to submitted to Council | 3 Supply chain management reports submitted to Council | 4 Supply chain management reports submitted to Council by 30th June 2022 | In house | 4 Supply chain management reports submitted to Council | In house | Yes | None | None | Council resolution |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DBT016 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Submission budget statements to council | Number of budget statements submitted to council within 30 days after the end of a quarter | 3 Budget statements submitted to council within 30 days after the end of a quarter | 4 Budget statements submitted to council within 30 days after the end of a quarter by 30th June 2022 | In house | 4 Budget statements submitted to council within 30 days after the end of a quarter | In house | Yes | None | None | Council resolution |
| DBT017 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Submission of bank reconciliation to the Municipal Manager | Number of Bank reconciliation submitted to the Municipal Manager within 10 days after the end of the month | 9 Bank reconciliation submitted to the Municipal Manager | 12 Bank reconciliation submitted to the Municipal Manager by 30th June 2022 | In house | 12 Bank reconciliation submitted to the Municipal Manager | In house | Yes | None | None | 12 Bank reconciliation and proof of submission |
| DBT018 | To improve the financial status of | Compilation and | Number of Annual | 1 Annual Financial | 1 Annual Financial | R 4 000 000 | 1 Annual Financial | R 1 361 352 | Yes | None | None | Proof of submission |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | the Municipality through prudent budget planning, stringent financial management and improved revenue collection | submission of Annual Financial Statements to the Auditor General | Financial Statements compiled and submitted to the Auditor General | Statement compiled and submitted to the Auditor General by 31st October 2020 | Statement compiled and submitted to the Auditor General by 31st August 2021 | | Statement compiled and submitted to the Auditor General by 31st August 2021 | | | | | |
| DBT019 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Conduct stock taking and reconciliation | Number of stock taking and reconciliation conducted | 1 stock taking and reconciliation conducted | 2 stock taking and reconciliation conducted by 30th June 2022 | In house | 2 stock taking and reconciliation conducted | In house | Yes | None | None | 2 Stock take reports |
| DBT020 | To improve the financial status of the Municipality through prudent budget planning, | Implementation of valuation roll | Percentage implementation of valuation roll | 100% of the valuation roll implemented on a monthly basis | 100% of the valuation roll implemented on a monthly | In house | 100% of the valuation roll implemented on a monthly basis | In house | Yes | None | None | Valuation report |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | stringent financial management and improved revenue collection | | | | basis by 30th June 2022 | | | | | | | |
| DBT022 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Submission of goods and services through return or verbal and formal return quotations reports to Council (R1-R200 000) | Number of goods and services through return or verbal and formal return quotations reports submitted to Council | 3 Goods and services through return or verbal and formal return quotations reports submitted to Council | 4 Goods and services through return or verbal and formal return quotations reports submitted to Council by 30th June 2022 | In house | 4 Goods and services through return or verbal and formal return quotations reports submitted to Council | In house | Yes | None | None | Council resolution |
| DBT023 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and | Submission of goods and services procured through a competitive bidding | Number of goods and services procured through a competitive bidding | 3 Goods and services procured through a competitive bidding | 4 Goods and services procured through a competitive bidding processes | In house | 4 Goods and services procured through a competitive bidding processes | In house | Yes | None | None | Council resolution |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | improved revenue collection | processes reports to Council<br><br>(R201 000 above | processes reports submitted to Council<br><br>(R201 000 above | processes reports | reports submitted to Council<br><br>(R201 000 above by 30th June 2022 | | reports submitted to Council<br><br>(R201 000 above | | | | | |
| DBT024 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Submission of goods and services procured through deviation process reports to Council (R0-R200 000) | Number of goods and services procured through deviation process reports to Council | 3 Goods and services procured through deviation process reports to Council | 4 Goods and services procured through deviation process reports to Council by 30th June 2022 | In house | 4 Goods and services procured through deviation process reports to Council | In house | Yes | None | None | Council resolution |
| DBT025 | To improve the financial status of the Municipality through prudent budget planning, stringent financial | Submission of irregular expenditure reports to Council | Number of irregular expenditure reports | 3 Irregular expenditure reports submitted to Council | 4 Irregular expenditure reports submitted to Council by | In house | 4 Irregular expenditure reports submitted to Council | In house | Yes | None | None | Council resolution |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | management and improved revenue collection | | submitted to Council | | 30th June 2022 | | | | | | | |
| DBT026 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Submission of Contracts Management reports to Council | Number of Contracts Management reports submitted to Council | 3 Contracts Management reports submitted to Council | 4 Contracts Management reports submitted to Council by 30th June 2022 | In house | 4 Contracts Management reports submitted to Council | In house | Yes | None | None | Council resolution |
| DBT027 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved | Submission of section 66 monthly reports to Council | Number of monthly section 66 reports submitted to Council | 9 Section 66 monthly reports submitted to Council | 12 Section 66 monthly reports submitted to Council by 30th June 2022 | In house | 12 Section 66 monthly reports submitted to Council | In house | Yes | None | None | Council resolution |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | revenue collection | | | | | | | | | | | |
| DBT028 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Submission of creditors register and creditors analysis monthly to the Municipal Manager | Number of creditors register and creditors analysis monthly reports | 9 creditors register and creditors analysis monthly reports submitted to Council | 12 creditors register and creditors analysis monthly reports by 30th June 2022 | In house | 12 creditors register and creditors analysis monthly reports | In house | Yes | None | None | 12 creditors register and creditors analysis |
| DBT029 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Submission of fruitless and wasteful expenditure reports to Council | Number of fruitless and wasteful expenditure reports to Council | 3 fruitless and wasteful expenditure reports submitted to Council | 4 fruitless and wasteful expenditure reports submitted to Council by 30th June 2022 | In house | 4 fruitless and wasteful expenditure reports submitted to Council | In house | Yes | None | None | Council resolution |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| DBT030 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Conduct inventory reconciliation | Number of inventory reconciliation conducted | Inventory reconciliation conducted | 2 Inventory reconciliation conducted by 30th June 2022 | In house | 2 Inventory reconciliation conducted | In house | Yes | None | None | Inventory reconciliation reports |
| DBT031 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved revenue collection | Closure of the Financial System | Due date for the closure of the Financial System on a monthly basis | By the 3rd of each month the Financial System must be closed | By the 3rd of each month the Financial System must be closed by 30th June 2022 | In house | By the 3rd of each month the Financial System must be closed | In house | Yes | None | None | Financial System closure report |

# Chapter 3

**KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

The Office of the Municipal Manager's overall performance for 2021/2022 financial year is 87% achievement. The department managed to achieve 45 targets out of the 52 planned targets, as compared to 84% achieved in 2020/2021 financial year, out of 58 planned targets 49 targets was achieved.

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| OFFICE OF THE SPEAKER | | | | | | | | | | | | |
| MM001 | To deepen democracy and promote active community participation in the affairs of the institution | Conducting Mayoral Outreach meetings | Number of Mayoral Outreach Meetings conducted | 24 Mayoral outreach meetings conducted | 24 Mayoral outreach meetings conducted by 30th June 2022 | In house | 15 Mayoral outreach meetings conducted | In house | No | The public consultative meetings (Mayoral Outreach/Izimbizo Programme) 2021 which was to be conducted in December 2021 (Second quarter) was taken to Council on the 23/11/2021 in the Ordinary Council Meeting for approval to be implemented by | The public consultative meetings (Mayoral Outreach/Izimbizo Programme) 2021 which was to be conducted in December 2021 (Second quarter) the item was taken to Council again | Attendance registers |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVED YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | | | | | | new Executive. The item was withdrawn. See the attached Council Resolutions and the programme. | on the 14/12/2021 in the Ordinary Council Meeting for approval to be implemented by new Executive. The item was noted, put in abeyance until 1 February 2022 and that the meetings can either be carried out physically (face to face) or through the electronic media (Radio) by buying a slot. See the attached | |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVED YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| | | | | | | | | | | | Council Resolutions. | |
| MM002 | To deepen democracy and promote active community participation in the affairs of the institution | Submission of Mayoral Outreach Report to the Mayor | Number of Mayoral Outreach reports submitted to the Mayor | 2 Mayoral outreach reports submitted to the Mayor | 2 Mayoral outreach reports submitted to the Mayor by 30th June 2022 | In house | 1 Mayoral outreach reports submitted to the Mayor | In house | No | The public consultative meetings (Mayoral Outreach/Izimbizo Programme) 2021 which was to be conducted in December 2021 (Second quarter) was taken to Council on the 23/11/2021 in the Ordinary Council Meeting for approval to be implemented by new Executive. The item was withdrawn. See the attached Council | The public consultative meetings (Mayoral Outreach/Izimbizo Programme) 2021 which was to be conducted in December 2021 (Second quarter) the item was taken to Council again on the 14/12/2021 in the Ordinary Council Meeting for | Reports |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVED YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | | | | | | Resolutions and the programme | approval to be implemented by new Executive. The item was noted, put in abeyance until 1 February 2022 and that the meetings can either be carried out physically (face to face) or through the electronic media (Radio) by buying a slot. See the attached Council Resolutions. | |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| MM003 | To deepen democracy and promote active community participation in the affairs of the institution | Conducting of Ward Committee meetings | Number of ward committee meetings conducted | 384 ward committee meetings conducted | 384 ward committee meetings conducted by 30th June 2022 | In house | 221 ward committee meetings conducted | In house | No | Q2: The Local Government results have been declared on the 5th November 2021, and that led to the disestablishment of ward committees. Q3: After elections, municipalities were expected to establish ward committees, which we were given 120 days to complete the task. Then the 120 days started on 24 of November 2022 - 24 March 2022. We have complied with the Act and | All ward committees are fully established and will conduct their monthly meetings as expected. | Attendance registers |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | | | | | | | | | | established 31 wards except ward 6 because of political challenges Q4 : Ward 6 was not established due to community political dispute | | |
| MM004 | To deepen democracy and promote active community participation in the affairs of the institution | Workshops for councilors and ward committee members | Number of workshop conducted for councilors and ward committee members | 1 workshop programme conducted for ward committee members and councilors | 2 workshop programmes conducted for ward committee members and councilors by 30th June 2022 | In house | 2 workshop programmes conducted for ward committee members and councilors | In house | Yes | None | None | Attendance register |
| COMMUNICATION | | | | | | | | | | | | |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| MM005 | To deepen democracy and promote active community participation in the affairs of the institution | Development and approval of Communication strategy | Number of Communication Strategies developed and approved | 1 communication strategies developed and approved | 1 communication strategies developed and approved by 30th June 2022 | In house | 0 | In house | No | The item was submitted to section 80 committee which ended up not taking place. | The target will be achieved by 31 July 2022. | Council resolution |
| MM006 | To deepen democracy and promote active community participation in the affairs of the institution | Conducting of media engagement sessions | Number of media engagement sessions conducted | 2 media engagement sessions conducted | 2 media engagement sessions conducted by 30th June 2022 | In house | 2 media engagement sessions conducted | In house | Yes | None | None | Attendance register |
| MM007 | To deepen democracy and promote active community participation in | Issuing of media statements | Number of media statements issued | 4 media statements issued | 4 media statements issued by 30th June 2022 | In house | 8 media statements issued | In house | Yes | None | None | Media statements |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| | the affairs of the institution | | | | | | | | | | | |
| MM008 | To deepen democracy and promote active community participation in the affairs of the institution | Updating of official social media accounts | Rate of update of Municipal social media accounts | Updating of Municipal social media accounts quarterly and as and when required | Updating of Municipal social media accounts quarterly and as and when required by 30th June 2022 | In house | Updating of Municipal social media accounts quarterly and as and when required | In house | Yes | None | None | Social media accounts reports |
| MM010 | To deepen democracy and promote active community participation in the affairs of the institution | Submission of report on the presidential hotline to the Municipal Manager | Number of reports on the presidential hotline submitted to the Municipal Manager | 4 reports on the presidential hotline submitted to the Municipal Manager | 4 reports on the presidential hotline submitted to the Municipal Manager by 30th June 2022 | In house | 4 reports on the presidential hotline submitted to the Municipal Manager | In house | Yes | None | None | 4 Presidential hotline reports |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| MM11 | To deepen democracy and promote active community participation in the affairs of the institution | Issuing of External Newsletter | Rate of issuing of External Newsletter issued | 2 Quarterly issuing of External Newsletters | 2 Quarterly issuing of External Newsletters by 30th June 2022 | R 325 000 | 2 Quarterly issuing of External Newsletters | R 284 480 | Yes | None | None | External Newsletter |
| **IDP** | | | | | | | | | | | | |
| MM017 | To deepen democracy and promote active community participation in the affairs of the institution | Development and approval of IDP Process Plan | Number of IDP process plans developed and approved by Council | 1 IDP process plan developed and approved by council by 31st August 20221 | 1 IDP process plans developed and approved by Council by 31st August 2021 | In house | 1 IDP process plans developed and approved by Council | In house | Yes | None | None | Council resolution |
| MM018 | To deepen democracy and promote active community | Development and approval of the | Number of IDP's | 1 IDP's reviewed and approved | 1 IDP's reviewed and | In house | 1 IDP's reviewed and approved | In house | Yes | None | None | Council resolution |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | participation in the affairs of the institution | Integrated Development Plan | reviewed and approved | | approved by 30th June 2022 | | | | | | | |
| MM019 | To deepen democracy and promote active community participation in the affairs of the institution | Holding of the Annual IDP/Budget Indaba | Number of IDP/Budget Indaba meetings conducted | 1 IDP/Budget Indaba meetings conducted | 1 IDP/Budget Indaba meetings conducted by 30th June 2022 | In house | 1 IDP/Budget Indaba meetings conducted | In house | Yes | None | None | Attendance register |
| MM020 | To deepen democracy and promote active community participation in the affairs of the institution | Conducting of the Strategic Planning Workshop | Number of strategic planning workshops conducted | 1 Strategic planning workshops conducted | 1 strategic planning workshops conducted by 30th June 2022 | R 368 172 | 1 strategic planning workshops conducted | R 289 000 | Yes | None | None | Attendance register and report |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| MM021 | To deepen democracy and promote active community participation in the affairs of the institution | Conducting of IDP/Budget steering committee meetings | Number of IDP/Budget steering committee meetings conducted | 2 IDP/Budget steering committee meetings conducted. | 2 IDP/Budget steering committee meetings conducted by 30th June 2022 | In house | 2 IDP/Budget steering committee meetings conducted | In house | Yes | None | None | Attendance register and report |
| MM022 | To deepen democracy and promote active community participation in the affairs of the institution | Submission of IDP to the MEC for Local Government | Number of IDP submitted to the MEC for Local Government within 10 workings days after approval | 1 IDP submitted to the MEC for Local Government within 10 workings days after approval by | 1 IDP submitted to the MEC for Local Government within 10 workings days after approval by 30th June 2022 | In house | 1 IDP submitted to the MEC for Local Government within 10 workings days after approval | In house | Yes | None | None | Submission letter |
| MM023 | To deepen democracy and promote active community participation in | Conducting Community Consultative meetings on approved | Number of Community Consultative meetings conducted on | 12 zonal meetings Community Consultative meetings | 12 zonal meetings Community Consultative meetings | In house | 15 zonal meetings Community Consultative meetings | In house | Yes | None | None | Attendance register |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| | the affairs of the institution | draft IDP/Budget | approved draft IDP/Budget | conducted on approved draft IDP/Budget | conducted on approved draft IDP/Budget by 30th June 2022 | | conducted on approved draft IDP/Budget | | | | | |
| **PERFORMANCE MANAGEMENT SYSTEM** | | | | | | | | | | | | |
| MM024 | To deepen democracy and promote active community participation in the affairs of the institution | Compilation and submission of the Annual Report to the office of the Auditor General | number of Annual Reports compiled and submitted to the office of Auditor General | 1 Annual Report compiled and submitted to the office of the Auditor General by 31st October 2020 | 1 Annual Report compiled and submitted to the office of the Auditor General by 31st August 2021 | In house | 1 Annual Report compiled and submitted to the office of the Auditor General | In house | Yes | None | None | Acknowledgement letter |
| MM025 | To deepen democracy and promote active community participation in | Tabling of Annual Report before Council | Number of Annual Reports tabled before council | 1 Annual report tabled before council | 1 Annual report tabled before council by 31st May 2022 | In house | 1 Annual report tabled before council | In house | Yes | None | None | Council resolution |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | the affairs of the institution | | | | | | | | | | | |
| MM026 | To deepen democracy and promote active community participation in the affairs of the institution | Development and submission of Mid-year budget and performance assessment report | Number of Mid-year budget and performance assessments submitted to the Executive Mayor, National Treasury and Provincial Treasury | 1 Mid-year budget and performance assessment conducted and submitted to the Executive Mayor, National Treasury and Provincial Treasury | 1 Mid-year budget and performance assessment conducted and submitted to the Executive Mayor, National Treasury and Provincial Treasury by 25th January 2022 | In house | 1 Mid-year budget and performance assessment conducted and submitted to the Executive Mayor, National Treasury and Provincial Treasury | In house | Yes | None | None | Acknowledgement of receipt |
| MM027 | To deepen democracy and promote active community participation in | Tabling of Mid-year budget and performance assessment | Number of Mid-year budget and performance assessments | 1 Mid-year budget and Performance Assessment report tabled | 1 Mid-year budget and Performance Assessment report tabled before Council | In house | 1 Mid-year budget and Performance Assessment report tabled | In house | Yes | None | None | Council resolution |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | the affairs of the institution | before Council | tabled before Council | before Council by | by 31st January 2022 | | before Council | | | | | |
| MM028 | To deepen democracy and promote active community participation in the affairs of the institution | Review and approval of the PMS Policy Framework | Number of PMS Policy Framework reviewed and approved by Council | 1 PMS Policy Framework reviewed and approved by Council | 1 PMS Policy Framework reviewed and approved by Council by 30th June 2022 | In house | 1 PMS Policy Framework reviewed and approved by Council | In house | Yes | None | None | Council resolution |
| MM029 | To deepen democracy and promote active community participation in the affairs of the institution | Submission of performance report to the Executive Mayor | Number of performance reports submitted to the Executive Mayor | 4 Performance reports submitted to the Executive Mayor | 4 Performance reports submitted to the Executive Mayor by 30th June 2022 | In house | 4 Performance reports submitted to the Executive Mayor | In house | Yes | None | None | Council resolution |
| MM030 | To deepen democracy and promote active community | Development and submission of the | Number of SDBIP's developed and submitted | 1 2021/2022 Draft SDBIP' developed and submitted | 1 2022/2023 Draft SDBIP' developed and submitted to the | In house | 1 2022/2023 Draft SDBIP' developed and submitted | In house | Yes | None | None | Acknowledgement of receipt |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | participation in the affairs of the institution | SDBIP to the Executive Mayor | to the Executive Mayor within 14 days after the approval of the budget for consideration | to the Executive Mayor within 14 days after the approval of the budget for consideration | Executive Mayor within 14 days after the approval of the budget for consideration by 30th June 2022 | | to the Executive Mayor within 14 days after the approval of the budget for consideration | | | | | |
| MM031 | To deepen democracy and promote active community participation in the affairs of the institution | Approval of SDBIP by the Executive Mayor | Number of SDBIP's approved by the Executive Mayor within 28 days after the approval of the budget | 1 2021/2022 SDBIP's approved by the Executive Mayor within 28 days after the approval of the budget | 1 2022/2023 SDBIP's approved by the Executive Mayor within 28 days after the approval of the budget by 30th June 2022 | In house | 1 2022/2023 SDBIP's approved by the Executive Mayor within 28 days after the approval of the budget | In house | Yes | None | None | Approved SDBIP |
| MM032 | To deepen democracy and promote active community | Signing of Performance Agreements | Number of Senior Managers including | 5 Signed performance agreements for Senior | 5 Signed performance agreements for Senior | In house | 5 Signed performance agreements for Senior | In house | Yes | None | None | Signed performance agreements |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | participation in the affairs of the institution | by Senior managers | Municipal Manager with signed performance agreement | Managers and 1 Municipal Manager by 31st July 2020 | Managers and 1 Municipal Manager by 31st July 2021 | | Managers and 1 Municipal Manager | | | | | |
| MM033 | To deepen democracy and promote active community participation in the affairs of the institution | Conducting performance assessments for Senior Managers | Number of performance assessments conducted for Senior Managers including Municipal Manager | 3 performance assessments conducted for senior managers including Municipal Manager | 4 performance assessments conducted for senior managers including Municipal Manager by 30th June 2022 | In house | 4 performance assessments conducted for senior managers including Municipal Manager | In house | Yes | None | None | Performance assessments report |
| | | | | | INTERNAL AUDIT | | | | | | | |
| MM034 | To deepen democracy and promote active community participation in | Submission of Audit Plan to Audit committee for approval | Number of Audit Plans submitted to the Audit | 1 Audit Plans submitted to the Audit | 1 Audit Plans submitted to the Audit committee | In house | 1 Audit Plans submitted to the Audit | In house | Yes | None | None | Approved Audit plan and minutes |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | the affairs of the institution | (3 year rolling and annual operational plan) | committee for approval | committee for approval | for approval by 30th June 2022 | | committee for approval | | | | | of the AC meeting |
| MM035 | To deepen democracy and promote active community participation in the affairs of the institution | Submission of internal audit reports to the Audit Committee | Number of internal audit reports submitted to the Audit Committee | 4 Internal audit reports submitted to the Audit Committee | 4 Internal audit reports submitted to the Audit Committee by 30th June 2022 | R 300 000 | 4 Internal audit reports submitted to the Audit Committee | R 300 000 | Yes | None | None | Quarterly audit reports presented to the AC and AC minutes |
| MM036 | To deepen democracy and promote active community participation in the affairs of the institution | Conducting of Internal Audit charter workshops | Number of Internal Audit charter workshops conducted | 1 Audit charter workshops conducted | 1 Internal Audit charter workshops conducted by 30th June 2022 | In house | 1 Internal Audit charter workshops conducted | In house | Yes | None | None | Attendance registers |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| MM037 | To deepen democracy and promote active community participation in the affairs of the institution | Holding of Audit Committee meetings | Number of Audit Committee meetings held | 4 Audit Committee meetings held | 4 Audit Committee meetings held by 30th June 2022 | NDM shared services | 5 Audit Committee meetings held | NDM shared services | Yes | None | None | Attendance registers and minutes |
| MM038 | To deepen democracy and promote active community participation in the affairs of the institution | Submission of Audit Committee reports to Council | Number of Audit Committee reports submitted to Council | 4 Audit Committee reports submitted to Council | 4 Audit Committee reports submitted to Council by 30th June 2022 | In house | 4 Audit Committee reports submitted to Council | In house | Yes | None | None | Council resolution |
| RISK MANAGEMENT | | | | | | | | | | | | |
| MM039 | To deepen democracy and promote active community | Submission of quarterly Risk Managemen | Number of Risk Management reports | 4 Risk Management reports submitted to | 4 Risk Management reports submitted to | In house | 4 Risk Management reports | In house | Yes | None | None | Agenda and CRO Report |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | participation in the affairs of the institution | t reports to RMAFACC | submitted to RMAFACC | RMAFACC by 30th June 2021 | RMAFACC by 30th June 2022 | | submitted to RMAFACC | | | | | |
| MM040 | To deepen democracy and promote active community participation in the affairs of the institution | Submission of compliance reports to RMAFACC | Number of compliance reports submitted to RMAFACC | 4 Compliance reports submitted to RMAFACC by 30th June 2021 | 4 Compliance reports submitted to RMAFACC by 30th June 2022 | In house | 4 Compliance reports submitted to RMAFACC | In house | Yes | None | None | Agenda and Compliance Report |
| MM041 | To deepen democracy and promote active community participation in the affairs of the institution | Development and approval of Strategic Risk Register | Number of Strategic Risk Register developed and approved by Council | 1 Strategic Risk Register developed and adopted by Council 30th June 2021 | 1 Strategic Risk Register developed and adopted by Council 30th June 2022 | In house | 0 | In house | No | The Strategic Risk Register was submitted to Section 80 Committee however it was not part of the Special Council Agenda. | To be submitted during July 2022 | Council resolution |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| MM042 | To deepen democracy and promote active community participation in the affairs of the institution | Conducting of Risk Management Committee meetings | Number of Risk Management Committee meetings conducted | 4 Risk management committee meetings conducted by 30th June 2021 | 4 Risk management committee meetings conducted by 30th June 2022 | NDM shared services | 4 Risk management committee meetings conducted | NDM shared services | Yes | None | None | Attendance registers, minutes |
| MM043 | To deepen democracy and promote active community participation in the affairs of the institution | Anti-fraud and corruption campaign | Number of anti-fraud and corruption awareness campaign conducted | 2 Anti-fraud and corruption awareness campaign conducted by 30th June 2021 | 2 Anti-fraud and corruption awareness campaign conducted by 30th June 2022 | In house | 3 Anti-fraud and corruption awareness campaign conducted | In house | Yes | None | None | Attendance Registers/Promotional Material/ |
| MM047 | To deepen democracy and promote active community participation in | Submission of RMAFACC reports to AC | Number of RMAFACC reports submitted to AC | 4 RMAFACC reports submitted to AC by 30th June 2021 | 4 RMAFACC reports submitted to AC by 30th June 2022 | In house | 4 RMAFACC reports submitted to AC | In house | Yes | None | None | RMAFACC Report to AC (Chairperson's Report) |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| | the affairs of the institution | | | | | | | | | | | |
| DCS023 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Development of business continuity plan | Number of business continuity plans reviewed and approved by Council | 1 Business continuity plan reviewed and approved by Council by 30th June 2021 | 1 Business continuity plan reviewed and approved by Council by 30th June 2022 | In house | 0 | In house | No | The BCP was reviewed and submitted to Section 80 Committee, however it was not considered during the Special Council Sitting. | To be submitted to the Council Sitting of July 2022 | Council resolution |
| **MUNICIPAL PUBLIC ACCOUNT COMMITTEE** | | | | | | | | | | | | |
| MM044 | To deepen democracy and promote active community participation in the affairs of the institution | Sitting of Municipal Public Accounts Committee | Number of MPAC meetings conducted | 5 MPAC meetings conducted | 4 MPAC meetings conducted by 30th June 2022 | In house | 8 MPAC meetings conducted | In house | Yes | None | None | Attendance register |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| MM045 | To deepen democracy and promote active community participation in the affairs of the institution | Development and approval of the oversight report on the Annual Report | Number of oversight reports developed and approved on the probing of the Annual report | 1 oversight reports developed and approved on the probing of the Annual report | 1 oversight reports developed and approved on the probing of the Annual report by 30th June 2022 | In house | 1 oversight reports developed and approved on the probing of the Annual report | In house | Yes | None | None | Council resolution |
| MM046 | To deepen democracy and promote active community participation in the affairs of the institution | Development and approval of the MPAC Annual Work Plan | Number of Annual Work Plans developed and approved by Council | 1 Annual Work Plans developed and approved by Council | 1 Annual Work Plans developed and approved by Council by 30th June 2022 | In house | 1 Annual Work Plans developed and approved by Council | In house | Yes | None | None | Council resolution |
| **YOUTH** | | | | | | | | | | | | |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **PROJECT NAME/DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **VARIANCES/COMMENTS** | **ACTION PLAN** | **PORTFOLIO OF EVIDENCE** |
| LED017 | To create a conducive environment economic development, investment attraction and job creation | Development of an Integrated Youth Strategy | Number of integrated youth strategies developed | 0 | 1 integrated youth strategies developed and approved by Council by 30th June 2022 | In house | 0 | In house | No | Youth Strategy under reconstruction | To be taken to council for approval in the 4th Quarter | Council resolution |
| LED024 | To create a conducive environment economic development, investment attraction and job creation | Youth participation in training and skills development | Number of youth participating in training and skills development programs facilitated by the Municipality | 0 | 20 Youth participating in training and skills development programs facilitated by the Municipality by 30th June 2022 | In house | 25 Youth participating in training and skills development programs facilitated by the Municipality | In house | Yes | None | None | Enrolment list |
| LED025 | To create a conducive environment economic development, | Conducting of youth outreach meetings | Number of youth outreach | 1 youth outreach meetings conducted | 2 youth outreach meetings conducted by 30th June 2022 | In house | 2 youth outreach meetings conducted | In house | Yes | None | None | Attendance register |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | investment attraction and job creation | | meetings conducted | | | | | | | | | |
| LED026 | To create a conducive environment economic development, investment attraction and job creation | Conducting of Career guidance | Number of Career guidance conducted | 1 career guidance conducted | 1 career guidance conducted by 30th June 2022 | In house | 1 career guidance conducted | In house | Yes | None | None | Attendance register |
| LED028 | To create a conducive environment economic development, investment attraction and job creation | Youth Summit | Number of Youth Summits conducted | 0 | 1 Youth Summits conducted by 30th June 2022 | R 87 500 | 1 Youth Summits conducted | R 0 | Yes | None | None | Attendance register and summit report |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| LED029 | To create a conducive environment economic development, investment attraction and job creation | Road Safety Campaign | Number of Road Safety Campaign conducted | 1 Road Safety Campaign conducted | 1 Road Safety Campaign conducted by 30th June 2022 | In house | 1 Road Safety Campaign conducted | In house | Yes | None | None | Attendance register and Reports |
| LED030 | To create a conducive environment economic development, investment attraction and job creation | Cooperatives Financial Grant | Number of Cooperatives Financial Grant supported | 0 | 2 Cooperatives Financial Grant supported by 30th June 2022 | R 200 000 | 5 Cooperatives Financial Grant supported | R 199 600 | Yes | None | None | Invoices |
| LED031 | To create a conducive environment economic development, investment | NPO Social Special Programmes Support | Number of Social Special Programmes Support conducted | 4 Social Special Programmes Support conducted | 4 Social Special Programmes Support conducted by 30th June 2022 | R 275 292 | 7 Social Special Programmes Support conducted | R 250, 226.60 | Yes | None | None | Attendance registers |

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | attraction and job creation | | | | | | | | | | | |
| LED032 | To create a conducive environment economic development, investment attraction and job creation | Fun run/walk | Number of Fun run/walk conducted | 0 | 1 Fun run/walk conducted by 30th June 2022 | R 224 022 | 1 Fun run/walk conducted | R 155 000 | Yes | None | None | Attendance registers and Reports |
| LED033 | To create a conducive environment economic development, investment attraction and job creation | THLM Mayoral Tournament | Number of THLM Mayoral Tournament conducted | 0 | 1 THLM Mayoral Tournament by 30th June 2022 | R 226 900 | 1 THLM Mayoral Tournament | R 129 050 | Yes | None | None | Attendance registers and Reports |

# Chapter 3

## KPA: SPATIAL RATIONALE

The department of Development and Town Panning Services overall performance for 2021/2022 financial year is 33% achievement. The department managed to achieve 01 targets out of the 03 planned targets, as compared to 80% achieved in 2020/2021 financial year, out of 05 planned targets 04 targets was achieved.

| KPA | | SPATIAL RATIONALE | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| TP007 | To manage and coordinate spatial planning and Land use management | Anti-land invasion | Number of reports on land invasion submitted to the Municipal Manager | 3 reports on land invasion submitted to the Municipal Manager | 4 reports on land invasion submitted to the Municipal Manager 30th June 2022 | R 1 750 004 | 4 reports on land invasion submitted to the Municipal Manager | R 1 681 760.78 | Yes | None | None | Reports |
| TP011 | To manage and coordinate spatial planning and Land use management | Town planning workshop | Number of Town Planning Workshop conducted for Traditional leaders | 0 | 1 Town Planning Workshop conducted for Traditional leaders by 30th June 2022 | In house | 1 Town Planning Workshop conducted for Traditional leaders | In house | No | Unavailability of Traditional Authorities | To be prioritized next financial year | Attendance register |

| KPA | | SPATIAL RATIONALE | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/ COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| TP012 | To manage and coordinate spatial planning and Land use management | Assessment of building plans | Number of building plans received, assessed and approved | 66 building plans received, assessed and approved | 80 building plans received, assessed and approved by Municipality by 30th 2022 | In house | 75 building plans received, assessed and approved by Municipality | In house | No | Non-payment of submission fee Rectification of mistakes Circulation to other department | To fastrack the turnaround time for rectification and circulation | Building Plans register |

## KPA: LOCAL ECONOMIC DEVELOPMENT

The department of Local Economic Development overall performance for 2021/2022 financial year is 79% achievement. The department managed to achieve 11 targets out of the 14 planned targets, as compared to 69% achieved in 2020/2021 financial year, out of 16 planned targets 11 targets was achieved.

| KPA | | LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| LED002 | To create a conducive environment for economic development, investment attraction and job creation | Facilitation of the Community Works Programme | Number of jobs created through the Community Works Programme | 1200 jobs created through the Community Works Programme | 1200 jobs created through the Community Works Programme by 30th June 2022 | In house | 1 248 jobs created through the Community Works Programme | In house | Yes | None | None | MIS Report |
| LED003 | To create a conducive environment for economic development, investment attraction and job creation | Conduct LED Forum Meetings | Number of LED Forum meetings conducted | 3 LED forum meetings conducted | 4 LED forum meetings conducted by 30th June 2022 | In house | 4 LED forum meetings conducted | In house | Yes | None | None | Minutes and attendance register |

| KPA | | LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| LED004 | To create a conducive environment for economic development, investment attraction and job creation | Submit LED Forum reports to the Executive Mayoral Committee | Number of LED Forum reports submitted to the Mayoral Committee | 1 LED forum report submitted to Mayoral committee | 2 LED Forum reports submitted to the Mayoral Committee by 30th June 2022 | In house | 1 LED Forum reports submitted to the Mayoral Committee | In house | No | The report will serve in the next mayoral committee meeting as the last meeting was a special meeting and dealt with special items only. | The item has already been prepared and is ready to serve in the mayoral committee. | Reports |
| LED005 | To create a conducive environment for economic development, investment attraction and job creation | Conduct LED Outreach meetings on Mass Economic Opportunities | Number of LED outreach meetings conducted | 1 LED outreach meeting conducted | 2 LED Outreach meetings conducted by 30th June 2022 | In house | 2 LED Outreach meetings conducted | In house | Yes | None | None | Attendance register and reports |
| LED006 | To create a conducive environment for economic development, | Engagement of stakeholders on Moloto road development | Number of stakeholders engagement meetings held for Moloto | 2 Stakeholders engagement meetings held for | 2 Stakeholders engagement meetings held for Moloto | In house | 2 Stakeholders engagement meetings held for | In house | Yes | None | None | Minutes and attendance register |

| KPA | | LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | investment attraction and job creation | | Road development | Moloto Road Development | Road Development by 30th June 2022 | | Moloto Road Development | | | | | |
| LED007 | To create a conducive environment for economic development, investment attraction and job creation | Conduct reference committee meetings for Community Works Programme | Number of reference committee meetings for CWP | 2 Local Reference Committee meetings held on CWP | 4 Local Reference Committee meetings held on CWP by 30th June 2022 | In house | 3 Local Reference Committee meetings held on CWP | In house | No | The unachieved of this KPI was due to the transition and alignment of the new councillors that were sworn-in. | Meeting will be held in the first quarter of the 2022/23 financial year | Minutes and attendance register |
| LED008 | To create a conducive environment for economic development, investment attraction and job creation | Development and approval of Municipal Investment Strategy | Number of Municipal Investment Strategies developed and approved by council | 1 Municipal Investment Strategy developed and approved by council | 1 Municipal Investment Strategy developed and approved by council by 30th June 2022 | In house | 0 | In house | No | The strategy (Investment strategy) has been developed and will serve in the next council sitting as the last sitting only dealt with special items. | The item will serve in the next meeting of council | Council resolution |

| KPA | | LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| LED011 | To create a conducive environment for economic development, investment attraction and job creation | Consultation and support meetings for lucrative investors | Number of meetings held to engage and support lucrative investors | 2 Meetings held to engage and support lucrative investors | 2 Meetings held to engage and support lucrative investors by 30th June 2022 | In house | 2 Meetings held to engage and support lucrative investors | In house | Yes | None | None | Attendance register and reports |
| LED013 | To create a conducive environment for economic development, investment attraction and job creation | Training and support for SMME's and Cooperatives | Number of SMME's and cooperatives trained and supported | 37 SMMEs and Cooperatives trained and supported | 40 SMMEs and Cooperatives trained and supported by 30th June 2022 | In house | 84 SMMEs and Cooperatives trained and supported | In house | Yes | None | None | Attendance registers and reports |
| LED014 | To create a conducive environment for economic development, investment | Conduct cooperative project meetings | Number of cooperative projects meetings conduct | 3 Cooperative projects meetings conducted | 4 Cooperative projects meetings conducted by | In house | 4 Cooperative projects meetings conducted | In house | Yes | None | None | Minutes and attendance register |

| KPA | | LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| | attraction and job creation | | | | 30th June 2022 | | by 30th June 2022 | | | | | |
| LED015 | To create a conducive environment for economic development, investment attraction and job creation | Registration of SMME's and Cooperatives on Municipal data base | Number of SMME's and Cooperatives registered on Municipal data base | 19 SMME's and Cooperatives registered on Municipal data base | 20 SMME's and Cooperatives registered on Municipal data base by 30th June 2022 | In house | 35 SMME's and Cooperatives registered on Municipal data base by 30th June 2022 | In house | Yes | None | None | Data log |
| LED016 | To create a conducive environment for economic development, investment attraction and job creation | Identify and support rural smallholder farmers and community gardens | Number of rural smallholders farmers and community gardens identified | 20 rural smallholder farmers and community gardens identified by | 20 rural smallholder farmers and community gardens identified by 30th June 2022 | In house | 27 rural smallholder farmers and community gardens identified by 30th June 2022 | In house | Yes | None | None | Site visit reports and attendance register |

| KPA | | LOCAL ECONOMIC DEVELOPMENT | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | VARIANCES/COMMENTS | ACTION PLAN | PORTFOLIO OF EVIDENCE |
| LED034 | To create a conducive environment for economic development, investment attraction and job creation | Business licenses | Number of business licenses application received, processed and issued | 95 Licences and permits issued | 140 business licenses application received, processed and issued by 30th June 2022 | In house | 190 business licenses application received, processed and issued | In house | Yes | None | None | Registered business of Businesses |
| LED035 | To create a conducive environment for economic development, investment attraction and job creation | Inspection of businesses | Number of Businesses inspection conducted | 44 Business inspection conducted | 48 Business inspections conducted by 30th June 2022 | In house | 97 Business inspections conducted by 30th June 2022 | In house | Yes | None | None | Inspection register |

## 3.24 FINANCE

**ANNUAL REPORT OF THE AUDIT AND PERFORTMANCE COMMITTEE (REPORT FROM THE CHAIRPERSON OF AUDIT AND PERFORMANCE COMMITTEE)**

We are pleased to submit the report of the Audit Committee for the year ended 30 June 2022

**1. Background**

Thembisile Hani Local municipality amongst other local municipalities is under Nkangala District Shared audit and performance committee, The Audit committee was established in terms of section166 of the Municipal Finance Management Act (MFMA), Act 56 of 2003. The Audit committee has adopted its terms of reference. The Audit committee has adopted its terms of reference.

**Statutory requirements**

Section 166 of the MFMA stipulates that each municipality must establish an Audit committee. The Audit Committee is an independent advisory body that advises council, political office bearers, accounting officer, and the staff of the Municipality on the following;

- Internal financial control and internal audit;
- Risk management;
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting and information;
- Performance management
- Compliance with the MFMA, the Division of Revenue Act (DORA) and any other applicable legislation;
- Performance evaluation
- Any other issues referred to it by the Municipality;
- Review Annual Financial Statements so as to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA, ect
- Respond to Council on any matter raised by the Auditor- General (AGSA); and
- Carry out such investigation into financial affairs of the Municipality as may be prescribed

**2. Attendance of meetings**

| Name of the member | Ordinary meetings | Performance meetings | Special Audit Committee to consider AFS | Total | Attendance |
|---|---|---|---|---|---|
| Ms. F Mudau (Audit Committee Chairperson) | 4 | 4 | 1 | 9 | 9 |
| Ms J Masite (Audit Committee Member) | 4 | 4 | 1 | 9 | 9 |
| Mr. T Gafane (Audit Committee Member) | 4 | 4 | 1 | 9 | 4 |
| Ms. P Ntuli (Audit Committee Member) | 4 | 4 | 1 | 9 | 9 |
| Ms. M Moloi Chamane (Audit Committee Member) | 4 | 4 | 1 | 9 | 8 |

The following although not members of the Audit and Performance Committee (APC), have standing invitation to Audit and Performance Committee meetings to play their first level of assurance;

- The Accounting Officer;

- The Chief Financial Officer;
- The Chairperson of the Risk Committee
- The Section 56 Managers/Departmental Heads
- Chief Risk Officer
- The Auditor- General
- The National Treasury
- Mpumalanga Provincial Treasury
- Mpumalanga Department of Cooperative Governance
- South African Local Government Association (SALGA)
- Internal Audit (Secretariat function)
- Chairperson of Anti-fraud and Anti-Corruption Committee

**3. Internal Audit**

The internal Audit of Thembisile Hani Local Municipality is in-house and has discharge its mandate in terms of its charter and managed to execute all projects for 2021/22 financial year. The Audit and Performance Committee (APC) would like to commend the Council and management for the dedication in strengthening the Corporate Governance.

The Audit and Performance Committee (APC) is of the opinion that Internal Audit unit is operating effectively to meet its mandate and has considered the risk pertinent to the Municipality in its audit plans. The following documents were approved by the Audit Committee and performance committee and recommended to Council for adoption

- Internal Audit charter
- Internal Audit methodology
- Three year rolling strategic and Annual Audit Plan
- Combined Assurance framework

**4. Effectiveness of Internal controls**

The system of internal control was not entirely effective during the year under review as compliance with prescribed policies and procedures were lacking in certain instances and this was evident with the investigation of irregular expenditure that was conducted by the Council during the year under review.
The following Internal audit reports are among others that were presented to the Audit Committee;

- Audit of quarterly performance information;
- Compliance;
- Supply Chain Management;
- ICT audit;
- Follow-Up Governance;
- Assets management
- Local Economic Development
- Water and Sanitation
- Waste and Environment
- Occupational Health and Safety
- Follo-up building and facilities
- Land and Building
- Risk management
- Revenue management

There has been improvement by management in responding to internal audit reports and this can be attributed to measures that have been implemented by the Accounting officer. Audit committee has also urged management to draw

up action plan to address issues raised by the Auditor- General in the management letters and audit report and to ensure that all matters have been raised by the Auditor General are resolved by Management.

**5. Risk Management**

The Municipality has an effective risk unit that consist of one staff members and Risk management, anti-fraud and anti-corruption committee that is chaired by the chairperson of Risk management, anti-fraud and anti-corruption. Four (4) risk committee meetings were held for the year under review. The following policies were reviewed;

- Risk Management strategy
- Risk Management policy
- Whistle blowing policy
- Fraud Prevention Plan and Fraud Prevention policy
- Risk Management Anti-corruption and Anti-fraud risk charters
- Fraud prevention plan and fraud prevention policy
- Risk Appetite

**6. Performance Management**

Management has cascaded performance up to level five and plans have been put in place to cascade performance to other levels as well. The Audit committee has reviewed the Annual Performance Information report in the meeting held on the 26 & 31 August 2022 and performance department has shown significant improvement

**7. Year-end reporting**

The Audit and Performance Committee (APC) has reviewed the Annual Performance Information report before the report was submitted to the Auditor-General and the quality of the quarterly reports submitted by management during the year were of acceptable standard.

**8. Evaluation of draft annual financial statements**

The Audit and Performance Committee (APC), on its meeting held on to discuss the draft annual financial statements and unaudited annual report with the Accounting Officer, before submitting to the Auditor General.
The Audit committee wishes to indicate that it performed a review on the financial statements focusing among others:

- Significant financial reporting adjustments and estimates contained in the Annual Financial Statements
- Clarity and completeness of disclosures has been set properly
- Quality and acceptability of and any changes in accounting policies and practice.
- Significant adjustments arising from the audit
- Reasons for major year to year fluctuations

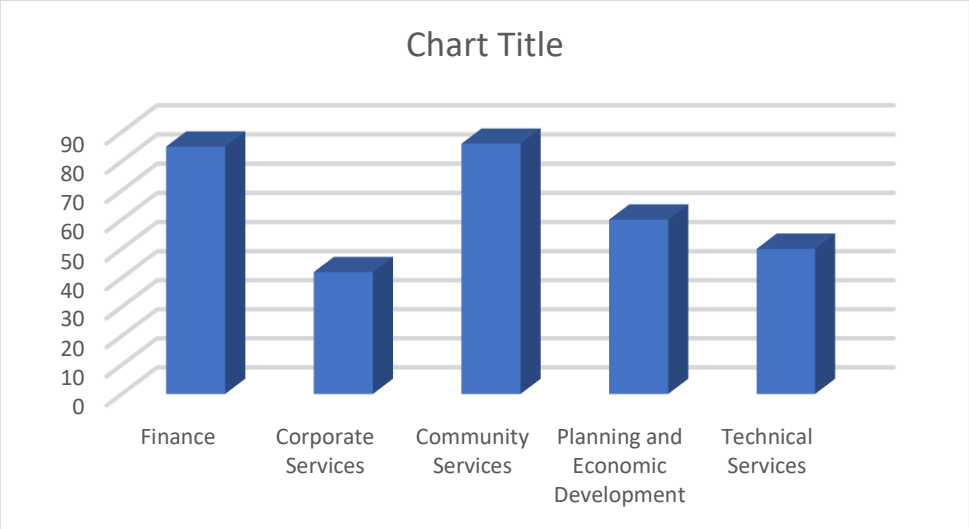
The Audit and Performance Committee (APC) has:

- Further reviewed the audited financial statements to be included in the Annual Report with the Accounting Officer.
- Reviewed the Auditor General Management report and management response thereof
- Reviewed the municipality compliance with legal and regulatory provision and;
- Reviewed significant adjustments resulting from the audit.

The Audit and Performance Committee (APC) concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements be accepted and read together with the report of the Auditor-General.

## 9. Internal Audit recommendations

Audit and Performance Committee would like to appreciate the level of implementation of internal audit recommendations by management as that is the indication of commitment from the side of management

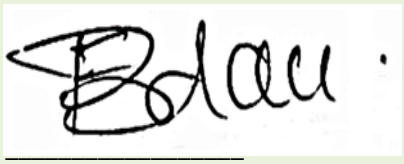



## 10. Conclusions

The Audit and Performance Committee (APC) acknowledges the co-operation and assistance by the Thembisile Hani Local Municipality for coordinating the activities of the Committee. We also acknowledge the commitment of the Accounting Officer and management of Thembisile Hani Local Municipality in strengthening corporate governance and working in maintaining the clean audit.

The Audit and Performance Committee (APC) further acknowledge the commitment and the foundation on good governance that has been laid by the previous Honorable Executive mayor Councillor N Mtshweni and the current Honorable Executive Mayor Councillor L Dikgale and his Council and further express gratitude to the Chief Audit Executive, Mr. AS Malope and his staff for the support and commitment to the work of the Audit and Performance Committee.

The Chairperson of the Audit and performance committee remain confident that all matters that have been raised by the Internal Audit and Auditor General are receiving due consideration and intervention. We are committed to fully execute our oversight function to strengthening corporate governance.



Ms. F Mudau
Chairperson of Audit committee

31 August 2022
Date

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

The Thembisile Hani Local Municipality strives towards the improvement of Municipal performance and individual development of Municipal employees. Focuses on the methodologies, and achievements, strategic planning, organizational design, leadership development, coaching, diversity, and balance between life and work.
Analysis objectives, Structure, Policy, Human Resources and compensation of the Municipality.

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

| Department | 2020/2021 Total No. Of Post Approved | 2021/2022 Total No. Of Post Approved | 2012/2021 Number Of Filled Post | 2021/2022 Number Of Filled Post | 2020/2021 Number of Vacant Posts | 2021/2022 Number of Vacant Posts | 2020/2021 % Of Vacancy | 2021/2022 % Of Vacancy |
|---|---|---|---|---|---|---|---|---|
| Political Office | 16 | 23 | 15 | 16 | 1 | 7 | 6.25% | 30.00% |
| Municipal Manager | 12 | 34 | 11 | 17 | 1 | 17 | 8.3% | 50.00% |
| Development & Town Planning services | 14 | 23 | 11 | 11 | 3 | 12 | 21.4% | 52.10% |
| Corporate Services | 45 | 52 | 41 | 35 | 4 | 17 | 8.8% | 32.60% |
| Finance | 38 | 46 | 36 | 34 | 2 | 12 | 5.2% | 26.00% |
| Sds | 122 | 250 | 109 | 103 | 13 | 147 | 10.6% | 58.80% |
| Technical | 172 | 252 | 151 | 151 | 21 | 101 | 12.2% | 40.00% |
| Total | 419 | 680 | 374 | 367 | 45 | 313 | 10.7% | 46.00% |

**COMMENT ON VACANCIES AND TURNOVER**

The total vacancy rate for the financial year under review totalled 40 or 9.5%. Critical positions such as senior manager's posts could not be filled on time as the Municipality had a difficulty in attracting suitable candidates

The status of the section 57 managers is as follows: -

| Designation | Status |
|---|---|
| Municipal Manager | Filled |
| CFO | Filled |
| Manager : Technical Services | Filled |
| Manager :Social Development Services | Filed |
| Manager :Corporate | Filled |
| Manager Development & Town Planning Services | Filled |

# Chapter 4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The current workforce is 374 employees. The Municipality has approved policies on which employees are inducted.

### 4.2 POLICIES

| Hr Policies And Plans For 2020/2021 | | | | | Hr Policies And Plans For 2021/2022 | | |
|---|---|---|---|---|---|---|---|
| | Name Of Policy | Completed | Reviewed | Date Adopted ByCouncil Or Comment On Failure toAdopt | Completed | Reviewed | Date Adopted By Council Or Comment On Failure To Adopt |
| 1 | Code Of Conduct For Employees | 100% | 100% | 16-August-2016 | 100% | 100% | 31-May 2021 |
| 2 | Delegations, Authorisation& Responsibility | 100% | 100% | 30-October-2018 | 100% | 100% | 31-May 2021 |
| 3 | Disciplinary Code And Procedures | 100% | 100% | 28-February-18 | 100% | 100% | 31-May 2021 |
| 4 | Essential Services | 100% | 100% | 1-May-2007 | 100% | 100% | 31-May 2021 |
| 5 | Employment Equity | 100% | 100% | 30 June 2021 | 100% | 100% | 31-May 2021 |
| 6 | Grievance Procedures | 100% | 100% | 20 - July-2018 | 100% | 100% | 31-May 2021 |
| 7 | Education, training & development (ETD) policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 8 | Attendance & punctuality | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 9 | Succession planning and career path policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 10 | Occupational Health and Safety policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 11 | Human Resources strategy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 12 | Recruitment and Employment Equity policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 13 | Leave Procedure manual policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 14 | Fleet management policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 15 | Acting allowance policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 16 | Learnership and internship policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 17 | Overtime policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 18 | Private work and declaration of interest policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 19 | Relocation policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 20 | Sexual harassment policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 21 | Smoking policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 22 | Volunteers policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 23 | Staff retention policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 24 | HIV/AIDS policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 25 | Employee assistance program policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 26 | Employees under the influence of intoxicating substances policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 27 | Individual performance management policy & procedure | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 28 | Car allowance policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 29 | Danger allowance policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 30 | Framework development policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 31 | Cellphone and wireless device policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |
| 32 | Access control Security Measure policy | 100% | 100% | 30 June 2020 | 100% | 100% | 31-May 2021 |

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

| Number And Cost Of Injuries On Duty | | | | | |
|---|---|---|---|---|---|
| Type Of Injury | Injury Leave Taken<br>Days | Employees Using Injury Leave<br>No. | Proportion Employees Using Sick Leave<br>% | Average Injury Leave Per Employee<br>Days | Total Estimated Cont<br>R'000 |
| Required Basic Medical Attention Only | 0 | 0 | 0 | 0 | 0 |
| Temporary Total Disablement | 99 | 2 | 49.5% | 1.18 | 0 |
| Permanent Disablement | 0 | 0 | 0 | 0 | 0 |
| Fatal | 1 | 0 | 0 | 0 | 0 |
| Total | 99 | 2 | 49.5% | 1.18 | 0 |

**COMMENT ON INJURY AND SICK LEAVE**

The Municipality has experience some injuries which have been dealt with in terms of applicable legislation as well as sick leave.

## 4.4 PERFORMANCE REWARDS

No performance rewards were issued during the 2020/2021 financial year.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

**INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

As the MSA 2000 section 68 prescribes that it is requirement that Municipalities need to develop their own Human Resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Currently in compliance to the above statement Thembisile Hani Local Municipality has a work skills plan that is approved to ensure that all employees are capacitated/empowered with the necessary information on training and development, which then

provides all incumbents access to relevant prioritized training interventions that are needs driven and are aligned to the business objectives by optimally developing the potential of employees.

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Progress report about the enforcement of the minimum competency Regulations

In terms of the regulations on minimum competency levels all Municipal Managers, Senior and line Managers are required to be competent in order for them to render an effective and efficient service. The below listed senior and line managers were found to be compliant with the prescribed requirements as outlined in the regulation.

| Name | Designation | Unit Standards achieved |
|---|---|---|
| Nkosi Oscar Nkosikhona | Accounting Officer | 28 Unit Standards |
| Jessica Mahlangu | Chief Financial Officer | 17 Unit Standards |
| Chego Abram Kokoyana | Senior Manager (MSA S56) | 21 Unit Standards |
| Nxumalo Sephule Angel | Senior Manager (MSA S56) | 28 Unit Standards |
| Sehlako Lydia Sadi | SCM Manager | 21 Unit Standards |
| Moyo Joster Joseph | Middle Manager: Finance | 17 Unit Standards |
| Ledwaba Oupa Derick | Middle Manager: Finance | 24 Unit Standards |
| Makhubele Richard | Middle Manager: Finance | 28 Unit Standards |
| Tsebe Madumetja Stephen | Senior Manager (MSA S56) | 21 Unit Standards |
| Skosana Vusimuzi Lawrens | Senior Manager (MSA S56) | 24 Unit Standards |

Any person appointed to a managerial position and who does not meet the minimum competency level for the position, in terms of the Regulations must attain that minimum competency level within 18 months from the date of appointment.

**BACKGROUND**

Thembisile Hani Local Municipality made a formal request to not to be considered for a special merit case with regards to the minimum competency standards. The merit was granted to the Municipality in November 2012.

**PROGRESS**

Below, is a list of officials below that level that are enrolled in Public Finance Management & Administration (PFMA) with Fachs, viz;

**1.** Ms Mahlangu TM

2. Ms Nkadimeng MJ

**This programme is anticipated to be completed at the end of August 2022.**

**Other interventions**

Training interventions are targeted for implementation in the Municipal Finance Management Programme for Municipal officials for (12 months)

The budget for 2021/22 WSP is R 3 024 675 and the expenditure is R 2 044 463.91

| Financial Competency Development: Progress Report* | | | | | | |
|---|---|---|---|---|---|---|
| Description | A Total No. Of Officials Employed By Municipality (Regulation 14(4) (A) And (C( | B Total No. Of Officials Employed By Municipal Entities (Regulation 14(4) (A) And (C( | Consolidate Total Of A And B | Consolidated Competency Assessments Completed For A And B (Regulation 14 (4)(B) And (D) | Consolidated No. Of Officials Whose Performance Agreements Comply With Regulation 16 (Regulation 14 (4) (F) | Consolidated No. Of Officials That Meets Prescribed Competency Levels (Regulation 14 (4) (E) |
| **Financial Officials** | | | | | | |
| Accounting Officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Chief Financial Officer | 1 | 0 | 1 | 1 | 1 | 1 |
| Snr. Managers | 5 | 0 | 5 | 4 | 5 | 5 |
| Any Other Financial Officials | 35 | 0 | 35 | 0 | 0 | 35 |
| **Supply Chain Management Officials** | 4 | 0 | 4 | 0 | 0 | 4 |
| Heads Of Supply Chain In Management Units | 1 | 0 | 1 | 0 | 0 | 1 |
| Supply Chain Management Senior Managers | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 47 | 0 | 47 | 6 | 6 | 47 |
| * This Is A Statutory Report Under National Treasury: Local Government MFMA Competency Regulations (June 2016) | | | | | | |

**INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

**INTRODUCTION TO WORKFORCE EXPENDITURE**

Workforce expenditure is a major part of the operational expenditure of the Thembisile Hani Local Municipality. as it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel is employed to meet the mandate of the Municipality in service delivery to the community as well as obtaining its objectives.

There is a strong national drive for creating employment and Municipalities are one arm of government that normally feels 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 Thembisile Hani Local Municipality must be recognized. 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 emphases on the monitoring and control of overtime worked as we believe that overtime is only necessary in specific scenarios and can indicate inefficiency or staff shortages (including high absenteeism). Performance management is of utmost importance to increase the efficiency and thus output of the workforce. There is still a way to go in implementing necessary measures and controls with the necessary buy-in of the employees.

## 4.6 EMPLOYEE EXPENDITURE

### COMMENT ON WORKFORCE EXPENDITURE

The expenditure on employment costs at the Thembisile Hani Local Municipality seems to be stable and is in line with other similar Municipalities. The financial interests of the Executive Mayor, Councillors and senior management, as required by Performance Management Regulations 805 of 2006 are set out in **1.4 under financial health overview**.

- No employee whose salaries were increased due to their position being upgraded.
- No employee whose salary level exceed the grade determined by job evaluation
- No employee not appointed to posts not approved.

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of four components:
Component A: Statement of Financial Performance
Component B: Spending Against Capital Budget
Component C: Cash Flow Management and Investments
Component D: Other Financial Matters

The Municipality on its annual budget catered for any inflationary related surprises, and it also had a plan to negotiate with its creditors. Also the demand management unit within the scm unit was proactive in addressing all this. There is no expensive consultancy arrangement that can be singled out however the Municipality was smart in handling them and was satisfied with the amounts paid to them.

# Chapter 5

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

### COMMENT ON OPERATING TRANSFERS AND GRANTS

Operational grants for the financial year under review from national government is on average 100% received, with the equitable share grant spending at 100%.

| **Financial Summary** | | | | | | |
|---|---|---|---|---|---|---|
| **Description** | **2020/2021** | **Current Year 2021/2022** | | | **2021/2022 Variance To Actual** | |
| **R Thousands** | **Actual Outcome "000"** | **Original Budget"000"** | **Adjusted Budget"000"** | **Actual Outcome "000"** | **Actual Outcome as % Of Final Budget "000"** | **Actual Outcome as % Of Original Budget "000"** |
| **Financial Performance** | | | | | | |
| Property Rates | 54 024 | 42 972 | 55 779 | 31 276 | 56% | |
| Service Charges | 106 895 | 125 466 | 114 396 | 2 744 | 2% | |
| Investment Revenue | 6 237 | 4 000 | 5 062 | 8 101 | 160% | |
| Transfers Recognised – Operational | 533 389 | 468 582 | 662 220 | 662 220 | 100% | |
| **Total Revenue (Excluding Capital Transfers And Contributions)** | | | | | | |
| Employee Costs | 150 746 | 166 375 | 167 087 | 157 516 | 94.27% | 94.67% |
| Remuneration Of Councillors | 24 993 | 28 229 | 26 861 | 25 341 | 94.34% | 89.76% |
| Depreciation & Asset Impairment | 71 045 | 84 896 | 84 896 | 79 596 | 93.75% | 93.75% |
| Finance Charges | 39 | 1 300 | 1 300 | 8 | 0.61% | 0.61% |
| Materials And Bulk Purchases | 172 377 | 160 647 | 161 428 | 148 319 | 91.87% | 92.32% |
| Transfers And Grants | 770 | 250 | 245 | 0 | 0 | 0 |
| Other Expenditure | 373 806 | 481 460 | 503 288 | 419 711 | 83.39% | 87.17% |
| **Total Expenditure** | **793 776** | **922 429** | **945 105** | **830 491** | **87.87%** | **90.03%** |
| **Surplus/(Deficit)** | **10 254** | **-197 778** | **-210 371** | **-89 722** | **42.64%** | **45.36%** |
| Transfers Recognised – Capital | 165 603 | 179 663 | 180 263 | 184 263 | 102% | 102.56 |
| **Surplus/(Deficit) After Capital Transfers & Contributions** | 175 857 | -18 115 | -30 108 | 90 541 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Share Of Surplus/ (Deficit) Of Associate | | | | | | |
| **Surplus/(Deficit) For The Year** | 175 857 | -18 115 | -30 108 | 90 541 | | |
| | | | | | | |
| **Capital Expenditure & Funds Sources** | | | | | | |
| **Capital Expenditure** | **238 173** | **185 513** | **194 827** | **188 952** | **96.98%** | **101.85%** |
| Transfers Recognised – Capital | 180 961 | 179 663 | 180 263 | 184 263 | 102.21% | 102.56% |
| Public Contributions & Donations | 0 | 0 | 0 | 0 | 0 | 0 |
| Borrowing | 0 | 0 | 0 | 0 | 0 | 0 |
| Internally Generated Funds | 57 212 | 5 850 | 14 564 | 4 689 | 32.19% | 80.15% |
| **Total Sources Of Capital Funds** | **238 173** | **185 513** | **194 827** | **188 952** | **96.98%** | **101.85%** |
| | | | | | | |
| **Financial Position** | | | | | | |
| Total Current Assets | 225 697 | 178 441 | 181 920 | 221 277 | 121.63% | 124% |
| Total Non Current Assets | 2 281 438 | 2 249 397 | 2 258 710 | 2 380 516 | 105.39% | 105.82 |
| Total Current Liabilities | 120 065 | 43 147 | 37 889 | 94 987 | 250.69 | 220.14% |
| Total Non Current Liabilities | 75 660 | 80 000 | 80 000 | 98 052 | 122.56% | 122.56% |
| Community Wealth/Equity | **2 311 409** | **2 304 691** | **2 322 742** | **2 408 754** | **103.70%** | **104.51%** |
| | | | | | | |
| **Cash Flows** | | | | | | |
| Net Cash From (Used) Operating | 269 977 | 160 201 | 140 296 | 416 029 | **296.53%** | **259.69%** |
| Net Cash From (Used) Investing | 231 588 | -185 513 | -194 827 | -421 573 | 216.38% | 227.24% |
| Net Cash From (Used) Financing | **0** | **0** | **0** | **0** | **0** | **0** |
| **Cash/Cash Equivalents At The Year End** | 137 802 | 83 688 | 83 783 | 132 258 | 157.85% | 158.03% |

**COMMENT ON OPERATING TRANSFERS AND GRANTS**

Operational grants for the financial year under review from national government is on average 100% received, with the equitable share grant spending at 100%.

## 5.2 GRANTS

| Grant Performance | | | | | | |
|---|---|---|---|---|---|---|
| R | | | | | | |
| Description | 2020/2021 | 2021/2022 | | | 2019/20variance | |
| | Actual | Budget | Adjustments Budget | Actual Outcome | Original Budget (%) | Adjustments Budget (%) |
| | | | | | | |
| **Operating Transfers And Capital Grants** | | | | | | |
| **National Government:** | **625 872** | **648 245** | **648 245** | **652 245** | **100.61%** | **100.61%** |
| Equitable Share | 519 242 | 458 200 | 458 200 | 458 200 | **100%** | 100% |
| Municipal Systems Improvement | 0 | 0 | 0 | 0 | 0% | 0% |
| Department Of Water Affairs | 50 000 | 51 000 | 51 000 | 55 000 | 107.84% | 107.84% |
| Levy Replacement | | | | | 0% | 0% |
| Other Transfers/Grants (FMG, MIG, EPWP, EEDSM and MDG] | 129 750 | 139 045 | 139 045 | 139 045 | 100% | 100% |
| **Provincial Government:** | | | | | **0%** | **0%** |
| Health Subsidy | 0 | 0 | 0 | 0 | 0% | 0% |
| Housing | 0 | 0 | 0 | 0 | 0% | 0% |
| Ambulance Subsidy | 0 | 0 | 0 | 0 | 0% | 0% |
| Sports And Recreation | 0 | 0 | 0 | 0 | 0% | 0% |
| Other Transfers/Grants [Insert Description] | 0 | 0 | 0 | 0 | 0% | 0% |
| **District Municipality:** | **0** | **0** | **0** | **0** | **0%** | **0%** |
| *Nnkangala District Municipaliry* | 0 | 0 | 0 | 0 | 0% | 0% |
| | 0 | 0 | 0 | 0 | 0% | 0% |
| **Other Grant Providers:** | **0** | **0** | **0** | **0** | **0%** | **0%** |
| *[Insert Description]* | 0 | 0 | 0 | 0 | 0% | 0% |
| | 0 | 0 | 0 | 0 | 0% | 0% |
| **Total Operating Transfers And Capital Grants** | **698 992** | **648 245** | **648 245** | **652 245** | **100.61%** | **100.61%** |

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The purpose of asset management in Thembisile Hani Local Municipality is to ensure the effective and efficient control, utilization, safeguarding and management of the Municipal's property, plant and equipment and to make managers aware of their responsibilities in regard of property, plant and equipment.

### COMMENT ON ASSET MANAGEMENT

The above projects were driven by the PMU unit. the grants are received from government to improve infrastructure assets in various areas for better living conditions these assets are grant funded and budget were approved for these capital projects and for audit purposes these assets were signed off with a complete certificate that were obtain from different contractors before these projects could have been signed off for completeness for audit purposes.

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

| Year | Liquidity Ratio |
|---|---|
| 2019/2020 | 2.55 |
| 20202021 | 3.4 |
| 2021/2022 | 5.4 |

### COMMENT ON LIQUIDITY RATIO

| Year | Outstanding Service Debtor To Revenue |
|---|---|
| 2019/2020 | 1 675 days |
| 2020/2021 | 2 474 days |
| 2021/2022 | 1 546 days |

### COMMENT ON OUTSTANDING SERVICE DEBTOR TO REVENUE

Debtors as extension beyond 30 days poses a cash flow risk in the table above the extended payment are beyond acceptability. The debt coverage ratio is not stable during the last two financial periods as the result of non-stable operating income and low collection of own income.

# COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Thembisile Hani Local Municipality's capital budget is mainly funded from the MIG and internal funds. The biggest MIG funded project was on the Luthuli water reticulation

## 5.5 CAPITAL EXPENDITURE

| 2021/2022 | % Of Expenditure Budget | Original Budget(R) | Adjustment Budget | Audited Full Year Total |
|---|---|---|---|---|
| MIG Capital Expenditure | 100% | 130 698 000.00 | 0.00 | 130 698 000 |
| WSIG Expenditure | 100% | 51 000 000.00 | 4 000 000 | 55 000 000 |

| | | | | |
|---|---|---|---|---|
| EEDSM Expenditure | 100% | 4 500 000.00 | 0.00 | 4 500 000 |
| Operating Expenditure | 100% | 28 231 125 | 0.00 | R 28 231 125 |
| **Total Expenditure** | **100%** | **214 429 125** | **4 000 000** | **218 429 125** |

## 5.6 SOURCES OF FINANCE

| **Capital Expenditure - Funding Sources 2020-2021 - 2021/2022 R** | | | | | | |
|---|---|---|---|---|---|---|
| **Details** | **2020/2021** | **2021/2022** | | | | |
| | **Original Budget (Ob)** | **Original Budget (Ob)** | **Adjustment Budget** | **Actual Expenditure** | **Adjust-Ment To Ob Variance (%)** | **Actual To Ob Variance (%)** |
| **Source Of Finance** | | | | | | |
| Public Contributions And Donations | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants And Subsidies | **R 190 198** | **R 190 198** | **R 190 198** | R 190 198 | 100.% | 0.00.% |
| Other (Internal Funding) | | | | | 100% | 0.00% |
| **Total** | **R 190 198** | **R 190 198** | **R 190 198** | **190 419** | **100.%** | **100.%** |
| *Percentage of Finance* | | | | | | |
| External Loans | 0.0% | 0.0% | 0.0% | 0.0% | 0 | 0 |
| Public Contributions And Donations | 0.0% | 0.0% | 0.0% | 0.0% | 0 | 0 |
| Grants And Subsidies | 100.0% | 100% | 100% | 100.% | 0 | 0 |
| Other | 0 | 100% | 100% | 100.% | 84.91% | 105.23% |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Capital Expenditure** | | | | | | |
| Water And Sanitation | R 82 598 | R 90 465 | R 101 339 | R 105 339 | 103.95% | 116.45% |
| Electricity | R 3 911 | R 4 500 | R 4 500 | R 4 500 | 100% | 100% |
| Housing | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Roads And Stormwater | R 47 553 | R 55 673 | R 54 375 | R 54 375 | 100% | 100% |
| Other | R 23 683 | R 21 109 | R 25 483 | R 24 858 | 97.54% | 117.76% |
| **Total** | **R 157 745** | **R 171 747** | **R 185 697** | **R 189 072** | **102.16%** | **101.82%** |
| *Percentage of Expenditure* | | | | | | |
| Water And Sanitation | 100% | 100% | 100% | 100% | 102.16% | 101.82% |
| Electricity | 100% | 100% | 100% | 100% | 100% | 100% |
| Housing | 0 | 0 | 0 | 0 | 0 | 0 |
| Roads And Stormwater | 100% | 100% | 100% | 100% | 100% | 100% |
| Other | 0 | 100% | 100% | 100% | 84.91% | 105.23% |

**COMMENT ON SOURCES OF FUNDING**

Grant funded projects were in line with the MIG implementation plan

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

| **Capital Expenditure Of 5 Largest Projects*** R | | | |
|---|---|---|---|
| **Name Of Project** | **Current Year** | | |
| | **Original Budget** | **Adjustment Budget** | **Actual Expenditure** |
| Construction of Bomandu Water Infrastructure | R 25 000 000 | R 17 743 871 | R 17 743 871 |
| Upgrading: Roads Infrustructure Roads Mandela Luthuli Ward | R 13 459 140 | R 14 318 944 | R 14 318 944.00 |
| Upgrading Infrastructure: Roads and Stormwater Ward 12 | R 11 318 907 | R 10 858 760 | R 10 858 760 |
| Construction of Moloto Water Infrastructure | R 27 000 000 | R 31 829 128 | R 31 829 128 |
| Upgrading of KwaMhlanga Stadium (Multi-Year Project) - Ward 32 | R 10 000 000 | R 18 344 674 | R 18 344 674 |
| * Completed Projects With The Highest Capital Expenditure In 2021/2022 | | | |

| | |
|---|---|
| **Name Of Project - A** | Construction of Bomandu Water Infrastructure |
| **Objective Of Project** | To address the shortage of water infrastructure within the Bomandu area. |

| | |
|---|---|
| **Delays** | Local Business Forums stopping the projects |
| **Future Challenges** | Inadequate funds to sustain the water infrastructure assets |
| **Anticipated Citizen Benefits** | 1000 |
| **Name Of Project - B** | Upgrading: Roads Infrustructure Roads Mandela Luthuli Ward |
| **Objective Of Project** | To improve road infrastructure and access to neigbouring villages |
| **Delays** | Local business forum challenges in light of work opportunities that are being demanded, hereby resulting in disturbance of the work on site. |
| **Future Challenges** | Inadequate funds to sustain the roads and stormwa water infrastructure assets |
| **Anticipated Citizen Benefits** | 3 306 |

| | |
|---|---|
| **Name Of Project - C** | Upgrading Infrastructure: Roads and Stormwater Ward 12 |
| **Objective Of Project** | To improve road infrastructure and access to neigbouring villages |
| **Delays** | Local business forum challenges in light of work opportunities that are being demanded, hereby resulting in disturbance of the work on site. |
| **Future Challenges** | Inadequate funds to sustain the water infrastructure assets |
| **Anticipated Citizen Benefits** | 14 070 |

| | |
|---|---|
| **Name Of Project - D** | Construction of Moloto Water Infrastructure |
| **Objective Of Project** | To address the shortage of water infrastructure within the Moloto area. |
| **Delays** | |
| **Future Challenges** | Fast growing of the population earmarked to be serviced by the reservoirs which will be inadequate in no time. |
| **Anticipated Citizen Benefits** | 674 |

| | |
|---|---|
| **Name Of Project - E** | Upgrading of KwaMhlanga Stadium (Multi-Year project) |

| | |
|---|---|
| **Objective Of Project** | To upgrade and rehabilitate the stadium to meet South African Football Association (SAFA) standards. |
| **Delays** | None |
| **Future Challenges** | None |
| **Anticipated Citizen Benefits** | 26 252 |

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The Municipal grants expenditure 2020/2021 service delivery backlogs are explained more on the chapter 3 under basic service delivery.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Proper cash flow management is a critical element to ensure the Municipality meets its obligations. A stable positive cash flow balance relative to the growth of the Municipality is a good indication of the Municipality financial position and health. Cash flow projections are done on a monthly basis and cash not immediately required are invested for a better return on the short term.

Thembisile Hani Local Municipality's cash flow is daily monitored by the finance management section. There is also monthly reporting to the eecutive Mayor in the form of section 71 reports and quarterly reports to Council.

## 5.9 CASH FLOW

| **Description** | | | | **2021/2022** | **2021/2022** |
|---|---|---|---|---|---|
| **R Thousand** | **Original Budget"000** | **Budget Adjustments** (I.T.O. S28) | **Final Adjustments Budget"000** | **Actual Outcome "000** | **Audited Outcome "000** |
| | **1** | **2** | **3** | **4** | |
| Ratepayers And Other | 40 412 | 6 328 | 46 740 | 128 379 | 128 379 |
| Government - Operating | 468 582 | -600 | 467 982 | 467 982 | 467 982 |
| Government - Capital | 179 663 | 4 600 | 184 263 | 184 263 | 184 263 |
| Interest | 4 000 | 1 062 | 5 062 | 1 301 | 1 301 |
| **Payments** | | | | | |
| Suppliers And Employees | -530 906 | -27 447 | -558 353 | -365 689 | -365 689 |
| Finance Charges | -1 300 | 0 | -1 300 | -8 | -8 |
| Transfers And Grants | -250 | 0 | -250 | -200 | -200 |
| **Net Cash From/(Used) Operating Activities** | **160 201** | **-16 057** | **140 296** | **416 029** | **416 029** |
| | | | | | |
| **Cash Flows From Investing Activities** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Receipts** | – | – | – | – | – |
| Proceeds On Disposal Of Ppe | – | | – | – | – |
| Decrease (Increase) In Non-Current Debtors | – | – | – | – | – |
| Decrease (Increase) Other Non-Current Receivables | – | – | – | – | – |
| Decrease (Increase) In Non-Current Investments | – | – | – | 6 025 | 6 025 |
| **Payments** | – | – | – | – | – |
| Capital Assets | -185 513 | 9 314 | -194 827 | -427 598 | -427 598 |
| **Net Cash From/(Used) Investing Activities** | **-185 513** | **9 914** | **-194 827** | **-421 573** | **-421 573** |
| | | | | | |
| **Cash Flows From Financing Activities** | | | | – | – |
| **Receipts** | | | | – | - |
| Short Term Loans | | | | – | – |
| **Payments** | | | | – | – |
| Repayment Of Borrowing | 0 | 0 | 0 | 0 | 0 |
| **Net Cash From/(Used) Financing Activities** | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| **Net Increase/ (Decrease) In Cash Held** | **-25 312** | | **-54 531** | **-5 544** | **-5 544** |
| Cash/Cash Equivalents At The Year Begin: | 109 000 | | 138 314 | 137 802 | 137 802 |
| Cash/Cash Equivalents At The Year End: | **83 688** | | **83 783** | **132 258** | **132 258** |

## 5.10 BORROWING

**COMMENT ON BORROWING**

The Municipality did not have any loans were taken up in the financial year under review.

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.11 GRAP COMPLIANCE

**GRAP COMPLIANCE**

The Annual Financial Statements have been prepared and presented in accordance with the standard of grap and the preparing and presentation of the grap compliant afs is improving in each and every year.

### 5.12 SUPPLY CHAIN MANAGEMENT

The Council has developed its policy in line with the Municipal Supply Chain Management Regulations and MFMA circulars issued by the National Treasury. The Municipality has implemented the usage of National supplier's databse. The bid Committees were established and are fully functional, namely; the bid specification Committee, bid evaluation Committee; and bid adjudication Committee. The Committees are appointed in terms of proper delegation and appointed in terms of the legislations. The bid Committees are functioning as well.
All members of the bid specification, bid evaluation and bid adjudication Committees are delegated in writing by the Municipal Manager to serve on these respective Committees. These delegations are accepted in writing and records thereof are available. The following persons served on the following respective Committees:

**Bid Specification Committee**
Mr. R Makhubela
Mr S Nkadimeng
Ms Nhlanhla Mbandze (Scriber)

**Bid Evaluation Committee**
Mr. Tshepiso Maphutha
Mr. Sanele Nkosi
Mr. M Tefo
Mr. K Mabuela
Ms. Felicia Ntuli

**Bid Adjudication Committee**
Ms. Jessica Mahlangu
Mr. Abram Chego
Mr. Madumetja Tsebe
Mr. Vusimuzi Skosana
Ms. Lerato Nxumalo
Ms. Lydia Sehlako

The Supply Chain Management unit is a fully fledged unit operating with five (5) officials. Only three (03) officials meet the minimum competency levels as prescribed in the MFMA competency Regulation guidelines. There are currently no challenges with the functioning of bid Committees. The Municipality has developed a Procurement Plan on capital projects for the 2020/2021 financial year, and all procurement requirements are measured against the plan. The National Treasury has issued guidelines for Municipal competency levels for heads of Supply Chain Management units.

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

The constitution s188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all Municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

## COMPONENT A: AUDITOR-GENERAL OPINION 2020/2021

### 6.1 AUDITOR GENERAL REPORTS 2020/2021

## Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Thembisile Hani Local Municipality

### Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Thembisile Hani Local Municipality set out on pages 1 to 93, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts 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 Thembisile Hani Local Municipality as at 30 June 2021, 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 Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (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 auditor-general's responsibilities for the audit of the financial statements section of my report.

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

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Material losses – water

7. As disclosed in note 6 to the financial statements, the municipality incurred material water losses of R67,7 million (2019-20: R41,4 million), which represents 31% (2019-20: 40%) of total water purchased.

### Impairments – trade debtors

8. As disclosed in note 10 to the financial statements, the municipality incurred a material impairment of the consumer debtors of R1,4 billion (2019-20: R1,2 billion) as a result of impairment provision for doubtful debts.

### Restatement of corresponding figures

9. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2021.

## Other matter

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

### Unaudited disclosure note

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## Responsibilities of the accounting officer for the financial statements

12. 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 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.

13. 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.

## Auditor-general's responsibilities for the audit of the financial statements

14. 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.

15. 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 audit of the annual performance report

### Introduction and scope

16. 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 the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

17. 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 do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.

18. 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 development priority presented in the municipality's annual performance report for the year ended 30 June 2021:

| Development priority | Pages in the annual performance report |
|---|---|
| KPA 1 – basic service delivery and infrastructure development | 5 – 40 |

19. 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.

20. The material findings on the usefulness and reliability of the performance information of the selected development priority are as follows:

### KPA 1 – basic service delivery and infrastructure development

### Various indicators

21. The source information for measuring the planned indicator was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the

predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievements for the key performance indicators (KPIs) below reported against targets in the annual performance report:

| KPIs | Planned target | Reported achievement |
|---|---|---|
| Number of households provided with water | 82 653 households provided with water by 30 June 2021 | 82 653 households provided with water |
| Number of households provided with 6kl free basic water | 82 653 households provided with 6kl free basic water 30th June 2021 | 82 653 households provided with water |

### Other matter

22. I draw attention to the matter below.

### Achievement of planned targets

23. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 21 of this report.

## Report on the audit of compliance with legislation

### Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. The material findings on compliance with specific matters in key legislation are as follows:

### Annual financial statements

26. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current liabilities, 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

27. Reasonable steps were not taken to prevent irregular expenditure amounting to R20,5 million, as disclosed in note 44 to the annual financial statements, as required by section 62(1)(d) of the MFMA. Irregular expenditure amounting to R3,2 million was incurred on the Moloto water infrastructure.

## Procurement and contract management

28. Some of the contracts above R30 million did not include a condition for mandatory subcontracting to advance designated groups, as required by 2017 preferential procurement regulation 9(1). This non-compliance was identified in the procurement processes for the Moloto water infrastructure.

29. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

## Other information

30. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.

31. 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.

32. 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 development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

33. If, based on the work, I have performed I conclude that there is a material misstatement in other information I am required to report on that fact. I have nothing to report in this regard.

## Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

35. Management did not maintain adequate accounting records to support the financial and performance information reported. Daily and monthly processing controls were not adequatelt implemented to ensure that the reported financial and performance information was accurate and complete. Furthermore, reviews and reconciliation measures were not adequately implemented to detect and correct errors in the financial information reported.

36. The municipality did not have adequate systems to monitor compliance with all applicable legislation. As a result, non-compliance with legislation was not prevented. Management did not prioritise training staff to ensure that they operate at optimum levels.

*Auditor-General*

Mbombela

10 February 2022

AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION 2021/2022

### 6.2 AUDITOR GENERAL REPORTS 2021/2022

## Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Thembisile Hani Local Municipality

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Thembisile Hani Local Municipality set out on pages 1 to 95, which comprise the statement of financial position as at 30 June 2022, statement of financial performance, statement of changes in net assets, cash flow statement, statement of comparison of budget and actual amounts 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 Thembisile Hani Local Municipality 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 (SA Standards of GRAP) and the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (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 auditor-general's responsibilities for the audit of the financial statements section of my report.

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

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Material impairments – consumer debtors

7. As disclosed in note 10 to the financial statements, the municipality incurred a material impairment of the consumer debtors of R1,6 billion (2020-21: R1,4 billion) as a result of impairment provision for doubtful debts.

#### Restatement of corresponding figures

8. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2022.

## Irregular expenditure

9. As disclosed in note 44 to the financial statements, irregular expenditure of R72,9 million was incurred due to non-compliance with supply chain management legislation.

## Material losses – loss on property, plant and equipment derecognised

10. As disclosed in the statement of financial performance, material losses of R7,3 million were incurred as a result of assets that were derecognised.

## Other matter

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

## Unaudited disclosure note

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## Responsibilities of the accounting officer for the financial statements

13. 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 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.

14. 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.

## Auditor-general's responsibilities for the audit of the financial statements

15. 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.

16. 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 audit of the annual performance report

## Introduction and scope

17. 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 the usefulness and reliability of the reported performance information against predetermined

objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

18. 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 do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.

19. 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 development priorities presented in the municipality's annual performance report for the year ended 30 June 2022:

| Development priorities | Pages in the annual performance report |
|---|---|
| KPA 1 – basic service delivery | 5 – 26 |

20. 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.

21. The material findings on the usefulness and reliability of the performance information of the selected development priorities are as follows:

## KPA 1 – basic service delivery

## VARIOUS INDICATORS

22. The source information for measuring the planned indicator was not clearly defined, and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievements for the key performance indicators (KPIs) below reported against targets in the annual performance report.

| Key performance indicator | Planned target | Reported achievement |
|---|---|---|
| DTS007: Number of households provided with water | 91 007 | 64 267 |

| | | |
|---|---|---|
| DTS003: Number of households provided with free basic water | 91 007 | 64 267 |

### Other matters

23. I draw attention to the matters below.

### Achievement of planned targets

24. Refer to the annual performance report on page(s) 5 to 5; for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 22 of this report.

### Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## Report on the audit of compliance with legislation

### Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. The material findings on compliance with specific matters in key legislation are as follows:

### Annual financial statements

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, revenue 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.

### Procurement and contract management

29. The invitation to tender for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2). This non-compliance was identified in the procurement processes for the procurement of safety boots sizes and uniform.

### Revenue management

30. Accounts for municipal tax and service charges were not prepared on at least a monthly basis, as required by section 64(2)(c) of the MFMA.

### Strategic planning and performance management

31. Accounts for municipal tax and service charges were not prepared on at least a monthly basis, as required by section 64(2)(c) of the MFMA.

### Human resource management

32. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

## Other information

33. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.

34. 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.

35. 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 development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

36. If based on the work we have performed we conclude that there is a material misstatement in other information, we are required to report on that fact. I have nothing to report in this regard.

## Internal control deficiencies

37. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

38. Insufficient oversight, monitoring and review of the implementation of internal controls during the year resulted in material misstatements in the financial statements and the annual performance report.

39. The non-compliance with legislation identified could have been prevented had compliance been properly monitored and reviewed. Monitoring and corrective controls in place to prevent non-compliance with applicable legislation were not adequate.

## Other reports

40. I draw attention to the following engagements conducted by various parties which 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.

41. At the time of this report, the South African Police Service (SAPS) was investigating allegations of fraud for under-banking of revenue collected by the municipality for the licencing function performed by the Department of Licencing and Traffic Control (DLTC). The investigation is in progress and the expected date of the outcome is unknown.

*Auditor-General*

Mbombela

1 December 2022

AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general's responsibility for the audit

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 development priorities 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 this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made 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 relating to events or conditions that may cast significant doubt on the ability of the Thembisile Hani Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

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

## GLOSSARY

| | |
|---|---|
| **Accessibility indicators** | Explore whether the intended beneficiaries are able to 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 particular 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** | • Service delivery & infrastructure<br>• Economic development<br>• Municipal transformation and institutional development<br>• Financial viability and management<br>• Good governance and community 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 immunization, 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 time 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:<br>*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*<br>*b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned* |

## APPENDIX A (I) – LIST OF WARD COUNCILLORS

| WARD | SURNAME & NAMES | CONTACT | PHYSICAL ADDRESS |
|---|---|---|---|
| 1 | Cllr Simon Chani Puleng Seswike | 071 530 4118 | Stand No 1562 Block 16 – Moloto South |
| 2 | Cllr Lucky Matlhatsi Maphoso | 076 983 5023 | Stand No 4102 Moloto North Block A, next to Retang Primary |
| 3 | Cllr Steven Citha Mahlangu | 076 889 5068 | Stand no 3098 Block 21, Moloto North next Ndzundza Mabhoko Secondary |
| 4 | Cllr Namntungwa Elizabeth Rhadebe | 081 864 9454 | Stand No: E0007 Msholozi, next to Nozi Tuck Shop |
| 5 | Cllr Vusi Michael Ntuli | 079 181 5515 | Stand No 416 Thembalethu, next to Mangisi Supermarket |
| 6 | Cllr Mable Elsie Mabanga | 073 842 1519 | Stand No 822 Phola Park, Street 36, next to M Sizwe |
| 7 | Cllr Simon Bangiswani Sindana | 076 888 1497 | Stand No 326 Mathyszensloop |
| 8 | Cllr Bongani Ntokozo Dlamini | 060 757 8846 | 1432 Verena D |
| 9 | Cllr Joseph Elias Mthimunye<br>**MMC Finance** | 078 5351 287 | Stand no 120 Buhlebuzile |
| 10 | Cllr Khanyi Leah Masanabo | 079 925 0491 | Stand No 422 Mzimuhle |
| 11 | Cllr Mmelisizwe Terance Ntuli | 072 305 1253 | Stand No 800 Verena C next Marhagi Secondary School |
| 12 | Cllr Moses Mmoisetsi Sepogwana | 082 965 3997 | Stand No: 608 Tweefontein C |
| 13 | Cllr Richard Bongani Jiyane | 079 768 8989 | Stand No: 1184 Tweefontein K |
| 14 | Cllr Simon Vusi Masombuka | 076 380 3235 | Stand No 2486 Mountainview – Zone 6 next Titimalo Primary |
| 15 | Cllr Simon Sipho Mnguni | 076 170 2815<br>071 929 2662 | Stand No: 1713 Tweefontein E next Somarobogo Primary |
| 16 | Cllr Tenboy Buttitjie Dube | 071 525 1735 | 488 RDP Buhlebesizwe – Mtima General Dealer next Mkhize Church |
| 17 | Cllr Fikile Violet Mgayi | 071 238 0607 | Stand No 36 Tweefontein F |

| | | | |
|---|---|---|---|
| 18 | Cllr David Sello Mokoena | 076 715 2304 | Stand No 2027 Vezubuhle, back opposite Astra Furniture Shop |
| 19 | Cllr Lucky Xolani Mtsweni<br>**MMC Planning Economic Developmnt Services (PEDS)** | 079 457 6531<br>079 459 6331 | Stand No. 830 Suncity Block B<br>Ward 19 Pavement<br>Main Road (Big Street) |
| 20 | Cllr Nomvula Sister Mnguni | 079 143 0017 | Stand No 2465 Vezubuhle next to Kwa-Chipa Tavern |
| 21 | Cllr Class Menzelwa Jiyane | 072 238 3287 | Stand No 16A, Vlaklaagte No 1 |
| 22 | Cllr Sonto Rose Nhlapho | 082 399 8302 | Stand 514 Luthuli, Rocky Tavern |
| 23 | Cllr Bongani Victor Msibi | 076 696 6431 | Stand no 162 Tweefontein A, Next Tribal Office- KwaShabangu |
| 24 | Cllr Bernard Vusi Mtshaise | 079 133 9580 | Stand No: 504 Bundu |
| 25 | Cllr Poppie Mahlangu | 072 654 2343 | 679 Kwaggafontein C |
| 26 | Cllr Masotja Petros Nduli | 071 324 6353 | Stand no 2195 Kwaggafontein C |
| 27 | Cllr Bawinile Simon Mabhena | 072 390 6278 | Stand No 1023 Mathyszensloop, Madala Stand next to emabhozeni |
| 28 | Cllr Mkhululi Jacob Sithole | 060 784 3873 | 335 Kwaggafontein A next to Ematjheni P S |
| 29 | Cllr Rose Martha Kgomo | 064 646 4721 | Stand No 1313 Kwaggafontein A, next to KwaMaduna Tuck shop |
| 30 | Cllr Godfrey Nkosinathi Mahlangu | 064 672 6933 | Stand 107 Tweefontein G next to Malobola Tarven |
| 31 | Cllr Solomon Fickson Skosana | 082 066 0042 | Stand No 1420 Kwaggafontein D |
| 32 | Cllr Thabile Prunella Nkosi | 079 572 0175 | 530 Section B, KwaMhlanga next to Lolos Tavern |

## APPENDIX A (II) – LIST OF PR COUNCILLORS

| SURNAME & NAMES | CONTACT | PHYSICAL ADDRESS |
|---|---|---|
| Cllr Maria Poppy Msiza<br>**Hon. Speaker** | 073 311 7976<br>076 676 0319 | 866 Kwagga D |
| Cllr Lesetja Jacob Dikgale<br>**Hon. Executive Mayor** | 076 869 4360 | 1660 Tweefontein K |
| Cllr Thomas Lebandla Mabena<br>**MMC Corporate Services** | 081 839 7227 | Stand no 447/8 Sun City AA |
| Cllr Maria Thruddy Nobela | 072 593 4635 | 341 Emzimuhle/Germbokspruit |
| Cllr Dipolelo Sinah Mampuru | 079 355 5829 | Stand no 10693 RDP Ext 11. Moloto North |
| Cllr Thokozile Egnes Motanyane<br>**Hon. Council Whip** | 082 965 2217<br>084 775 2725 | 2564 Kwagga C |
| Cllr Christinah Ndlelehle Mahlangu | 076 867 4373 | Stand no 1513 Tweefontein B2 |
| Cllr Ntombifuthi Thandeka Skhosana<br>**MMC Social Services** | 076 853 4227 | Stand No 992 Verena, Wolvenkop – Escotjheni Supermarket |
| Cllr Lillian Martha Tshabangu<br>**MPAC Chairperson** | 071 623 5917<br>082 791 0771 | Stand no 472 Tweefontein F |
| Cllr Eunice Martha Malekane<br>**MMC Technical Services** | 076 044 0434 | Stand No: 4097 Phola Park, Mbhuduma Guest House |
| Cllr Maggie Thandi Mhlanga | 072 046 1649 | Stand No: 788 Moloto, Block 13 (Next Emarumi) |
| Cllr Tsanky Michael Rahlogo | 079 138 1318 | Stand No: 1521 Verena D, Next to Mhlunshwa P |
| Cllr Ntombi Mitta Motaung | 072 290 3386 | Stand 1691 Verena C, Next to Somlingo Primary School |
| Cllr Thabiso Klass Mahlangu | 076 937 3575 | Stand No 637, Frieschewagt next Somphalali S S |
| Cllr Motlalepule Sweetness Rampisa | 081 810 7566 | Stand No: 44 Machipe, next Bus Depot |
| Cllr Augustine Renny Mokwena | 081 854 0066 | Stand No: 401 Kwaggafontein C, next Zoe Church |

| | | |
|---|---|---|
| Cllr Busisiwe Maria Shiburi | 082 4627 423 | Stand No: 735 KwaMhlanga, Section B, next to Stella shop |
| Cllr Abram Glen Sithole | 076 856 5175 | Stand No 570, Tweefontein N, next to Motha Store or Kallis Store |
| Cllr Remenky Stephinah Molefe | 071 121 1731 | Stand no 2748 Zenzele, Next to 3 star Store |
| Cllr Matalanyane Lucas Mokolo | 082 367 6267 | Stand no 2759 moloto block a next to ekosini KwaSkosana |
| Cllr Lindiwe Kate Gulube | 071 540 8382 | Stand 2394, Kwaggafontein A – next to Magic Store |
| Cllr Eliot Sunday Khumalo | 076 551 8880 | Stand No 349 Kwaggafontein C, front Opposite Dr Talana |
| Cllr Xolani Clement Nyalunga | 060 688 4446 | Stand No: 3527 Moloto Block 05, next Ndzundza Mabhoko S |
| Cllr Masontaga Adelaide Mokwena | 060 807 9461 | 232 Buhlebesizwe 2 AA Next to Buhlebesizwe S |
| Cllr David Mabuzwa Sibanyoni | 076 709 9120 | Stand No: 1444 Vlaklaagte No 1 |
| Cllr Thabo John Tibane | 083 5302 950<br>082 060 3258 | Stand No. 90/91 Suncity D Siphumule P S |
| Cllr Samuel Mazungwe Mtsweni | 082 895 4607 | Stand No: 76 Section A KwaMhlanga, 1022 |
| Cllr Andries Mphatlalashane Skhosana | 072 318 9420<br>066 458 0708 | Street 48 Stand No1198 Phola Park (Next to Phadima tavern)<br>KwaMhlanga 1022 |
| Cllr Zenaye Jantjie Mnguni | 060 651 5278 | Street 68 Stand No 1942 (Next to Magalela) Phola Park KwaMhlanga 1022 |
| Cllr Margaret Mabelane | 076 606 1293 | Stand No: 534 Luthuli (Next to Rocky Store) |
| Cllr Moses Thabo Mnguni | 079 263 7931 | Stand No: 1010, Thokoza Next to Bongani Primary |
| Cllr Rubber Qaliwe Mtsweni | 073 659 5200<br>066 052 4148 | 586/7 Mountain View Zone |

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

| Committees (Other Than Mayoral / Executive Committee) And Purposes Of Committees | |
|---|---|
| **Municipal Committees** | **Purpose Of Committee** |
| Risk Management Anti-Fraud and Anti-Corruption Committee | Councillors Provide Oversight Role To All Committees |
| Audit and Performace Committee | Councillors Provide Oversight Role To All Committees |
| ICT Committee | Councillors Provide Oversight Role To All Committees |
| Disciplinary Board Committee | Councillors Provide Oversight Role To All Committees |
| Social Development Services Committee | Councillors Provide Oversight Role To All Committees |
| Planning and infrastructure development Committee | Councillors Provide Oversight Role To All Committees |
| MPAC | Councillors Provide Oversight Role To All Committees |
| Admin and Governance Committee | Councillors Provide Oversight Role To All Committees |
| Development and Town Planning Services Committee | Councillors Provide Oversight Role To All Committees |
| Finance Services Committee | Councillors Provide Oversight Role To All Committees |

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

| Third Tier Structure | |
|---|---|
| Directorate | Director/Manager (State Title And Name) |
| Assistant Manager: PMS | Ms. K.S. Moripe |
| Assistant Manager Sport, Recreation and Facilities | Mr BA Nkwanyana |
| Assistant Manager: LED | Mr. Ws Msiza |
| Assistant Manager: Communication | Ms. S Mashiane |
| Chief Audit Executive | Mr. A Malope |
| Chief Risk Officer | Mr. T Baloyi |
| Assistant Manager: Public Participation | Mr. H Nkosi |
| Assistant Manager: Youth Development | Mr. T Mahlangu |
| Assistant Manager: Researcher And Monitoring | Mr K.O. Bapela |
| Assistant Manager: Roads And Stormwater | Mr. S Nkosi |
| Assistant Manager: Sanitation And Water | Mr C Mokubedi |
| Assistant Manager: PMU | Mr T Maphutha |
| Assistant Manager: Human Settlement & Town Planning | Mr. S Masilela |
| Assistant Manager: Waste Management & Environment | Ms. A Aphane |
| Assistant Manager: HRM | Mr. K.R. Mabuela |
| Assistant Manager: Legal Service | Adv. J.P. Skosana |
| Assistant Manager: Fleet Management | Mr. J.J. Skosana |
| Assistant Manager: ICT | Mr.T Ntimane |
| Assistant Manager: Revenue Management | Mr. O Ledwaba |
| Assistant Manager: Assets Management | Mr. R Makhubele |
| Assistant Manager: SCM | Ms. L Sehlako |
| Assistant Manager: Budget And Reporting | Mr. J. Moyo |
| Assistant Manager: Expenditure Management | Vacant |
| Use As A Spill-Over Schedule If Top 3 Tiers Cannot Be Accomodated<br>In Chapter 2 | |

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

| Municipal Functions | |
|---|---|
| **Municipal Functions** | **Function Applicable To Municipality (Yes / No)*** |
| **Constitution Schedule 4, Part B Functions:** | |
| Air Pollution | No |
| Building Regulations | Yes |
| Child Care Facilities | No |
| Electricity And Gas Reticulation | No |
| Firefighting Services | No |
| Local Tourism | Yes |
| Municipal Airports | No |
| Municipal Planning | Yes |
| Municipal Health Services | Yes |
| Municipal Public Transport | No |
| Municipal Public Works Only In Respect Of The Needs Of Municipalities In The Discharge Of Their Responsibilities To Administer Functions Specifically Assigned To Them Under This Constitution Or Any Other Law | Yes |
| Pontoons, Ferries, Jetties, Piers And Harbours, Excluding The Regulation Of International And National Shipping And Matters Related Thereto | No |
| Stormwater Management Systems In Built-Up Areas | Yes |
| Trading Regulations | Yes |
| Water And Sanitation Services Limited To Potable Water Supply Systems And Domestic Waste-Water And Sewage Disposal Systems | Yes |
| Beaches And Amusement Facilities | No |
| 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 | No |
| Facilities For The Accommodation, Care And Burial Of Animals | No |
| Fencing And Fences | Yes |
| Licensing Of Dogs | No |
| Licensing And Control Of Undertakings That Sell Food To The Public | Yes |
| Local Amenities | Yes |
| **Municipal Functions** | |

| Municipal Functions | Function Applicable To Municipality (Yes / No)* |
|---|---|
| Local Sport Facilities | Yes |
| Markets | No |
| 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 | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| **1** | Cllr Simon Chani Puleng Seswike | **Yes** | **08** | **08** | **04** |
| | Matome Makhwiting | | | | |
| | Kekana L Madimetja | | | | |
| | Johannes P Mathebula | | | | |
| | Gift Mpho Ramodike | | | | |
| | Sarah Motha | | | | |
| | Elsie Motsoka Alage | | | | |
| | Sponono S Sikosana | | | | |
| | Vusi Kheswa | | | | |
| | Conny Malope | | | | |
| | Thomas Mashishi | | | | |
| **2** | Cllr Lucky Matlhatsi Maphoso | **Yes** | **08** | **08** | **02** |
| | Mpho Reen Motsweni | | | | |
| | Rose Sibiya | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Thulani K Masilela | | | | |
| | Velly Joseph Motha | | | | |
| | Jabulani E Nhlonipho | | | | |
| | Lucky Mahluza | | | | |
| | Phila Getrude Skosana | | | | |
| | Zinhle Nomcebo Dlamini | | | | |
| | Jane Mahlangu | | | | |
| | Melita Nhlupeng Mpele | | | | |
| **3** | Cllr Steven Citha Mahlangu | **Yes** | **08** | **08** | **03** |
| | Sarah Moleta | | | | |
| | Mrs S Mtsweni | | | | |
| | Thandiwe Hlezi Kabine | | | | |
| | Evelina M Makena | | | | |
| | Piet Maleka | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Andries Koos Skosana | | | | |
| | Francina Buda | | | | |
| | Thelma B Mahlangu | | | | |
| | Geelbooi B Ndala | | | | |
| | Doris Mashele | | | | |
| **4** | Cllr Namntungwa Elizabeth Radebe | **Yes** | **08** | **08** | **06** |
| | Anna Mgidi | | | | |
| | Thembi Wendy | | | | |
| | Solomon Masango | | | | |
| | Tom Simon Mahlangu | | | | |
| | M. Sarah Mahlangu | | | | |
| | Nomsa Fortunate Mtshweni | | | | |
| | Lesley Sepadi Matsetse | | | | |
| | Theresa Polga Madisha | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Dineo Johanna Malope | | | | |
| | Julia Nomsa Mabena | | | | |
| **5** | Cllr Vusi Michael Ntuli | **Yes** | **08** | **08** | **05** |
| | Richard Dabede Skosana | | | | |
| | Thulisiwe Mahlangu | | | | |
| | Cecilia Hader | | | | |
| | Phumzile P Kubheka | | | | |
| | Lazarus Aphane | | | | |
| | Letty H Skosana | | | | |
| | Xolisile P Mahlangu | | | | |
| | Xabuzani John Sibanyoni | | | | |
| | Simon B Chili | | | | |
| | Nompumelelo Masemula | | | | |
| **6** | Cllr Mable Elsie Mabanga | **Yes** | **05** | **05** | **03** |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Mbonani B | | | | |
| | Mtsweni Maria Lindiwe | | | | |
| | Motau Johannes M | | | | |
| | Khoza Anitha Sonto | | | | |
| | Mthombeni MF | | | | |
| | Matshika SB | | | | |
| | Masombuka Sthembiso | | | | |
| | Masanabo Rose | | | | |
| | Ntuli Perm | | | | |
| | Skosana Vusi | | | | |
| **7** | Cllr Simon Bangiswani Sindana | **Yes** | **08** | **08** | **05** |
| | Sesi Lindokuhle Msiza | | | | |
| | JT Mahlangu | | | | |
| | Hospital Masimula | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Welhemina Z Mahlangu | | | | |
| | Patricia Sonto Nkabinde | | | | |
| | Martha Thandi Nkosi | | | | |
| | Marinkie Kholekile Ntuli | | | | |
| | Jabulani M Mahlangu | | | | |
| | Alpheus N Mazibuko | | | | |
| | Mahlangu Thamsanqa | | | | |
| **8** | Cllr Bongani Ntokozo Dlamini | **Yes** | **08** | **08** | **07** |
| | Sibanyoni Maria Zodwa | | | | |
| | Liena Baai | | | | |
| | Sipho Mohoaduba | | | | |
| | Sibanyoni Mandla Prince | | | | |
| | Elvis Elijah Motau | | | | |
| | Rahlogo Sape Malendah | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Ncanewe Veronica Radebe | | | | |
| | Mfundo Masango | | | | |
| | Pastor Enock S Skhosana | | | | |
| | Ms PG Matshika | | | | |
| **9** | Cllr Joseph Elias Mthimunye | **Yes** | **08** | **08** | **07** |
| | Engelinah L Mahlangu | | | | |
| | Jeremia Mngoma | | | | |
| | Lucas Dinki Ndala | | | | |
| | Ncube Victor Thanyani | | | | |
| | Petrus Masombuka | | | | |
| | Thulani Ayanda Mashia | | | | |
| | Jacob Naapo | | | | |
| | Alpheus Msomi | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Grace Mahlangu | | | | |
| | Winnie Mahlangu | | | | |
| **10** | Cllr Khanyi Leah Masanabo | **Yes** | **08** | **08** | **07** |
| | Zanele S Dudu Ndala Napyane | | | | |
| | Sipho Roney Mbonani | | | | |
| | Florence M Masanabo | | | | |
| | Kleinboy Masango | | | | |
| | Duduzile J Mahlangu | | | | |
| | Sokana Stanly Tshabangu | | | | |
| | Sizwe Paul Mtombeni | | | | |
| | Bongani Magagula | | | | |
| | Jabu Kabini | | | | |
| | Busiswe J Skhosana | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| **11** | Cllr Mmelisizwe Terance Ntuli | **Yes** | **08** | **08** | **02** |
| | Mtsweni Jeaneth Johannah | | | | |
| | Geelbooi M Mthombeni | | | | |
| | Zinto Mahlangu | | | | |
| | Poppy A Ngwenya | | | | |
| | Ncengi Mtshweni | | | | |
| | Nombulelo P Mkhwanazi | | | | |
| | Fanny Happy Mbokazi | | | | |
| | Caroline Mthethwa | | | | |
| | Nkululeko Zwane | | | | |
| | hillemon Mahamba | | | | |
| **12** | Cllr Moses Mmoisetsi Sepogwana | **Yes** | **08** | **08** | **05** |
| | Josephine Mokgalaka | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Sophy Ngwenya | | | | |
| | Lebohang Maepa | | | | |
| | Meshack J Ndala | | | | |
| | Thembi L Sibanyoni | | | | |
| | Zandile T Mpehle | | | | |
| | Nonkululeko Mkhatshwa | | | | |
| | Marvel Tlou | | | | |
| | Wonder J Ngobese | | | | |
| | Mpho Victor Mabilu | | | | |
| **13** | Cllr Richard Bongani Jiyane | **Yes** | **08** | **08** | **06** |
| | Vusi Mahlangu | | | | |
| | Lagosh Tibane | | | | |
| | Amos Msiza | | | | |
| | Andrew Z Mahlangu | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Nelly Annah Motha | | | | |
| | Zandile M Mashiane | | | | |
| | Sthembiso W Mahlangu | | | | |
| | Suzen N Mahlangu | | | | |
| | Moses Mashiyane | | | | |
| | Vusi Mahlangu | | | | |
| **14** | Cllr Simon Vusi Masombuka | **Yes** | **08** | **08** | **07** |
| | Sinky William Nduli | | | | |
| | Thomas G Mashaba | | | | |
| | Nonkululeko Mqwati | | | | |
| | Beauty N Msibi | | | | |
| | Emmah Sanny Ntuli | | | | |
| | Moses Mabena | | | | |
| | Jan Majomane | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Annah Mahlangu | | | | |
| | Ellah B Skosana | | | | |
| | Onicca B Masimula | | | | |
| **15** | Cllr Simon Sipho Mnguni | **Yes** | **08** | **08** | **07** |
| | Sebone Sylvia M | | | | |
| | Shabangu Musa | | | | |
| | Skhosana Gwezi | | | | |
| | Masemola Swabi | | | | |
| | Radebe Sipho | | | | |
| | Sangweni July | | | | |
| | Mandleni Magareth Busisiwe | | | | |
| | Modise Noel Joel | | | | |
| | Makhubu Johannah Dikeledi | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Mahlangu Wendy Lindiwe | | | | |
| **16** | Cllr Tenboy Buttitjie Dube | **Yes** | **08** | **08** | **06** |
| | Ndala Christopher Mandla | | | | |
| | Mthimunye BM | | | | |
| | Shabangu Victor | | | | |
| | Mosiza Solly | | | | |
| | Bishop TC Mkhize | | | | |
| | Malope Charlane | | | | |
| | Nkabinde Bongani | | | | |
| | Makuru Themba | | | | |
| | Mahlangu SM | | | | |
| | Nomsa Thoko Mahlangu | | | | |
| **17** | Cllr Fikile Violet Mgayi | **Yes** | **08** | **08** | **04** |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Mahlangu Senzi Martha | | | | |
| | Tiny Ntabiseng Kgatla | | | | |
| | Masuku William | | | | |
| | Ndala ZM | | | | |
| | Mahlangu Busisiwe | | | | |
| | Masimula Leah | | | | |
| | Mahlangu Majoni | | | | |
| | Ms. Mngenelwa Sanie Msiza | | | | |
| | Dineo Promise Mtshweni | | | | |
| | Mahlangu Senzi Martha | | | | |
| **18** | Cllr David Sello Mokoena | **Yes** | **08** | **08** | **02** |
| | Mabhena January | | | | |
| | Mahlangu Ntombikayise | | | | |
| | Masango Irene Linah | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Mabena Thato Florah | | | | |
| | Mahlangu Mavis | | | | |
| | Zungu Valencia | | | | |
| | Mahlangu Selinah Dlambili | | | | |
| | Thembi Mtsweni | | | | |
| | Zakhona N Mtsweni | | | | |
| | Ntuli Boy Mathoma | | | | |
| **19** | Cllr Lucky Xolani Mtsweni | **Yes** | **08** | **08** | **06** |
| | Mokwana Jack Thabang | | | | |
| | Sithebe Nelson Sbusiso | | | | |
| | Mahlaula Kenneth Mpho | | | | |
| | Makhubela Thomas Nzama | | | | |
| | Mtsweni Aaron Mandla | | | | |
| | Mtsweni DJ | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Aron Mahlomuza | | | | |
| | Linah Msukelwa Msiza | | | | |
| | Mavis Moagi | | | | |
| | Annarancia Msiza | | | | |
| **20** | Cllr Nomvula Sister Mnguni | **Yes** | **08** | **08** | **04** |
| | Kabini Julia Tezza | | | | |
| | Skhosana Sibongile | | | | |
| | Matlala Josephine Themba | | | | |
| | Sibiya Mthandazo Jeannette | | | | |
| | Kgopane Busisiwe Sanny | | | | |
| | KS Skosana | | | | |
| | Masemola Fannie Thembeni | | | | |
| | Phumzile Masimula | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Fikile Mthombeni | | | | |
| | Kabini Julia Tezza | | | | |
| **21** | Cllr Class Menzelwa Jiyane | **Yes** | **08** | **08** | **09** |
| | Sabela David M | | | | |
| | Ngoma Lucas | | | | |
| | Mashinini Emily | | | | |
| | Mothwala Monicaah | | | | |
| | Buthelezi Tiki Johana | | | | |
| | Chenepe Dimakatso | | | | |
| | Matome MJ | | | | |
| | Maria Vuma | | | | |
| | Rakgalakane Cathrine | | | | |
| | Skosana Amos N | | | | |
| **22** | Cllr Sonto Rose Nhlapho | **Yes** | **08** | **08** | **04** |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Aphane Busisiwe | | | | |
| | Jonas Kgotso Macdonald | | | | |
| | Ngobeni Samuel Shirelela | | | | |
| | Maphoto David | | | | |
| | Komete Maria | | | | |
| | Hlapi Sellinah Sphiwe | | | | |
| | JT Mabena | | | | |
| | Marakalal MC | | | | |
| | Letty Mahlangu | | | | |
| | Martin Babedi | | | | |
| **23** | Cllr Bongani Victor Msibi | **Yes** | **08** | **08** | **07** |
| | Gamede Seyagade Julia | | | | |
| | Mokhafela Reuben Nkotolan | | | | |
| | Joshua Bobo Mtsweni | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Kabeni Leah Minky | | | | |
| | Mothowathlag SM | | | | |
| | Kgomosotho J | | | | |
| | Mahlangu Phumzile Jessie | | | | |
| | Simela Steven Oupa | | | | |
| | Jan Skhosana | | | | |
| | Thomas Tapala | | | | |
| **24** | Cllr Bernard Vusi Mtshaise | **Yes** | **08** | **08** | **08** |
| | Steven Neivelle Tlou | | | | |
| | Mputi Monyai Pogiso | | | | |
| | Themo Nonhlanhla | | | | |
| | ZC Mahlangu | | | | |
| | Mahlangu Benoni Charles | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Lindiwe Mahlangu | | | | |
| | Aubrey Maphanga | | | | |
| | Lettie Ngubeni | | | | |
| | Lassy France Maphanga | | | | |
| | Johannes Moeketsi Mathebe | | | | |
| **25** | Cllr Poppie Mahlangu | **Yes** | **08** | **08** | **03** |
| | Lesiba Masanabo | | | | |
| | Mandla Skhosana | | | | |
| | Lindiwe Sophy Kabine | | | | |
| | Vusi Christoph Shoba | | | | |
| | Lucas M Hleza | | | | |
| | Pretty Delisile Mabhena | | | | |
| | Mahlangu Dumelani Rose | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Eric Nkabinde | | | | |
| | Mahlangu Sipho Elias | | | | |
| | Jan Nkabinde | | | | |
| **26** | Cllr Masotja Petros Nduli | **Yes** | **08** | **08** | **06** |
| | Immanuel Mahlangu | | | | |
| | Skhosana Daniel | | | | |
| | Skhosana Sipho | | | | |
| | Matlake Klaas | | | | |
| | Mtshweni Thulisile | | | | |
| | Sithole Tinyiko | | | | |
| | Radebe Thathiwe | | | | |
| | Moyeni Armina | | | | |
| | Rantseli Senzeni | | | | |
| | Shadrack Mahlangu | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| **27** | Cllr Bawinile Simon Mabhena | **Yes** | **08** | **08** | **07** |
| | Sithole Mandla | | | | |
| | Vusi Mahlangu | | | | |
| | Buthelezi P Zodwa | | | | |
| | Mahlangu Peter | | | | |
| | Solomon Mhlanga | | | | |
| | Penny Siphiwe Sigasa | | | | |
| | Mandundo Jan | | | | |
| | Mahlangu R N | | | | |
| | Ramoba Sarah | | | | |
| | Poppy Masilela | | | | |
| **28** | Cllr Mkhululi Jacob Sithole | **Yes** | **08** | **08** | **03** |
| | Nthatuwa Priscilla Mosoenyane | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Mabena Mandiselwa J | | | | |
| | Masilela Amos Mvulane | | | | |
| | Kepile Sphiwe | | | | |
| | Moyo Mandla Christopher | | | | |
| | Sibanyoni John | | | | |
| | Mahlangu (Mangena) VS | | | | |
| | Mthimunye DC | | | | |
| | Zabenzeni Mthombeni | | | | |
| | Ernest Bongani Ngcobo | | | | |
| **29** | Cllr Rose Martha Kgomo | **Yes** | **08** | **08** | **05** |
| | Mahlangu Phillimon | | | | |
| | Mahlagu Mpho Peaceful | | | | |
| | Skhalo Hlongwane | | | | |
| | Nkabinde Moses Michael | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Jabu Mabhena | | | | |
| | Abigail Sibiya | | | | |
| | Aphane Aidah | | | | |
| | Tshabalala Agnes | | | | |
| | Hellen Skhosana | | | | |
| | Colleen Mafiyanduna | | | | |
| **30** | Cllr Godfrey Nkosinathi Mahlangu | **Yes** | **08** | **08** | **05** |
| | Mokoena Andries Kleinjie | | | | |
| | Mnisi Sarah | | | | |
| | Thela Nompilo | | | | |
| | Mabona Sister Nakabini | | | | |
| | Mnyakeni Thomas | | | | |
| | Sibanyoni Themba Mzwake | | | | |
| | Masango Mavis Phindile | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Ndhlovu Busisiwe C | | | | |
| | Abram T Nhlapho | | | | |
| | Christina Mosena | | | | |
| **31** | Cllr Solomon Fickson Skosana | **Yes** | **08** | **08** | **06** |
| | Mthimunye Portia Thandeka | | | | |
| | Mahlangu Cynthia Lindiwe | | | | |
| | Mtsweni Poppy | | | | |
| | Mahlangu Thembekile Portia | | | | |
| | Mthimunye Johannes | | | | |
| | Sibusiso Maisela | | | | |
| | Caroline Monareng | | | | |
| | Themba David Mahlangu | | | | |
| | Phillemon T Masilela | | | | |

| Functionality Of Ward Committees | | | | | |
|---|---|---|---|---|---|
| **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 Speakers Office On Time** | **Number Of Public Ward Meetings Held During Year** |
| | Lerato Skhosana | | | | |
| **32** | Cllr Thabile Prunella Nkosi | **Yes** | **08** | **08** | **05** |
| | Mageza Jerssica Vuyiswa | | | | |
| | Nqobile B Masilela | | | | |
| | Jiyane Chamain | | | | |
| | Matshiga James Thabethe | | | | |
| | Khaba Johannah Delisile | | | | |
| | Mmola Maria | | | | |
| | Christina Khoza | | | | |
| | Ntuli Martina Sanna | | | | |
| | Country Sello Letswani | | | | |
| | Martins Mateki Masimula | | | | |

## APPENDIX F – WARD INFORMATION

| Capital Projects: Seven Largest In 2021/22 (Full List At Appendix N) | | | | |
|---|---|---|---|---|
| **No.** | **Project Name And Detail** | **Total Project Value (R)** | **Start Date** | **End Date** |
| 1 | Upgrading of Existing Infrastructure to Augment Borehole Water Supply in Bundu (Bundu Weir) – Multi-Year Project | R 193 000 000 | 10 August 2016 | 18 February 2022 |
| 2 | Upgrading of Tweefontein C and DK Water Infrastructure (Multi-Year Project) - Ward 12 | R 62 499 754 | 26 May 2020 | 30 June 2023 |
| 3 | Construction of Thembalethu Bus Route | R 45 402 992 | 14 December 2020 | 13 May 2022 |
| 4 | Contruction of bulk pipeline, Installation of water reticulation pipeline to service Moloto Water infrastructure, provisions of household connections, and yard tap, Installation of isolation valves. | R 46 296 084 | 18 February 2021 | 30 June 2022 |
| 5 | Upgrading of Sheldon Water Infrastructure (Multi-Year Project) - Ward 9, | R 58 305 000 | 24 May 2021 | 24 March 2023 |
| 6 | Upgrading of Mabhoko Water infrastructure (Multi-Year Project) - Ward 21 | R 47 379 511. | 23 Mar 21 | 24 March 2023 |
| 7 | Upgrading of Tweefontein K Waste Water Treatment Works, Phase 2 (Multi-Year Project) - Ward 13 | R 140 449 746 | 15 February 2021 | 31-May-2024 |

| Top Four Service Delivery Priorities For Ward (Highest Priority First) | | |
|---|---|---|
| **No.** | **Priority Name And Detail** | **Progress During 2020/21** |
| 1 | Water | 82 653 HH with access to Water. |
| 2 | Sanitation | 28 189 HH with access to Sanitation. |
| 3 | Electricity | 80 028 HH with access to Electricity. |
| 4 | Waste Management | 32 675 HH with access to Refuse Removal on a Fortnight Basis. |

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22

| Audit Committee Recommendations | | |
|---|---|---|
| **Report Name** | **Committee recommendations made during 2021/22** | **Recommendations adopted (enter Yes); not adopted (provide explanation)** |
| **Audit Committee Report for the quarter ended 30 September 2021 (1ST Quarter Report).** | **Financial Management**<br><br>1. **THAT** the management should considered finalizing the Fixed Asset Register as the register is very key finalizing the AFS<br>2. **THAT** the WIP amounting almost half a billion rand due to the multi-year projects is great concern to the committee and as such management is urged to work on decreasing it**.**<br>3. **THAT** management is encouraged to reach 100% on Capitalized Projects before the end of the financial year.<br>4. **THAT** going forward the management is encouraged to highlight the contract management of the insurance companies in the report.<br>5. **THAT** the management is urged to take necessary steps to ensure that the monies owed to the municipality is recovered debtors.<br>6. **THAT** the asset management unit should provide a substantive report stating why the Munsoft Module on asset management could not be used for reporting – the report should provide background for the non-working system and future mechanism on using the current envisaged new system.<br>7. **THAT** the management is urged to monitor the tender processes and make sure that there is always value for money in every business undertaken.<br>8. **THAT** the management should employ new strategies to ensure that invoices from ESKOM and Rand Water are received well on time to avoid recurring of Fruitless and Wasteful Expenditure caused by interests for late payment. | Yes, but not SCM Post<br><br>Partially |
| | **ICT** | |

# APPENDICES

| Audit Committee Recommendations | | |
|---|---|---|
| | 1. **THAT** the report that was submitted to the council on POPI Act must be tabled to the AC for consideration. | No |
| | **Risk Management**<br>1. **THAT** the 4th Quarter Risk Management Anti-Fraud and Anti-Corruption Committee (RMAFACC) Report 2020/2021 was considered and recommended for implementation of its comments and recommendations. | Partially |
| | **Internal audit**<br>**1.** **THAT** the 4th Follow-Up Audit Report on Implementation of the Internal Audit Findings 2020/2021 was considered and management was encouraged to adhere to the timelines set out in report.<br>2. **THAT** the municipal steering committee is encouraged to start working so as to enable the management to tackle key findings raised by the AG and IA effectively and to improve the performance. | Partially |
| **Audit Committee Report for the 2nd quarter ended 31 December 2021 (2ND Quarter Report).** | **Financial Management**<br>***1.*** **THAT** the matter of uploading the asset register on MSCOA be taken serious to ensure that there is an appropriate control.<br>***2.*** **THAT** the 125% captured under Internal Generated Funds and the narration on MFG grant be corrected accordingly.<br>**3.** **THAT** any unauthorized, irregular or fruitless and wasteful expenditure incurred be referred to MPAC for investigation.<br>**4.** **THAT** on Procurement Plan paragraph, the management must provide a summary of number of bids planned for a particular period against the number of the achieved projects, the same should also be done under the paragraph on Contract Register – the chairperson on RMFACC is will to guide in this case. | Yes |

| Audit Committee Recommendations | | |
|---|---|---|
| | **5.** **THAT** the challenges specified in the SCM Implementation Report be incorporated as risks in the Risk Management as emerging risks within SCM, since these challenges have remained in the report for a long time. | |
| | **Corporate department**<br>**1.** **THAT** the 1st Quarter Fleet Management Update Report was considered and the AC supports the disposing off of aging infrastructure. | |
| | **Risk management**<br>**1.** **THAT** the Risk Management be embedded in the performance contract of the senior managers so that the Risk Mitigation Measures can be implemented.<br>**2.** The risk assessment process be done during the development of the IDP, SDBIP and budget process. | No |
| | **Internal Audit**<br>**1.** **THAT** the management should keep a proper record management bank, which will ensure that if POE is copied to AG or any requester, the copy of the same POE would still remain with owner.<br>**2.** **THAT** consequence management be implemented to the underperforming departments. | Yes<br>Slow Progress |

# APPENDICES

| Audit Committee Recommendations | | |
|---|---|---|
| **Audit Committee Report for the quarter ended 31 March 2022 (3RD Quarter Report)** | **Financial Management**<br>1. **THAT** a report on the establishment of the Loss Control Committee covering the establishment date and membership be presented in the next AC meeting.<br>2. **THAT** the Municipality's failure to integrate Munsoft with MSCOA is a serious cause for concern, and therefore recommended that the integration should be expedited as was long overdue.<br>3. **THAT** management should be consistent in presenting figures in the report; if the figure are presented in 2 decimal points should stay the same and if presented in millions in should stay so throughout the report. | Yes |
| | **Corporate Sirvices**<br>1. **THAT** the Municipality was urged to continue with the training. | |
| | **Risk Management**<br>1. Management must change the culture of how they deal with risk issues as implementation are low. | Partially |
| | **Performance management**<br>**1.** Management must ensure that proper reasons for non-achievement are provided.<br>**2.** Internal Audit should indicate that proper assurance has been done on the report. | Yes |
| **Audit Committee Report for the quarter ended 30 June 2022 (4TH Quarter Report)** | **Finance reports**<br>*1.* **THAT** the Loss Control Committee be functional to deal with all the cases reported, furthermore follow ups be made to insurance company where progress is still pending.<br>*2.* **THAT** the management should be proactive by discussing matters relating to properties AG has raised issues with, before the commencement of the audit to ensure that the finding doesn't recur.<br>*3.* **THAT** the matter of uploading the asset register on mSCOA be prioritized to ensure that it is under control. | Partialy Implemented |

| Audit Committee Recommendations | | |
|---|---|---|
| | 4. **THAT** the amount of R4.2m spent on 19 written quotations is far above the threshold of R1 – R200 000 and therefore it is recommended that in future such quotations should be subjected for tendering processes. | |
| | **Corporate services report**<br>1. **THAT** the Fleet Management Update Report on Previous AC meeting be deferred back as it does not provide assurance to the committee.<br>2. **THAT** the 4th Quarter Litigation Register 2021/2022 be referred to the next audit committee meeting since there was no representative to present on it | Yes, report is amended |
| | **Risk Management report**<br>1. Management to advise all levels of staff to continuously keep and update POE files as well as improve the use of risk champions to regularly review the POE files. | Slow Implementation |
| | **Internal Audit**<br>*1.* **THAT** the management should develop a proper record management system especially were Internal Audit raised limitation of Scopeagement to put measures in place to change the culture within the Municipality. | No, implementation of IA findings is still low as per report. |

## APPENDIX H - LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

| Long Term Contracts | | | | | |
|---|---|---|---|---|---|
| **Name Of Service Provider(Entity Or Municipal Department)** | **Description Of Service Provider Rendered By Service Provider** | **Start Date Of Contract** | **Expiry Date Of Contract** | **Project Manager** | **Contract Value** |
| City Of Tshwane | Bulk Water Supply | 2007 | Infinite | Technical Manager | Per Supply |
| Rand Water | Bulk Water Supply /Bulk Water Project | 2007 | Infinite | Technical Manager | Per Supply |
| Eskom | Supply Of Electricity | 2015 | 2020 | Technical Manager | Per Supply |
| Telkom | Network Lines | 2007 | Infinite | Corporate Service Manager | Per Supply |

**PUBLIC PRIVATE PARTNERSHIP**

Not applicable to Thembisile Hani Local Municipality.

## APPENDIX I: MUNICIPAL SERVICE PROVIDER PERFORMANCE

**PERFORMANCE OF EXTERNAL SERVICE PROVIDERS DURING THE 2021/2022 FINANCIAL YEAR FOR THE PERIOD ENDING 30 JUNE 2022**

The performance of external service providers was measured and rated as follows:

| Performance Rating | Description |
|---|---|
| 1 | Poor Performance (Very Poor) |
| 2 | Below Satisfactory (Poor) |
| 3 | Satisfactory (Acceptable) |
| 4 | Good Performance( Above Expectations ) |
| 5 | Excellent Performance (Excellent) |

# APPENDICES

**TECHNICAL SERVICES**

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/ NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| WATER | | | | | | | | | | | | | | | | |
| DTS007 | To provide household with basic services including water, adequate sanitation, adequate public lighting | Rand Water | Bulk purchase water | Number of household provided with water | 82 653 households provided with water | 91 007 households provided with water by 30th June 2022 | R 143 878 824.00 | 64 267 households provided with water | R 232 333 367.58 | No | 3 years | No | Multiyear project | None | 5 | Excellent |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | and accessible road | | | | | | | | | | | | | | | |
| DTS034 | To provide household with basic services including water, adequate sanitation, adequate public lighting and | Mpumamanzi | Water Sample | Number of water samples tested | 356 Water Samples tested | 356 Water Samples tested by 30th June 2022 | R1 080 000 | 589 Water Samples tested | R 908 920.25 | Yes | 3 yeas | No | Multiyear project | None | 4 | Good |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | accessible road | | | | | | | | | | | | | | | |
| DTS158 | To provide households with basic services including water, adequate sanitation, adequate public lighting and | Ceenex<br><br>Zembeleni | Upgrading of Sheldon Water Infrastructure (Multi-Year Project) – Ward 9,14 – Phase 1 | % progress in the Upgrading of Sheldon Water Infrastructure – Phase 1 | 40% Progress: Upgrading of Sheldon Water Infrastructure – Phase 1:<br><br>*MIG Business Plan 5%; *Preliminar | 100% Progress: Upgrading of Sheldon Water Infrastructure – Phase 1 by 30th June 2022: | R7,800,000 | 95% Progress: Upgrading of Sheldon Water Infrastructure – Phase 1<br><br>*Setting Out 5%*Excavation 10%; | R 6 977 509.68 | No | 36 Months | Yes | None | None | 4 | Good |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | accessible road | | | | y Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15% | *Setting Out 5%*Excavation 10%; *Rock Drill, Blasting & Bedding 5%; *Laying of Pipes 10% *Backfilling & Compaction of Trenches 10%; | | *Rock Drill, Blasting & Bedding 5%; *Laying of Pipes 10% *Backfilling & Compaction of Trenches 10%; *Construction of Chamber Base Slab | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | | *Construction of Chamber Base Slab 5%; *Chamber Walls and Cover Slabs 5%*Pipe Specials 5%; *Commissioning of the Project 5% | | 5%;*Chamber Walls and Cover Slabs 5%, *Pipe Specials 5% | | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DTS160 | To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road | Zenkcon Consulting Engineers<br><br>Namasango Business enterprise | Upgrading of Tweefontein C and DK Water Infrastructure (Multi-Year Project) – Ward 12 | % progress in the Upgrading of Tweefontein C and DK Water Infrastructure | 40% Progress: Upgrading of Tweefontein C and DK Water Infrastructure – Phase 1:<br><br>*MIG Business Plan 5%;<br>*Preliminary Design | 80% Progress: Upgrading of Tweefontein C and DK Water Infrastructure – Phase 1 by 30th March 2022:<br><br>*Setting Out | R7,000,000 | 88,74%; Setting out 5%; Excavation 9,8%; Bedding 4,8%; Pipe laying 9,8%; Backfilling 9,8% | R 6 903 930.67 | Yes | 36 Months | Yes | None | None | 4 | Good |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15% | 5%*Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling & Compaction of Trenches 10%; | | | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DTS161 | To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road | SML Projects<br><br>Stickson and General Construction | Upgrading of Ntokozweni Water Infrastructure (Multi-Year Project) – Ward 17 | % progress in the Upgrading of Ntokozweni Water Infrastructure | 40% Progress: Upgrading of Ntokozweni Water Infrastructure – Phase 1:<br><br>*MIG Business Plan 5%; *Preliminary Design Report 5%; | 100% Progress: Upgrading of Ntokozweni Water Infrastructure – Phase 1 by 30th June 2022:<br><br>*Setting Out 5%*Excav | R 9 547 767 | 100% Progress: Upgrading of Ntokozweni Water Infrastructure – Phase 1<br><br>*Setting Out 5% *Excavation 10%; *Preparation of Pipe | R 9 546 404.20 | Yes | 36 months | Yes | None | None | 4 | Good |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15% | ation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling & Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; | | Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipe | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | | *Installation of Standpipes 10%*Commissioning of the Project 5% | | s 10% *Commissioning of the Project 5% | | | | | | | | |
| DTS162 | To provide households with basic services including | Mont Consulting Engineers | Upgrading of Mabhoko Water Infrastructure | % progress in the Upgrading of Mabhoko | 40% Progress: Upgrading of Mabhoko Water Infrastructur | 70% Progress: Upgrading of Mabhoko Water | R 9 659 497 | 78% Progress: Upgrading of Mabhoko Water | R 9 658 931.33 | Yes | 36 months | Yes | None | None | 4 | Good |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | water, adequate sanitation, adequate public lighting and accessible road | DKPB Civil Contractors | (Multi-Year Project) – Ward 17 | Water Infrastructure | e – Phase 1:<br><br>*MIG Business Plan 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; | Infrastructure – Phase 1 by 30th December 2021:<br><br>*Setting Out 5%*Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% | | Infrastructure – Phase 1<br><br>*Setting Out 5%*Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling & Compactio | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | *Appointment of Contractor 5%; *Site Establishment 15% | *Backfilling & Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipes 10%*Commissioning of the | | n of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipes 10% *Commissioning of the Project 5% | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **PROJECT CODE** | **STRATEGIC OBJECTIVE** | **APPOINTED SERVICE PROVIDER** | **PROJECT NAME/ DESCRIPTION** | **KEY PERFORMANCE INDICATOR** | **BASELINE 2020/2021** | **REVISED ANNUAL TARGET 2021/2022** | **ADJUSTED ANNUAL BUDGET (INPUT INDICATOR)** | **ACTUAL PERFORMANCE** | **EXPENDITURE TO DATE** | **TARGET ACHIEVE YES/NO** | **TERM OF THE CONTRACT** | **PROJECT COMPLETED (YES/NO)** | **REASON FOR NON COMPLETION** | **REMEDIAL MEASURES** | **SCORING (1-5 RATING)** | **SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT** |
| | | | | | | Project 5% | | | | | | | | | | |
| DTS164 | To provide households with basic services including water, adequate sanitation, adequate public lighting and | SML Projects<br><br>V Dan Construction / Patek JV<br><br>Abram Mashego | Bomando Water Infrastructure (Multi-Year Project) | % progress in the Upgrading of Bomando Water Infrastructure | 50% Progress: Upgrading of Bomando Water Infrastructure – Phase 1 by 30th June 2021:<br><br>*DWS Technical | 100% Progress: Upgrading of Bomando Water Infrastructure – Phase 1 by 30th June 2022: | R 20 573 000 | 100% Progress: Upgrading of Bomando Water Infrastructure – Phase 1<br><br>*Preparation of Pipe Bedding | R 17 757 489.28 | Yes | 36 Months | Yes | None | None | Good | 4 |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | accessible road | Construction | | | Report 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishm | *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meters 10%; | | 5%; *Laying of Pipes 10% *Backfilling & Compaction of Trenches 10%; *Installation of Zonal Bulk Meters 10%; *Installation of Standpipe | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | ent 15%; *Excavation 10% | *Installation of Standpipes 10%*Commissioning of the Project 5% | | s 10% *Commissioning of the Project 5% | | | | | | | | |
| DTS165 | To provide households with basic services including | Maragela Consulting | Moloto Water Infrastructure (Multi- | % progress in the Upgrading of Moloto Water | 50% Progress: Upgrading of Moloto Water Infrastructur | 100% Progress: Upgrading of Moloto Water Infrastruct | R25,000,000 | 87% Progress: *DWS Technical Report 5%; | R 31 815 839.39 | No | 36 months | No | Slow progress on site | The service provider were | 2 | Below Satisfactory |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | water, adequate sanitation, adequate public lighting and accessible road | Engineers<br><br>Kgotso Mokone Construction | Year Project) | Infrastructure | e – Phase 1 by 30th June 2021:<br><br>*DWS Technical Report 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor | ure – Phase 1 by 30th June 2022:<br><br>*Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches | | *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establish | | | | | | instructed to increase resource on site | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | 5%; *Appointment of Contractor 5%; *Site Establishment 15%; *Excavation 10% | 10%; *Installation of Zonal Bulk Meters 10%; *Installation of Standpipes 10% *Commissioning of the Project 5% | | ment 15%; *Excavation 10% *Preparation of pipe bedding 9% *Laying of Pipes 9% *Backfilling & Compaction of Trenches 9%; *Installation of Zonal | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | | | | Bulk Meters 5% *Installation of Standpipes 5% *Commissioning of the Project 0% | | | | | | | | |
| DTS172 | To provide households with basic services | Ceenex<br><br>Mbako Projects | Upgrading of Water Treatment | % progress in the Upgrading of Water | 90% Progress: Upgrading of Water Treatment | 100% Progress: Upgrading of Water Treatment | R 10 918 397.68 | 100% Progress: Upgrading of Water Treatment | R 8 157 424.00 | Yes | 6 Months | Yes | None | None | 4 | Good |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | including water, adequate sanitation, adequate public lighting and accessible road | | Works for agricultural projects in Bundu ward 24 Civil Engineering Water Treatment (Covid 19) | Treatment Works for agricultural projects in bundu ward 24 Civil Engineering Water Treatment | Works for agricultural projects in Bundu ward 24 Civil Engineering Water Treatment: *Tender advert 2.5%*Appointment of Contractor 2.5%; *Site Establishment 2.5%; * | Works for agricultural projects in Bundu ward 24 Civil Engineering Water Treatment by 30th March 2022: Flocculation 2%; Sedimentation 2%; * | | Works for agricultural projects in Bundu ward 24 Civil Engineering Water Treatment Flocculation 2%;Sedimentation 2%; *Pipework 2%;*Sludg | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Construction of WTW 5%; | Pipework 2%; *Sludge Ponds 2%; Small Works 1%; *Completion 1% | | e Ponds 2%; Small Works 1%; *Completion 1% | | | | | | | | |
| DTS179 | To provide households with basic services including | SML Projects<br><br>Elezulu Construction | Replacement of Asbestos Pipes – THLM – | % progress in the Replacement of Asbestos | 0 | 100% Progress: Replacement of Asbestos Pipes – | R2,623 087.67 | 100% progress: Appointment of Contractor 10%; | R 2 429 030.80 | Yes | 6 Months | Yes | The Business Forum stopped the project for | The matter has been resolved | 4 | Good |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | water, adequate sanitation, adequate public lighting and accessible road | and Projects | (Bomando Water Infrastructure Pipework) (Multi-Year Project) | Pipes – THLM – (Bomando Water Infrastructure Pipework) Phase 2 | | THLM – Phase 2 by 30th December 2021:<br><br>*Appointment of Contractor 10%; *Site Establishment 15%; *Excavation 20% *Replacement of Asbestos | | Excavation 20%; Site Establishment 15%;; Replacement of Asbestos Pipes 10%; Laying of new pipes 25%; Testing of Pipes 10 %; | | | | | about 6 weeks about Sub-contraction issue | and the contractor is back on site | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | | Pipes 10%;*Laying of New Pipes 25%; *Testing of Pipes 10%; *Commissioning of Project 10% | | Commissioning of Project 10% | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DTS180 | To provide households with basic services including water, adequate sanitation, adequate public lighting and accessible road | Wisane Mathebula | Procurement of Water Tanker Trucks | % progress in the Procurement of 5 x Water Tanker Trucks | 50% Progress: Procurement of 5 x Water Tanker Truck:<br><br>*30% Term of Reference for supply and delivery; *20% | 100% Progress:<br><br>Procurement of 5 x Water Tanker Trucks by 30th March 2022:<br><br>*50% Supply | R 5 427 000 | 100% Progress:<br><br>Procurement of 5 x Water Tanker Trucks<br><br>*50% Supply and Delivery. | R 5 426 999.99 | Yes | 6 Months | Yes | None | None | 3 | Satisfactory |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Appointment of supplier | and Delivery. | | | | | | | | | | |
| DTS181 | To provide households with basic services including water, adequate sanitation, adequate public lighting and | | Update and review of Water Service Development Plan (WSDP) | % progress of Updating and reviewing of Water Service Development Plan (WSDP) | 50% progress of Updating and reviewing of Water Service Development Plan (WSDP): *25% Allocation | 100% progress of Updating and reviewing of Water Service Development Plan (WSDP) by 30th Septembe | R1,400,000.00 | 100% progress of Updating and reviewing of Water Service Development Plan (WSDP) *25% Draft | R 1 361 485.24 | Yes | 12 moths | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/ NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | accessible road | | | | Letter *25% Proposal Report | r 2021: *25% Draft Report *25% Final Report | | Report *25% Final Report | | | | | | | | |
| | | | | | | ELECTRICITY | | | | | | | | | | |
| DTS147 | To provide household with basic services including | MNP Face of earth & Mogale mole | Design and implementation of | % progress in the Design and | 0% progress in the Design and implementa | 100% Progress: Upgrading of Design and | R 4 500 000 | 100% Progress: Upgrading of Design and | R 4 498 781.20 | Yes | 12 months | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | water, adequate sanitation, adequate public lighting and accessible road | consulting engineers | energy efficiency program – Phase 3 | implementation of energy efficiency program – Phase 3 | tion of energy efficiency program – Phase 3 | implementation of energy efficiency program – Phase 2 by 30th June 2022:<br><br>*Technical Report 10%;<br>*Preliminary Design Report 10%; | | implementation of energy efficiency program – Phase 2<br><br>*Technical Report 10%;<br>*Preliminary Design Report 10%;<br>*Detailed Design Report | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | | *Detailed Design Report 20%; *Appointment of Contractors 10%; *Purchasing of Highmast Lights Material 20%; * Retrofitting of Highmast | | 20%; *Appointment of Contractors 10%; *Purchasing of Highmast Lights Material 20%; * Retrofitting of Highmast Lights 20%; | | | | | | | | | |

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | | Lights 20%; *Completion 10% | | *Completion 10% | | | | | | | | |
| ROAD AND STORMWATER | | | | | | | | | | | | | | | | |
| DTS117 | To provide household with basic services including water, adequate sanitation, | Kago Consulting Engineers Nkemeleng | Designs and Construction of Luthuli Link Road - Ward 22 | % progress in the Designs and Construction of Luthuli | 80% progress in the Designs and Construction of Luthuli Link Road - | 100% Progress: Designs and Construction of Luthuli Link Road | R 39 783.41 | 100% progress: *10% finishing, *10% Close out | R 39 783.41 | Yes | 6 Months | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | adequate public lighting and accessible road | Holdings | – Phase 2 | Link Road - Ward 22 – Phase 2 | Ward 22 – Phase 2:<br><br>*5% MIG Business Plan; *5% Preliminary Design Report; *5% Detailed Design Report;*5% Term of Reference for Contractor; | - Ward 22 – Phase 2 by 30th September 2021:<br><br>*10% finishing, *10% Close out | | | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | *5% Appointment of Contractor, *5% Site hand-over, * 10% Excavation, * 10% Base slab, * 10% Culverts, * 10% Road approaches, *10% Gabions, *10% finishing, | | | | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | *10% Close out | | | | | | | | | | | |
| DTS148 | To provide household with basic services including water, adequate sanitation, adequate public lighting and | Servinet Consulting Engineers<br><br>Somthwalo Construction | Designs for Construction of Sun City A Bus Route - Ward 19 | % progress in the Designs and Construction of Sun City A Bus Route - Ward 19 | 70% Progress: Designs and Construction of Sun City A Bus Route - Ward 19:<br><br>*5% Preliminary Design | 100% Progress: Designs and Construction of Sun City A Bus Route - Ward 19 by 30th March 2022: | R 2 224 397 | 100% Progress: Designs and Construction of Sun City A Bus Route - Ward 19:<br><br>*10% Paving, *10% | R 2 196 481.17 | Yes | 6 Months | Yes | None | None | 3 | Satisfactory |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | accessible road | | | | Report; *5% Detailed Design Report, *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand-over, * 10% | *10% Paving, *10% finishing, *10% Close out | | finishing, *10% Close out | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Excavation, * 10% Road Bed, *10% Subbase, *10% Base | | | | | | | | | | | |
| DTS150 | To provide household with basic services including water, adequate sanitation, adequate public | Wanoza Consulting Engineers<br><br>Irhalane Golden Pond JV | Designs for Construction of Boekenhouthoek Bus Route - Ward 24 | % progress in the Designs and Construction of Boekenhouthoek | 70% Progress: Designs and Construction of Boekenhouthoek Bus | 100% Progress: Designs and Construction of Boekenhouthoek Bus Route - Ward 24 | R 3 164 456 | 85% Progress: Designs and Construction of Boekenhouthoek | R 3 164 462.28 | No | 8 Months | No | The progress was delayed due to local business forum challenges in light of | The service provider has been instructed to increase resour | 1 | Poor |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | lighting and accessible road | | | Bus Route - Ward 24 | Route - Ward 24:<br><br>*5% Preliminary Design Report; *5% Detailed Design Report, *5% Term of Reference for Contractor; *5% | by 30th June 2022:<br><br>*10% Paving, *10% finishing, *10% Close out | | Bus Route - Ward 24:<br><br>*7% Paving, *5% finishing, *3% Close out | | | | | work opportunities that are being demanded. Community delayed the project by creating an illegal mine along the | ces and labour force. The contractor is on penalties and his been requested to resubmit the | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Appointment of Contractor, *5% Site hand-over, * 10% Excavation, * 10% Road Bed, *10% Subbase, * 10% Base | | | | | | | | road. Delays due to the supplier not delivering the material on time and the contractor is currently on penalties | acceleration plan with a new program. | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DTS153 | To provide household with basic services including water, adequate sanitation, adequate public lighting and accessible road | Kago Consulting Engineers<br><br>Jasino General Services | Designs for Construction of Mountain View (Simunye Drive) Bus Route - Ward 14 | % progress in the Designs and Construction of Mountain View (Simunye Drive) Bus Route - Ward 14 | 70% Progress: Designs and Construction of Mountain View (Simunye Drive) Bus Route - Ward 14:<br><br>*5% Preliminary Design | 100% Progress: Designs and Construction of Mountain View (Simunye Drive) Bus Route - Ward 14 by 30th December 2021: | R 6 718 397 | 100% Progress: Designs and Construction of Mountain View (Simunye Drive) Bus Route - Ward 14:<br><br>*10% Paving, *10% | R 6 718 290.39 | Yes | 6 Months | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Report; *5% Detailed Design Report, *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand-over, * 10% | *10% Paving, *10% finishing, *10% Close out | | finishing, *10% Close out | | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Excavation, * 10% Road Bed, *10% Subbase, *10% Base | | | | | | | | | | | |
| DTS167 | To provide household with basic services including water, adequate sanitation, adequate public | Mangethe Engineers<br><br>Mohau Molutsi Civil | Mandela Luthuli Bridge Road | % progress in the Mandela Luthuli Bridge Road | 70% Progress: Mandela Luthuli Bridge Road:<br><br>*5% Preliminary Design | 100% Progress: Mandela Luthuli Bridge Road by 30th June 2022: | R 13 459 140 | 90% Progress: Mandela Luthuli Bridge Road:<br><br>*10% Paving, *10% | R 14 317 926.17 | No | 6 Months | No | Slow Progress on site | Contractor on penalties for failure to complete the works | 3 | Satisfactory |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | lighting and accessible road | Construction | | | Report; *5% Detailed Design Report, *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand-over, * 10% | *10% Paving, *10% finishing, *10% Close out | | finishing, *0% Close out | | | | | | on stipulated time | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Excavation, * 10% Road Bed, *10% Subbase, *10% Base | | | | | | | | | | | |
| DTS168 | To provide household with basic services including water, adequate sanitation, adequate public | F & A Consulting<br><br>Khulupha ala Trading | Madamini Bus Route | % progress in the Madamini Bus Route | 70% Progress: Madamini Bus Route:<br><br>*5% Preliminary Design Report; *5% | 100% Progress: Madamini Bus Route by 30th December 2021:<br><br>*10% Paving, | R 12 016 054 | 100% Progress: Madamini Bus Route:<br><br>*10% Paving, *10% finishing, | R 11 956 742.93 | Yes | 6 Months | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | lighting and accessible road | | | | Detailed Design Report, *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand-over, * 10% Excavation, * 10% Road | *10% finishing, *10% Close out | | *10% Close out | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/ NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Bed, *10% Subbase, *10% Base | | | | | | | | | | | |
| DTS169 | To provide household with basic services including water, adequate sanitation, adequate public lighting and | Vuxaka Consulting Engineers<br><br>Khulupha la Trading | Thembalethu Bus Route | % progress in the Thembalethu Bus Route | 70% Progress: Thembalethu Bus Route:<br><br>*5% Preliminary Design Report; *5% Detailed | 100% Progress: Thembalethu Bus Route by 30th June 2022:<br><br>*10% Paving, *10% finishing, | R 4 080 271 | 100% Progress: Thembalethu Bus Route:<br><br>*10% Paving, *10% finishing, | R 4 612 403.68 | Yes | 4 Months | No | Initial contractor was terminated and THLM appointed another service provider to complet | Contractor instructed to increase resource on site complete the works | 3 | Satisfactory |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | accessible road | | | | Design Report, *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand-over, * 10% Excavation, * 10% Road Bed, *10% | *10% Close out | | *10% Close out | | | | | e the works | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Subbase, *10% Base | | | | | | | | | | | |
| DTS170 | To provide household with basic services including water, adequate sanitation, adequate public lighting and | Baitsenape Consulting engineers<br><br>MK Cassidy POE JV | Roads and Stormwater in Ward 12 | % progress in the Roads and Stormwater in Ward 12 | 70% Progress: Roads and Stormwater in Ward 12:<br><br>*5% Preliminary Design Report; *5% Detailed Design | 100% Progress: Roads and Stormwater in Ward 12 by 30th June 2022:<br><br>*10% Paving, *10% | R 11 983 292 | 100% Progress: Roads and Stormwater in Ward 12:<br><br>*10% Paving, *10% finishing, | R 10 956 742.93 | Yes | 8 Months | No | Cash flow challenges experienced by the contractor | Contractor instructed to increase resources on site and complete the remainder | 3 | Below satisfactory |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | accessible road | | | | Report, *5% Term of Reference for Contractor; *5% Appointment of Contractor, *5% Site hand-over, * 10% Excavation, * 10% Road Bed, *10% | finishing, *10% Close out | | *10% Close out | | | | | | of the works. Contractor on penalties for failure to complete the works on stipulated time frame | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Subbase, *10% Base | | | | | | | | | | | |
| SPORTS AND WASTE REMOVAL | | | | | | | | | | | | | | | | |
| SDS001 | To create a safe clean and healthy environment conducive for social developm | Tshawe Technologies<br><br>Rapse London JV | Upgrading of Kwaggafontein Land fill site (Ward 25) – Phase 2 | % progress in the Upgrading of Kwaggafontein Land fill site | 60% Progress of Landfill Site Upgraded in Ward 25 – Phase 2:<br><br>*5% Site Establishment, *5% | 100% Progress of Landfill Site Upgraded in Ward 25 – Phase 2 | R 6 030 480 | 90 Progress: 0% Obtaining of Landfill Site Approval from DWS, 10% | R 8 770 960.08 | No | 12 Months | No | Slow implantation by Service Providers | Acceleration plan to be developed to complete the works | 2 | Below Satisfactory |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | ent and recreation | Irhalane Construction | | (Ward 25) – Phase 2 | Construction of storage sheds, *5% Construction of recycling shed; *10% Construction of wet weather cell; *5% installation of pipes and Tank.*20% construction of | by 30 April 2021:<br><br>5% Construction of Internal roads,<br><br>5% Admin Block,<br><br>10% Security House, | | Commissioning | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | stormwater drains, Stormwater pipes and Head Walls, 10% Construction of Sewer system | 10% Obtaining of Landfill Site Approval from DWS,10% Commissioning | | | | | | | | | | |
| SDS007 | To create a safe clean and healthy environment | Monde Consulting Engineers | Upgrading of KwaMhlanga stadium (Ward | % progress in the Upgrading of KwaMhlan | 75% progress in the Upgrading of KwaMhlang | 100% Progress: Upgrading of KwaMhlanga | R 17 498 100 | 100% Progress: Upgrading of KwaMhlanga | R 18 345 359.98 | Yes | 8 Months | No | Outstanding works awaiting the approval of | Phase 2 Technical Report submitted to | 4 | Good |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | conducive for social development and recreation | KJM Business Enterprises | 32) – Phase 1 | ga stadium (Ward 32) | a stadium (Ward 32):<br><br>*5% MIG Business Plan; *5% Preliminary Design Report; *5% Detailed Design Report*10 % Term of Reference for | stadium (Ward 32) by 30th June 2022:<br><br>*5% Refurbishment of Building Works,<br><br>*5% Electrical Works; | | stadium (Ward 32):<br><br>*5% Refurbishment of Building Works, *5% Electrical Works; *5% HVAC *5% Cleaning of Stadium | | | | | Phase 2 Technical report Submitted to SRSA | Cogta awaiting approval | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Contractor; *10% Appointment of Contractor, *10% Site Establishment, *10% Earthworks & Drainage, *10% Grass, *10% Fencing | *5% HVAC<br><br>*5% Cleaning of Stadium<br><br>*5% Close out | | *5% Close out | | | | | | | | |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| GRANT PERFORMANCE | | | | | | | | | | | | | | | | |
| DTS191 | To ensure clean and effective financial governance and compliance with legislative framework | MNP Face of earth & Mogalemole consulting engineers | Energy Efficiency and Demand-Side Management Programme (EEDMS) Budget | % Progress of the Energy Efficiency and Demand-Side Management Programme (EEDMS) | 100% Progress of the Energy Efficiency and Demand-Side Management Programme (EEDMS) | 100% Progress of the Energy Efficiency and Demand-Side Management Programme (EEDMS) | R 4,500,000 | 100% Progress of the Energy Efficiency and Demand-Side Management Programme (EEDMS) | R 11 822 182.40 | Yes | 36 months | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/ DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | Expenditure | Budget Expenditure | Budget Expenditure | Budget Expenditure by 30th June 2022 | | Budget Expenditure | | | | | | | | |

# APPENDICES

**BASIC SERVICE DELIVERY**

| KPA | | BASIC SERVICE DELIVERY | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| SDS017 | To create a safe, clean and healthy environment conducive for social development and recreation | Gubis85 Solutions<br><br>Black Protectors | Municipal Security Services reports | Number of quarterly status reports on Municipal security submitted to the Municipal Manager | 3 status reports on Municipal security submitted to the Municipal Manager | 4 status reports on Municipal security submitted to the Municipal Manager by 30th June 2022 | R 25 521 044 | 4 status reports on Municipal security submitted to the Municipal Manager | R30 103 341.20 | Yes | 36 months | Ongoing | Ongoing | None | 4 | Good |

# APPENDICES

**MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT**

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DCS018 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Bidvest Bank | Leasing of Municipal fleet | Number of Municipal fleet paid monthly on lease | 37 Municipal fleet paid monthly on lease | 37 Municipal fleet paid monthly on lease by 30th June 2022 | R 5,100,111 | 37 Municipal fleet paid monthly on lease | R 2 699 516.32 | Yes | 36 Months plus 7 months extension | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DCS020 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Batazi & SOns<br><br>Zembeli & Sons<br><br>Jabela Trading<br><br>Mdubane Electrical | Repairs and maintenance of Municipal fleet | Number of repairs and maintenance reports of Municipal fleet produced and submitted to the HOD | 12 repairs and maintenance reports of Municipal fleet produced and submitted to the HOD | 12 repairs and maintenance reports of Municipal fleet produced and submitted to the HOD by 30th June 2022 | R 15 108 040 | 11 repairs and maintenance reports of Municipal fleet produced and submitted to the HOD | R 3 732 750.96 | No | 36 Months | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DCS021 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Siyafana Thina | Monitoring the usage of fuel | Number of reports produced and submitted to the HOD on the usage of fuel | 12 reports produced and submitted to the HOD on the usage of fuel | 12 reports produced and submitted to the HOD on the usage of fuel by 30th June 2022 | R 6 206 696 | 12 reports produced and submitted to the HOD on the usage of fuel | R 3 679 542.84 | Yes | 36 Months | Yes | None<br>The fuel increases during the 2021-2022 financial year resulted in expenditure being more than what was budgeted for | None | 4 | Good |

# APPENDICES

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DCS022 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | DLTC | Licensing of Municipal Fleet | Number of vehicle licenses renewed | 132 vehicle licenses renewed | 143 vehicle licenses renewed by 30th June 2022 | R 951 788 | 110 vehicle licenses renewed | R 953 385.50 | No | On-going – As and when | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| New | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | BMW South Africa | Acquisition of Municipal Fleet. | Number of vehicles procured for Executive Mayor and Speaker | 2 vehicles purchased | 2 vehicles procured for Executive Mayor and Speaker by 30th June 2022 | R1 600 000 | 2 vehicles procured for Executive Mayor and Speaker | R 1 408 806 | Yes | Once off | Yes | None | None | 5 | Excellent |
| DCS024 | To improve organizati | New Deal | Submission of Reports | Number of reports | 4 reports submitted to the | 4 reports submitted to the | R 844 208 | 4 reports submitted to the | R 0 | Yes | 24 months | Yes | None | None | 4 | Good |

# APPENDICES

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | onal efficiency and promote a culture of professional conduct in order to render quality services. | | on the repairs and maintenance of ICT hardware | submitted to the HOD on the repairs and maintenance of ICT hardware | HOD on the repairs and maintenance | HOD on the repairs and maintenance of ICT hardware by 30th June 2022 | | HOD on the repairs and maintenance of ICT hardware | | | | | | | | |
| DCS025 | To improve organizational efficiency and promote a | Munsoft | Renewal of software | Number of software licenses renewed | Munsoft HR/Payroll, Munsoft, 50 Microsoft | 1 x Munsoft, - Payroll, HR and Financial system, 1 x Netrix | R 7 819 996 | 1 x Munsoft, - Payroll, HR and Financial system, 1 x Netrix | R 6 119 999.04 | Yes | 2 years | Yes | None | None | 4 | Good |

# APPENDICES

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | culture of professional conduct in order to render quality services. | Matupunuka<br><br>IGS Solutions | | | volume, 210 Symantec antivirus, Server monitoring system, PMS system renewed | monitor, 50 x Microsoft volume, 210 x Symantec antivirus, 1 x Server monitoring system, 1 x PMS system, 35 x Office 365 renewed by 30th June 2022 | | monitor, 50 x Microsoft volume, 210 x Symantec antivirus, 1 x Server monitoring system, 1 x PMS system, 35 x Office 365 renewed | | | Three years<br><br>3 Years | Yes<br><br>Yes | None<br><br>None | None<br><br>None | 4<br><br>4 | Good<br><br>Good |

# APPENDICES

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DCS033 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Thegko Yaka Trading and Project<br><br>Fandross TRD and Projects | Disinfecting and Deep cleansing services | Number of Municipal facilities disinfected and deep cleansed quarterly | 13 Municipal facilities disinfected and deep cleansed | 13 Municipal facilities disinfected and deep cleansed quarterly by 30th June 2022 | R 416, 496 | 13 Municipal facilities disinfected and deep cleansed quarterly | R 402 201 | No | 36 months | No | Service no more needed, but the contract is still valid | None | 4 | Good |

# APPENDICES

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DCS036 | To improve organizational efficiency and promote a culture of professional conduct in order to render quality services. | Mbokondlovu Business Enterprise<br><br>Mpumasti Trading Enterprise | Material and Supply for Covid 19 | Number of Material and Supply for Covid 19 purchased | 3124 Material and Supply for Covid 19<br><br>purchased by 30th June 2021<br><br>( 600 hand Sanitizers | 5 128 Material and Supply for Covid 19<br><br>purchased by 30th June 2022<br><br>( 80 x 25L hand Sanitizers<br><br>(70% alcohol); 700 x 20L | R 483, 504 | 2 833 Material and Supply for Covid 19 purchased | R 374 600 .45 | No | 36 months | No | Contract still on going | none | 3 | Satisfactory |

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | (70% alcohol); 790<br><br>Disinfectants<br><br>(10 Pro - fogger Disinfection units; 200 disinfection surface Sanitizer Sprays (97%); 762 Cleaning | Disinfectants<br><br>( 800 disinfection surface Sanitizer Sprays (97%); 1524 Cleaning Cloth; 1524 Cloth masks<br><br>500 x 500ml empty | | | | | | | | | | |

# APPENDICES

| KPA | | MUNICIPAL TRANSFORMATIONS AND INSTITUTIONAL DEVELOPMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | | | | | Cloth; 762 Cloth masks | sanitizer sprays | | | | | | | | | | |

# APPENDICES

**MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT**

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| DBT013 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and improved | I@ Consulting (Pty) Ltd | Updating of the fixed Asset register | Rate update of the Fixed Asset Register | Daily update of the Fixed Asset Register | Daily update of the Fixed Asset Register by 30th June 2022 | R 2 653 711 | Daily update of the Fixed Asset Register | R 2 653 711 | Yes | 36 Months | Yes | None | None | 5 | Excellent |

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | revenue collection | | | | | | | | | | | | | | | |
| DBT018 | To improve the financial status of the Municipality through prudent budget planning, stringent financial management and | PMH Consulting (Pty) Ltd | Compilation and submission of Annual Financial Statements to the Auditor General | Number of Annual Financial Statements compiled and submitted to the Auditor General | 1 Annual Financial Statement compiled and submitted to the Auditor General by 31st October 2020 | 1 Annual Financial Statement compiled and submitted to the Auditor General by 31st August 2021 | R 4 000 000 | 1 Annual Financial Statement compiled and submitted to the Auditor General | R 1 361 352 | Yes | 12 Months | Yes | None | None | 5 | Excellent |

# APPENDICES

| KPA | | MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| | improved revenue collection | | | | | | | | | | | | | | | |

# APPENDICES

**MUNICIPAL MANAGER'S OFFICE**

| KPA | | GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| MM035 | To deepen democracy and promote active community participation in the affairs of the institution | Pooven Chetty & Associate Inc.<br><br>Mera Ketso Business Solutions PTY (LTD)<br><br>MNB Chattered Accountants | Submission of internal audit reports to the Audit Committee | Number of internal audit reports submitted to the Audit Committee | 4 Internal audit reports submitted to the Audit Committee | 4 Internal audit reports submitted to the Audit Committee by 30th June 2022 | R 300 000 | 4 Internal audit reports submitted to the Audit Committee | R 300 000 | Yes | 36 Months | Yes | None | None | 5 | Excellent |

**SPATIAL RATIONALE**

| KPA | | SPATIAL RATIONALE | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PROJECT CODE | STRATEGIC OBJECTIVE | APPOINTED SERVICE PROVIDER | PROJECT NAME/DESCRIPTION | KEY PERFORMANCE INDICATOR | BASELINE 2020/2021 | REVISED ANNUAL TARGET 2021/2022 | ADJUSTED ANNUAL BUDGET (INPUT INDICATOR) | ACTUAL PERFORMANCE | EXPENDITURE TO DATE | TARGET ACHIEVE YES/NO | TERM OF THE CONTRACT | PROJECT COMPLETED (YES/NO) | REASON FOR NON COMPLETION | REMEDIAL MEASURES | SCORING (1-5 RATING) | SERVICE PROVIDER PERFORMANCE (1=POOR, 2=BELOW SATISFACTORY, 3=SATISFACTORY, 4=GOOD, 5=EXCELLENT |
| TP007 | To manage and coordinate spatial planning and Land use management | Sesana projects | Anti-land invasion | Number of reports on land invasion submitted to the Municipal Manager | 3 reports on land invasion submitted to the Municipal Manager | 4 reports on land invasion submitted to the Municipal Manager 30th June 2022 | R 1 750 004 | 4 reports on land invasion submitted to the Municipal Manager | R 1 681 760.78 | Yes | 3 years | Executed on "as and when basis" | N/a | N/a | 4 | Good |

## APPENDIX J – DISCLOSURE OF FINANCIAL INTERESTS

| Disclosures Of Financial Interests | | |
|---|---|---|
| Period 1 July 2021 To 30 June 2022 | | |
| **Position** | **Name** | **Description Of Financial Interests* (Nil / Or Details)** |
| **(Executive) Mayor** | Lesetja Jacob Dikgale | Nil |
| **Speaker** | Maria Poppy Msiza | Nil |
| **Chief Whip** | Thokozile Egnes Motanyane | Nil |
| **Member Of Mayco / Exco** | Eunice Martha Malekane | Top Amber PTY Ltd |
| | Ntombifuthi Thandeka Skhosana | Nil |
| | Lucky Xolani Mtsweni | Waitjokotja Trading and Projects |
| | Thomas Lebandla Mabena | King Makhosonke Agricultural Primary Co-Operative |
| | | Matjhuba Primary Co-Operative Limited |
| | | King Malusi Development Foundation |
| | | Queen Nadima Primary Co-operative Limited |
| | Joseph Elias Mthimunye | Sazimaso Trading |
| **Councillors** | Dipolelo Sinah Mampuru | Nil |
| | Maria Thruddy Nobela | Nil |
| | Lillian Martha Tshabangu | Nil |
| | Christinah Ndlelehle Mahlangu | Mammabolo Waste Management And Greening |
| | Tsanky Michael Rahlogo | Nil |
| | Ntombi Mitta Motaung | Nil |
| | Thabiso Klass Mahlangu | Nil |

# APPENDICES

| Disclosures Of Financial Interests | | |
|---|---|---|
| Period 1 July 2021 To 30 June 2022 | | |
| **Position** | **Name** | **Description Of Financial Interests* (Nil / Or Details)** |
| | Motlalepule Sweetness Ramphisa | Nil |
| | Remenky Stephinah Molefe | Nil |
| | Busisiwe Maria Shiburi | Sheburi & Sons Trading and Projects |
| | Abram Glen Sithole | Ngingumancoba Trading & Projects PTY LTD |
| | Matalanyane Lucas Moloko | Mokomatla Investments and Project |
| | Lindiwe Kate Gulube | Gudazela Trading & Projects |
| | | Bomakhadzi Consortium |
| | | Phethokuhle Guest House |
| | Eliot Sunday Khumalo | Nil |
| Councillors | Maggie Thandi Mhlanga | Nil |
| | Augustine Renny Mokwena | Nil |
| | Toenkie Linah Masilela | Nil |
| | Xolani Clement Nyalunga | Nil |
| | David Mabuzwa Sibanyoni | Nil |
| | Masontaga Adelaide Mokwena | Nil |
| | Thabo John Tibane | Nil |
| | Rubber Qaliwe Mtsweni | Sizwene Driving Academy Primary Co-operative Limited |
| | | Rubber Driving School |
| | Samuel Mazungwe Mtsweni | Samaletha |
| | | Skokoro |
| | | Siyaphambili |
| | | Mazungwe Consultancy & Services |
| | Andries Mphatlalashane Skhosana | Sizanani Stationery |
| | | Buso Fire and Safe Technology |
| | Zenaye Jantjhie Mnguni | Nil |

# APPENDICES

| Disclosures Of Financial Interests | | |
|---|---|---|
| Period 1 July 2021 To 30 June 2022 | | |
| **Position** | **Name** | **Description Of Financial Interests* (Nil / Or Details)** |
| | Margareth Mabelane | Nil |
| | Moses Thabo Mnguni | Magubelo Kosondibilitjhi Trading Enterprise cc |
| | Lucky Matlhatsi Maphoso | Nil |
| | Steven Citha Mahlangu | Steven Karel Ashly Logistics |
| | Namntungwa Elizabeth Radebe | Nil |
| | Vusi Michael Ntuli | Nil |
| | Mable Elsie Mabanga | Nil |
| | Simon Bangiswani Sindana | Siyasebenza Civil and Electricals |
| | Bongani Ntokozo Dlamini | Nil |
| | Khanyi Leah Masanabo | Nil |
| | Mmelisizwe Terance Ntuli | Nil |
| | Moses Mmoisetsi Sepogwana | Nil |
| | Richard Bongani Jiyane | Nil |
| | Simon Vusi Masombuka | Dylan Trading and Projects PTY LTD |
| | Simon Sipho Mnguni | Nil |
| | Tenboy Buttitjie Dube | Dzubhula Cooperative |
| | Fikile Violet Mgayi | Nil |
| | David Sello Mokoena | Tau & Sotobe Construction and Projects |
| | Nomvula Sister Mnguni | Nil |
| | Class Menzelwa Jiyane | Nil |
| | Sonto Rose Nhlapho | Rokhwathisa Moshomo Bakery and Confidentiary |
| | Bongani Victor Msibi | Nil |
| | Bernard Vusi Mtshaise | Nil |

# APPENDICES

| Disclosures Of Financial Interests | | |
|---|---|---|
| Period 1 July 2021 To 30 June 2022 | | |
| **Position** | **Name** | **Description Of Financial Interests* (Nil / Or Details)** |
| | Poppie Mahlangu | Nil |
| | Masotja Petrus Nduli | Nil |
| | Bawinile Simon Mabhena | Nil |
| | Mkhululi Jacob Sithole | JKS Trading Enterprise |
| | Rose Martha Kgomo | Nil |
| | Godfrey Nkosinathi Mahlangu | Nil |
| | Solomon Fickson Skosana | Nil |
| | Thabile Prunella Nkosi | Nil |

| | | |
|---|---|---|
| **Municipal Manager** | O.N Nkosi | Gbu Holdings 2013/206266/07 |
| | | Samketsi 2013/074623/07 |
| | | Uhambo Petroleum 2015/023315/07 |
| **Chief Financial Officer** | Ms. JG Mahlangu | Sports Spear Academy |
| **Other S57 Officials** | Ms. L Nxumalo | Nil |
| | Mr. VL Skosana (Manager (Technical) | Jali Brothers Investments |
| | | Mavu Foundation |
| | Mr. M Tsebe (Manager: DTPS) | Nil |
| | Mr. A Chego (Manager: SDS) | Nil |
| * Financial Interests To Be Disclosed Even If They Incurred For Only Part Of The Year. See Mbrr Sa34a | | |

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE

## APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

| Revenue Collection Performance By Vote | | | | | Note:R' 000 On Total Revenue | |
|---|---|---|---|---|---|---|
| | 2020/2021 | 2021/2022 | | | | |
| Vote Description | Actual "000" | Original Budget"000" | Adjusted Budget"000" | Actual"000" | Actual Outcome As % Of Final Budget | Actual Outcome As % Of Original Budget |
| Vote 104 | 627 487 | 508 282 | 521 628 | 530 857 | 101.76% | 104.44% |
| Vote 105 | 121 410 | 131 307 | 130 895 | 130 848 | 99.96% | 99.65% |
| Vote 106 | 241 | 32 | 189 | 263 | 139.15% | 821.87% |
| Vote 107 | 567 | 445 | 269 | 319 | 118.58% | 71.68% |
| Vote 108 | 19 571 | 19 735 | 23 971 | 15 228 | 63.52% | 77.16% |
| Vote 300 | 82 | 72 | 93 | 93 | 100% | 129.16% |

| | | | | | | |
|---|---|---|---|---|---|---|
| Vote 500 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vote 520 | 45 227 | 49 294 | 59 938 | 60 766 | 101.38% | 123.27% |
| Vote 530 | 3 600 | 4 500 | 4 500 | 4 500 | 100% | 100% |
| Vote 540 | 149 309 | 188 346 | 170 889 | 175 403 | 102.64% | 93.12% |
| Vote 560 | 2 139 | 2 300 | 2 625 | 2 755 | 104.95% | 119.78% |
| **Total Revenue By Vote** | **969 633** | **904 313** | **914 997** | **921 032** | **100.65%** | **101.84%** |

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| Conditional Grants: Excluding Mig<br>R | | | | | | |
|---|---|---|---|---|---|---|
| Details | Budget | Adjust-Ments Budget | Actual | Variance | | Major Conditions Applied By Donor (Continue Below If Necessary) |
| | | | | Budget | Adjust-Ments Budget | |
| Neighbourhood Development Partnership Grant | 0 | 0 | 0 | | | |
| FMG | 1 720 000 | 1 720 000 | 1 720 000 | 0% | 0% | |
| WSIG | 51 000 000 | 51 000 000 | 55 000 000 | 0% | 107.84% | |
| EPWP | 2 127 000 | 2 127 000 | 2 127 000 | 0% | 0% | |
| INEP | 0 | 0 | 0 | 0% | 0% | |
| Total | **54 847 000** | **54 847 000** | **58 847 000** | **0%** | **107.84%** | |

## APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

| Capital Expenditure - New Assets Programme* R '000 | | | | | | | |
|---|---|---|---|---|---|---|---|
| Description | 2020/2021 | 2021/2022 | | | Planned Capital Expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | Fy + 1 | Fy + 2 | Fy + 3 |
| **Capital Expenditure By Asset Class** | | | | | | | |
| **Infrastructure - Total** | **202 656 360** | **202 656 206** | **190 198 000** | **190 198 000** | **–** | **–** | **–** |
| **Infrastructure: Road Transport - Total** | **75 125 865** | **75 125 865** | **54 686 321** | **54 686 321** | – | – | – |
| *Roads, Pavements & Bridges* | 75 125 865 | 75 125 865 | 54 686 321 | 54 686 321 | - | - | - |
| *Stormwater* | | | | | | | |
| **Infrastructure: Electricity - Total** | **3 600 000** | **3 599 846** | **4 500 000** | **4 500 000** | **-** | **-** | **-** |
| *Transmission & Reticulation* | | | 4 500 000 | 4 500 000 | | | |
| *Street Lighting* | 3 600 000 | 3 599 846 | | | - | - | - |
| **Infrastructure: Water - Total** | **64 469 403** | **64 469 403** | **R 94 987 401** | **R 94 987 401** | – | – | – |
| *Dams & Reservoirs* | 32 858 941 | 32 858 941 | R 94 987 401 | R 94 987 401 | - | - | - |
| *Water Purification* | 19 962 622 | 19 962 622 | | | - | - | - |
| *Reticulation* | 15 133 261 | 15 133 261 | | | - | - | - |
| **Infrastructure: Sanitation - Total** | **7 605 305** | **7 605 305** | | | | – | – |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| *Reticulation* | | | | | | | |
| *Sewerage Purification* | 7 605 305 | 7 605 305 | | | - | - | - |
| **Infrastructure: Other - Total** | **51 855 787** | **51 855 787** | **36 024 278** | **36 024 278** | **–** | **–** | **–** |
| *Waste Management* | 32 598 275 | 32 598 275 | 8 889 570 | 8 889 570 | - | - | - |
| *Transportation* | | | | | - | - | - |
| *Gas* | | | | | - | - | - |
| *Other* | 6 196 339 | 6 196 339 | 27 134 708 | 18 345 360 | - | - | - |
| Operational WSIG | 13 061 173 | 13 061 173 | | | | | |

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT BY WARD 2021/22

| Location | Project Description | Revised Annual Target 2021 /2022FY | Adjusted Annual Budget (Input Indicator' 000) | 2021/2022 Actual Performance | Expenditure To Date |
|---|---|---|---|---|---|
| Sheldon | Upgrading of Sheldon Water Infrastructure (Multi-Year Project) – Ward 9,14 – Phase 1 | 40% Progress: Upgrading of Sheldon Water Infrastructure – Phase 1:<br><br>*MIG Business Plan 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15% | R 6 977 509.68 | 100% Progress:<br><br>*Setting Out 5%<br>*Excavation 10%; *Rock Drill, Blasting & Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Construction of Chamber Base Slab 5%; *Chamber Walls and Cover Slabs 5%*Pipe Specials 5%;<br>*Commissioning of the Project 5% | R 6 977 509.68 |
| Tweefontein C & DK | Upgrading of Tweefontein C and DK Water Infrastructure (Multi-Year Project) – Ward 12 | 80% Progress: Upgrading of Tweefontein C and DK Water Infrastructure – Phase 1 by 30th March 2022:<br><br>*Setting Out 5%<br><br>*Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; | R 6 903 930.05 | 80% Progress: Upgrading of Tweefontein C and DK Water Infrastructure – Phase 1 by 30th March 2022:<br><br>*Setting Out 5% *Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10%<br>*Backfilling and Compaction of Trenches 10%; | R 6 903 930.0 |
| Ntokozweni | Upgrading of Ntokozweni Water Infrastructure (Multi-Year Project) – Ward 17 | **100% Progress:** Upgrading of Ntokozweni Water Infrastructure – Phase 1 by 30th June 2022:<br><br>*Setting Out 5% *Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipes 10% *Commissioning of the Project 5% | R R9 546 404.20 | 100% Progress:<br><br>*Setting Out 5% *Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10%<br>*Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipes 10% *Commissioning of the Project 5% | R 9 546 404.20 |

# APPENDICES

| Location | Project Description | Revised Annual Target 2021 /2022FY | Adjusted Annual Budget (Input Indicator' 000) | 2021/2022 Actual Performance | Expenditure To Date |
|---|---|---|---|---|---|
| Mabhoko | Upgrading of Mabhoko Water Infrastructure (Multi-Year Project) – Ward 17 | 70% Progress: Upgrading of Mabhoko Water Infrastructure – Phase 1 by 30th December 2021:<br><br>*Setting Out 5% *Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipes 10% *Commissioning of the Project 5% | R 9 660 041.33 | 70% Progress:<br><br>Setting Out 5% *Excavation 10%; *Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meter 5%; *Installation of Standpipes 10% *Commissioning of the Project 5% | R 9 658 931.33 |
| Boekenhouthoek/Matheyzenslop and Bundu | Bomando Water Infrastructure (Multi-Year Project) | 50% Progress: Upgrading of Bomando Water Infrastructure by 30th June 2021:<br><br>*MIG Business Plan 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15%; *Excavation 10% | R 17 757 489.23 | **50% progress:**<br><br>*Technical Report 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%*Appointment of Contractor 5%; *Site Establishment 15%; *Excavation 10% | R 17 757 489.23 |
| Moloto | Moloto Water Infrastructure (Multi-Year Project) | **100% Progress:** Upgrading of Moloto Water Infrastructure – Phase 1 by 30th June 2022:<br><br>*Preparation of Pipe Bedding 5%; *Laying of Pipes 10% *Backfilling and Compaction of Trenches 10%; *Installation of Zonal Bulk Meters 10%; *Installation of Standpipes 10% *Commissioning of the Project 5% | R 31 815 839.99 | **87% Progress:**<br><br>DWS Technical Report 5%; *Preliminary Design Report 5%; *Detailed Design Report 5%, *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15%; *Excavation 10%, *Preparation of pipe bedding 9%, *Laying of Pipes 9%, *Backfilling and Compaction of Trenches 9%; *Installation of Zonal Bulk Meters 5% , *Installation of Standpipes 5% *Commissioning of the Project 0% | R 31 815 839.99 |

# APPENDICES

| Location | Project Description | Revised Annual Target 2021 /2022FY | Adjusted Annual Budget (Input Indicator' 000) | 2021/2022 Actual Performance | Expenditure To Date |
|---|---|---|---|---|---|
| Boekenhouthoek, Matheyzensloop and Bundu | Replacement of Asbestos Pipes – THLM - Bomando (Multi-Year Project) | **100% Progress:** Replacement of Asbestos Pipes – THLM – Phase 1 by 30th June 2021:<br><br>*MIG Business Plan 5%; *Preliminary Design Report 5%; *Detailed Design Report 5% *Term of Reference for Contractor 5%; *Appointment of Contractor 5%; *Site Establishment 15%; *Excavation 10%, *10% Replacement of Asbestos Pipes;*20% Laying of New Pipes;*10% Testing of Pipes; *10 Commissioning of Project | R2 429 030.81 | **100% Progress:**<br><br>*Replacement of Asbestos Pipes 10%; *Laying of New Pipes 25%; *Testing of Pipes 10%; *Commissioning of Project 10% | R2 429 030.81 |
| Bundu | Upgrading of Water Treatment Works for agricultural projects in Bundu ward 24 Civil Engineering Water Treatment (Covid 19) | **100% Progress:**<br><br>Upgrading of Water Treatment Works for agricultural projects in Bundu ward 24 Civil Engineering Pipeline by 30th June 2021:<br><br>*Tender advert 2.5%; *Appointment of Contractor 2.5%; *Site Establishment 2.5%; * Construction of pipeline 7.5%; *Testing of Pipes 2.5%; *Completion 2.5% | R 8 157 424.00 | **100% Progress**:<br><br>* Small Works 1%; *Completion 1% Tender advert *2.5% Appointment of Contractor *2.5% Site Establishment; *6.35% Construction of WTW. *0.6% Testing of WTW | R 8 157 424.00 |
| Delivery of Water Tankers THLM | Procurement of Water Tanker Trucks | **100% Progress:**<br><br>Procurement of 5 x Water Tanker Trucks by 30th April 2021:<br><br>*50% Supply and Delivery. | R 5 450 000,00 | **100% progress:**<br><br>*100% (5 x Water Tankers) Supply and Delivery | R 5 426 999,99 |
| Luthuli | Designs and Construction of Luthuli Link Road - Ward 22 – Phase 2 | **100% Progress:** Designs and Construction of Luthuli Link Road - Ward 22 – Phase 2 by 30th June 2022:<br><br>*10% finishing, *10% Close out | R 39 783.41 | **100% progress:**<br><br>*10% finishing, *10% Close out | R 39 783.41 |

# APPENDICES

| Location | Project Description | Revised Annual Target 2021 /2022FY | Adjusted Annual Budget (Input Indicator' 000) | 2021/2022 Actual Performance | Expenditure To Date |
|---|---|---|---|---|---|
| Sun City A | Designs for Construction of Sun City A Bus Route - Ward 19 | **100% Progress**: Designs and Construction of Sun City A Bus Route - Ward 19 by 30th December 2021:<br><br>*10% Paving, *10% finishing, *10% Close out | R 2 224 397.24 | **100% progress:**<br><br>*10% finishing, *10% Close out | R 2 196 481.17 |
| Boekenhouthoek | Designs for Construction of Boekenhouthoek Bus Route - Ward 24 | **100% Progress:** Designs and Construction of Boekenhouthoek Bus Route - Ward 24 by 30th December 2021:<br><br>*10% Paving, *10% finishing, *10% Close out | R 3 164 455.57 | **85% Progress**:<br><br>Progress: *0% Close out | R 3 164 455.57 |
| MountainView ( Simunye street | Designs for Construction of Mountain View (Simunye Drive) Bus Route - Ward 14 | **100% Progress:** Designs and Construction of Mountain View (Simunye Drive) Bus Route - Ward 14 by 30th December 2021:<br><br>*10% Paving, *10% finishing, *10% Close out | R 6 718 290.39 | **100% Progress:**<br><br>*10% finishing, *10% Close out | R 6 718 290.39 |
| Mandela Luthuli | Mandela Luthuli Bridge Road | **100% Progress: Mandela** Luthuli Bridge Road by 30th December 2021:<br><br>*10% Paving, *10% finishing, *10% Close out | R14 318 944.91 | **90% Progress:**<br><br>*10% Paving, *10% finishing, *0% Close out | R 14 317 926.17 |
| Kwaggafontein A | Madamini Bus Route | **100% Progress:** Madamini Bus Route by 30th December 2021:<br><br>*10% Paving, *10% finishing, *10% Close out | R 11 956 742.93 | **100% Progress:** Madamini Bus Route<br><br>*10% Paving, *10% finishing, *10% Close out | R 11 956 742.93 |
| Thembalethu | Thembalethu Bus Route | 100% Progress: Thembalethu Bus Route by 30th December 2021:<br><br>*10% Paving, *10% finishing, *10% Close out | R 4 612 403.68 | **100% Progress**:<br><br>*10% Paving, *10% finishing *10% Close out | R 4 612 403.68 |

# APPENDICES

| Location | Project Description | Revised Annual Target 2021 /2022FY | Adjusted Annual Budget (Input Indicator' 000) | 2021/2022 Actual Performance | Expenditure To Date |
|---|---|---|---|---|---|
| Ward 12 | Roads and Stormwater in Ward 12 | **100% Progress:** Roads and Stormwater in Ward 12 by 30th December 2021:<br><br>*10% Paving, *10% finishing, *10% Close out | R 10 858 759.81 | **100% Progress**:<br><br>*10% Paving, *10% finishing *10% Close out | R 10 858 759.81 |
| Kwaggafontein | Upgrading of Kwaggafontein Land fill site (Ward 25) – Phase 2 | **100% Progress** of Landfill Site Upgraded in Ward 25 – Phase 2 by 30 April 2022:<br><br>5% Construction of Internal roads, 5% Admin Block, 10% Security House, 10% Obtaining of Landfill Site Approval from DWS, 10% Commissioning | R 8 791 453.60 | **90% Progress**:<br><br>0% Obtaining of Landfill Site Approval from DWS, 10% Commissioning | R 8 770 960.08 |
| Kwamhlanga | Upgrading of KwaMhlanga stadium (Ward 32) – Phase 1 | **100% Progress:** Upgrading of<br><br>KwaMhlanga stadium (Ward 32) by 30th June 2022:<br><br>*5% Refurbishment of Building Works, *5% Electrical Works; *5% HVAC *5% Cleaning of Stadium *5% Close out | R 18 344 674.20 | **100% Progress**:<br><br>*5% Refurbishment of Building Works, *5% Electrical Works; *5% Electrical Works; Cleaning of Stadium *5% Close out | R 18 344 674.20 |

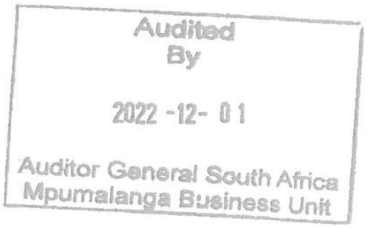
## APPENDIX O - SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Not Applicable

VOLUME II: AUDITED ANNUAL FINANCIAL STATEMENTS (ANNEXURE A)




THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements
for the 12 month period ended 30 June 2022



## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## General Information

| | |
|---|---|
| **Mayoral committee** | |
| Executive Mayor | Cllr Dikgale Lesetja Jacob |
| Speaker | Cllr Msiza Maria Poppy |
| Chief whip | Cllr Motanyane Thokozile Egnes |
| **Members of Executive Committee** | Cllr Tshabangu Lillian Martha |
| | Cllr Mthimunye Joseph Elias |
| | Cllr Mtsweni Lucky Xolani |
| | Cllr Mabena Thomas Lebandla |
| | Cllr Skhosana Ntombifuthi Thandeka |
| **Councillors** | Cllr Malekane Eunice Martha |
| | Cllr Seswike Simon Chani Puleng |
| | Cllr Maphoso Lucky Matlhatsi |
| | Cllr Mahlangu Steven Citha |
| | Cllr Radebe Namntungwa Elizabeth |
| | Cllr Ntuli Vusi Michael |
| | Cllr Mabanga Mable Elsie |
| | Cllr Sindana Simon Bangiswani |
| | Cllr Dlamini Bongani Ntokozo |
| | Cllr Masanabo Khanyi Leah |
| | Cllr Ntuli Mmelisizwe Terance |
| | Cllr Sepogwana Moses Mmoisetsi |
| | Cllr Jiyane Richard Bongani |
| | Cllr Masombuka Simon Vusi |
| | Cllr Mnguni Simon Sipho |
| | Cllr Dube Tenboy Buttitjie |
| | Cllr Mogoboya Samuel Bongani |
| | Cllr Mgayi Fikile Violet |
| | Cllr Mokoena David Sello |
| | Cllr Mnguni Nomvula Sister |
| | Cllr Jiyane Class Menzelwa |
| | Cllr Nhlapho Sonto Rose |
| | Cllr Msibi Bongani Victor |
| | Cllr Mtshaise Bernard Vusi |
| | Cllr Mahlangu Poppie |
| | Cllr Nduli Masotja Petros |
| | Cllr Mabhena Bawinile Simon |
| | Cllr Sithole Mkhululi Jacob |
| | Cllr Ḱgomo Rose Martha |
| | Cllr Mahlangu Godfrey Nkosinathi |
| | Cllr Skosana Solomon Fickson |
| | Cllr Nkosi Thabile Prunella |
| | Cllr Nobela Maria Thruddy |
| | Cllr Mampuru Dipolelo Sinah |
| | Cllr Mahlangu Christinah Ndlelehle |
| | Cllr Tshabangu Lillian Martha |
| | Cllr Mhlanga Maggie Thandi |
| | Cllr Rahlogo Tsanky Michael |
| | Cllr Motaung Ntombi Mitta |
| | Cllr Mahlangu Thabiso Klass |
| | Cllr Rampisa Motlalepule Sweetness |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

### General Information

Cllr Mokwena Augustine Renny
Cllr Shiburi Busisiwe Maria
Cllr Sithole Abram Glen
Cllr Molefe Remenky Stephinah
Cllr Mokolo Matalanyane Lucas
Cllr Gulube Lindiwe Kate
Cllr Khumalo Eliot Sunday
Cllr Nyalunga Xolani Clement
Cllr Mokwena Masontaga Adelaide
Cllr Sibanyoni David Mabuzwa
Cllr Tibane Thabo John
Cllr Mtsweni Samuel Mazungwe
Cllr Skhosana Andries Mphatlalashane
Cllr Mnguni Zenaye Jantjie
Cllr Mabelane Margaret
Cllr Mnguni Moses Thabo
Cllr Mtsweni Rubber Qaliwe

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2022

## General Information

| | |
|---|---|
| **Audit committee members** | |
| Chairperson | Ms FJ Mudau |
| Members | Ms. Mathabiso Moloi- Chamane |
| | Ms. Patience Ntuli |
| | Ms. Jane Masite |
| | Mr T Gafane |
| Chairperson of Risk Management Anti-Fraud and Anti-Corruption Committee | Mr T Boltman |
| **Grading of local authority** | Grade 4 |
| **Accounting Officer** | Mr ON Nkosi |
| **Chief Finance Officer (CFO)** | Ms JG Mahlangu |
| **Business address** | 24 Kwaggafontein C<br>Kwaggafontein<br>0458 |
| **Postal address** | Private Bag X4041<br>Empumalanga<br>0458 |
| **Bankers** | Nedbank |
| **Auditors** | AGSA - Mpumulanga |
| **Telephone number** | (013) 986 9100 |
| **Fax number** | (013) 986 0995 |
| **Web** | www.thembisilehanilm.gov.za |



## THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2022

## Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:


| | Page |
|---|---|
| Accounting Officer's Responsibilities and Approval | 6 |
| Report of the Audit and Performance Committee | 7 - 10 |
| Accounting Officer's Statement | 11 |
| Statement of Financial Position | 12 |
| Statement of Financial Performance | 13 |
| Statement of Changes in Net Assets | 14 |
| Cash Flow Statement | 15 |
| Statement of Comparison of Budget and Actual Amounts | 16 - 19 |
| Reportable segments for the year | 20 - 23 |
| Accounting policies | 24 - 51 |
| Notes to the Annual Financial Statements | 52 - 94 |
| Appendixes: | |
| Appendix : Municipal Finance Management Act | 95 |


Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2022

### Index

| | |
|---|---|
| COIDA | Compensation for Occupational Injuries and Diseases |
| CIDB | Construction Industry Development Board |
| CRR | Capital Replacement Reserve |
| COVID-19 | Coronavirus Disease 2019 |
| CIGFARO | Chartered Institute of Government Finance Audit and Risk Officers |
| DBSA | Development Bank of Southern Africa |
| DLTC | Driving Licence Testing Centre |
| DWS | Department of Water and Sanitation |
| EEDM | Energy Efficiency and Demand Supply Management Grant |
| EPWP | Expanded Public Works Program Grant |
| FMG | Finance Municipal Grant |
| GRAP | Generally Recognised Accounting Practice |
| HDF | Housing Development Fund |
| IAS | International Accounting Standards |
| IPSAS | International Public Sector Accounting Standards |
| MDRG | Municipal Disaster Relief Grant |
| ME's | Municipal Entities |
| MEC | Member of the Executive Council |
| MFMA | Municipal Finance Management Act (Act 56 of 2003) |
| MIG | Municipal Infrastructure Grant (Previously CMIP) |
| MPRA | Municipal Property Rates Act |
| MSA | Municipal Systems Act |
| PPE | Property, Plant and Equipment |
| PPR | Preferential Procurement Regulation |
| PSI | Product, Sales and Inventory |
| SAPS | South African Police Services |
| SCM | Supply Chain Management |
| WSIG | Water Service Infrastructure Grant |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.
The annual financial statements set out on pages , which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2022 and were signed on its behalf by:

**Accounting Officer (Acting)**

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## Report of the Audit and Performance Committee

**ANNUAL REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE**

We are pleased to submit the report of the Audit Committee for the year ended 30 June 2020

**1. Background**

Thembisile Hani Local municipality amongst other local municipalities is under Nkangala District Shared audit and performance committee, The Audit committee was established in terms of section166 of the Municipal Finance Management Act (MFMA), Act 56 of 2003. The Audit committee has adopted its terms of reference.

Statutory requirements

Section 166 of the MFMA stipulates that each municipality must establish an Audit committee.

The Audit committee is an independent advisory body that advises council, political office bearers,accounting officer, and the staff of the municipality on the following

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

* Internal financial control and internal audit;
* Risk management;
* Accounting policies
* The adequacy, reliability and accuracy of financial reporting and information;
* Performance management;
* Compliance with the MFMA, the Division of Revenue Act (DoRa) and any other applicable legislation;
* Performance evaluation
* Any other issues referred to it by the municipality;
* Review annual financial statements so as to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DoRa, ect
* Respond to Council on any matter raised by the Auditor- General (AGSA); and
* Carry out such investigation into financial affairs of the municipality as may be prescribed

**2. Attendance of meetings**

| Name of the member | Ordinary meetings | Performance meetings | Special Meeting | Total | Attendance |
|---|---|---|---|---|---|
| Mrs. FJ Mudau (Chairperson) Contract ended | 4 | 4 | 1 | 9 | 9 |
| Ms. J Masite (Member) | 4 | 4 | 1 | 9 | 9 |
| Mr. T Gafane (Member) | 4 | 4 | 1 | 9 | 4 |
| Ms. M Moloi Chamane (Member) (Newly appointed) | 4 | 4 | 1 | 9 | 9 |
| Ms. P Ntuli1 (Member) (Newly appointed) | 4 | 4 | 1 | 9 | 9 |

The following although not members of the Audit and Performance Committee, have standing invitation to Audit and Performance committee meetings:

* The Accounting Officer;

## Report of the Audit and Performance Committee

* The Chief Financial Officer;
* The chairperson of the Risk committee
* The Section 56 Managers/Departmental Heads
* Chief Risk Officer
* The Auditor- General
* The National Treasury
* Mpumalanga Provincial Treasury
* Mpumalanga Department of Cooperative Governance
* South African Local Government Association (SALGA)
* Internal Audit (Secretariat function)
* Chairperson of Risk Management Anti-Fraud and Anti-corruption Committee

**3. Internal Audit**

The internal audit of Thembisile Hani Local Municipality is in-house and has discharge its mandate in terms of its charter and managed to execute all projects for 2021/22 financial year. The Audit and Performance Committee would like to commend the Council and management for the dedication in strengthening the Corporate Governance.

The Audit and Performance Committee is of the opinion that Internal Audit unit is operating effectively to meet its mandate and has considered the risk pertinent to the municipality in its audit plans. The following documents were approved by the Audit Committee and performance committee and recommended to Council for adoption

* Internal Audit charter
* Internal Audit methodology
* Three year rolling strategic and Annual Audit Plan
* Combined Assurance framework

**4. Effectiveness of Internal controls**

The system of internal control was not entirely effective during the year under review as compliance with prescribed policies and procedures were lacking in certain instances and this was evident with the investigation of irregular expenditure that was conducted by the Council during the year under review.

The following Internal audit reports are among others that were presented to the Audit Committee

* Audit of quarterly performance information;
* Compliance;
* Supply chain management;
* ICT audit;
* Follow-up Governancet;
* Asset management;
* Local Economic Development;
* Water and Sanitation;

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Report of the Audit and Performance Committee

* Waste and Environment
* Occupation Health and Safety;
* Follow up Buildings and Facilities;
* Land and Buildings
* Risk management
* Revenue management;

There has been improvement by management in responding to internal audit reports and this can be attributed to measures that have been implemented by the Accounting officer. Audit committee has also urged management to draw up action plan to address issues raised by the Auditor- General in the management letters and audit report and to ensure that all matters raised by the Auditor General are resolved by Management.

**5. Risk Management**

The municipality has an effective risk unit that consist of one staff members and Risk management, anti-fraud and anti-corruption committee that is chaired by the chairperson of Risk management, anti-fraud and anti-corruption.

Four (4) risk committee meetings were held for the year under review

The following policies were reviewed

* Risk Management strategy
* Risk Management policy
* Whistle blowing policy
* Fraud Prevention Plan and Fraud Prevention policy
* Risk Management Anti-corruption and Anti-fraud risk charters
* Risk appetite

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

**6. Performance Management**

Management has cascaded performance up to level five and plans have been put in place to cascade performance to other levels as well.

The Audit committee has reviewed the Annual Performance Information report in the meeting held on the 26 & 31 August 2022 and performance department has shown significant improvement

**7. Year-end reporting**

The Audit and Performance Committee (APC) has reviewed the Annual Performance Information report before the report was submitted to the Auditor-General and the quality of the quarterly reports submitted by management during the year were of acceptable standard.

**8. Evaluation of annual financial statements**

The Audit and Performance Committee (APC), on its meeting held on the26 August 2022 to discuss the draft annual financial statements and unaudited annual report with the Accounting Officer, before submitting to the Auditor General.

The Audit committee wishes to indicate that it performed a review on the draft financial statements focusing among others:

* Significant financial reporting adjustments and estimates contained in the Annual FinancialStatements
* Alignment of Closing and Opening balances

## Report of the Audit and Performance Committee

* Clarity and completeness of disclosures has been set properly
* Quality and acceptability of and any changes in accounting policies and practice.
* Significant adjustments arising from the audit
* Reasons for major year to year fluctuations

The Audit and Performance Committee (APC) has:

* Further reviewed the audited financial statements to be included in the Annual Report with the Accounting Officer.
* Reviewed the Auditor General Management report and management response thereof
* Reviewed the municipality compliance with legal and regulatory provision and;
* Reviewed significant adjustments resulting from the audit.

The Audit and Performance Committee (APC) concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements be accepted and read together with the report of the Auditor-General.

**9. Internal audit recommendations**

Audit and Performance Committee would like to appreciate the level of implementation of internal audit recommendations by management as that is the indication of commitment from the side of management

| Description of departments | Previously reported deficiencies | Deficiencies due | Status of corrective action taken | |
|---|---|---|---|---|
| | | | YES | NO |
| Municipal Manager | 3 | 3 | 2 | 1 |
| Corporate Services | 13 | 12 | 5 | 7 |

**10. Conclusion**

The Audit and Performance Committee (APC) acknowledges the co-operation and assistance by the Thembisile Hani Local Municipality for coordinating the activities of the Committee. We also acknowledge the commitment of the Accounting Officer and management of Thembisile Hani Local Municipality in strengthening corporate governance and working in maintaining the clean audit.

The Audit and Performance Committee (APC) further acknowledge the commitment and the foundation on good governance that has been laid by the previous Honorable Executive mayor Councillor N Mtshweni and the current Honorable Executive Mayor Councilior L Dikgale and his Council and further express gratitude to the Chief Audit Executive, Mr. AS Malope and his staff for the support and commitment to the work of the Audit and Performance Committee.

Mr. FJ Mudau

Chairperson of Audit committee

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Date

31 August 2022

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## Accounting Officer's Statement

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 judgments and estimates.

The accounting officer (accounting authority) acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.The annual financial statements set out on pages 13 to 95, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2022 and were signed on its behalf by:

Accounting officer (Acting)

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2022

## Statement of Financial Position as at 30 June 2022

| Figures in Rand | Note(s) | 2022 | 2021 Restated* |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Inventories | 6 | 47,860,409 | 48,303,243 |
| Receivables from exchange transactions | 7&10 | 31,702,439 | 25,233,090 |
| Receivables from non-exchange transactions | 10&8 | 9,456,945 | 6,956,931 |
| VAT receivable | 9 | - | 7,401,660 |
| Cash and cash equivalents | 11 | 132,257,576 | 137,801,708 |
| | | **221,277,369** | **225,696,632** |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 3 | 2,379,103,220 | 2,280,792,402 |
| Intangible assets | 4 | 1,413,327 | 646,435 |
| | | **2,380,516,547** | **2,281,438,837** |
| **Total Assets** | | **2,601,793,916** | **2,507,135,469** |
| **Liabilities** | | | |
| Current Liabilities | | | |
| Payables from exchange transactions | 14 | 49,812,901 | 110,179,954 |
| VAT payable | 15 | 34,966,665 | - |
| Provisions | 13 | 8,226,182 | 8,983,477 |
| Employee benefit obligation - current portion | 5 | 1,982,000 | 902,019 |
| | | **94,987,748** | **120,065,450** |
| Non-Current Liabilities | | | |
| Employee benefit obligation | 5 | 11,199,000 | 10,209,273 |
| Provisions | 13 | 44,337,390 | 23,415,585 |
| Payables from exchange transactions - non-current portion | 14 | 42,515,305 | 42,035,396 |
| | | **98,051,695** | **75,660,254** |
| **Total Liabilities** | | **193,039,443** | **195,725,704** |
| **Net Assets** | | **2,408,754,473** | **2,311,409,765** |
| **Accumulated surplus** | | **2,408,754,473** | **2,311,409,765** |

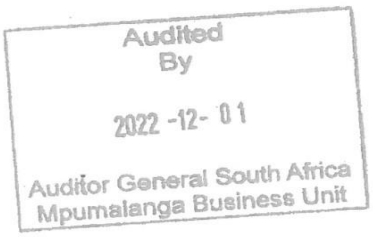
Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

* See Note 40

## THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2022

### Statement of Financial Performance

| Figures in Rand | Note(s) | 2022 | 2021 Restated* |
|---|---|---|---|
| **Revenue** | | | |
| **Revenue from exchange transactions** | | | |
| Service charges | 17 | 114,341,982 | 106,884,215 |
| Rental of facilities and equipment | 18 | 1,030,277 | 1,463,583 |
| Agency services | 25 | 11,315,061 | 11,350,797 |
| Other income | 21 | 1,176,893 | 1,926,580 |
| Interest received | 22 | 74,754,833 | 42,287,294 |
| **Total revenue from exchange transactions** | | **202,619,046** | **163,912,469** |
| **Revenue from non-exchange transactions** | | | |
| **Taxation revenue** | | | |
| Property rates | 23 | 55,144,559 | 53,977,351 |
| **Transfer revenue** | | | |
| Government grants & subsidies | 24 | 652,245,000 | 698,992,216 |
| Donations received | 26 | 7,110,280 | 44,530,677 |
| Fines, penalties and forfeits | 19 | 3,913,007 | 8,220,600 |
| **Total revenue from non-exchange transactions** | | **718,412,846** | **805,720,844** |
| **Total revenue** | 16 | **921,031,892** | **969,633,313** |
| **Expenditure** | | | |
| Employee related costs | 27 | (157,515,792) | (150,745,983) |
| Remuneration of councillors | 28 | (25,341,159) | (24,992,844) |
| Depreciation and amortisation | 29 | (79,596,249) | (71,045,243) |
| Finance costs | 30 | (8,036) | (39,413) |
| Lease rentals on operating lease | 20 | (6,301,622) | (5,952,771) |
| Debt Impairment | 31 | (220,433,366) | (179,904,022) |
| Prescription: Consumer debtors written off | 32 | - | (1,396,124) |
| Bulk purchases | 33 | (130,555,769) | (150,773,812) |
| Grants and subsidies paid | | - | (770,439) |
| Gain/(Loss) on Property, plant and equipment derecognised | | (7,313,597) | (14,776,017) |
| Amnesty: Consumer debtors written off | 32 | (2,083,321) | (3,719,781) |
| General Expenses | 34 | (201,341,812) | (189,659,759) |
| **Total expenditure** | | **(830,490,723)** | **(793,776,208)** |
| **Surplus for the year** | | **90,541,169** | **175,857,105** |




* See Note 40

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

### Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|---|---|---|
| Opening balance as previously reported | 2,339,216,193 | 2,339,216,193 |
| Adjustments | | |
| Prior period error: 2019-2020 and older (refer Note 40) | (10,446,710) | - |
| Correction of errors prior year 2020-2021 (refer Note 40) | (17,359,718) | (17,359,718) |
| **Restated* Balance at 01 July 2020 as restated*** | **2,311,409,765** | **2,311,409,765** |
| **Restated* Balance at 01 July 2021** | **2,311,409,765** | **2,311,409,765** |
| Changes in net assets | | |
| Correction: PPE | 6,803,539 | 6,803,539 |
| Net income (losses) recognised directly in net assets | 6,803,539 | 6,803,539 |
| Surplus for the year | 90,541,169 | 90,541,169 |
| Total recognised income and expenses for the year | 97,344,708 | 97,344,708 |
| Total changes | 97,344,708 | 97,344,708 |
| **Balance at 30 June 2022** | **2,408,754,473** | **2,408,754,473** |
| Note(s) | 40 | |

Audited By

2022 -12- 01

Auditor General South Africa
Mpumalanga Business Unit

* See Note 40

## THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2022

## Cash Flow Statement

| Figures in Rand | Note(s) | 2022 | 2021 Restated* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Receipts** | | | |
| Property rates | | 28,506,969 | 32,948,614 |
| Government grants and subsidies - Operational | | 467,981,900 | 461,887,597 |
| Government grants and subsidies - Capital | | 184,263,100 | 237,104,619 |
| Interest income: Current bank accounts | | 1,301,325 | 783,601 |
| Other receipts | | 20,090,325 | 19,391,390 |
| VAT refund | | 79,782,047 | 61,121,776 |
| | | 781,925,666 | 813,237,597 |
| **Payments** | | | |
| Employee costs | | (182,544,573) | (175,717,876) |
| Suppliers | | (183,144,415) | (366,732,637) |
| Finance costs | | (8,036) | (39,413) |
| Transfers and subsidies | | (199,600) | (770,439) |
| | | (365,896,623) | (543,260,365) |
| **Net cash flows from operating activities** | 36 | **416,029,043** | **269,977,232** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 3 | (426,205,712) | (235,163,827) |
| Purchase of other intangible assets | 4 | (1,392,325) | (147,708) |
| Interest income: Investments accounts | | 6,024,862 | 3,723,998 |
| **Net cash flows from investing activities** | | **(421,573,175)** | **(231,587,537)** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(5,544,132)** | **38,389,695** |
| Cash and cash equivalents at the beginning of the year | | 137,801,708 | 99,412,013 |
| **Cash and cash equivalents at the end of the year** | 11 | **132,257,576** | **137,801,708** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

* See Note 40

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| **Statement of Financial Performance** | | | | | | |
| **Revenue** | | | | | | |
| **Revenue from exchange transactions** | | | | | | |
| Service charges | 125,466,024 | (11,070,427) | **114,395,597** | 114,341,982 | **(53,615)** | The was data cleansing on consumer accounts which affected the billing by going down. |
| Rental of facilities and equipment | 1,124,820 | (245,820) | **879,000** | 1,030,277 | **151,277** | More rentals/bookings were done by community than anticipated |
| Agency services | 9,182,484 | 2,168,313 | **11,350,797** | 11,312,617 | **(38,180)** | Less 20% paid out by the Department.to the municipality because of less collection by the municipality for the department was anticipated |
| Licences and permits | 175,884 | (43,884) | **132,000** | 2,444 | **(129,556)** | Less licence and permits were renewed than anticipated |
| Other income | 1,204,680 | (628,680) | **576,000** | 1,176,893 | **600,893** | More revenue was collected than anticipated |
| Interest received - External Investments | 3,999,996 | 1,062,100 | **5,062,096** | 7,326,187 | **2,264,091** | More funds were invested than anticipated and this resulted to higher interest received |
| Interest received - Outstanding Debtors | 61,389,792 | 4,566,000 | **65,955,792** | 67,428,646 | **1,472,854** | More interest were received than anticipated because of non payment of services by the consumers |
| **Total revenue from exchange transactions** | **202,543,680** | **(4,192,398)** | **198,351,282** | **202,619,046** | **4,267,764** | |

Audited By
Auditor General South Africa
Mpumalanga Business Unit
2022 -12- 01

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| **Revenue from non-exchange transactions** | | | | | | |
| **Taxation revenue** | | | | | | |
| Property rates | 42,971,856 | 12,807,379 | **55,779,235** | 55,144,559 | **(634,676)** | There was write offs, Prescriptions, and data cleansing done on consumer accounts and this affected interest received |
| **Transfer revenue** | | | | | | |
| Government grants & subsidies - Operational & Capital grants | 648,245,016 | (16) | **648,245,000** | 652,245,000 | **4,000,000** | Additional grant received from DWS |
| Donations received | - | - | - | 7,110,280 | **7,110,280** | The municipality does not provide budget for donations received |
| Fines, Penalties and Forfeits | 10,552,896 | 2,068,170 | **12,621,066** | 3,913,007 | **(8,708,059)** | Less traffic fines were issued by traffic officers than anticipated |
| **Total revenue from non-exchange transactions** | **701,769,768** | **14,875,533** | **716,645,301** | **718,412,846** | **1,767,545** | |
| **Total revenue** | **904,313,448** | **10,683,135** | **914,996,583** | **921,031,892** | **6,035,309** | - |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| **Expenditure** | | | | | | |
| Personnel | (166,375,000) | (711,563) | **(167,086,563)** | (157,515,792) | **9,570,771** | Less expenditure incurred because of vacant position |
| Remuneration of councillors | (28,228,584) | 1,367,661 | **(26,860,923)** | (25,341,159) | **1,519,764** | Less expenditure incurred because there was no increase given by CoGTA for councillors |
| Depreciation and amortisation | (84,896,412) | 4 | **(84,896,408)** | (79,596,249) | **5,300,159** | Less expenditure incurred because less wip capitalised than anticipated |
| Finance costs | (1,299,996) | - | **(1,299,996)** | (8,036) | **1,291,960** | Less expenditure incurred because of the decrease of interest of lease as per signed contract |
| Lease rentals on operating lease | (6,413,676) | - | **(6,413,676)** | (6,301,622) | **112,054** | Less expenditure incurred because of less usage of machinery and vehicles |
| Debt Impairment | (305,555,232) | - | **(305,555,232)** | (220,433,366) | **85,121,866** | Less actual incurred because of the data cleansing, prescriptions and written off of consumer accounts |
| Amnesty written off | - | - | - | (2,083,321) | **(2,083,321)** | Amnesty Written Off are budgeted under Debt Impairment |
| Bulk purchases | (143,878,824) | - | **(143,878,824)** | (130,555,769) | **13,323,055** | Less expenditure incurred because the City of Tshwane has supplied the municipality less water than anticipated. |
| Grants and Subsidies paid | (250,008) | 4 | **(250,004)** | - | **250,004** | Less expenditure incurred during the financial year |
| Gain/(Loss) on Property, plant and equipment derecognised | - | - | - | (7,313,597) | **(7,313,597)** | Redundant and broken moveable assetitems had to be written-off. |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| General Expenses | (185,531,988) | (23,331,178) | **(208,863,166)** | (201,341,812) | **7,521,354** | Less expenditure incurred on items like Impairment of Traffic Fine, Long Services Award, Leave and Bonus Impairment and landfill provision |
| **Total expenditure** | **(922,429,720)** | **(22,675,072)** | **(945,104,792)** | **(830,490,723)** | **114,614,069** | |
| **Surplus before taxation** | **(18,116,272)** | **(11,991,937)** | **(30,108,209)** | **90,541,169** | **120,649,378** | - |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## Reportable segments for the year 30 June 2022

| | Segment revenue | | | | Segment expenditure | | | Non-current Assets | Liabilities |
|---|---|---|---|---|---|---|---|---|---|
| | Revenue from non-exchange transactions | Revenue from exchange transactions | Interest revenue | Other revenue | Expenditure: Salaries and wages | Expenditure: Depreciation and amortisaion | Expenditure: Other | PPE: Additions | Liabilities |
| **REVENUE & EXPENDITURE** | | | | | | | | | |
| **Municipal governance and administration** | | | | | | | | | |
| Executive and council | | | | | | | | | |
| *Mayor and Council* | - | - | - | - | (25,341,159) | - | (8,933,279) | - | 97,879 |
| *Municipal Manager, Town Secretary and Chief Executive* | - | - | - | - | (6,188,192) | - | (6,263,371) | - | - |
| Finance and administration | | | | | | | | | |
| *Administrative and Corporate Support* | - | - | - | - | (13,101,986) | - | (1,088,352) | 2,520,426 | (71,384) |
| *Asset Management* | - | - | - | 7,110,280 | (2,977,838) | (86,904,423) | (5,057,836) | 183,053,425 | - |
| *Finance* | (31,081,375) | - | 7,326,187 | 460,340,588 | (12,958,491) | - | (243,850,455) | - | (15,459,401) |
| *Fleet Management* | - | - | - | - | (5,386,860) | - | (23,508,985) | 1,225,049 | (13,672) |
| *Human Resources* | - | - | - | 262,774 | (8,503,663) | - | (14,374,450) | 251,037 | (6,584,705) |
| *Information Technology* | - | - | - | - | (5,995,294) | - | (8,564,532) | - | (570,516) |
| *Legal Services* | - | - | - | - | (3,139,847) | - | (1,565,541) | - | - |
| *Property Services* | 86,225,934 | - | - | 968,682 | - | - | - | 21,899 | - |
| *Risk Management* | - | - | - | - | (1,100,956) | - | (23,669) | - | - |
| *Supply Chain Management* | - | - | - | - | (3,079,945) | - | (47,639) | - | - |
| Internal audit | | | | | | | | | |
| *Governance Function* | - | - | - | - | (2,237,260) | - | (944,068) | - | (4,012) |
| Community and social services | | | | | | | | | |
| *Cemeteries, Funeral Parlours and Crematoriums* | - | - | - | 17,727 | - | - | (129,898) | - | - |
| *Community Halls and Facilities* | - | - | - | 62,719 | (4,001,238) | - | (883,664) | - | (5,287) |
| *Libraries and Archives* | - | - | - | 6,795 | (2,147,273) | - | - | - | - |
| *Disaster management* | - | - | - | - | - | - | - | - | (130,768) |
| Sport and recreation | | | | | | | | | |
| *Sports Grounds and Stadiums* | - | - | - | 5,975 | (6,772,146) | - | (139,684) | - | (3,254,505) |
| **Economic and environmental services** | - | - | - | - | - | - | - | - | - |
| Planning and development | | | | | | | | | |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Notes to the Annual Financial Statements

Figures in Rand

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *Corporate Wide Strategic Planning (IDPs, LEDs)* | - | - | - | - | - | - | (398,765) | - | - |
| *Economic Development/Planning: Community Services* | - | - | - | 116,651 | (3,693,748) | - | (45,528) | - | (2,809,229) |
| *Economic Development/Planning: Local Economic Development* | - | - | - | - | (5,738,931) | - | (25,285) | - | - |
| *Economic Development/Planning: Technical Services* | - | - | - | 130,731,372 | (1,191,634) | - | (129,410) | - | 705,043 |
| *Town planning: Building Plans and Inspection* | - | - | - | 286,828 | - | - | - | - | - |
| *Town Planning, Building Regulations and Enforcement, and City Engineer* | - | - | - | - | - | - | (1,681,761) | - | - |
| *Project Management Unit* | - | - | - | - | (5,330,239) | - | (550,535) | - | (295,832) |
| Road transport | | - | | | | | | | |
| *Road and traffic regulation* | - | - | - | 15,228,068 | (15,011,038) | - | (30,504,590) | - | - |
| **Trading services** | | | | | | | | | |
| Energy sources | | | | | | | | | |
| *Electricity* | - | - | - | 4,500,000 | (1,653,525) | - | (22,707,216) | - | (1,953,786) |
| Water management | | | | | | | | | |
| *Water Treatment* | - | - | - | - | - | - | - | - | - |
| *Water Distribution* | | 76,414,661 | 43,987,981 | 55,000,000 | (20,283,039) | (5,423) | (155,426,945) | 149,767,971 | (23,878,162) |
| Waste water management | | | | | | | | | |
| *Sewerage* | - | - | 864,128 | - | - | - | - | - | (35,315,685) |
| *Roads & Storm Water Management* | - | - | - | - | (13,797,135) | - | (10,852,262) | 89,365,902 | 5,287 |
| *Waste water treatment* | - | 1,890,529 | - | - | (7,242,503) | - | (399,168) | - | (2,031,816) |
| Waste management | | | | | | | | | |
| *Recycling* | - | - | - | - | - | - | - | - | - |
| *Solid Waste Disposal (Landfill Sites)* | - | - | - | - | - | - | - | - | - |
| *Solid Waste Removal* | - | 36,036,792 | 22,576,537 | 2,152,058 | (6,524,570) | - | (24,085,478) | - | (757,908) |
| Other | | | | | | | | | |
| *Road transport* | | - | - | | | | | | |
| **Total** | **55,144,559** | **114,341,982** | **74,754,833** | **676,790,517** | **(183,398,510)** | **(86,909,846)** | **(560,182,366)** | **426,205,709** | **(92,328,259)** |
| **Total segmental surplus/(deficit)** | | | | | | | **90,541,169** | | |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Reportable segments for the year 30 June 2021

| | Segment revenue | | | | Segment expenditure | | | Non-current Assets | Liabilities |
|---|---|---|---|---|---|---|---|---|---|
| | Revenue from non-exchange transactions | Revenue from exchange transactions | Interest revenue | Other revenue | Expenditure: Salaries and wages | Expenditure: Depreciation and amortisaion | Expenditure: Other | PPE: Additions | Liabilities |
| **REVENUE & EXPENDITURE** | | | | | | | | | |
| **Municipal governance and administration** | | | | | | | | | |
| Executive and council | | | | | | | | | |
| *Mayor and Council* | - | - | - | - | (24,992,844) | - | (7,825,194) | 761,123 | 97,879 |
| *Municipal Manager, Town Secretary and Chief Executive* | - | - | - | - | (6,432,849) | - | (5,716,265) | - | - |
| Finance and administration | | | | | | | | | |
| *Administrative and Corporate Support* | - | - | - | - | (12,611,710) | - | (900,223) | - | (125,004) |
| *Asset Management* | - | - | - | 44,530,677 | (2,801,807) | (70,697,866) | (5,232,850) | - | - |
| *Finance* | 15,646,472 | - | 5,898,171 | 463,505,043 | (12,093,361) | - | (227,273,436) | - | (79,938,898) |
| *Fleet Management* | - | - | - | - | (5,337,101) | - | (22,631,706) | - | (365,199) |
| *Human Resources* | - | - | - | 240,589 | (7,212,982) | - | (16,209,110) | 148,000 | (927,731) |
| *Information Technology* | - | - | - | - | (5,636,885) | (347,362) | (7,383,001) | 2,739,881 | - |
| *Legal Services* | - | - | - | - | (2,927,492) | - | (1,397,445) | - | - |
| *Property Services* | 38,330,879 | - | - | 1,529,837 | - | - | (306,431) | 86,900 | (86,900) |
| *Risk Management* | - | - | - | - | (1,060,679) | - | (4,857) | - | - |
| *Supply Chain Management* | - | - | - | - | (2,955,612) | - | (57,563) | - | - |
| Internal audit | | | | | | | | | |
| *Governance Function* | - | - | - | - | (2,137,958) | - | (17,651) | - | (4,012) |
| **Community and public services** | | | | | | | | | |
| Community and social services | | | | | | | | | |
| *Cemeteries, Funeral Parlours and Crematoriums* | - | - | - | 17,310 | - | - | (135,399) | - | - |
| *Community Halls and Facilities* | - | - | - | 59,396 | (5,337,878) | - | (576,439) | 3,542,937 | (50,288) |
| *Disaster Management* | - | - | - | - | - | - | (60,153) | - | (130,768) |
| *Libraries and Archives* | - | - | - | 3,752 | (1,629,956) | - | - | - | - |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

Figures in Rand

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Sport and recreation | | | | | | | | | |
| *Sports Grounds and Stadiums* | - | - | - | 1,594 | (5,812,145) | - | (192,867) | 13,212,977 | (1,839,063) |
| **Economic and environmental services** | - | - | - | - | - | - | - | - | - |
| Planning and development | | | | | | | | | |
| *Corporate Wide Strategic Planning (IDPs, LEDs)* | - | - | - | - | - | - | (49,140) | - | (27,169) |
| *Economic Development/Planning: Community Services* | - | - | - | 25,358 | (3,286,616) | - | (3,255) | - | (2,479,601) |
| *Economic Development/Planning: Local Economic Development* | - | - | - | - | (5,411,813) | - | (771,779) | - | (321,934) |
| *Economic Development/Planning: Technical Services* | - | - | - | 192,886,010 | (1,221,541) | - | (637,294) | - | 705,043 |
| *Town planning: Building Plans and Inspection* | - | - | - | 427,243 | - | - | - | - | - |
| *Town Planning, Building Regulations and Enforcement, and City Engineer* | - | - | - | - | - | - | (5,267,538) | 1,392,207 | - |
| *Project Management Unit* | - | - | - | - | (5,088,829) | - | - | 130,245 | (262,500) |
| Road transport | | | | | | | | | |
| *Road and traffic regulation* | - | - | - | 19,571,397 | (14,540,237) | - | (25,491,536) | 326,728 | - |
| **Trading services** | - | - | - | - | - | - | - | - | - |
| Energy sources | | | | | | | | | |
| *Electricity* | - | - | - | 3,600,000 | (1,549,567) | - | (20,166,729) | 4,004,914 | (1,683,038) |
| Water management | | | | | | | | | |
| *Water Distribution* | | 70,548,116 | 27,132,314 | 51,618,226 | (19,053,812) | - | (201,227,729) | 89,085,217 | (19,155,309) |
| Waste water management | | | | | | | | | |
| *Roads & Storm Water Management* | - | - | - | - | (13,500,692) | - | (5,826,956) | 91,808,460 | (7,661,965) |
| *Waste water treatment* | - | 1,463,505 | 675,030 | - | (6,913,564) | - | (321,034) | 41,589,217 | (37,112,984) |
| Waste management | | | | | | | | | |
| *Recycling* | - | - | - | - | - | - | - | - | - |
| *Solid Waste Disposal (Landfill Sites)* | - | - | - | - | - | - | - | - | - |
| *Solid Waste Removal* | - | 34,872,594 | 8,581,779 | 1,772,513 | (6,190,897) | - | (4,613,065) | 6,826,290 | (845,909) |
| Other | | | | | | | | | |
| *Licences and Regulations: Trading licences* | - | - | - | - | - | - | - | - | - |
| **Total** | **53,977,361** | **106,884,215** | **42,287,294** | **779,788,945** | **(175,738,827)** | **(71,045,228)** | **(560,296,645)** | **255,655,094** | **(152,215,350)** |
| **Total segmental surplus/(deficit)** | | | | | | | **175,857,105** | | |

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

## Accounting policies

### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgemental is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

**Trade receivables / Held to maturity investments and/or loans and receivables**

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

**Available-for-sale financial assets**

The municipality follows the guidance of GRAP to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the municipality evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the invested, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

**Fair value estimation**

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) 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.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

**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.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

**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 13 - Provisions.

**Contingencies**

Contingencies recognised in the current year required estimates and judgments, refer to note 38 on entity combinations.

**Useful lives of waste and water network and other assets**

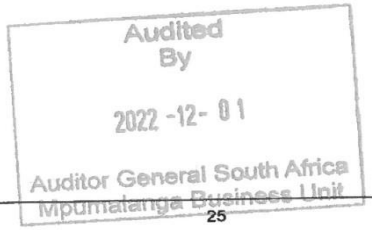
The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

**Effective interest rate**

The municipality used the prime interest rate to discount future cash flows.

**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.



Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

### 1.4 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, it's 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.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|---|---|---|
| Land | Straight line | Indefinite |
| Buildings | Straight line | 50 years |
| Furniture and fixtures | Straight line | 3-5 years |
| Transport assets | Straight line | 5-15 years |
| Office equipment | Straight line | 3-5 years |
| IT equipment | Straight line | 3-5 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.

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note ).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

### 1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
(c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

### 1.6 Intangible assets

An asset is identifiable if it either:

is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

An intangible asset is recognised when:
- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

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.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

| Item | Depreciation method | Average useful life |
|---|---|---|
| Computer software, other | Straight line | 3-5 years |

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

### 1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:
cash;
a residual interest of another entity; or
a contractual right to:
- receive cash or another financial asset from another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:
deliver cash or another financial asset to another entity; or
exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:
equity instruments or similar forms of unitised capital,
a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or

## Accounting policies

a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
the entity designates at fair value at initial recognition; or
are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:
derivatives;
combined instruments that are designated at fair value;
instruments held for trading. A financial instrument is held for trading if:
- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

**Initial recognition**

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

**Initial measurement of financial assets and financial liabilities**

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:
a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Accounting policies

**Subsequent measurement of financial assets and financial liabilities**

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:
Financial instruments at fair value.
Financial instruments at amortised cost.
Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

**Fair value measurement considerations**

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

**Reclassification**

The entity does not reclassify a financial instrument while it is issued or held unless it is:
combined instrument that is required to be measured at fair value; or
an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

**Gains and losses**

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

**Impairment and uncollectibility of financial assets**

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Accounting policies

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Accounting policies

**Derecognition**

**Financial assets**

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:
the contractual rights to the cash flows from the financial asset expire, are settled or waived;
the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :

- derecognise the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

**Financial liabilities**

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Audited By
2022 12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Accounting policies

**Presentation**

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

**1.8 Statutory receivables**

**Identification**

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) 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.

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

**Accrued interest**

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

**Other charges**

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

**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 are recognised in surplus or deficit.

In estimating the future cash flows, an 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.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

**Derecognition**

The municipality derecognises a statutory receivable, or a part thereof, when:

the rights to the cash flows from the receivable are settled, expire or are waived;
the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:

- derecognise the receivable; and
- recognise separately any rights and obligations created or retained in the transfer.

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

**1.9 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.

**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.

**1.10 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 water inventories is assigned using the weighted average cost formula. The+ cost formula for materials and supplies is based on the first-in, first-out ( FIFO) basis

**1.11 Impairment of cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

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.

**Designation**

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:
its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

**Identification**

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

**Value in use**

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Accounting policies

**Basis for estimates of future cash flows**

In measuring value in use the municipality:

base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

**Composition of estimates of future cash flows**

Estimates of future cash flows include:

projections of cash inflows from the continuing use of the asset;
projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

cash inflows or outflows from financing activities; and
income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

**Discount rate**

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

**Recognition and measurement (individual asset)**

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

## Accounting policies

**Cash-generating units**

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

its fair value less costs to sell (if determinable);
its value in use (if determinable); and
zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Provincial Office

## Accounting policies

**Reversal of impairment loss**

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

its recoverable amount (if determinable); and
the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

**Redesignation**

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

**1.12 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.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

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.

**Designation**

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:
its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

**Identification**

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

**Value in use**

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

**Depreciated replacement cost approach**

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

**Recognition and measurement**

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**Reversal of an impairment loss**

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**Redesignation**

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

**1.13 Employee benefits**

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

**Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

wages, salaries and social security contributions;
short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

**Actuarial assumptions**

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

estimated future salary increases;
the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
those changes were enacted before the reporting date; or
past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

**Termination benefits**

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:
terminate the employment of an employee or group of employees before the normal retirement date; or
provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:
the location, function, and approximate number of employees whose services are to be terminated;
the termination benefits for each job classification or function; and
the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

**1.14 Provisions and contingencies**

Provisions are recognised when:
the municipality has a present obligation as a result of a past event;
it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

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.

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Un



## Accounting policies

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 38.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:
financial difficulty of the debtor;
defaults or delinquencies in interest and capital repayments by the debtor;
breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
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, an 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.

## Accounting policies

**Levies**

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:
- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The municipality does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the municipality being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the municipality has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The municipality recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

**1.15 Commitments**

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

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-cancelable or only cancelable 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.

**1.16 Revenue from exchange transactions**

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**Measurement**

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



## Accounting policies

**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.

**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 .

**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, in surplus or deficit, using the effective interest rate method.

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

**Debt written off and provision for debt impairment**

The municipality's debt write off procedure include the assessment of all debtors at year end which include amongst other things those who qualify for amnesty in terms of council resolutions and those debts whose debts have prescribed in terms of the Prescription Act. Debts written off are measured at the carrying amount of the debt at year end.

Provision for impairment takes into account the estimates for the recovery of debts at year end and the movement between the provision of last year and the provision for the current year is disclosed in the statement of financial performance as a reliable estimate.

## Accounting policies

**1.17 Revenue from non-exchange transactions**

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

**Recognition**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Audited
By
2022 -12- 01
Auditor General South
Mpumalanga Business Unit



## Accounting policies

**Measurement**

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

**Fines**

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

**Gifts and donations, including goods in-kind**

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

**1.18 Investment income**

Investment income is recognised on a time-proportion basis using the effective interest method.

**1.19 Comparative figures**

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

**1.20 Unauthorised expenditure**

Unauthorised expenditure means:
- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

**1.21 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.

**1.22 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.

Audited
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Audited
By
2022 -12- 01
Auditor General South Africa



## Accounting policies

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year ended/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

**1.23 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.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Municipalities are required to prepare to adjustments budgets during October for approval by council after mid year performance review

**1.24 Related parties**

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

## Accounting policies

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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 considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

**1.25 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.

**1.26 Value Added Tax (VAT)**

The municipality is registered with the South Africa Revenue Services (SARS) for VAT on the cash basis, in accordance with section 15 (2) of the VAT Act (Act. No 89 of 1991)

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

### 2. New standards and interpretations

### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|

### 2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2022 or later periods:

| Standard/ Interpretation: | Effective date: Years beginning on or after | Expected impact: |
|---|---|---|
| Guideline: Guideline on Accounting for Landfill Sites | 01 April 2099 | Unlikely there will be a material impact |
| Guideline: Guideline on the Application of Materiality to Financial Statements | 01 April 2099 | Unlikely there will be a material impact |

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

identifying related party relationships and transactions;
identifying outstanding balances, including commitments, between an entity and its related parties;
identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

A person or a close member of that person's family is related to the reporting entity if that person:

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity;
- is a member of the management of the entity or its controlling entity.

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

An entity is related to the reporting entity if any of the following conditions apply:
- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and
- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

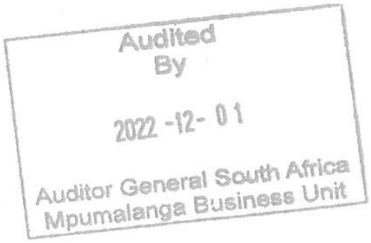
The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:
Close member of the family of a person;
Management;
Related parties;
Remuneration; and
Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:
Control;
Related party transactions; and
Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2019.

The municipality expects to adopt the standard for the first time in the 2019/2019 annual financial statements.



## Notes to the Annual Financial Statements

Figures in Rand

### 3. Property, plant and equipment

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land - General plant | 530,928,854 | - | 530,928,854 | 530,928,854 | - | 530,928,854 |
| Machinery and equipment | 8,265,532 | (5,114,808) | 3,150,724 | 8,200,843 | (3,998,908) | 4,201,935 |
| Furniture and office equipment | 7,580,810 | (5,851,485) | 1,729,325 | 7,721,299 | (5,725,029) | 1,996,270 |
| Transport assets | 96,420,303 | (57,598,463) | 38,821,840 | 78,219,974 | (46,123,655) | 32,096,319 |
| IT equipment | 20,371,751 | (7,642,783) | 12,728,968 | 12,077,830 | (5,887,701) | 6,190,129 |
| Community assets | 508,145,601 | (303,782,719) | 204,362,882 | 493,163,327 | (294,625,630) | 198,537,697 |
| Solid waste | 71,378,898 | (407,221) | 70,971,677 | 63,648,836 | (359,050) | 63,289,786 |
| Storm water Infrastructure | 139,938,865 | (57,996,635) | 81,942,230 | 136,719,535 | (54,362,973) | 82,356,562 |
| Water network - Boreholes | 71,331,207 | (29,091,223) | 42,239,984 | 79,037,833 | (27,604,804) | 51,433,029 |
| Sanitation Infrastructure | 110,409,726 | (47,849,309) | 62,560,417 | 85,046,104 | (44,421,256) | 40,624,848 |
| Road Infrastructure | 1,167,893,848 | (675,582,133) | 492,311,715 | 1,124,694,832 | (659,117,599) | 465,577,233 |
| Water Supply Distribution | 636,899,994 | (319,224,908) | 317,675,086 | 591,794,823 | (311,853,174) | 279,941,649 |
| Water Supply Bulk mains | 273,051,584 | (181,083,239) | 91,968,345 | 271,371,313 | (180,532,725) | 90,838,588 |
| Pumpstations | 247,676,390 | (23,474,607) | 224,201,783 | 239,438,461 | (16,549,641) | 222,888,820 |
| Reservoirs | 312,504,910 | (108,995,520) | 203,509,390 | 311,309,509 | (101,418,826) | 209,890,683 |
| **Total** | **4,202,798,273** | **(1,823,695,053)** | **2,379,103,220** | **4,033,373,373** | **(1,752,580,971)** | **2,280,792,402** |

Audited By
Auditor General South Africa
Mpumalanga Business Unit
2022 -12- 01

## Notes to the Annual Financial Statements

Figures in Rand

**Reconciliation of property, plant and equipment - 30 June 2022**

| | Opening balance | Additions | WIP Transfers in/(out) | Derecognition costs | Derecognition accumulated depreciation | Derecognition accumulated impairment | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|---|---|
| Land - General plant | 530,928,854 | - | - | - | - | - | - | - | 530,928,854 |
| Machinery and equipment | 4,201,930 | 71,140 | - | (6,450) | 5,381 | - | (1,121,281) | - | 3,150,724 |
| Furniture and office equipment | 1,996,270 | 209,864 | - | (350,354) | 307,764 | 1 | (434,220) | - | 1,729,325 |
| Transport assets | 32,096,319 | 18,200,329 | - | - | - | - | (11,474,808) | - | 38,821,840 |
| IT equipment | 6,190,129 | 9,041,105 | - | (747,185) | 681,276 | 3 | (2,436,361) | - | 12,728,968 |
| Community assets | 198,537,697 | 53,967,583 | (38,015,097) | (970,213) | 702,022 | - | (9,833,948) | (25,162) | 204,362,882 |
| Solid waste | 63,289,786 | 78,712,923 | (70,982,860) | (1,289) | 841 | - | (48,171) | (72) | 70,971,677 |
| Storm water | 82,356,562 | 7,916,540 | (3,612,120) | (1,085,089) | 255,473 | - | (3,876,556) | (12,580) | 81,942,230 |
| Water network - Boreholes | 51,433,029 | 1,503,981 | - | (9,210,604) | 2,504,587 | 1,851,149 | (2,837,029) | (3,005,128) | 42,239,984 |
| Sanitation Infrastructure | 40,624,848 | 25,364,911 | - | - | - | - | (3,428,821) | - | 62,560,417 |
| Roads Infrastructure | 465,577,233 | 81,449,362 | (38,200,364) | (50,018) | 39,121 | - | (16,503,655) | - | 492,311,715 |
| Water Supply Distribution | 279,941,649 | 50,471,962 | (4,866,948) | (499,844) | 483,093 | - | (7,854,826) | - | 317,675,086 |
| Water Supply Bulk Mains | 90,838,588 | 88,259,575 | (85,932,552) | (646,181) | 643,334 | - | (1,193,849) | - | 91,968,345 |
| Pumpstations | 222,888,820 | 9,000,440 | - | (762,512) | 61,417 | - | (6,986,382) | - | 224,201,783 |
| Reservoirs | 209,890,684 | 2,035,994 | - | (840,593) | 321,273 | - | (7,892,544) | (5,423) | 203,509,390 |
| | **2,280,792,398** | **426,205,709** | **(241,609,941)** | **(15,170,332)** | **6,005,582** | **1,851,153** | **(75,922,451)** | **(3,048,365)** | **2,379,103,220** |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

Figures in Rand

**Reconciliation of property, plant and equipment - 30 June 2021**

| | Opening balance | Additions | WIP Transfers out | WIP Transfers received | Derecognition costs | Derecognition accumulated depreciation | Derecognition accumulated impairment | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Land - General Plant | 530,932,113 | - | - | - | (3,259) | - | - | - | - | 530,928,854 |
| Machinery and Equipment | 1,406,719 | 3,481,640 | - | - | - | - | - | (686,424) | - | 4,201,935 |
| Furniture and office equipment | 2,512,774 | 126,798 | - | - | - | - | - | (643,302) | - | 1,996,270 |
| Transport assets | 3,352,617 | 33,832,018 | - | - | - | - | - | (5,069,395) | (18,921) | 32,096,319 |
| IT equipment | 5,142,359 | 2,737,881 | - | - | (19,264) | 17,207 | - | (1,688,054) | - | 6,190,129 |
| Community assets | 184,646,932 | 25,986,671 | - | - | (2,693,906) | 991,649 | 2,469 | (10,238,922) | (157,195) | 198,537,697 |
| Solid Waste | 57,134,584 | 6,158,494 | - | - | - | - | - | (3,292) | - | 63,289,786 |
| Storm Water | 64,679,390 | 20,491,267 | - | 20,491,267 | (524,394) | 382,120 | - | (2,683,878) | (7,943) | 82,356,562 |
| Water network - Boreholes | 63,054,742 | 6,442,501 | (5,525,471) | 5,525,471 | (15,525,326) | 5,398,675 | 53,855 | (4,010,470) | (3,980,950) | 51,433,029 |
| Sanitation Infrastructure | 34,877,575 | 7,586,921 | (18,682,756) | 19,299,681 | (34,164) | 22,444 | - | (2,433,156) | (11,694) | 40,624,848 |
| Road Infrastructure | 427,898,786 | 65,326,839 | (45,995,391) | 36,583,553 | (2,270,215) | 1,661,756 | - | (17,626,906) | (1,189) | 465,577,233 |
| Water Supply Distribution | 322,444,159 | 24,108,516 | (70,126,363) | 11,357,543 | (46,880) | 4,219 | - | (7,388,425) | (411,119) | 279,941,649 |
| Water Supply Bulk Mains | 156,604,407 | 42,702,896 | (106,831,335) | - | - | - | - | (1,637,380) | - | 90,838,588 |
| Pump Stations | 17,331,582 | 1,309,589 | - | 208,504,751 | (712,503) | 692,196 | - | (4,236,796) | - | 222,888,819 |
| Reservoirs | 238,594,512 | 15,363,063 | (65,763,220) | 31,653,564 | (2,760,233) | 540,022 | 45,458 | (7,581,779) | (200,701) | 209,890,683 |
| | **2,110,613,251** | **255,655,094** | **(312,924,536)** | **333,415,830** | **(24,590,144)** | **9,710,288** | **101,782** | **(65,908,179)** | **(4,789,712)** | **2,280,792,401** |

**Property, plant and equipment: Contingent assets**

| **Contingent assets: property, plant and equipment** | | |
|---|---|---|
| Stormwater Phumula | 4,608,368 | - |
| Community Hall Moloto | 7,497,549 | 264,352 |
| Kwaggafontein B and C Stormwater drainage | 955,739 | - |
| Bundu Machipe Community Hall (CB) | 1,200,811 | - |
| | **14,262,467** | **264,352** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **Property, plant and equipment in the process of being constructed or developed** | | |
| **Cumulative expenditure recognised in the carrying value of property, plant and equipment** | | |
| Community | 10,985,487 | 33,048,097 |
| Roads infrastructure | 61,853,004 | 56,112,151 |
| Stormwater infrastructure | - | 1,345,719 |
| Sanitation infrastructure | 6,868,580 | 6,868,580 |
| Solid waste | - | 63,252,801 |
| Water network: Boreholes | 6,211,484 | 9,644,820 |
| Water supply: Bulk mains | - | 11,257,361 |
| Water Supply Distribution | 70,645,850 | 35,218,648 |
| Pump Stations | - | 25,176,096 |
| Reservoirs | 434,783 | 957,301 |
| Design and implementation of Energy Efficiency Programme ( capital) | 3,911,984 | - |
| ICT System upgrade to improve operation; security and continuity | 3,954,415 | - |
| | **164,865,587** | **242,881,574** |
| **Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)** | | |
| 1. Construction of Mathyzensloop Bus Route - Ward 7 MIG | 694,966 | 694,966 |
| 2. Construction of Moloto South Bus Route - Ward 1 MIG | 904,545 | 904,545 |
| 3. Construction of Zakehni Bus Route - Ward 4 MIG | 1,098,722 | 1,098,722 |
| 4. Drill; Refurbish & Equip of Borehole W 22 Luthuli;Mahlabathi | 228,262 | 228,262 |
| 5. Drill; Refurbish & Equip of Borehole W 28 Kwaggafontein | 320,568 | 320,568 |
| 6. Drill; Refurbish & Equip of Borehole W 31 Kwaggafontein E; D | 326,316 | 326,316 |
| 7. Upgrading of Kwaggafontein Stadium (Multi-Year Project) - Ward 26 | 910,330 | 910,330 |
| 8. Enkeldoomoog B WSI Pipelines Civil Engineer Ward 5 | - | 5,985,804 |
| 9. Upgrade Enkeldoomoog B Pump Station Civil Engineers Ward 5 | - | 3,426,051 |
| 10. Upgrade of Moloto South KwaMhlanga & Kameelpoort W2 32 19 | 522,723 | 522,723 |
| 11. Drill; Refurbish & Equip of Borehole W 29 Kwaggafontein | 279,482 | 279,482 |
| | **5,285,914** | **14,697,769** |

These are design costs on the above 9 projects: Construction is yet to be commence due to budget constraints.

**Reconciliation of Work-in-Progress 30 June 2022**

| | Included within Infrastructure | Total |
|---|---|---|
| Opening balance | 242,882,132 | 242,882,132 |
| Additions/capital expenditure | 163,593,952 | 163,593,592 |
| Transferred to completed items | (241,609,941) | (241,609,941) |
| | **164,866,143** | **164,865,783** |

**Reconciliation of Work-in-Progress 30 June 2021**

| | Included within Infrastructure | Total |
|---|---|---|
| Opening balance | 360,821,204 | 360,821,204 |
| Additions/capital expenditure | 194,985,490 | 194,985,490 |
| Transferred to completed items | (312,924,562) | (312,924,562) |
| | **242,882,132** | **242,882,132** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **Other information** | | |
| **Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance** | | |
| Community assets | 570,137 | 198,020 |
| Roads infrastructure | 8,849,029 | 3,780,016 |
| IT equipment | 87,703 | 174,290 |
| Water supply - Bulk mains | 2,222,702 | 187,074 |
| Transport assets | 12,982,689 | 9,451,457 |
| Electrical | - | 875,636 |
| Machinery and equipment | - | 92,199 |
| | **24,712,260** | **14,758,692** |

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.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

### 4. Intangible assets

| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
|---|---|---|---|---|---|---|
| Computer software, other | 2,540,037 | (1,126,710) | 1,413,327 | 1,147,713 | (501,278) | 646,435 |

**Reconciliation of intangible assets - 30 June 2022**

| | Opening balance | Additions | Amortisation | Total |
|---|---|---|---|---|
| Computer software, other | 646,435 | 1,392,325 | (625,433) | 1,413,327 |

**Reconciliation of intangible assets - 30 June 2021**

| | Opening balance | Additions | Amortisation | Total |
|---|---|---|---|---|
| Computer software, other | 846,089 | 147,708 | (347,362) | 646,435 |

### 5. Employee benefit obligations

**Other long-term employee benefits**

The municipality's employee benefit obligation consist of an obligation to pay out a bonus in the year of the employee attaining the required service. The obligation represents a liability to the municipality and the value is represented by the actuarial valuation obtained and is presently being implemented as per the municipality's policy.

The municipality offers bonuses for every 5 years of completed service from 10 years to 45 years.

**The amounts recognised in the statement of financial position are as follows:**

| | | |
|---|---|---|
| **Carrying value** | | |
| Present value of the defined benefit obligation-partly or wholly funded | 13,181,000 | 11,111,292 |
| Non-current liabilities: > 1 year | (11,199,000) | (10,209,273) |
| Current liabilities: < 1 year | (1,982,000) | (902,019) |
| | **(13,181,000)** | **(11,111,292)** |

**Net expense recognised in the statement of financial performance**

| | | |
|---|---|---|
| Current service cost | 1,086,262 | 902,454 |
| Interest cost | 922,114 | 779,841 |
| Benefit paid | (948,000) | (1,008,000) |
| Actuarial Loss/(Gain) | 1,009,332 | 1,483,906 |
| | **2,069,708** | **2,158,201** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

**Calculation of actuarial gains and losses**

| | | |
|---|---|---|
| Actuarial (gains) losses – Obligation | 1,009,332 | 1,483,906 |

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

**Key assumptions used**

Assumptions used at the reporting date:

| | | |
|---|---|---|
| Average age of retirement | 63 | 63 |
| Net effective discount rate | 11.38 % | 8.65 % |
| CPI Consumer price inflation | 7.60 % | 4.97 % |
| Normal salary increase rate | 8.60 % | 5.97 % |
| Other material actuarial assumptions [provide details] | 2.56 % | 2.53 % |

**Sensitivity analysis**

The valuation basis assumes that the salary inflation rate (which manifests itself as the annual increase in employees' salaries which determines the bonuses payable will be 3,94% less than the corresponding discount rate, in the long term. The effect of a 1% increase and decrease in the salary inflation rate is as follows:

| | One percentage point increase | One percentage point decrease |
|---|---|---|
| Effect on the aggregate of the service cost and interest cost | 2,913,000 | 2,528,000 |
| Effect on defined benefit obligation | 14,119,000 | 12,332,000 |

As per the table above, a 1% increase in the salary increase rate results in a 7,11% increase in the accrued liability whilst a 1% decrease in salary increase rate will result result in a 6,44% decrease in the accrued liability.:

### 6. Inventories

| | | |
|---|---|---|
| Inventories Land held for sale | 46,056,215 | 46,581,575 |
| Water for distribution | 1,662,657 | 1,642,769 |
| Stores and materials | 141,537 | 78,899 |
| | **47,860,409** | **48,303,243** |

**Water for distribution**

| | | |
|---|---|---|
| Opening balance | 1,642,769 | 1,649,393 |
| System input volume | 158,368,700 | 151,064,897 |
| Authorised consumption | (133,851,690) | (113,488,850) |
| Water losses | (24,199,072) | (37,307,879) |
| Data transfer and management errors | (298,051) | (274,790) |
| **Closing balance** | **1,662,656** | **1,642,771** |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

**Water losses**

| | | |
|---|---|---|
| Water losses | 15 % | 25 % |

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

### 7. Receivables from exchange transactions

| | | |
|---|---|---|
| Debtors shortages | 138,206 | 11 |
| Sundry debtors - Rental | 542,429 | 516,701 |
| Under banking DLTC | 4,446,218 | - |
| Interest receivable | - | 3,840,341 |
| Consumer debtors - Water | 18,118,176 | 14,256,793 |
| Consumer debtors - Sewerage | 322,026 | 254,582 |
| Consumer debtors - Refuse | 8,135,384 | 6,364,772 |
| | **31,702,439** | **25,233,200** |

**Reconciliation of provision for impairment of trade and other receivables**

| | | |
|---|---|---|
| Opening balance | (1,390,304,423) | (1,214,343,235) |
| Provision for impairment | (218,742,421) | (175,961,188) |
| | **(1,609,046,844)** | **(1,390,304,423)** |

Deposits for prior year has been reallocated to Other debtors.

There was an under banking from DLTC amounting to R4 446 218 the municipality opened a case at SAPS Kwamhlanga, case number registered, ref nr CAS 500/8/2022.

### 8. Receivables from non-exchange transactions

| | | |
|---|---|---|
| **Other receivables from non-exchange transactions** | | |
| Overpayments | 706,639 | 35,404 |
| **Statutory receivables** | | |
| Consumer debtors - Property Rates | 5,724,089 | 4,536,043 |
| Traffic fines | 3,026,217 | 2,385,484 |
| | **9,456,945** | **6,956,931** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

**Traffic fines - Impaired**

| | | |
|---|---|---|
| Gross balance | 36,541,453 | 34,209,674 |
| Less: Allowance for impairment | (33,517,095) | (31,824,291) |
| | **3,024,358** | **2,385,383** |

The Traffic Fines are administrated as per iGrap01 and the Traffic Regulation Act.

**Property rates - Impaired**

| | | |
|---|---|---|
| Gross balance | 295,424,892 | 254,837,259 |
| Less: Allowance for impairment | (289,628,432) | (250,254,796) |
| | **5,796,460** | **4,582,463** |

The Property Rates is charged to the consumers as per the MPRA, MSA (Chapter 09) and the adopted Tariff Structure.

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **9. VAT receivable** | | |
| VAT receivable | - | 164,263,870 |
| VAT payable | - | (156,862,210) |
| | - | **7,401,660** |

Prior period error correction was made to Vat receivable to the amount of R13 304 493.

**10. Consumer debtors- Disclosure**

| | | |
|---|---|---|
| **Gross balances** | | |
| Consumer debtors - Rates | 295,352,521 | 254,790,839 |
| Consumer debtors - Water | 919,184,409 | 792,827,270 |
| Consumer debtors - Sewerage | 16,412,494 | 14,157,626 |
| Consumer debtors - Refuse | 410,397,095 | 353,940,879 |
| | **1,641,346,519** | **1,415,716,614** |
| **Less: Allowance for impairment** | | |
| Consumer debtors - Rates | (289,628,432) | (250,254,796) |
| Consumer debtors - Water | (901,066,233) | (778,570,477) |
| Consumer debtors - Sewerage | (16,090,468) | (13,903,044) |
| Consumer debtors - Refuse | (402,261,711) | (347,576,107) |
| | **(1,609,046,844)** | **(1,390,304,424)** |
| **Net balance** | | |
| Consumer debtors - Rates | 5,724,089 | 4,536,043 |
| Consumer debtors - Water | 18,118,176 | 14,256,793 |
| Consumer debtors - Sewerage | 322,026 | 254,582 |
| Consumer debtors - Refuse | 8,135,384 | 6,364,772 |
| | **32,299,675** | **25,412,190** |
| **Included in above is receivables from exchange transactions** | | |
| Water | 18,033,432 | 14,256,552 |
| Sewerage | 322,026 | 254,582 |
| Refuse | 8,050,639 | 6,364,531 |
| | **26,406,097** | **20,875,665** |
| **Included in above is receivables from non-exchange transactions (taxes and transfers)** | | |
| Rates | 5,796,459 | 4,582,463 |
| | **32,202,556** | **25,458,128** |
| **Net balance** | | |
| **Rates** | | |
| Current (0 -30 days) | 118,827 | 91,649 |
| 31 - 60 days | 99,699 | 91,649 |
| 61 - 90 days | 26,664 | 91,649 |
| 91 - 120 days | 108,394 | 91,649 |
| 121 - 365 days | 737,889 | 595,720 |
| > 365 days | 4,632,616 | 3,573,727 |
| | **5,724,089** | **4,536,043** |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **Water** | | |
| Current (0 -30 days) | 804,279 | 570,262 |
| 31 - 60 days | 214,598 | 142,566 |
| 61 - 90 days | 164,104 | 142,566 |
| 91 - 120 days | 2,151,388 | 1,710,786 |
| 121 - 365 days | 1,311,030 | 997,958 |
| > 365 days | 13,472,777 | 10,692,655 |
| | **18,118,176** | **14,256,793** |
| **Sewerage** | | |
| Current (0 -30 days) | 10,305 | 7,637 |
| 31 - 60 days | 3,800 | 2,546 |
| 61 - 90 days | 3,027 | 2,546 |
| 91 - 120 days | 49,817 | 38,187 |
| 121 - 365 days | 24,249 | 20,366 |
| > 365 days | 230,828 | 183,300 |
| | **322,026** | **254,582** |
| **Refuse** | | |
| Current (0 -30 days) | 461,515 | 318,227 |
| 31 - 60 days | 110,294 | 63,645 |
| 61 - 90 days | 81,311 | 63,645 |
| 91 - 120 days | 1,383,905 | 1,081,970 |
| 121 - 365 days | 657,737 | 509,162 |
| > 365 days | 5,440,622 | 4,328,123 |
| | **8,135,384** | **6,364,772** |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **Gross balances** | | |
| Households | 1,526,361,942 | 1,316,659,174 |
| Industrial/Commercial | 16,412,494 | 14,157,626 |
| National and Provincial Government | 98,474,964 | 84,945,753 |
| | **1,641,249,400** | **1,415,762,553** |
| **Summary of receivables by customer classification** | | |
| **Households** | | |
| Current (0 -30 days) | 49,606,763 | 39,499,775 |
| 31 - 60 days | 21,216,431 | 13,166,592 |
| 61 - 90 days | 15,416,256 | 13,166,592 |
| 91 - 120 days | 135,540,940 | 118,499,325 |
| 121 - 365 days | 134,625,123 | 118,499,326 |
| > 365 days | 1,169,956,429 | 1,013,827,564 |
| | **1,526,361,942** | **1,316,659,174** |
| **Industrial/ commercial** | | |
| Current (0 -30 days) | 259,317 | 283,153 |
| 31 - 60 days | 370,922 | 283,153 |
| 61 - 90 days | 264,241 | 283,152 |
| 91 - 120 days | 539,971 | 424,729 |
| 121 - 365 days | 2,166,449 | 1,840,491 |
| > 365 days | 12,809,952 | 11,042,948 |
| | **16,410,852** | **14,157,626** |
| **National and provincial government** | | |
| Current (0 -30 days) | 177,255 | 849,457 |
| 31 - 60 days | 177,255 | 849,458 |
| 61 - 90 days | 118,170 | 849,457 |
| 91 - 120 days | 177,255 | 849,548 |
| 121 - 365 days | 6,144,838 | 5,096,745 |
| > 365 days | 91,680,192 | 76,451,178 |
| | **98,474,965** | **84,945,843** |
| **Total** | | |
| Current (0 -30 days) | 50,043,335 | 40,632,385 |
| 31 - 60 days | 21,764,608 | 14,299,202 |
| 61 - 90 days | 15,798,667 | 14,299,202 |
| 91 - 120 days | 136,258,166 | 119,773,512 |
| 121 - 365 days | 142,936,410 | 125,436,562 |
| > 365 days | 1,274,446,572 | 1,101,321,689 |
| | 1,641,247,758 | 1,415,762,552 |
| Less: Allowance for impairment | (1,609,046,844) | (1,390,304,424) |
| | **32,200,914** | **25,458,128** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

### 11. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---|---|---|
| Cash on hand | 5,000 | 5,000 |
| Bank balances | 132,252,576 | 116,853,387 |
| Short-term deposits | - | 20,943,321 |
| | **132,257,576** | **137,801,708** |

**The municipality had the following bank accounts**

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|---|---|---|---|---|---|
| | 30 June 2022 | 30 June 2021 | 30 June 2020 | 30 June 2022 | 30 June 2021 | 30 June 2020 |
| First National Bank - Current account: 620-262-96427 | 127,878,707 | 20,402,366 | 58,062,611 | 127,878,707 | 20,402,366 | 58,062,611 |
| First National Bank - Call deposit: 621-470-52427 | - | 20,943,321 | 20,943,321 | - | 20,943,321 | 20,943,321 |
| Nedbank - Current account 100-422-2378 | 4,423,325 | 96,451,021 | 20,401,078 | 4,373,869 | 96,451,021 | 20,397,552 |
| **Total** | **132,302,032** | **137,796,708** | **99,407,010** | **132,252,576** | **137,796,708** | **99,403,484** |

Nedbank current account reconciliation between the bank statement and cashbook balances:
- Deposits in 2021-2022 not cleared from the bank to the amount of R49 454.02.

### 12. Unspent conditional grants and receipts

**Unspent conditional grants and receipts comprises of:**

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 24 for reconciliation of grants from National/Provincial Government.



## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

### 13. Provisions

**Reconciliation of provisions - 30 June 2022**

| | Opening Balance | Additions | Provision for bonus paid out | Interest Charged/Unwinding of interest | Total |
|---|---|---|---|---|---|
| Environmental rehabilitation | 24,312,724 | 17,607,983 | - | 2,416,684 | 44,337,390 |
| Provision for Bonuses | 8,086,338 | 8,508,302 | (8,368,458) | - | 8,226,182 |
| | **32,399,062** | **26,116,285** | **(8,368,458)** | **2,416,684** | **52,563,572** |

**Reconciliation of provisions - 30 June 2021**

| | Opening Balance | Additions | Provision for bonus paid out | Interest Charged/Unwinding of interest | Total |
|---|---|---|---|---|---|
| Environmental rehabilitation | 22,893,470 | 416,520 | - | 1,002,734 | 24,312,724 |
| Provision for Bonuses | 7,628,567 | 8,596,720 | (8,138,949) | - | 8,086,338 |
| | **30,522,037** | **9,013,240** | **(8,138,949)** | **1,002,734** | **32,399,062** |

| | | |
|---|---|---|
| Non-current liabilities | 44,337,390 | 23,415,585 |
| Current liabilities | 8,226,182 | 8,983,477 |
| | **52,563,572** | **32,399,062** |

**Environmental rehabilitation:**

The municipality has two dumping sites, one in Kwaggafontein which is 3,5 hectares and the other one in KwaMlanga which is 4,5 hectares. The remaining useful lives of theses dumping sites are 8 years and 0 years respectively. Each year the dumping sites remaining useful lives are assessed and the provision is adjusted accordingly.

KwaMhlanga landfil site:

Although the landfill site currently has a useful life of 0, THLM does not have a licence for the Kwa Mhlanga landfill site and the landfill will not be closed in the next 12 months, therefore the Kwa Mhlanga landfill site is recognised as a non-current liability.

**Bonuses:**

The municipality raises a provision for 13th cheque bonuses that staff members receive after twelve months after savings. The provision is based on the appointment month and the most recent effective salary notches of individual employees.

### 14. Payables from exchange transactions

| | | |
|---|---|---|
| Payables and Accruals | 22,923,104 | 84,154,787 |
| Accrued leave pay | 15,450,240 | 14,753,197 |
| Retention | 2,245,988 | 129,523 |
| Debtors with credit balances | 7,726,118 | 9,718,024 |
| Unallocated deposits | 1,029,570 | 986,542 |
| Over banking | 437,881 | 437,881 |
| | **49,812,901** | **110,179,954** |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **Payables from exchange transactions: Non-current liabilities** | | |
| Advance payments: Land | 6,387,385 | 6,057,757 |
| Retention | 35,702,006 | 35,572,463 |
| Deposits received | 425,914 | 405,176 |
| | **42,515,305** | **42,035,396** |
| Leave provision for prior year correction made amounting to R14 753 197. | | |
| Current liabilities: Payables from exchange transactions | 49,812,901 | 110,179,954 |
| Non-current liabilities: Payables from exchange transactions | 42,515,305 | 42,035,396 |
| | **92,328,206** | **152,215,350** |
| **15. VAT payable** | | |
| VAT payable | 34,966,665 | - |
| **16. Revenue** | | |
| Service charges | 114,341,982 | 106,884,215 |
| Rental of facilities and equipment | 1,030,277 | 1,463,583 |
| Agency services | 11,315,061 | 11,350,797 |
| Other income | 1,176,893 | 1,926,580 |
| Interest received | 74,754,833 | 42,287,294 |
| Property rates | 55,144,559 | 53,977,351 |
| Government grants & subsidies | 652,245,000 | 698,992,216 |
| Public contributions and donations | 7,110,280 | 44,530,677 |
| Fines, Penalties and Forfeits | 3,913,007 | 8,220,600 |
| | **921,031,892** | **969,633,313** |
| **The amount included in revenue arising from exchanges of goods or services are as follows:** | | |
| Service charges | 114,341,982 | 106,884,215 |
| Rental of facilities and equipment | 1,030,277 | 1,463,583 |
| Agency services | 11,315,061 | 11,350,797 |
| Other income | 1,176,893 | 1,926,580 |
| Interest received | 74,754,833 | 42,287,294 |
| | **202,619,046** | **163,912,469** |
| **The amount included in revenue arising from non-exchange transactions is as follows:** | | |
| **Taxation revenue** | | |
| Property rates | 55,144,559 | 53,977,351 |
| **Transfer revenue** | | |
| Government grants & subsidies | 652,245,000 | 698,992,216 |
| Public contributions and donations | 7,110,280 | 44,530,677 |
| Fines, Penalties and Forfeits | 3,913,007 | 8,220,600 |
| | **718,412,846** | **805,720,844** |
| **17. Service charges** | | |
| Sale of water | 76,414,661 | 70,373,920 |
| Sewerage and sanitation charges | 1,890,529 | 1,637,701 |
| Refuse removal | 36,036,792 | 34,872,594 |
| | **114,341,982** | **106,884,215** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **18. Rental of facilities and equipment** | | |
| **Facilities and equipment** | | |
| Rental of facilities | 1,030,277 | 1,463,583 |
| **19. Fines, Penalties and Forfeits** | | |
| Traffic Fines - Municipal and Court | 3,913,007 | 8,220,600 |
| **20. Lease rentals on operating lease** | | |
| **Motor vehicles** | | |
| Straight- linning | 4,779,156 | 4,560,668 |
| **Equipment** | | |
| Straight-linning | - | 784,792 |
| Contingent amounts | 1,522,466 | 607,311 |
| | **6,301,622** | **5,952,771** |

The municipality has entered into operating lease agreement for the lease of printers, copiers and transport assets. The lease period vary between 3 and 5 years.

| | | |
|---|---|---|
| Payable within 1 year | 1,212,576 | 4,840,392 |
| **21. Other income** | | |
| Library fees & fines | 6,795 | 3,752 |
| Handling fees | 26,643 | 29,099 |
| Application fees | 75,218 | 199,364 |
| Building plan approval | 135,561 | 184,734 |
| Clearance certificates | 9,750 | 9,751 |
| Maps publications | 3,010 | 1,908 |
| Occupation certificates | 1,083 | 391 |
| Insurance refunds | 379,342 | 731,819 |
| Tender documents | 33,372 | 313,539 |
| Staff recoveries | 31,497 | 17,461 |
| Valuation services | 1,736 | 1,631 |
| Statutory services | 10,626 | 12,062 |
| Trading licences | 148,808 | 139,758 |
| Sale of other goods & rendering of services | 313,452 | 281,311 |
| | **1,176,893** | **1,926,580** |
| **22. Interest received** | | |
| **Interest revenue** | | |
| Current Bank | 1,301,325 | 932,678 |
| Interest charged on trade and other receivables | 67,428,646 | 36,389,123 |
| Interest on investments | 6,024,862 | 4,965,493 |
| | **74,754,833** | **42,287,294** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

### 23. Property rates

**Rates received**

| | | |
|---|---|---|
| Property rates: Residential & other | 55,144,559 | 53,977,351 |

**Valuations**

| | | |
|---|---|---|
| Residential | 981,712,000 | 907,232,000 |
| Commercial | 294,692,000 | 294,692,000 |
| State | 1,923,352,000 | 1,923,352,000 |
| Municipal | 7,667,389,800 | 7,741,869,800 |
| Agricultural | 411,350,000 | 411,350,000 |
| Schools | 524,311,000 | 524,311,000 |
| Churches | 1,246,000 | 1,246,000 |
| PBO | 4,700,000 | 4,700,000 |
| PSI | 35,000 | 35,000 |
| | **11,808,787,800** | **11,808,787,800** |

Valuations on land and buildings are performed every 5 years. The new general valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **24. Government grants and subsidies** | | |
| **Operating grants** | | |
| Equitable share | 458,200,000 | 447,741,519 |
| FMG | 1,720,000 | 1,700,000 |
| EPWP | 2,127,000 | 1,760,000 |
| MIG | 5,934,900 | 5,686,078 |
| WSIG | - | 5,000,000 |
| | **467,981,900** | **461,887,597** |
| **Capital grants** | | |
| Equitable share | - | 71,501,471 |
| MIG | 124,763,100 | 115,384,922 |
| EEDSMG | 4,500,000 | 3,600,000 |
| WSIG | 55,000,000 | 46,618,226 |
| | **184,263,100** | **237,104,619** |
| | **652,245,000** | **698,992,216** |
| **Equitable Share** | | |
| Current-year receipts | 458,200,000 | 519,242,990 |
| Conditions met - Capital expenditure | - | (71,501,471) |
| Conditions met - Operational expenditure | (458,200,000) | (447,741,519) |
| | - | - |

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

The capital portion in 2020-2021 was funded from the allocation of COVID 19 which was conditional based, but was included on the equitable share grant.

**MIG**

| | | |
|---|---|---|
| Current-year receipts | 130,698,000 | 121,071,000 |
| Conditions met - Capital expenditure | (124,763,100) | (115,384,922) |
| Conditions met - Operational expenditure | (5,934,900) | (5,686,078) |
| | - | - |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

**FMG**

| | | |
|---|---|---|
| Current-year receipts | 1,720,000 | 1,700,000 |
| Conditions met - Operational expenditure | (1,720,000) | (1,700,000) |
| | - | - |

**EPWP Grant**

| | | |
|---|---|---|
| Current-year receipts | 2,127,000 | 1,760,000 |
| Conditions met - Operational expenditure | (2,127,000) | (1,760,000) |
| | - | - |

**WSIG**

| | | |
|---|---|---|
| Balance unspent at beginning of year | - | 1,618,226 |
| Current-year receipts | 55,000,000 | 50,000,000 |

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| Conditions met - Capital expenditure | (55,000,000) | (46,618,226) |
| Conditions met - Operational expenditure | - | (5,000,000) |
| | - | - |
| **EEDM** | | |
| Current-year receipts | 4,500,000 | 3,600,000 |
| Conditions met - Capital expenditure | (4,500,000) | (3,600,000) |
| Conditions met - Operational expenditure | - | - |
| | - | - |
| **MDRG** | | |
| Current-year receipts | - | 252,990 |
| Conditions met - transferred to revenue | - | (252,990) |
| | - | - |

### 25. Agency services

| | | |
|---|---|---|
| Agency fees - Drivers licence application | 11,312,617 | 11,350,045 |
| Vehicle licences | 2,444 | 752 |
| | **11,315,061** | **11,350,797** |

### 26. Donations received

| | | |
|---|---|---|
| Nkangala District Municipality | 7,110,280 | 44,530,677 |

Donations by way of assets were received from Nkangala District Municipality R7 110 280; (2021:R44 530 677).



## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

### 27. Employee related costs

| | | |
|---|---|---|
| Basic | 105,707,574 | 102,288,705 |
| Bonus | 8,368,458 | 8,138,949 |
| Medical aid - company contributions | 8,836,474 | 8,083,365 |
| UIF | 771,321 | 951,377 |
| SDL | 1,448,273 | 1,144,159 |
| Standby allowance | 627,612 | 888,318 |
| Leave pay provision charge | 754,937 | 256,331 |
| Travel, motor car, accommodation, subsistence and other allowances | 4,631,258 | 4,305,547 |
| Overtime and Shift allowance | 3,477,545 | 2,630,489 |
| Long-service awards | 1,267,039 | 1,384,683 |
| Acting allowances | 819,070 | 618,547 |
| Housing benefits and allowances | 132,137 | 131,366 |
| Celiphone allowances | 641,450 | 631,230 |
| Pension contributions | 19,986,808 | 19,247,397 |
| SALGBC | 45,836 | 45,520 |
| | **157,515,792** | **150,745,983** |

During the financial period 2018-2019 the municipality migrated from Grade 3 to 4

**Remuneration of Municipal Manager: Mr ON Nkosi 01 July 2017 to 30 June 2022**

| | | |
|---|---|---|
| Annual Remuneration | 922,918 | 925,154 |
| Car Allowance | 180,000 | 180,000 |
| Contributions to UIF, Medical and Pension Funds | 294,981 | 93,559 |
| | **1,397,899** | **1,198,713** |

**Remuneration of Chief Finance Officer: Ms JG Mahlagu 01 May 2019 to 30 June 2022**

| | | |
|---|---|---|
| Annual Remuneration | 706,241 | 708,103 |
| Car Allowance | 120,000 | 120,000 |
| Contributions to UIF, Medical and Pension Funds | 180,019 | 168,163 |
| | **1,006,260** | **996,266** |

**Remuneration of Corporate Service Manager: Ms SA Nxumalo 01 July 2017 to 28 February 2022**

| | | |
|---|---|---|
| Annual Remuneration | 659,106 | 855,066 |
| Car Allowance | 40,000 | 60,000 |
| Contributions to UIF, Medical and Pension Funds | 248,019 | 81,131 |
| | **947,125** | **996,197** |

**Remuneration of Social Services Manager: Mr AK Chego 01 August 2018 to 30 June 2022**

| | | |
|---|---|---|
| Annual Remuneration | 857,824 | 928,095 |
| Car Allowance | 120,000 | 120,000 |
| Contributions to UIF, Medical and Pension Funds | 77,327 | 68,211 |
| | **1,055,151** | **1,116,306** |

**Remuneration of Development Planning Manager: Mr MS Tsebe 01 May 2019 to 30 June 2022**

| | | |
|---|---|---|
| Annual Remuneration | 807,824 | 808,095 |
| Car Allowance | 120,000 | 120,000 |
| Contributions to UIF, Medical and Pension Funds | 84,555 | 70,966 |

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| | **1,012,379** | **999,061** |

**Remuneration of Technical Sevice Manager: Mr VL Skosana 01 May 2019 to 30 June 2022**

| | | |
|---|---|---|
| Annual Remuneration | 782,503 | 782,704 |
| Car Allowance | 120,000 | 120,000 |
| Contributions to UIF, Medical and Pension Funds | 108,006 | 104,788 |
| | **1,010,509** | **1,007,492** |

### 28. Remuneration of councillors

| | | |
|---|---|---|
| Executive Mayor: Cllr Mtsweni NS | 344,992 | 945,985 |
| Executive Mayor: Cllr Dikgale LJ | 634,677 | - |
| Chief Whip: Cllr Tau Joyce Johanna (Deceased) | - | 119,131 |
| Chief Whip: Cllr Motanyane Thokozile Egnes | 741,571 | 480,286 |
| Speaker: Cllr Msiza MP | 465,970 | - |
| Speaker: Cllr Mabena TL | 311,893 | 773,689 |
| MPAC Chairpersons | 694,778 | - |
| Executive committee | 3,686,435 | - |
| Other councillors | 18,460,843 | 22,673,753 |
| | **25,341,159** | **24,992,844** |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Audited By
2022 -12- 01
Auditor-General South Africa
Mpumalanga Business Unit



## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

**In-kind benefits**

The Executive Mayor, Speaker, Chief whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a separate council owned vehicle for official duties.

**Remuneration of Executive Mayor: Cllr Dikgale LJ - 01 December 2021 to 30 June 2022**

| | | |
|---|---|---|
| Annual Remuneration | 462,754 | - |
| Cellphone allowance, mobile data, contribution UIF, medical aid & pension | 171,924 | - |
| | **634,678** | **-** |

**Remuneration of Executive Mayor: Cllr Mtsweni NS - 01 July 2021 to 30 November 2021**

| | | |
|---|---|---|
| Annual Remuneration | 282,460 | - |
| Cellphone allowance, mobile data, contribution UIF, medical aid & pension | 62,531 | - |
| | **344,991** | **-** |

**Remuneration of Chief Whip: Cllr Motanyane TE - 01 July 2021 to 30 June 2022**

| | | |
|---|---|---|
| Annual Remuneration | 380,696 | - |
| Cellphone allowance, mobile data, contribution UIF, medical aid & pension | 196,948 | - |
| Travel allowance | 163,927 | - |
| | **741,571** | **-** |

**Remuneration of Speaker: Cllr Msiza MP - 01 December 2021 to 30 June 2022**

| | | |
|---|---|---|
| Annual Remuneration | 316,160 | - |
| Cellphone allowance, mobile data, contribution UIF, medical aid & pension | 120,015 | - |
| Travel allowance | 29,795 | - |
| | **465,970** | **-** |

**Remuneration of Speaker: Cllr Mabena TL - 01 July 2021 to 30 November 2021**

| | | |
|---|---|---|
| Annual Remuneration | 141,920 | - |
| Cellphone allowance, mobile data, contribution UIF, medical aid & pension | 102,034 | - |
| Travel allowance | 67,939 | - |
| | **311,893** | **-** |

**Remuneration of MPAC Chairperson**

| | | |
|---|---|---|
| Annual Remuneration | 409,997 | - |
| Cellphone allowance, mobile data, contribution UIF, medical aid & pension | 127,640 | - |
| Travel allowances | 154,911 | - |
| | **692,548** | **-** |

**Remuneration of Executive committee**

| | | |
|---|---|---|
| Annual Remuneration | 2,079,421 | - |
| Cellphone allowance, mobile data, contribution UIF, medical aid & pension | 780,039 | - |
| Travel allowances | 826,975 | - |
| | **3,686,435** | **-** |

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **Remuneration of other councillors** | | |
| Annual Remuneration | 18,460,843 | 22,673,753 |
| **29. Depreciation and amortisation** | | |
| Property, plant and equipment | 79,596,249 | 71,045,243 |
| **30. Finance costs** | | |
| Interest on overdue accounts | 8,036 | 39,413 |
| **31. Debt impairment** | | |
| Consumer debtors contribution to debt impairment provision | 218,742,421 | 175,961,188 |
| Traffic fines bad debt contribution to debt impairment provision | 1,690,945 | 3,942,834 |
| | **220,433,366** | **179,904,022** |
| **32. Amnesty and presciptions written off - consumer debtors** | | |
| Amnesty written off | 2,083,321 | 3,719,781 |
| Prescription written off | - | 1,396,124 |
| **33. Bulk purchases** | | |
| Water purchases and water inventory consumed | 130,555,769 | 150,773,812 |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

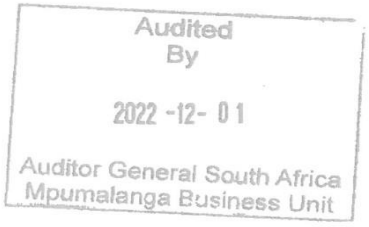
## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|
| **34. General expenses** | | |
| Advertising | 721,377 | 871,797 |
| Auditors remuneration | 6,133,544 | 5,705,227 |
| Bank charges | 411,550 | 664,675 |
| Cleaning services | 710 | - |
| Consulting and professional fees | 23,598,603 | 18,138,129 |
| Debt collection | 2,912,589 | 4,431,130 |
| Entertainment | 1,324,109 | 805,449 |
| Flowers | 184,800 | - |
| Insurance | 1,962,666 | 1,393,542 |
| Conferences and seminars | 1,679,778 | 1,151,302 |
| Community development | 3,733,852 | 3,262,225 |
| Motor vehicle expenses | 531,711 | 532,897 |
| Pest control | 811,351 | 448,550 |
| Postage and courier | 2,330 | 2,330 |
| Printing and stationery | 374,460 | 32,404 |
| Repairs and maintenance | 24,712,260 | 14,758,692 |
| Security (Guarding of municipal property) | 27,219,854 | 23,545,632 |
| Software expenses | 6,119,999 | 5,326,432 |
| Staff welfare | 580,115 | 198,020 |
| Subscriptions and membership fees | 1,952,796 | 1,894,413 |
| Telephone and fax | 1,616,355 | 1,783,501 |
| Workman's compensation | 541,555 | - |
| Travel - local | 2,623,176 | 1,378,057 |
| Sewerage and waste disposal | 20,423,834 | 8,760,550 |
| Municipal services | 21,237,689 | 15,880,417 |
| Uniforms | 535,977 | 818,841 |
| Material and supplies | 17,763,516 | 21,602,850 |
| Motor vehicle licences | 953,386 | 644,089 |
| Town planning costs | - | 2,005,313 |
| Indigent relief | 53,008 | 60,071 |
| Water sample testing | 843,630 | 1,048,197 |
| Ward committee allowances | 2,243,903 | 3,731,000 |
| Water delivery services | 17,466,480 | 39,312,977 |
| Other expenses | 10,070,849 | 9,471,051 |
| | **201,341,812** | **189,659,760** |

General expenditure increase 2021-2022 is mainly due to the landfill site liability increase of R20 024 667.

**35. Auditors' remuneration**

| | | |
|---|---|---|
| Expenses | 6,133,544 | 5,705,227 |



## Notes to the Annual Financial Statements

| Figures in Rand | | 2022 | 2021 |
|---|---|---|---|
| **36. Cash generated from operations** | | | |
| Surplus | | 90,541,169 | 175,857,105 |
| **Adjustments for:** | | | |
| Depreciation and amortisation | 29 | 79,596,249 | 71,045,243 |
| Gain/(Loss) on Property, plant and equipment derecognised | | 7,313,597 | 14,606,276 |
| Consumer debtors Prescriptions written off | | - | 1,396,124 |
| Debt impairment | 31 | 220,433,366 | 179,904,022 |
| Consumer debtors Amnesty written off | 32 | 2,083,321 | 3,719,781 |
| Donations received | 26 | (7,110,280) | (44,530,677) |
| Movements in retirement benefit assets and liabilities | | 2,069,708 | 2,158,201 |
| Movements in provisions | | 24,586,508 | 6,134,539 |
| **Changes in working capital:** | | | |
| Inventories | | 442,834 | (42,037) |
| Receivables from exchange transactions | | (6,469,349) | (3,034,764) |
| Consumer debtors | | (63,798,435) | (154,596,212) |
| Statutory receivables | | (2,500,014) | (525,371) |
| Payables from exchange transactions | | 58,589,382 | 10,668,901 |
| VAT receivable | | 10,250,987 | 9,087,317 |
| Unspent conditional grants and receipts | | - | (1,871,216) |
| | | **416,029,043** | **269,977,232** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

**37. Commitments**

**Authorised capital expenditure**

| | | |
|---|---|---|
| **Already contracted for but not provided for** | | |
| Property, plant and equipment | 162,024,857 | 253,831,181 |
| **Total capital commitments** | | |
| Already contracted for but not provided for | 162,024,857 | 253,831,181 |

This committed expenditure relates to property, plant and equipment and will be financed by available grants, retained surpluses, existing cash resources and funds internally generated. The commitments disclosed amounts are VAT exclusive.

**Operating leases - as lessee (expense)**

| | | |
|---|---|---|
| **Minimum lease payments due** | | |
| - within one year | 4,840,392 | - |
| > Bidvest | 586,916 | - |
| > Databox | | |
| - in second to fifth year inclusive | 1,212,576 | - |
| > Bidvest | 978,193 | - |
| > Databox | **7,618,077** | - |

Operating lease payments represent rentals payable by the municipality for leased assets used in the day to day operations of the municipality. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. Contingent rent is payable.

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

| Figures in Rand | | 2022 | 2021 |
|---|---|---|---|
| **38. Contingencies** | | | |
| **Plaintiff** | **Detail** | | |
| Piet Chilli v/s THLM - Case nr: 12/2013 | Mr. Chili has issued a summons against the Municipality claiming among others loss of income as a result of alleged breach of contract on the part of the municipality | 345 000 | 345 000 |
| THLM/ Lawmark Consulting cc - Case nr: 70121/11 | The contractor (Joint Venture between Lawmark and Casnans) was awarded the tender of VIP toilets in Cluster E. The municipality concluded a contract on the 24th March 2010. The contractor was unable to complete the wor | 1 200 000 | 1 200 000 |
| Telkom SA Limited Case nr: 110/2015 | The plaintiff is alleging that at or near Moloto Road on or about the 04th of March 2013, employees of the municipality acting within their scope of employment damaged an overhead cable belonging the plaintiff. | 24 909 | 24 909 |
| SAMWU abo Thutse Reinethine Mmantimo Case nr: JS436/15 | Around 2012 the municipality advertised the position of the Senior Technician: Sanitation, interviews were conducted and appointments done. There were two appointments done while the vacant position was one. The plaintiff was the second best candidates and she was issued with an appointments. She was given an appointment on the 24th December 2012 and it was discovered by HR that her appointment was erroneously issued since it was one vacant position. The plaintiff was then informed telephonically of the mistake and a letter withdrawing her appointment was sent to her on the 28th December 2012. The plaintiff wants to be reinstated to the position and she also demands to be paid all the salaries she was would have received had the municipality not repudiated the contract | Amount not available | Amount not available |
| Mabapa Building Construction t/a Moriti School Uniform CC vs THLM Case nr: 623/16 | On or about 7th August 2013 at Phola Park KwaMhlanga, some employees of the municipality negligently started fire or negligently failed and/or omitted to contain the fire they started. The said fire burned down and destroyed the plaintiff's business premises and other item | 2 000 000 | 2 000 000 |
| MJ Magaela vs Minister of Police/ THLM and NPA Case nr: Case no 84342/17 North Gauteng High court | On the 5th of January 2018 summons were served wherein the Plaintiff claim against the municipality payment of an amount of R1 290 000.00 for damages he claims to have suffered due assault by the member of the Municipal traffic officers on the 15th of March 2016 at Kwamhlanga R573 near total garage. The municipality has filed its appearance to defend and also has filed notice in terms of Rule (34i). to which the Plaintiff must respond within 30 days. | 860 000 | 860 000 |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

| Figures in Rand | | 2022 | 2021 |
|---|---|---|---|
| THLM vs Phungo Incorporated<br>Case no:4801/19<br>Kunene Ramapala Attorneys | The municipality received combined summons from Phungo Incorporated, whereby the plaintiff is suing the municipality for damages amounting to R534 479.06 arising from a dispute regarding payment for services rendered. The Plaintiff was appointed to investigate Unauthorised, Irregular, Fruitless and Wasteful Expenditure, identified by Auditor-General during the annual audits from 2012/2013 to 2017/2018 financial years. The Plaintiff was expected to investigate the matters and deliver the full report and to date he has not delivered the report. | 534 479 | 534 479 |
| LPR | License Plate Recognition served a letter of demand to Thembisile Hani Local Municipality, Demanding that we allow their client to collect equipment's owned by their clients and also alleging that THLM is in breach of the terms of the contract. It demanded that THLM immediately remedy the breach or it will litigate. | Amount not available | Amount not available |

### 39. Related parties

**Relationships**

| | |
|---|---|
| Accounting Officer | Mr ON Nkosi |
| Corporate Service Manager | Ms SA Nxumalo |
| Social Service Manager | Mr AK Chego |
| Chief Financial Manager | Ms JG Mahlangu |
| Development Planning Manager | Mr MS Tsebe |
| Technical Service Manager | Mr VL Skosana |
| Councillors | Thembisile Hani Local Municipality |

The information required as per GRAP 20 paragraph 35(a) to (i) can be found in note 5 (Employee benefit obligations), 13 (Bonus provision), 14 (Leave provision), 27 (Employee related costs), 28 (Remuneration of councilors) and 45 (Councillor's in arrears) within the financial statements where relevant to the municipality.

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

Figures in Rand

### 40. 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:

**Description of nature of the prior period error:**

1. Receivables from exchange transactions:

   (i) Interest receivable overstated for 2020-2021 after withdrawal of investment in 2021-2022

   (ii) Merchandising, jobbing and contracts (MJC) clearing of ageing between the other services, Property rates, Water, Sewerage and Refuse.

   (iii) Reallocation of MJC/bad debt.

2. Property, Plant and Equipment (PPE):

   (i) Recapitalisation of 2021_Z_11

   (ii) Capitalization of Enkeldoornoog B WSI Pipelines Civil Engineer Ward 5

   (iii) Recognising omissions Building & Facility - Identified through verification

* (The correction explanation is indicated with a number in brackets next to the item adjusted)

* As a result of prior period errors, the cash flow June 2019 was restated to reflect accurate figures.



## Notes to the Annual Financial Statements

Figures in Rand

**Statement of financial position**

**30 June 2021**

| | Note | As previously reported | Prior period error 2020-2021 | Reallocation/ Reclassification | Restated 30 June 2021 | Correction 2019-2020 and older |
|---|---|---|---|---|---|---|
| **Receivables from exchange transactions** | | - | - | - | - | - |
| - Water (1iii) | | 19,383,484 | 10,529 | (5,137,220) | 14,256,793 | - |
| - Refuse (1ii) | | 7,721,599 | - | (1,357,068) | 6,364,531 | - |
| - Sewerage (1ii) | | 308,864 | - | (54,282) | 254,582 | - |
| - Merchandising, jobbing & contracts (1ii) | | 2,966,395 | - | 7,480,315 | - | (10,446,710) |
| - Electricity | | 482 | - | (482) | - | - |
| - Deposits refunds | | 47,376 | - | (47,376) | - | - |
| - Interest receivable (1i) | | 4,179,512 | (339,171) | - | 3,840,341 | - |
| **Receivables from non-exchange transactions: Statutory eceivables** | | | | | | |
| - Property rates 1(ii) | | 5,524,496 | (46,420) | (942,033) | 4,536,043 | - |
| **VAT receivable (1ii)** | | 20,706,153 | (13,304,493) | - | 7,401,660 | - |
| **Property, Plant and Equipment (PPE)** | | | | | | |
| - Roads infrastructure: Cost (2i-iii) | | 1,077,959,926 | - | 34,594 | 1,077,994,520 | - |
| - Roads infrastructure: Acc depr (2i-iii) | | (659,098,708) | (18,890) | - | (659,117,598) | - |
| - Community assets: Cost (2i-iii) | | 454,398,437 | 1,758,106 | 1,552,057 | 457,708,600 | - |
| - Community assets: Acc depr (2i-iii) | | (292,697,760) | (1,927,870) | - | (294,625,630) | - |
| - Sanitation Infrastructure: Cost (2i-iii) | | 84,429,181 | - | 616,923 | 85,046,104 | - |
| - Sanitation Infrastructure: Acc depr (2i-iii) | | (44,416,777) | (4,479) | - | (44,421,256) | - |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

Figures in Rand

| | | | | | |
|---|---|---|---|---|---|
| - Pump stations: Cost (2i-iii) | 220,894,728 | (712,503) | 8,794,932 | 228,977,157 | - |
| - Pump stations: Acc depr (2i-iii) | (17,170,297) | 620,656 | - | (16,549,641) | - |
| - Capital work in progress (2i-iii) | 252,328,581 | - | (9,446,449) | 242,882,132 | - |
| **Payables from exchange transactions** | - | - | - | - | - |
| - Accrued leave pay | (14,238,465) | (514,732) | - | (14,753,197) | - |
| - Deposits received | (452,552) | - | 47,376 | (405,176) | - |
| - Provisions | (3,664,340) | (4,421,998) | - | (8,086,338) | - |
| **Accumulated surplus** | | **(18,901,252)** | **1,552,057** | | **(10,446,710)** |
| **Total** | | | **(17,359,718)** | | **(10,446,710)** |

**Statement of financial performance**



## Notes to the Annual Financial Statements

Figures in Rand

**30 June 2021**

| | Note | As previously reported | Prior period error 2020-2021 | Reallocation/ Reclassification | Restated 30 June 2021 | Correction 2019-2020 and older |
|---|---|---|---|---|---|---|
| **Revenue from exchange transactions** | | | | | | |
| - Interest on Investment (1i) | | 5,304,664 | (339,171) | - | 4,965,493 | - |
| - Water | | 70,384,449 | 10,529 | - | 70,394,978 | - |
| **Other income** | | - | - | - | - | - |
| - VAT Receivable | | 13,324,625 | (13,304,493) | (20,132) | - | - |
| - Sale of other goods & rendering of services | | 261,178 | - | 20,132 | 281,310 | - |
| **Revenue from non-exchange transactions** | | | | | | - |
| - Property rates | | 54,023,771 | (46,420) | - | 53,977,351 | - |
| **Expenditure** | | - | - | - | - | - |
| - Depreciation (2i-iii) | | (70,780,581) | (264,662) | - | (71,045,243) | - |
| - General expenses:i) | | - | - | - | - | - |
| > Repairs & maintenanace (2iii) | | (16,310,749) | - | 1,552,057 | (14,758,692) | - |
| > Other expenses | | (4,534,321) | (4,936,730) | - | (9,471,051) | - |
| - Bad debt: Consumer debtors (1ii) | | - | - | - | - | (10,446,710) |
| - Gain/loss on PPE derecognition (2ii) | | (14,755,710) | (20,305) | - | (14,776,015) | - |
| | | | (18,901,252) | 1,552,057 | - | (10,446,710) |
| | | | | (17,359,718) | - | (10,446,710) |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



Figures in Rand | 2022 | 2021

## 41. Risk management

### Liquidity risk

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.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| At 30 June 2022 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| **Current liabilities** | **94,987,748** | - | - | - |
| - Payables and accruals | 22,923,104 | - | - | - |
| - Retention | 2,245,988 | - | - | - |
| - VAT payable | 34,966,665 | - | - | - |
| - Unallocated deposits | 1,029,570 | - | - | - |
| - Over banking | 437,881 | - | - | - |
| - Accrued leave pay | 15,450,240 | - | - | - |
| - Provisions | 8,226,182 | - | - | - |
| - Employee benefit obligation | 1,982,000 | - | - | - |
| - Debtors with credit balances | 7,726,118 | - | - | - |
| **Non-current liabilities: Payables from exchange transactions** | - | **6,912,745** | **35,702,006** | **425,914** |
| - Deposits received | - | - | - | 425,914 |
| - Retention | - | - | 35,702,006 | - |
| - Advance payments: Land & building | - | 6,912,745 | - | - |
| | - | - | - | - |
| **Non-current liabilities: Employee benefit obligations** | - | - | - | **11,199,000** |
| **Non-current liabilities: Landfill sites** | - | - | - | **44,337,390** |
| | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |

| At 30 June 2021 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| **Current liabilities** | **120,065,660** | - | - | - |
| - Payables and accruals | 84,154,787 | - | - | - |
| - Retention | 129,523 | - | - | - |
| - Unallocated deposits | 986,542 | - | - | - |
| - Over banking | 437,991 | - | - | - |
| - Accrued leave pay | 14,753,197 | - | - | - |
| - Provisions | 8,983,477 | - | - | - |
| - Employee benefit obligation | 902,019 | - | - | - |
| - Debtors with credit balance | 9,718,024 | - | - | - |
| **Non-current liabilities: Payables from exchange transactions** | - | **41,666,712** | - | **405,176** |
| - Deposits received | - | - | - | 405,176 |
| - Retention | - | 35,572,463 | - | - |
| - Advance payments: Land & building | - | 6,094,249 | - | - |
| **Non-current liabilities: Employee benefit obligations** | - | - | - | **10,209,273** |
| **Non-current liabilities: Landfill sites** | - | - | - | **23,415,585** |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit



| Figures in Rand | 2022 | 2021 |
|---|---|---|

**Credit risk**

Definition

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

**Components exposed to credit risk**

Components exposed to credit risk include the following

* Cash deposits & cash and cash equivalents - risk that the municipality might deposits funds with the institution that are not approved by council and whose credit standing is questionable

* Trade debtors – possibility that the debtors might not pay the municipality on time exposing the municipality to liquidity problems.

Risk management process

* Deposits cash & cash and cash equivalents

The municipality only utilises registered major banks with high quality credit standing to curb the risk of potential losses on the funds deposited with the bank institutions

* Trade debtors

Trade receivables comprise a widespread of customer base. Management evaluates credit risk relating to customers on an ongoing basis taking into account the credit policy of the municipality which includes the following:

* risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets exposed to credit risk at year end were as follows:

| **Financial instrument** | **30 June 2022** | **30 June 2021** |
|---|---|---|
| Cash and cash equivalents | 132,257,576 | 137,801,708 |
| Receivables from exchange transactions | 31,702,439 | 25,233,200 |

**Market risk**

**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.

**42. Going concern**

We draw attention to the fact that at 30 June 2022, the municipality had an accumulated surplus of R 2,408,754,473.

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.

**43. Fruitless and wasteful expenditure**

| | | |
|---|---|---|
| Opening balance as previously reported | 11,481,598 | 12,263,174 |
| **Opening balance as restated** | **11,481,598** | **12,263,174** |
| Add: Fruitless and wasteful expenditure | 8,036 | 39,413 |
| Less: Amount written off - prior period | (6,900,293) | (820,989) |
| **Closing balance** | **4,589,341** | **11,481,598** |

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

The municipality has appointed a disciplinary board to investigate the fruitless and wasteful expenditure. The investigation is concluded and therefore Council has written off fruitless and wasteful expenditure for 2017-2018, 2019-2020 amounting to R6 900 293.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | | 2022 | 2021 |
|---|---|---|---|
| **Expenditure identified in the current year include those listed below:** | | | |
| | **Description of expenditure** | | |
| Eskom and Rand Water Bulk | Interest on late payments | 365 | 39,413 |
| Eskom | Indigents free electricity | 7,671 | - |
| | | **8,036** | **39,413** |

### 44. Irregular expenditure

| | | |
|---|---|---|
| Opening balance as previously reported | 86,366,163 | 57,227,613 |
| Add: Irregular Expenditure - current year | 72,908,793 | 38,267,097 |
| **Opening balance as restated** | **159,274,956** | **95,494,710** |
| Less: Amount written off - prior period | (47,966,070) | (9,128,547) |
| **Closing balance** | **111,308,886** | **86,366,163** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

The municipality has appointed a disciplinary board to investigate the fruitless and wasteful expenditure. The investigation is concluded and therefore Council has written off irregular expenditure for 2017-2018, 2019-2020 amounting to R47 966 070.

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2022

## Notes to the Annual Financial Statements

| Figures in Rand | | | 2022 | 2021 |
|---|---|---|---|---|
| **Incidents/cases identified in the current year include those listed below:** | | | | |
| | **Legislation transgressed against** | **Services** | | |
| Mamolato Construction | SCM Reg 29(1) | Delivery of portable water | - | 850,585 |
| Thobela Attorneys and LMK Consulting JV | Constitution 117,SCM Reg 32,19 | Debt collection | 4,779,156 | 2,554,009 |
| Bidvest Bank | SCM Reg 32 | Rental of fleet | - | 4,560,667 |
| @Consulting | SCM Reg 32 | Maintenance & Updating ofGRAP compliance Fixed Asset Register | - | 2,342,476 |
| MWG | SCM Reg 32 | Access Control system | - | 221,457 |
| Kgotso Mokone Traders | PPR 9(1) | Moloto Water Infrastructure | 24,714,373 | 3,237,077 |
| Jasino General Services | CIDB Reg 17 | Construction of Mountain View (Simunye) Bus Route | 5,157,896 | 5,458,173 |
| Laizment General Trading | PPR 5(6) | Galvanised Skip Bins | - | 1,242,025 |
| Stickson General Services | SCM Reg 28(1)(c) | Construction of Entokozwniwater infrastructure-Phase 1 | 6,557,867 | - |
| KJM Business Enterprice | PPR 9(1) | Upgrading Kwamhlanga Stadium | 14,744,418 | 17,800,628 |
| Zembeleni Transport | PPR 9(1) | Construction of Sheldon Water Infra Pipelines | 5,446,009 | - |
| DKPB Construction (Pty)Ltd | PPR 9(1) | Upgrading Mabhoko Water Infrastructure | 6,795,140 | - |
| Namasango | PPR 9(1) | Construction of Entokozwniwater infrastructure-Phase 1 | 4,178,908 | - |
| Ndiyase Transport and Projects (Pty) Ltd | PPR 8(2) | Work suits orange, Hats, clothing masks | 173,695 | - |
| EM Skhosi Trading (Pty) Ltd | PPR 8(2) | Safety boots, Water boots and Overalls | 99,050 | - |
| Lesedi Embellish Tours and Saf | PPR 8(2) | Safety boots, Water boots and Overalls | 199,962 | - |
| Kabau Holdings (Pty) Ltd | PPR 8(2) | OHS Committee uniform | 62,320 | - |
| | | | **72,908,794** | **38,267,097** |

Irregular Expenditure is calculated of VAT inclusive while the figure disclosed above have been presented exclusive of VAT, due to that the municipality has claim back the VAT amount from SARS during 2021-2022 financial period

## Notes to the Annual Financial Statements

Figures in Rand

| | 2022 | 2021 |
|---|---|---|

There had been a prior period error correction made on the upgrading of Kwamhlanga Stadium project to the amount of R17 800 628 .

**Cases under investigation**

The municipality has appointed a disciplinary board to investigate the irregular expenditure. The investigation is concluded and therefore Council has condoned or written off irregular expenditure for 2018-2019 amounting to R9 128 547.

Audited By
Auditor General South Africa
Mpumalanga Business Unit
2022 -12- 01

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

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

**Audit fees**

| | | |
|---|---|---|
| Current year subscription / fee | 6,133,544 | 5,705,227 |
| Amount paid - current year | (6,133,544) | (5,705,227) |
| | - | - |

**PAYE**

| | | |
|---|---|---|
| Current year subscription / fee | 24,933,323 | 23,304,060 |
| Amount paid - current year | (24,933,323) | (23,304,060) |
| | - | - |

**UIF**

| | | |
|---|---|---|
| Current year subscription / fee | 771,323 | 682,167 |
| Amount paid - current year | (771,323) | (682,167) |
| | - | - |

**Pension and Medical Aid contributions**

| | | |
|---|---|---|
| Current year subscription / fee | 31,668,080 | 30,628,600 |
| Amount paid - current year | (31,668,080) | (30,628,600) |
| | - | - |

Audited
By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

**Councillors' arrear consumer accounts**

| 30 June 2022 | Outstanding less than 90 days R | Outstanding more than 90 days R | Total R |
|---|---|---|---|
| Dhlamini Alicia Lebohang | 13,697 | 19,466 | 33,163 |
| Dube Tenboy Buttitjie | 3,466 | 59,457 | 62,923 |
| Gulube Lindiwe Kate | 10,860 | - | 10,860 |
| Jiyane Class Menzelwa | 506 | 21,782 | 22,288 |
| Jiyane Laza Elsie | 296 | 443 | 739 |
| Kgomo Rose Martha | 894 | 595 | 1,489 |
| Khumalo Eliot Sunday | 18,722 | 18,478 | 37,200 |
| Mabelane Margaret | 294 | 4 | 298 |
| Mabelwane Oria Mpheto | 29,390 | 33,696 | 63,086 |
| Mabena Thomas Lebandla | 973 | 34,806 | 35,779 |
| Madyingu Alexcious Sphiwe | 309 | 1,044 | 1,353 |
| Mahlangu Gideon | 300 | 497 | 797 |
| Mahlangu Godrey Nkosinathi | 502 | 20,560 | 21,062 |
| Mahlangu Moses Michael | 11,308 | 16,995 | 28,303 |
| Mahlangu Steven Citha | 164 | 1,150 | 1,314 |
| Mahlangu Thabiso Klass | 523 | 20,136 | 20,659 |
| Makhwithini Theletjie James | 310 | 1,159 | 1,469 |
| Mampuru Dipolelo Sinah | 334 | 2,678 | 3,012 |
| Maphoso Lucky Matlhats | 48 | 2,966 | 3,014 |
| Mashaba Mqosh Paulus | 408 | 8,111 | 8,519 |
| Mashinini Thabisile Elsie | 290 | 561 | 851 |
| Masilela Toenkie Linah | 308 | 995 | 1,303 |
| Mathibela Emelinah Mavis | 309 | 1,062 | 1,371 |
| Mgayi Fikile Violet | 526 | 24,537 | 25,063 |
| Mhlanga Maggie Thandi | 519 | 18,228 | 18,747 |
| Mnguni Maria Qhubeni | 290 | 435 | 725 |
| Mnguni Nomvula Sister | 164 | 491 | 655 |
| Mnguni Zenaye Jantjie | 499 | 19,457 | 19,956 |
| Mnisi Sgaule Timothy | 638 | 5,029 | 5,667 |
| Mogoboya Samual Bongani | 309 | 1,062 | 1,371 |
| Mokoena David Sello | 1,614 | - | 1,614 |
| Mokolo Motalanyane Lucas | 164 | 173 | 337 |
| Mokwena Augustine Renny | 580 | - | 580 |
| Motaung Ntombi Mit | 314 | 1,097 | 1,411 |
| Motaung Ntombi Mitta | 314 | 597 | 911 |
| Motena Mitopi Andries | 420 | 9,581 | 10,001 |
| Msibi Vusi Amos | 309 | 1,062 | 1,371 |
| Mtshaise Bernard Vusi | 490 | 17,370 | 17,860 |
| Mtsweni Samuel Mazungwe | 24,074 | 41,514 | 65,588 |
| Nduli Masotja Petros Nduli | 18,507 | 18,388 | 36,895 |
| Ngoma Norman | 256 | 17,730 | 17,986 |
| Nkosi Thabile Prunella | 1,715 | 914 | 2,629 |
| Ntuli Michael Vusi | 840 | 684 | 1,524 |
| Ntuli Mmelisizwe Terance | 499 | 20,768 | 21,267 |
| Nyalunga Xoloani Clement | 502 | 21,188 | 21,690 |
| Rampisa Motlalepule Sweetness | 499 | 22,913 | 23,412 |
| Sepogwana Moses Mmoisetsi | 471 | 16,361 | 16,832 |
| Shiburi Busisiwe Maria | 31,247 | 40,463 | 71,710 |
| Sibanyoni David Mabuzwa | 506 | 19,692 | 20,198 |
| Sikosana M Obed | 1,021 | 1,403 | 2,424 |
| Sithole Mkhululi Jacob | 2,051 | 12,638 | 14,689 |
| Skhosana Andries Mphatlalashan | 499 | 19,783 | 20,282 |
| Skosana Dini Samson | 955 | 14,210 | 15,165 |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

## Notes to the Annual Financial Statements

| Figures in Rand | | 2022 | 2021 |
|---|---|---|---|
| Skosana Lindiwe Thembi | 349 | 3,736 | 4,085 |
| Skosana Vusimusi Vincent | 311 | 1,189 | 1,500 |
| Tshabangu Martha Lillian | 315 | 1,407 | 1,722 |
| | **185,978** | **640,741** | **826,719** |

| **30 June 2021** | **Outstanding less than 90 days R** | **Outstanding more than 90 days R** | **Total R** |
|---|---|---|---|
| Boshego Steven (Deceased) | 537 | 5,611 | 6,148 |
| Maseko Zanele | 1,628 | 4,381 | 6,009 |
| Msibi Vusi Amos | 380 | - | 380 |
| Dhlamini Alicia Lebohang | 665 | 29,620 | 30,285 |
| Hlope Nompumelelo Evidence | 433 | 890 | 1,323 |
| Jiyane Laza Elsie | 674 | 17,267 | 17,941 |
| Kekana Piet Thapelo | 407 | 15,172 | 15,579 |
| Mabelwane Oria Mpheto | 1,243 | 57,150 | 58,393 |
| Mabena Mbebenzi (Deceased) | 537 | 5,611 | 6,148 |
| Mabena Thomas Lebandla | 674 | 15,942 | 16,616 |
| Madyungu Alexcious Sphiwe | 364 | - | 364 |
| Mahlangu Amos | 407 | 6,552 | 6,959 |
| Mahlangu Christinah Ndlelenhle | 711 | 19,575 | 20,286 |
| Mahlangu Gideon | 399 | 125 | 524 |
| Mahlangu Moses Michael | 665 | 24,733 | 25,398 |
| Makhubela Jan Masaka | 37 | 2 | 39 |
| Makhwiting Theletjie James | 420 | 4 | 424 |
| Mampuru Dipolelo Sinah | 479 | 2,261 | 2,740 |
| Mashaba Mqosh Paulus | 537 | 5,611 | 6,148 |
| Mashinini Thabisile Elsie | 407 | 112 | 519 |
| Masilela Toenkie Linah | 318 | - | 318 |
| Mathibela Emelinah Mavis | 380 | - | 380 |
| Mnguni Maria Qhubeni | 407 | 8,633 | 9,040 |
| Mnisi Sgaule Timothy | 177 | 683 | 860 |
| Mogoboya Samuel Bongani | 380 | - | 380 |
| Motanyane Thokozile Egnes | 665 | 27,912 | 28,577 |
| Motaung Ntombi Mitta | 432 | 1,058 | 1,490 |
| Motena Mitopi Andries | 555 | 7,003 | 7,558 |
| Mtsweni Rubber Qaliwe | 367 | - | 367 |
| Nduli Masotja Petrus | 665 | 33,490 | 34,155 |
| Ngoma Norman | 692 | 14,303 | 14,995 |
| Ngoma Sipho Koos | 136 | - | 136 |
| Sikosana Mzwandile Obed | 1,462 | 21,036 | 22,498 |
| Skosana Dini Samson | 407 | 13,019 | 13,426 |
| Skosana Lindiwe Thembi | 450 | 1,615 | 2,065 |
| Skosana Vusimusi Vincent | 367 | - | 367 |
| Tau Joyce Johannah (Deceased) | 230 | - | 230 |
| Tshabangu Martha Lilian | 432 | 612 | 1,044 |
| | **20,126** | **339,983** | **360,109** |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

**Supply chain management regulations**

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

## Notes to the Annual Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---|---|

### 46. Deviation from supply chain management regulations

Paragraph 36 of the MFMA Act and regulations states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

**Details of deviations – current year**

| Service description | Service providers | Justifiable reason for deviation | |
|---|---|---|---|
| 60 Point check on vehicle reg. KFN 317 MP and HVV 223 MP | McCarthy Limited | Impractical to follow normal SCM process | 141,743 |
| Service on Mayoral vehicle JPF 558 MP | Hatfield Holdings (Pty) Ltd | Impractical to follow normal SCM process | 130,875 |
| Roadworthiness tests on municipal vehicles | Eyethu Roadworthy Centre | Impractical to follow normal SCM process | 45,650 |
| Registration fees for Ms Sinah Moripe (CIGFARO) | CIGFARO | Sole Provider of services. | 4,279 |
| Renewal of membership fees | Institute of Internal Auditors | Sole provider of services | 7,718 |
| Calibration of speed camera | Truvelo Africa Electronics | | 7,045 |
| Registration fees for Mrs. J.G Mahlangu and Mr R. Makhubele for the attendance of Municipal Leaders Development Programme | CMAM South Africa | Impractical to follow normal SCM processes: Sole provider. | 11,700 |
| | | | 349,010 |

Audited By
2022 -12- 01
Auditor General South Africa
Mpumalanga Business Unit

**THEMBISILE HANI LOCAL MUNICIPALITY**
**Unaudited MFMA Section 125 (2)(e)**

The following non-compliances were identified

- Non-compliance with Section 62(1) (d) of MFMA since irregular and fruitless and wasteful expenditure were incurred



# ACTION PLAN

## ACTION PLAN 2021/22

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **THEMBISILE HANI LOCAL MUNICIPALITY** | | | | | | | | |
| | | | | | | | | |
| **AG REMEDIAL ACTION PLAN** | | | | | | | | |
| **Audit outcome 2021/2022:** | | | | | | | | |
| **Audit Opinion: Unqualified with Findings** | | | | | | | | |
| **Finding No.** | **Category / Key area** | **Focus area (Finding)** | **Root cause of non-compliance / Internal control deficiencies** | **Action plans to be taken** | **Activities to be undertaken to operationalize the Action plan** | **POE's of Controls set in place** | **Due date** | **Responsible person** |
| **Matters affecting the audit report** | | | | | | | | |
| 1 | Classification errors on Licenses and permits revenue | Whilst auditing the licences and permits, we noted that it was incorrectly classified as revenue from non-exchange transaction instead of exchange transactions since THLM performs services on behalf of DCSSL and in return gets agency fees/commission for such services | Lack of consistency in dealing with the classification of Licensing and permits revenue as per the interaction/advice received from the AGSA from one financial year to the other. | Set aside adequate time to review the AFS to ensure that they are fully compliant with GRAP principles. | Prepare Quarterly AFS together with the lead sheets | AFS Lead sheets | 30-Oct-22 | Assistant Manager: Revenue |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | VAT receivable incorrectly classified as Revenue | **Finding 1**<br>While auditing revenue from exchange transaction, it was noted that note 20 of the annual financial statement included VAT receivable of R32 117 338 as an income. This item should not be income in terms of the GRAP 9 because of the following reasons:<br>a) The municipality did not exchange any service to SARS in return for any consideration. The municipality merely acts as an "agent" to collect VAT on behalf of SARS.<br>b) The VAT receivable is a reimbursement to the municipality for VAT input not claimed, therefore there is no income generated by the municipality in the ordinary course of its operations.<br>c) The municipality recognize revenues exclusive of VAT in its statement of financial performance and therefore VAT receivable/output cannot be recognized in the statement of financial performance. VAT receivable is a line item in the face of statement of financial position.<br>**Finding 2**<br>It was also noted that VAT receivable was treated in the similar manner in the 2020/21 financial year. An amount of R13 304 493 was incorrectly | Lack of Implementation of proper monitoring and reviews of the annual financial statements | To ensure that all VAT accounts are properly balance on accrual and cash basis.<br>To convert VAT accrual to cash basis as per the AGSA advice from previous auditing | That all VAT 201 returns are submitted on monthly basis to SARS | Monthly VAT 201 submitted to SARS,all segments/items for VAT appearing on the GL both for accrual and cash basis showing receivable or payable | 31-Oct-22 | Assistant Management Budget and Reporting |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | recognized and classified as Income in the comparative figures of 2020/21. This would result in a prior period error because it arose from misinterpretation of the accounting policy and the facts which were readily available when the financial statements were authorized for issue. | | | | | | |
| **3** | Municipality account statements not sent to customers on a monthly basis | Whilst performing walkthroughs for the controls on receivables from exchange pertaining to the monthly preparation and sending of customer statements/accounts, we identified the following:<br><br>a) Management confirmed that they utilised emails to deliver customer statements on monthly basis for 2021-22 period. We looked at the evidence provided by management for the month of June 2022, we noted that statements were not delivered monthly to all customers per billing report which reflects that the municipality has more than 57 000 customers. On the report provided for walkthroughs, we noted that 865 emails were sent and only 851 were successfully delivered to the customers. | The majority of statements physically sent out were returned from the post office a couple of times due to the addresses in use and those customers which did not renew their lobby boxes from the post office side. | Implementation of controls over monthly sending out of accounts statements to the municipal clients through the use of availably men's of post (digital and/or manual). | Institute adequate controls regarding the delivery of monthly | List of customer statement | 31-Jan-23 | Assistant Manager: Revenue |
| 4 | Non-disclosure of | While auditing donation received, we noted that Thembisile Hani | Lack of enough time to deal with Implementation | Set aside adequate time to review the | Statements to account holders as a matter of | Six months donation from | 27-Oct-22 | Assistant Manager |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | the contingent asset | Local Municipality received donations of capital projects (Completed and WIP) from the Nkangala District Municipality as at 30 June 2022.<br>The municipality was also advised by the district municipality in the letter that as the status of the work in progress are incomplete, these assets should only be disclosed as contingent assets in the annual financial statement of the local municipality in accordance with the applicable GRAP standards.<br>The assets meet the definition of contingent assets because these are possible assets that will only be owned by the local THLM in future, which is upon completion of the projects by the Nkangala district municipality.<br>We noted that the municipality did not disclose these capital projects of an amount of R14 262 467.27 as contingent assets in their financial statements as required by GRAP 19. | of proper monitoring and reviews of the annual financial statements | AFS to ensure that they are fully compliant with GRAP principles. | urgency in order to assist in boosting up the | Nkangala District Municipality. | | Assets : Richard Makhubele |
| 5 | The disclosure notes for Property, Plant and Equipment not in line | During the audit of Property, Plant and Equipment disclosure we identified that the disclosure notes 3 is not in line with the applicable GRAP standard. | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Set aside adequate time to review the AFS to ensure that they are fully compliant with GRAP principles. | Checklist for the GRAP requirements | AFS Lead sheets | Nov-22 | R Makhubele – Assistant Manager : Assets |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | with GRAP 17 | | | | | | | |
| **6** | Targets set for water KPIs are not SMART | The following were identified whilst auditing the annual performance report (APR).<br>1) Management does not have procedures, controls, systems and processes in place to justify the set targets including the reliable measurement of the reported performance on those targets.<br>I. Number of households provided with water and number of households provided with 6kl free basic water<br>The indicators include three kinds of households namely -<br>• Reticulated households with a billing system that can link the water provided to the household through the system reports.<br>• Reticulated households with no billing system, on which the provision of water can be traced.<br>• Households that are provided with water at a central point (Jojo tank) using water trucks, these households cannot be traced as there is no record of which households specifically collect water from the said tanks.<br>Thus for the households that collect water from the Jojo tanks, their household consumption cannot be traced directly to the household like a stand number/ | As per 4.4 above, the inclusion of this KPI on the SDBIP was the critical turning point as we could have accepted the finding for not complying with the basic service performance management framework in order to avoid this finding that we may not be able to justify in terms of measurement and verifiability. 5.1.2 Even after including the KPI in the SDBIP, we did not follow the SMART principle when putting /setting targets for the KPI. 5.1.3 Reliance on billing report as a portfolio of evidence for the provision of supply which is not the true reflection as we are billing on a flat rate. 5.1.4 Not billing all households within the municipal area of jurisdiction. 5.1.5 Not being able to quantify the households provided for through supply of water through water tankers. | 1.1 As per the recommendation by AGSA to benchmark with other municipalities, we have done that through engagements with Steve Tshwete Local Municipality (STLM). 6.2 The STLM does not have this finding on the SDBIP or APR because they have not included this KPI as part of their APR, meaning they are not reporting for water provision and free basic water supply. 6.3 To register all our Jojo/storage tanks that we use during the delivery of water through water tankers and do away with the pouring of water to individual cans/containers. 6.4 To register all the households (formal or informal) into our register through the housing or planning | List of water tanks, quantity and location by 27/01/2023. Submission of a consolidated GVR and GIS data by 27/01/2023. In-house reconciliation session by 03/02/2023. Engagements with AGSA 10/02/2023. | consolidated GVR, GIS data and Reconciled information | 10-Feb-23 | Assistant Manager Water and Sanitation & Manager Technical Services |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | household consumption report. Note should be taken that all these categories are included in the 91007 households which are reported on, yet only the reticulated billed households can be traced therefore data cannot be collected consistently on this indicator.<br>The target is not specific as it is based on the household data that was provided by statistics South Africa through its census program in 2015, this does not provide a logical relation to the fact that over the years there has been population growth through the emergence of new villages that are not accounted for in the assumed annual percentage increase in the households, furthermore only the billed households can be traced reliably therefore the target is not specific as 91007 are targeted yet the achievement is limited to those that can be reliably traced (64 267). The table below indicates the reported versus planned targets for the indicator.<br>No Key Performance Indicator Target Reported performance<br>1 DTS007- Number of household provided with water 91 007 64 267<br>2 DTS033- Number of HH provided with 6kl free basic water 91 007 64 267 | | unit in order to be able to account for the actual number of households provided with the services so that we can be able to have a sense of our targeted service delivery imperatives.<br>6.5 Change the wording on the KPI or targets instead of number of households perhaps we could set the number of kiloliters expected from our sources which may lead us to another finding given the unreliable and inconsistent supply from our bulk service providers CoT in particular. 6.6 If possible, we should remove this KPI from the SDBIP because we cannot be able to measure and verify the target set by ourselves which is what brought us to this point. | | | | |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **7** | Misstatements identified in the annual performance report (APR) | The Municipality reported targets achieved in the APR that do not agree to the supporting evidence (POE). The table below indicates the differences.<br>Number Indicator APR POE Difference<br>1 DTS185 Number of registered/ reported electricity incidents resolved within 14 days. 78 70 -8<br>2 SDS022 Number of awareness campaigns and events for women, elderly, people with disabilities and children conducted 14 16 2 | Unintentional failure to notice the mistake during compilation and reviewal of the Annual Performance Report (APR). | Management should adjust the APR to align with the portfolio of evidence.<br>Effective oversight of progress reporting process by supervisors and management.<br>Management should implement adequate controls to ensure that reported achievements agree to the supporting schedules. | Rectification/ correction of the APR report to align with POE submitted. | Revised APR report, Monthly reviews in order to ensure that the POE aligns with the APR targets. | 18-Nov-22 | Manager: Technical ; Assistant Manager Electrical; Manager: SDS |
| **8** | Misstatements identified in the annual performance report (APR) | The Municipality reported targets achieved in the APR that do not agree to the supporting evidence (POE). The table below indicates the differences.<br>Number Indicator APR POE Difference<br>1 Number of registered/ reported sanitation incidents resolved within 14 days 291- 572- 281 | Unintentional failure to notice the mistake during compilation and reviewal of the Annual Performance Report (APR). | Management should adjust the APR to align with the portfolio of evidence.<br>Effective oversight of progress reporting process by supervisors and management.<br>Management should implement adequate controls to ensure that reported achievements agree to the supporting schedules. | Rectification/ correction of the APR report to align with POE submitted. | Revised APR report, Monthly reviews in order to ensure that the POE aligns with the APR targets. | 18-Nov-22 | Manager: Technical ; Assistant Manager Water |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **9** | Invitation to quotation did not specify the minimum threshold | During the audit of supply chain management, it was noted that the municipality procured designated sector goods and the invitation (Public notice) or request for quotation did not specify the minimum threshold for local production and content as prescribed in the relevant NT Instruction Notes. For details of the winning bidders and the value of the contract refer to the table below:<br># Name of supplier Goods procured Value of award<br>1 NDIYASE TRANSPORT AND PROJECTS (PTY) LTD Work suits orange, Hats, clothing masks 173 695,28<br>2 EM SKHOSI TRADING (PTY) LTD Safety boots, Water boots and Overalls 99 050,00<br>3 LESEDI EMBELLISH TOURS AND SAF Safety boots, Water boots, 199 962,00<br>4 KABAU HOLDINGS (PTY) LTD OHS Committee uniform 62 320,00<br>535 027,28 | Management did not exercise sufficient oversight to ensure compliance with applicable laws and regulations. | Ensure that procurement of local content goods by the municipality complies with applicable laws and regulations. | Check list when procuring designated sector goods and the invitation (Public notice) or request for quotation did not specify the minimum threshold for local production and content | Check list for the public notice | 30-Dec-22 | Assistant Manager SCM |
| **10** | Lead schedule – Difference in the lead and narrative not provided in | a) During the audit of irregular expenditure, we noted a difference from prior year AFS to current year's comparative amounts, however there is no narrative provided in the AFS to explain the | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Set aside adequate time to review the AFS to ensure that they are fully | Quarterly AFS together with the lead sheets | AFS containing the Notes which fully describes the transactions. | 12-Oct-22 | AFS Consultant |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | the AFS for irregular expenditure. | adjustment on the irregular expenditure note (i.e. note 43). No prior period error was disclosed.<br><br>Details Amount as per prior year audited AFS Amount as per corresponding figures Difference Irregular expenditure R68 565 535 R86 366 163 R17 800 628 | | compliant with GRAP principles. | | | | |
| **11** | Misstatement of Segment reporting disclosure note | While auditing reportable segments, we casted the disclosure and there was a difference noted in terms of the amount disclosed and the amount re-casted by the auditors: | Management lacked the control to implement the exercising of professional due care when preparing the AFS to ensure that it reflects accurate and complete information that achieves fair presentation with supported with valid evidence. | Conduct proper and thorough reviews from time to time on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Disclosure segment note reporting in terms of the AFS. | Segment reporting disclosure note | 1-Nov-22 | AFS Consultant |
| **12** | Performance agreements not in place and employees not rewarded for performance | • The municipality did not have performance agreements in place for other staff officials to keep the officials responsible and accountable for the areas of their responsibilities.<br>• It was further noted that there was no process in place to reward and retain employees who are performing well as there are no performance bonuses or any other means of recognition in place. | shortage of staff within PMS Unit | To fill the 2x Post of PMS Coordinators and start with the Assistant Managers by ensuring that Job description and Job Evaluation of Assistant Managers aligned with the Municipal Staff Regulations of 20 September 2021 | Conclude annual Performance Agreements | Reviewed PMDS Policy to align with staff regulation | 1-Dec-22 | Assistant Manager: PMS Manager: Corporate Services |

# ACTION PLAN

| Other Important Matters | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 13 | Misstatement of employee related Costs | While auditing employee related cost, we casted the note 26 and there was a difference noted in terms of the amount disclosed and the amount recalculated by the auditors:<br>Amount as per the AFS 158 057 347,00<br>Recalculated amount 157 515 792,00<br>Difference 541 555,00 | Management lacked professional due care when preparing the AFS to ensure that it reflects accurate amounts relating to employee related costs. | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Review the Leasheet together with the AFS to detect mapping errors | Leadsheets and AFS | 9-Nov-22 | Assistant Manager Revenue and Acting Assistant Manager Expenditure |
| 14 | Acting positions not filled for more than three months | As per the policy implemented by the municipality, it is required that acting shall be limited to a maximum of three months and the vacant posts are to be filled within six months.<br>During the audit of human resource management, it was noted that there were employees who were in acting positions for more than three months which have been indicated below:<br>Initial and Surname Acting months<br>MS TP TSUNYANE 11 Months<br>Ad JP SKOSANA 8 Months<br>MS SN MATLADI 9 months<br>MR MP MAHLANGU 11 months<br>MR JT MASHIANE 7 months<br>MR C MASUKU 7 months<br>MR T SKHOSANA 7 Months | Unfinalised Job Evaluation processes. | Filling of funded positions. | Advertisement of funded posts.<br>Selection processes and appointments. | Appointment letters | 31-Mar-23 | Assistant Manager: HRM |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 15 | Leave Policy not line with the Main Collective Agreement for accumulation of leave. | During the audit of leave accrual, it was noted that the leave policy does not make a provision for the forfeiture of accumulated leave days after a period of 6 months, from the end of each employees' leave cycle, which is not in line with the main collective agreement for municipal workers. Further to this, it has been noted that the Payday system does is also not configured to only forfeit leave days in excess of 48 days, after a period of 6 months from the end of the leave cycle. The system is currently set up for employees to forfeit accumulated leave days in excess of 48 days, at the end of their leave cycles The above concerns noted could lead to various consequences for the municipality, which amongst others include employees being disgruntled over forfeiting their leave days unfairly and prematurely, employees not being paid the correct leave days on the day of termination of service and continuous findings by the AGSA on accrued leave pay. | Incorrect set up of the system , Non reviewal of the Leave policy to include the leave forfeiture | Reconfigure the system to allow forfeiture after 6 months at the end of the leave cycle. Review of the Leave Policy to include leave forfeiture. | System to be reconfigured in January 2023 and Test performance to ensure the system is contently set up. Policy will be reviewed by 30 June 2023. | System generated reports; Reviewed Leave policy | Jun-23 | Assistant Manager Human Resource |
| 16 | Control deficiencies on fines, penalties and forfeits | Whilst performing walkthrough for fines, penalties and forfeits we identified the following:<br>1. The municipality entered into an agreement with LPR I-Cube on 01 | Incompatible system to Munsoft | The newly appointed service providers 'system is compatible with munsoft which will enable interfacing | The new system is in use as from October 2022 | System generated reports | 31-Oct-22 | Acting Assistant Manager: Public Safety |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | interface process | December 2017 to handle traffic fines administration for both cameras and fines books. LPR I-cube uses Easy Traffic Management System which is outsourced from ETMS service provider to administer the traffic fines. The municipality managed to perform interface between ETMS and Munsoft but unfortunately the process failed since the Munsoft GL information did not pull through all the information with specific traffic fines references to identify individual accounts. THLM ended up passing a journal to recognise the shortfall that did not pull through. | | between the two systems. | | | | and Transport |
| 17 | Property Rates Misstatements | Whilst auditing property rates, we noted the following: We selected properties registered from billing report and traced them back to the valuation roll and identified that the following customer should not have been billed because their property is not registered.<br><br>Account Number Service Account holder Billing report - classification Total amount for the year 0 PROPERTY RATES UNKOWN UNKNOWN RESIDENTIAL R72 370.44 | Management lacked control to perform adequate reviews on the billing information to ensure that those whore are not legible to be billed Rates and Taxes are excluded. | Implement proper controls in ensuring that customer data captured on the munsoft system which is used to calculate property rates is valid, accurate and complete. | Reconcile the registered properties from billing report and the valuation roll | Valuation roll reconciliation | 31-Mar-23 | Assistant Manager Revenue |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 18 | Revenue: Inconsistent description of financial line item. | During the audit of revenue, we noted a line item with a description of Agency fees on the face of the statement of financial performance, however the description on note 15 refers to Licences and permits. | Management lacked the control to implement proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Consistence on the line item with a description of Agency fees on the face of the statement of financial performance and the disclosure note | AFS | Nov-22 | Assistant Manager Revenue & CFO |
| 19 | Scope Limitation - Various Components (COMAF 05) | We noted the following information was not submitted for audit within two working days: **Supply Chain Management - Performance Audit** The following information was requested on the 7th September 2022 under RFI 12 and was not submitted for audit. Information requested Project Tender document/RFQ for the Professional Service Providers (PSP) Construction of Moloto Water Infrastructure **Debt Impartment** The following information was requested on the 23rd September 2022 under RFI 26 and was not submitted for audit. **General Expenditure - Repairs and maintenance** The following information was requested on the 27th September 2022 under RFI 39 and was not submitted for audit **Operating Lease** The following information was | Lack of Implementation of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. | Institute proper records management controls to enable the municipality to retrieve the documents with ease and to protect the records from any potential loss or damage. | Separate filing for all the tenders awarded for the current financial year. | Reconcile the filed tender documents with the list of all warded tender for this financial year to verify completeness of the tender document. | 30-Mar-22 | Assistant Manager SCM / Record Management |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | requested on the 30th September 2022 under RFI 45 and was not submitted for audit.<br>• Payment vouchers for operating lease contract with Data box Technologies for the year under review (2021/22). | | | | | | |
| 20 | Scope Limitation – Various Components. COMAF 08 | a) **General Expenditure - Remaining population**<br><br>The following payment vouchers were requested on 4 October 2022 under RFI 53 and was not submitted for audit.<br>b) **General Expenses: Repairs and maintenance (additional sample).**<br><br>The following payment vouchers were requested on 5 October 2022 under RFI 58 and was not submitted for audit.<br>**PAYABLES**<br><br>**a) Payable -Retention (additional Sample)**<br><br>The following information was requested on the 7 October 2022 under RFI 62 and was not submitted for audit.<br>1. Project progress reports both before and after year end<br>2. Certificate of completion and invoice<br>3. Payment certificates | Lack of Implementation of proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. | Institute proper records management controls to enable the municipality to retrieve the documents with ease and to protect the records from any potential loss or damage. | Electronic filing payment vouchers for the current financial year | Monthly electronic payments vouchers | 31-Jan-23 | Acting Assistant Manager: Expenditure |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | 4. Signed Contract/Service Level Agreement | | | | | | |
| 21 | Incorrect narration of Irregular expenditure and fruitless and wasteful expenditure. | During the audit of Irregular expenditure and fruitless and wasteful expenditure, as presented in note 42 and 43 of the annual financial statements, we noted that management did not specify in the narrations that the irregular expenditure and fruitless and wasteful expenditure were written off. The narration on the financial statements indicate that council has condoned or written off the amounts. | Lack of Implementation of proper monitoring and reviews. | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Disclose the prior period error in the financial statements and a listing that support the error should be submitted to the auditors. | Prior period error disclosure to have accurate and correct supporting documents. | 9-Nov-22 | AFS Consultant |
| 22 | Incorrect recognition of indigent payments as fruitless and wasteful expenditure | During the audit of fruitless and wasteful expenditure, it was noted that the municipality incorrectly recognised the payments as fruitless and wasteful expenditure for the payments paid for indigents to Eskom.<br><br>These payments do not qualify as fruitless and wasteful expenditure because they were made of behalf of approved indigents of the municipality and therefore were not incurred in vain.<br>Below is a list of payments made: | Lack of Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Verify each invoice received from Eskom together with the beneficiary list to validate the accuracy and completeness of the invoice before the payment is made to Eskom | Eskom monthly invoices and the Indigent list for the beneficiaries for free basic electricity | 28-Feb-23 | Assistant Management Revenue |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 23 | Provisions – Incorrect casting of the closing balance. | During the audit of provision for rehabilitation it has been noted that the closing balance for this item as per note 13 has been incorrectly casted as R46 407 098, the correct figure should be R44 337 391 as per the table below and a difference of R2 069 707 (R46 407 098- R44 337 391) has been noted.<br>Details Opening balance Additions Total<br>Provision for rehabilitation R24 312 724 R20 024 667 R44 337 391 | Lack of Implementation of proper reviews in the financial statements. | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Properly reviewed AFS to ensure that all notes are casted correctly | Landfill site provision calculations and AFS | 28-Feb-23 | CFO |
| 24 | Kwa Mhlanga landfill site is not licensed | During the audit of the landfill sites, we noted that the municipality uses two landfills for general waste per Schedule 1 of Section 19 of NEWMA being the Kwaggafontein and KwaMhlanga landfill sites and we noted that council does not have a license to operate KwaMhlanga landfill site. | The root cause is the delay in the appointment of the service provider to conduct the process of Environmental Impact Assessment done by the Department of Forestry Fisheries and Environment. | Management will make follow up with DFFE on the appointment of the service provider for EIA process as the tender was closed on the 17 November 2022. | Quarterly progress review meeting with DFFE | None | 1-Jul-23 | Manager SDS |
| 25 | Understatement of Service Bonus Provision identified. | During the audit of Provisions disclosed in note 13 of the annual financial statements for the year ended 30 June 2022, it was noted that there as a significant difference between the provision amount disclosed and the amount paid for service which is disclosed in note 26-Employee related costs. | Lack of capacity by management to can accurately calculate the Bonus Provision when preparing the AFS to ensure that it reflects accurate and complete information that achieves fair presentation | Conduct proper and thorough reviews on the AFS to ensure that<br>amounts presented | Disclosed in the annual financial statements are supported by valid and accurate calculations and information. | Bonus provision calculations | 29-Nov-22 | CFO |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | After discussions with Nnesana Matladi -Acting Payroll manager and inspection of the THLM provision calculation, it was discovered that the provisions were recognised on pro rata basis instead of being fully recognised. As employees of THLM get paid their bonuses on their relevant month of engagement, the provision recognised for each employee was appointed by the remaining months after year end to the date of payment, being the employee's engagement date. However, GRAP requirements state that the provision should be recognised on a reliable estimate and the reliable estimate in this regard would be the full bonus amount that is expected to be paid out to be recognised as the provision as at year end 30 June 2022. | and supported with valid calculations. | | | | | |
| 26 | General expenditure not classified correctly | During the audit of Provisions disclosed in note 13 of the annual financial statements for the year ended 30 June 2022, it was noted that there as a significant difference between the provision amount disclosed and the amount paid for service which is disclosed in note 26-Employee related costs.<br><br>After discussions with Nnesana | Lack of capacity by management to can accurately calculate the Bonus Provision when preparing the AFS to ensure that it reflects accurate and complete information that achieves fair presentation | Conduct proper and thorough reviews on the AFS to ensure that amounts presented are complete and accurate. | Ensure that the classification of transactions are done as accurate as possible and ample time is provided to do the reviews prior submission of the AFS.calculation of Disclosed in the annual financial | Accurate classification of transactions in the AFS. | 29-Nov-22 | CFO |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Mataldi -Acting Payroll manager and inspection of the THLM provision calculation, it was discovered that the provisions were recognised on pro rata basis for each employee instead of being fully recognised. It was further discovered that the Bonus Provision in prior years has been calculated this way, resulting in a Prior Period Error. | and supported with valid calculations. | | statements are supported by valid and | | | |
| 27 | The DTI was not notified of the successful bidder and the value of the contract | During the audit of compliance with applicable laws and regulations it was noted that the municipality procured goods which falls within the designated sector production for local content and Department of Trade and Industry (DTI) was not notified of the winning bidder, the value of the award, The DTI was also not provided with copies of the contract together the winning bidder's MBD 6,2 certificate and The bidding documentation did not stipulate that the rates of exchange quoted by the bidder in the Declaration Certificate (MBD 6.2) will be verified. | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Ensure that the requirements of Local Content and Production are complied with and introducing a compliance check list that will be specific to Local Content and Production | Check list for the public notice | 30-Dec-22 | Assistance Manager SCM |
| 28 | Contract Management : Procurement not initiated | During the audit of supply chain management, we noted the following contracts coming to an end in which procurement process | Lack of enough time to deal with Implementation of proper monitoring and | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying | Establish and communicate policies and procedures to | Contract register | 1-Dec-22 | Assistant Manager Legal/SCM |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | for a contract coming to an end within a six-month period | was not initiated within six months of the expiry of the contract. | reviews of the annual financial statements | and correcting errors on time. | enable and support understanding and | | | |
| 29 | Comparatives - Differences identified | During the audit of general expenses, we noted a difference from prior year AFS to current year's comparative amounts, however no prior period error was disclosed.<br>Details Amount as per prior year audited AFS Amount as per corresponding figures Difference General expenses – staff welfare R198 020 R0 R198 020 | Lack of Implementation of proper monitoring and reviews. | Proper review before financial statements are submitted for audit. | Disclose the prior period error in the financial statements and a listing that support the error. | Prior period error disclosure note and supporting documents | 28-Feb-23 | AFS Consultant |
| 30 | General expenditure not classified correctly | During the audit of general expenses (repairs and maintenance) we noted that the following transactions were incorrectly classified. Upon inspection of the documentation to support the transactions, we noted that the transactions formed part of professional fees and thus the nature of the transaction differed to the transactions allocated to the repairs and maintenance accounts as these were professional fees for water sampling and feasibility study for water development plan not repairs and maintenance of the | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Prior period error document that support the error should be compiled and submitted | Leadsheets and AFS | 29-Nov-22 | AFS Consultant |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | municipality. The identified transactions are listed below: | | | | | | |
| 31 | Misstatements identified in the payables and accruals | Whilst auditing payables and accruals balances we identified the following:<br>a) The amount as per general ledger does not agree to the amount as per AFS. As a result, the payables and accruals are misstated - refer to the table below:<br>No Description Amount as per general ledger Amount as per AFS Differences<br>1 Payables and accruals R17 503 077.72 R23 585 971.00 R6 082 893.28 | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Creditors ledger amount agree to the amount as per AFS. | Creditors ledger and AFS | 1-Nov-22 | Acting Assistant Manager: Expenditure |
| 32 | Misstatements identified in the accrued leave pay | During the audit of accrued leave pay, we recalculated the leave days balance used for accrued leave pay using the payroll report and confirmed that they don't agree to the leave days balance as per the accrued leave pay report used to prepare the AFS. As a result, the accrued leave is overstated - refer to the table below: | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Ensure the accuracy of the leave days as drawn from the system | Leave pay list and AFS | bi annually | Assistant Manager: HR |
| 33 | Accrued leave pay - Differences identified | During the audit of accrual leave pay, we noted a difference between the accrual leave pay listing and the annual financial | Lack of enough time to deal with Implementation of proper monitoring and | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not | Ensure that the accrued leave pay agrees to the annual financial statements. | Leave pay list and AFS | Quarterly | Acting Assistant Manager: Expenditure |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | between the listing and the annual financial statements | statements.<br>Details Amount as per leave provision listing Amount as per current year AFS Difference Accrual leave pay R 15 840 390,33 R 15 325 658 R 514 732,33 | reviews of the annual financial statements | detecting, identifying and correcting errors on time. | | | | |
| 34 | Incorrect classification of debtors with credit balances in the annual financial statements | During the audit of debtors with credit balances, it was noted that this balance has been incorrectly classified as a non-current liability. In terms of GRAP 1, any liabilities that are part of the working capital used in the entity's normal operating cycle should be classified as current.<br>Based on this, it is our understanding that debtors with credit balances are part of the municipality's working capital that is realised or used in the entities normal operating cycle, this is substantiated by the fact that these debtors arise due to the services provided by the municipality and they are ultimately charged for the various services such as property rates, basic water, refuse and basic sanitation etc. As a result of the entity providing the aforementioned services, these debtors overpay on their accounts which result in a liability, however the municipality will realise this liability to revenue as part of its | Non review and monitor compliance with applicable legislation | Ensure that the balance for debtors with credit balances is correctly classified in terms of GRAP 1. | Debtors with credit balances be disclosed in terms of GRAP be classified as current. | AFS | 22-Nov-22 | Assistant Manager Revenue |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | normal operating cycle when services are provided. | | | | | | |
| 35 | Misstatements identified on the cash flow statement. | During the audit of Cash flow statement, we identified differences while recalculating the figures from the cash flow statement presented. The following differences were noted: | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Review the individual items in the general ledger to ensure that they are aligned to what is disclosed in the annual financial statement. | AFS & General ledger | 26-Oct-22 | AFS Consultant |
| 36 | Completeness of disclosure note - Contingent liabilities | During the audit of the Contingent liabilities, we noted that the municipality received a demand letter from MG Law Performance Strategists on behalf of License Plate Recognition dated 20 June 2022. The Municipality is accused of breach of contract by unlawfully taking possession of LRP's cameras. | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Disclose the prior period error in the financial statements and a listing that support the error. | AFS which includes the schedules for contingent liabilities in the Audit File | 28-Feb-23 | Assistant Manager: Legal |
| 37 | Ineffective use of consultants: Non-compliance with the MFMA and the municipal cost containment regulations | Contrary to the above-mentioned requirements, during the audit of the financial statements, the following issues were identified during the audit:<br>The municipality appointed Maximum Profit Recovery (MAXPROF) (Pty) Ltd for the compilation and submission of VAT returns and the administration of VAT issues with the South African Revenue Services for a period of 3 years, commencing on | Management did not ensure that there is adequate resources in place to ensure the efficient use of resources. | Apply the provisions of the Municipal Cost Containment regulation. Internal capacity is developed to reduce the dependency on the use of consultants. | Developed internal capacity to reduce the dependency on the use of consultants. | Advertised and appoint an internal person | N/A | N/A |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | 7 August 2019.<br>As per SLA, MAXPROF was contracted to provide the following services:<br>• 1.1: Provision of VAT Recovery Services, including the review of all relevant previous transactions in order to ensure overall compliance with the VAT Act.<br>• 1.3: Perform a confidential review of the client's accounting transactions on a contingency basis, more fully set out hereunder, for the maximum period for which a recovery can be made in terms of the prevailing legislation (currently the last 5 (five) years for VAT), calculated from the date of submission of MAXPROF's initial report or calculated from the end of the client's current financial year end, whichever is the latter ("the initial period").<br>• 1.4: In addition to the review of the "initial period", MAXPROF shall for a period of 36 (thirty-six) months, also perform a review on the transactions entered by the client for the period following the last 5 (five) years, the "initial period", commencing 7 August 2019 until 31 July 2022.<br>• 1.5: The review for purposes hereof shall mean the identification of overpayments and/or under deductions and/or undue assessments and/or undue | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | penalties and interest of a client vis-à-vis its suppliers or the South African Revenue Service; and<br>• 1.6: In addition to the review, MAXPROF shall, where applicable, make submissions on behalf of the client to the South African Revenue Service, with the view to procure the South African Revenue Service to write off, compromise, in whole or in part, any amount of tax, duty, levy, charge, interest, penalty or other amount due by the client to the South African Revenue Service.<br>The municipality, however, did not appoint MAXPROF on a time and cost basis, instead the contract was based on a percentage basis which is considered not to be a fair and reasonable remuneration framework as per regulation 5(5)(a) on cost containment measures.<br>Paragraph 3.2 of the service level agreement between MAXPROF and the Thembisile Hani Local Municipality states: “The client shall pay to MAXPROF 13% of the financial benefit identified for the client which shall include claims of any overpayments, under deductions, undue assessments, undue penalties and interest, amounts written off or compromised, (in whole or in part) of any amounts of tax, duty, levy, charge, interest, penalty or other | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | amount that was due or may have been due vis-à-vis any supplier or South African Revenue Service, in respect of the services rendered by MAXPROF to the client"<br>The service level agreement is therefore quite clear that the fee payable to the service provider is contingent upon the municipality receiving a financial benefit, meaning a VAT refund.<br>The remuneration paid to consultant is therefore not driven by the actual hours and work expended in the preparation and administration of VAT returns but based on the occurrence of an uncertain future event (municipality receiving a VAT refund).<br>The following amounts were paid to MAXPROF:<br>• The municipality paid R9 545 430 in the 2019-20 financial year<br>• The municipality paid R9 137 705 in the 2020-21 financial year<br>• The municipality paid R11 297 415 in the 2021-22 financial year<br>Furthermore, the service level agreement did not include any requirement for the service provider to transfer skills to the officials of the municipality and the contract was extended for a further 12 months. | | | | | | |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 38 | Budget amount per AFS different from approved adjusted/final budget | During the audit of statement of comparison of budget and actual amounts, we noted the the amounts per the approved final adjusted budget does not agree to the amounts disclosed in the statement of comparison of budget and actual amounts. Below are affected items: | Incorrect Mapping on the Casewear System which lead to the variances. | Will ensure that the alignment of the adjustment budget and AFS figures are done during the preparation of Interim AFS | It will be monitored on monthly basis to ensure that is still aligning. | Table B4 Adjustments Budget Financial Performance (revenue and expenditure) | 11-Jul-23 | Assistant Manager Budget and Reporting |
| 39 | Actual Amounts per AFS different from Statement of Budget Vs Actual. | During the audit of statement of comparison of budget and actual amounts, we noted the following: The actual amounts disclosed in the statement of comparison of budget and actual amounts were different from the amounts disclosed in the statement of financial performance. Below are items affected: It should further be noted that there were inconsistencies in the classification of the above items. In the Statement of financial performance, they were all classified as revenue from exchange transaction, however, the two items were split between exchange and non-exchange in the statement of comparison of budget and actual amounts | Incorrect Mapping on the Casewear System which lead to the variances. | Will ensure that the alignment of the adjustment budget and AFS figures are done during the preparation of Interim AFS | It will be monitored on monthly basis to ensure that is still aligning. | Table B4 Adjustments Budget Financial Performance (revenue and expenditure) | 7-Nov-22 | Assistant Manager Budget and Reporting |
| 40 | Disclosure Note 8 contains a | During the audit of receivables from non-exchange, we noted a line item with a description of | Lack of enough time to deal with Implementation of proper monitoring and | Conduct proper and thorough reviews on the AFS on time to | Implement proper monitoring and reviews to ensure that | AFS | 16-Nov-22 | Assistant Manager: Revenue |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | line description that does not fully describe what it represents | overpayment of contractors which includes the following:<br>i)Overpayment of suppliers<br>ii)Overpayment of councilors<br>The line item should have been overpayment of contractors and councilors. | reviews of the annual financial statements | avoid the risk of not detecting, identifying and correcting errors on time. | line items in the notes are as per supporting documents | | | |
| 41 | Receivable from non-exchange incorrectly disclosed as Statutory Receivables | During the audit of receivable from non-exchange it was noted that other debtors - overpayment of contractors was disclosed as a statutory receivable however overpayment of contractors is not a statutory receivable as it does not arise from legislation or supporting regulations. | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Implement proper monitoring and reviews to ensure that line items in the notes are as per supporting documents. | AFS | 18-Nov-22 | Assistant Manager Revenue |
| 42 | Statutory Receivables incorrectly disclosed per GRAP 108 | During the audit of Receivable from non-exchange, Statutory receivables it was noted that Note 8 on Receivable from non-exchange does not disclose the requirements of Paragraph 34 as stated above. | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Disclosure notes are as per supporting documents. | AFS | 18-Nov-22 | Assistant Manager Revenue |
| 43 | Lead schedule – Difference in the lead for Consumer Debtors. | a) During the audit of receivables from exchange transactions – consumer debtors; we noted differences. The debtors age analysis does not agree with the annual financial statement (AFS) submitted for audit. The differences are indicated below.<br>b) The amount per the prior year | Management did not implement adequate monitoring and reviews of the Annual Financial Statements to ensure that the age analysis agrees to the annual financial statements and to also ensure that the prior | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | To ensure the prior period note and the annual financial statements agrees with the age analysis and Consumer Debtors and the debtor's age analysis agrees. | Consumer Debtors and Debtors age analysis | 22-Nov-22 | Assistant Manager Revenue |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | audited AFS is different from the comparative amounts in current year's AFS submitted for audit. The difference of R583 623 was not disclosed as a prior period error. | period error note is updated with the difference between the comparatives and prior year amounts. | | | | | |
| 44 | Misclassification of Consumer debtors | During the audit of receivables from exchange transactions – Consumer Debtors; we noted that the AFS and debtors age analysis contains a service that the audited does not provide, which is debtors for electricity for an amount of R169 490 | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Ensure that the age analysis agrees to the annual financial statements and to also | | 22-Nov-22 | Assistant Manager Revenue |
| 45 | Misclassification of Receivables from exchange (Deposits) | During the audit of receivables from exchange transactions; it was identified that the deposits of R86 153 disclosed in Note 7 are refunds already paid per the supporting document provided. Thus, the amount is not a receivable as there is no future economic benefits or service potential expected to flow to the municipality because the amount has already been received by the municipality. | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Ensure that the AFS are as per the GRAP requirement | AFS | 22-Nov-22 | Assistant Manager Revenue |
| 46 | Differences between auditors recalculation and amount | During the audit of receivables from exchange transactions; it was identified that the Undertaking of DLTC was different from the auditor calculation in Note 7. | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying | Reconcile the traffic revenue and the enatis system. | Traffic revenue reconciliation | 22-Nov-22 | Assistant Manager Revenue |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | disclosed amount for Undertaking DLTC | The details of the difference are:<br>Details Amount<br>Auditors Recalculation for under banking for the year R4 473 799,06<br>AFS Note 7: Amount recognised as under banking per R1 397 963,09<br>Difference R3 075 835,97 | | and correcting errors on time. | | | | |
| 47 | Account holders in debtors age analysis missing full description. | During the audit of receivables from exchange transactions – consumer debtors; we noted that the debtor's age analysis contains account holders who are being billed on a monthly basis but contain accountholder names that are described as<br>a) Unregistered,<br>b) unknown,<br>c) blank and<br>d) Thembisile Hani names. | Management did not implement adequate monitoring and reviews of the debtor's age analysis. | Implementation of the data collection in the 2022/2023 to ensure that the contents of the debtors age analysis is complete in terms of the names of account holders, addresses etc… | Review of debtor's age analysis and the Consumers debtors. | Consumer debtors and debtors age analysis | 30-Jun-23 | Assistant Manager Revenue |
| 48 | More efforts to be implemented to increase debtor collection rate | During the audit of receivables from exchange transactions and debt impairment; it was identified that there are very little efforts on the part of municipality to collect revenue.<br>The following table shows how much was the % or receivable that was not collected by the municipality for each category during the 2022 financial year. | Management lacked control to ensure that it aggressively enforce the Revenue Enhancement Strategy. | Implementation of the adopted Revenue Enhancement Strategy and implement without fail the Credit Control and Debt Collection Policy. | Robust collection efforts to be implemented in order to curb the low collection levels | Disclosure in the AFS including the actual collections reports in implementing the Revenue Enhancement strategy | 30-Jun-23 | Assistant Manager Revenue |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 49 | Difference between the trial balance and the annual financial statements | During the audit of receivables from exchange transactions – Consumer Debtors; we the noted differences below:<br>The amount per the TB is different from the AFS note 10 amounts | Management did not implement adequate monitoring and reviews to ensure that amounts disclosed as debtors in note 10 agrees back to the amounts reflected in the relevant components in the AFS. | Ensure correspondence between the TB, GL supporting lead schedules as well as the supporting notes disclosed in the AFS. | During the preparation of the AFS, proper call will be made to ensure that all the supporting information and schedules tie back to the GL, TB as well as the lead schedules. | TB which agrees to the GL back the AFS supported by the lead schedules. | 30-Jun-23 | Assistant Manager Revenue |
| 50 | Difference identified on risk management | During the audit of note 40 (Risk Management), it was identified that current liabilities disclosed on the note does not agree with the amount disclosed on the face of AFS.<br>Current Liabilities as per AFS Amount Per Risk Management Disclosure (Note 40) Difference R48 377 607 R48 583 685 R206 078 | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Implement adequate monitoring and reviews to ensure that all amounts on the disclosure notes agrees to the face of AFS | Current liabilities disclosed on the note to agree with the amount disclosed on the face of AFS. | Risk management disclosure note and Current liabilities | 1-Nov-22 | AFS Consultant |
| 51 | Difference between the amount of deviations recorded in the AFS and reported to council | During the audit of deviations, it was identified that is a difference between the amount disclosed on the annual financial statements and the deviations reported to council.<br>Amount as per AFS Amount Reported to Council Difference R349 010.00 R186 761.36 R162 248.64 | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Implement adequate monitoring and reviews to ensure that all deviations are reported to council | The amount reported to council agrees to the amount disclosed in the AFS. | Council resolution & AFS | 1-Jan-23 | Assistant Manager: SCM |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 52 | Issues on property, plant and equipment identified during asset verification | During the verification of the property, plant and equipment, we identified the following issues: GRID Number No. CompID Asset Reporting Class Asset Group Name Asset type Component type Descriptor Type Auditors comment 3 399 36173596 Community Assets Vlaklaagte CC Cemetery Pavements Road surface Concrete block surface Incorrect coordinates 16 613 34433924 Solid Waste Infrastructure KwaMhlanga landfill site Buildings Walls Complete building (internal and external) Asset not in a good condition, however it was not impaired | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Management did not implement adequate monitoring and reviews of the Fixed Assets Register | Conduct proper and thorough reviews on the FAR on time to avoid the risk of not detecting, identifying and correcting errors on time. | Ensure that the FAR is as per the GRAP requirement | 30-Jul-23 | Assistant manager Assets |
| 53 | Incorrect presentation of Inventory water loss | During the audit of inventory, we have recalculated the percentage of water losses and noted a difference of 6% relating to comparative figures, we noted that this difference is caused by the prior period adjustments. Refer to the table below: | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Ensure that water loss is disclosed at a correct percentage | AFS | 22-Nov-22 | Assistant manager Assets |
| 54 | Ineffective use of consultants: Non-compliance with the MFMA and | During the audit of the use of consultants, we noted the municipality performed a needs assessment, as required by paragraph 5(1) of the Municipal Cost Containment Regulations, prior to engaging consultants to | Management did not ensure that there is adequate resources in place to ensure the efficient use of resources. | Apply the provisions of the Municipal Cost Containment regulations | Ensure internal capacity is developed to reduce the dependency on the use of consultants. | Advertised and appoint an internal person | N/A | Corporate Service Manager/ CFO |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | the municipal cost containment regulations | assist with the preparation of the financial statements. The needs/gap analysis was compiled in 2019 and informed the decision to outsource the preparation of the AFS for a period of 36 months. The analysis also identified the need to create a senior accountant position which will be responsible for preparation of the AFS and submitting them to the CFO for review.<br>In addition, as required by paragraph 5(5) of the Municipal Cost Containment Regulations, the municipality ensured:<br>• The requirement for the transfer of skills to the officials of the municipality was not included in the service level agreement with the service provider.<br>• A consultancy reduction plan has also been compiled during the 2019-20 financial year.<br>However, the steps taken by the municipality to take over the preparation of the AFS responsibility has not yielded the desired outcome as:<br>• There is no tangible evidence of skills transfer to the municipal officials.<br>• The municipality does not have people to transfer skills to as they are yet to make the necessary appointments.<br>• The senior accountant post identified through the needs | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | assessment and included in the approved organogram was not filled.<br>• The contract was extended for a further 12 months when it expired in February 2022. The requirement for the transfer of skills to the officials of the municipality was still not included in the extension letter. As a consequence of not building internal capacity, the municipality continues to depend on consultants. This may result to excessive amounts being paid to consultants for services that could have been performed internally at a lower cost.<br>The municipality appointed PMH IT Management and Service (PMH) (Pty) Ltd for the provision of GRAP and MSCOA compliant annual financial statements for a period of 36 months, commencing on 20 February 2019 which was further extended by twelve months.<br>As per SLA, PMH was contracted to provide the following services:<br>• 6.1.1(a): Prepare lead schedules to the AFS.<br>• 6.1.2: Attend to audit queries in 2017/18 audit report and management letter and audit queries in future management letters:<br>a) Prepare a project plan with dates and responsible for obtaining the required information | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | to address the above-mentioned.<br>b) Act in advisory and guidance capacity to address these issues.<br>c) Review audit files compiled by the municipality.<br>d) Compile a file that contains all the audit adjustments made after submission of the AFS.<br>• 6.1.3: Review reconciliation prepared by the municipality of account balances on a monthly basis:<br>a) Bank reconciliations (prepared by the municipality) – between cash book and bank statement.<br>b) Debtors control account reconciliation (prepared by the municipality) between debtors control account and creditors detailed ledger.<br>c) Creditors control account reconciliation (prepared by the municipality) between creditors control account and creditors detailed ledger.<br>d) VAT control account reconciliation (prepared by the municipality) between VAT control account and EMP 201s.<br>e) PAYE control account reconciliation (prepared by the municipality) between PAYE control account and payroll system.<br>f) Review financial records and assists with adjusting journals, including misallocation and known-errors. | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | g) Assist with implementation of audit recommendations to ensure non-recurrence of findings.<br>h) The Thembisile Hani Local Municipality reserves the right to sue the service provider for damages occasioned by the negligence of the service provider in the event that the municipality has fully complied with clause 6.3 of this agreement and was not as a result of negligence or waiting period of a third party responsible for work to be performed.<br>The following amounts were paid to PMH:<br>• The municipality paid R5 004 372.42 in the 2019-20 financial year<br>• The municipality paid R5 043 873.72 in the 2020-21 financial year<br>• The municipality paid R4 809 186.31 in the 2021-22 financial year | | | | | | |
| 55 | Various issues identified disclosure of operating leases | During the audit of operating leases we have noted that operating lease expense payable have been disclosed under the note for commitments instead of being disclosed under note 19 for operating lease and we also noted that the municipality did not disclose payments payable later | Lack of enough time to deal with Implementation of proper monitoring and reviews of the annual financial statements | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Ensure correct disclosure amount for operating lease | AFS | N/A | Assistant manager Assets |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | than one year and not later than five years | | | | | | |
| 56 | Misstatements identified in the Prior Error Note | During the audit of Prior Period Note no.39 disclosed in the annual financial statements for the year ended 30 June 2022, it was noted that there were discrepancies between the amount disclosed as restated figures for the 2020/21 financial year and the amount presented on the face of the annual financial statements and other disclosures.<br>The table below illustrates the extent of misstatements that have been identified and the line items affected:<br>No Line Item Restated Figure as per Prior Period Error Note Amount as per the face of financial statement or other disclosure Difference<br>1 Repairs and Maintenance R 14 758 692 R 15 806 887 -R 1 021 195<br>2 Receivables from exchange (Water) R 19 394 013 R 19 383 484 R 10 529 Further to the above finding, it has been noted that the prior period error for Receivables from exchange transactions (Water) of R 10 529 disclosed in note no.39, does not include a narration of the nature of | Management did not implement adequate monitoring and reviews to ensure that amounts as per Prior Period Error disclosure note 39 agrees with amounts on the face of the AFS or other disclosure in the annual financial statements. | Conduct proper and thorough reviews on the AFS on time to avoid the risk of not detecting, identifying and correcting errors on time. | Ensure correct disclosure in the Prior Period Error. | AFS | 18-Nov-22 | Assistant manager Assets and Assistant Manager Revenue |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | the prior period error as per GRAP 3. | | | | | | |
| 57 | No supporting documentation for the prior period error | During the audit of Prior Period Note no.39 disclosed in the annual financial statements for the year ended 30 June 2022, it was noted that there is a prior period error disclosed for Receivables from exchange transactions (Merchandising, jobbing & contracts), however based on the supporting documentation provide for audit, the full extent of the amount disclosed as a prior period error could not be substantiated. The table below illustrates the extent of misstatements that have been identified and the line items affected:<br>No Line Item Restated Figure as per Prior Period Error Note Amount as per the supporting documentation Difference<br>1 Receivables from exchange transactions (Merchandising, jobbing & contracts) R 11 030 000 R 10 446 710 -R 583 290 | Management lacked the discipline to exercise professional due care when preparing the AFS to ensure that it reflects accurate and complete information that achieves fair presentation and supported with valid evidence. | Conduct proper and thorough reviews on the AFS to ensure that amounts presented and disclosed in the annual financial statements are supported by valid and accurate information | The amount disclosed as prior period error for Receivables from exchange transactions to have supporting documents. | Prior period error disclosure note and supporting documents | 18-Nov-22 | Assistant Manager Revenue |
| 58 | Performance Audit – Project delay | The project had been delayed by more than seven months from the original completion date of 4 March 2022 to the latest revised completion date of 28 October 2022. Table 2 outlines the extension of time claims which can | Road crossing identified in a gravel road during planning stage of the project and later , the road was paved and discovered that it is a road | 1. Identifying services that fall in outside of municipal servitudes. 2. During planning stage of the project apply for wayleaves prior to the project | 1. Identify works that fall outside of Municipal servitude during design stage. 2. Obtain approvals of wayleaves prior to works commence of | 1. Wayleaves application, 2. Wayleaves approvals | 31-Dec-2022 | Project Manager |

# ACTION PLAN

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | be attributed to the municipalities poor planning and coordination. The project has been delayed with 217 days due to the municipality's poor planning and coordination. In addition, the municipal officials responsible for the recommendation and approval of the extension of time no 4 only signed without indicating whether they recommend or approve the extension or not. | that belongs to other organs of state.( PWRT) | commence of construction works. 3. Obtain approvals of wayleaves prior to works commencement of the works. | the project. 3. Assess the performance of the PSP 4. Monitor final account as per the approved agreements 5. Correct interims payment certificate 14 (BOQ) in-line with approvals and final accounts on completion. | | | |
| 59 | Invalid related party disclosure | During the audit of related parties. We have identified that Nkangala district municipality has been identified as a related party of the Thembisile municipality. This is an issue because the Nkangala district municipality does have influence or control over Thembisile Hani Local Municipality. The district municipality does not meet the definition of a related party in terms of GRAP20 (10), therefore it is invalid. | Management lacked the professional knowledge when preparing the AFS to ensure that it reflects accurate and complete information that achieves fair presentation and supported with valid calculations & evidence | Conduct proper and thorough reviews on the AFS to ensure that amounts presented and disclosed in the annual financial statements are supported by valid and accurate information | Reflects accurate and complete information that achieves fair presentation and supported with valid calculations & evidence | AFS | 1-Nov-22 | Acting Assistant Manager: Expenditure |
| **END OF REPORT** | | | | | | | | |