



The home of harmony, prosperity and growth

DRAFT ANNUAL REPORT 2022/23

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CHAPTER 1

FOREWORD AND EXECUTIVE SUMMARY

REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to under-stand the various information requirements.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

July 2012

Our Vision

“A viable municipality with inclusive economy, sustainable development and quality services for all”

Our Mission

“To provide affordable and quality municipal services and address triple challenges of poverty, unemployment and inequality and promote sustainable development through cooperative, strategic partnership and innovation”

CORE VALUES

Values	Descriptions
Transparency:	We practice good governance, openness and strive to understand the needs of our community at all times.
Commitment:	We are dedicated to the services we render to the community. We are committed to realise the objective of local government in South Africa.
Accountability:	We respect and value our people and ensure that we are accountable and responsible on all aspects of our work
Integrity:	We perform our work diligently with integrity and courage to ensure that our communities are able to trust and believe in us.
Democracy:	We encourage adherence to the constitution of the country, by allowing everybody to exercise their rights
Perseverance:	We work with tolerance and patience in the service of our communities.

Component A: Mayor's Foreword

DRAFT EXECUTIVE MAYOR FOREWORD- CONSOLIDATED ANNUAL REPORT 2022-23

The 2022/23 financial year was significant for Ngwathe Local Municipality in that it marked the second year of the five-year political cycle. The second year since the 2021 local government elections and the implementation of the 2021-2026 IDP/Budget created opportunities for new strategic goals and concrete plans to achieve service delivery.

The administration of the municipality was presented with tasks to accomplish enhancements in basic service delivery within avenues of water and electricity access, road network development, renewal of infrastructure, fleet and transportation innovations and efficient and sufficient collection of waste in the five areas constituting Ngwathe.

This expectation was presented to the administration against the backdrop of unfunded budget. An unfunded budget means that a municipality made a financial commitment for projects but did not have the money carry such, leading to spiralling debt. This untenable situation has had a negative impact on the sustained delivery of services. It is common cause that Ngwathe is faced by challenges of water delivery and electricity distribution to different communities.

The overall performance on key performance areas, has been unsatisfactory and calls for tighter political oversight committees guidance and recommendations, to ensure effective and efficient use of municipal resources and to improve on capital projects and grant funding

Greater inter-governmental relations is needed to give impetus to the District Development Model (DDM) approach by our institution, with the sole purpose of improving links between sectors within Ngwathe, recognizing that many of the problems that Ngwathe faces are multi-sectorial and cannot be adequately dealt with by a single department. Vertical coordination will be strengthened by active participation in the DDM and working with other spheres of government and private sectors to ensure that planning and implementation are integrated.

Community consultations were conducted extensively through social media platforms and thus this method of communication needs to improve as a measure of public engagement.

The Municipality working together with all stakeholders such as communities, faith-based organizations, CDWs, and Ward committees, NGO, s and CBO.s is starting to take shape in consolidating the municipal stakeholder forum. The active participation by these various stakeholders will strengthen the capacity of the municipality to narrow the social distance between the municipality and the community. The municipality, throughout the financial year, faced consistent community unrest around issues of water.

The municipality is still facing instability at managerial level. The municipality does not yet have substantive Municipal Manager, CFO, Director community Services and Director Corporate Services. The Director Technical Services is still on suspension. This instability contributes immensely to the non or underperformance of the municipality in areas of strategic nature. The Municipality is fully committed to filling this critical strategic positions.

The experience strained performance measures and service delivery, caused the local economy and social stability imbalances, however, the municipality will found new innovative ways of working SMART through the advancement of technology. The municipality seeks to achieve economic growth and poverty alleviation by coordinating sustainable social and economic development programs, to ensure a better life for society.

Furthermore, it endeavors to create a conducive environment for business investments and growth for job

creation. EPWP and CWP have contributed positively to maintaining a safety net for poor communities and alleviating poverty where it matters the most. I would like to extend thanks to my colleagues and leaders within the legislative division, guided by the Speaker and Chief Whip, and the executive division, led by the Members of the Mayoral Committee, MMCs, for continuously devoting themselves to the oath of serving our communities.

Furthermore, I would love to thank our communities for sticking together in ensuring that the health and protection of our communities and environment remain intact by continuously fighting against crime, gender-based violence, and drug abuse. Gratitude also goes to the organizations that continue to cater to these initiatives in assistance to our government. As a closing statement, the municipality will continue to prioritize service delivery to its communities and the implementation of proposed projects.

.....
Cllr Victoria De Beer – Mthombeni
Executive Mayor Ngwathe Local Municipality

Component B: Executive Summary

1.1 Municipal Manager's Overview

The year 2022/23 serves as litmus test following the opening from covid 19 lockdown and the election of new political leadership. The test was primarily on the ability of the municipality to adapt to change and invoke innovation in operating under the new normal. The test on the ability of the municipality to collect revenue, improve administrative process, systems and procedures, accelerate service delivery, stabilize the administration and improve performance were found wanting during the period under review. The implementation of the strategic objectives set by the municipality at the strategic planning session were mainly hampered by unfunded budget, low revenue collection and instability in administration caused by vacancies at critical strategic level.

Municipal powers and functions for the year 2022/23 did not change and the table below depicts powers and functions of Ngwathe Local Municipality.

Function	Definition of function
Municipal Roads	Construction, maintenance and control of a road used by members of the public, including streets in built up areas.
Electricity reticulation	Bulk supply of electricity, which includes for the purpose of such, the supply, the transmission, distribution, and where applicable the generation of electricity. Regulation, control and maintenance of the electricity reticulation network. Provision and maintenance of public lighting which includes street lights, high mast lights, etc. Tariff policies, monitoring of the operation of the facilities for adherence to standards.
Water (Potable)	Establishment or procurement, operation, management, and regulation of a potable water system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution
Sanitation	Establishment or procurement, where appropriate, provision, operation, management, maintenance and regulation of a system, including infrastructure for the collection, removal and disposal or purification of human excreta and domestic waste-water.
Cemeteries and crematoria	The establishments conduct and control of facilities for the purpose of disposing of human and animal remains. This includes, funeral parlours and crematoria.
Refuse Removal, refuse dumps and solid Waste	Removal of any household or other waste and the disposal of such waste in an area, space or facility established for such a purpose. It further includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment.
Storm water	Management of systems to deal with storm water in built-up areas
Firefighting	Fighting and extinguishing fires, the rescue and protection of any person, animal or property in emergency situations not covered by other legislations or powers and functions
Municipal Planning	Compilation of IDPs, preparation of the SDFs as a sectoral plan, development and implementation of a town planning scheme or land-use management scheme
Local Sport and recreation facilities	Provision and maintenance of sports and recreational facilities

The tabling of the 2022/2023 Annual Report for Ngwathe Local Municipality is done on the strength of section 127(2) of the Municipal Finance Management Act (MFMA), Act 56 of 2003. The purpose of the annual report is to provide account to the Ngwathe community, relevant sector departments and general stakeholders on the performance against the budget and the predetermined objectives and to provide detailed annual financial statements. The Annual Report is a critical legislated process of local government system that is aimed at provision of services as well as accountability on the implementation of such. It expresses the collective aspirations and effort of the political and administration leadership to incrementally and consistently improve the socio-economic livelihoods of our communities. In the main, account of our performance against the budget through detailed Annual Financial Statements and the predetermined objectives is provided.

The core challenge facing the municipality at both planning and operations is collection of revenue from distress residents and other rate payers. In the financial year 2022/23, the municipality continues to have serious and adverse service delivery and developmental challenges, mainly traceable to the humbling experiences of the previous financial years due to the limitations imposed by unfunded budget and low collection rate. These limitations impact directly on the execution of the strategic objectives adopted at the strategic planning around the 5-year community needs adopted in the IDP 2021-2026 namely,

- The need to develop critical infrastructure that propels growth and development such as water, sanitation, energy and road infrastructure in a sustainable way.
- The need to provide critical life supporting services in the informal settlements to mitigate the associated difficulties such as water and sanitation.
- The need to support the indigent households with a package of services that are critical for survival,
- The need to leveraged supply chain to create support for SMMEs and create job opportunities
- The need to facilitate and attract investment within the municipal area of jurisdiction
- The need to implement interventions that promote good governance.

The Municipality will have to strive to create the balance between implementing stringent measures of financial discipline and extending service provision to previously un-serviced areas while also maintaining good levels of service provision in serviced areas.

The municipality will have to tighten up the development of plans that will respond to the real needs and challenges, inform proper resources targeting and effective management thereof. It will have to ensure that the minimum resources available must be used to effect a much greater impact. The municipality is not pleased with its levels of target achievement on critical deliverables set out in its Service Delivery Budget and Implementation Plan (SDBIP) for the period under review. In this regard, the implementation of the necessary performance improvement plans remains a key focus going forward. The recommendation from external auditors on areas where the audits identified weaknesses, will have to take a centre stage in the operations of the municipality in the coming financial years.

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

Finally, I want to thank Executive Mayor, Cllr Victoria De Beer –Mthombeni, the Mayoral Committee, the Council, the senior management, and all staff members of the municipality for their unwavering support over the period reviewed. I also appreciate the support, efforts, and cooperation of all the stakeholders and partners of the municipality in the many ways that they all have contributed to the progress presented in this report.

The contribution of each individual and each partner or stakeholder played a significant role without which the municipality may have not even made the little progress reported.

Greater appreciation goes to the Ngwathe residents for, among other things, paying their municipal accounts on time and contributing (in many ways) in making participatory governance a reality in the municipality.

Mr Tebogo Manele
Acting Municipal Manager

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Municipal Functions

In accordance with Section 155/156 of the Constitution and Chapter 3 of the Municipal Systems Act, the broad functions and powers of the Municipality are reflected in Appendix D

Access to services such as potable water, basic sanitation, safe energy sources and refuse removal services ensures that households enjoy a decent standard of living. To satisfy these basic requirements, the municipality contributed as reflected below during 2022/2023;

Water: Access to potable water in Ngwathe was recorded at 90 %

Sanitation: An estimate of 100% of households in Ngwathe has access to basic sanitation services

Energy: Ngwathe provides an access level of 100% to electricity

Refuse removal: The household access level to refuse removal in Ngwathe municipality was at 100 %

Housing: 44.7% of households in Ngwathe have access to formal housing

Roads: A number of road construction projects by way of paving are underway and will be completed in the 2023/24 financial year.

LOCAL ECONOMIC DEVELOPMENT

Our municipality intended to undertake a formal local economic development program structured in accordance with a properly analyzed and mechanized Local Economic Development Strategy. We appreciate the role by FSCOGTA in assisting the municipality to craft a draft Local Economic Development Strategy. The strategy will be canvassed with all relevant stakeholders to enhance it.

The lack of a strategy did not hinder the municipality from undertaking a number of LED related projects that empowers individuals and groupings throughout the municipality with the support from various government departments and agencies. With the current institutional skills gap and general skills gap throughout the municipality area, numerous individuals were afforded opportunities to enhance their skills by way of training provided and or facilitated. The municipality continues to source from capacitated individuals and groups to address challenges related to;

- The cleaning of side-walks in and around
- Promotion of tourism
- SMME capacity training and funding
- The repair of roads, by means of pot-hole filling.
- Paving of roads and Maintenance

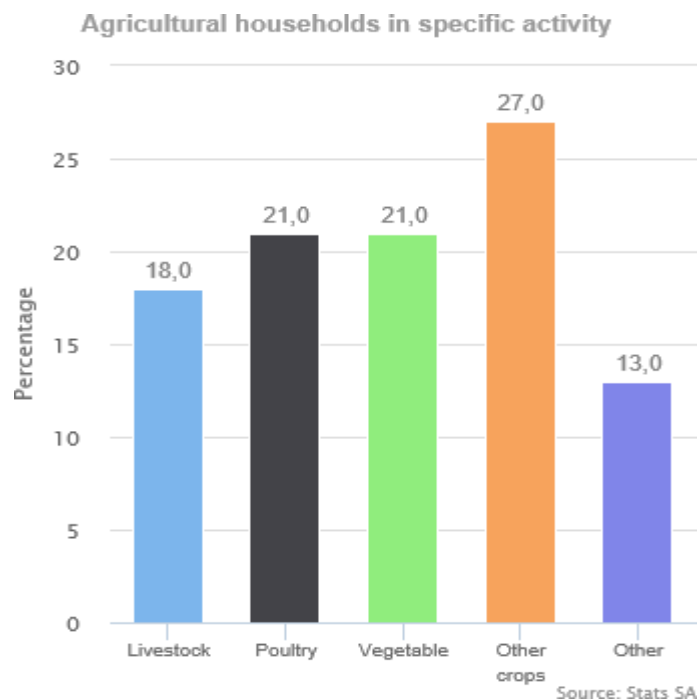
A number other labour intensive projects to assist the unemployed market and provide possible income for indigent households.

The municipality continues to suffer not being able to access crucial data and information pertaining the job markets, economic growth centers, growth forecasts, regional economic data that influences migration and settlement patterns. This requires the municipality to attract skills needed in the field of research and economic growth and development

Economic Overview

The highest contributing sectors to the Growth Domestic Product (GDP) are:

- Agriculture



- Retail trade, catering and accommodation (11.5%)
- Tourism
- Finance, insurance, real estate and business services
- Transport, storage
- Building and Construction

Labour Profile

Statistics South Africa defines unemployment as those people aged between 15-65;

- who did not work during the 7 days prior to 10 October (when the census commenced);
- who want to work and are available to start work within a week of the interview; and
- who have taken active steps to look for work or to start some form of self-employment in the 7 days prior to commencement of the census.

Persons who have become discouraged from seeking work, or who no longer take active steps to find work, are not classified as unemployed. It is thus likely that unemployment figures, tabled below, are higher than that provided in these statistics. According to Statistics South Africa, the official unemployment figure for the Ngwathe area is estimated at 35.2 %

Out of the population of 120 520, there are 39 555 economically active (employed or unemployed but looking for work) people and of the 20 204 economically active youth (15-35 years) in the area. It should be noted, however, that the "Other not economically active" participant's amounts to an overwhelming 42 423.04

In terms of youth unemployment, 45.1% of persons aged between 15-34 years within the Ngwathe area are unemployed

Demographics within the Ngwathe Municipality

The preferred languages for the people of the Ngwathe area is Sesotho 67%, Isixhosa 8.4% and Afrikaans 23.2% whilst other national languages all register below 3.5%.

According to the 2011 Statistics SA census survey Ngwathe demographics can be summarized as follows:

The total population size increased to 120 520 persons, to; reflecting 24.7% of the total population of the Fezile Dabi District municipal area.

Population Growth

The population growth based on the 2017 Community survey indicates a positive growth in relation to the negative growth of 0.3% recorded in 2011 census. Our current population was officially recorded at 118 907 in October of 2017.

Population Groups

Sex by Ratio

There are more females than males across all wards except wards 5 and 7 where 49.7% and 49% is registered whereas ward 8 shows an equal total of males and females.

Table: Sex by Ratio of Ngwathe

Province, District and Local Municipality	Gender		Total	Sex ratio (Males per 100 Females)
	Male	Female		
Free State	1 379 965	1 454 749	2 834 714	95
FEZILE DABI	245 985	248 792	494 777	99
Moqhaka	76 193	78 539	154 732	97
Ngwathe	56 425	62 482	118 907	90
Metsimaholo	85 531	78 033	163 564	110
Mafube	27 836	29 738	57 574	94

Data source: Statistics South Africa, Community Survey 2016

Functional Age Group

The majority of the population is made up of the functional age group in Ngwathe.

Table : Distribution of the population by functional age group in Ngwathe municipal area

Province, District and Local Municipality	0-14 Children	15-34 Youth	35-64 Adults	65+ Elderly	TOTAL	Dependency Ratio
Free State	797265	1 058948	732863	245638	2834714	58,2
FEZILE DABI	125 956	180 167	137 470	51 184	494 777	58,2
Moqhaka	37 929	54 322	44 398	18 082	154 732	55,8
Ngwathe	32 964	40 712	30 935	14 296	118 907	56,7
Metsimaholo	38 825	64 440	47 646	12 653	163 564	66,0
Mafube	16 238	20 692	14 491	6 153	57 574	45,9

Data source: Statistics South Africa, Community Survey 2016

School Attendance

Table : Indicates school attendance, non-attendance and unknown in Ngwathe municipal area.

Geography	School Attendance		
	Yes	No	Do not know
Free State	859361	1699444	2402
DC20: FEZILE DABI	129160	321460	347
FS201: Moqhaka	40085	101608	198
FS203: Ngwathe	30292	76656	70
FS204: Metsimaholo	42186	107449	31
FS205: Mafube	16597	35747	48

Data source: Statistics South Africa, Community Survey 2016

Highest Level of Education Attained

Table : Education Levels in Ngwathe municipal area

Education Levels	Totals
No schooling	4301
Grade 0	3432
Grade 1/Sub A/Class 1	3568
Grade 2/Sub B/Class 2	3244
Grade 3/Standard 1/ABET 1	4809
Grade 4/Standard 2	4927
Grade 5/Standard 3/ABET 2	5099
Grade 6/Standard 4	6059
Grade 7/Standard 5/ABET 3	5948
Grade 8/Standard 6/Form 1	7732
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	8313
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	11406
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	9426
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	21877
NTC I/N1	98
NTCII/N2	28
NTCIII/N3	166
N4/NTC 4/Occupational certificate NQF Level 5	333
N5/NTC 5/Occupational certificate NQF Level 5	153
N6/NTC 6/Occupational certificate NQF Level 5	273
Certificate with less than Grade 12/Std 10	43
Diploma with less than Grade 12/Std 10	195
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	493
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	1426
Higher Diploma/Occupational certificate NQF Level 7	534
Post-Higher Diploma (Master's	304
Bachelor's degree/Occupational certificate NQF Level 7	1001
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	565
Master's/Professional Master's at NQF Level 9 degree	176
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	65
Other	230

Data source: Statistics South Africa, Community Survey 2016

Table 8: Unemployment rate in Ngwathe municipal wards

Unemployment rate	35,2%
Youth unemployment rate	45,1%

Data source: Statistics South Africa, Census 2011

1.3 SERVICE DELIVERY OVERVIEW

Basic Service Delivery Achievements

Source of water

94% of households within the Ngwathe area have access to municipal or service provider water, with the rest of the households sourcing water from dams, rivers, tankers, etc. Interventions to aid water security include continuous upgrades and maintenance to water purification plants in Ngwathe as well as other developments to supplement the water demand.

Main Source of Water

Source of Water	Fezile Dabi	Moqhaka	Metsimaholo	Ngwathe
Piped (tap) water inside the dwelling	83199	26054	38610	12474
Piped (tap) water inside yard	78495	24644	17840	24858
Piped water on community stand	3312	261	1801	1222
Borehole in the yard	1732	1027	216	447
Rain-water tank in yard	101	20	81	-
Neighbor's tap	737	402	55	190
Public/ Communal tap	2286	147	312	779
Water-Carrier / Tanker	495	151	12	167
Borehole outside the yard	1399	672	119	536
Flowing water / stream/ river	70	17	-	53
Well	-	-	-	-
Spring	15	15	-	-
Other	527	192	67	184
Total	172 370	53 601	59 113	40 910

Data source: Statistics South Africa, Community Survey 2016

Toilet Facilities

97% of households make use of a flush toilet that is connected to a sewerage system, while 3% makes use of pit latrines.

Table 9: Distribution of households by type of toilet facility in the Ngwathe municipal area.

District and Local Municipality	Main type of toilet facility used										
	Flush toilet connected to a public sewerage system	Flush toilet connected to a septic tank or conservancy Tank	Chemical toilet	Pit latrine/toilet with ventilation pipe	Pit latrine/toilet without ventilation pipe	Ecological toilet (e.g. urine diversion; enviro loo; etc.)	Bucket toilet (collected by municipality)	Bucket toilet (emptied by household)	Other	None	Total
Fezile Dabi	139501	1991	55	3469	10777	12	7814	1256	5593	1901	172370
Moqhaka	48060	1145	18	1268	1804	-	138	253	95	819	53601
Ngwathe	33124	314	37	1792	939	-	3362	188	502	652	40910
Metsimaholo	43484	341	-	377	8006	12	1242	448	4939	264	59113
Mafube	14832	191	-	31	28	-	3073	367	57	167	18745

Source: Statistics SA Community Survey 2016

Energy

A total of 99% of households within the Ngwathe municipal area have access to electricity for household purpose. 1% of households do not have access to electricity. The municipality has committed itself to energy efficiency within the municipal area, by focusing on the increase of capacity, upgrading of networks and replacement of outdated and faulty meters, to reduce electricity loss.

Table 10: Distribution of households using electricity for lighting, cooking and heating in Ngwathe municipal wards

District and Local municipality	Household access to electricity									
	In-house conventional meter	In-house prepaid meter	Connected to other source which household pays for (e.g. con	Connected to other source which household is not paying for	Generator	Solar home system	Battery	Other	No access to electricity	Total
Fezile Dabi	19814	135715	3148	452	11	212	19	1072	11926	172370
Moqhaka	5771	44084	1738	189	-	75	19	184	1542	53601
Ngwathe	2959	35321	415	187	-	95	-	99	1835	40910
Metsimaholo	8196	41558	737	41	-	-	-	720	7862	59113
Mafube	2887	14753	259	36	11	43	-	69	687	18745

Source: Statistics SA Community Survey 2016

Table: Reduction in outages

Water		ELECTRICITY		SEWERAGE Challenges/Spillages		OTHER Roads	
2021/22	2022/23	2021/2022	2022/23	2021/22	2022/23	2021/22	2022/23
20%	35%	20%	35%	15%	20%	50%	50%

Data: Ngwathe Technical Services department

Basic Service Delivery Challenges

Electricity and water losses experienced by the municipality over the last years are contributed to a number of factors, most of these factors or reasons for losses can be alleviated some at greater cost than others, whilst generally more awareness and consciousness of the public may assist the institution to manage such losses.

An initiative in collaboration with Eskom will address some of the losses the municipality experience in terms of collections rates relating to electricity, of which include the replacement of old dilapidated and faulty electricity meters. This collaborative effort will also deal with issues pertaining to current Eskom debt, which also hinders our ability to service the current account.

The serious shortage of staff, specifically in the Technical Services Department is not only a disadvantage but is a direct cause of our inability to respond positively to most basic services challenges. The lack of Master / Sector plans across the organization hinders our ability to do forecast planning and effectively plan specific long-term plans with anticipated growth considerations taken into account.

Table: Basic Service Delivery Challenges at June 2023

Informal settlement area	Challenges	Interventions necessary/initiated
Parys / Tumahole	<ul style="list-style-type: none"> • Inadequate Yellow fleet in-case there is storm Throwing of wires into the network resulting in outages Overload of transformers • Theft and vandalism of electrical equipment Aging Infrastructure • Continuous blocked sewer network due community throwing rubbish into the network. • Storm water in Lusaka, Mandela • Gravelling and maintenance of roads infrastructure 	<ul style="list-style-type: none"> • There is a need to purchase own yellow fleet in staggered way. Consider the option of buying one fleet such .as front loader etc. using equitable share • Develop electricity master plan which must help in the medium to long term in fixing the electricity network. This must be coupled with a well costed maintenance plan. • Municipality to lead in working with all law enforcement agencies in developing a comprehensive crime prevention strategy. • The municipality must develop a revenue plan which must culminate in huge capital budget to address new and old service delivery challenges. Intensify community awareness broadly on social responsibility by community on matters such as avoiding throwing rubbish into the system • Consider the option of prioritizing budget on construction of new roads and maintenance thereof
Vredefort / Mokwallo	<p>Insufficient water in high lying areas (ward14 & 15)</p> <p>Unavailability of water and sewer reticulation in extension 4 Mapetla section in Vredefort.</p>	<p>The problem of underlying areas is been temporarily been offset by the usage of Jojo tanks to deliver water. The completion of the current refurbishment of Water Treatment Plant will come in handy in resolving the challenge.</p> <p>The Business plan was submitted to the Department of Human Settlements and DWS for possible allocation MIG/RBIG/WISG</p>
Heilbron / Phiritona	<p>Insufficient and inconsistent supply of water in extension 9</p> <p>Fire Station</p>	<p>Ngwathe Municipality and Rand Water working together to address the challenge with focus on water losses.</p> <p>Renovation of the Fire Station and the need to capacitate the station with personnel and vehicles</p>

Koppies / Kwakwatsi	<p>Inadequate yellow fleet to immediately respond in case of storm</p> <p>Throwing of wires/chains into the electrical network resulting outages</p> <p>Throwing stones/unnecessary material into sewer manholes</p> <p>Inadequate supply of portable water in high lying areas.</p> <p>Gravelling of roads and fixing of potholes in town</p> <p>High rate of vandalism/ theft of municipal properties</p> <p>Firefighting equipment</p>	<ul style="list-style-type: none"> • There is a need to purchase own yellow fleet in staggered way. Consider the option of buying one fleet such as front loader etc. using equitable share • The need to strengthen stakeholder and community engagement. The municipality public safety department to conduct continuous awareness programs in all schools on a regular basis. • Community awareness/ education regarding usage water • Provision of water storage by building extra pressure tower. • Investment in the gravelling of roads • Community awareness for vandalism/theft occurrences • The municipality must prioritize the capacitation of the fire station in all respects.
Edenville / Ngwathe	Major water shortages and running dry of aquifers	<ul style="list-style-type: none"> • The current abandoned Water Pipeline project from Koppies to Edenville needs to be resuscitated so that this long problem of water supply could be settled

1.4 FINANCIAL HEALTH OVERVIEW - The municipality financial position is as reflected below

Financial Overview – Year 2022/23			
Details	Original Budget	Adjustment Budget	Actual
	R'000	R'000	R'000
Taxes, Levies and tariffs	R 637 496 072	R 637 496 072	R 469 269 706
Rental of facilities	R271 968	R271 968	R95 444
Interest Income	R 46 334 099	R 46 334 099	R 69 356 513
Fines and Licenses	R 1 823 250	R 1 823 250	R41 733
Grants Operating	R 249 579 674	R 249 872 401	R 248 759 524
Other	R1 622 357	R 1 622 357	R 3 443 463
Sub Total	R 937 127 420	R 937 420 147	R 790 966 383
Less Expenditure	R 1 012 124 155	R 1 012 416 882	R 1 079 997 579
Note surplus/deficit	(74 996 735)	(74 996 735)	(289 031 196)

Data supplied by Financial Services Department

The following table some key financial management challenges experienced in 2022/23

Key Financial Challenges and Interventions
Challenges
Creditors and debtors growth at alarming rate
Revenue under-collection / Cash flow liquidity
High distribution losses
High maintenance cost due to aging infrastructure and unnecessary deviations
Shortage of skilled staff

Financial Health

Based on our operating ratios provided below the Municipality financial health is reflected as follows

Operating Ratios				
Details	%	Expected Norm	Variance from Norm	Comment
Employee Cost	24%			
Repairs & Maintenance	1.25%			
Finance Charges & Impairment	28%			

Data Supplied by Financial Services Department

Capital Expenditure

Details	Budget 2021/22	Budget 2022/23	Comment on variations between Actual and Adjustment Budgets
	R'000	R'000	R'000
Original Budget	R 157 404 751	R 135 279 850	
Adjustment Budget	R 169 339 890	R 120 833 850	
Actual	R 100 845 125	R 53 173 513	

Data Supplied by Finance & PMU Department

Risk Assessment

The organizational risks were assessed and a Risk Register was developed. The Municipality's five top risks and mitigation measures follow below:

Five Top Risks and Mitigating Measures

Ranking	Description	Mitigation Strategies
1	Electricity Cable Theft	Appointed Security Services in all the towns of Ngwathe Local Municipality. Cameras have been installed in Parys and the roll-out plan for regions was developed however the challenge is affordability
2	Distribution loss	Installed energy efficiency appliances and upgraded the infrastructure. Gradually replaced conventional meters and faulty (water and electricity) meters.
3	Low Revenue	Implemented Debt and Credit Control Policy and was able to engage the debt collection company on best collection mechanisms. Encouraged communities to pay for their services.
4	Poor Water Quality	Appointed water and sanitation manager to assist in processes of development of Water Services Master Plan. Department of Water and Sanitation provided the support to the municipality.
5	High Litigations	Adherence to legislative requirement in all areas of responsibilities was a challenge noting the vacant position of Legal Manager.

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

Ngwathe municipality subscribes to a view that says, Organizational development is an ongoing, systematic process of implementing effective organizational change.

Directorates

The institution is classified into the following directorates through which employment is housed;

- Political Offices (Mayor and Speaker)
- Municipal Manager's office
- Financial Services
- Technical Services
- Community Services
- Corporate Services

Regions

The municipality is composed of the following five (5) regions

- Parys,
- Heilbron,
- Koppies,
- Vredefort &
- Edenville.

1.6 AUDITOR GENERAL REPORT

The Auditor-General awarded the Municipality Qualified Opinion for the 2022/23 financial year.

1.7 STATUTORY ANNUAL REPORT PROCESS

Table: Annual Report Process

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 confirms in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit Performance Committee considers draft Annual Report of municipality and entities where relevant	August
7	Mayor tables unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	Sept -Oct
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
11	Municipalities receive and start to address the Auditor General comments	November
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor General Report	
13	Audited Annual Report is made public and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight Report	December
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	January
18	Commencement of draft Budget/IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	

It is important to achieve the above deadlines, not only to achieve legislative compliance but to ensure the smooth running of municipal planning, budgeting, service delivery implementation and reporting cycles which all feed and depend on one another. The Municipal Annual Report also informs the planning process of other spheres of government, thus influencing our equitable share of future government grants.

The table below shows to what extent the municipality complied with legislative requirements and timeframes in terms of the Annual Report Process.

Table : Legislative Compliance of the Annual Report Process

Activity	Applicable Legislation	Comment
Annual Report tables to Council within 7 months after end of financial year	MFMA Section 121 (1)	Yes
Annual Report made public for public comment	MFMA Section 127 (5)	Yes
Annual Report placed on website within 5 days after tabling in Council	MFMA Section 75	Yes
Annual Report submitted to National Treasury	MFMA Section 127(5)	Yes

CHAPTER 2

GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO GOVERNANCE

Ngwathe Local Municipality was established in terms of Section 12 Notice of the Municipal Structures Act of 1998. In terms of Section 12 Notice, the Municipality is a Category B Municipality which operates within the Executive Mayoral Committee System combined with the Participatory Ward Governance in Ngwathe Local Municipality is composed of both the Political and Administrative Governance. Governance is the process of decision-making and the process by which decisions are implemented. Governance in the Municipality takes into account legal and constitutional accountability and responsibilities. The Political wing of the Municipality exercises their executive and legislative powers and function to govern the affairs of the municipality. The Administration wing is responsible for Corporate Governance as prescribed by various legislative frameworks,

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

Ngwathe local Municipality has two management teams: a Political and an Administrative team. Together they exist to provide a wide-range of services to residents and businesses. Municipal councils exercise both legislative and executive functions. This is intended to facilitate hands-on governance and synergy between elected representatives, the executive and the administration. The proximity is meant to facilitate a more vibrant and responsive municipality that would ultimately result in efficient service delivery. The political team made up of councillors and directed by the Mayor and MAYCO Members, make strategic and policy decisions for the residents and businesses. The Administrative Team, supervised by the Municipal Manager and the Departmental Directors are to ensure that the decisions are put into effect.

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

In terms of Chapter 7, section 151(2) of the Constitution of the Republic of South Africa, the legislative and executive functions of a municipality are vested within its Municipal Council. The Political leadership of the Municipality exercise their executive and legislative powers and functions to govern the affairs of the Municipality. The legislative function of the Council is vested within the full Council with the Speaker as its Chairperson. The passing of policies and By-laws remain the responsibility of Council.

The Executive Mayor: Cllr V De Beer Mthombeni has overarching strategic and political responsibility for Ngwathe local Municipality and also represents the Municipality at ceremonial functions. She receives reports from the Municipal Manager and presents these along with recommendations to Council.

The Speaker: Cllr NP Mopedi is the Chairperson of the Council. The Speaker presides over Council meetings ensuring that meetings are held regularly, maintaining order during Council meetings and that the rules and regulations of the meeting are adhered to.

The Audit Committee is an independent committee constituted to review the control, governance and risk management within the Municipality. It is established in terms of section 166 of the Municipal Finance Management Act (MFMA). The Committee constitutes of members, who meet quarterly as per the schedule of meetings and provide recommendations on financial and nonfinancial processes of the Municipality.

Municipal Public Accounts Committee (MPAC) exercises oversight over the executive functionaries of Council and ensures good governance in the Municipality. Its functions include the analysis of the Annual Report, and submission of the Oversight Report on the Annual report to Council with recommendations. Once the Oversight Report has been considered and approved by Council, it is published in accordance with the MFMA requirements and guidance.

The council consist of 38 councilors belonging to different political parties represented in council. The Mayor and Speaker also form part of council and are both fulltime office bearers.

THE MAYOR AND SPEAKER OF NGWATHE MUNICIPAL COUNCIL



CLLR VICTORIA DE BEER/MTHOMBEINI

MAYOR

Functions

To preside during the Executive meetings
performs the duties, including any ceremonial functions, and exercises the powers delegated to the Mayor by the Council or Mayoral Committee



CLLR NEHENG PAULINA MOPEDI

SPEAKER

Functions:



To preside during the Council meeting
 performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal System Act, No 32 of 2000
 To ensure that Council meets quarterly
 To maintain order during the Council meetings
 ensure compliance in the Council and Council committees with the Code of Conduct set out in Schedule 1
 To ensure that Council meetings are conducted in accordance with Rules and Orders of the Council

Composition of the Municipal Council:

Political Party	Number of Seats
ANC	21
DA	7
EFF	5
FF+	3
NRA	1
TOTAL	37

MAYORAL COMMITTEE

The Mayoral Committee (MAYCO), which is chaired by the Mayor and draws membership from the chairs of the following Municipal Portfolio Committees (Section 79/80 committees):

COMMITTEE	NAME OF COUNCILLOR	DESIGNATION
1.Finance and Budget		
	1. Cllr Mmutenyane Johny Serati	Chairperson
	2. Cllr Thabo Petrus Sothoane	
	3. Cllr Modise Joshua Moroenyane	
	4. Cllr Kau Jacob Khumalo	
	6. Cllr Arnold Mattheus Schoonwinkel	
	7. Cllr Phillippus Petrus Van Der Merwe	
	8. Cllr Sellwane Lydia Moseme	
	6. Cllr Arnold Mattheus Schoonwinkel	
2.Infrastructure And Led		
	1. Cllr Mosiuwa David Mofokeng	Chairperson
	2. Cllr Jerry Mbuyiselo Tyumbu	
	3. Cllr Matjhini Shadrack Toyi	
	4. Cllr Manthole Elsie Sefako	
	5. Cllr Leponesa Petrus Sotshiva	
	6. Cllr Salomon Hercules Francois De Jager	
	7. Cllr Phillippus Petrus Van Der Merwe	
	8. Cllr Sellwane Lydia Moseme	
3. Urban ,Planning and Rural		
	1. Cllr Mohau Thabiso Joseph Mosepedi	Chairperson
	2. Cllr Serame Nteo	
	3. Cllr Ephaus Sipho Nthoesane	
	4. Cllr Nomakhaza Suzan Molo	
	5. Cllr Jan Abraham Meyer	
	6. Cllr Robert Sadat Ferendale	
	7. Cllr Andele Abram Jantjie	
4.Corporate Services		
	1.Cllr Kau Jacob Khumalo	Chairperson
	2. Cllr Ephaus Sipho Nthoesane	
	3. Cllr Thabo Petrus Sothoane	
	4. Cllr Leponesa Petrus Sotshiva	
	5. Cllr Serame Nteo	
	6. Cllr Jan Segoba	
	7. Cllr Marinda Matthysen-Engelbrecht	
5. Social and Community Development		

	1. Cllr Manthole Elsie Sefako	Chairperson
	2. Cllr Makoena Mirriam Rantsaile	
	3. Cllr Dorris Masooane	
	4. Cllr Isaac Malebo Magashule	
	5. Cllr Mmutenyane Johny Serati	
	6. Cllr Catharina Serfontein	
	7. Cllr Marinda Matthysen-Engelbrecht	
	8. Cllr Kgathatso Josephina Mokoena	
6.Special Programme and IDP		
	1.Cllr Dorris Masooane	Chairperson
	2. Cllr Modise Joshua Moroenyane	
	3. Cllr Ben Thabo Mokoena	
	4. Cllr Isaac Malebo Magashule	
	5. Cllr Makoena Mirriam Rantsaile	
	6. Cllr Ntutu Alfred Sehume	
	7. Cllr Jan Abraham Meyer	
7. Public Safety and Transport		
	1. Cllr Nomakhaza Suzan Moloi	Chairperson
	2. Cllr Aron Johann De Jager	
	3. Cllr Selma Kok	
	4. Cllr Mosiuwa David Mofokeng	
	5. Cllr Isaac Malebo Magashule	
	6. Cllr Ben Thabo Mokoena	
	7. Cllr Marie La Cock	
	8. Cllr Jan Abraham Meyer	
	9. Cllr Makabelo Princilla Moloi	
8. MPAC/Section 32		
	1. Cllr Matjhini Shadrack Toyi	Chairperson
	2. Cllr Leponesa Petrus Sotshiva	
	3. Cllr Jerry Mbuyiselo Tyumbu	
	4. Cllr Makoena Mirriam Rantsaile	
	5. Cllr Thabo Petrus Sothoane	
	6. Cllr Andele Abraham Jele	
	7. Cllr Arnold Mattheus Schoonwinkel	
	8. Cllr Jan Abraham Meyer	

2.2 ADMINISTRATIVE GOVERNANCE

The IDP and PMS Manager is a key unit within the Municipal Managers' office. It is responsible for the Integrated Development Plan (IDP) and Performance Management.

Internal Audit and Risk Manager are also located in the Municipal Manager's office and ensures compliance with municipal legislation. It also monitors that all departments adhere to the IDP, the municipal strategy, policies and Risk Management in the sector.

Ngwathe Local Municipality has three (4) Municipal Departments that report to the Municipal Manager. These Departments are directed by Directors who ensure that services are delivered to the people of Ngwathe. However, note be taken that the following Positions are vacant, Municipal Manager, Director Corporate, Chief Financial Officer and Director Community Services. The Director Technical Services is still on suspension. The vacant positions are manned by personnel on an acting capacity.


The Acting MM and CFO are both seconded by Provincial COGTA whereas the Acting Director Corporate Services has been seconded from Fezile Dabi District Municipality.

The Acting Municipal Manager and his team of Directors and Managers must convene weekly meetings to discuss key strategic service deliverables, progress and guidance on achieving IDP goals, staff matters as well as the monitoring of the Municipal Budget and Projects

The Macro structure of the municipality is currently as reflected below;

MACRO STRUCTURE OF NGWATHE MUNICIPALITY	
Mr Tebogo Manele	MUNICIPAL MANAGER Functions <ul style="list-style-type: none"> • Provide strategic Direction to all 4 Directors • IDP • SDBIP • Performance Management • Local Economic • Tourism • Sector Plans • Audit Management • Risk Management

<p>Ms Keneuwe Lepesa</p>	<p>ACTING CFO</p> <p>Functions</p> <ul style="list-style-type: none"> • Revenue management, • Expenditure management, • Asset management, • SCM management, • Budget and Reporting
<p>Mr Tladi Motshoika</p>	<p>ACTING DIRECTOR: CORPORATE SERVICES</p> <p>Functions</p> <ul style="list-style-type: none"> • Human Resource Management • Legal Services • Admin and Records Management • Property Management • Information and Communication Technology • Customer relations • Training/Learning and Development • Building Maintenance. • Occupational Health and Safety. • Labour Relations. • Employment Equity
<p>Mr Mxolisi Pali</p>	<p>ACTING DIRECTOR: COMMUNITY SERVICES</p> <p>Functions</p> <ul style="list-style-type: none"> • Town Planning, Land Use Management • Disaster management & Firefighting Services • Sports, Arts and Culture • Human Settlements • LED. • Commonages. • Refuse Removal. • Land fill Sites. • Building Plans. • Parks & Recreation. • Mimosa. • Environmental Health.

 <p>MR. TR MALUNGA</p>	<p>DIRECTOR: TECHNICAL SERVICES</p> <p>Functions</p> <ul style="list-style-type: none"> • Roads and Storm Water Management • Water and Sanitation • Waste Management • Electricity Management • PMU
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The total number of positions on the staff establishment is for the reporting period positions the status is as follows:

Positions	Number
Number of positions in the staff establishment	1,342
Total Number of new positions filled	3
Total number of critical vacant positions	236
Total number of vacant positions during the period	599
Vacant Section 56 Positions	3

Meeting the requirements for Political and Administrative Governance

This section reports on how the municipality met requirements of participation, rule of law, transparency, responsiveness, consensus, equity/inclusiveness, effectiveness/efficiency, accountability and sustainability with regard to handling its governance mechanisms/structures.

Sustainability

Sustainability is the capacity to endure. How systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources

Productivity

The municipality's political and administrative governance structures remained productive throughout the 2022/23 financial year and complied well with legislative requirements. The following meetings were held:

Table : Council and MAYCO Meetings held and attended in June 2022 until July 2023

Council and MAYCO Meetings held and attended

Meetings	2020-21	% Attendance	2021-22	% Attendance	2022-23	% Attendance
Mayoral Committee Meetings	5	87	4	91	3	87
Special Mayoral Committee Meetings	4	97	4	78	8	89
Council Meetings	5	87	4	2	3	80
Special Council Meetings	5	80	5	5	14	82

MPAC Committee

The **MPAC** (Municipal Public Accounts Committee) has taken over the function as the Oversight Committee.

The Oversight Committee met on the following dates:

DATE	VENUE	ATTENDANCE
7 June 2022	Commando Boardroom	100%
28 July 2022	Zoom	75%
25 November 2022	Zoom	88%
14 February 2023	Zoom	100%

Audit Committee Member	Portfolio	Committee Members Attending	Date of appointment	Audit Committee Meetings Held 2022/23
Mr. MA. Mmapheto	Chairperson	100%	12 August 2022	10 (Apologies - 0)
Mr. BLL. Mbange	Member	100%	12 August 2022	10 (Apologies - 0)
Advocate. Me. Suzette Gordon	Member	100%	12 August 2022	10 (Apologies - 0)
Professor. TA. Thekiso	Member	100%	12 August 2022	10 (Apologies - 0)

Council established and/or appointed an Audit and Performance Audit Committee from the beginning of 2022/2023 financial year.

Accountability, Transparency and Rule of Law

Accountability is a key requirement of good governance. Accountability cannot be enforced without transparency and the rule of law. Transparency means that stakeholders are provided with information on decisions taken that directly affect them. Rule of law means that legal frameworks are enforced impartially.

The municipality's political and administrative governance structures are held accountable through various measures all of which are adhered to by the Ngwathe Municipality.

Table: Governance Structures and Accountability Measures

Governance Structure	Measure of Accountability
Council	To approve the budget and encourage culture of community participation to community. Ensure that administration provide support to Council and also to approve policies and by-laws
Mayoral Committee (MAYCO)	To present strategic plan to council and make recommendations to council
Ward Committees	To assist the Ward Councilors with community needs and make recommendations to Council. They also serve as link to Council and residents
Portfolio Committees	Discuss matters affecting portfolio and submit reports to EXCO
MPAC Committee	The Oversight Committee serves as an oversight committee - to determine the institutional functionality of the Municipal Council in terms of effectiveness. An Oversight Report is tabled to Council
The municipality reports its annual performance and financial statements to the Auditor General	The Auditor General delivers an AG Report and expresses an audit opinion
The municipality reports its financial status and performance to its communities annually	The approved Annual Report is made available to the public
Municipal structures, employees, operations, procedures and processes are ruled by legislation	Policies, Bylaws, Legislation, Regulations and Codes are available
Worker Representative Unions represent employees on organizational structures and observe the legality of labour practices procedures and processes	Unions serve as link between administration and labour. They assist labours in term of unfair labour practice by employer
Internal Auditing ensures the management of risk exposure and monitors adherence to legislation	The unit identifies municipal risk and generates a Municipal Risk Register Internal Auditing reports are generated and tabled to Council
The Audit Committee is responsible for the oversight of internal controls, financial reporting and Compliance with regulatory matters.	Audit Committee approves the Internal Audit Plan and reports to Council
Community participation in the development of Policies and Strategies	Participative processes are scheduled
IDP and Budgeting Participation	Participative processes are ensured with a Council approved Process Plan
Performance Management Committee	An evaluation panel, established in terms of Section 6.6 of the Performance Agreement, evaluates the performance of employees. Performance Agreements are signed on acceptance.
Organizational and Service Delivery Performance reporting to Council	Quarterly Performance Reports on the SDBIP are tabled to Council

Municipal Website promotes transparency	<p>The Municipal website is updated as and when required. All current event news articles, as well as required legislative documents (including budgets, tenders and vacancies) are updated on the website.</p> <p>Around unique visitors browsed the municipal website on a monthly basis during the 2020/21</p>
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Effectiveness and Efficiency

Good governance means that processes and institutions produce results that meet the needs of society, while making the best use of resources at their disposal. In this instance, those governance structures and processes that ensure that the community needs are met, with the best use of resources

Table 23: Governance Structures and Measures of Effectiveness and Efficiency

Governance Structure	Measure of Effectiveness and Efficiency
Portfolio Committees monitors municipal service delivery and budget implementation	Quarterly Reporting to Council on the SDBIP
Executive Committee ensures the mid-term assessment of performance, spending and budget	Mid-Term Assessment Report tabled to Council Adjustment Budget Tabled to Council if needed Adjusted SDBIP tabled to Council if needed
Audit Committee ensures oversight of internal auditing and risk management processes	Internal Audit Plan Internal Audit Reports tabled to Council Risk Register Number of fraud cases reported and losses recovered
Performance Management Committee	Performance The Performance Management System is designed to reward superior performance. This linking increases overall organizational motivation and efficiency by focusing the executive management on the successful implementation of the IDP and Budget.)

Equity and Inclusiveness

Society's wellbeing depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.

The political and administrative governance structures of Ngwathe Municipality reflect equitable representation of the area's population structure. Different Political Parties are well represented in Council.

Consensus orientated

Good governance requires mediation of the different interests in society. To be consensus orientated means striving towards reaching a broad consensus on what is in the best interest of the whole community and how this can be achieved.

Consensus on what is in the best interest of the whole community and how it can be achieved is a process that unfolds through the municipality's scheduled, consultative IDP, Budgeting and Ward Based Planning processes.

Responsiveness

Responsiveness means that institutions and processes try to serve all stakeholders within a responsible timeframe.

The governance structures of Ngwathe Municipality mainly adheres to set Council schedules, process plans approved by Council and reporting cycles determined by Provincial and National Government spheres. This is monitored through administrative compliance monitoring and oversight by the Audit Committee.

Participation

Participation can be direct and/or through legitimate intermediate institution or representatives.

Community participation in the governance structures of the Ngwathe Municipality is mainly achieved through the Ward Committees System and consultative meetings with the community and sectors in the scheduled IDP/Budget process. Community Participation in the development of Policies and Strategies has otherwise been achieved through scheduled consultation sessions and/or workshops and/or through website uploads for community review and comments.

COMPONENT B. INTER-GOVERNMENTAL RELATIONS

The Municipal Systems Act, Section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution Section 41.

Ngwathe municipality strives to uphold its legislative authority and co-operative governance as required by the Constitution and other relevant legislation. In doing so, the Municipality maintains good co-operative and inter-governmental relations with the District municipality, neighbouring municipalities, Provincial and National Government and other government agencies. Maintaining good relations with other spheres of government makes it possible to benefit from the various contributions to service delivery offered by government, by aligning municipal planning to the development objectives and targets of provincial and national sector departments. Such contributions include various grants, skills development and capacity building roll-outs which strengthen local government in its quest to improve service delivery.

2.3 INTER-GOVERNMENTAL RELATIONS

Ngwathe Municipal staff and Management attends various engagements / sessions in - upholding good inter-governmental relations for the purpose of good governance, government - collaborated strategic direction, aligned planning, reporting, legislative compliance, accountability and Ngwathe's participation in government programs and roll-outs to benefit development of our Administration, local area and communities.

The table below illustrates the numbers of engagements held in the province and district to which municipal officials were invited and therefore attended to enhance institutional capacity and also access relevant dire funds or support which are sometimes offered at these engagements of government.

Table 25 : IGR Engagements by Ngwathe Municipality 2022/23

IGR ENGAGEMENTS FOR THE OFFICE OF MUNICIPAL MANAGER			
Meetings/Forum	Attended on behalf of Ngwathe Municipality	Hosted in / Where	Date
IDP PROVINCIAL MANAGER'S FORUM	IDP/PMS MANAGER	Kroonstad	28 June 2023
IDP ASSESSMENT		Bloemfontein	18 April 2023
DISTRICT SPATIAL DEVELOPMENT MEETING	IDP/PMS MANAGER	Fezile Dabi District Municipality, Sasolburg	24 November 2023
PROVINCIAL IDP SUPPORT MEETING	IDP/PMS MANAGER		9 March 2023
PMS PROVINCIAL SYMPOSIUM	IDP/PMS OFFICER	CLARENS	13 December 2023

COMPONENT C: Public Accountability and Community Participation

Sustainability

Sustainability is the capacity to endure. How systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources

Ward Committees as a governance structure promotes public accountability and strengthens community participation. The Ward Committee System is fully institutionalized and capacitated within the Ngwathe Municipality.

Table 26: Ward Committees and Chairperson in 2022/23

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor	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 quarterly public ward meetings held during year
1. Ward 1	Cllr AJ De-Jager	1. Kevin Stephen Minnies 2. Motsoeneng Thabo Abram 3. Elizabeth Landman 4. Mokoena Lekgetlo 5. Beryl Selilo 6. Lee Poulton 7. Sergio De Jager 8. Phakati Zacharia 9. Ndumo Mfanelo Joseph 10. Mokoena Puseletso Reuben	Yes	1	1	1
2. Ward 2	Cllr MJ Serati	1. Molapisi Rapuleng 2. Makanyane Mphasane 3. Chaane Thabang 4. Seabi Ishmael 5. Mosedi Mohau 6. Ndaba Matseliso 7. Catherine Manus 8. Tshepo Mazibuko 9. Elizabeth Modiehi Nteo 10. John Watson	Yes	6	6	8
3. Ward 3	Cllr MD Mofokeng	1. Samuel Sekobolo 2. Dikeledi Maria Modiba 3. Mantahli Mofokeng 4. Obakeng Mafale 5. Mojanaga Moholo 6. Pulane Mosia 7. Osiah Mapohoshe 8. Betty Mofokeng 9. Khisi Nhlapo 10. Matsoso Mofokeng	Yes	4	3	5
4. Ward 4	Cllr S Nteo	1. Msibi Dickson 2. Ntong Mapiti Michael 3. Tefo Thobeha 4. Mokgo Motsapi 5. Pugisho Gaborone 6. Mohapi Mohete 7. Thato Tsetsei 8. Matsietsi Tsetsei	Yes	4	5	6

		9. Lebajoa Hadifele 10. Nyaleng Nthakha				
5. Ward 5	Cllr MD Rapuleng	1. Hlubi Mannuku 2. Melato Stompi 3. Mofokeng Thakane Selina 4. Sechemana Ntandana 5. Chalale Sarah 6. Majoe Abram 7. Nthakga Phindile 8. Mnguni Jabulani 9. Maseko Samson 10. Sefatsa Jacob	Yes	4	6	7
6. Ward 6	Cllr T Mokoena	1. Selai Martha 2. Sechele Piet 3. Malalugi Masekhopolo 4. Seeta Alinah 5. Bosman Neo 6. Sehume Rosina 7. Mpatane Taedi 8. Mofokeng Mittah 9. Ncule Sabelo 10. Rafube Malefu	Yes	0	7	7
7. Ward 7	Cllr MJ Moroenyane	1. Thabethe Selina 2. Sethoko Mojalefa 3. Mgcina Moretlo 4. Mofokazana Nomsa 5. Keta Disebo 6. Mtshilibe Mbulelo 7. Nthebe Pulane 8. Phokojoe Dihlahleng 9. Hartsliel Phillip 10. Kramer Pulane	Yes	6	8	8
8. Ward 8	Cllr KJ Khumalo	1. Leraisa Ditaba 2. Nthabiseng Ramatlotlo 3. Ishmael Mokitlane 4. Mogale Palesa Aletta 5. Tshediso Motsapi 6. Mothupi Jane 7. Botha Albertina 8. Pule Lebing 9. Sehume Paulina Mathabo	Yes	4	5	5
9. Ward 9	Cllr IM Magashule	1. Mochela Joseph 2. Qetso Suzan 3. Putsoenyane Anna 4. Poole Simon 5. Maseko Thandeka 6. Kati Nomthandazo 7. Rasmeni Sandile 8. Koalepe Maria 9. Malindi Betty 10. Mokoena Julia	Yes	0	0	0
10. Ward 10	Cllr MM Rantsaile	1. Mabeletse Magauta 2. Letsaba Cynthia 3. Ntlaahla Vuyisile 4. Molata Filda 5. Kock Elizabeth 6. Mahlaba Thabo 7. Poha Maggie 8. Mothupi Baratang 9. Motshwane Ishmael	Yes	6	11	11

		10. Thabang Gabriel Mosoeu				
11. Ward 11	Cllr MTJ Mosepedi	1. Masike Mampone 2. Mthimkulu Zacharia 3. Rantsaile Leah 4. Kamete Aletta 5. Plaatjie Nokuthula 6. Chalale George 7. Mofokeng Joseph 8. Msibi Ezekiel 9. Maembane Lindiwe 10. Kaliko Puseletso	Yes	3	13	13
12. Ward 12	Cllr M La Cock	1. Eksteen Uys 2. Maria Le Roux 3. Stephanus Le Roux 4. Frednka Elizabeth Van Zyl 5. Elize Du Toit 6. Jackie De Wet 7. Stephanus Mulder 8. Marie De Gouveia 9. Hermanus Greeff 10. Amanda Greeff	Yes	0	0	0
13. Ward 13	Cllr MJ Tyumbu	1. Msokoli Ndzunga 2. Makoena Mgavu 3. Fabion Gilliland 4. Jahannes Kamfer 5. Motsie Tlaletsi 6. Thembi Thebane 7. Cynthia Mokhokane 8. Irma Herbst 9. Nombulelo Nxoko 10. Marumo Jeminah	Yes	6	12	12
14. Ward 14	Cllr TP Sothoane	1. Makomtere Nkali 2. Mosele Khaile 3. Jacob Williams 4. Selloane Mogoere 5. Mmaki Rantsho 6. Angelina Nosenga 7. Fansele Hokomane 8. Angelique Kleynhans 9. Dimakatso Ratema 10. Phillip Msebezi	Yes	4	1	1
15. Ward 15	Cllr ME Sefako	1. Maselwa Martha Disebo 2. Sehume Palesa 3. Roberts Moitlisi Jerminah 4. Mooketsi Lebohang Yvonne 5. Motaung Nthabiseng 6. De Bruin Lahliwe 7. DeWet Dipolelo 8. Zweni Nomthandazo 9. Poho Manana 10. Letsipa Mamokete	Yes	6	3	3
16. Ward 16	Cllr LP Sotshiva	1. Mophuthing Motebang 2. Mohapeloa Christina Msimang 3. Radebe Phahla 4. Ramonana Martha 5. Moeketsi Modise 6. Mokgatla Dineo	Yes	4	5	5

		7. Nondala Mokhosi Elizabeth 8. Serifi Sello 9. Lebona Moipone 10. Majola Nondlela				
17. Ward 17	Cllr D Masoane	1. Majoe Nthabiseng 2. Serobe Makhetsane 3. Moletsane Motjapai 4. Selepe Makhala 5. Marumo Stuurman 6. Mochela Keitledi 7. Rantuba Neo 8. Maetse Tumelo 9. Tshele Nthole 10. Mankayi Monono	Yes	6	7	7
18. Ward 18	Cllr MS Toyi	1. Sejake Matshediso 2. Mofokeng Molefi 3. Mosito John 4. Ramabitsa Mafatshe 5. Radebe Puleng 6. Mashiane Madibuseng 7. Nthebe Seoe 8. Montsho Mokwasi William 9. Motaung Motswepe 10. Kumalo Rebecca	Yes	6	6	6
19. Ward 19	Cllr S. Nthoesane	1. Oliphant Greyory Sizwe 2. Noge John 3. Moloto Gloria 4. Seekane Martha 5. Smith Mantshadi 6. Hlungu Falthenjwa 7. Sefatsa Tsheiso 8. Mahlaku Victoria 9. Mathikga Mmone 10. Mokanyane Kgaohelo	Yes	0	7	7

2.4 Community Participation in the Development of Legal Frameworks and Directives

In its endeavor to ensure accountability and in enforcing transparency and the law, the municipality followed the process hereunder. The table below indicates the dates on which Ngwathe Municipality consulted with the community in the development of Municipal directives and documents in 2022/23, as advertised on the municipal website.

Table : Website Uploads for Community Review and Comments

WEBSITE UPLOADS FOR COMMUNITY REVIEW AND COMMENTS	
MUNICIPAL DIRECTIVE & ACTION	DATE
Inspection of valuation roll	N/A
Tabling of Draft Annual Report 2021/22	01/02/2022
Municipal Budget, Integrated Development Plan, Policies and determination of tariffs for the financial year: 2022/23	04/04/2023 10/06/2023
IDP open for comment	07/06/2023
Amendments of tariffs	

PUBLIC PARTICIPATION MEETINGS ON THE REVIEW IDP AND BUDGET 2022/23

Public participation Process will be commencing according to the following schedule, Communities and all key stakeholders of the public are encouraged to attend the meetings in their respective wards.

DATE	TOWN	WARD	VENUE	LEAD MMC	WARD COUNCILLOR	TIME
11 MAY 2022 WEDNESDAY	EDENVILLE	18	N.G. KERK	CLLR MTJ MOSEPEDI	CLLR M TOYI	16H00
	KOPPIES	16	KWAKWATSI HALL	CLLR D MASOOANE CLLR MJ SERATI	CLLR L SOTSHIVA	16H00
		17			CLLR D MASOOANE	
					CLLR TP SOTHOANE	
					CLLR ME SEFAKO	
	HEILBRON	1	MULTI PURPOSE CENTRE	EXECUTIVE MAYOR CLLR V DE BEER CLLR MD MOFOKENG	CLLR AJ DE JAGER	16H00
		2			CLLR MJ SERATI	
		3			CLLR MD MOFOKENG	
		4			CLLR S NTEO	
		5			CLLR MD RAPULENG	
	PARYS	6	MASTER NAKEDI	CLLR KJ KHUMALO CLLR ME SEFAKO CLLR NS MOLOI	CLLR BT MOKOENA	16H00
		7	LISTER SKOSANA		CLLR M MOROENYANE	
		9	BARNARD SCHOOL		CLLR IM MAGASHULE	
		10	MOSEPEDI HALL		CLLR MM RANTSAILA	
12 MAY 2022 THURSDAY	PARYS	11	BOTJHABATSATSI SCHOOL	EXECUTIVE MAYOR - CLLR V DE BEER CLLR NS MOLOI CLLR KJ KHUMALO CLLR MD MOFOKENG	CLLR MTJ MOSEPEDI	16H00
		12	FORUM BUILDING		CLLR M LA COCK	
		13	SCHONKENVILLE HALL		CLLR MJ TYUMBU	
		19	PHEHELLANG SCHOOL		CLLR ES NTHOESANE	
13 MAY 2022 FRIDAY	PARYS	ALL WARDS	MASTER NAKEDI	STAKEHOLDER FORUM	ALL COUNCILLORS	

Consensus orientated

Good governance requires mediation of the different interests in society. To be consensus orientated means striving towards reaching a broad consensus on what is in the best interest of the whole community and how this can be achieved.

COMPONENT D. Corporate Governance

Sustainability

Sustainability is the capacity to endure. How systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources

2.5 Risk Management

Section 62 of the Municipal Finance Management Act (MFMA), no. 56 of 2003, states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality.

Risk management processes are coordinated and championed by Risk Management Unit led by Risk and Compliance Manager. The governance model of operation of the systems of managing risks is decentralized, where department are responsible for performing risk identification, evaluation, mitigation and reporting processes. Operational risk assessment was conducted and the results were used to compile risk registers. The top ten risk identified in the municipality are as follows:

Risk Assessment

The organizational risks were assessed and a Risk Register was developed. The Municipality's top ten risks are as follows:

Ranking	Description
1	Security Supply – Failure to provide basic services – quality and distribution of water, electricity and waste
2	Aged and Ageing Infrastructure - asbestos pipes, transformers (critical infrastructure blackouts)
3	Inadequate processes to manage communication (Lack of feedback to stakeholders)
4	Social Unrest
5	Low Revenue
6	Unauthorised, irregular, fruitless and wasteful expenditure
7	Job descriptions not developed (lack of accountability in municipality)
8	Breaches of contracts and litigations
9	Untraced and incorrectly classified assets
10	Land invasion

Although the Risk Management Unit facilitated the above, departments were unable to update their risk registers as per the recorded due dates. The instability in senior management contributed to performance of the municipality and that contributed on not being able to establish Risk Management Committee. Risk Management was guided and monitored by Audit Committee which report to Municipal Council. Municipal Council has not approved Risk Management Enablers, Risk Management Strategy, Policy and Fraud Prevention Policy.

a) Developed Strategies

Table 31: Strategies: Anti-corruption and Anti-fraud

Name of Strategy	Developed Yes/No	Date Adopted/Reviewed
Fraud Prevention Policy	Yes	

a) Risk Profile

The annual risk assessment reflected the following change in risk profile:

Top ten risks 2022/23

Top 10 Institutional Risks were reviewed and updated through a collaborative process with support from Provincial Treasury.

The updated list of Top 10 institutional risks are as follows:

Table 30: Top Ten Risks

Ranking	Description
1	High Electricity Cable Theft
2	High Expenditure Patterns
3	Low Revenue
4	Poor Water Quality
5	Weak internal Controls
6	Ageing Infrastructure
7	Distribution loss
8	Outdated maintenance Plans
9	High Litigations
10	Floods

2.6 Anti-Corruption and anti-fraud

“Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.”

Ngwathe Local Municipality has a **ZERO TOLERANCE** to Fraud and Corruption and thus has the intent to promote consistent organizational behaviour by providing guidelines and assigning responsibilities for the development of controls and conduction of investigations relating to fraud and corruption. The fraud prevention policy are such documents designed to align Ngwathe Local Municipality to the national priority of combating fraud and corruption. Anti-Corruption and Fraud

Section 62 (1) (c) (i) of the Municipal Finance Management Act (MFMA), no. 56 of 2003, states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality. Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1)

of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud. In terms of fraud preventative arrangements, Ngwathe Municipality has instituted:

- The promotion of an ethical culture
- Provision of training to employees
- Adoption of a policy on fraud and anti-Corruption
- Provision of physical security for municipal buildings and
- Procedures of employee vetting - executed before employees are appointed
- Procedures of employee vetting - executed before employees are appointed

Internal Audit and Audit Committee

Ngwathe Municipality has a fully functional Internal Audit Unit and the Audit and Performance Committee is instituted. Audit Committee has the authority to perform its oversight functions as legislated in section 166 of the Municipal Finance Management Act MFMA).

The audit committee advises the municipal council, the political office- bearers, the accounting officer and the management staff of the municipality on matters relating to:

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

The Audit Committee has the responsibility to review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with the Act, the annual Division of Revenue Act and any other applicable legislation.

The audit committee consisted of the members listed hereunder, and **(10)** meeting were held during the 2022/23 financial year. Logistical arrangements were as follows:

Scheduled meetings and attendance

Title	Name	Portfolio	Number of Meetings
Mr	Mr. MA. Mmapheto	Chairperson	10 (Apologies - 0)
Me	Mr. BLL. Mbange	Member	10 (Apologies - 0)
Mr	Advocate. Me. Suzette Gordon	Member	10 (Apologies - 0)
Mr	Professor. TA. Thekiso	Member	10 (Apologies - 0)

During 2022/23 the Audit Committee had (4) members and convened **(10)** meetings for the financial year.

Table : Audit Committee Meetings and Attendance

Audit CommitteeMember		Committee Members Attending	Date of appointment	Audit Committee Meetings Held 2022/23
Mr. MA. Mmapheto	Chairperson	100% meetings	12 August 2022	10 (Apologies - 0)
Mr. BLL. Mbange	Member	100% meetings	12 August 2022	10 (Apologies - 0)
Advocate. Me. Suzette Gordon	Member	100% meetings	12 August 2022	10 (Apologies - 0)
Professor. TA. Thekiso	Member	100% meetings	12 August 2022	10 (Apologies - 0)

2.7 MPAC Committee

The Oversight Committee now operates as a Municipal Public Accounts Committee (MPAC), consisting of Seven (7) members appointed to strengthen and provide oversight within the municipality, in terms of the provision of S79 of the Local Government Municipal Structures Act 117 of 1998. MPAC is a committee of Council and its meeting schedule is therefore developed and managed in such manner.

No	Title	Name & Surname	Portfolio
1	Cllr	Matjhini Toyi	Chairperson
2	Cllr	Leponesa Petrus Sotshiva	Member
3	Cllr	Jerry Mbuyiselo Tyumbu	Member
4	Cllr	Makoena Mirriam Rantsaile	Member
5	Cllr	Thabo Petrus Sothoane	Member
6	Cllr	AA Jantjie	Member
7	Cllr	Arnold Mattheus Schoonwinkel	Member
8	Cllr	Jan Abraham Meyer	Member

The MPAC Committee primary responsibility is to serve as an oversight committee - to determine the institutional functionality of the Municipal Council in terms of effectiveness.

OVERVIEW SUPPLY CHAIN MANAGEMENT

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

2.8 WEBSITES

MUNICIPAL WEBSITE CONTENT AND ACCESS:

Website Uploads For Community Review and Comments 2022/23

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes/No	Publishing Date
Current annual and adjustment budgets and all budget related documents	YES	10/06/2023 08/03/2023 23/08/2023
All current budget related policies		08/03/2023
The previous annual report	YES	23/08/2023
The annual report (2022/23) published / to be published	YES	August 2023
All current performance agreements required in terms of section 57 (1)(b) of the MSA and resulting scorecards	YES	03/08/2023
All service delivery agreements	N/A	Xxxxxxxxxx
All long-term borrowing contracts	YES	xxxxxxxxxxx
All supply chain management contracts above a prescribed value	YES	xxxxxxxxxxx
Information statement containing a list of assets over a prescribed value that have been disposed of ito section 14(2)	NO	xxxxxxxxxxx
Contracts agreed in 2017 to which subsection (1) of sectoion 33 apply, subject to subsection (3)	NO	Xxxxxxxxxxxx
Public private partnerships agreements referred to in section 120 made	NO	Xxxxxxxxxxxx
All quarterly reports tabled in the council in terms of section 52 (d) during 2022/23	YES	23/08/2022

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

2.9 POLICIES AND BYLAWS

Table : POLICIES AND BYLAWS ADOPTED

POLICY	COUNCIL
<ul style="list-style-type: none"> Ngwathe Municipality Fraud Prevention Policy Ngwathe Municipality Risk Management Policy Attendance and Punctuality Policy Bursary Scheme for community members policy Communication and strategy policy Incapacity policy Internal Bursary Policy Leave policy Occupational Health and Safety Policy Recruitment and placement policy Training and Development policy Subsistence and travelling policy HR Policy and procedure manual 	30/08/2019 30/08/2019 10/12/2020 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008 01/08/2008
BY-LAWS ADOPTED	COUNCIL RESOLUTION
<ul style="list-style-type: none"> Standard Commonage Standard Delegation of powers Encroachment policy Fire and Emergency services Ward committee Waste Management Water Restriction By-law on Promulgation of Water Services intermediary and provision of water and sanitation services to residents on privately owned land 	14/12/2016 N/A 14/12/2016 17/03/2013 N/A 14/12/2016 14/12/2016 14/12/2016 14/12/2016

By-laws Introduced					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted * (Yes/No)	Date of Publication
Land Use Scheme		Adopted for public participation	N/A	No	N/A

BY-LAWS

COMMENT ON BY-LAWS:

Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

COMPONENT E

ANNUAL REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT

1. INTRODUCTION

We are pleased to present our report for the financial year ended 30 June 2023, which covers the Audit Committee activities from July 2022 to June 2023.

The Audit and Performance Audit Committee herein referred as Audit Committee has been established as an independent Committee, in terms of Section 166 of the Municipal Finance Management Act (MFMA) No. 56 OF 2003. The Audit Committee has adopted formal terms of reference (Charter) that has been approved by Council and has executed its duties during the period of reporting hereunder in accordance with these terms of reference.

2. AUDIT AND PERFORMANCE AUDIT COMMITTEE MEMBERS AND ATTENDANCE

All members of the Audit Committee are independent, with no interest in the management or conduct of the business of the Municipality.

The Audit Committee consisting of the members listed hereunder, and should meet at least four (4) times per annum (minimum of 4 meetings), as per its approved terms of reference. Additional Special meetings may be called to deal with urgent matters when a need arises.

TABLE – A

1 st Quarter: 01 July – 30 Sep		2 nd Quarter: 01 Oct – 31 Dec	
Quarter target - Minimum	1	Quarter target - Minimum	1
Number of meetings held:		Number of meeting held:	
- Ordinary	0	- Ordinary	0
- Special	3	- Special	2
- Other	0	- Other (Introductory meeting)	1

TABLE - B

3 rd Quarter: 01 January – 31 Mar		4 th Quarter: 01 Apr – 30 Jun	
Quarter target - Minimum	1	Quarter target - Minimum	1
Number of meetings held:		Number of meeting held:	
- Ordinary	1	- Ordinary	0
- Special	1	- Special	2
- Other	0	- Other	0

All members of the committee are independent, with no interest in the management or conduct of the business of the Municipality.

During the period of reporting hereunder, ten (10) meetings were held including Senior Management and Auditor-General (SA) to deal with urgent matters. Attendance and arrangements were as follows:

Name of member	Number of meetings attended	
Mr. MA. Mmapheto - Chairperson	10 (Apologies - 0)	0\10
Mr. BLL. Mbange - Member	10 (Apologies - 0)	0\10
Advocate. Me. Suzette Gordon – Member	10 (Apologies - 0)	0\10
Professor. TA. Thekiso - Member	10 (Apologies - 0)	0\10

3. ACTIVITIES AND AGENDA ITEMS FOR MEETINGS

2022/23 Financial Year					
1 st Quarter			2 nd Quarter		
1.	Meeting date	Thursday; 25 August 2022	4.	Meeting date	Wednesday; 19 October 2022
	Meeting type	Special Meeting		Meeting type	Audit Committee Induction and Special Meeting
	Agenda items	Annual reports:		Agenda items	Introductory Meeting
		- Review of the draft AFS: 2021/22 FY			- Section 52 (d) report: 1 st Q PMS report
		- Draft Annual Performance Report: 2021/22 FY			
2.	Meeting date	Monday; 29 August 2022	5.	Meeting date	Friday; 04 November 2022
	Meeting type	Special Meeting		Meeting type	Special Meeting
	Agenda items	Annual reports: Follow-up Meeting		Agenda items	- Review and Approval of Internal Audit Strategic Documents: 2022-23 FY
		- Review of the draft AFS: 2021/22 FY			- Inputs into the Risk Management Strategic Documents: 2022-23 FY
		- Draft Annual Performance Report: 2021/22 FY			
		- FY			
3.	Meeting date	Friday; 30 September 2022	6.	Meeting date	Friday; 18 November 2022
	Meeting type	Special Meeting		Meeting type	Special Meeting
	Agenda items	- Audit Strategy: 2021-22 Annual Audit		Agenda items	- Draft Audit Report 2021-22
		- Progress/status of the Audit			

3. ACTIVITIES AND AGENDA ITEMS FOR MEETINGS.....Continues.....

2022/23 Financial Year					
3rd Quarter			2 nd Quarter		
7.	Meeting date	Monday; 30 January 2023	9.	Meeting date	Thursday; 06 Apr 2023
	Meeting type	Special Meeting		Meeting type	Special meeting with Political Heads
	Agenda items	- Draft Annual Report		Agenda items	1) <u>Appointment of senior management:</u>
		- Sec 52(d) (Mid – Term Report)			- Accounting Officer; and
		- Departmental Audit Action Plan			- Chief Financial Officer
8.	Meeting date	Friday; 24 March 2023			2) Audit Action Plan
	Meeting type	Special Meeting			3) Underspending of Budget
	Agenda items	- IA work - conducted from: July 2022 to February 2022			4) Poor Spending on Capital Expenditure – CAPEX
		- Audit Action Plan: 2021/22			5) Risk Management (Assessment)
		- Provincial Treasury Assessment result - Report			6) Performance Management
		- Risk Management Strategic Documents - Inputs to the documents	10.	Meeting date	Thursday; 25 May 2023
		- Progress on the draft annual report		Meeting type	Special meeting with Senior Management
		- Progress on the monitoring of Capital Projects		Agenda items	Integrated Development Plan (IDP)
		- List of critical positions			Draft Budget (2023/24 FY)
		- Up-dated policies register			
		- Litigation report			
		- Financial Report - Section 71			
		- Financial Turnaround Plan and action list			

4. AUDIT AND PERFORMANCE AUDIT COMMITTEE RESPONSIBILITY

The Committee reports that it has complied substantially with its responsibilities arising from section 166 (2) of the Municipal Finance Management Act (MFMA) in terms of its defined responsibilities as an advisory body to the municipal Council.

The Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with these terms and has discharged all its responsibilities as contained therein.

The role of the Audit Committee is to promote accountability that will enhance good governance and promote service delivery through evaluation and monitoring response to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislations and regulations.

The Audit Committee is also expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with applicable legislation.

5. TERMS OF REFERENCE

The Audit Committee is constituted in terms of the requirements of sound corporate governance practice and operates in accordance with a written charter that incorporates the specific requirements of section 166 (2) of the Municipal Finance Management Act (MFMA). The Audit Committee is also satisfied that it had adopted appropriate formal terms of reference as its Audit Committee Charter; and it has regulated its affairs in compliance with this Charter and discharged its responsibilities as contained therein.

6. EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Audit Committee has considered the work performed by Internal Audit during the period of reporting hereunder, and has reviewed the findings by the Auditor-General on internal controls for the year ended 30 June 2023. The Audit Committee noted that there has **not** been improvement in internal controls in the area of financial statements, performance reporting and compliance with legislation.

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.

In line with section 62 (c) of the Municipal Finance Management Act (MFMA), Internal Audit provides the Audit & Performance Committee and management with reasonable assurance that the internal controls are adequate and effective.

This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit & Performance Committee monitoring the implementation of corrective actions and suggested enhancements to the controls and processes.

The internal audit evaluated effectiveness of municipal system of internal controls and reported system weaknesses and recommended corrective actions for management to address the deficiencies.

The following areas still need attention:

- action plans to address improvement in controls to ensure that reliable planned and actual performance is reported.
- actions are implemented and managed to prevent recurring findings; and
- proper record keeping in a timely manner to ensure reliable performance information.

7. INTERNAL AUDIT

The Audit Committee is satisfied that the internal audit function is operating effectively as required by law, and with the objective to add value and improve organizational operations. We have met with the Internal Audit during the period of reporting hereunder, to ensure that the function is executed effectively and objectively (from management).

The internal audit unit has implemented the annual internal audit programme, and the following audit projects (activities) were conducted during the period of reporting hereunder:

Reviewed:

- 2021-22 AFS Review (01 July - 31 Aug 2022);
- Ad-hoc - Tariffs Increase (01 July - 31 Aug 2022);
- Ad-Hoc - (Payroll) Annual Salary Increase (01 Sep - 30 Sep 2022);
- Expenditure - Pre-emptive Audit Approach (01 Oct - 30 Oct 2022);
- Rates & Taxes (01 Nov 2022 - 13 Jan 2023);
- Expenditure (16 Jan 2023 - 31 Mar 2023);
- Computer Information System (CIS) / Information Technology (IT) – Environment;
- Quarterly Performance Management reported;
- Monitored and reported progress made to development and implementation audit action plan; and
- Assets management.

All internal audit activities were completed in-house in accordance with the interim internal audit plan, and there is nothing suggesting that independence and objectivity of Internal Audit function was compromised. The Chief Audit Executive (CAE) has also direct access to the Chairperson of the Audit Committee and Members.

The Audit Committee recommends that internal audit findings be addressed with its root causes to improve the control environment and reduce recurring audit findings by the Auditor-General (SA).

Issue of concern:

- The Internal Audit Plan is not risk (s) based, for the reason that the municipality do not have a risk(s) register.
- Management is non responsive to the reports issued by Internal Audit.

Recommendation(s):

- Management should take into consideration findings raised by the internal audit.
- Develop and implement corrective measures to improve internal control environment.
- Risk Management should be strengthened to perform its mandate.

8. RISK MANAGEMENT

Risk Management is not being fully embedded into the activities of the municipality. The Audit Committee has noted the effort to establish a Risk Management Committee and the employment of a dedicated Risk Management Manager and Officer. The strategic risk management documents have not gone through all the processes and approved by Council.

The Audit Committee recommend(s) that management to finalize the risk assessment of the Municipality, and this should be monitored quarterly to ensure that risk mitigations are implemented effectively.

Point(s) concern:

The slow pace in appointing the Risk Management Chairperson and finalization of risk registers by management should be prioritized.

9. PERFORMANCE MANAGEMENT REPORT

The Audit Committee is concerned about the reliability and usefulness of performance information of the municipality.

In general, performance management is still an issue of concern. Therefore, the Audit Committee recommend close monitoring, review reporting lines for improvement purpose and capacitation of the Unit to assist the municipality.

There is still no performance management system in place for all staff members other than senior managers. In addition, the bi-annual and annual assessments of the Municipal Manager and managers reporting to the Accounting Officer or Municipal Manager did not take place during of reporting hereunder.

Point(s) concern:

- The Audit Committee is very much concerned that performance assessments are not conducted and/or established for senior managers, and cascaded down to junior members of the staff and this lead to non-compliance with municipal staffing regulations.
- Non submission/delay of quarterly performance reports by senior managers weakens performance management and accountability.
- Capacity challenges in Performance Management Unit is also a concern.

10. AUDITOR GENERAL

The Audit Committee noted relative poor progress in implementing the AG recommendations which is also a matter of concern. This is attributed to lack of stability in senior management which the Audit Committee Urge Council to address.

Furthermore, the Audit Committee met with the Office of the Auditor General (SA) to discuss the engagement letter and audit strategy for 2022/23 financial year. The Audit Committee raised a concern about the audit fees that are staggering at **11 million rands**. The Auditor General (SA) has also raised issues with non-submission of information by management in relation to external audit process on which the management has undertaken to address it. The Audit Committee advised management to discuss the Auditor-General (SA) invoices during steering Committee Meetings to avoid potential litigation in case of non-payment.

For the 2022-23 financial year the municipality received a qualified audit opinion. The Audit and Performance Committee concurs with the Auditor-General's audit outcome issued for the 2022/23 financial year.

11. REVIEW OF THE ANNUAL FINANCIAL STATEMENTS AND ANNUAL PERFORMANCE REPORT 2022/23

The Audit Committee had an opportunity to reviewed the 2022/23 annual financial statements submitted to the Auditor-General of South Africa for auditing.

Point(s) concern:

- Plant, Property and Equipment (Assets) were not incorporated in the AFS at the time of review.
- The Annual Performance Report was not submitted to Audit Committee on time for review.

12. CONCLUSION

- ☐ Audit Committee acknowledges that the environment within which management is operating is difficult given the many challenges they confronted with. The Audit Committee welcome the deployment of acting Municipal Manager and Chief Financial Officer by Provincial Office. However, we urge Council to expediate the appointment of all section 56 managers to bring stability in the municipality.
- ☐ The Audit Committee appreciates the work done by Internal Audit to co-ordinate the work of the Committee under this difficult circumstances.
- ☐ The Audit Committee appreciate the municipality for trusting them with the responsibility to be a strategic business adviser for the Council as well as the Management and all staff members.

CHAPTER 3

ORGANISATIONAL DEVELOPMENT PERFORMANCE (PART I)

COMPONENT A: MUNICIPAL WORKFORCE

Number of Employees

The following reflects the number of staff per category for the last three financial years:

Table : Staff per category

Category	No of Employees (2019/20)	No of Employees (2020/21)	No of Employees (2021/22)
Legislators, senior officials, and managers	31	34	73
Clerks	316	319	74
Technicians and associate professionals	44	44	70
Craft and related trade workers	6	6	192
Elementary occupations	346	346	283
Total:	743	749	692

Table : Staff Category per Directorate

Directorate	Total	Legislators ,Senior Officials and Managers	Clerks	Technicians and Associate Professional s	Craft and related Trade Worker s	Elementary Occupations
Legislators	19	4	13	1	0	1
Technical & Community Services	546	10	16	9	71	440
Finance	115	7	101	7	0	0
Corporate Services	51	7	13	7	0	24
Municipal Manager Office	16	10	2	4	0	0
Total: 2021/222	747	38	145	28	71	465
Total: 2022/23		564	106	24	40	283

Personnel Services form an integral part of the Corporate Services departments and Ngwathe Municipality's service delivery success. Professionalism and operational efficiency is of utmost importance, especially on the management of the department and how it functions. The department is responsible for the key areas discussed below

Employee Wellness Recruitment and Selection

Table : Recruitment and Selection

Category	Target	Actual 2022/23	Target	Actual 2022/23
Africans	N/A	18	26	26
Whites	0	0	0	0
Coloured / Asian	0	0	0	0
Employees with Disabilities	0	0	0	0

Ngwathe Municipality has a Human resources section that drives the Employee Wellness Program attending to employees' social, mental, and physical health needs.

Some of the interventions by the department include:

- Medical check- up
- Financial advices,
- Pre-retirement sessions

The vacancy rate still stands at 374 in the 2022/23 financial year.

Table : Vacancies per Job Category

Directorate	Legislators senior officials managers	Clerks	Technicians associate professionals	Craft and related trade workers	Elementary occupations
Technical Services and community services	22	1	18	1	-
Chief Financial Officer	25	-	121	-	-
Corporate Services	5	3	11	-	4
Municipal Manager's Office	3	-	-	-	-
Total:2021/22	28	25	27	25	18
Total:2022/23	55	47	153	17	102

Employment Equity

The municipality's Employment Equity Policy is designed to:

- Promote equal opportunities and fair treatment to all in the workplace by eliminating unfair discrimination; and
- Implement affirmative action measures to redress the disadvantages in employment experienced by members from designated groups in the past.

The Draft Employment Equity Plan was developed, and the Employment Equity Report submitted 15 January 2023

Table 31: Total Employment Equity Statistics per Occupational levels :

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	1	0	0	0	0	0	0	0	0	2
Senior management	2	0	0	0	2	0	0	0	0	0	4
Professional qualified and experienced specialists and mid – management	24	1	0	1	14	0	0	0	0	0	40
Skilled technical and academically qualified workers, junior management, supervisors, foreman, and Superintendents	36	0	0	4	18	1	0	1	0	0	60
Semi-skilled and discretionary decision making	223	4	0	6	128	2	0	2	0	0	365
Unskilled and defined decision making	153	1	0	1	98	2	0	2	0	0	257
TOTAL PERMANENT	440	10	0	14	259	4	0	6	1	0	728
Temporary employees							0	0	0	0	
GRAND TOTAL	439	7	0	12	260	5	0	5	0	0	728

Note: A = Africans, C= Coloureds , I = Indians and W = Whites

Promotions

The information below compares the number of employees that have been promoted during the past three financial years:

Employees at the Ngwathe Municipality are not promoted automatically. All internal employees must apply for posts as advertised.

Pension Funds

The Ngwathe Municipality makes use of the following Pension and/or Retirement Funds:

- SALA Pension Fund
- Consolidated Retirement Fund
- Free State Pension Fund / Provident Fund
- SAMWU Provident Fund
- Municipal Employees Pension Fund

Medical Aid Schemes

Employees are able to choose from the following Medical Aid Funds:

- BONITAS
- HOSMED
- Key Health
- LA Health
- SAMWUMED

Labour Relations

This department has the function of managing labour relations matters and dealing with occupational health and safety in the municipality.(Legal portion)

Table 32: Labour Relations issues recorded/investigated during 2022/23

Labour Relations issue	Number of Cases 2020/ 21	Number of Cases 2021 / 22	Number of Cases 2022 / 23
Misconduct	0	0	
Dismissals	1	0	
Suspensions	0	0	
Total Cases	1	0	

Occupational Health and Safety

The department is also responsible to ensure that operations and activities within the municipality comply with the provisions of the Occupational Health and Safety Act, 1993 as well as the different Regulations promulgated in terms of the said Act. Incident/accident investigations are conducted promptly in order to determine in respect of which activities work instructions and safe work procedures should be developed and implemented, to prevent the reoccurrence of incidents in the workplace. Furthermore, Health and Safety Committee Meetings are arranged on a monthly basis to address all health and safety issues raised at such meetings.

Table: Incidents/accidents recorded and/or investigated during 2022/23

Directorate	Personal injury	Disease	Death
Technical Services	3	0	0
Community Services	3		
Chief Financial Officer	0	0	0
Corporate Services	0	0	0
Municipal Manager's Office	0	0	0
Total 2022/23	6	0	0

Number and period of suspension

Position	Nature of suspension	Days of suspension	Details of disciplinary action taken or status of case and reasons why not Finalised	Date finalized
Technical Services	1. Technical Administrators. 2. Fire Fighter 3. Bulk Water Supervisor	1. Damaging Municipal Property during an unlawful water protest. 2. Damaging Municipal Property during an unlawful water protest. .	1. 18 months 2. 18 Months 3. 6 Months	1. ongoing 2 Ongoing 3. Ongoing

Disciplinary action taken on cases of financial misconduct			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalised
None	None	None	N/A

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Section 57 Performance Evaluation

The performance evaluation for Section 57 managers forms the basis for evaluating performance in relation to set targets as outlined in the signed performance agreements of executive managers. Performance evaluation takes place on a quarterly basis through the section 52 D reports and reported to the Mayor and council.

Staff regulations and performance evaluation of Senior Managers and all employees

The municipality adopted a Performance Framework within the organization. The framework makes provision for senior managers to be evaluated periodically on a quarterly basis.

The new staff regulations make it obligatory that performance management system should be cascaded down to every single employee in the municipality. It is trite to report that to date; the staff regulations have not been implemented. The municipality has also not approved a new organizational structure and there is no job description for each of the jobs in the current structure which was adopted in 2017.

Equally, the municipality has not evaluated the performance of section 57 managers due to the instability at that level. The AG has flagged this as a material finding which need not be repeated in the coming audit circles.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Skills Development & Training

As prescribed by legislation, the combined Workplace Skills Plan (WSP) was compiled through the process of skills audit and submitted on 28 April 2023

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

For the year under review (2022/23), Ngwathe Municipality has trained 34 employees.

Table : Training per Job Category:

Directorate	Total	Legislators, Senior Officials and Managers	Clerks	Technicians and Associate Professionals	Craft and Related Trade Workers	Elementary Occupations	Professional
Technical Services	13		2		11		
Community services	3	2	1				
Finance	7	1	3				
Corporate Services	8	2	6				
MM's Office	3	1	1				
OFFICE OF MAYOR		2					
Total:2020/21							
Total:2021/22							
Total:2022/23	34	9	6		11		

Skills Development Budget

The information below indicates the quantum of municipal budget allocated to skills development and the percentage spent

Table: Skills Development Budget against Expenditure

Financial Year	Budget	Expenditure
2022/23	799 483,00	694 536,83

MFMA Competencies

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, chief financial officer, non- financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act.

National Treasury has prescribed such financial management competencies in Government Notice 493, dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, in collaboration with various stakeholders and role players in the local government sphere, developed an outcome- based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, “(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations.”

A total of 90 employees including Senior Manager and Managers were identified to obtain the abovementioned qualification and prescribed competencies. And they fully have completed the training,78 Officials including managers are still in progress with the Minimum Competency level as a prescribed.

Financial Competency Development: Progress Report				
Description	Total number of officials employed i.t.o. Regulation 14(4)(a) and (c)	Competency assessments completed i.t.o. Regulation 14(4)(b) and (d)	Total number of officials whose performance agreements comply with Regulation 16 Regulation 14(4)(f)	Total number of officials that meet prescribed competency levels i.t.o. Regulation 14(4)(e)
Financial Officials				
Accounting Officer	1	1	1	
Chief Financial Officer	1	1	1	
Director Corporate Services	1	1	1	
Director Community Services	1	1	1	
Director Technical Services	1	1	1	
Senior Managers	20	0	0	
Any other financial officials	48	0	0	
Supply Chain Management Officials				
Head of Supply Chain Management Unit				1
Supply Chain Management Senior Managers	-	-	-	-
TOTAL		Competent	-	-

Induction

SALGA is in a process of developing a uniform Induction framework as such newly appointed employees are only informed on the benefits and given an employment contract that entails working conditions.

Learnership

1(employed) and 3 (unemployed) learners were recorded to have received training through learnerships in 2022/23. The decline was caused by invoking of Section 139 of the constitution to LGSETA.

The municipality granted 09 internal bursaries in 2022/23.

Table : Bursaries per Directorate

Directorate	Number of Beneficiaries 2020/21	Number of Beneficiaries 2021/22	Number of Beneficiaries 2022/23
Technical Services		1	1
Chief Financial Officer		1	1
Corporate Services		3	4
Municipal Manager's Office		0	0
Mayoral Office		2	2
Speakers Office		1	1
Total		9	9

COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

PERSONNEL EXPENDITURE

Table : Trends of Personnel Expenditure compared to Operating Expenditure: 2022/23

Financial Year	Salaries	Expenditure	Percentage
2022/23			
Employee related cost	R 262 012 444	R1 057 991 098	25%
Councillors	R 16 678 658	R1 057 991 098	2%
2021/22			
Employee related cost	R 261 750 397	R 866 505 228	30%
Councillors	R 15 589 000	R 866 505 228	2%

CHAPTER 3

SERVICE DELIVERY PERFORMANCE (PART II)

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

In order to realise the above mandate NLM is providing the following services: Municipal Roads, Electricity Reticulation, Water (Potable), Sanitation, Cemeteries and Crematoria , Refuse Removal, Refuse dumps and Solid Waste, Storm Water, Firefighting, Municipal Planning, Local Sport and Recreation Facilities.

3.1. WATER PROVISION

The water services of the municipality has been linked with the IDP and it is intended to address the water issues raised by the community during the review of the integrated development plan.

The aim is to:

- to develop water infrastructure and assist consumers with provision of portable water
- to provide basic services for all.
- to provide an acceptable quality water to all communities

The following water supply schemes are located in the Ngwathe Municipal region:

- Parys town and Tumahole areas uses Vaal river as its water source
- Vredefort town and Mokwalo areas uses Vaal river as its water source
- Koppies area uses Koppies dam as its water source
- Heilbron is supplied by Rand water board through bulk water pipeline from Sasolburg
- Edenville has a total number of 26 boreholes and the at least 21 are fully operational with a yielding capacity of 6 kl/h each, the sizes of the aquifers are not capable to run throughout the years as some boreholes run dry during the winter season

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2021/22	-	-		29,523	40%
2022/23				29,523	45%

Table 3.1.2

COMMENT ON WATER USE BY SECTOR:

The Municipality supplies water to all the sectors found within its space at normal billing rates, these sectors are:

- Police department
- Education department
- Health Department
- In addition, some of the non-governmental organizations such as churches etc.

Water Service Delivery Levels			
Description	2022/23	2021/22	Households 2020/21
	Actual	Actual	Actual
	No.	No.	No.
<u>Water: (above min level)</u>			
Piped water inside dwelling			
Piped water inside yard (but not in dwelling)			
Using public tap (within 200m from dwelling)	29,523	28,545	27,950
Other water supply (within 200m)			
<i>Minimum Service Level sub-total</i>	14,392	7,455	2050
<i>Minimum Service Level Percentage</i>	33%	21%	32%
<u>Water: (below min level)</u>			
Using public tap (more than 200m from dwelling)			
Other water supply (more than 200m from dwelling)	400	320	
3No water supply			300
<i>Below Minimum Service Level sub-total</i>			
<i>Below Minimum Service Level Percentage</i>			
Total number of households*			
* - To include informal settlements			
T 3.1.3			

Households - Water Service Delivery Levels below the minimum						
Description	2020/21	2021/22	2022/23	Households 2022/23		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households						
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level						
Informal Settlements						
Total households						
Households ts below minimum service level						
Proportion of households ts below minimum service level	79	79	79	79	79	79
T 3.1.4						

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2022/23			9888
2021/22			10408
2020/21			9604

**Capital Expenditure Year 2022/23:
Water Services**

R' 000

Capital Projects	Year 2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Refurbishment of Koppies WTW and Construction of clear water pumpstation	R 1 319 570.72	N/A	R 351 138.53	R 968 432.19	R 25 600 185.32
Edenville Bulk Water Supply - Pipeline to Edenville	R 74 241 422.13	N/A	R 35 163 884.97	R 39 077 537.16	R 103 427 402.21
Kwakwatsi Township Secondary Bulk Water Pipelines Upgrade	R 3 360 007.15	N/A	R 3 360 007.15	R 0.00	R 54 268 560.24
Refurbishment of rising main pipelines in Parys to Reservoir No. 4 and No. 3	R12 190 804.00	N/A	6 801 070.46	5 389 733.54	R12 190 804.00
Refurbishment of Sewer Pipeline in Heilbron	4 191 461.49	N/A	1 204 815.07	2 986 646.42	4 191 461.49
Construction of Water Pressure Tower in Heilbron	4 782 115.87	N/A	5 439 652.95	-657 537.08	R13 187 715.53
Upgrading of Waste Water Treatment Works in Kwakwatsi	R5 335 618.64	N/A	6 035 764.57	- 700 145.93	R14 472 184.07
Refurbishment of Parys/Tumahole Water Treatment Plant (Conventional Plant)	1 712 192.31	N/A	1 712 192.31	0.00	R6 687 054.58
Ngwathe PMU	2 212 000		1 517 573.72		2 212 000
Construction of a solid waste disposal site in Parys	2 396 717.72		2 174 535.53		11 500 000.00
Phiritona: Installation of 1093 residential meters and 13 bulk water meters (MIS:279654)	927 717.70		927 717.70		5 942 194.85
Mokwallo: Installation of 2000 residential meters and 15 bulk water meters (MIS:286524)	795 830.18		795 830.18		8 918 730.09
Heilbron: Upgrading of Waste Water Treatment Works (MIS:367261)	1 292 612.16		1 292 612.16		19 531 438.87
Phiritona/Sandersville: Construction of low level bridge in ward 1 (MIS:438422)	11 183 231.88		9 346 889.30		16 480 755.39
Vredefort: Upgrading of Waste Water Treatment Works (MIS:441764)	10 386 070.72		8 930 726.45		13 029 814.82
Tumahole: Installation of 1331 residential water meters and 20 bulk water meters (MIS:327751)	3 959 691.34		3 959 691.34		7 424 767.54
Parys: Refurbishment of old Parys Water treatment works (COVID-19) (MIS:395105)	4 600 051.27		923 098.49		22 806 015.03
Heilbron: Procurement of specialized vehicles for waste management (MIS:394496)	2 588 308.79		2 588 308.79		2 588 308.79
Ngwathe/Phiritona: Construction of pedestrian bridge in ward 1 (MIS:400866)	3 155 053.70		3 538 489.46		6 579 580.88
Refurbishment of Koppies WTW and Construction of clear water pumpstation	R 1 319 570.72	N/A	R 351 138.53	R 968 432.19	R 25 600 185.32
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

T 3.1.9

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

There are currently 4 water treatment plant in all 5 towns of Ngwathe under the municipal area of jurisdiction that is Parys, Vredefort, Heilbron and Koppies with Edenville using Borehole water, Rand water(WSP) is the supplier of drinking water to Heilbron town. Despite the above mentioned endeavors, Ngwathe still faced many water challenges distribution in all the mentioned times. Communities have expressed their dissatisfaction through violent protest during the period under review. The projects of water grant funded by DWAS are all geared towards trying to find permanent solution to the water crisis facing Ngwathe. The quality of water needs serious attention. The Blue Drop status outcome will come in handy in assisting the municipality to attend to issues of water quality and sustainability.

3.2 WASTE WATER (SANITATION) PROVISION

All towns except Edenville have fully fleshed waste water treatment works, Ngwathe Municipality has applied for funding to the value of R109 million to upgrade, refurbish and install new infrastructure for sanitation systems.

Sanitation Service Delivery Levels				
Description	Year -3	Year -2	Year -1	*Households Year 0
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	33124	33124	33124	
Flush toilet (with septic tank)	314	314	314	
Non flushable Chemical toilet	45	45	45	
Pit toilet (ventilated)	2768	2768	2768	
Other toilet provisions (above min.service level)				
Bucket system collected within the municipal area	3362			
Unventilated pit latrine system by households (long drop)	1342	1342	1342	
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above</i>				
<i>Percentage</i>	%	%	%	%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet				
Other toilet provisions (below min.service level)				
No toilet provisions				
<i>Below Minimum Service Level sub-total</i>				
<i>Below Minimum Service Level Percentage</i>	3%	3%	3%	3%
Total households	40955	40955	40955	
*Total number of households including informal settlements				T 3.2.3

Households - Sanitation Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households						
Households below minimum service level						
Proportion of households below minimum service level	3%	3%	3%	%	%	%
Informal Settlements						
Total households						
Households below minimum service level						
Proportion of households below minimum service level	0,01%	0,01%	0,01%	%	%	%

T 3.2.4	
Access to Sanitation	
	Proportion of households with access to sanitation
2022/23	97%
2021/22	97%
2020/21	97%

Capital Expenditure Year 2022/23: Sanitation Services					
R' 000					
Capital Projects	Year 2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Refurbishment of Sewer Pipeline in Heilbron	4 191 461.49	R 0.00	1 204 815.07	2 986 646.42	4 191 461.49
Upgrading of Waste Water Treatment Works in Kwakwatsi	R5 335 618.6	R 0.00	6 035 764.57	-700 145.93	14 472 184.0
Heilbron: Upgrading of Waste Water Treatment Works (MIS:367261)	1 292 612.16	R 0.00	1 292 612.16	R 0.00	19 531 438.8
Vredefort: Upgrading of Waste Water Treatment Works (MIS:441764)	10 386 070.7	R 0.00	8 930 726.45	1 455 344.25	13 029 814.8
Total project value represents the estimated cost of the project on approval by council (Including past and future expenditure as appropriate).					T 3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The sewer lines have collapsed including the manholes lids which have been stolen. There is a need to replace manholes lid with concrete once. This is informed by the fact that the iron lids attract criminals.

The municipality needs to fence the sewer plants and also start the process of applying for National Key Points status of all essential services.

It has become apparent and urgent for the municipality to have dedicated maintenance teams for key services and plants .

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The electricity is having only a backlog of 1280 households for the entire municipal area, The Technical department applied for funding for the electrification of the newly established sites at all towns. All bulk supplies must be upgraded first before electrification takes place. The Municipality must strive to increase the current Nominated Maximum Demand to all towns in order to be able to electrify all backlogs including new site establishments. The municipality is still awaiting the response from the application for extra Nominated Maximum Demand from Eskom.

Electricity Service Delivery Levels				Households
Description	2020/21	2021/22	2022/23	
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Energy: (above minimum level)</u>				
Electricity (at least min.service level)				
Electricity - prepaid (min.service level)				
Minimum Service Level and Above sub-total	43197	43305	43370	43370
Minimum Service Level Percentage	0%	0%	0%	0%
<u>Energy: (below minimum level)</u>				
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)				
Other energy sources	0	0	0	0
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%	0%
Total number of households				
T 3.3.3				

Capital Expenditure Year 2022/23: Electricity Services						R' 000
Capital Projects	Year 2022/23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Koppies Bulk Supply phase 3	R25 000,000			0%	R110,000,000.00	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The continuous theft of cable in the municipal area of jurisdiction is putting a lot of financial strain and creates instability in the electricity distribution network.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Ngwathe have five (5) landfill sites, Parys, Vredefort and Koppies are unlicensed, Heilbron & Edenville are licensed.

Refuse is collected from residential area once a week and twice-in businesses per week. A compactor trucks is used to collect refuse in each town.

Koppies and Edenville uses refuse tips.

Challenges:

Unlicensed and unfenced landfill sites and downtime caused by broken refuse trucks and this result in none collection in other areas at times.

Solid Waste Service Delivery Levels				
Description	2020/2021	2021/2022	2022/23	Households
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week		37102	37102	37102
<i>Minimum Service Level and Above sub-total</i>				
<i>Minimum Service Level and Above percentage</i>	%	100%	100%	100%
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal,	0	0	0	0
No rubbish disposal				
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level percentage</i>	0%	0%	0%	0%
Total number of households		37102	37102	37102
T 3.4.2				

Households - Solid Waste Service Delivery Levels below the minimum						
Description	2020/2021	2021/2022	2022/2023	2022/23		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
Formal Settlements						
Total households		37102	37102			371027
Households below minimum service level						
Proportion of households below minimum service level	0%	0%	0%	%	%	0%
Informal Settlements						
Total households						
Households below minimum service level						
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
						T 3.4.3

Capital Expenditure Year 2022/23: Waste Management Services					
Capital Projects	Year 2022/23				
	Budget	Adjustment	Actual	Variance from	Total Project
		Budget	Expenditure	original	Value
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
					T 3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The refuse removal schedule is always adhered on weekly basis. The newly procured refuse truck has alleviated the problem of collection in Heilbron.

The problem of unfenced landfill sites remains one of the biggest challenges. There is a need to do cost benefit analysis on renting of equipment's vs buying. The amount by comparison that the municipality forks out on renting far surpassed the amount in which new equipment's could have been bought. The municipality is relying on hired equipment from local service providers which has proven to be costly to the municipality.

None weighing of refuse on site is also a problem as it makes it difficult to report monthly on incoming volumes of refuse in the landfill sites. The municipality will have to broadly analyze the potential economic spinoff from the landfill sites and create conducive environment for small, medium micro enterprises to benefit.

Illegal Dumping

The municipality within the financial constraints is trying its best to manage illegal dumping. Some hotspots have been closed and converted into beautified spaces. There is an ongoing effort to remove illegal dumping on a daily basis but there is no dedicated equipment for such again the municipality is relying on hired equipment.

3.5 HOUSING/HUMAN SETTLEMENT

INTRODUCTION TO HOUSING/TOWN PLANNING

The matter of Human settlements in the form of housing is a function of the provincial government. The municipality the following services in the section of human settlement.

- to secure land;
- develop safe and healthy environment;
- to establish sustainable settlement areas;
- eradicate informal settlements;
- to ensure tenure of land;
- to ensure access to funding;
- to develop internal services and provide housing.

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
2022/23			%
2021/22			%
2020/21			%
T 3.5.2			

SERVICE STATISTICS FOR PLANNING DEVELOPMENT PLANNING AND BUILDING CONTROL

DETAILS	2021/2022	2022/23
Building plans approved	93	23
Number of applications received for: - Township establishment	0	0
Rezoning	2	3
Special consent and other	35	12
Telecommunication	7	0
Wayleave applications approved	3	0
Total		

APPLICATION FOR LAND USE DEVELOPMENT						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2021/2022	2022/23	2021/2022	2021/23	2021/2022	2022/23
Planning application received	1		3			
Determination made in year of receipt	0		0		0	
Determination made in following year	0		0		0	
Applications withdrawn	0		0		0	
Applications outstanding at yearend	0		1		0	

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

During the period under review, the municipality has not received any land use applications except the following which are still from the 2021/22 financial year.

- Solar Plant Applications = 3
- Liquor applications = 5
- Consent applications = 8
- Wayleave applications = 5
- Telecommunication Masts applications = 4

COMPONENT B: ROAD TRANSPORT

3.6 ROADS

INTRODUCTION TO ROADS

This component includes roads and wastewater (Storm water drainage).

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2022/23				
2021/22	277km	N/A	N/A	80km
2020/21	277km	N/A	N/A	50km
				T 3.7.2

Tarred Road Infrastructure					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2022/23		N/A	N/A	N/A	
2021/22	177km	N/A	N/A	N/A	30km
2020/21	177km	N/A	N/A	10km	20 km

Paved Road Infrastructure					
	Total paved roads	New paved roads	Existing paved roads repaved	Paved roads maintenance	Kilometres
2022/23			-	-	-
2021/22	65km	3km	-	-	5km
2020/21	62km	-	-	-	-

Capital Expenditure Year 2022/23: Road Services					
					R' 000
Capital Projects	Year 2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
					T 3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The Unit is leaderless and no information could be sourced to account for the period under review.

The department of roads and public works has assisted the municipality significantly with the challenge of potholes

3.7 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Stormwater Infrastructure				
	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2022/23				
2021/22	520km	-	-	100km
2020/21	520km	-	-	100km
				T 3.9.2

Capital Expenditure Year 2022/23: Storm water Services					
					R' 000
Capital Projects	Year 2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				%	
Project A				%	
Project B				%	
Project C				%	
Project D				%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.9.8

LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM & AGRICULTURE)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic development is a discipline within the municipality whose purpose is to promote local ownership, community involvement, local leadership and joint decision making in trying to solve problems, create joint business ventures and build local areas. The unit within Ngwathe Local Municipality has not yet been fully capacitated to rise to occasion and help to create an environment conducive to create and stimulate economic and tourism growth.

COMMENT ON LOCAL JOB OPPORTUNITIES:

Jobs Created during 2022/23 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2022/23				
2021/22				
2020/21				
Initiative A (Year 3)				
Initiative B (Year 2)				
Initiative C (Year 1)				
				<i>T 3.11.5</i>

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2022/23	12	432
2021/22	12	399
2020/21	12	423
* - Extended Public Works Programme	<i>T 3.11.6</i>	

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

COMPONENT C: COMMUNITY & SOCIAL SERVICES

3.9 CEMETORIES AND CREMATORIALS

INTRODUCTION TO CEMETORIES & CREMATORIALS

Ngwathe performs the establishment, conduct and control of facilities for disposing of human and animal remains; this includes cemeteries, funeral parlors and crematories. The municipality committed itself to ensuring that all the towns have at least two decent cemeteries, one being in the town area whilst the other is in the township area.

Ngwathe Local Municipality has 21 cemeteries, 3 are non-active and only used for reserved burials while 18 are active. The top 3 service delivery priorities and its impact are to:-

- Regulate and maintain public cemeteries
- Conduct burial bookings and graves preparations
- Comply with National Health Act, 2003 (Act No 61 of 2003 and other related legislations).

CEMETORIES

INDICATOR	2020//2021	2021/2022	2022/23
Burials	790	867	
Adults	714	820	
Paupers	03	10	
Children (baby or stillborn)	73	15	
Re-openings	19	22	
Memorials	0	0	

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OVERALL:

- There is no electronic system in place to accurately record burials. Manual recording is done.
- No cemeteries are properly fenced and there is no access control.

COMPONENT D: SECURITY AND SAFETY

This component includes: Security; Fire; Disaster Management

3.10 FIRE

INTRODUCTION TO FIRE SERVICES

Ngwathe provides Fire & Rescue for its five towns, in all the five towns, Parys has a 24 hours' fire and rescue services, Heilbron operates a satellite station (07h45 - 16h30) other towns are without this function.

The section focus mainly on legal requirements as per SANS 100:90 "Community protection against fire" as well as Fire Brigade Act 1987.

The primary aim of this section is: -

- Save lives
- Incident stabilization Fire prevention
- Minimization of damage to property against fire
- Humanitarian help against environmental vulnerability
- Fire safety inspection
- Implementations of fire break in accordance with the fire brigade
- Review house and business plans
- Awareness campaigns

	Details	2021/22	2022/23	
		Actual No.	Estimate No.	Actual No.
1	Total fires attended in the year	212		
2	Total of other incidents attended in the year	174		
3	Average turnout time - urban areas	07		
4	Average turnout time - rural areas	21		
5	Fire fighters in post at year end	21		
6	Total fire appliances at year end	08		
7	Average number of appliance off the road during the year	08		






COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

INTRODUCTION TO DISASTER MANAGEMENT

3.11 DISASTER MANAGEMENT

In terms of the Disaster Management Act 57 of 2002 and the National Policy Framework of 2005, a

Management Centre is responsible for the following KPAs:

-  Institutional Capacity Building
-  Disaster Risk Assessment
 -  Disaster Risk Reduction
 -  Disaster Response and Recovery
 -  Disaster Management Information and Communication Centre

DISASTER MANAGEMENT		
Details	2021/22	2022/23
Total number of calls received and dispatched	6639	
Disaster Risk assessment	2	
Public awareness campaigns	60	
Number of personnel	2	

SERVICE STATISTICS FOR DISASTER MANAGEMENT

DESCRIPTION OF CALLS	2021/22	2022/23
Disaster Relief	02	
Drought	0	
Floods	5	
Disaster Management Inspection	2	
Windstorm	1	
Earthquake	0	
Fires	212	
Sinkhole / Dolomite	1	
Hazmat	2	
Traffic related accidents	172	
Abnormal loads	0	
Special service	10	
Water and sanitation	2159	
Electricity complains	4192	
Public Events	5	

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT:

312. SPORT AND RECREATION

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

INTRODUCTION TO SPORT AND RECREATION

This Unit within the Community Service Department is comprises of the following sections:

- Resorts (Mimosa, MPCC)
- Sports Facilities
- Community Swimming Pools

An active, creative and informed Ngwathe community

Strategic goals

- To ensure provision of sport and recreation facilities within communities
- To promote Culture of participation in sport and recreation at all level in the Community
- To provide performance, sport development and training service to Ngwathe Community

No	Events	Subjects	Town	No of Events	Participation	
					Youth/Ault	Elderly
3	Golden Games (Senior Citizens)	Provincial Level	Hoopstad	1	50	377
4	Indigenous Games	District Level	Sasolburg	1	280	0
		Provincial Level	Thaba Nchu	1	528	0
		National Level	Durban	1	1800	0
TOTAL				7	2 658	377

Total Number of Museums : 1 Museum

(Parys) Total Number of Chalets: Mimosa Lake Site

Resort

SERVICE STATISTICS FOR MIMOSA RESORT						
Description	2020/21		2021/22		2022/23	
	Bookings	Income	Bookings	Income	Bookings	Income
Chalet bookings	0	0	0	0	0	0
Caravan bookings	0	0	0	0	0	0

Day Visitors	0	0	0	0	0	0
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COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

Mimosa Gardens Resorts is currently closed since April 2020

The unit Sports and Recreation is responsible for providing an enabling environment for communities for participating in Sports and Recreation programmes.

The main service delivery priorities are:

Development and Maintenance of Sports and recreation facilities

Total number of Sports Arts and Culture Facilities

Total number of Sports Facilities : 10 Sports

Facilities Total number of swimming pools 10

The responsibility of the department is to ensure that community has accesses to the facilities and they are maintained according to the national standard set by the National Sports and Recreation facility management policy.

CHAPTER 4

ANNUAL PERFORMANCE REPORT

SECTION 46 REPORT 2021/22

TECHNICAL SERVICES

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline / Actual 2021/22	Annual Performance Targets											POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual					
				FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																	
KPI 01	To ensure sound budgeting and accounting systems compliant with applicable legislation	Compliance	Good Governance	Director to: Report progress on Audit plan in Senior Management Meetings	Number of Audit action plan is prepared, submitted Council, implemented by management and progress is monitored by June 2023	#	New KPI	3	N/A	N/A	1	0	1	0	1	0	departmental update audit action plan and minutes of meetings (where progress was reported)				
KPI 02	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Review Water Master Plan	Water Master Plan will be reviewed by 30 June 2023	# 1	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Master plan and minutes of council				
KPI 03	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Develop a water Conservation and Water Demand management plan for all towns	Developed a water Conservation and water Demand management plan by 30 June 2023	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Management plan and minutes of council				
KPI 04	To ensure sustainable provision of safe, reliable, adequate and quality water to the community	Water	Service Delivery and Infrastructures Development	Refurbishment purification plants in Parys and Vredefort	Refurbished Purification plants in Parys and Vredefort by 30 June 2023	%	100%	100%	N/A	N/A	N/A	N/A	100%	0%		0	Completion certificate				
KPI 05	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Develop a water service development plan	Number of water service development plan developed by 30 June 2023	#	New KPA	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	WSDP and Council Minutes				

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline / Actual	Annual Performance Targets												POE	2021/22 Target	2021/22 Actual
							2021/22	Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual						
KPI 06	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Parys: Construction of 3km pipeline from WTW to industrial area	Construction of 3km pipeline from WTW to industrial area	KM	New KPA	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	90%	Completion certificate					
KPI 07	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Koppies: Construction of 3km of 250mm pipeline from WTW to reservoir	Construction of 3km of 250mm pipeline from WTW to reservoir by 30 June 2023	KM	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	0	Completion certificate and report.					
KPI 08	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Install Koppies to Edenville Water Pipeline	Koppies to Edenville Water Pipeline installed by 30 June 2023	%	100%	100%	100%	85%	N/A	N/A	N/A	N/A	100%	75%	Completion certificate and close-up report e					
KPI 09	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Achieve Blue Drop water status	Blue Drop water status achieved by 30 June 2023	%	90%	90%	22.5%	0%	22.5%	0%	22.5%	0%	22.5%	0%	Report from the BD System					
KPI 10	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Reduce Water Leaks	% reduction in water leaks	%	New KPI	100%	100%	50%	100%	0%	100%	0%	100%	100%	Report to council					
KPI 11	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Refurbishment of Raising mains to reservoirs 4 and 3 in Parys	% Refurbished reservoirs mains 4 and 3 refurbished by 30 June 2023	%	New KPI	100%	N/A	N/A	33%	0%	33%	0%	33%	5%	Completion Certificates					
KPI 12	To ensure sustainable provision of electricity	Electricity	Service Delivery and Infrastructures Development	Review Electricity Master Plan	Number of Electricity Master Plan reviewed by 30 June 2023	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Master plan and minutes of council					

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline / Actual	Annual Performance Targets												POE	2021/22 Target	2021/22 Actual
							2021/22	Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual						
KPI 13	To ensure sustainable provision of electricity	Electricity	Service Delivery and Infrastructures Development	Construction of Koppies Sub-Station	Koppies Sub-Station constructed\(\multiyear project)	%	New KPI		25%	N/A	N/A	N/A	N/A	N/A	N/A	25%	0%	Progress report and council minutes				
KPI 14	To ensure sustainable provision of electricity	Electricity	Service Delivery and Infrastructures Development	Apply for increase of NMD (nominal maximum demand)from ESKOM for 5 towns	Application submitted to ESKOM for 5 towns by 30 September 2022	#	New KPA		5	5	5	N/A		N/A	N/A	N/A	N/A	Copy of applications and minutes of council				
KPI 15	To ensure sustainable provision of electricity	Electricity	Service Delivery and Infrastructures Development	Development of business for new extra high mast lights in all 19 wards	Developed business plan by 30 June 2023	#	New KPI		1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Business plan and council minutes				
KPI 16	To ensure the provision of sustainable sanitation to the community	Sanitation	Service Delivery and Infrastructures Development	Submit new applications for the funding of the Development of new sanitation master plan for Ngwathe	Application submitted for the funding for the development of the new Sanitation Master Plan by 30 June 2023	#	New KPI		1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Application letters and Council minutes				
KPI 17	To ensure the provision of sustainable sanitation to the community	Sanitation	Service Delivery and Infrastructures Development	Submission of application for funding for the upgrading of Parys WWTW from the Regional Bulk Infrastructure Grant Program	Application submitted to RBIG by 30 June 2023	#	New KPI		1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Application letter and Council minutes				
KPI 18	To ensure the provision of sustainable sanitation to the community	Sanitation	Service Delivery and Infrastructures Development	Refurbishment of the existing sewer line near the industrial area in Heilbron	Refurbishment and upgrading completed by 31 March 2023	%	96%		96%	32%	0%	32%	18%	32%	0%	N/A	N/A	Completion Certificates				
KPI 19	To ensure sustainable provision of safe, reliable and quality water to the community	Water	Service Delivery and Infrastructures Development	Construction of new 3Km Pipeline and Elevated Tower in Heilbron	Constructed 3km pipeline and elevated tower in Heilbron by 30 June 2023	%	New KPI		100 %	N/A	N/A	33%	45%	33%	0%	33%	0%	Completion Certificates				

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline / Actual 2021/22	Annual Performance Targets												POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual						
KPI 20	To ensure the sustainable provision of sustainable sanitation to the community	Sanitation	Service Delivery and Infrastructures Development	renting temporary chemical toilets in transit camp areas	Rented temporary chemical toilets by 30 June 2023	#	168	168	42	0	42	42	42	0	42	42	Proof of payments and rental contract					
KPI 21	To ensure the provision of Municipal roads	Roads and Stormwater	Service Delivery and Infrastructures Development	Construct Municipal roads	2km pave road constructed in Mokwallo by 30 June 2023	%	New KPI	100%	N/A	N/A	33%	0%	33%	0%	33%	0%	Completion certificate					
KPI 22	To ensure the provision of Municipal roads	Roads and Stormwater	Service Delivery and Infrastructures Development	Construct Municipal roads	Construction of paved 1km road in Schonkenville	%	New KPI	100%	N/A	N/A	33%	0%	33%	0%	33%	0%	Completion certificate					
KPI 23	To ensure the provision of trafficable roads and Stormwater	Roads and Stormwater	Service Delivery and Infrastructures Development	Constructing a new pedestrian crossing bridge in Mandela section Tumahole	New pedestrian crossing bridge constructed by 30 June 2023	%	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	0%	Close –up report and council minutes					
KPI 24	To ensure environmental sustainability in Ngwathe	Built environment	Service Delivery and Infrastructures Development	Develop application forms for building control related services	New forms developed	#	New KPI	3	N/A	N/A	N/A	N/A	1	0	2	0	New forms					
KPI 25	To ensure a financial viable municipality	Built environment	Service Delivery and Infrastructures Development	Processed application for building plans≤ 500sqm within 30 days to enhance municipal revenue	Building plans applications processed by 30 June 2023	#	80	80	25	31	20	19	15	0	20	20	Register					

COMMUNITY SERVICES

ID P R e f No	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measur e	Baselin e/ Actual 2021/22	Annual Performance Targets											
								Annua l Target 2022/2 3	1 st Q Targe t	1 st Q Actua l	2 nd Q Targe t	2 nd Q Actua l	3rd Q Targe t	3 rd Q Actua l	4 th Q Targe t	4 th Q Actua l	POE	2021/2 2 Target	2021/2 2 Actual
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																			
KP I 26	To ensure sound budgeting and accounting systems compliant with applicable legislation	Complianc e	Good Governance	Director to: Report progress on Audit plan in Senior Managem nt Meetings	Number of Audit action plan is prepared, submitted Council, implemented by management and progress is monitored by June 2023	#	New KPI	3	N/A	N/A	1	1	1	0	1		Departmental update audit action plan and minutes of meetings (where progress was reported)		
KP I 27	To ensure sustainable waste managem nt in Ngwathe	Waste Managem nt	Service Delivery and Infrastructur es Developme nt	Develop and submit IWMP	IWMP developed and submit to Council by 30 June 2023	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1		Waste Management Plan and Council Minutes		
KP I 28	To ensure sustainable waste managem nt in Ngwathe	Waste Managem nt	Service Delivery and Infrastructur es Developme nt	Licensed and operational landfill sites 3 (Koppies, Parys and Vredefort)	Number of Landfill sites licensed and operational by 30 June 2023	#	5	3	N/A	N/A	N/A	N/A	N/A	N/A	3		Proof of application submitted		
KP I 29	To ensure sustainable waste managem nt in Ngwathe	Waste Managem nt	Service Delivery and Infrastructur es Developme nt	Collect refuse once a week from wards (households and business premises)	Refuse collected once a week from 19 wards (household and business premises) by 30 June 2023	#	37102	100%	100 %	100 %	100 %	100 %	100 %	100 %	100 %		Weekly checklist signed by Supervisors and Manager and quarter reports		
KP I 30	To ensure sustainable waste managem nt in Ngwathe	Waste Managem nt	Service Delivery and Infrastructur es Developme nt	Waste Managem nt Education and awareness	Number of Waste Management education and awareness campaigns	#	New KPI	5	1	1	1	1	2	3	1		Photo and quarterly reports		
KP I 31	To ensure provision of social services to communiti es	Sports facilities	Service Delivery and Infrastructur es Developme nt	Managem nt and maintenanc e of sport facilities	Number of sports facilities (stadiums, swimming pools, Multipurpose centres) maintained	#	New KPI	5	1	1	1	1	2	2	1		Quarterly reports		

ID P R e f No .	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measur e	Baselin e/ Actual 2021/22	Annual Performance Targets												POE	2021/2 2 Target	2021/2 2 Actual
								Annua l Target 2022/2 3	1 st Q Targe t	1 st Q Actua l	2 nd Q Targe t	2 nd Q Actua l	3rd Q Targe t	3 rd Q Actua l	4 th Q Targe t	4 th Q Actua l						
KP I 32	To ensure provision of social services to communities	Sports developme nt	Service Delivery and Infrastructur es Developme nt	OR Tambo games	Number of OR Tambo games supported by 30 June 2023	#	New KPI	1	N/A	N/A	1	1	N/A	N/A	N/A	N/A	Photos and report					
KP I 33	To ensure provision of social services to communities	Cemeteries	Service Delivery and Infrastructur es Developme nt	Establish new cemeteries	Number of cemeteries developed established by 30 June 2023	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1		Council minutes approving the establishment of new cemetery					
KP I 34	To ensure strategic planning and orderly developme nt in Ngwathe	SDF	Service Delivery and Infrastructur es Developme nt	SDF developed/ reviewed and approved by Council	SDF developed, review and approved by Council by 30 June 2023	#	1	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Council minutes approving the SDF					
KP I 35	To ensure strategic planning and orderly developme nt in Ngwathe	SDF	Service Delivery and Infrastructur es Developme nt	Developme nt of Human Settlement Plan and review annually	Number of Human Settlement Integrated Plan (IHSP) developed approved by Council by 30 June 2023	#	1	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Council minutes approving the Integrated Human Settlement Plan					
KP I 36	To create an enabling environme nt that stimulates economic growth and create jobs	Economic Developme nt	LED	Develop/ Review LED Strategy	LED Strategy developed/review ed and approved by Council by 30 June 2023	#	1	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Council minutes approving the LED strategy					
KP I 37	To create an enabling environme nt that stimulates economic growth and create jobs	Economic Developme nt	LED	Local Economic Developme nt Policy and review annually	Develop Local Economic Development Policy by June 2023	#	New KPI	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Council minutes approving the LED Plan					

ID P Re f No	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measur e	Baselin e/ Actual 2021/22	Annual Performance Targets												POE	2021/2 2 Target	2021/2 2 Actual
								Annua l Target 2022/2 3	1 st Q Targe t	1 st Q Actua l	2 nd Q Targe t	2 nd Q Actua l	3 rd Q Targe t	3 rd Q Actua l	4 th Q Targe t	4 th Q Actua l						
KP I 38	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Establish fully fledged Directorate of LED Appointment of the Director Strategic Planning and filling in of critical vacant positions	LED Directorate established and functional by 30 June 2023	#	New KPI	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Approved Organizational structure by Council					
KP I 39	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Support SMMEs including through Re in - fencing projects through the Municipal SCM	Number of local SMMEs benefitting from SCM projects by June 2023	#	New KPI	50	10	0	10	0	15	0	15		SCM report					
KP I 40	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Develop Ngwathe Economic Investment Attraction Strategy/Plan and review annually	Number of Ngwathe Economic Investment Attraction Strategy/Plan developed and approved by Council	#	New KPI	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Council approving Investment Attraction Strategy/Plan developed and approved					
KP I 41	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Develop a business regulatory framework for local businesses	Number of By-law promoting local /township businesses passed by Council by June 2023	#	New KPI	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Council Minutes approving Investment Attraction Strategy/Plan developed and approved C					
KP I 42	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Establish an Employment Barometer to monitor and report on employment opportunities and stats	Number of Employment Barometer to monitor and report on employment opportunities and stats established by 30 June 2023	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1		Report on employment opportunities created through EPWP projects and other					

ID P R e f No .	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measur e	Baselin e/ Actual 2021/22	Annual Performance Targets												POE	2021/2 2 Target	2021/2 2 Actual
								Annua l Target 2022/2 3	1 st Q Targe t	1 st Q Actua l	2 nd Q Targe t	2 nd Q Actua l	3 rd Q Targe t	3 rd Q Actua l	4 th Q Targe t	4 th Q Actua l						
				created through EPWP, projects and other																		
KP I 43	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Partner with the private sector to advance economically beneficial projects	Partnerships (PPPs) entered into to develop Mimosa Gardens, Parys Airfield and Eeufes Dam 3 PPP Projects and approved Council and Treasury by June 2023	#	New KPI	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Tender advert and appointment letter					
KP I 44	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Extend free WIFI to communities/ SMMES	Solicit Funding and Forge relations with Communications cell phone network provider by June 2023	#	New KPI	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Proof of applications submitted to network provider to extend free Wi-Fi communities/SMME					
KP I 45	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Development of a Tourism and Marketing Strategy/Plan, reviewed annually and approved by Council	Number of Tourism and Marketing Strategy/Plan developed and reviewed by June 2023	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1		Council minutes approving the Tourism and Marketing Strategy and Plan					
KP I 46	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Promote and support local tourism.	Number of Tourism promotional events promoted and supported by June 2023	#	New KPI	5	2	0	2	0	1	1	N/A	N/A	Photos and event documentations					

ID P R e f N o .	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measur e	Baselin e/ Actual 2021/22	Annual Performance Targets											
								Annua l Target 2022/2 3	1 st Q Targe t	1 st Q Actua l	2 nd Q Targe t	2 nd Q Actua l	3 rd Q Targe t	3 rd Q Actua l	4 th Q Targe t	4 th Q Actua l	POE	2021/2 2 Target	2021/2 2 Actual
KP I 47	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Emerging farmer/agricultural ventures promoted and supported local agriculture	Number of small farmer/agricultural ventures promoted and supported	#	New KPI	20	5	0	5	2	5	0	5		Photos and documentation related to the promotion/support		
KP I 48	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	LED	Promote and support of township economy.	Number of Promotions & celebration of significant date by hosting events that we attract public to the township to promote township economy by June 2023	#	New KPI	5	1	1	2	0	2	1	N/A	N/A	Photos and documentation related to the events promoting township economy		

CORPORATE SERVICES

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets												POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual						
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																						
KPI 49	To ensure sound budgeting and accounting systems compliant with applicable legislation	Compliance	Good Governance	Director to: Report progress on Audit plan in Senior Management Meetings	Number of Audit action plan is prepared, submitted Council, implemented by management and progress is monitored by June 2023	#	New KPI	3	N/A	N/A	1	0	1	0	1		Departmental update audit action plan and minutes of meetings (where progress was reported)					
KPI 50	To ensure effective organisational and management of human resources	Organisational Development	Institutional Development and Organisational Management	Review, develop and implement new organizational structure, including job evaluation, job descriptions and placement	Number of New organizational structure revised and approved by June 2023	#	1	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Report on the approved revised organisational structure					
KPI 51	To ensure effective organisational and management of human resources	Organisational Development	Institutional Development and Organisational	Critical and budgeted posts filled	% of Identified critical funded posts put into the structured and filled	%	7%	20%	5%	2%	5%	0%	5%	0%	5%		Report on critical vacant funded positions filled					
KPI 52	To ensure effective organisational and management of human resources	Skills Development	Institutional Development and Organisational	Conduct comprehensive skills audit	Number of Comprehensive Skills audit conducted by June 2023	1	0	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Report on skills Audit Conducted					

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual					
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																					
KPI 53	To ensure effective organisational and management of human resources	Skills Development	Institutional Development and Organisational	Review and implement Workplace Skills Plan	Number of Workplace Skills Plan Reviewed and implemented by June 2023	1	1	1	N/A	N/A	N/A	N/A	1	1	N/A	N/A	Acknowledgement letter of submission of WSP to LGSETA				
KPI 54	To ensure effective organisational and management of human resources	Skills Development	Institutional Development and Organisational	Provide bursaries to staff	% of Staff provided with bursaries by June 2023	%	35%	50%	N/A	N/A	N/A	N/A	N/A	N/A	50%		Report on bursary allocated to staff who applied for it.				
KPI 55	To ensure effective organisational and management of human resources	Performance Management	Institutional Development and Organisational	Review performance management framework/policy	Performance management framework reviewed by June 2023	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1		Report on a reviewed performance management framework				
KPI 56	To ensure effective organisational and management of human resources	HR Management	Institutional Development and Organisational	Review updated HR policies to align them to new developments	% of Updated HR policies reviewed and approved by June 2023	%	15%	30 %	5%	5%	5%	0%	10%	10%	10%		Report on updated HR policies that have been reviewed				
KPI 57	To ensure effective organisational and management of human resources	HR Management	Institutional Development and Organisational	Modernise and automate various Human Resources systems and processes	Number of Automated HR clocking Management Systems implemented	#	0	1	N/A	N/A	N/A	N/A	N/A	N/A	1		Progress report				

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets												POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual						
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																						
KPI 58	To ensure effective organisational and management of human resources	HR Management	Institutional Development and Organisational	Implement employee wellness programmes	Number of Employee wellness programmes conducted and implemented by June 2023	#	2	4	N/A	N/A	1	0	1	0	2		Report on the employee wellness sessions conducted and attendance registers					
KPI 59	To ensure effective organisational and management of human resources	HR Management	Institutional Development and Organisational	Purchase suitable PPEs for staff as requested and budgeted for	Number of Suitable PPEs for staff purchased as per request and budget by June 2023	#	1	2	N/A	N/A	1	0	N/A	N/A	1		Report of suitable PPE purchased as per budget allocation and requested					
KPI 60	To ensure effective organisational and management of human resources	HR Management	Institutional Development and Organisational	Manage discipline and consequence management	Number of HR policies and Code of Conduct circulated and staff inducted on them by June 2023	#	New KPI	10	2	3	2	0	3	5	3		Report on the HR policies and code of Conduct inductions to staff					
KPI 61	To ensure effective organisational and management of human resources	Labour Relations	Institutional Development and Organisational	Improve functionality of LLF	LLF fully constituted, meetings held for policy engagements by June 2023	#	2	6	2	2	2	2	1	0	1	1	Minutes of LLF meetings					
KPI 62	To ensure effective organisational and management of	Council Support	Institutional Development and Organisational	Provide secretariat support to Council	Number of Council meetings of Council and Committee	#	6	8	2	16	2	2	2	2	2	2	Minutes of Council meetings and					

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual					
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																					
	human resources				es held as scheduled, minutes taken and circulated in time by June 2023												Council Committees				
KPI 63	To ensure effective organisational and management of human resources	Council Support	Institutional Development and Organisational	Provide secretarial support to Council	Number Council Resolution Registers developed and tabled at Council by June 2023	#	3	4	1	2	1	1	1	1	1	1	Minutes of ordinary Council Meeting				
KPI 64	To ensure effective organisational and management of human resources	Council Admin	Institutional Development and Organisational	Develop and budget for policy and a file plan on records management	Number of Policy and a file plan for records management developed and implemented	#	0	1	N/A	N/A	N/A	N/A	N/A	N/A	1		Report of the record management policy and Plan				

FINANCIAL SERVICES

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/Actual 2021/22				Annual Performance Targets									
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual	POE	2021/22 Target	2021 Actual	
		FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																		
KPI 65	To ensure sound budgeting and accounting systems compliant with applicable legislation	Compliance	Good Governance	Director to: Report progress on Audit plan in Senior Management Meetings	Number of Audit action plan is prepared, submitted Council, implemented by management and progress is monitored by June 2023	#	New KPI	3	N/A	N/A	1	0	1	1	1		departmental update audit action plan and minutes of meetings (where progress was reported)			
KPI 66	To ensure sound budgeting and accounting systems compliant with applicable legislation	Budget Management	Financial Viability and Management	Develop and submit budget and all related policies in time and in line with MFMA	Number of MFMA Compliant Budget submitted and approved by Council in time by June 2023	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1		Council minutes – MTREF Budget			
KPI 67	To ensure sound budgeting and accounting systems compliant with applicable legislation	Budget Management	Financial Viability and Management	Introduce cost reflective tariffs	Number of Tariff obtained and Council approval	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1		Council minutes – Municipal tariff			
KPI 68	To ensure a financially viable municipality	Revenue Management	Financial Viability and Management	Develop the Finance Turnaround Plan inclusive of expanding income base and sweating unused municipal assets	Number of Finance Turnaround Plans inclusive of expanding income base and sweating unused municipal assets developed and implemented	#	1	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Council minutes – Finance Turnaround Plans			

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/Actual 2021/22	Annual Performance Targets											
								Annual Target 2022/23	1st Q Target	1st Q Actual	2nd Q Target	2nd Q Actual	3rd Q Target	3rd Q Actual	4th Q Target	4th Q Actual	POE	2021/22 Target	2021/22 Actual
					by June 2023														
KPI 69	To ensure a financially viable municipality	Revenue Management	Financial Viability and Management	Develop and implement Revenue Enhancement Strategy	Number of Revenue Enhancement Strategy developed and implemented	#	1	1	N/A	N/A	1	0	N/A	N/A	N/A	N/A	Council minutes – Revenue enhancement strategy		
KPI 70	To ensure a financially viable municipality	Revenue Management	Financial Viability and Management	Cleanse billing data	Number of household data cleansed by 30 June 2023	#	2,500	2500	625	0	625	0	625	0	625		Reports on number of household visited for data cleansing		
KPI 71	To ensure a financially viable municipality	Revenue Management	Financial Viability and Management	Install 12 000 water meters	Number of water meters installed by June 2023	#	2000	2000	500	0	500	0	500	0	500		Reports on number of water meter installed		
KPI 72	To ensure a financially viable municipality	Revenue Management	Financial Viability and Management	Install 1000 smart meters	Number of smart meters installed by June 2023	#	2000	2000	500	0	500	0	500	0	500		Reports on number of electricity meter installed		
KPI 73	To ensure a financially viable municipality	Revenue Management	Financial Viability and Management	Resolve customer queries speedily	% of Customer queries resolved within 21 days by June 2023	%	New KPI	100%	100%	0%	100%	80%	100%	100%	100%		Register on customer queries		
KPI 74	To ensure efficient management of municipal finances	Financial Management	Financial Viability and Management	Purchase Financial Accounting Software Package	Financial Accounting Software Package purchased by June 2023	#	1	1	N/A	N/A	1	0	N/A	N/A	N/A	N/A	Report on procurement of financial management system		
KPI 75	To ensure effective management of municipal expenditure	Expenditure Management	Financial Viability and Management	Implement cost containment measures	% reduction in avoidable costs by June 2023	%	New KPI	30%	30%	0%	30%	0%	30%	0%	30%		Monthly expenditure reports		

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/Actual 2021/22	Annual Performance Targets											
								Annual Target 2022/23	1st Q Target	1st Q Actual	2nd Q Target	2nd Q Actual	3rd Q Target	3rd Q Actual	4th Q Target	4th Q Actual	POE	2021/22 Target	2021 Actual
KPI 76	To ensure effective management of municipal expenditure	Expenditure Management	Financial Viability and Management	Develop Expenditure SOP's	Number of SOPs developed and implemented by June 2023	#	1	1	N/A	N/A	1	0%	N/A	N/A	N/A	N/A	Report and approval on SOP's		
KPI 77	To ensure effective management of municipal expenditure	Expenditure Management	Financial Viability and Management	Build the capacity of the SCM Section and Improve turnaround time	Number on Capacity and turnaround time of SCM Unit improved by June 2023	#	1	1	N/A	N/A	1	1	N/A	N/A	N/A	N/A	Attendance register on SCM Training		
KPI 78	To ensure effective management of municipal assets	Asset Management	Financial Viability and Management	Purchase and utilise compliant Fixed Asset Register System	A suitable Fixed Asset Register System purchased by June 2023	#	1	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Proof of Fixed Asset Register System purchased		
KPI 79	To ensure effective financial reporting compliant with applicable legislation	Financial Reporting	Financial Viability and Management	Submit s71 and 72 reports to Council within set timeframes	Number of s71 and 72 reports submitted to Council within by June 2023	#	12	12	3	3	3	3	3	3	3		National Treasury acknowledgment reports		
KPI 80	To ensure effective financial reporting compliant with applicable legislation	Financial Reporting	Financial Viability and Management	Submit compliant AFS within prescribed timeframes	Number of Compliant AFS submitted within prescribed timeframes by August 2023	#	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Auditor general acknowledgment of receipts AFS		
KPI 81	To ensure effective financial reporting compliant with applicable legislation	Financial Reporting	Financial Viability and Management	Purchase the SOLAR System to ensure compliance with MSCOA	Number of SOLAR System purchased and utilised by June 2023	#	1	1	N/A	N/A	1	0	N/A	N/A	N/A	N/A	Report on procurement of financial management system		

OFFICE OF THE MAYOR

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets										POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual				
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																				
KPI 82	To ensure good governance and participation of communities	Council Support	Good Governance and Community Participation	Celebrate national and local days of importance / commemoration; Human Right's Day, Worker's / May Day, Youth Day, Flower Festival, Mandela Day	Number of national and local days of commemoration celebrated by June 2023	#	5	5	1	1	1	1	1	1	2	4	Programs/Invitations and attendance registers			
KPI 83	To ensure good governance and participation of communities	Council Support	Good Governance and Community Participation	Ngwatho Launch Men's Dialogue program	Number of awareness programs launched by June 2023	#	4	5	N/A	N/A	N/A	N/A	2	0	3	0	Programs/Invitations and attendance registers			
KPI 84	To ensure good governance and participation of communities	Council Support	Good Governance and Community Participation	Communicate municipal information with public by conducting radio and newspaper interviews by the Mayor	Number of Radio and Newspaper interviews conducted by Mayor by June 2023	#	5	4	1	1	1	4	1	10	1	11	Media release and invite			
KPI 85	To ensure good governance and participation of communities	Council Support	Good Governance and Community Participation	Initiate quarterly social support programs in providing Bursary support	Number of bursary support by the 30 June 2023	#	New KPI	200	N/A	N/A	N/A	N/A	200	105	N/A	N/A	Proof of Payment from Finance			
KPI 86	To ensure good governance	Council Support	Good Governance and Community	Initiate Women and Children's Rights	Number of Women and Children's Rights	#	3	5	1	2	1	0	1	1	2	1	Programs/Invitations and attendance registers			

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets												POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual						
	nce and participation of communities		y Participati on	programs in all 5 towns	programs launched by 30 June 2023																	
KPI 87	To ensure good governance and participation of communities	Council Support	Local Economic Developm ent;	Initiate Youth development and Empowerme nt programs in Ngwathe	Number of Youth Empowerme nt programs launched by June 2023	#	4	5	1	4	3	2	1	0	N/A	N/A	Programs/In vitations and attendance registers					
KPI 88	To ensure good governance and participation of communities	Council Support	Good Governan ce and Communit y Participati on	Initiate Disability Indaba in Ngwathe	Number of Disabled Indabas launched by June 2023	#	3	5	1	0	1	0	2	0	1	0	Programs/In vitations and attendance registers					
KPI 89	To ensure good governance and participation of communities	Council Support	Municipal Transform ation and Institutiona l Developm ent	External and Internal Newsletters compiled and issued	Number of external and internal newsletters issued (12 external and 12 internal) by 30 June	#	12	12	3	5	3	1	3	89	3	0	Copies of Newsletters issued					
KPI 90	To ensure good governance and participation of communities	Council Support	Good Governan ce and Communit y Participati on	Communicat ion Strategy developed and Submitted to MAYCO and Council for approval by end September	Compile and submit Communicat ion Strategy to MAYCO for approval by June 2023	#	1	1	1	0	1	1	1	1	1	0	Communicat ion Strategy and Council Minutes					
OFFICE OF THE SPEAKER																						
KPI 91	To ensure good governance and participation of communities	Ward Committ ees Support	Good Governan ce and Communit y Participati on	Implement capacity building and support programme for ward committees	Number of Training conducted for Ward Committees by June 2023	#	New KPI	4	1	0	1	0	1	0	1	1	Invites, Programmes and Attendance Registers					

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual	POE	2021/22 Target	2021/22 Actual
KPI 92	To ensure good governance and participation of communities	CDWs and Ward Committees	Good Governance and Community Participation	Ensure that deployment of CDWs is aligned to support Ward Committee works	Number of a linking plan developed for CDW's and Ward Committees by June 2023	#	New KPI	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Proof of Linking Plan developed and Council Minutes		
KPI 93	To ensure good governance and participation of communities	Community Consultation	Good Governance and Community Participation	Facilitate regular meetings for All stakeholders i.e. Civics, NGOs, CBOs	Number of stakeholder meetings held for all wards by June 2023	#	216	216	54	0	54	0	54	26	54	17	Invites, Programmes and Attendance Registers		
KPI 94	To ensure good governance and participation of communities	Ward Committee Support	Good Governance and Community Participation	Facilitate workshop to assist with development of ward plans for all Ward Committees	Number of workshops held by 30 June 2023	#	2	2	N/A	N/A	N/A	N/A	1	0	1		Invites, Programmes and Attendance Registers		
KPI 95	To ensure good governance and participation of communities	Community Consultation	Good Governance and Community Participation	Launch and sign-off all Ward Based Plans	Number of ward based plans signed-off by 30 June 2023	#	2	2	N/A	N/A	N/A	N/A	1	0	1		Programmes Ward based Plans		
KPI 96	To ensure good governance and participation of communities	Ward Committee Support	Good Governance and Community Participation	Schedule and facilitate monthly Ward meetings in all Wards	Number of ward meetings held by 30 June 2023	#	216	216	54	12	54	0	54	25	54	17	Invites, Programmes and Attendance Registers		
KPI 97	To ensure good governance and	Council Support	Good Governance and Community	Facilitate the Best Ward Committee Awards ceremony	Number of Best Ward Committee Awards ceremony by	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Programs/ Invitations & Photos report		

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual	POE	2021/22 Target	2021/22 Actual
	participation of communities		Participation		30 June 2023														
KPI 98	To ensure good governance and participation of communities	Community Consultation	Good Governance and Community Participation	Develop and Launch a Citizen Charter after consultation with all Sectors of Community	Number of Citizen's Charter developed and Launched by 30 June 2023	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Programs/ Invitations & Copy of Citizen Charter		

OFFICE OF THE MUNICIPAL MANAGER

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual					
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																					
KPI 99	To ensure sound budgeting and accounting systems compliant with applicable legislation	Compliance	Good Governance and Community Participation	Audit Committee Meetings	Number of Audit Committee Meetings by 30 June 2023	#	4	4	1	3	1	3	1	3	1	2	Audit Committee Agenda and/or Minutes				
KPI 100	To ensure sound budgeting and accounting systems compliant with applicable legislation	Compliance	Good Governance and Community Participation	Review and Approval of Internal Audit Strategic Documents by the Audit Committee; November annually	Number of Risk based audit plan approved by Sept 2023	%	100%	100%	N/A	N/A	100%	100%	N/A	N/A	N/A	N/A	Audit Committee Agenda and/or Minutes				
KPI 101	To ensure sound budgeting and accounting systems compliant with applicable legislation	Compliance	Good Governance and Community Participation	Audit Committee Reporting to Council	% of Audit Committee reporting to Council & Council taking into account its report by 30 June 2023	%	100%	100%	N/A	N/A	100%	100%	100%	100%	100%	100%	Audit Committee Agenda and/or Minutes				
KPI 102	To ensure sound budgeting and accounting systems compliant	Compliance	Good Governance	Municipal Manager to: a) give formal directive to all departments	Number of Audit action plan is prepared, submitted Council,	#	New KPI	3	N/A	N/A	1	1	1	0	1	0	Departmental update audit action				

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual	POE	2021/22 Target	2021/22 Actual
FOR THE PERIOD 1 JULY 2022 - 30 JUNE 2023																			
	with applicable legislation			to develop and implement departmental Audit Action Plan. b) ensure that departmental Audit Action Plans prepared are consolidated and tabled before Council with the Annual Report - 31 January annually. c) ensure that action plan becomes a standing item in all senior and extended management meetings d) superintend the progress reported by departments to correct findings raised by Auditor-General - Progress be discussed in the Senior Manager's	implemented by management and progress is monitored by June 2023												plan and minutes of meetings (where progress was reported)		
								115											

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual					
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																					
				meetings: monthly or quarterly																	
KPI 103	To ensure effective mitigation of risks to the municipality	Audit and Risk	Good Governance and Community Participation	Establish Audit Performance Committees as per applicable legislation	Number of Functional Audit and Performance Committee established by 30 June 2023	#	New KPI	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Audit / Performance Committee Agenda and/or Minutes				
KPI 104	To ensure effective mitigation of risks to the municipality	Risk	Good Governance and Community Participation	Process Risk Management Strategy, Risk Policy and Fraud Prevention Policy for approval by council	Number of Strategic documents submitted to council by 30 June 2023	#	0	3	3	0	N/A	N/A	N/A	N/A	N/A	N/A	Council Minutes				
KPI 105	To ensure effective mitigation of risks to the municipality	Risk	Good Governance and Community Participation	Appointing members to serve in Risk Management Committee	Number of members appointed plus Independent Chairpersons of the Risk Management Committee by June 2023	#	5	5	5	0	N/A	N/A	N/A	N/A	N/A	N/A	Proof of appointed Committee Members				

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual					
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																					
KPI 106	To ensure effective mitigation of risks to the municipality	Risk	Good Governance and Community Participation	Review Risk Implementation Plan	Number of Approved Risk Management Implementation Plan	#	0	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Approved Implementation Plan Minutes of the meeting				
KPI 107	To ensure effective financial reporting compliant with applicable legislation	Compliance	Good Governance and Community Participation	Develop and submit the Section 46 Report and Oversight Report to Council in terms of the Local Government: Municipal Systems Act, No. 32 of 2000	Number of Section 46 Report and Oversight Report submitted to Council by June 2023	#	2	2	N/A	N/A	N/A	N/A	2	2	N/A	N/A	Council Agenda and/or Minutes of Meeting				
KPI 108	To ensure good governance and participation of communities	Community Consultation	Good Governance and Community Participation	Strategic Annual Stakeholder Consultation	Number of Wards and Stakeholder engagements held annually (19 Wards & Stakeholder meetings) by June 2023	#	20	20	20	0	N/A	N/A	20	0	N/A	N/A	Attendance Registers				
KPI 109	To ensure effective financial	Compliance	Good Governance and	Submit the Mid -Year S72 report	Number of Mid-year	#	1	1	N/A	N/A	N/A	N/A	1	1	N/A	N/A	Proof of Submi				

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual					
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																					
	reporting compliant with applicable legislation		Community Participation	to the Mayor	reports submitted to the Mayor by 25 January 2023												ssion to the Executive Mayor and National and Provincial Treasury				
KPI 110	To ensure effective organisational and management of human resources	Compliance	Good Governance and Community Participation	Performance Management Assessment held	Number of Performance assessment held by 30 June 2023	#	2	2	N/A	N/A	1	0	N/A	N/A	1	0	Performance Assessment Report				
KPI 111	To ensure good governance and participation of communities	Compliance	Good Governance and Community Participation	Submit the IDP/ Budget Process Plan Schedule to Council by 31 August	Number of IDP/Budget Process Plan Schedule submitted to Council for approval by 31 August 2022	#	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Council Minutes				
KPI 112	To ensure good governance and participation of	Compliance	Good Governance and Community Participation	Develop and Submit the Draft and Final IDP to Council for approval by	Number of Council approved Draft and Final	#	2	2	N/A	N/A	N/A	N/A	1	1	1	1	Council Minutes of the Meeti				

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual					
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																					
	communities			31 March and 31 May respectively	IDP by June 2023	#	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	ng				
KPI 113	To ensure good governance and participation of communities	Compliance	Good Governance and Community Participation	Submit to the Mayor a draft SDBIP for the budget by no later than 14 days after the approval of the annual budget in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003	Number of Top Layer SDBIP approved within 28 days after the Main Budget has been approved	#	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Approved SDBIP Proof of Sign off by Executive Mayor				
KPI 114	To ensure effective organisational and management of human resources	Compliance	Good Governance and Community Participation	Implementation of the Performance Management Framework by timeous development and signing of Section 56 and 57 performance agreements in terms of the Local Government: Municipal Systems Act, No 32 of 2000	Number of signed performance agreements of Section 57 managers within 14 days of approval of the SDBIP	#	5	5	5	5	N/A	N/A	N/A	N/A	N/A	N/A	Signed Performance Agreements				

IDP Ref No.	Strategic Objective	Priority Area	KPA	Planned Outputs	KPIs	Unit of Measure	Baseline/ Actual 2021/22	Annual Performance Targets											POE	2021/22 Target	2021/22 Actual
								Annual Target 2022/23	1 st Q Target	1 st Q Actual	2 nd Q Target	2 nd Q Actual	3 rd Q Target	3 rd Q Actual	4 th Q Target	4 th Q Actual					
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023																					
KPI 115	To ensure effective financial reporting compliant with applicable legislation	Compliance	Good Governance and Community Participation	Develop and Submit Quarterly Section 52(d) Report to Council for approval	Number of Quarterly Reports submitted to Council for Approval at the end of each Quarter by June 2023	#	4	4	1	1	1	1	1	1	1	1	Council Minutes				
KPI 116	To ensure good governance and participation of communities	Compliance	Good Governance and Community Participation	To review & ensure the implementation of PMS	Performance management framework reviewed by June 2023	#	1	1	N/A	N/A	N/A	N/A	1	1	N/A	N/A	Council Minutes				

CHAPTER 5

FINANCIAL PERFORMANCE

AFS

**REPORT OF THE CHIEF FINANCIAL OFFICER - AUDITED ANNUAL FINANCIAL
STATEMENTS AND RELATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30
JUNE 2023**

Introduction

The office of the Chief Financial Officer is responsible for compiling and preparing the financial statements that fairly present the state of affairs of the municipality in line with Municipal Finance Management Act No. 56 of 2003, sec. 122 and any other guidelines issued by National Treasury and Accounting Standard Board.

Thank you,

Acting Chief Financial Officer

CHAPTER 6

AUDITOR GENERAL AUDIT FINDINGS

In the tables below the Auditor-General’s opinion on the last two financial years’ annual financial statements and annual performance report is discussed.

COMPONENT A: AUDITOR-GENERAL OPINION OF THE 2022/2023 ANNUAL FINANCIAL STATEMENTS AND OTHER MATTERS

6.1. AUDITOR-GENERAL REPORT FOR 2022/2023
The municipality received a qualified audit opinion for the 2022/23, with other matter raised.

Report of the auditor-general to the Free State Provincial Legislature and the council on the Ngwathe Local Municipality

Report on the audit of the financial statements

Qualified of opinion

1. I have audited the financial statements of the Ngwathe Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, 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, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Ngwathe Local Municipality as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for qualified opinion

Service charges

3. I was unable to obtain sufficient appropriate audit evidence for the revenue from the sale of electricity and water included in note 18 to the financial statements as the municipality did not have reliable data of actual consumption to estimate consumer billings for electricity and water. I was unable to confirm the revenue from the sale of electricity and water by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue from electricity and water stated at R275 894 335 in note 18 to the financial statements.
4. In addition, the municipality did not recognise revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions* as they either billed some consumers at incorrect tariffs or did not bill some consumers during the year. Consequently, this resulted in service charges being understated by R37 576 045 and receivables from exchange transactions being understated by the same amount. Additionally, there was an impact on the deficit for the year and accumulated deficit.

Receivables from exchange transactions

5. I was unable to obtain sufficient appropriate audit evidence for debt impairment written off against the allowance for impairment of R93 315 401 included in the reconciliation of allowance for impairment and the allowance for impairment in note 9 to the financial statements. This was due to the lack of adequate supporting evidence provided to confirm the indigent registration and amnesty approvals. I was unable to confirm the allowance for impairment by alternative

means. Consequently, I was unable to determine whether any adjustments were necessary to the allowance for impairment stated at R934 337 440 in note 9 to the financial statements.

6. During 2022, the municipality did not account for receivables from exchange transactions in accordance with GRAP 104, *Financial instruments*, mainly due to some consumers being incorrectly written off, even though the write-off of their debts was not approved by council. Consequently, receivables from exchange transactions stated in note 9 to the financial statements were understated by R27 714 344. In addition, there was an impact on the debt impairment.

VAT receivable

7. I was unable to obtain sufficient appropriate audit evidence for VAT receivable due to a lack of proper record-keeping and the reconciliation of control accounts by the municipality. I was unable to confirm the VAT receivable by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to VAT receivable stated at R327 884 428 in note 10 to the financial statements.

Irregular expenditure

8. The municipality did not disclose all instances of irregular expenditure incurred in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality made payments in contravention of the supply chain management (SCM) requirements, which were not disclosed. I was unable to determine the full extent of the irregular expenditure stated at R332 639 637 in note 50 to the financial statements, as it was impracticable to do so.

Bulk purchases – water losses

9. I was unable to obtain sufficient appropriate audit evidence for the water losses included as part of the bulk purchases in note 34 to the financial statements, due to the status of the accounting records. I was unable to confirm the water losses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to water losses, stated at 7% (2022: 8% - gain) in note 34 to the financial statements.

General expenditure

10. During 2022, I was unable to obtain sufficient appropriate audit evidence for the consumables included as part of general expenditure in note 36 to the financial statements. The municipality expensed water meters without providing adequate supporting evidence to confirm that the water meters had been installed. I was unable to confirm the consumables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to consumables, stated at R19 672 476 in note 36 to the financial statements. My audit opinion on the financial statements for the period ended 30 June 2022 was modified accordingly. My opinion on the current year's financial statements was also modified because of the possible effect of this matter on the comparability of the consumables for the current period.

Context for opinion

11. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
12. 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.
13. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.
15. Note 47 to the financial statements indicates that the municipality incurred a net loss of R225 757 094 during the year ended 30 June 2023 and, as of that date, the municipality's total liabilities exceeded total assets by R191 833 748 and its current liabilities exceeded its current assets by R1 848 823 783. The municipality owed Eskom R1 783 332 354 (2022: R1 501 864 136) and the Department of Water and Sanitation R166 190 035 (2022: R150 792 523) as at 30 June 2023, which was long overdue. These events or conditions, along with other matters as set forth in note 47, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

16. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

17. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Material losses

18. As disclosed in note 34 to the financial statements, material electricity distribution losses of 39% (2022: 56%) were incurred by the municipality, mainly due to line losses, tampering and theft.

Unauthorised expenditure

19. As disclosed in note 48 to the financial statements, unauthorised expenditure of R294 009 536 (2022: R251 442 252) was incurred due to overspending of the budget.

Fruitless and wasteful expenditure

20. As disclosed in note 49 to the financial statements, fruitless and wasteful expenditure of R78 448 480 (2022: R62 591 871) was incurred mainly due to interest charged on late payments to suppliers.

Material impairment

21. As disclosed in notes 8 and 9 to the financial statements, receivables from non-exchange transactions and receivables from exchange transactions were impaired by R934 337 438 (2022: R819 181 373).

Underspending and withholding of conditional grants

22. As disclosed in note 15 to the financial statements the municipality materially underspent the conditional grants by R79 119 368 (2022: R71 799 442). As disclosed in note 26 to the financial statements, the National Treasury withheld R49 077 000 (2022: R37 521 345) equitable shares from the municipality due to the slow implementation of projects by the municipality.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

25. 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.
26. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

27. 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.

28. 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

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

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

KPA	Page numbers	Objective
Basic service and infrastructure development	XX	To provide and maintain basic services (i.e. water, sanitation, electricity, roads, waste management) to the community of the municipality.

31. I was engaged to evaluate the KPA against the criteria developed from the performance management and reporting framework, as defined in the general notice. An annual performance report prepared using these criteria provides useful and reliable information and insights to users of the report on the municipality's planning and delivery on its mandate and planned objectives.
32. The material finding on the reported performance information for the selected KPA is as follows:

Basic service and infrastructure development

33. No supporting evidence was provided for auditing to substantiate the reported performance information for the selected KPA. Consequently, I could not audit the usefulness and reliability of this information.

Other matter

34. I draw attention to the matter below.

Achievement of planned targets

35. The annual performance report includes information on reported achievements against planned targets. This information should be considered in the context of the material findings on the reported performance information.

Report on compliance with legislation

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

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

38. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

39. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

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

Procurement and contract management

41. Some goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c). A similar non-compliance was also reported in the prior year.

42. Written quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(1)(b).

43. Contracts and quotations were accepted from bidders who did not submit a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
44. Quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. A similar non-compliance was also reported in the prior year.
45. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). A similar non-compliance was also reported in the prior year.
46. Sufficient appropriate audit evidence could not be obtained that contracts were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM regulation 43. A similar non-compliance was also reported in the prior year.
47. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2020 (PPPFA).
48. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of section 2(1)(a) of the PPPFA and its regulations.
49. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1)(f) of the PPPFA and 2017 preferential procurement regulations (PPR) 11.
50. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders based on points given for legislative requirements that were stipulated in the original invitation for bidding, as required by the 2017 PPR 5(1) and 5(3).
51. Sufficient appropriate audit evidence could not be obtained that tenders which failed to achieve the minimum qualifying score for functionality were disqualified as unacceptable tenders in accordance with 2017 PPR 5(6).
52. Sufficient appropriate audit evidence could not be obtained that tenders which failed to achieve the minimum qualifying score for functionality were not evaluated further in accordance with 2017 PPR 5(7).
53. 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 PPR 8(2).
54. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM regulation 5.

55. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. This limitation was identified in the procurement processes for the following key projects:

- Refurbishment of the Parys/Tumahole water treatment plant
- Construction Koppies to Edenville Bulk Water Pipeline
- Heilbron/Sanderville low level bridge
- Vredefort: Upgrading of wastewater treatment works

56. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. A similar limitation was also reported in the prior year.

Expenditure management

57. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

58. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM legislation.

59. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R78 448 480, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties levied due to the late payments to suppliers.

60. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R294 009 536, as disclosed in note 48 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by the overspending of the budget.

Utilisation of conditional grants

61. The municipal infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of Dora.

62. Performance in respect of programmes funded by the municipal infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.

63. The regional bulk infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of Dora.

64. Performance in respect of programmes funded by the regional bulk infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.

- 65. The water services infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of Dora.
- 66. Performance in respect of programmes funded by the water services infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.
- 67. The integrated national electrification program grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of Dora.
- 68. Performance in respect of programmes funded by the integrated national electrification program grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.

Consequence management

- 69. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
- 70. Irregular expenditure incurred by the municipality were not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA
- 71. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Strategic planning and performance management

- 72. The service delivery and budget implementation plan for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.
- 73. A performance management system was not adopted, as required by municipal planning and performance management regulation 8.
- 74. The performance management system and related controls were inadequate as significant control deficiencies have been identified in the performance planning, monitoring, measurement, review and reporting processes required by municipal planning and performance management regulation 7(1).

Revenue management

- 75. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.
- 76. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
- 77. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) MFMA.

Human resource management

78. I was unable to obtain sufficient appropriate audit evidence that proof of previous employment, as required by municipal performance regulations for municipal managers and managers directly accountable to municipal managers 4(4)(b), was obtained in respect of the municipal managers appointment made who subsequently resigned during the same year.
79. I was unable to obtain sufficient appropriate audit evidence that financial interests were disclosed by the municipal manager within 60 days from the date of appointment, as required by regulation 36(1)(a) on appointment and conditions of employment of senior managers.
80. I was unable to obtain sufficient appropriate audit evidence that job descriptions were established for all posts in which appointments were made, as required by section 66(1)(b) of the Municipal Systems Act 32 of 2000 (MSA).
81. I was unable to obtain sufficient appropriate audit evidence that appropriate systems and procedures to monitor, measure and evaluate performance of staff were developed and adopted, as required by section 67(1)(d) of the MSA.

Other information in the annual report

82. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that have been specifically reported on in this auditor's report.
83. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
84. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
85. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

86. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

87. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
88. Management did not adequately respond to my requests for information and communication of audit findings. As a result, management imposed limitations on the audit resulting in the modification of the auditor's opinion and the repeat findings reported on performance information.
89. Instability in senior management positions, including the position of municipal manager and chief financial officer resulted in management not implementing adequate oversight controls or implementing effective consequence management. As a result, misstatements, including limitations, were not prevented or detected and corrected, which resulted in the modification of the auditors' opinion, the findings reported on performance information and non-compliance with laws and regulations. This was especially prevalent in the processes of supply chain and contract management.

Material irregularities

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

Material irregularities identified during the audit

91. The material irregularities identified are as follows:

Material irregularities in progress

92. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the response from the accounting officer. This material irregularity will be included in next year's auditor's report.

Status of previously reported material irregularities

Eskom not paid within 30 days

93. The accounting officer did not take all reasonable steps to ensure that amounts due to Eskom for the bulk purchase of electricity were paid within 30 days of receiving the relevant invoice or statement, as required by section 65(2)(e) of the MFMA. The late payment resulted in interest of R21 592 212 being incurred for the period 1 April 2019 to 31 March 2020. The interest incurred is likely to result in a material financial loss for the municipality due to the liability to pay the interest to Eskom.
94. The accounting officer was notified of the material irregularity on 25 February 2021 and was invited to make a written submission on the actions taken and that will be taken to address the

matter. The accounting officer did not take appropriate action to resolve the material irregularity. I recommend that the accounting officer should take the following action to address the material irregularity, which should be implemented by 30 June 2024 with progress reports every 2 months:

- (a) Update and commence with the implementation of the revenue enhancement turnaround strategies of the municipality to address the financial problems that are preventing the municipality from paying Eskom within 30 days, as required by section 65(2)(e) of the MFMA. The strategies to be implemented should include measures to:
- Increase revenue;
 - Increase the collection of revenue;
 - Efficiently manage the available resources of the municipality by accurate budgeting, budget management and cost cutting;
 - Reduce electricity distribution losses; and
 - Negotiate a reasonable payment arrangement with Eskom and properly budget for the amounts to be paid.

Department of water and sanitation not paid within 30 days

95. The accounting officer did not take all reasonable steps to ensure that amounts due to the Department of Water and Sanitation for the bulk purchases of water were paid within 30 days of receiving the relevant invoice or statement, as required by section 65(2)(e) of the MFMA. The late payment resulted in interest of R7 203 625 being incurred for the period 1 July 2021 to 30 June 2022. The interest incurred is likely to result in a material financial loss for the municipality due to the liability to pay the interest to the Department of Water and Sanitation.

96. The accounting officer was notified of the material irregularity on 4 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I recommend that the accounting officer should take the following action to address the material irregularity, which should be implemented by 30 June 2024 with progress reports every 2 months:

- (a) Update and commence with the implementation of the revenue enhancement turnaround strategies of the municipality to address the financial problems that are preventing the municipality from paying the Department of Water and Sanitation within 30 days, as required by section 65(2)(e) of the MFMA. The strategies to be implemented should include measures to:
- Increase revenue;
 - Increase the collection of revenue;
 - Efficiently manage the available resources of the municipality by accurate budgeting, budget management and cost cutting;
 - Reduce water distribution losses; and

- Negotiate a reasonable payment arrangement with the Department of Water and Sanitation and properly budget for the amounts to be paid.

Poor management of the Vredefort waste landfill site within the Ngwathe Local Municipality

97. The municipality has been operating the Vredefort waste landfill site in a manner that is not in compliance with its licence conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control, improper or lack of compacting and cover to limit gas emission, periodic burning of waste, lack of stormwater management and leachate detection and no proper air, water and effluent sampling points to monitor air and water pollution.
98. The municipality consequently did not dispose and treat waste in an environmentally sound manner and in a manner that does not endanger health or the environment as required by section 16(1) of the National Environmental Management Waste Act 59 of 2008. The municipality further did not take reasonable measures to prevent pollution or degradations from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act 107 of 1998 and section 19(1) of the National Water Act 36 of 1998. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site, communities adjacent to the landfill site as well as exposed to, and dependent on, the groundwater resources.
99. The accounting officer was notified of this material irregularity on 15 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of determining the most suitable action to be take.

Auditor General

Bloemfontein

30 November 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:
 - The auditor-general's responsibility for the audit
 - The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. 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 the selected KPA and on the municipality's compliance with selected requirements in key legislation.

Financial statements

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
 - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

4. 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
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraphs (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93(1), 96(b)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

6.2 AUDIT ACTION PLAN

Development

That management be directed to draw up and implement an effective departmental audit action plans to ensure that:

- matters raised by the Auditor-General in his Audit Report and Management Report for 2022/2023;
- as well as matters still outstanding from his previous year are fully dealt with;
- Directors be champions of their departmental audit action plans and implementation thereof;
- that the Chief Audit Executive monitor progress in implementing the plan and submit monthly and/or quarterly reports to the Municipal Manager, Audit and Performance Audit Committee and Directors.

Reporting

Management should give regular and timeous feedback to Council on action taken.

ATTACH AUDIT ACTION PLAN **(Not developed)**

Management have not developed audit action plan to correct the findings raised by the Auditor-General and prevent repetitive and recurring findings hence

