

**NGWATHE LOCAL MUNICIPALITY
DRAFT ANNUAL REPORT FOR
THE 2023-24 FINANCIAL YEAR**



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CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 Executive Mayors Foreword

As the Executive Mayor of Ngwathe Local Municipality (NLM), it is my privilege and pleasure to present the 2022/2024 Annual Report. The year under review is the third year in our term of office. We remain steadfast in our commitment to achieving excellence in service delivery and we understand that to achieve this Vision we must always strive to:

- Enhance service delivery through innovative technologies
- Enable a safe, healthy community and environment
- Promote local economic development and tourism
- Adopt clean, renewable energy
- Build strong partnerships
- Be a people-centred, compassionate institution

Historically, Ngwathe has been faced with enormous challenges, both in the delivery of services and in governance. Despite that, we strive to be a well-governed, effectively managed, financially viable and sustainable organisation. A lot has been achieved since that and there is some form of stability in our administration. This has led to us attaining a qualified audit opinion for the year under review. The municipality is also developing strong internal controls and effective financial management processes to ensure that we better our audit opinions going forward.

As part of our whole-of-society approach, we will work with different stakeholders including the private sector, non-profit organizations, faith-based organizations, community groups and our residents to develop our communities even further.

As we navigate the challenges and opportunities that lie ahead, we will remain steadfast in our pursuit of progress, economic growth and brighter future for all our residents.

Yours in service delivery

Cllr Victoria De Beer-Mthombeni
Executive Mayor

1.2 Municipal Manager's Executive Summary

It is a privilege and an honour to be able to table this 2023/2024 Annual Report for consideration by Council, the broader public and residents of Ngwathe as well as the oversight bodies, Audit, Performance & Risk Management Committee, Auditor-General of South Africa, Departments of Co-operative Governance (Provincial and National) and Departments of Treasury (Provincial & National). Although the municipality has achieved When I joined the municipality officially in September 2024, I inherited the municipality that, according to the Office of the Auditor-General, could not provide adequate supporting records for its reported performance for the fifth consecutive year because it did not have a proper performance management system in place. Also, the municipality had a huge vacancy rate in critical positions, both at strategic and operational levels that would ensure that it is able to deal with the challenges that it faces. This has resulted in material irregularity because of the harm caused to accountability, oversight and governance functions.

Consequently, during the last quarter of the calendar year last year, the municipality embarked on an intensive recruitment drive in order to address both service delivery and governance challenges that it faced. I am happy to announce that were able to fill these critical positions by competent and skilled men and women who are going to take the municipality forward and address these challenges that have been confronting the municipality.

It is also worth noting that the municipality has, for the year under review, achieved a qualified audit opinion. With the filling of the key positions, the municipality has cautiously set itself a target of achieving an unqualified audit opinion and has started developing sound financial and performance management disciplines in order to perform their functions according to applicable legislation so that it achieves its objective.

Dr FP MOTHAMAHA
MUNICIPAL MANAGER

1.3 Municipal Overview

Ngwathe Local Municipality was established in terms of section 14 of the Local Government: Municipal Structures Act, Act 117 of 1998. The Ngwathe Local Municipality is situated in the nothern part of the Fezile Dabi District Municipality. The major towns that form Ngwathe Local Municipality's area of jurisdiction include Parys, Vredefort, Heilbron, Koppies and Edenville.

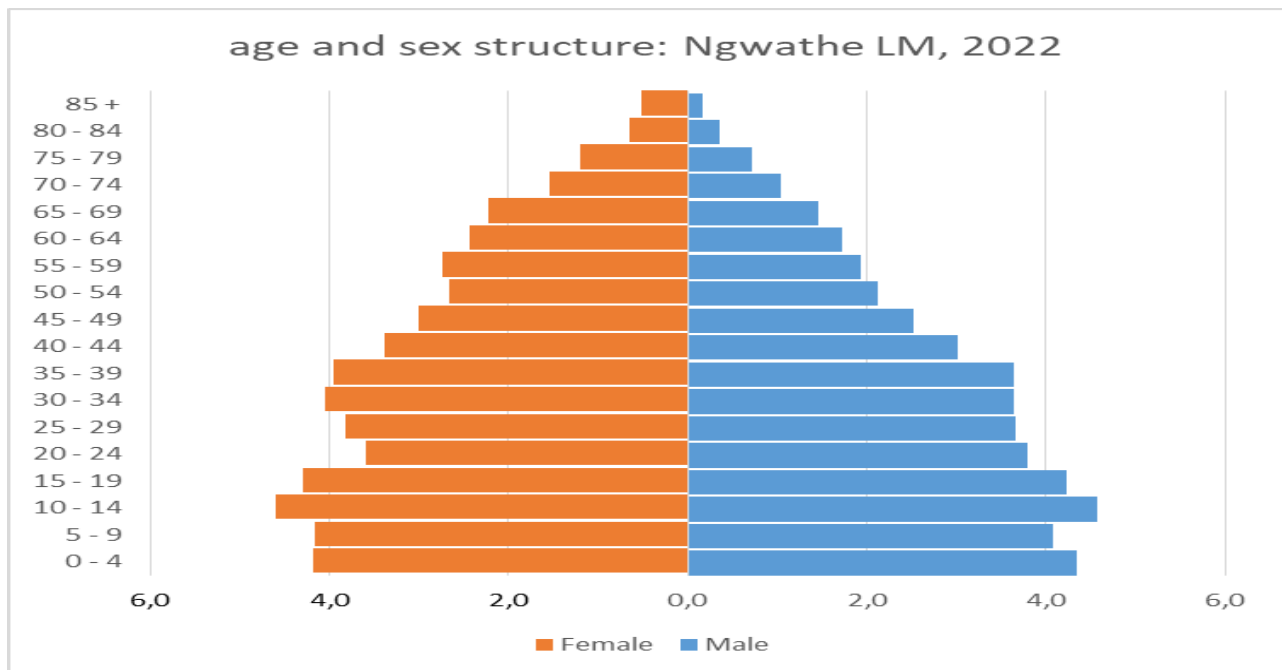
At 7 055km² the land extent makes up about a third of the district's land. The Renoster River also drains through the region and is dammed up in the vicinity of Koppies in a series of dams, namely the Weltevrede, Rooipoort and Koppies Dams. The rivers, together with the respective dams, are prominent water sources for agricultural purposes in the region.

The Parys District has unique natural and environmental assets, like the Vaal River, with several islands in the proximity of Parys, and the Vredefort Dome, that present exceptional tourism potential. Parys has a well-developed airfield that supports commercial and tourism development in the area. It has a strong commercial component and provides a wide range of services regarding health, education and professional services to the district.

Table 1.1: Distribution of population by sex, school attendance and population growth rate

Municipality	CENSUS 2011					CENSUS 2022					Growth Rate
	Total population			School attendance (5-24 years)	Sex Ratio	Total population			School attendance (5-24 years)	Sex Ratio	
	Male	Female	Total			Male	Female	Total			
FS203 : Ngwathe	57 424	63 096	120 520	31 829	91,0	63 460	71 502	134 962	32 426	88,8	1,1

(Source: Source: Stats SA, Census 2022)



(Source: Source: Stats SA, Census 2022)

Table 1.2: Distribution of households by type of dwelling

Type of dwelling	No.
Formal dwelling	33560
Traditional dwelling	181
Informal dwelling	2718
Other	335

(Source: Source: Stats SA, Census 2022)

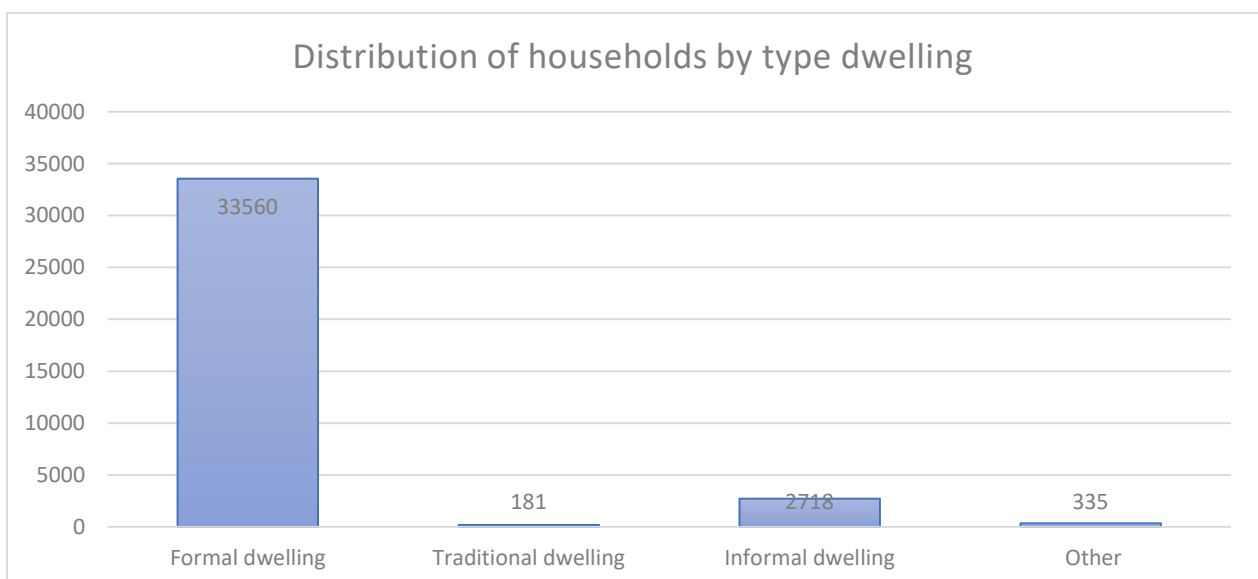


Table 1.3: Distribution of households by access to piped water

Access to piped water	No.
Piped (tap) water inside the dwelling	19719
Piped (tap) water inside the yard	15089
Piped (tap) water on community stand: distance less than 200m from dwelling	942
Piped (tap) water to community stand: distance less than 200m and 500m from dwelling	204
Piped (tap) water to community stand: distance less than 500m and 1000m from dwelling	40
Piped (tap) water on community stand: distance greater than 1000m (1 km) from dwelling	224
No access to piped (tap) water	576

(Source: Source: Stats SA, Census 2022)

Table 1.4: Distribution of households by energy used for lighting

Energy used for lighting	No.
Electricity from mains	35126
Other source of electricity (e.g. generator etc.)	81
Gas	62
Paraffin	165
Candles	1137
Solar	170
Other	22
None	31

(Source: Source: Stats SA, Census 2022)

Table 1.5: Distribution of households by type of toilet facility

Type of toilet facility	No.
Flush toilet connected to a public sewerage system	32328
Flush toilet connected to a septic tank or conservancy tank	474
Chemical toilet	67
Pit latrine/toilet with ventilation pipe (VIP)	1018
Pit latrine/toilet without ventilation pipe	882
Ecological toilet (e.g. urine diversion, enviroloo, etc)	33
Bucket toilet (collected by municipality)	1122
Bucket toilet (emptied by household)	424
None	270
Other	177

(Source: Source: Stats SA, Census 2022)

Table 1.6: Distribution of households by refuse removal

Type of refuse removal	No.
Removed by local authority/private company/community members at least once a week	33613
Removed by local authority/private company/community members less often	394
Communal refuse dump	99
Communal container/central collection point	74
Own refuse dump	1553
Dump or leave rubbish anywhere (no rubbish disposal)	986
Other	74

(Source: Source: Stats SA, Census 2022)

D 1: Risk Management

Risk management is an integral part of strategic and operational planning in Ngwathe Local Municipality in order to ensure effective service delivery. To this effect, the municipality has a fully functional Risk Management Unit which is mainly responsible for effective risk management as a key element of good governance and rigorous performance management.

In an effort to enhance risk management approach, the municipality established the Risk Management Committee in 21 September 2023. The Committee is guided by Council approved Charter as its governing instrument.

During the period under review, the following risk management related activities were performed:

Table 2.7: Risk Management Activities Performed during 2023-24 financial year

Activity / Function	Date Completed
1 ST Risk Committee Meeting	21 September 2023

Table 2.8: Key focus areas and strategic risks

No.	Key focus area	Top risks	Existing Control	Response measure(s)
1	Technical Services	Electrical Cable Theft	Appointment of Security Officer in all towns of Ngwathe Local Municipality	Control Effectiveness: Effective Risk Treatment: Treatment plan is in place
2		Distribution Loss	Installed energy efficiency appliance and upgrade the infrastructure. Gradually replaced conventional meter and faulty {Water and Electricity} meters.	Control Effectiveness: Effective Risk Treatment: Treatment plan in place by Technical Services
3	Finance Department	Low Revenue	Implemented Debt and Credit Control Policy and was able to engage the debt collection company on the best collection mechanisms. Encourage communities to pay for their service	Control Effectiveness: Effective Risk Treatment: Moderate
4	Technical Services	Poor Water Quality	Management to processes of development of Water Service Master Plan. Requesting Department of Water and Sanitation provide to the municipality	Control Effectiveness: effective Risk Treatment: Moderate
5	Corporate Services	High Litigation	Adherence to legislative requirement in all area of responsibilities by Legal Manager Review of Human Resource Management Policies and Legislations	Control Effectiveness: Not effective Risk Treatment Tolerant

CHAPTER 2: GOVERNANCE

Component A: Governance Structures

A1: Political Governance Structure

The political governance structure of the Ngwathe Local Municipality consists of the Council as the highest decision making body. The Council is a Mayoral Executive System, which allows for the exercise of executive authority through the Executive Mayor, in whom the executive leadership of the municipality is vested.

The council consists of (Number) of councillors from different political parties as detailed on the table below:

Table 2.1: Composition of Council, Political Office Bearers & Mayoral Committee

Composition of the Council		
Name of Political Party	Number of Councillors	
	2023/24	2022/23
African National Congress (ANC)	21	21
Democratic Alliance (DA)	7	7
Economic Freedom Fighters (EFF)	5	5
Freedom Front Plus	3	3
Ngwathera (NRA)	1	1
Total	37	37
Political Office-Bearers		
Details	2023/24	2022/23
Executive Mayor: Councilor Victoria De Beer	1	1
Council Speaker: Councilor Neheng Mopedi	1	1
Chief Whip: Councilor Leponesa Sotjhivah	1	1
Mayoral Committee Members		
Portfolio Responsible for	2023/24	2022/23

Table 2.2: Key council resolutions taken

Type of Council Meeting	Date of Meeting	Matter(s) tabled	Resolution Number	Status as at 30 June 2024

A2: Administrative Governance Structure

According to Section 60(b) of the Municipal Finance Management Act, Act 56 of 2003, the Municipal Manager of a municipality is the Accounting Officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures, political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.

The administrative structure of the municipality is headed by the Municipal Manager. As the Accounting Officer, the Municipal Manager accounts to the council for all the administrative issues of the municipality, including implementation of council resolutions. In execution of her duties, the Municipal Manager was assisted by her senior managers, who serve as departmental heads and all together, constitutes the senior management team of the municipality.

The senior management team of Ngwathe Local Municipality for the period under review was structured as follows:

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (Performance Report Part1)

COMPONENT A: INTRODUCTION TO PERFORMANCE REPORT

Performance management is a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality. At local government level performance management is institutionalised through the legislative requirements on the performance management process for local government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The Constitution of South Africa (1996), Section 152, dealing with the objectives of local government, paves the way for performance management with the requirements for an “accountable government”. The democratic values and principles in terms of Section 195(1) are also linked with the concept of performance management, regarding the principles of inter alia:

1. the promotion of efficient, economic and effective use of resources;
2. Accountable public administration;
3. To be transparent by providing information;
4. To be responsive to the needs of the community; and
5. To facilitate a culture of public service and accountability amongst staff.

The Local Government: Municipal Systems Act (MSA) 32 of 2000, requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget via the Service Delivery and the Budget Implementation Plan (SDBIP). This chapter focuses on reporting on service delivery on a service-by-service in line with the municipality’s IDP and SDBIP and thus aims at demonstrating what has been achieved and what remains outstanding as initially planned in terms of the municipality’s IDP

COMPONENT B: SERVICE DELIVERY PERFORMANCE

3.1 Service delivery and infrastructure development

Consumers who fall into the category of benefitting for free basic services are now benefiting as indigent consumers and they receive a certain rebate on monthly basis on waste and property rates. The Municipality also pays Eskom beneficiaries for their first 50 KHW on monthly basis.

The Municipality still suffers a huge loss on electricity used by consumers. There's a high volume of electricity tempering. Replacement and installation of new meters is ongoing to reduce electricity tempering.

Roads conditions in Ngwathe Local Municipality in totality needs urgent and serious attention. The Municipality does not have enough funds to address the concerns around Ngwathe roads. Roads need to be rehabilitated as they are ageing and cannot be patched anymore. MIG funds are not sufficient to cover this cost. Some ward roads are also eroded by water storms. To improve in road issues, in 2023/2024 financial year the Municipality had prioritized to implement and construct a 2km road in Mokwallo.

The municipal buildings in the 5 towns needs urgent attention in relation to maintenance. There is a need to upgrade existing ones to be easily accessible and suitable for community needs. These include pay points, community halls, municipal offices, dumping site offices, public ablutions. Edenville office was closed by the department of labour due to non-compliance with safety regulations.

The strategies of this department are as follows:

- Implementing programmes to upgrade existing municipal buildings and facilities
- Installing and implementing security measures that minimize vandalism and theft at municipal buildings.
- Raising awareness of energy saving for users of municipal buildings and community at large.
- Ensuring sustainable delivery of quality water to household on an uninterrupted basis
- Ensuring service delivery priorities interact smoothly with the community and other departments without disturbance.

- Ensure accurate implementation of planning and maintenance of municipal buildings while adhering to the National Building Regulations Act
- The conclusion of the review of master plans of water, electricity, roads, human settlements and sanitation, will assist in mapping immediate, medium and long term developmental projects and their costing.
- Water continues to be one of the biggest challenges facing the municipality, there are few water and sanitation projects sponsored by WISG to assist and resolve water and sanitation challenges.

3.2 Local Economic Development

The municipality had planned some key projects to enhance economic development in the Ngwathe area of jurisdiction.

The programmes were mainly around developing an investment attraction strategy, promotion of township economy, getting into Public Private Partnership on facilities such as Mimosa gardens, Eufees dam, Parys airfield and establishment of workable LED department.

Lots of focus and work needs to be undertaken in these important strategic department.

The municipality has resuscitated the Public Private Partnership process with national treasury on the upgrading of Mimosa Garden, Eufees dam and Parys airfield.

The municipality has also hosted potential investors, who keen to bring substantial development in and around Parys.

It should be mentioned that there is still a need to focus the department on issues such as investment attraction and economic growth and development. The department should be staffed with skilled and competent personnel on the field of economics. The lack of capacity in the unit denies the municipality to leverage on tourism activities taking place especially in Parys. The Municipality is not in charge of leading and directing tourism in all its facet. There is a need for the municipality to foster a culture of working together with private sector on matters of tourism.

COMPONENT C: ANNUAL PERFORMANCE REPORT AGAINST PRE-DETERMINED OBJECTIVES 2023-24 FINANCIAL YEAR

ID P R E F N O	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	UNIT OF MEASURE	BASELINE / ACTUAL 2022/23	ANNUAL TARGET 2023/24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corrective measures	Reasons target was not achieved
								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		Target	Actual		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
1	Basic Service delivery and infrastructure	To ensure sustainable provision of electricity Maintaining existing infrastructure	Repairing of Lusaka and Heilbron Substations (2 out of 28)	Percentage of repairs done at 2 out of 28 substations by June 2024	%	New KPI	100%	25%	0 %	25%	0%	25%	0%	25%	0%	Appointment letters and close out report	0	0	In future KPI with no budget will not be in the SDBIP	No Budget
2	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Review Water Master Plan	Number of reviewed and Approved Water Master Plan by June 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Final master plan and appointment letter	1	0	In future KPI with no budget will not be in the SDBIP	No Budget
3	Basic Service delivery and infrastructure	To ensure sustainable provision of electricity	Review the Electricity Master Plan	Number of reviewed and Approved Electricity Master Plan by June 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Appointment letters and close out report	1	0	In future KPI with no budget will not be in the SDBIP	No Budget

4	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Upgrading of Ring Main Unit for all 5 towns	Percentage of Completed upgrades of Ring Main Unit in all 5 towns by June 2024	%	New KPI	100%	25%	0%	25%	0%	25%	0%	25%	25%	Invoices and report and close out report	0%	0%		
5	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Building a new line from Parys Eskom Substation to water treatment plant.	Percentage of Completed new line from Parys Eskom Substation to water treatment plant by June 2024	%	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	0	Appointment letters and close out report.	0	0	Budget has been approved for 2024/25	No Budget
6	Basic Service delivery and infrastructure	To ensure the provision of trafficable roads and storm-water	Roads and storm water master Plan	Number of Approved Roads and storm water Plan by June 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Policy document	1	0	In future KPI with no budget will not be in the SDBIP	No Budget
7	Basic Service delivery and infrastructure	To ensure the provision of sustainable sanitation to the community	Green Drop Action Plan Adopted	Number of Green Drop Action Plan adopted and implemented by June 2024	#	New KPI	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Generate report from IRIS system	0%	0%		

8	Basic Service delivery and infrastructure	To ensure the provision of sustainable sanitation to the community	Temporary toilet facilities in Vredefort community -5toilets in Vredefort extension 4&7 -5 toilets in Zuma section(Parys) -5 toilets in Mbeki section (Parys) -5 new transit camp toilets in Koppies	Number of temporary toilet facilities acquired for the 5 towns by June 2024	#	2	240	60	62	60	60	60	60	60	60	Receipts and contract document	168	42		
9	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality effluent to the river	Review Sanitation Master Plan	Number of reviewed and Approved Sanitation Master plan by June 2024	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Request letter and approval letter.	1	0	In future KPI with no budget will not be in the SDBIP	No Budget
10	Basic Service delivery and infrastructure	To ensure the provision of sustainable sanitation to the community	Provision of Stand – by pumps to avoid continuous of spillage (All Towns)	Number of stand pumps provisioned to avoid continuous spillage in all 5 towns by June 2024	#	2	3	2	2	N/A	N/A	N/A	N/A	1	1	Receipts and report.	0	0		
11	Basic Service delivery and	To ensure the provision	Construction of 1 km paved road of	Number of Completed	%	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100 %	100 %	Appointment letter and Hand	100 %	0%		

	infrastructure	of trafficable roads and storm-water	Schonken ville	construction of paved 1km road in Schonken ville by June 2024												over report				
12	Basic Service delivery and infrastructure	To ensure the provision of trafficable roads and storm-water	Construction of 2 km paved road at Mokwallo	Number of completed and constructed 2km paved road in Mokwallo by June 2024	%	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	0%	Appointment letter and hand over report	100%	33%	Will be implemented in the 2024/25 FY	
13	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Refurbish Parys water treatment works	Percentage of Refurbished Parys Water Treatment work Infrastructure by June 2024	%	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	85%	Water service plan.	100%	0%		
14	Basic Service delivery and infrastructure	To ensure the provision of sustainable sanitation to the community	Adoption of Blue Drop Action Plan	Number of Blue Drop Action Plan adopted and Implemented by June 2024	%	New KPI	100%	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A	Generate report from IRIS	90%	0%		
15	Basic Service delivery and infrastructure	To ensure the provision of	Repairs and maintenance of all roads	Percentage of repairs and maintenance	%	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	Maintenance report	0	0		

	ture	trafficable roads and storm-water	related infrastructure	nce of Fixing, closing of potholes, gravelling of roads, replacing of speed humps by June 2024																
16	Basic Service delivery and infrastructure	To ensure sustainable provision of safe, reliable and quality water to the community	Construction of secondary bulk supply in Koppies and Kwakwatsi	Percentage of Completed and Upgraded of bulk water supply to Koppies and Kwakwatsi	%	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	Handover report and close out report	0	0		
17	Basic Service delivery and infrastructure	To Ensure sustainable service delivery to communities	Develop and approve Capital Project Plan for the entire MTREF	Number of developed and Approved Capital Project Plan for the MTREF by June 2024	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Capital plan report	0	0	Will be implemented in the next 2024/25 FY	The plan was developed not approved by Council
18	Basic Service delivery and infrastructure	To ensure sustainable provision of electricity	Upgrade Koppies sub-station intake	Percentage of Completed and upgraded Koppies Sub-station by June 2024	%	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100%	0%	Safety plan	25%	0%	Will be implemented in the 2024/25 FY	Department of Energy took back the money. No appointment of technical director to approve

19	Basic Service delivery and infrastructure	Compliance	Comply with national building regulation and building standards	Number of Approved building plans that are in line with the building regulations and standards by June 2024	#	101	80	20	29	20	23	20	23	20	22	Plan register	80	56		
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KPA 2

ID P R E F N O	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	UNIT OF MEASURE	BASE LINE / ACTUAL 2022/23	ANNUAL TARGET 2023/24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corrective measure	Reasons target was not achieved
								1st Q Target	1st Q Actual	2nd Q Target	2nd Q Actual	3rd Q Target	3rd Q Actual	4th Q Target	4th Q Actual			Target		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
20	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Landfill sites license by June 2024	License Landfill sites	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Prove of application submitted	3	0		
21	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Purchase 2 compact trucks for Vrede and Edenville	Number of Compact Trucks purchased for Vredefort and Edenville by June 2024	#	3	2	N/A	N/A	N/A	N/A	N/A	N/A	2	0	Photos and goods received note	0	0		
22	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Ensure Household, Businesses and industrial collection of Refuse on a	Percentage of Implemented refuse removal as per the approved schedule for all	%	42 000 household per week	42 000 household per week	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	Refuse removal Weekly schedule for all towns	100 %	100 %		

ID P R E F N O	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	UNIT OF MEASURE	BASE LINE / ACTUAL 2022/23	ANNUAL TARGET 2023/24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corrective measure	Reasons target was not achieved
								1st Q Target	1st Q Actual	2nd Q Target	2nd Q Actual	3rd Q Target	3rd Q Actual	4th Q Target	4th Q Actual		Target	Actual		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
			regular basis	household, Business and Industrial sites in Ngwathe by June 2024																
23	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Sustainable Management of Cemeteries of all 5 towns of Ngwathe	Number of Cleaned cemeteries per town by June 2024	#	3	6	N/A	N/A	2	2	2	2	2	6	Photos and report to council	1	0		
24	Basic Service Delivery and Infrastructure development	To ensure environmental sustainability in Ngwathe	Cleaning of Parks Open Spaces and turning them into parks in all 5 towns	Number of all illegal dumping cleaned and turned into Parks in all towns by June 2024	#	2	6	N/A	N/A	2	2	2	2	2	6	Photos and report	0	0		

ID P R E F N O	KPA	OUTCO ME	OUTPU T	OUTPUT INDICAT OR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANNU AL TARG ET 2023/2 4	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Correct ive measur e	Reason s target was not achieve d
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual			Tar get		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
25	To ensure sustainable waste management in Ngwath e	Waste Management	Waste Management Education and awareness	Number of Waste Management education and awareness campaigns conducted by June 2024	#	New KPI	5	1	0	1	1	1	1	2	2	Invitation to stakeholder and plan of Action	5	5		
26	To ensure sustainable waste management in Ngwath e	Waste Management	Develop a draft IWMP	Number of draft IWMP Develop and submit by June 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Request letter to the District	1	0	In future KPI with no budget will not be in the SDBIP	No Budget
27	To ensure provision of social services to commu	Sports & Recreational Facilities	Management and maintenance of sport facilities	Number of sports facilities (stadiums, swimming pools, Multipurp	#	1	3	N/A	N/A	1	1	1	1	1	1	Photos and report	5	4		

ID P R E F N O	KPA	OUTCO ME	OUTPU T	OUTPUT INDICAT OR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANNU AL TARG ET 2023/2 4	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Correct ive measur e	Reason s target was not achieve d
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual			Tar get		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
	nities			ose centres) maintain ed by June 2024				1 st												
28	To ensure provisio n of social services to commu nities	Sports & Recreati on program mes	Coordin ate and implem ent local sports and recreati on program mes in all 5 towns	Number of Sports & Recreatio nal Activities coordinat ed and impleme nted by June 2024	#	2	2	1	2	1	1	N/A	N/A	N/A	N/A	Photos and report I	0	0		
29	To ensure strategi c plannin g and orderly develop ment in Ngwath e	Human Settleme nt	Develop ment of Human Settlem ent Sector Plan	Number of Human Settleme nt Sector Plan develope d and approved by Council by 30 June	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Draft Human Settlem ent plan docum ent	1	0	In future KPI with no budget will not be in the SDBIP	No Budget

ID P R E F N O	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	UNIT OF MEASURE	BASE LINE / ACTUAL 2022/23	ANNUAL TARGET 2023/24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corrective measure	Reasons target was not achieved
								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		Target	Actual		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
				2024																
30	To ensure strategic planning and orderly development in Ngwath e	Spatial planning and compliance with legislation	SDF developed/ reviewed and approved by Council	SDF developed, reviewed and approved by Council by 30 June 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Consultation schedule and attendance registers	1	0	Draft SDF will be submitted to Council in the 2024/25 FY	Consultant appointed
31	To ensure strategic planning and orderly development in Ngwath e	Compliance with legislation	Ensure municipal tribunals are conducted	Number of Municipal Planning Tribunal meetings held in 30 June 2023	#	1	2	N/A	N/A	N/A	N/A	1	0	1	0	Minutes & Attendance register	0	0	Will be implemented in the 2024/25 FY	Instability at the management level
32	Basic Service Delivery and Infrastructure	To ensure strategic planning and orderly	Disaster Management	Review the Disaster Management Plan by	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Consultation schedule and attendance	0	0	Will be implemented in the 2024/25 FY	The Plan is at consultation phase

ID P R E F N O	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	UNIT OF MEASURE	BASE LINE / ACTUAL 2022/23	ANNUAL TARGET 2023/24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corrective measure	Reasons target was not achieved
								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			Target		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
	development	development in Ngwathe		30 June 2024											registers					
33	Basic Service Delivery and Infrastructure development	Improving access to basic services	Fire, Rescue & Disaster Management	4 quarterly Fire, Rescue & Disaster Management reports indicating services rendered in various towns across the Municipality by 30 June 2024	#	New KPI	4	1	1	1	1	1	1	1	1	Report & Photos	0	0		

ID P R E F N O	KPA	OUTCO ME	OUTPU T	OUTPUT INDICAT OR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANNU AL TARG ET 2023/2 4	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Correct ive measur e	Reason s target was not achieve d
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual			Tar get		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
34	Basic Service Delivery and Infrastru cture develop ment	Ensure Good Governance practice s, functioni ng, administ rative and financial capabilit y of the institutio n	Safety and Security	Develop a compreh ensive security plan for the institution by 30 June 2024	#	New KPI	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Securit y Plan Council Minutes	0	0	Will the implem ented in the 2024/25 FY	The municip ality request ed assistan ce from SAPS

KPA 3

ID P R E F N O	KPA	OUTCO ME	OUTPUT	OUTPU T INDICA TOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANN UAL TAR GET 2023/ 24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Correct ive measur e	Reaso ns target was not achiev ed
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Tar get	Act ual		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
35	Local Econom ic Develop ment	To create an enabling environ ment that stimulat e economy c growth and create jobs	Develop Mimosa, Uefeess to enhance and promote tourism In Ngwathe	Number of Public Private Partnership Publicity initiates undertaken to develop Mimosa , Uefeess dam to promote and Attract investors to the Municipality by June 2024	#	1	1	N/A	N/A	1	0	N/A	N/A	1	0	Attendance register , photos and invitations	1	0	Will be implem ented in the 2024/25 FY	PPP process is at internal consult ation phase
36	Local Econom ic Develop ment	To create an enabling environ	Training of SMME's in all 5 towns of Ngwathe	Number of trained SMME in all	#	3	5	N/A	N/A	1	0	2	0	2	2	Consult ation schedules and attendance	0	0		

ID P R E F N O	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	UNIT OF MEASURE	BASE LINE / ACTUAL 2022/23	ANNUAL TARGET 2023/24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corrective measure	Reasons target was not achieved
								1st Q Target	1st Q Actual	2nd Q Target	2nd Q Actual	3rd Q Target	3rd Q Actual	4th Q Target	4th Q Actual		Target	Actual		
		ment that stimulate economic growth and create jobs		towns by June 2024.												nce registers				
37	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	Review LED Strategy	Number of Reviewed LED Strategy by June 2024	#	1	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Data base of SMME's	1	0	Will be implemented in the 2024/25 FY	The Strategy is at consultation phase
38	To create an enabling environment that stimulates economic growth and	Economic Development	Support SMMEs including through Re in - fencing projects through the Municipal SCM	Number of local SMMEs benefited from SCM projects by June 2024	#	20	20	5	0	5	0	5	0	5	0	Photos, flyers, attendance register	15	0	The Municipality must consider appointing staff	Under capacity
39	To	Economic	Solicit	Number	#	New	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Attendance	1	0	The	Under

ID P R E F N O	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	UNIT OF MEASURE	BASE LINE / ACTUAL 2022/23	ANNUAL TARGET 2023/24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corrective measure	Reasons target was not achieved
								1st Q Target	1st Q Actual	2nd Q Target	2nd Q Actual	3rd Q Target	3rd Q Actual	4th Q Target	4th Q Actual		Target	Actual		
	create an enabling environment that stimulates economic growth and create jobs	ic Development	Funding and Forge relations with Communications cell phone network for WIFI	of signed agreement with service providers on extension of WIFI to all communities and SMMEs by June 2024		KPI										nce register and photos			Municipality must consider appointing staff	capacity
40	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	Promote and support local tourism.	Number of promoted and supported local tourism activities by June 2024	#	2	3	N/A	N/A	1	0	1	0	1	1	Photos, flyers and pamphlets	5	0	The Municipality must consider appointing staff	Under capacity
41	To create an enabling	Economic Development	Emerging farmer/agricultural ventures	Number of small farmer/agricult	#	1	2	N/A	N/A	N/A	N/A	1	0	1	0	Attendance register and	20	0	The Municipality must	Under capacity

ID P R E F N O	KPA	OUTCOME	OUTPUT	OUTPUT INDICATOR	UNIT OF MEASURE	BASE LINE / ACTUAL 2022/23	ANNUAL TARGET 2023/24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corrective measure	Reasons target was not achieved
								1st Q Target	1st Q Actual	2nd Q Target	2nd Q Actual	3rd Q Target	3rd Q Actual	4th Q Target	4th Q Actual		Target	Actual		
	environment that stimulates economic growth and create jobs		promoted and supported local agriculture	ural ventures promoted and supported by June 2024												photos			consider appointing staff	
42	To create an enabling environment that stimulates economic growth and create jobs	Economic Development	Promote and support of township economy.	Number of Promotions & celebration of significant date by hosting events that attract public to the township to promote township economy by June	#	New KPI	2	N/A	N/A	1	0	1	0	N/A	N/A	Photos, flyers and pamphlets	5	0	The Municipality must consider appointing staff	Under capacity

ID P R E F N O	KPA	OUTCO ME	OUTPUT	OUTPU T INDICA TOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANN UAL TAR GET 2023/ 24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Correct ive measur e	Reaso ns target was not achiev ed
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Target	Act ual		
				2024																

KPA 4

IDP REF NO	KPA	OUTCO ME	OUTPUT	OUTPUT INDICATOR	UNIT OF MEASUR E	BASELIN E / ACTUAL 2022/23	ANNU AL TARG ET 2023/24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Correc tive measur es	Reason s target was not achieve d
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Target	Actual		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
43	Good governan ce and public participat ion	To ensure good governanc e and public participati on	Council Resolutions Attendance Register	Council Sitings	Number of meetings per quarter	1 meeting per quarter	4 sittings (inclusi ve of special sittings)	1	1	1	1	1	3	1	1	Minutes and attendanc e registers	8	8		
44	Good governan ce and public participat ion	To ensure good governanc e and public participati on	100% of IGR attendance of formal District, Provincial and National meetings	Participation in formal District and Provincial meetings	Number of meetings per quarter	1 meeting per quarter	4 IGR/DD M 4 MECL OCA 4 Nationa l	1 1 1	0	1 1 1	1	1 1 1	1	1 1 1	1	Invitation s, minutes and attendanc e registers	0	0		
45	Good governan ce and public participat ion	To ensure good governanc e and public participati on	Oversight work over Administration	Section 79 and Section 80 Committees	Number of meetings per quarter	1 meeting per quarter	6 sittings	1	1	2	2	1	9	2	2	Minutes and attendanc e registers	0	0		
46	Good governan	To ensure good	Oversight work over	Mayoral Committee	1 meeting Number of	2 meetings per month	12 sittings	3	3	3	3	3	3	3	2	Minutes and attendanc	0	0		

	ce and public participation	governance and public participation	Administration		meetings per quarter											e registers				
47	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resources	Local Labor Forum	Employer Component: Management Councilors Employee Component: Unions	Number of meetings per quarter	1 meeting per quarter	12 meetings	3	3	3	3	3	0	3	0	Minutes and attendance registers	6	5		Post-ponements
48	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Local Government Professionalization programme	Initiate an Organisation Structure review for consideration by Council aligned with Objectives and IDP and policies and by-laws	Develop EE Plan	One EE Plan to be developed before end of 4 th Quarter.	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Letter of acknowledgement of receipt by Department of Labour	1	0		Instability of management
49	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Compliance with legislation	Number of people from EE target groups employed in three highest levels of management in compliance with municipality's approved EE Plan	Adhere to implementation of the report	Implementation of employment equity report by the 15 January 2024	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Letter of acknowledgement of receipt by Department of Labour	0	0		
50	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Implementation of the skills audit process	Draft and submit to Council a Scarce Skills Policy	Drafted policy	Drafted policy by the end of the fourth quarter	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Council resolution and approved policy	0	0	Will be implemented in the 2024/25 FY	The Policy is in Draft state
51	Municipal Transform	To ensure effective organisational	Training of skills development	Implementation of the WSP	Submit the WSP	WSP to be submitted by before	1	N/A	N/A	N/A	N/A	1	1	N/A	N/A	Confirmation of receipt by the SETA	1	1		

	mation and institutional development	onal and management of the human resource	of staff			31 April 2024														
52	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Mechanisms to manage Time and Attendance of all Employees	Develop a policy of time and attendance and a System and Procedures/Mechanisms to manage Time and Attendance of all Employees	Procurement of Biometric Instrument.	One in Head Office	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Proof of purchase of the Biometric system	1	0		
53	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Tender advertised	To have a reliable telephone system	Awaiting assessment from Service Provider. Before end of Quarter 4	Assessment of the telephone system before the end of the 4 th quarter	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Assessment report	0	0		
54	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Antivirus, Firewall and Domain in place	To have a secured environment for our information	Using Kaspersky (12 Months license)	Renewal of license by the end of the 4 th quarter.	1	N/A	N/A	N/A	N/A	1	0	N/A	N/A	Copies of licences	0	0		
55	Municipal Transformation and institutional development	To ensure effective organisational and management of the human resource	Migrate to SOLAR	To have a solar connection implemented	Advertise for proposals	Connection to be concluded by the end of 4 th quarter.	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Proof of purchase of Solar system	0	0		
56	Municipal	To ensure effective	Acquire services of	Reduction of labour matters	Workshop employees	Roadshow on training	30%	N/A	N/A	N/A	N/A	10%	0%	20%	0%	Invitations and Attendance	0	0		

	Transfor mation and institutio nal develop ment	organisati onal and managem ent of the human resource	one legal advisor specializing in labour.	against the Municipality	to conduct themselves	employees about code of Conduct.											e registers						
	ID P R E F N O	KPA	OUTC OME	OUTP UT	OUTP UT INDIC ATOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/ 23	ANNU AL TARG ET 2023/2 4	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corre ctive Meas ures	Reas on targe t was not achi eved		
									1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Tar get	Act ual				
FOR THE PERIOD 1 JULY 2024 – 30 JUNE 2025																							
57	Financi al Viability and Financi al Manage ment;	To ensure sound budgeti ng and accoun ting system s compli ant with applica ble legislati on	Develo p and submit budget and all related policies in time and in line with MFMA	To submit sound budget that is compli ant with applica ble legislat ion by end May 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Council Minute s/ Resolu tion	1	0					
58	Financi al Viability and Financi	To ensure sound budgeti ng and	Financi al Viability and Manag	Review Financ e Turnar ound	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Council Resolu tion	1	0					

ID P R E F N O	KPA	OUTC OME	OUTP UT	OUTP UT INDIC ATOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/ 23	ANNU AL TARG ET 2023/2 4	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corre ctive Meas ures	Reas on targe t was not achi eved
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Tar get	Act ual		
	al Manage ment	account ing system s compli ant with applica ble legislati on Revenue Manage ment	ement	Plan by end of May 2024																
59	Financi al Viability and Financi al Manage ment	To ensure sound budgeti ng and account ing system s compli ant with applica ble legislati on	Introdu ce cost reflectiv e tariffs	Numbe r of tariffs obtaine d and approv ed	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Council resoluti on	1	0		

ID P R E F N O	KPA	OUTC OME	OUTP UT	OUTP UT INDIC ATOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/ 23	ANNU AL TARG ET 2023/2 4	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corre ctive Meas ures	Reas on targe t was not achi eved
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Tar get	Act ual		
60	Financial Viability and Financial Management	To ensure a financially viable municipality Compliance and Internal Controls	Report progresses on Audit plan to Senior Management and Council	Number of Audit Action Plan prepared and submitted to Council	#	3	3	N/A	N/A	N/A	N/A	1	0	1	1	Council resolution.	3	1		
61	Financial Viability and Financial Management;	To ensure a financially viable municipality	Data cleansing on municipal debtors accounts	Number of households data cleansed by June 2024	#	2 500	1 000	N/A	N/A	1000	200	400	0	400	465	Data Cleansing Forms	2500	0		
62	Financial Viability and	To ensure a financial	Reduce customer dispute	% of customer dispute	%	100%	80%	80%	95%	80%	80%	80%	40%	80%	100%	Dispute Register	100%	0%		

ID P R E F N O	KPA	OUTC OME	OUTP UT	OUTP UT INDIC ATOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/ 23	ANNU AL TARG ET 2023/2 4	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corre ctive Meas ures	Reas on targe t was not achi eved
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Tar get	Act ual		
	Financi al Manage ment	lly viable municip ality Healthy revenu e and cash flow for the municip ality	s speedil y	s resolve d within 21 days by June 2024																
63	Financi al Viability and Financi al Manage ment	To ensure a financia lly viable municip ality To ensure effectiv e manag ement of municip al	Implem ent cost contain ment measur es	% on reducti on of avoida ble costs	%	30%	5%	N/A	N/A	N/A	N/A	N/A	N/A	5%	0%	Annual Expen diture Report to Council	30 %	0%		

ID P R E F N O	KPA	OUTC OME	OUTP UT	OUTP UT INDIC ATOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/ 23	ANNU AL TARG ET 2023/2 4	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corre ctive Meas ures	Reas on targe t was not achi eved
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Target	Actual		
		expend iture																		
64	Financial Viability and Financial Management	To ensure a financially viable municipality	Build the capacity of the SCM Section and Improve turnaround time	Number of training Capacity provided to SCM Unit by June 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Attendance Register and progress report on turnaround time	1	1		
65	To ensure effective financial reporting compliant with applicable legislation	To ensure financially viable municipality	Purchase the SOLAR System to ensure compliance with MSCOA	Number of SOLAR system purchased by end June 2024	#	1	1	N/A	N/A	1	1	N/A	N/A	N/A	N/A	Appointment Letter	1	0		

ID P R E F N O	KPA	OUTC OME	OUTP UT	OUTP UT INDIC ATOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/ 23	ANNU AL TARG ET 2023/2 4	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Corre ctive Meas ures	Reas on targe t was not achi eved
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Tar get	Act ual		
66	To ensure effective financial reporting compliant with applicable legislation	To ensure a financially viable municipality	Purchase Financial Accounting Software Package	Number of Accounting Software purchased by end June 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Appointment Letter	0	0		
67	Financial Viability and Financial Management	To ensure effective revenue management	Increase number of Indigent households	Increase of number of household on the indigent register by June 2024	#	New KPI	14 000 Indigent Registered Households	N/A	N/A	N/A	N/A	N/A	N/A	14000	12751	Indigent Register	0	0		

KPA 5

ID P R E F N O	KPA	OUTC OME	OUTPU T	OUTPU T INDICA TOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/ 23	ANN UAL TAR GET 2023/ 24	ANNUAL PERFORMANCE TARGETS								POE	2022/23		Correc tive Measur es	Reaso n target was not achiev ed
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Target	Actual		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
68	Good Govern ance and Comm unity Partici pation	to ensure effectiv e financia l reportin g compli ant with applica ble legislati on	Develop and submit the Section 46 Report and Oversig ht Report submitte d to Council by June 2024	Number of Section 46 Report and Oversig ht Report submitte d to Council by June 2024	#	2	2	N/ A	N/ A	N/ A	N/ A	2	2	N/ A	N/ A	Section 46 report. Oversig ht report Council Agenda and Minutes of Meeting	1	1		

			Act, No. 32 of 2000																	
69	Good Governance and Community Participation	to ensure good governance and participation of communities	Strategic Annual Stakeholder Consultations	Number of Wards and Stakeholder engagements held annually by June 2024	#	20	20	20	0	N/A	N/A	20	4	N/A	N/A	Invitations and Attendance Registers	20	0	Will be implemented in the 2024/25	Community Protests
70	Good Governance and Community Participation	To ensure effective financial reporting compliant with applicable legislation	Submit the Mid-Year S72 report to the Mayor	Number of Mid-year reports submitted to the Mayor by 25 January 2024	#	1	1	N/A	N/A	N/A	N/A	1	1	N/A	N/A	Proof of Submission to the Executive Mayor and National and Provincial Treasury	1	1		
71	Good Governance and Community Participation	To ensure effective organisational and management of human	Performance Management Assessment held	Number of Performance assessment held by 30 June 2024	#	2	2	N/A	N/A	1	0	N/A	N/A	1	0	Performance Assessment Report	2	0		Instability at management level

		resources																		
72	Good Governance and Community Participation	To ensure good governance and participation of communities	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 2024	#	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Approved Process Plan and Council Minutes	1	1		
73	Good Governance and Community Participation	To ensure good governance and participation of communities	Develop and Submit the Draft and Final IDP to Council for approval by 31 March and 31 May respectively	Number of approved Draft and Final IDP by council by March and June 2024	#	2	2	N/A	N/A	N/A	N/A	1	1	1	1	Approved draft and IDP document and Council Minutes	2	2		
74	Governance and Community Participation	To ensure good governance and	Submit to the Mayor a draft SDBIP for the	Number of Top Layer SDBIP approved within	#	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	Approved SDBIP Proof of Sign off by Executive	1	1		

	pation Good	particip ation of commu nities	budget by no later than 14 days after the approval of the annual budget in terms of the Local Govern ment: Municip al Finance Manage ment Act, No. 56 of 2003	28 days after the Main Budget has been approve d												e Mayor				
75	Govern ance and Comm unity Partici pation Good	To ensure effectiv e organis ational and manag ement of human resourc es	Impleme ntation of the Perform ance Manage ment Framew ork by timeous develop ment and signing of Section 56 and	Number of signed perform ance agreem ents of Section 57 manage rs 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 Perform ance Agreem ents	5	5		

			57 perform ance agree- ments in terms of the Local Govern- ment: Municip- al Systems Act, No 32 of 2000																	
76	Govern- ance and Comm- unity Partici- pation Good	To ensure effectiv- e financia- l reportin- g complia- nt with applica- ble legisla- tion	Develop and Submit Quarterl- y Section 52(d) Report to Council for approval	Number of Quarterl- y Reports submitte- d to Council for Approva- l at the end of each Quarter by June 2024	#	4	4	1	1	1	1	1	1	1	1	Quarterl- y reports and Annual Perform- ance report and Council Minutes	4	4		
77	Govern- ance and Comm- unity Partici- pation Good	To ensure good govern- ance and participa- tion of	To review & ensure the impleme- ntation of PMS	Perform- ance manage- ment framework reviewe- d by	#	1	1	N/ A	N/ A	N/ A	N/ A	1	1	N/ A	N/ A	Reviews PMS docume- nt and Council Minutes	1	1		

		communities		June 2024																
78	Good Governance	Improved: Compliance with applicable laws and regulations by the municipality	Audit Committee oversight and assurance to Council	Functional and effective Audit Committee and meetings held 2024	#	4	Minimum: 4 Maximum: 10 Meetings	1		1	1	1	1	1	1	Minutes of meetings; attendance registers & Declaration of interests	4	4		
79	Good Governance	Improved: Compliance with applicable laws and regulations by the municipality	Audit Committee oversight and assurance to Council	Audit Committee Reporting to Council 2024	#	4	4	1	1	1	1	1	1	1	1	Agenda and minutes o	100%	100%		
80	Good Governance	Improved: Compliance with applicable laws and regulati	Audit Committee oversight and assurance to Council	Review and Approval of Internal Audit Strategic Documents by	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Minutes of meetings; attendance registers; Declaration of	100%	100%		

		ons by the municipality		the Audit Committee - November annually by June 2024												interests				
81	Good Governance	Improv ed: Compli ance with applica ble laws and regulati ons by the municip ality	Audit Committ ee oversigh t and assuran ce to Council	Function al and effective Audit Committ ee and meeting s held BY June 2024	#	4	Mini mum: 4 Maxi mum: 10 Meeti ngs	1	1	1	1	1	1	1	1	Minutes of meeting s; attendan ce registers & Declarati on of interests	1	0		
82	Good Govern ance and Comm unity Partici pation	To ensure that there is effectiv e and efficient Risk Manag ement	Function al Risk Manage ment Committ ee	(4) function al Risk Manage ment Committ ee Meeting s	4	0	4	1	1	1	1	1	0	1	0	Minutes Attenda nce Register	0	0	To develop schedul e of meetin g	Unavai lable of manag ement
83	Good Govern ance and Comm unity Partici	Review ed and approv ed Risk Manag ement Implant	Approv ed Risk Manage ment Impleme ntation Plan	(1)x Review ed and approve d Risk Manage ment	1	0	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	Minutes Attenda nce Register	3	0	Will be implem ented 2024/25 FY	Intern al consult ation

	ation	ation Plan		Impleme ntation Plan																
84	Good Govern ance and Comm unity Parti cipation	Appoint ed Inde pendent Risk Manag ement Chairpe rson	Five (5) member's appointe d as Risk Manage ment Committ ee	(1) x Correctl y constitut ed Risk Manage ment Committ ee	5	0	5	5	5	N/ A	N/ A	N/ A	N/ A	N/ A	N/ A	Appoint ment Letters	5	0		
85	Good Govern ance and Comm unity Parti cipation	Approv ed Risk Manag ement Policies Frame work	Three (3) Policies approve d	(3)x Approv ed Risk Manage ment Policies	3	0	3	N/ A	N/ A	3	0	N/ A	N/ A	N/ A	N/ A	Resoluti on of the Council Attenda nce Register	1	0	Will be implem ented 2024/2 5 FY	Interna l consult ation
86	Good Govern ance and Comm unity Parti cipation	Risk assess ment conduct ed and update Risk Register s	Risk assessm ent report and Risk Register s	(3)x Risk assess ment reports and updated Risk Register s tabled and approve d	3	1	3	N/ A	N/ A	3	0	N/ A	N/ A	1	0	Risk Assess ment Repot Attenda nce Register s Risk Register s	0	0	Consequ ence manag ement	Feedb ack slow from unit and depart ment
87	Good Govern ance	Approv ed Toleran	Approve d Toleranc	(1)x Approve d	1	0	1	N/ A	N/ A	1	0	N/ A	N/ A	N/ A	N/ A	Approve d Risk Toleranc	0	0	Enforce complia nce in	No manag ement

	and Comm unity Partici pation	ce Table and Risk Appetit e Model	e Table and Risk Appetite Model	Toleranc e Table and Risk Appetite Model												e and Risk Appetite Model			the 2024/2 5	support
88	Good Govern ance and Comm unity Partici pation	To ensure effectiv e mitigati on of risks to the municip ality	Day to day risk based decision s	(2)x Worksh ops/ awarene ss sessions conduct ed	2	0	2	N/ A	N/ A	1	0	N/ A	N/ A	1	0	Worksho p/ Training report Attenda nce Register	0	0	Enforce in the 2024/2 5 FY	Instabil ity at manag ement level
89	Good Govern ance and Comm unity Partici pation.	To ensure good govern ance and particip ation of commu nities	Communi cation Strategy & Policy develop ed and Submitte d to MAYCO and Council for approval	Number of communi cation strategy Compile and submitte d to MAYCO and Council for approval by June 2024	#	1	1	N/ A	N/ A	N/ A	N/ A	1	0	N/ A	N/ A	Communi cation Strategy Council Minutes	1	0	Will implem ented in the 2024/2 5 FY	Interna l consult ation
90	Good Govern ance and Comm unity	To ensure good govern ance and	Communi cation Strategy & Policy develop ed and	Number of communi cation policy Compile	#	1	1	N/ A	N/ A	N/ A	N/ A	1	0	N/ A	N/ A	Communi cation Policy Council Minutes	1	0	Will implem ented in the 2024/2 5 FY	Interna l consult ation

	Participation.	participation of communities	Submitted to MAYCO and Council for approval	and submitted to MAYCO and Council for approval by June 2024															
91	Good Governance and Community Participation.	To ensure good governance and participation of communities	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 2024	Radio: 7 TV: 3 Newspapers: 10		20	5	8	5	5	5	6	5	6	Media release and media invite			

ID P R E F N O	KPA	OUTC OME	OUTPUT	OUTPUT INDICAT OR	UNIT OF MEAS URE	BASELINE/ ACTUAL 2022/23	ANN UAL TAR GET 2023 /24	ANNUAL PERFORMANCE TARGETS								POE	2022/ 23		Corre ctive Meas ures	Reas ons targe t was not achi eved
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Target	Actual		
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																				
92	Good Govern ance and Comm unity Particip ation.	To ensure good govern ance and particip ation of comm unities	Social cohesion, celebrati ng with workers and communi ty members	Number of national and local Days of commem oration celebrate d by June 2024	#	1	5	2	2	1	1	1	1	1	1	Poste r and pictur es	5	5		
93	Good Govern ance and Comm unity Particip ation	To ensure good govern ance and particip ation of comm unities	Comme morating in unity with workers	Number of national and local Days of commem oration celebrate d by June 2024	#	4	4	N/A	N/A	2	0	N/A	N/A	2	1	Pictur es poster and report	0	0	Increa se the budge t in 2024/ 25 FY	Budg et limita tion

ID P R E F N O	KPA	OUTC OME	OUTPUT	OUTPUT INDICAT OR	UNIT OF MEAS URE	BASELINE/ ACTUAL 2022/23	ANN UAL TAR GET 2023 /24	ANNUAL PERFORMANCE TARGETS								POE	2022/ 23		Corre ctive Meas ures	Reas ons targe t was not achi eved
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Target	Actual		
94	Good Govern ance and Comm unity Particip ation	To ensure good govern ance and particip ation of comm unities	Social cohesion and celebrati ng with youth	Number of national and local Days of commem oration celebrate d by June 2024	#	4	5	N/A	N/A	3	2	1	1	1	1	Poste r, pictur es and attend ance regist er and Repor t	5	5		
95	Good Govern ance and Comm unity Particip ation	To ensure good govern ance and particip ation of comm unities	Comme morating in unity with the communi ty members	Number of national and local Days of commem oration celebrate d by June 2024	#	5	4	1	1	1	1	1	2	1	1	Poste r, pictur es , attend ance regist er and report	0	0		
96	Good Govern ance and Comm unity Particip ation	To ensure good govern ance and particip ation of comm unities	Organise motivatio nal speaker for grade 12 Learners	Motivatio nal session organise d for all grade 12 learners	#	5	5	N/A	N/A	N/A	N/A	N/A	N/A	5	0	Report to council	0	0	Increa se the budge t in 2024/ 25 FY	Budg et limita tion

ID P R E F N O	KPA	OUTC OME	OUTPUT	OUTPUT INDICAT OR	UNIT OF MEAS URE	BASELINE/ ACTUAL 2022/23	ANN UAL TAR GET 2023 /24	ANNUAL PERFORMANCE TARGETS								POE	2022/ 23		Corre ctive Meas ures	Reas ons targe t was not achi eved
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Target	Actual		
	ation	ation of comm unities		by June 2024																
97	Good Govern ance and Comm unity Particip ation	To ensure good govern ance and particip ation of comm unities	Celebrat e world Aids day in Decembe r	Ensure that the World Aids day is celebrate by 1 st Decemb er 2024	#	1	1	N/A	N/A	1	1	N/A	N/A	N/A	N/A	Report to Coun cil	0	0		
98	Good Govern ance and Comm unity Particip ation	To ensure good govern ance and particip ation of comm unities	Organise symposiu m on the 16 days of Activism of no violence against gender based	Symposi um on 16 days of no violence against LGBTQI / GBV organise d by June 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Report to coun cil	5	4	Increa se the budge t in 2024/ 25 FY	Budg et limita tion

ID P R E F N O	KPA	OUTC OME	OUTPUT	OUTPUT INDICAT OR	UNIT OF MEAS URE	BASELINE/ ACTUAL 2022/23	ANN UAL TAR GET 2023 /24	ANNUAL PERFORMANCE TARGETS								POE	2022/ 23		Corre ctive Meas ures	Reas ons targe t was not achi eved
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Target	Actual		
99	Good Govern ance and Comm unity Particip ation	To ensure good govern ance and particip ation of comm unities	Initiate disability indaba in the 5 towns of Ngwathe	Number of Disability Indaba initiated by June 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1	Report to coun cil	5	0		
	Good Govern ance and Comm unity Particip ation	To ensure good govern ance and particip ation of comm unities	Celebrat e new year by organisin g a welcomin g ceremon y for new born babies	Number of Welcomi ng ceremon y for New Born Babies on Christma s and on New Year organise d by Decemb er 2024	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Report to coun cil	0	0	Increa se the budge t in 2024/ 25 FY	Budg et limita tion

ID P R E F N O	KPA	OUTC OME	OUTPU T	OUTPU T INDICA TOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANN UAL TAR GET 2023/ 24	ANNUAL PERFORMANCE TARGETS								POE	2022/2 3		Correct ive Measur es	Reasons target was not achieved	
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Target	Actual			
FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024																					
100	Good Governance and Community Participation	To improve good governance and participation of communities	Coordinate Municipal Council meetings	Ensure that number Municipal council meetings are coordinated by June 2024	#	New KPI	4	1	4	1	1	1	1	1	1	Notice and attendance registers	0	0			
101	Good Governance and Community Participation	To improve good governance and participation of communities	Coordinated Pauper Burials	Percent age of pauper burials coordinated by June 2024	%	New KPI	100%	N/A	N/A	N/A	N/A	N/A	N/A	100 %	100 %	Application forms and approvals	0	0			
10	Good	To	Coordin	Number	#	New	5	1	2	1	14	1	11	2	7	Leaflet	0	0			

ID P R E F N O	KPA	OUTC OME	OUTPU T	OUTPU T INDICA TOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANN UAL TAR GET 2023/ 24	ANNUAL PERFORMANCE TARGETS								POE	2022/2 3		Correct ive Measur es	Reasons target was not achieved
								1st Q Tar get	1st Q Act ual	2nd Q Tar get	2nd Q Act ual	3rd Q Tar get	3rd Q Act ual	4th Q Tar get	4th Q Act ual		Target	Actual		
2	Govern ance and Commu nity Particip ation	improve good govern ance and particip ation of commu nities	ated ID Campai gns in municip al towns	of ID Campai gns imple mented in 5 towns of Ngwath e by June 2024		KPI										s, schedu le for school s				
10 3	Good Govern ance and Commu nity Particip ation	To improve good govern ance and particip ation of commu nities	Coordin ate Municip al Fraternal meeting s	Number of Minister s Fraternal meeting s coordin ated and held by June 2024	#	New KPI	2	N/A	N/A	1	0	N/A	N/A	1	1	Invitati ons and attend ance registe rs	0	0	Increas e the budget in 2024/25 FY	Budge t limitati on
10 4	Good Govern ance and Commu nity	To improve good govern ance and	Coordin ated Ward Commit tee Award	Number of Ward committ ee award ceremo	#	1	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Invitati ons and attend ance registe	1	0		

ID P R E F N O	KPA	OUTC OME	OUTPU T	OUTPU T INDICA TOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANN UAL TAR GET 2023/ 24	ANNUAL PERFORMANCE TARGETS								POE	2022/2 3		Correct ive Measur es	Reasons target was not achieved
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Target	Actual		
	Participation	participation of communities	Ceremony	ny held by June 2024												r				
105	Good Governance and Community Participation	To improve good governance and participation of communities	Engage stakeholders i.e. Civics, NGOs, CBOs engaged	Number of Stakeholder engaged by June 2024	#	New KPI	4	1	1	1	2	1	3	1	1	Invitations, Attendance register	216	43		
106	Good Governance and Community Participation	To improve good governance and participation of communities	Implement capacity building and support programme for ward committees	Number of capacity building and support programme held for ward committees by June 2024	#	4	4	N/A	N/A	1	0	2	0	1	0	Invitations and attendance Registers	4	1	Increase the budget in 2024/25 FY	Budget limitation
107	Good Governance	To improve good	Implement public	Number of public	#	New KPI	5	N/A	N/A	2	0	1	0	2	0	Invitations and	0	0	Increase the budget	Budget limitation

ID P R E F N O	KPA	OUTC OME	OUTPU T	OUTPU T INDICA TOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANN UAL TAR GET 2023/ 24	ANNUAL PERFORMANCE TARGETS								POE	2022/2 3		Correct ive Measur es	Reasons target was not achieved
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Target	Actual		
	and Comm unity Particip ation	govern ance and particip ation of commu nities	educati on progra mmes on Socio Econo mic matters	educati on progra mmes implem ented by June 2024												attend ance registe r			in 2024/25 FY	on
10 8	Good Govern ance and Comm unity Particip ation	To improve good govern ance and particip ation of commu nities	Develo p commu nity satisfac tion survey model	Number of Comm unity satisfac tion survey model develop ed by June 2024	#	New KPI	1	N/A	N/A	N/A	N/A	N/A	N/A	1	0	Model and report council	0	0	Increas e the budget in 2024/25 FY	Budge t limitati on
10 9	Good Govern ance and Comm unity Particip ation	To improve good govern ance and particip ation of commu nities	Establis h Women commis sion, Ngwath e Chapter	Number of Women Commis sion, Ngwath e Chapter establis hed by	#	New KPI	1	N/A	N/A	1	0	N/A	N/A	N/A	N/A	Invitati ons and attend ance registe r	0	0	Increas e the budget in 2024/25 FY	Budge t limitati on

ID P R E F N O	KPA	OUTC OME	OUTPU T	OUTPU T INDICA TOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANN UAL TAR GET 2023/ 24	ANNUAL PERFORMANCE TARGETS								POE	2022/2 3		Correct ive Measur es	Reasons target was not achieved
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Target	Actual		
				June 2024																
11 0	Good Govern ance and Commu nity Particip ation	To improve good govern ance and particip ation of commu nities	Coordin ate quarterl y councill ors commu nity meeting s	Number of quarterl y councill ors commu nity meeting s held by June 2024	#	216	76	19	40	19	21	19	17	19	12	Invitati ons and attend ance registe rs	0	0		
11 1	Good Govern ance and Commu nity Particip ation	To improve good govern ance and particip ation of commu nities	Coordin ate monthly Ward Commit tee meeting s	Number of quarterl y ward committ ee coordin ated and held by June 2024	#	New KPI	76	19	3	19	0	19	18	19	7	Invitati ons and attend ance registe rs	2 1 6	5 4	Will be implem ented in the 2024/25 FY	Non attend ance of affecte d wards
11 2	Good Govern ance and Commu	To improve good govern ance	Develo p and launch Citizen' s	Number of citizens charter develop	#	1	1	N/A	N/A	N/A	N/A	1	1	N/A	N/A	Invitati ons, charter and report	1	0		

ID P R E F N O	KPA	OUTC OME	OUTPU T	OUTPU T INDICA TOR	UNIT OF MEAS URE	BASE LINE / ACTU AL 2022/2 3	ANN UAL TAR GET 2023/ 24	ANNUAL PERFORMANCE TARGETS								POE	2022/2 3		Correct ive Measur es	Reasons target was not achieved
								1 st Q Tar get	1 st Q Act ual	2 nd Q Tar get	2 nd Q Act ual	3 rd Q Tar get	3 rd Q Act ual	4 th Q Tar get	4 th Q Act ual		Target	Actual		
	nity Particip ation	and particip ation of commu nities	Charter	ed ,approv ed launche d and by June 2024												to council				
11 3	Good Govern ance and Commu nity Particip ation	To improve good govern ance and particip ation of commu nities	Develo p, launch and sign-off of Ward- Based Plans	Number of develop ed, launche d and Signed off Ward- Based Plans by June 2024	#	2	19	N/A	N/A	N/A	N/A	19	0	N/A	N/A	Invitati ons, attend ance registe rs and plans	2	0	Will be implem ented in the 2024/25	Intern al Capaci ty to carry the task

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (Performance Report Part II)

4.1 INTRODUCTION TO ORGANISATIONAL DEVELOPMENT

This chapter addresses information pertaining to the implementation of an effective performance management system, organisational development and performance of a municipality. Such information is required to identify skills gaps and plans for the development of such skills.

The Organisational Development Performance is reported on, based on the strategic objectives and core/support functions of the organisation. Organisational Development within the organisation is linked to the IDP Objectives in conjunction with the Vision and Mission Statement of the municipality. Specific Organisational Development Performance that can be reported include Organisational Structure, Staff Establishment and Workforce Profile.

Organisational Structure

The current structure was last approved by Council in April 2017.

The following are the key organizational development areas will be reported on in order to measure the outcome of effective organizational development against the municipality's strategic plans:

- Municipal Human Resource,
- Capacitating the municipal workforce,
- Managing the municipal workforce expenditure,
- Organizational structure enhancement,
- Increased accountability,
- Increased accountability,
- Increased participation in problem solving, goal setting and new ideas; and
- Identifying and development of skills needed to perform

COMPONENT A: INTRODUCTION TO MUNICIPAL WORKFORCE

A1: Workforce profile

As part of the human resource management plan, the municipality's human resource strategy focuses on filling of critical vacancies, and capacitating building interventions for councilors and officials, performance recognition and develop human equity plan.

Ngwathe Local Municipality's workforce profile as at 30 June 2024, is reflected in the table below. In total the municipality recruited 83 new employees during the reporting period. The total number of terminations was 30 which amounts to 7.3% turnover rate.

The table hereunder summarizes the total workforce of the municipality per race group for the period under review.

Table 4.1: Workforce profile of the municipality

Employment category	Race										
	African		Coloured		Indian		White		Total		Total
	M	F	M	F	M	F	M	F	M	F	
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Mid- Management/Prof	1	2	0	0	0	0	0	0	1	2	3
Supervisors and Junior Management / Professional	21	11	0	2	0	0	4	2	25	15	33
Clerical / administrative	204	116	5	0	0	0	3	0	212	116	331
Elementary	130	100	3	2	0	0	1	2	0	0	238
Total Permanent	356	229	8	4	0	0	8	4	238	133	605
Temporary Employee	-	-	-	-	-	-	-	-	-	-	-
Grand Total	356	229	8	4	0	0	8	4	238	133	605

A2: Employment Equity Profile

Table 4.2: Employment Equity Profile

Category	2023/24	
	Total	% of total employees
Black* employees	628	98%
Women employees	362	56%
Employees with Disabilities	0	0%
Employees over age 51	247	38%
Employees between 31 & 50	356	55%
Employees under age 30	4	0.6%

*African, Coloured, Indian

A3: Staff Turnover

The staff turnover of the municipality over the period under review is presented in table below under the different categories:

Table 4.3: Staff turnover

Category	Numerical Data		
	Male	Female	Total
New appointments	5	2	7
Resignations	-	2	2
Pensioned	-	4	4
Dismissed	-	-	-
Net Movement	5	8	13

COMPONENT B: Managing The Municipal Workforce Levels

Workforce management is achieved through proper Human Resources processes and procedures, aligned to Section 67 of the Municipal Systems Act, Act 32 of 2000, which ensures compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration.

This is achieved through the Draft Human Resource Strategy contained in the Municipality's Integrated Development Plan (IDP) and Staff Establishment Report. Adherence and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace also further assists in workforce management

The following management positions were vacant as at the period under review:

Table 4.4 Vacancies filled

Vacancy / Position Filled	Employment Category	Name of the person appointed	Gender	Date of Appointment
Driver of the Speaker	Speakers office	Mr PR Molete	M	26 September 2023
Mayor's Protector	Mayor's office	Mr J Molefe	M	01 November 2023
Driver of the Speaker	Speaker Office	Mr. IM Maduna	M	01 November 2023
Chief Whip Secretary	Chief Whip	Ms MM Motsoeneng	F	01 May 2024
Municipal Manager	MM Office	Dr FP Mothamaha	M	01 May 2024
Mayors Protector	Mayors Office	Mr. TP Radebe	M	01 June 2024

Table 4.5 Vacant Senior Management Positions

Job Title	Employment Category	Provided for on the Org. Structure	Position Budgeted for in 2023/24	Date since vacant
Municipal Manager	Senior Management	Yes	Yes	08 March 2023
Director Corporate Services	Senior Management	Yes	Yes	31 March 2023

Director Community Services	Senior Management	Yes	Yes	25 December 2022
Chief Financial Officer	Senior Management	Yes	Yes	29 July 2022

Component C: Capacitating the municipal workforce

Capacitating municipal workforce relates to continuous professional development and training of employees. Training is provided to staff in line with the Workplace Skills Development Plan (WSP) that was drafted and co-signed by labour representatives as required by legislation. Monthly and quarterly to the LGSETA were done as follows during the reporting period under review:

Type of Report	Reporting Period	Date of Submission of Report
Monthly Monitoring Report	31 July 2023	
	30 August 2023	
	31 September 2023	
	30 October 2023	
	31 November 2023	
	31 December 2023	
	31 January 2024	
	29 February 2024	
	31 March 2024	
	30 April 2024	22 April 2024
	31 May 2024	
	30 June 2024	14 December 2024

C2: Minimum competency levels

Municipal Regulation on Minimum competency Levels, 2007 set out the minimum competency levels that must be met by The Accounting Officer; the Chief Financial Officer; Senior Managers of the Municipality; Other Financial Officials and Supply Chain Management Officials of the Municipality;

In line with the above stated legislative requirement, the table below provides an overview of progress made in meeting the set minimum competency levels:

Table 4.7: Minimum Competency Programmes undertaken by Senior Managers

Name	Title	Course	Start Date	Duration	Progress
None	None	None	None	None	None

Table 4.8: Minimum Competency Programmes undertaken by other Financial Officials and Supply Chain Officials

Name	Title	Course	Start Date	Duration	Progress
Labona Kamohelo	FINANCE INTERNS	MFMP	24 February 2024	5 Months	Completed
Modikwe Cynthia	FINANCE INTERNS	MFMP	24 February 2024	5 Months	Completed
Motloung Lindiwe	FINANCE INTERNS	MFMP	24 February 2024	5 Months	Completed
Queen Diamond	FINANCE INTERNS	MFMP	24 February 2024	5 Months	Completed
Thulo Daniel Modupi	FINANCE INTERNS	MFMP	24 February 2024	5 Months	Completed

Table 4.9: Minimum Competency Programmes undertaken by other Officials

Name	Title	Course	Start Date	Duration	Progress
None	None	None	None	None	N/A

C 3: Performance Management System (PMS)

The municipality has a functional Performance Management System in place. Performance recognition is designed and the reward system is implemented for the senior management level. All the reported performance information is subject to internal and external audits. Performance evaluation is conducted on the basis of reported performance and performance evidence disclosed and audited.

The following senior manager's performance, as reported under Chapter 3 of this report, was evaluated in line with the municipality's performance management system:

Table 4.10: Senior Managers Evaluated in terms of PMS

Initials and Surname	Designation	Performance Evaluated Quarterly (Yes / No)	Performance Evaluated for the Year (Yes / No)
Ms Baleni	Municipal Manager	No	No
Mr. Ngesi	Municipal Manager	No	No
Mr T Manele	Municipal Manager	No	No
Dr FP Mothamaha	Municipal Manager	No	No
Mr JZ Majivolo	Director Corporate Services	No	No
MrJS Caleni	Director Corporate Services	No	No
Mr T Motshoikha	Director Corporate Services	No	No
Mr M Nthiba	Director Community Services	No	No
Mr.M Pali	Director Community Services	No	No
Mr B Netshiodvoza	Director Community Services	No	No
Mr M Phele	Director Technical Services	No	No
Mr. M Pali	Director Technical Services	No	No
Mr Mpindo	Chief Financial Officer	No	No
Mr. M Xulu	Chief Financial Officer	No	No
Ms Lepesa	Chief Financial Officer	No	No

Human Resource Policies

The table below provides an overview of human resources policies that the municipality has in place and whether these policies have been reviewed and adopted by council for implementation. Full text of these policies is obtainable from the **Director: Corporate Support Services, Mr Tlali Motshoikha**

Table 4.11: Human Resource Policies

Name of Policy	Policy In Place Yes / No	Reviewed For 2023/24 Yes / No	Date Adopted By Council	Comment
Code of Conduct	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Employment Equity	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Use of Policy Manual	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Induction	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Recruitment and Selection	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Relocation Expenditure	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Use of External Recruitment Agencies	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Allowances	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Cellular Phones	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Employee Use of Assets	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Group Life	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Home Owners Allowance	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Housing and Rental Allowance	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Leave	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Leave Encashment	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by

Name of Policy	Policy In Place Yes / No	Reviewed For 2023/24 Yes / No	Date Adopted By Council	Comment
				council
Long Services	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Medical Aid	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Medical Examinations	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Official Housing	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Overtime	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Payroll Deductions	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Salary Advances	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Subsistence and Travelling	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Working Hours	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Confidentiality of Information	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Conflict of Interest	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Entertainment	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Extraneous Employment	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council
Firearms and Dangerous Weapons	Yes	No	2008	Policy currently under review. Reviewed policy still be approved by council

Component D: Managing Municipal Workforce Expenditure

D1: Leave Utilisation

The table below hereunder provides an overview of number of leave days utilized by type for the period under review:

Table 4.12: Number of leave days taken by leave type

Number of Leave Days taken by leave type		
Leave type	Total days	Number of employees
Sick	981	162
Maternity	160	2
Family Responsibility	101	58
Other/ Special leave	-	-
Annual Leave	11908.57	465
Compassionate	-	-

D 2: Skills Development & Training Costs

Table 4.13: Skills Development & Training Costs of Finance Officials

Title	Amount	Number of Candidates
Finance Interns	R 222,500.00	5

The training cost for Finance Officials and Finance Interns is covered through Financial Management Grant (FMG)

Table 4.14: Skill Development & Training Costs for Senior Managers & Councillors

Name	Title	Amount
Steve Naale	MM Office	R 34 600.00
Richard Malamule	Finance Department	R 50 900.00
Kgomotso Mateta	Corporate Services	R 30 300.00
Lebogang moseme	MMS office	R 31 275.00
Mokebe Thithi	Speaker Office	R 27 400.00
Harry Mofokeng	Office of the Ex-Mayor	R 27 400.00

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 Introduction

The financial management responsibilities of the municipality are vested with the finance service directorate. The department ensures accountability on municipal income, expenditure and procurement processes and provides reports to various stakeholders on the utilization of municipal funds. The department also provides technical and strategic assistance and support to local municipalities within the district on a request basis.

5.2 Supply Chain Management

Sections 110 – 119 of the Municipal Finance Management Act, Act 56 of 2003, Supply Chain Management (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.

For the period under review the municipality's supply chain was largely implemented in line with the approved policy. All tenders approved were in line with the recommendation of the Bid Committees of the municipality and reporting has been done consistently monthly, quarterly and yearly to different authorities and stakeholders.

There is a clear separation of duties within supply chain management unit itself including its committees and the structures from the Bid committees are as follows:

Table: Supply Chain Management Bid Committees

Name of Bid Committee	Committee Member
Bid Specification Committee	1. Mr Richard Malamule- Acting Billing Manager (Chairperson) 2. Me. Pinky Mokoena 3. Me. Lala Lepele- Member 4. Me. Daphney Mtimkulu- Member/End User 5. Me Mapitso Motha- End user 6. Me. Lebohang Mpolaise- Scribe
Bid Evaluation Committee	1. Mr. Richard Malamule- Acting Billing Manager (Chairperson) 2. Mr. Lehlohonolo Mosala- Regional Manager Koppies

Name of Bid Committee	Committee Member
	<ul style="list-style-type: none"> 3. Mr. Mokete Phele- Water and sanitations Manager 4. Mr. N. Mantoro- Procument Officer 5. Mr. S. Mbangxa- PMU Manager 6. Mr. S. Ramoliki- Acting Assistant Manager IT 7. Me. Tiisetso Semanya- Procurement Officer (Scriber)
Bid Adjudication Committee	<ul style="list-style-type: none"> 1. Mr. M Xulu-Chief Financial Officer- Chairperson 2. Mr. M Pali- Acting Director Technical Services 3. Mr. B Netshivodza- Acting Director Community Services 4. Mr. T Motshoikha- Director Corporate Services 5. Me. P. Mokeona- Supply Chain Manager- Advisor 6. Me. M.Roberts- Procurement Officer- Scriber

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Description	2022/23	2023/24			2023/24 Variance	
	Audited Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Exchange Revenue						
Service charges - Electricity	209,133	390,990	366,162	221,998	57%	61%
Service charges - Water	66,816	74,688	88,492	74,688	100%	84%
Service charges - Waste Water Management	56,397	57,004	71,812	57,004	100%	79%
Service charges - Waste management	40,009	40,627	57,561	40,627	100%	71%
Sale of Goods and Rendering of Services	1,459	1,039	1,264	1,607	155%	127%
Agency services						
Interest						
Interest earned from Receivables	69,357	46,712	46,712	92,644	198%	198%
Interest from Current and Non Current Assets	2,829	2,077	2,077	6,537	315%	315%
Dividends	7	-	-	-		
Rent on Land						
Rental from Fixed Assets	95	286	456	116	41%	25%
Licence and permits						
Operational Revenue	1,985	669	669	501	75%	75%
Non-Exchange Revenue						
Property rates	96,969	125,698	125,698	103,832	83%	83%
Surcharges and Taxes						
Fines, penalties and forfeits	42	1,920	1,129	148	8%	13%
Licence and permits						
Transfers and subsidies - Operational	301,933	269,087	269,377	348,477	130%	129%
Interest	-	-	-	-		
Fuel Levy						
Operational Revenue	-	-	-	-		
Gains on disposal of Assets	(429)	-	-	(205)		0%
Other Gains	(13,892)	-	-	83,585		0%
				115,891		0%
Discontinued Operations						0%
Total Revenue (excluding capital transfers and contributions)	832,709	1,010,798	1,031,411	1,147,450	114%	111%
Expenditure By Type						
Employee related costs	262,012	280,898	280,898	284,918	101%	101%
Remuneration of councillors	16,679	18,056	18,056	17,782	98%	98%
Bulk purchases - electricity	286,130	341,478	341,478	336,782	99%	99%
Repairs and Maintenance	13,917	130,725	111,832	15,451	12%	14%
Debt impairment	202,116	157,549	157,549	243,218	154%	154%
Depreciation and amortisation	50,970	76,842	51,842	51,515	67%	99%
Interest	78,433	22,293	22,293	105,714	474%	474%
Contracted services	33,575	36,351	26,147	51,000	140%	195%
Transfers and subsidies	178	180	180	176	98%	98%
Irrecoverable debts written off	-	157,549	157,549	-	0%	0%
Operational costs	116,954	68,814	72,687	115,993	169%	160%
Losses on Disposal of Assets	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-
Total Expenditure	1,060,963	1,290,735	1,240,512	1,222,549	95%	99%
Surplus/(Deficit)	(228,255)	(279,937)	(209,101)	(75,100)	27%	36%
Transfers and subsidies - capital (monetary allocations)	54,737	141,235	96,962	81,539	58%	84%
Transfers and subsidies - capital (in-kind)						
Surplus/(Deficit) after capital transfers & contributions	(173,518)	(138,702)	(112,139)	6,439	-5%	-6%
Income Tax						
Surplus/(Deficit) after income tax	(173,518)	(138,702)	(112,139)	6,439	-5%	-6%
Share of Surplus/Deficit attributable to Joint Venture						
Share of Surplus/Deficit attributable to Minorities						
Surplus/(Deficit) attributable to municipality	(173,518)	(138,702)	(112,139)	6,439	-5%	-6%
Share of Surplus/Deficit attributable to Associate						
Intercompany/Parent subsidiary transactions						
Surplus/ (Deficit) for the year	(173,518)	(138,702)	(112,139)	6,439	-5%	-6%

Statement of financial position (Continues)

Description	2022/23 Audited Actual	2023/24			2023/24 Variance	
		Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<u>Capital expenditure & funds sources</u>						
Capital expenditure	58,389	153,235	96,962	107,529	70%	111%
Capital transfers recognised	53,174	141,235	96,962	95,693	68%	99%
Borrowing	–	–	–	–		
Internally generated funds	5,215	12,000	–	11,836	99%	–
Total sources of capital funds	58,389	153,235	96,962	107,529	70%	111%
<u>Financial position</u>						
Total current assets	455,585	970,275	956,586	550,650	57%	58%
Total non current assets	1,812,381	2,698,642	2,642,369	1,930,069	72%	73%
Total current liabilities	2,359,587	2,922,534	2,904,241	2,635,472	90%	91%
Total non current liabilities	138,937	–	–	149,904	–	–
Community wealth/Equity	(229,558)	681,989	649,303	(304,657)	-45%	-47%
<u>Cash flows</u>						
Net cash from (used) operating	87,108	159,931	137,637	94,561	59%	69%
Net cash from (used) investing	–	–	–	–	–	–
Net cash from (used) financing	18	(29)	(29)	(3,228)	11059%	11059%
Cash/cash equivalents at the month/year end	45,972	3,172	37,151	62,102	1958%	167%

Financial Performance of Operating Services						
Description	2022/23	2023/24			2023/24 Variance	
	Audited Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating cost						
Governance and administration	482,858	237,464	236,139	552,393	233%	234%
Executive and council	68,808	57,465	59,988	76,157	133%	127%
Finance and administration	414,050	180,000	176,151	476,236	265%	270%
Internal audit	–	–	–	–	–	–
Community and public safety	73,311	78,216	79,432	81,686	104%	103%
Community and social services	67,680	59,492	61,813	62,417	105%	101%
Sport and recreation	2,126	7,348	7,363	9,145	124%	124%
Public safety	2,990	9,508	8,113	7,780	82%	96%
Housing	516	1,868	2,143	2,345	126%	109%
Health	–	–	–	–	–	–
Economic and environmental services	161,472	161,189	121,416	144,031	89%	119%
Planning and development	281	1,019	959	3,015	296%	315%
Road transport	161,192	160,170	120,457	141,016	88%	117%
Environmental protection	–	–	–	–	–	–
Trading services	362,359	656,317	645,976	452,360	69%	70%
Energy sources	257,349	445,853	435,729	339,694	76%	78%
Water management	69,432	106,371	107,376	63,929	60%	60%
Waste water management	31,498	63,889	61,997	33,251	52%	54%
Waste management	4,079	40,204	40,874	15,486	39%	38%
Other	–	–	–	–	–	–
Total Expenditure - Functional	1,080,001	1,133,186	1,082,962	1,230,470	109%	114%
Surplus/ (Deficit) for the year	(225,764)	64,393	45,411	(75,100)	-117%	-165%

Grant Performance

Grant Performance						
Description	2022/23	2023/24			2023/24 Variance	
	Audited Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Operating Transfers and Grants						
National Government:	246,791	269,087	269,087	266,648	99.1%	99.1%
Equitable Share	241,451	261,348	261,348	261,394	100.0%	100.0%
Expanded Public Works Programme Integrated Grant	2,240	2,154	2,154	2,154	100.0%	100.0%
Local Government Financial Management Grant	3,100	3,100	3,100	3,100	100.0%	100.0%
Municipal Infrastructure Grant	–	2,485	2,485	–	0.0%	0.0%
Other transfers and grants [insert description]						
Provincial Government:	1,563	–	–	–	0.0%	0.0%
Provincial Treasury Subsidy (Internal Audit Fees)	1,563					
Other grant providers:	406	–	290	290	0.0%	100.0%
<i>Local Government Water and Related Service SETA</i>	406	–	290	290	0.0%	100.0%
Total Operating Transfers and Grants	248,760	269,087	269,377	266,938	99.2%	99.1%
Variances are calculated by dividing the difference between actual and original/adjustment budget by actual.						

The gazetted grants were not spent in full during the 2023/24 financial year. Roll-over for unspent grant funding was sent to NT, but was not approved.

Funding sources

Capital Expenditure_ Funding Sources: Year 2023/24						
Details	2022/23	2023/24			2023/24 Variance	
	Audited Actual	Original Budget	Adjusted Budget	Actual	Adjusted to OB Variance (%)	Actual to OB Variance (%)
Source of Finance						
Grants and subsidies	53,174	141,235	96,962	81,539	69%	58%
Internal Funding	5,215	12,000	–	11,836	0%	99%
Total	58,389	153,235	96,962	93,375	63%	61%
Percentage of finance						
Grants and subsidies	91.07%	92%	100%	87%	92%	87%
Internal Funding	9%	8%	0%	13%	0%	13%
Capital Expenditure						
Energy sources		30,000	4,500	4,719	15%	16%
Water management		91,615	76,291	80,778	83%	88%
Waste water management		2,000	–	16,924	0%	846%
Waste management						
Road transport		23,120	13,671	11,347	59%	49%
Community and social services	–	6,500	2,500	–	38%	0%
Planning and development				83	0%	0%
Finance and administration	8,421			1,977	0%	0%
Total	8,421	153,235	96,962	115,828		
Percentage of finance						
Energy sources	–	20%	5%	4%		
Water management	–	60%	79%	70%		
Waste water management		1%	0%	15%		
Waste management		–	0%	–		
Road transport		15%	14%	10%		
Community and social services		4%	3%	–		
Planning and development			0%	0%		
Finance and administration	100%		0%	2%		
	100%	100%	100%	100%	0%	0%

Ngwathe Local Municipality is highly dependent on government grants for the implementation of capital programmes. Internal funding to the value of R11.8m was taken from income generated internally from service charges.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash Flow Outcomes				
Description	2022/23	2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers, service charges and other	322,597	595,181	595,181	319,091
Government grant- operating	248,760	269,087	269,087	266,648
Government grant- Capital	72,257	141,235	141,235	31,237
Interest	7,857	22,293	22,293	10,825
Dividends	–	–	–	–
Payments				
Suppliers and employees	(569,825)	(845,572)	(890,159)	(535,802)
Finance Charges	(243)	(22,293)	(22,293)	(667)
Transfers and Subsidies	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	81,402	159,931	115,344	91,333
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	–	–	–
Decrease (increase) in non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(40,630)	(153,235)	(117,507)	(75,202)
NET CASH FROM/(USED) INVESTING ACTIVITIES	40,773	6,695	(2,164)	16,131
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	20	20	–
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	20	20	–
NET INCREASE/ (DECREASE) IN CASH HELD	40,773	6,716	(2,143)	16,131
Cash/cash equivalents at beginning:	5,199	3,495	3,495	46,972
Cash/cash equivalents at month/year end:	45,972	10,210	1,351	63,102

Municipal Investments

Municipal Investment			
Investment type	2021/22 Actual	2022/23 Actual	2023/24 Actual
Call Investment	3,053,762	1,892,149	37,939,925
Call Investment	4,295	21,178,093	6,410,753
Call Investment	12,611	9,015,769	5,292,200
Call Investment	1,143	1,187	8,101,046
Call Investment	1,059,902	12,644,789	4,501,000
Call Investment	257,623	272,301	1,000
Policy	559,376	598,008	688,473
Shares	129,637	143,074	198,416
Total	5,078,349	45,745,370	63,132,813

Ngwathe Local Municipality only has short term investments. These investments are for periods of less than 3 months and as such are included in the cash and cash equivalents line item on the Statement of Financial Position.

CHAPTER 6: AUDITOR GENERALS FINDINGS (2023-24)

COMPONENT A: BACKGROUND

In terms of section 20 of the Public Audit Act, 25 of 2004 (PAA), the Auditor-General must in respect of each audit performed in respect of the auditee, in this case Fezile Dabi District Municipality, prepare a report on the audit. An audit report must reflect such opinions and statements as may be required by any legislation applicable to the auditee who is the subject of the audit, but must reflect at least an opinion or conclusion on:

- a) whether the annual financial statements of the auditee fairly present, in all material respects, the financial position at a specific date and results of its operations and cash flow for the period which ended on that date in accordance with the applicable financial framework and legislation;
- b) the auditee's compliance with any applicable legislation relating to financial matters, financial management and other related matters; and
- c) the reported information relating to the performance of the auditee against predetermined objectives.

With the above background in mind, this chapter provides an overview of the Auditor-General Report of the previous financial year (2022/23) with specific focus on the following:

- a) Matters raised during the previous financial year's audit; and
- b) Remedial action taken to address those issues and preventative measures taken.

COMPONENT B: MATTERS RAISED DURING THE PREVIOUS FINANCIAL YEAR'S AUDIT

COMPONENT C: REMEDIAL ACTION TAKEN TO ADDRESS ISSUES AND PREVENTATIVE MEASURES TAKEN

REPORT OF THE AUDITOR-GENERAL TO FREE STATE PROVINCIAL LEGISLATURE AND THE COUNCIL ON NGWATHE LOCAL MUNICIPALITY

Report on the audit of the financial statements.

Qualified 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 2024, 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 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (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 service charges, as the municipality did not have reliable data for estimations of revenue from the sale of 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 the revenue from the sale of electricity and water stated at R296 685 552 (2023: R275 948 743) in note 18 to the financial statements.

Receivables from exchange transactions

4. I was unable to obtain sufficient appropriate audit evidence for consumer debtors as the municipality did not have adequate systems in place to account for the consumer debtors. I was unable to confirm the consumer debtors by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to receivables from exchange transactions as stated at R182 693 903 in note 9 to the financial statements.

Employee related costs

5. I was unable to obtain sufficient appropriate audit evidence for expenditure relating to the car allowance, other allowances and the pension fund contributions included in employee related costs, as adequate systems were not in place to maintain proper record keeping. I was unable to confirm the car allowance, other allowances and the pension fund contributions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the car allowance, other allowances and the pension fund contributions, stated at R41 092 697 in note 27 to the financial statements.

Debt impairment

6. I was unable to obtain sufficient appropriate audit evidence for debt impairment written off against the allowance included in the reconciliation of allowance for impairment. 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 debt impairment written off against the allowance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the debt impairment written off against the allowance stated at R12 767 825 (2023: R93 315 401 in note 32 to the financial statements).

Irregular expenditure

7. 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 R392 322 260 (2023: R334 219 786) in note 50 to the financial statements, as it was impracticable to do so.

Fruitless and wasteful expenditure

8. The municipality did not include all instances of fruitless and wasteful expenditure incurred in the current year in note 49 to the financial statements, as required by section 125(2)(d) of the MFMA. This was due to payments made on infrastructure projects that could not be verified, material left on-site that deteriorated, along with advance payments that could not be recovered. Consequently, I was unable to determine the full extent of the

understatement of fruitless and wasteful expenditure as stated at R 105 631 022 in note 49 to the financial statements, as it was impracticable to do so.

In addition, the municipality wrote-off fruitless and wasteful expenditure even though the investigations performed were not in accordance with section 32(2)(b) of the MFMA resulting in fruitless and wasteful expenditure being understated by R32 904 640.

Commitments

9. I was unable to obtain sufficient appropriate audit evidence for commitments, as the municipality did not maintain accurate and complete records of the contractual information used to determine commitments. I was unable to confirm the commitments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to commitments stated at R102 226 818 in note 40 to the financial statements.

Context for opinion

10. 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.
11. 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.
12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Close call relating to going concern

14. As disclosed in note 47 of the financial statements, which deals with the possible effects of the future implications on the municipality's prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

Restatement of corresponding figures

15. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Material losses

16. As disclosed in note 33 to the financial statements, material electricity distribution losses of R133 275 740 (2023: R83 555 502) were incurred by the municipality, mainly due to line losses, tampering and theft.

Unauthorised expenditure

17. As disclosed in note 48 to the financial statements, unauthorised expenditure of R335 274 146 (2023: R294 009 536) was incurred due to overspending of the budget.

Material impairments

18. As disclosed in notes 8 to the financial statements, receivables from non-exchange transactions were impaired by R280 899 445 (2023: R225 185 960).

Material uncertainty relating to claims against the municipality

19. With reference to note 41 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result was made in the financial statements.

Underspending and withholding of conditional grants

20. As disclosed in note 15 to the financial statements the municipality materially underspent the conditional grants by R28 527 438 (2023: R79 119 367). As disclosed in note 25 to the financial statements, the National Treasury withheld R68 500 000 (2023: R49 077 000) equitable shares from the municipality due to the slow implementation of projects by the municipality.

Other matter

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

Unaudited disclosure notes

22. 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

23. 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.
24. 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

25. 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.
26. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of our auditor's report.

Report on the audit of the annual performance report

27. 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.

28. I selected the following KPA presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a 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	Purpose
Basic service delivery and infrastructure investment	[XX]	To provide and maintain basic services (i.e. water, sanitation, electricity, roads, waste management) to the community of the municipality.

29. I was engaged to evaluate the reported performance information for the selected 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 on the municipality's planning and delivery on its mandate and planned objectives. My objective was to perform procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

30. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

31. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

32. The material findings on the reported performance information for the selected KPA are as follows:

Basic service delivery and infrastructure investment

Number of blue drop action plan adopted and implemented by June 2024 (IDP ref no. 14)

33. The approved planning documents included a commitment to report the indicator as a number. However, an achievement was reported as a percentage (100%) in the annual performance report. This discrepancy highlights misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability. Furthermore, the target of 100% does not relate directly to the indicator, which measures a number. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievement does not provide useful information on the indicator's achievement. Moreover, the municipality did not establish adequate processes to consistently measure and reliably report on the achievement of this indicator and its target of adopting and implementing 100% of the blue drop action plan by June 2024. This was due to a lack of adequate documentation and information to confirm the performance measurement processes and systems. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target. In addition, an achievement of 100% blue drop action plans adopted and implemented was reported against a target of 100%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, the achievement against the target was lower than reported. Lastly, measures taken to improve performance against the underachieved target of 100% were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by management to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

Percentage of repairs done at 2 out of 28 substations by June 2024 (IDP ref no. 1)

34. An achievement of 0% repairs done at 2 out of 28 substations was reported against a target of 100% repairs planned at 2 out of 28 substations. However, the target had not been clearly defined during the planning process. This was because the municipality did not specify how the percentage was calculated. Consequently, the target is not useful for measuring and reporting on progress against the municipality's planned objectives. Lastly, the municipality did not establish adequate processes to consistently measure and reliably report on the achievement of this indicator and its target of repairs done at 2 out of 28 substations by June 2024. This was due to a lack of adequate documentation and information to confirm the performance measurement processes and systems. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target.

Percentage of completed and upgraded of bulk water supply to Koppies and Kwakwatsi (IDP ref no. 16)

35. An achievement of 100% bulk water supply to Koppies and Kwakwatsi completed and upgraded was reported against a target of 100% planned completion and upgrading of bulk water supply to Koppies and Kwakwatsi. However, the target had not been clearly defined during the planning process. This was because the indicator description did not clearly indicate when the target should be achieved. Consequently, the target is not useful for measuring and reporting on progress against the municipality's planned objectives. Furthermore, the municipality did not establish adequate processes to consistently measure and reliably report on the achievement of this indicator and its target of completing and upgrading of bulk water supply to Koppies and Kwakwatsi. This was due to a lack of adequate documentation and information to confirm the performance measurement processes and systems. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target. Lastly, an achievement of 100% was reported against a target of 100%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Percentage of completed upgrades of ring main unit in all 5 towns by June 2024 (IDP ref no. 4)

36. The municipality did not establish adequate processes to consistently measure and reliably report on the achievement of this indicator and its target of completing upgrades of the ring main unit in all 5 towns by June 2024. This was due to a lack of adequate documentation and information to confirm the performance measurement processes and

systems. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target. Furthermore, an achievement of 25% was reported against a target of 100%. However, some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved. Lastly, measures taken to improve performance against the underachieved target of 100% were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by management to address performance gaps and with assessing the effectiveness of strategies to improve future performance against the target.

Number of green drop action plan adopted and implemented by June 2024 (IDP ref no. 7)

37. An achievement of 1 was reported against a target of 1. I could not determine whether the reported achievement was correct, as adequate supporting evidence to clarify the methods and processes for measuring achievement was not provided. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target has been achieved. The municipality did not establish adequate processes to consistently measure and reliably report on the achievement on this indicator and its target of 1 green drop action plan adopted and implemented by June 2024. This was due to a lack of adequate documentation and information to confirm the performance measurement processes and systems. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target.

Percentage of refurbished Parys Water Treatment Work infrastructure by June 2024 (IDP ref no. 13)

38. The municipality did not establish adequate processes to consistently measure and reliably report on the achievement of this indicator and its target of 100% planned refurbishment of the Parys Water Treatment Work infrastructure. This was due to a lack of adequate documentation and information to confirm the performance measurement processes and systems. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target. Furthermore, an achievement of 85% refurbishment of Parys Water Treatment Work infrastructure was reported against a target of 100% planned refurbishment of the Parys Water Treatment Work infrastructure. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, the achievement against the target was lower than reported.

Various indicators

39. The municipality did not establish adequate processes to consistently measure and reliably report on various indicators. Consequently, the municipality would have found it difficult to determine the correct achievements to be reported against the planned targets. Furthermore, I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicators	Targets	Reported achievements	Details
Number of temporary toilet facilities acquired for the 5 towns by June 2024 (IDP ref no. 8)	240	242	<ol style="list-style-type: none"> 1. There was a lack of adequate documentation and information to confirm the performance measurement processes and systems. 2. As a result, the municipality could not provide adequate supporting evidence to confirm the actual achievements reported in the annual report.
Number of stand pumps provisioned to avoid continuous spillage in all 5 towns by June 2024 (IDP ref no. 10)	3	3	<ol style="list-style-type: none"> 1. There was a lack of adequate documentation and information to confirm the performance measurement processes and systems. 2. As a result, the municipality could not provide adequate supporting evidence to confirm the actual achievements reported in the annual report.

40. The municipality did not establish adequate processes to consistently measure and reliably report on various indicators. Consequently, the municipality would have found it difficult to determine the correct achievements to be reported against the planned targets.

Indicators	Targets	Details
Number of reviewed and approved water master plan by June 2024 (IDP ref no. 2)	1	There was a lack of adequate documentation and information to confirm the performance measurement processes and systems; however, the municipality could provide supporting evidence to confirm the actual achievements reported in the annual report.
Number of reviewed and approved electricity master plan by June 2024 (IDP ref no. 3)	1	
Percentage of completed new line from Parys Eskom substation to water treatment plant by June 2024 (IDP ref no. 5)	100%	
Number of reviewed and approved sanitation master plan by June 2024 (IDP ref no. 9)	1	
Percentage of completed and upgraded Koppies substation by June 2024 (IDP ref no. 18)	100%	

Other matters

41. I draw attention to the matters below.

Achievement of planned targets

42. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information

should be considered in the context of the material findings on the reported performance information.

43. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Basic service delivery and infrastructure investment

<i>Targets achieved: 41,2% (14 of the 34 indicators)</i> <i>Budget spent: 69,1%</i>		
Key service delivery indicators not achieved	Planned targets	Reported achievements
Percentage of repairs done at 2 out of 28 substations by June 2024 (IDP ref no. 1)	100%	0%
Number of reviewed and approved water master plan by June 2024 (IDP ref no. 2)	1	0
Number of reviewed and approved electricity master plan by June 2024 (IDP ref no. 3)	1	0
Percentage of completed upgrades of Ring Main Unit in all 5 towns by June 2024 (IDP ref no. 4)	100%	25%
Percentage of completed new line from Parys Eskom Substation to water treatment plant by June 2024 (IDP ref no. 5)	100%	0%
Number of reviewed and approved sanitation master plan by June 2024 (IDP ref no. 9)	1	0
Percentage of Refurbished Parys Water Treatment Work Infrastructure by June 2024 (IDP ref no. 13)	100%	85%
Percentage of completed and upgraded Koppies substation by June 2024 (IDP ref no. 18)	100%	0%

Targets achieved: 41,2% (14 of the 34 indicators)

Budget spent: 69,1%

Key service delivery indicators not achieved	Planned targets	Reported achievements
Number of approved roads and storm water plan by June 2024 (IDP ref no. 6)	1	0
Number of completed and constructed 2km paved road in Mokwallo by June 2024 (IDP ref no. 12)	100%	0%
Number of developed and approved capital project plan for the MTREF by June 2024 (IDP ref no. 17)	1	0
License landfill sites (IDP ref no. 20)	1	0
Number of compact trucks purchased for Vredefort and Edenville by June 2024 (IDP ref no. 21)	2	0
Number of waste management education and awareness campaigns conducted by June 2024 (IDP ref no. 25)	5	4
Number of draft IWMP develop and submit by June 2024 (IDP ref no. 26)	1	0
Number of human settlement sector plan developed and approved by Council by 30 June 2024 (IDP ref no. 29)	1	0
SDF developed, reviewed and approved by council by 30 June 2024 (IDP ref no. 30)	1	0
Number of municipal planning tribunal meetings held in 30 June 2023 (IDP ref no. 31)	2	0
Review the disaster management plan by 30 June 2024 (IDP ref no. 32)	1	0
Develop a comprehensive security plan for the institution by 30 June 2024 (IDP ref no. 34)	1	0

Material misstatements

44. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure investment. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

45. 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.
46. 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.
47. 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.
48. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

49. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, non-current assets 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

50. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements as supporting documentation were not submitted for all suppliers that submitted bids, including the successful bidder.
51. Sufficient appropriate audit evidence could not be obtained that written quotations were accepted from prospective providers who were on the list of accredited providers and met the listing requirements as prescribed by the SCM policy, in contravention of SCM regulations 17(1)(a) and 17(1)(b). Similar non-compliance was also reported in the prior year.
52. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
53. Some of the 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. Similar non-compliance was also reported in the prior year.
54. Sufficient appropriate audit evidence could not be obtained that goods and services within the prescribed transaction value for competitive bids were procured by inviting competitive bids, as required by SCM regulations 19(a). Similar non-compliance was also reported in the prior year.
55. Sufficient appropriate audit evidence could not be obtained that bid specifications were unbiased and allowed all potential suppliers to offer their goods or services, as required by SCM regulation 27(2)(a).
56. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2).
57. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders based on points given for legislative requirement that were stipulated in the original invitation for bidding, as required by SCM regulations 21(b) and 28(1)(a)(i) and the preferential procurement regulations.
58. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that were adjudicated by the bid adjudication

committee as required by SCM regulations 29(1)(a) and (b) and preferential procurement regulations (PPR).

59. Sufficient appropriate audit evidence could not be obtained that the accounting officer ratified the decision of bid adjudication committee of awarding contracts to bidders other than those recommended by the bid evaluation committee as required by SCM regulation 29(5)(b).
60. In some instances councillors of the municipality attended meetings of committees evaluating or approving tenders/quotations, in contravention of section 117 of the MFMA.
61. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.
62. 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. Similar non-compliance was also reported in the prior year.
63. 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). Similar non-compliance was also reported in the prior year.
64. Sufficient appropriate audit evidence could not be obtained that contracts were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1)(f) of PPPFA and 2022 PPR 4(4) and 5(4). Similar non-compliance was also reported in the prior year.
65. 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. Similar limitation was also reported in the prior year.
66. 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. Similar limitation was also reported in the prior year.

Expenditure management

67. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
68. 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 requirements.
69. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the fruitless and wasteful expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed fruitless and wasteful expenditure was caused by payments made on infrastructure projects that could not be verified, material left on-site which deteriorated and was stolen, along with advance payments that could not be recovered.
70. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R586 784 509, 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.

Consequence management

71. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
72. Some of the 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

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 internal 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) of the MFMA.

Human resource management

- 78. 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 Municipal Systems Act 32 of 2000 (MSA).
- 79. 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 and regulation 31 of Municipal Staff Regulations

Other information in the annual report

- 80. 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.
- 81. 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.
- 82. 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.
- 83. 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

84. 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.

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.

85. Management did not ensure that effective quality control processes were implemented related to the review of the financial statements before submission for audit. The municipality was also dependent on consultants for financial reporting without adequately transferring skills to the municipal officials. Several financial misstatements were identified that led to a modified audit opinion.

86. The audit action plan of the municipality was not effective in addressing the weaknesses in the control environment that resulted in similar misstatements and non-compliance being reported in the current year.

87. Management failed to implement proper record-keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting.

88. Management did not implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.

89. During the year there was significant instability in the senior management position responsible for financial management, this includes instability in the position of the accounting officer and the chief financial officer.

90. Senior management did not establish oversight processes to confirm that the reported achievement was supported by adequate supporting evidence and was correctly calculated.

91. Management did not ensure that instances of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure was referred to MPAC for investigation within reasonable timeframes.

Material irregularities

92. 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.

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. The accounting officer did not take appropriate action to resolve the material irregularity. I recommended that the accounting officer should take the following action to address the material irregularity, which should have been 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.

95. The accounting officer has not adequately implemented or made satisfactorily progress with implementation of the above recommendation. I am in the process of making a decision on further actions to be taken.

Department of water and sanitation not paid within 30 days

96. 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.

97. The accounting officer was notified of the material irregularity on 4 November 2022. The accounting officer did not take appropriate action to resolve the material irregularity. I recommended that the accounting officer should take the following action to address the material irregularity, which should have been 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.

98. The accounting officer has not adequately implemented or made satisfactorily progress with implementation of the above recommendation. I am in the process of making a decision on further actions to be taken.

Lack of proper performance management system and records

99. The municipality did not maintain a proper performance management system and records as required by municipal planning and performance management regulation 7(1), as evident from significant deficiencies identified in the performance management system during the 2019-20, 2020-21, 2021-22 and 2022-23 audits. Technical indicator descriptions or standard operating procedures that would ensure that key performance indicators were well-defined and the measurement process, methods and calculations were predetermined for accurate and complete measurement and credible reporting of the municipality's performance were not developed and implemented, or the related supporting evidence of such processes or documentation could not be provided.
100. A lack of credible performance information on basic services and other primary functions of the municipality is likely to affect the ability of the municipality, council and other levels of government in executing their management, accountability, oversight and governance functions. This is due to incorrect and unreliable data that is used to plan, budget, monitor and report on performance and actual service delivery on management, council, district, provincial and national levels. Using unreliable performance information year-on-year has an adverse impact on the accumulated performance results and the decision-making by the various roleplayers in these processes.
101. The accounting officer was notified of this material irregularity on 31 October 2023. The accounting officer did not take appropriate action to resolve the material irregularity. I recommend that the accounting officer should take the following actions to address the material irregularity, which should be implemented by 20 June 2025 with a progress report every two (2) months:
- a) The non-compliance with regulation 7(1) of the municipal planning and performance management regulations, 2001 should be investigated to determine the reasons and circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions and enhance control weaknesses.
 - b) Based on the reasons and circumstances, appropriate action should be taken to develop and commence with the implementation of an action plan to address the weaknesses in the performance management system and the poor record keeping so that full and proper records of the municipality's performance are kept in accordance with any prescribed norms and standards. The plan should include anticipated timeframes and address the following key areas as a minimum:

- Development and implementation of technical indicator descriptions for key performance indicators
- Development and implementation of standard operating procedures that will describe the municipality's processes of performance measurement, review, and reporting will be conducted, organised, and managed, including the roles of different roleplayers
- Maintaining adequate and complete portfolio of evidence for reported performance.

102. I will follow up on the implementation of the recommendations after the due date.

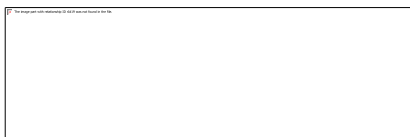
Poor management of the Vredefort waste landfill site within the Ngwathe Local Municipality

103. 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.

104. The accounting officer was notified of this material irregularity on 15 November 2022. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material irregularity to the Department of Forestry, Fisheries and the Environment (DFFE) on 27 March 2024 for investigation as provided for in section 5(1A) of the PAA. On 14 May 2024 DFFE sub-referred the material irregularity to the Free State Department of Economic, Small Business Development, Tourism and Environmental (DESTEA) affairs for further investigation. The referral was accepted by DESTEA on 2 September 2024 and the investigation is currently in progress.

Bloemfontein

30 November 2024



APPENDICES

Appendix A: Councillors; Committee Allocation and Council Attendance

A1: Details of Directly Elected Councillors

#	Surname & Initials	Ward Responsible for
ANC Councillor(s)		
1	CLLR AJ DE JAGER	1
2	CLLR MJ SERATI	2
3	CLLR MD MOFOKENG	3
4	CLLR S NTEO	4
5	CLLR MD RAPULENG	5
6	CLLR T MOKOENA	6
7	CLLR M MOROENYANE	7
8	CLLR KJ KHUMALO	8
9	CLLR IM MAGASHULE	9
10	CLLR MM RANTSILE	10
11	CLLR MTJ MOSEPEDE	11
12	CLLR MJ TYUMBU	13
13	CLLR TP SOTHOANE	14
14	CLLR ME SEFAKO	15
16	CLLR D MASOANE	16
17	CLLR LP SOTJHIVA	17
18	CLLR MS TOYI	18
19	CLLR SE NTHOESANE	19
DA Councillor(s)		
1	CLLR M LA COCK	12
EFF Councillor(s)		
1	N/A	-
FF + Councillor(s)		
1	N/A	-
NRA + Councillor(s)		
1	N/A	-

APPENDIX E: Ward Reporting

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
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
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
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
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

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
		9. Lebajoa Hadifele Nyaleng Nthakha				
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 Sefatsa Jacob	Yes	4	6	7
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 Rafube Malefu	Yes	0	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 Kramer Pulane	Yes	6	8	8

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
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 Sehume Paulina Mathabo	Yes	4	5	5
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 Mokoena Julia	Yes	0	0	0
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
Ward 13	Cllr MJ Tyumbu	1. Msokoli Ndzunga 2. Makoena Mgavu 3. Fabion Gilliland 4. Jahannes Kamfer 5. Motsie Tlaetsi 6. Thembi Thebane 7. Cynthia Mokhokane 8. Irma Herbst 9. Nombulelo Nxoko Marumo Jeminah	Yes	6	12	12

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
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 Phillip Msebezi	Yes	4	1	1
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 Letsipa Mamokete	Yes	6	3	3
Ward 16	Cllr LP Sotshiva	1. Mophuthing Motebang 2. Mohapeloa Christina Msimang 3. Radebe Phahla 4. Ramonana Martha 5. Moeketsi Modise Mokgatla Dineo	Yes	4	5	5
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	Yes	6	7	7

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
		9. Tshele Nthole Mankayi Monono				
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 Kumalo Rebecca	Yes	6	6	6
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 Mokanyane Kgaothelo	Yes	0	7	7

Appendix G: Recommendations of the Municipal Audit Committee

1. INTRODUCTION

We are pleased to present our report for the financial year ended 30 June 2024, which covers the Audit Committee activities from July 2023 to June 2024.

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 2023/24 FY			
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:	“3”	Number of meeting held:	“1”
- Ordinary	1	- Ordinary	0
- Special	2	- Special	1
- Other	0	- Other	0

TABLE - B				2023/24 FY			
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:		“1”		Number of meeting held:			“1”
- Ordinary		0		- Ordinary			1
- Special		1		- Special			0
- 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, six (06) 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	06 (Apologies - 0)	0\6
Mr. BLL. Mbange - Member	06 (Apologies - 0)	0\6
Advocate. Me. Suzette Gordon – Member	05 (Apologies - 1)	1\5
Professor. TA. Thekiso - Member	06 (Apologies - 0)	0\6

3. ACTIVITIES AND AGENDA ITEMS FOR MEETINGS

2023/24 Financial Year

1 st Quarter			2 nd Quarter		
1.	Meeting date	Tuesday; 08 August 2023		Meeting date	Tuesday; 28 November 2023
	Meeting type	Ordinary Meeting		Meeting type	Special Meeting
	Agenda items	Annual reports:		Agenda items	<ul style="list-style-type: none"> Draft Audit Report – 2022/23
		<ul style="list-style-type: none"> Progress made on Annual Reporting (23/24): <ul style="list-style-type: none"> Annual Performance Report (APR) Annual Financial Statements (AFS) 			<ul style="list-style-type: none"> Section 71 report (of the MFMA)
		<ul style="list-style-type: none"> Annual Schedule of meetings 			
		<ul style="list-style-type: none"> IDP & PMS Framework 			
		<ul style="list-style-type: none"> Risk Management Strategic Documents 			
		<ul style="list-style-type: none"> Progress on implantation of Audit Action Plan 			
		<ul style="list-style-type: none"> Progress on implementation of IA Annual Program 			
		<ul style="list-style-type: none"> Review & Approval on IA & AC Strategic Documents 			
2.	Meeting date	Monday; 28 August 2023			
	Meeting type	Special Meeting			
	Agenda items	Annual reports: Follow-up Meeting			
		<ul style="list-style-type: none"> Review of the draft AFS: 2022/23 FY 			
		<ul style="list-style-type: none"> Draft Annual Performance Report: 2022/23 FY 			

3.	Meeting date	Friday; 29 September 2023				
	Meeting type	Special Meeting				
	Agenda items	<ul style="list-style-type: none"> Engagement letter – 2022/23 FY 				
		<ul style="list-style-type: none"> Audit Strategy – 2022/23 FY 				

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

2023/24 Financial Year

3rd Quarter			4th Quarter		
5.	Meeting date	Wednesday; 06 March 2023		Meeting date	Thursday; 23 May 2023
	Meeting type	Special Meeting		Meeting type	Ordinary Meeting
	Agenda items	<ul style="list-style-type: none"> Draft Annual Report – 2022/23 FY 		Agenda items	<ul style="list-style-type: none"> Budget Report
		<ul style="list-style-type: none"> Sec 52(d) (Mid – Term Report) 			<ul style="list-style-type: none"> Section 52 (d) Report
		<ul style="list-style-type: none"> Progress on the Implementation Internal Audit Annual Program – 2023/24 FY 			<ul style="list-style-type: none"> Review & Approval of IA Strategic Documents 24/25 FY:
					<ul style="list-style-type: none"> - Three (3) Year Rolling Plan; - Annual Program; - IA Methodology; - IA Charter; - AC Charter; and - Quality Assurance & Improvement Programme; &
					<ul style="list-style-type: none"> Progress on Implementation of IA Annual Program

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 also reviewed the findings by the Auditor-General on internal controls for the year ended 30 June 2024. 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 Audit Committee approved the internal audit annual program at the beginning of 2023/24 financial year, for the effective functioning of the unit. 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:

1. Ad-hoc - Tariffs Increase (01 Jul - 31 Aug 2023)
2. 4 th Quarter Performance Information of 2022/23 FY
3. 2022-23 Annual Financial Statements (AFS)
4. Payroll & Human Resource Management review
5. Expenditure
6. Income Receipts, Receipts Through The Post, and Direct Deposits
7. Assets & Fleet Management
8. Quarterly Performance Management System

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 recommended 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) brought to management attention during the period of reporting hereunder:

- Management should respond to internal audit findings raised.
- 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.

Point(s) concern:

- Lack of movement on the Risk assessment which is a major threat to the Municipality.
- Non-existence of the risk register, which impact negatively on the Internal Audit plan that is not risk based.
- Non-function and ineffectiveness of the Risk Management Committee.

9. PERFORMANCE MANAGEMENT REPORT

The Audit Committee noted slight improvement and acknowledges efforts made by management to develop portfolio of evidence for Key Performance Indicators/ Key Performance Area in some areas.

However, 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 of a major a concern.

10. AUDITOR GENERAL

The Audit Committee noted relative poor progress in implementing the Auditor-General's recommendations which is also a matter of concern. The Audit Committee believes that this was attributed to lack of stability of the senior management which the Audit Committee Urge Council to finalise the appointments in this regard.

Furthermore, the Audit Committee met with the Office of the Auditor General (SA) to discuss the engagement letter and audit strategy for 2023/24 financial year. The Audit Committee is pleased that there was an improvement in the manner in which audit process was handled.

The Audit and Performance Committee congratulate the municipality for maintaining a qualified audit opinion in the 2023/24 financial year, and wish for improvement in the next audit. The Audit and Performance Committee concurs with the Auditor-General's audit outcome issued for the 2023/24 financial year.

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

The Audit and Performance Audit Committee had an opportunity to reviewed and discussed the 2023/24 annual financial statements with management before submission to the Auditor-General of South Africa.

12. CONCLUSION

The Audit and Performance Audit Committee:

- applause Council for the appointment of the Municipal Manager. However, we urge Council to finalise the appointment of all section 56 managers to bring stability in the municipality;
- appreciates the work done by Internal Audit to co-ordinate the work of the Audit and Performance Audit Committee.

On behalf of the Audit & Performance Audit Committee

MR. MA MMAPHETO	
Chairperson of the Audit Committee	
Signature:	
Date:	

Appendix H: Long Term Contracts and Public-partnerships

LONG TERM CONTRACT 2023-2024 FINANCIAL YEAR				
CONTACTOR	Project Description	Start Date	End Date	Contract Value
Aha Sechaba	CONSTRUCTION OF 1KM PAVED ROAD AND STORMWATER IN WARD 13 TUMAHOLE	01/03/2024	13/12/2024	10 417 936,77
AMAP	VREDEFORT - REFURBISHMENT OF WATER TREATMENT WORKS	06/01/2020	Project is still on hold due to Funding	21 314 116,20
CMS WATER	REFURBISHMENT OF OLD PARYS WATER TREATMENT WORKS (COVID19) - MIG-FS1366-W-20-20 (SMIF)	30/06/2020	31/03/2025	21 768 890,94
BATALALA CONSTRUCTION	REFURBISHMENT OF THE KOPPIES WTW AND CONSTRUCTION OF CLEAR WATER PUMPING STATION	12/06/2019	16/10/2020	25 600 185,32
MUTEO CONSULTING	NEW KOPPIES SUBSTATION (2*MVA)	The project is on hold due to funding		4 300 706,75
ELEBONE/SEDTRADE JV	CONSTRUCTION OF KOPPIES TO EDENVILLE BULK WATER SUPPLY PIPELINE	21/07/2024	30/04/2025	97 835 074,65
Sedibeng Water	REFURBISHMENT OF PARYS/ TUMAHOLE WATER TREATMENT PLANT	03/08/2024	31/03/2025	5 232 040,00
MDZILLI	UPGRADING OF EXISTING WASTE WATER TREATMENT WORKS KOPPIES	25/02/2021	31/03/2022	14 472 184,72
IMPUMELELO CONSULTING	KWAKATSI TOWNSHIP SECONDARY BULK WATER PIPELINE	03/08/2024	31/03/2025	6 065 135,84
MOLOKO O MOTJHA	CONSTRUCTION OF 3KM PIPELINE AND ELEVATED TOWER IN HEILBRON/PHIRITONA	16/03/2022	Contractor Terminated/Advertised	18 290 897,39
MOFOMO	CONSTRUCTION OF SEWER LINE IN HEILBRON	25/02/2022	30/04/2025	8 907 885,00
SETSHABELO TRADING	REPLACEMENT OF 15KM AC WATER PIPES IN PARYS PHASE 1	03/08/2024	31/03/2025	20 350 174,65
SETSHABELO TRADING	REFURBISHMENT AND UPGRADE OF PARYS WATER TREATMENT WORKS - FULL SCOPE	03/08/2024	31/03/2025	61 753 206,46
Leano 87 Solution	CONSTRUCTION OF KWAKWATSI TOWNSHIP SECONDARY BULK WATER PIPELINES UPGRADE	03/08/2024	31/03/2025	43 004 537,08
DLV PROJECTS MANAGERS	REFURBISHMENT OF THE BULK WATER SUPPLY PIPELINE TO RESERVOIR 3	Not Registerd		11 331 704,29
MAKHAOTSE	EMERGENCY PROJECT REPLACEMENT OF AC WATER RETICULATION PUMPS	Not Registerd		24 868 753,88

LONG TERM CONTRACT 2023-2024 FINANCIAL YEAR

CONTACTOR	Project Description	Start Date	End Date	Contract Value
WW CIVIL ENGINEERING	NGWATHE/PHIRITONA: CONSTRUCTION OF PEDESTRIAN BRIDGE IN WARD 1	21/10/2021	Project is still on hold due to Funding	6 579 580,88
MATHANDA CIVIL ENGINEERING	UPGRADING OF EDENVILLE SPORTS COMPLEX	31/05/2018	Project is still on hold due to Funding	2 925 701,20
WW CIVILS	HEILBRON/ SANDERSVILLE LOW LEVEL BRIDGE	21/10/2021	Project is still on hold due to Funding	17 560 755,39

APPENDIX J: Disclosure of Financial Interest

J 1: Disclosure of Financial Interests by Councillors

REPRESENTATIVE	PARTY	DECLARATION OF INTEREST MADE (YES/NO)
CLLR V E De Beer	ANC	YES
CLLR NP MOPEDI	ANC	YES
CLLR AJ DE JAGER	ANC	YES
CLLR MJ SERATI	ANC	YES
CLLR MD MOFOKENG	ANC	YES
CLLR S NTEO	ANC	YES
CLLR MD RAPULENG	ANC	YES
CLLR T MOKOENA	ANC	YES
CLLR M MOROENYANE	ANC	YES
CLLR KJ KHUMALO	ANC	YES
CLLR IM MAGASHULE	ANC	YES
CLLR MM RANTSILE	ANC	YES
CLLR MTJ MOSEPEDE	ANC	YES
CLLR MJ TYUMBU	ANC	YES
CLLR TP SOTHOANE	ANC	YES
CLLR ME SEFAKO	ANC	YES
CLLR D MASOANE	ANC	YES
CLLR LP SOTJHIVA	ANC	YES
CLLR MS TOYI	ANC	YES
CLLR SE NTHOESANE	ANC	YES
CLLR NOMA MOLOI	ANC	YES
CLLR SCHOONWINKEL	DA	YES
CLLR NA SEHUME	DA	YES
CLLR M LA COCK	DA	YES
CLLR SHF De-Jager	DA	YES
CLLR MBELE	DA	YES

REPRESENTATIVE	PARTY	DECLARATION OF INTEREST MADE (YES/NO)
CLLR RS FERENDALE	DA	YES
CLLR C SERFONTEIN	DA	YES
CLLR AA JANTJIE	EFF	YES
CLLR SL MOSEME	EFF	YES
CLLR MP MOTAUNG	EFF	YES
CLLR KJ MOKOENA	EFF	YES
CLLR MP MOLOI	EFF	YES
CLLR M MATTHYSEN-ENGELBERCHT	FF+	YES
CLLR PROF JAN A MEYER	FF+	YES
CLLR S KOK	NRA	YES
CLLR PP VANDER ME	FF+	YES