

**THE BUSHBUCKRIDGE LOCAL MUNICIPALITY
ANNUAL REPORT 2022/2023**



**The Annual Report for the year ended
30 June 2023**

TABLE OF CONTENTS

TABLE OF CONTENTS	i
LIST OF ABBREVIATIONS AND DEFINITIONS	ii
1. INTRODUCTION	5
2. MUNICIPAL SYSTEMS ACT	6
3. THE PURPOSE OF THE ANNUAL REPORT	6
4. CONTENT OF THE ANNUAL REPORT	6
5. FORMAT OF THE ANNUAL REPORT	7
CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY	8
CHAPTER 2: GOVERNANCE.....	21
CHAPTER 3: SERVICE DELIVERY PERFORMANCE	41
CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE	56
CHAPTER 5: FINANCIAL PERFORMANCE	71
CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS	79
6. CONCLUSION.....	79
7. AUTHORISATION	79
8. APPENDICES	80
Appendix A: Annual Performance Report.....	80
Appendix B: Report of External Service Providers	80
Appendix C: Annual Financial Statements	80
Appendix D: Report of the Auditor General	80

LIST OF ABBREVIATIONS AND DEFINITIONS

Abbreviation	Definition
AFS	Annual Financial Statement
APR	Annual Performance Report
AR	Annual Report
AGSA	Auditor-General South Africa
BLM	Bushbuckridge Local Municipality
CDWs	Community Development Workers
CIP	Comprehensive Infrastructure Plan
COGTA	Department of Corporative Governance and Traditional
DWAF	Department of Water Affairs and Forestry
DWS	Department of Water and Sanitation
DOE	Department of Energy
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EDPE	Economic Development Planning and Environment
IDP	Integrated Developmental Planning
IGR	Inter-Governmental Relations
ISF	Integrated Spatial Framework
ITP	Integrated Transport Plan
IUCMA	Inkomati-Usuthu Catchment Management Agency
KPA	Key Performance Area
KPI	Key Performance Indicator
LM	Local Municipality
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant
MPRA	Municipal Property Rates Act
MPI	Municipal Priority Issue
NKPI	National Key Performance Indicator
NSDP	National Spatial Development Perspective
OHS	Occupational Health and Safety
PCC	Presidential Coordination Council
PCF	Premiers Coordinating Forum
RED	Regional Electricity Distributor
RW	Rand Water
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan
SDBIR	Service Delivery Budget Implementation Report
SDF	Spatial Development Framework
SMMEs	Small, Medium, and Micro Enterprises
SG	Surveyor General
VIP	Ventilated Improved Pit Latrine
WSP	Workplace Skill Plan
WWTW	Wastewater Treatment Works

Section 46 Report	Report Required in Terms of Section 46 of the MSA
Section 121	Report Required in Terms of Section 121 of the MFMA

Phrases/Abbreviation	Definition
Key Performance Areas (KPA's):	KPA's are clear statements of intent, which guide the development of the programs and projects making up the IDP. Example: Basic Service delivery.
Key Performance Indicators (KPIs):	KPIs are derived from KPAs/objective statements. It is an expression of what is going to be measured and what parameter is going to be used to establish the degree to which the KPA/objective has been reached. Example: Accumulative number of low-cost residential stands provided with basic levels of sanitation
Baseline	The baseline is the level of performance recorded in the year before the planning period. Example: 5,000 low-cost residential stands provided with basic levels of sanitation
Target	The target expresses a commitment to performance. Example: 20,000 low-cost residential stands provided with basic levels of sanitation by the end of the year.
Inputs / Activities	This relates to activities that an employee is expected to complete to produce a KPI.
Weighting	The percentage value of a KPA in relation to other KPA's.
Source Document	A document used to prove whether the KPA has been performed or not.
Performance Contract	The document records the agreements between the employee and the manager on what is expected from the employee in terms of performance for the performance cycle. This also records the employee's development plan.
Performance Review	The process where the performance of the employee is measured by checking the variance between the actual and the

	expected performance. Employees' progress in terms of performance and development is also measured.
Performance Assessment	This is a 1 to 5 numeric value scale used to assess the degree to which targets have been achieved.

1. INTRODUCTION

The municipality was established in terms of the Local Government: Municipal Structures Act 117 of 1998, to serve the interests of the people of South Africa in the Bushbuckridge area. Bushbuckridge Local Municipality is the largest of the four municipalities that make up the district, accounting for over a third of its geographical area.

The municipal area provides a link to Lydenburg and other centres in the Lowveld, particularly Hoedspruit, Pilgrim's Rest, and Graskop. Bushbuckridge Local Municipality can therefore be called the gateway to the major tourist attraction points in Mpumalanga and the eastern part of the Limpopo Province. The municipality serves a total population of almost 541 248 according to the 2011 census.

The municipality is faced with several challenges, the solutions to which form part of its priorities in the medium-term to long-term Development Strategy. These challenges include high levels of unemployment, poverty, inequality, and service delivery backlogs as well as skills shortages. The HIV/AIDS pandemic in the municipality has led to a further increase in the levels of poverty due to the high loss of parents in families. To add salt to and injury, the municipality is grappling with an uncontrollable and violent crime wave that threatens the safety of communities and economic investment.

In the 2022/2023 financial year, the municipality developed more strategies to respond to the challenges that are faced by the community and to deliver basic services more effectively and efficiently. The municipality further adopted a comprehensive approach towards addressing the interrelated socio-economic factors to contribute towards improving the quality of life of the communities in its area of authority.

This annual report is therefore presented in line with circular 63 of the National Treasury guidelines for preparing Annual Reports.

2. MUNICIPAL SYSTEMS ACT

The Local Government: Municipal Systems Act (2000) section 46 requires that:

1. A Municipality must prepare for each financial year, a performance report reflecting:
 - a) The performance of the municipality and each of external service provider during the financial year.
 - b) A comparison of the performances referred to in paragraph (a) with targets set for performances in the previous financial year.
 - c) Measures taken to improve performance.
2. An Annual Performance Report and Annual Financial Statement which must form part of the municipality's Annual Report in terms of Chapter 12 of the Municipal Finance Management Act.

3. THE PURPOSE OF THE ANNUAL REPORT

- a) To provide a record of the activities of the municipality during the financial year to which the report relates.
- b) To provide a performance report on service delivery and budget implementation for the financial year.
- c) To promote accountability to the local community for the decisions taken by the municipality and its entities throughout the year.
- d) To reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies, and financial institutions.

4. CONTENT OF THE ANNUAL REPORT

The content of this Annual Report is guided by sections 121(3) and (4) of the MFMA. It includes the following:

- a) The Annual Financial Statements of the municipality as audited by the Auditor-General of South Africa (AGSA) in terms of section 126 (1).
- b) The audit report of the Auditor-General in terms of both section 126(3) of the section 45(b) of the MSA.

- c) The municipality's Annual Performance Report was prepared in terms of section 46 of the MSA.
- d) An assessment of any arrears on the Municipal taxes and service charges.
- e) An assessment of the municipality's performance against the measurable performance objectives for revenue collection from each revenue source and each vote in the municipality has approved the budget.
- f) Details or particulars of corrective actions taken or to be taken on issues raised in audit reports.
- g) Explanations to clarify issues on financial statements.
- h) Any other information determined by the municipality including recommendations made by the audit committee and any other information as may be prescribed.
- i) In addition to the above, the Municipal Systems Act requires that the municipality's annual report must include the annual performance rendered by external service providers.

5. FORMAT OF THE ANNUAL REPORT

The format of the Annual Report is in line with circular 63 of the MFMA and it is structured in the following:

Chapter 1: Executive Mayor's Foreword and Summary and the Municipal Manager's Foreword

Chapter 2: Governance

Chapter 3: Service Delivery Performance

Chapter 4: Organisational Development Performance

Chapter 5: Financial Performance

Chapter 6: Auditor General's Findings

CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 Mayor's Foreword



I would like to extend my appreciation to the community of Bushbuckridge, the Municipal Council, and all political leadership within Bushbuckridge for giving us maximum support during our second term in office. This present term in Council office has provided us with a solid basis for optimism, about our municipality's future, regardless of the unprecedented level of crime that is gripping our communities.

I take this opportunity to present to you the 2022/2023 Annual Report which reflects the performance of the Municipal Council in the following areas:

Strategic alignment to Provincial Growth and Development strategy

Our strategic growth plan targets are aligned with the National Development Plan. We are making impactful progress in our second term of office as per the BLM vision statement that says, Bushbuckridge Municipality strives for a developmental and prosperous life for all. All planned projects in the IDP were implemented. These projects were included in community-based plans. This has effectively enhanced our ward-based planning.

Corrective actions taken to ensure that strategic objectives as stipulated in the IDP are achieved

Quarterly reports were submitted by senior management to monitor the municipality's performance against the Service Delivery and Budget Implementation Plan. The Council made sure that the reports were aligned with the SDBIP and that all planned projects were implemented.

Method used/Implemented to improve public participation

Mayoral imbizos were held as planned in the SDBIP and IDP public participation was also convened to present the 2022/2023 Draft IDP and Budget to the community. To

enhance public participation, a Local Council of stakeholders that focused on broader service delivery issues was formed. This forum embraced all stakeholders and other interested parties within our municipality.

Improvements in service delivery

Water supply still poses a great amount of challenge to the municipality because of the continuous interruptions that are caused by some of the irresponsible members of our communities who damage our water infrastructure. Nevertheless, during the 2022/2023 financial year, our municipality improved in reducing the water supply backlog in different communities. Our 2022/2023 water projects managed to address water supply challenges in different villages and improve the quality of water that is supplied in compliance with South African Water Quality Guidelines. The operation and maintenance of municipal water infrastructure have solidified on the ground as we move ahead with improving water supply. Our internal streets were upgraded from gravel to tarred/paved streets. Phase 3 of our Regional Land Fill site is on a 50% completion stage. It is a project with a significant impact on improving public health and safety and the general safety of the environment.

Allow me to end my presentation by reminding our people to become active citizens and help their municipality to achieve greatness. This reminds me of Njau Kihia when he said: "Every Crown shall serve the people not the people to serve the Crown."



Cllr C.S. Nxumalo

Executive Mayor: BLM

1.2 THE MUNICIPAL MANAGER'S FOREWORD



I am extremely delighted to present my first Annual Report of the municipality for the 2022/2023 financial year since my appointment as the Accounting Officer in February 2023. This report addresses the performance of Bushbuckridge Local Municipality (BLM) in the District of Ehlanzeni of the Mpumalanga Province concerning its core legislative obligations. Local Government must create a participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on program performance and the general situation in their locality. The 2022/23 Annual Report reflects on the performance of Bushbuckridge Local Municipality for the period 1 July 2022 to 30 June 2023. The report is prepared in terms of Section 121(1) of the MFMA, in which the Municipality must prepare an annual report for each financial year.

This report is a brutal reflection of the challenges and achievements of the year under review. I hope it will give our valued stakeholders a detailed accurate picture of the municipal policies, activities, and actions how the municipal resources were utilized, and how much they cost. Municipalities are now accountable to a wider range of stakeholders and this report is intended to explain the decisions, actions, and activities of the municipality.

According to the Constitution of the Republic of South Africa, No. 108 of 1996; a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development. In compliance with these constitutional provisions, the municipality has been hard at work to prioritize the needs and expectations of its stakeholders and the local community.

In this day and age, there are greater expectations from stakeholders than before which makes it obligatory for municipalities to promote stakeholder engagement in its administration. For the financial year under review, the municipality hosted a plethora

of stakeholder engagement exercises to enable the local community to prioritize their most pressing service delivery need and expectations. This has enabled the municipality to be responsive to the needs of the community and stakeholders. Good governance and transparency entail addressing the needs of the community through constant interactions and stakeholder participation in municipal affairs.

The municipality has obtained an Unqualified Audit Opinion for the fifth time in succession, i.e., 2018/19, 2019/20, 2020/21, 2021/22 and 2022/23 financial years. It is such a feat for a grant-dependent municipality like Bushbuckridge to have been presented with an Unqualified Audit Opinion Outcome five times in a row. This all could be attributed to the good working relationship between the municipality and all its key stakeholders particularly the people of Bushbuckridge. I believe we have laid a solid foundation to get the coveted prize which is the Clean Audit Opinion. We have put measures in place to address the red flags as recommended by the Auditor General to achieve our Clean Audit status in the coming financial years.

It should be noted that the municipality is grant dependent and this has had a catastrophic impact on our ability to expedite services to communities. Revenue collection is almost non-existent. We are pleading with community members to start paying for municipal services. I believe that this will help improve our financial muscles and thus greatly enable us to accelerate the delivery of services in our needy communities.

Lastly, I would like to extend my gratitude to both the internal and external stakeholders of the municipality who work tirelessly to ensure that the municipality provides the desired services. Your commitment and support have not gone unnoticed.

Operating results

The operating results for the year ended 30 June 2023 disclosed a surplus of **R480 625 173** against a restated surplus of **R349 798 954** for the previous financial year. Total income billed for the year amounts to **R578 630 821**, and grant income realised amounts to **R1 484 707 222**. The current year's provision for debt impairment

amounts to **R334 338 620**. The impairment amount represents the ability to collect the outstanding amount, particularly from business and private residences.

Revenue management

The Municipality remains grant-dependent; a situation that needs to be turned around collectively. Officials and Councillors of the Municipality need to lead by example by paying their Municipal accounts. Likewise, government departments, the business community, and the Municipal account holders need to play their part and pay their dues. Over the past year, revenue reduced by 10.8% to **R2 073 283 403**. The decrease is due to a **R133m** decrease in grants across the board. Grants and subsidies from the Treasury represent 71% of the total income of the Municipality. Own income generated from the sale of water and the levying of assessment rates interest earned, agency income and traffic fines, etc. represent 29% of the total income of the Municipality.

Internal management related to Section 56 Managers

The management team functioned exceptionally well, notwithstanding the vacancies in the top structure. The position of Director: Corporate Services and the position of Director: Economic Development, Planning and Environment, will be filled during the 2nd Quarter of the 2023/2024 financial year after they become vacant during the first Quarter of the 2023/2024 financial year. This will ensure that we perform optimally in all functions of the Municipality during the 2023/2024 financial. The municipality enjoyed a splendid opportunity to review its organisational structure in trying to align our performance to the ever-changing environment and community needs, which was adopted by the council on June 30, 2023.

Conclusion

I would like to give thanks to all heads of departments and the entire staff within the BLM administration for your dedication and commitment to serving the people of our municipality with the urge to look outside yourselves, beyond your problems, and seek to bring value to them and others. I also would like to thank our political principals for their support that has propelled us to achieve the performance targets for 2022/2023. As we continue with this togetherness, let us engrave in our hearts and minds what Aristotle taught humanity: "Excellence is never an accident. It is always the result of high intention, sincere effort, and intelligent execution; it represents the wise choice of many alternatives, and choice, not chance, determines your destiny."



Municipal Manager

Mr. J. Ngobeni

1.3 REPORT OF THE BUSHBUCKRIDGE LOCAL MUNICIPALITY AUDIT AND PERFORMANCE COMMITTEE FOR THE YEAR ENDED 30 JUNE 2023

The Audit and Performance Committee is pleased to present its Annual Report for the financial year ended 30 June 2023.

Background Overview

The Audit and Performance Committee (the Committee) consisted of five (5) members. The same members also constituted the Performance Audit Committee.

The Committee adopted its Terms of Reference in the year under review which sets out its fundamental roles and responsibilities as per the requirements of section 166 of the Municipal Finance Management Act (MFMA) and requirements of sound corporate governance. The Committee's Terms of Reference were approved by the Council and therefore, the Committee reports on the activities it has conducted as per its Terms of Reference.

Membership and Meeting Attendance

The Committee is comprised of the members mentioned below and it has also met Seven (7) times during the year under review as per the table below.

<i>Name of member</i>	<i>Attended</i>	<i>Apologies*</i>	<i>Total</i>
Ms P. Mokgope (Chairperson)	7	0 (Appointed as chairperson from February 2023)	7

<i>Name of member</i>	<i>Attended</i>	<i>Apologies*</i>	<i>Total</i>
<i>Mr J. Ngobeni (Chairperson)</i>	<i>5</i>	<i>0 (Resigned 1st of February 5 2023)</i>	<i>5</i>
<i>Ms P. Ntuli (CASA)</i>	<i>6</i>	<i>1</i>	<i>6</i>
<i>Adv. G. Khoza</i>	<i>7</i>	<i>0</i>	<i>7</i>
<i>Mr Kenneth Mhlongo</i>	<i>7</i>	<i>0</i>	<i>7</i>

The municipality has appointed Ms G. Belington as the Chairperson of the Risk Management Committee. This Committee had four meetings for the 2022/2023 financial year.

Responsibilities of the Audit and Performance Committee

The Committee has conducted its affairs in compliance with Section 166 of the MFMA and its approved Charter and has advised the Municipal Council, the Political Office-bearers, the Accounting Officer, the Management, and staff of the municipality in terms of the above-mentioned requirements.

Effectiveness of internal controls and compliance

The Committee has reviewed reports from Internal Audit on the adequacy and effectiveness of the internal control systems in the municipality. From the various

reports of the Internal Audit, the Audit and Performance Committee can report that there are some weaknesses in the internal control systems of the municipality relating to non-compliance with legislation, policies, and prescribed procedures. Weak internal controls were identified in the following areas:

- a) *Grant Management*
- b) *Infrastructure Assets*
- c) *Water and Sanitation Management*
- d) *Municipal Finance Management Act Checklist*
- e) *Occupational Health and Safety Management (Covid-19)*
- f) *Performance Management*
- g) *Alignment of SDBIP, Budget and IDP*
- h) *Governance Management*
- i) *Expenditure Management*
- j) *Revenue Management*
- k) *LED Management*
- l) *Output VAT*
- m) *Annual Financial Statement*
- n) *Bursary Management*
- o) *Information and Communication Technology Management; and*
- p) *Supply Chain Management*

Action plans to implement the recommendations of the internal audit were developed and are being implemented, as agreed to by management.

Effectiveness of Internal Audit Activity

The Committee has approved the Internal Audit Charter, the three-year rolling plan as well as the Annual Audit Plan for the financial year ended 30 June 2023. The Committee monitored and evaluated the implementation of the internal audit plan and provided feedback to management on the work performed by the Internal Audit unit. The Committee reports and confirms that the internal audit plan for the year ending

2022/2023 was fully implemented. The Committee commends the Internal Audit Unit for its commitment and perseverance in executing its functions.

Review of Annual Financial Statements

The Committee has reviewed the 2022/2023 annual financial statements of the municipality before submission to the Auditor General South Africa (the AGSA) for auditing and was satisfied that they were accurate and complied with the applicable reporting framework. The Committee reports that the municipality's water losses, defaulting debtors, and non-compliance with supply chain regulations remain a challenge to its financial viability.

The Committee further appreciated that the municipality managed to prepare draft annual financial statements in-house, without involving a service provider, an aspect that was commended by the Office of the Auditor General.

The Committee reviewed and recommended the approval of the draft Annual Financial Statements, and the Council approved the statements for presentation to the AGSA at a Council sitting on 30 August 2023.

Performance Management

The municipality has systems in place to manage performance in line with the National Treasury Framework for Managing Programme Performance Information. Performance is reviewed periodically and reported as required. However, the municipality was not able to achieve all its planned objectives of service delivery due to the late appointment of service providers.

The Committee would like to impress upon management to pay more attention to the findings raised by the Internal Audit and Auditor General South Africa regarding performance information. More so, the Committee has impressed upon Management to ensure that all POEs are submitted for all performed activities.

Risk Management and Fraud Committee

The Accounting Officer has established the Risk Management and Fraud Committee to review the municipality's system of risk management. The municipality was advised to develop clear guidelines and documented procedures to incorporate risk management into the municipality's strategic planning processes, and the development of performance measurements on an operational level to promote the integration of risk management into its day-to-day operations. While noting the above, the Audit and Performance Committee has noted the improvement by management in respect of Risk management issues. The Committee had also recommended to the Accounting Officer to ensure that Risk Management should be incorporated into the Performance Agreement of all the Section 56/57 managers, for adequate implementation. The Risk Management and Fraud Committee also managed to develop the Risk Management Charter, and Implementation Plan and reviewed Fraud Prevention Strategy.

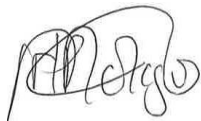
The quality of In-year Management and Quarterly Reports

The Committee was gravely concerned with the late submission of reports to be discussed at Audit and Performance Committee meetings. Some of the reports were not checked for quality and correctness by the Directors and the Accounting Officer. Despite quarterly advice to management to quality check their reports before submitting, some reports were still of poor quality and lacked relevant information to enable the Committee to discharge its oversight role fully. The Committee insisted that Management must ensure that all reports submitted are quality-checked before submission to every meeting.

Conclusion and appreciation

The Committee wishes to express its appreciation to the Executive Mayor, the MMC Finance, the Chairperson of MPAC, the Municipal Manager, the Directors, and their teams for their courtesy and kind assistance during the financial year. The Committee further wishes to encourage Management to ensure that all findings identified during all internal audits conducted are addressed adequately to avoid any recurrences.

On behalf of the Audit and Performance Committee



Chairperson of the Audit and Performance Committee

Ms. P. Mokgope

1.4 EXECUTIVE SUMMARY

Bushbuckridge Local Municipality is a category B Municipality that forms part of the four Local Municipalities of the Ehlanzeni District Municipality family in the Mpumalanga Province. It is renowned for its agricultural and tourism attractions, and it was declared a nodal point by the then president of the republic in 2001. BLM is in the north-eastern part of the Mpumalanga Province and is bounded by Mozambique in the east, a portion of Kruger National Park (KNP) forms part of the Municipality. Its main camp which is the Skukuza camp forms part of the parks that are within the Municipality. Currently, the Municipality consists of 38 wards.

1.4.1 Vision

Bushbuckridge Local Municipality strives for sustainable development and a prosperous life for all.

1.4.2 Mission

The municipality commits to providing affordable and sustainable services through good governance and community participation.

1.4.3 Values

The core values of the municipality are:

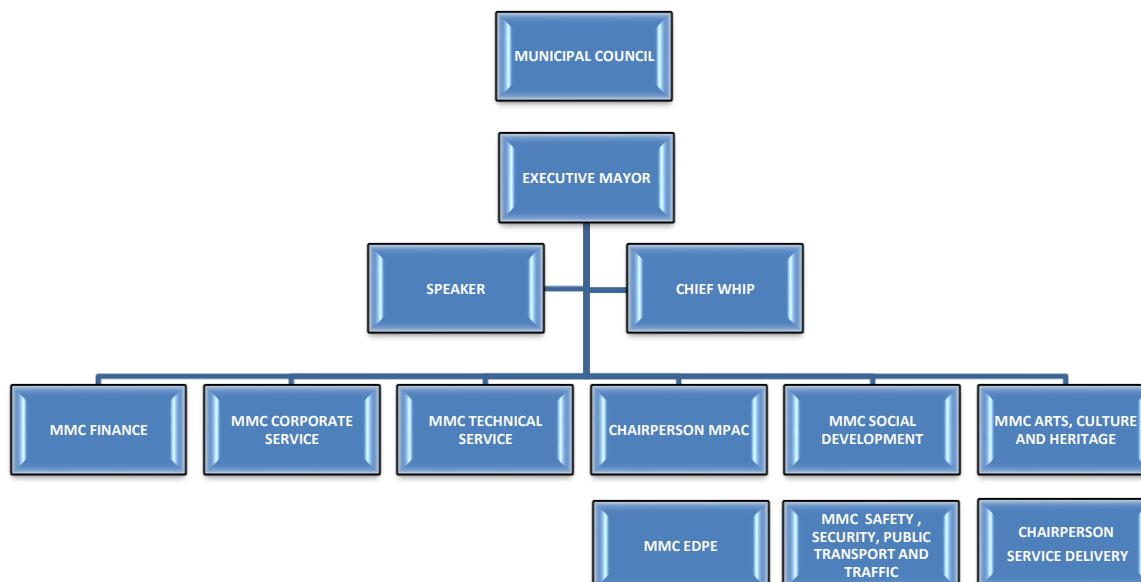
- Accountability
- Openness and Transparency
- Responsiveness
- Honesty
- Service standards
- Diligence
- Effective and efficient governance

CHAPTER 2: GOVERNANCE

The governance structure in this Annual Report is divided into four sections:

2.1 COMPONENT A: POLITICAL GOVERNANCE

2.1.1 POLITICAL GOVERNANCE STRUCTURE



2.1.2 LIST OF COUNCILLORS IN THE 2022/2023 FINANCIAL YEAR

Executive Mayor: Cllr Nxumalo Cecilia Sylvia

Speaker: Cllr Raganya Busisiwe Ruth

Chief Whip: Cllr Hallandale Bhunu Witness

- SOCIAL DEVELOPMENT COMMITTEE
MMC: Cllr Mzimba Virginia Khensani

Members

Cllr Monareng Maria
Cllr Mashinini Tony
Cllr Nzima Thomas
Cllr Mashego Rachel
Cllr Nyathi Zinhle
Cllr Malomane Suzan
Cllr Mokoena Abednego
Cllr Hlatshwayo Shadow
Cllr Mokoena Opu
Cllr Khumalo Selina
Cllr Mngomezulu Phindile
Cllr Thabakgolo Hamilton

- CORPORATE SERVICES
MMC: Cllr Mathebula Sylvia

Members

Cllr Mathebula Anath
Cllr Malomane Jupiter
Cllr Mangani Mathew
Cllr Mashinini Tony
Cllr Mokoena Hellen

Cllr Mkhonto Oupa
Cllr Nxumalo Take Easy
Cllr Mthombeni Trocia
Cllr Mbhandze Freddy

- SPORTS, ARTS, CULTURE AND HERITAGE

MMC: Cllr Gumede Prince

Members:

Cllr Mametja Sessy
Cllr Mashego Eddy
Cllr Nziyane Given
Cllr Mashego.Godfrey
Cllr Mbazima Grechard
Cllr Mahlakoane Thabiso
Cllr Madalane Jabu
Cllr Mashele Elizabeth
Cllr Mashigo Thabiso
Cllr Mokoena Hellen
Cllr Mthombeni Trocia

- FINANCE AND SUPPLY CHAIN

MMC: Cllr Ngomane Thembikosi

Members:

Cllr Shabangu Goodman
Cllr Mashego Thabiso
Cllr Mashego Eddy
Cllr Ngomane Roux
Cllr Hlatywayo Shadow Mthunzini
Cllr Qhibi Rhulani

Cllr Ndlovu Mavis Lorrain
Cllr Thobagale Hamilton Phillip
Cllr Malumane Jupiter

- TECHNICAL SERVICES

MMC: Cllr Nkuna Lot

Members:

Cllr Mashaba Army
Cllr Ngobeni Busisiwe
Cllr Ngobeni Derrick
Cllr Mpangane Mzwandile
Cllr Mkhabela Sabelo
Cllr Mdluli Duladula
Cllr Mngomezulu Phindile
Cllr Mokgotho Velly
Cllr Mashego Godfrey

- ETHICS COMMITTEE

Speaker: Cllr Raganya Ruth

Members:

Cllr Shabangu Jeanet
Cllr Khumalo Selina
Cllr Mashele Elizabeth
Cllr Mpangana Hebert
Cllr Mashile Lillian
Cllr Mametja Sessy
Cllr Sithole Sainah

- MPAC COMMITTEE

Chairperson: Cllr Lekhuleni Lizah

Members:

Cllr Hlatshwayo Welcome
Cllr Mapaila Thomas
Cllr Dube Inkie
Cllr Kubayi Surprise
Cllr Mabunda Emelda
Cllr Sebatana Grinios
Cllr Ngomane Roux
Cllr Sihlabela Ezekiel
Cllr Matsie Linky

- WHIPERY COMMITTEE

Chief Whip: Cllr Malandule Bhunu Witness

- BUDGET AND TREASURY STEERING COMMITTEE

Chairperson: Cllr Nxumalo Sylvia

Cllr Mapaila Thomas
Cllr Dube Inkie
Cllr Kubayi Suprise
Cllr Mabunda Emelda
Cllr Sebatane Grinios
Cllr Matsie Linky
Cllr Ngomane Roux
Cllr Sehlabela Hezekiel

- LABOUR FORUM

Cllr Mathebula Sylvia

Cllr Mathebula A

Cllr Sambo P

- ECONOMIC DEVELOPMENT PLANNING AND ENVIRONMENT

Chairperson: Cllr Gubayi Patricia

Cllr Sihlabela Helmen Ezekiel

Cllr Makhubela Samson

Cllr Mashaba Ivy

Cllr Mogane Nnete

Cllr Mathlavane Prince

Cllr Sithole Sainah

Cllr Malatjie Selby

Cllr Ndlovu Mavis Lorraine

- PUBLIC SAFETY, DISASTER MANAGEMENT AND DLTC

Chairperson: Cllr Sambo Prince

Cllr Madalane Jabu

Cllr Mashile Rems

Cllr Mashego Mygirl

Cllr Mnisi Venter

Cllr Nukeri Kgopotso

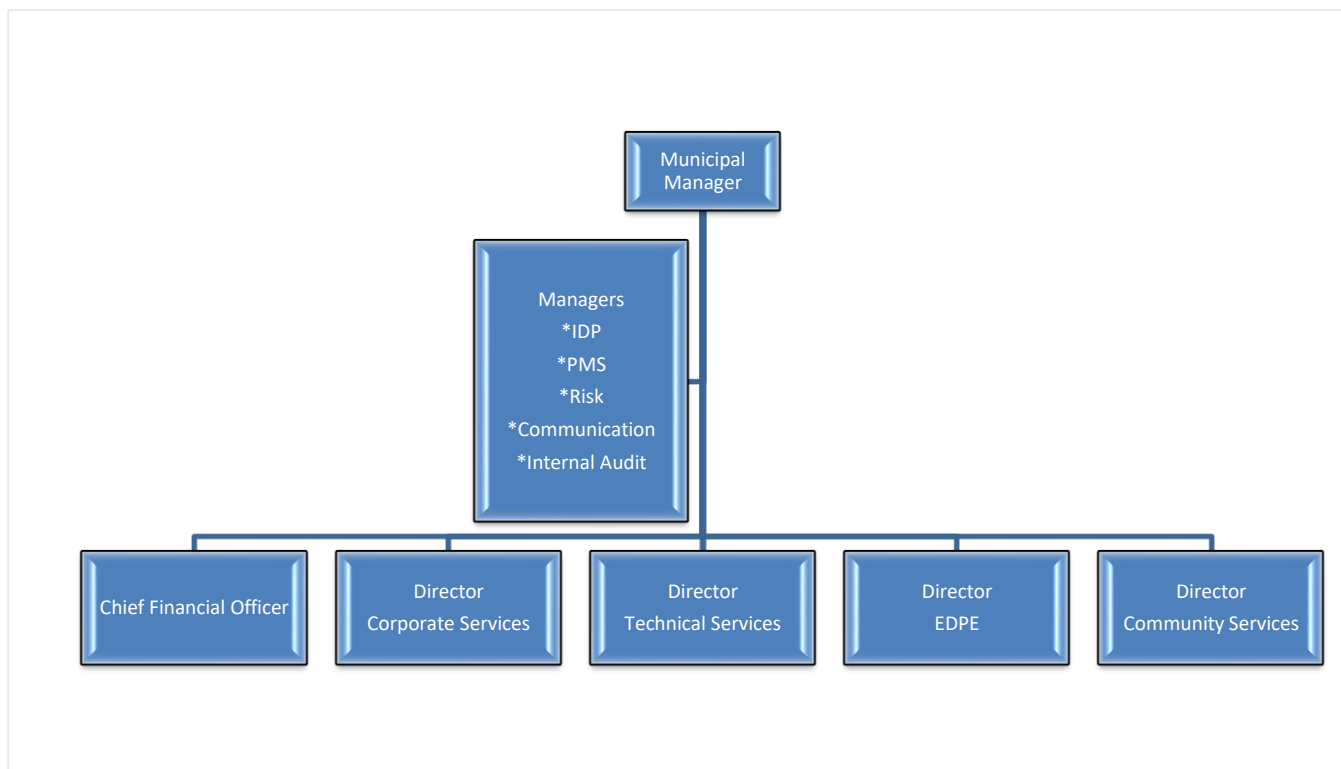
Cllr Mashile L.M

Cllr Mpangana Hebert

Cllr Shabangu. G

Cllr Ngobeni Derick

2.1.3 ADMINISTRATIVE GOVERNANCE STRUCTURE



2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS

Socio-demographic profile

The information contained in this section provides an understanding of the key social, economic, physical, and environmental features of the municipal area and their impact on spatial and sustainable development.

The precise Bushbuckridge population statistics remain a challenge and the statistics in this report are based on the information provided by Statistics South Africa.

Population summary

The population of Bushbuckridge Local Municipality was 545 811 according to the Statistics South Africa 1996 Census, then the 2001 census shows that there was a decrease to 500 128 in population. There was an increase in population in the 2011 census as the number rose to 541,248.

The Mpumalanga Socio-Economic Report conducted by the Department of Economic Development has projected the population of Bushbuckridge Municipality at 572 263 in 2020, and this shows that the municipality is the 3rd largest population among Local Municipalities, with 10.3% of the Mpumalanga population. Contributing factors might be the fertility & mortality rates, migration, and influx to increase residential and business development in the municipality because of neighbouring countries such as Mozambique and Zimbabwe.

The overall unemployment rate was 52.8% in 2021, with a remarkably high youth unemployment rate for females of 53.9% and 71.3% for youth. The share of the population in Bushbuckridge below the lower-bound poverty line deteriorated from 58.9% in 2016 to 64% in 2021. The population of the BLM has been affected by the HIV & AIDS pandemic that plunged the municipality into poverty and child-headed families. The level of unemployment according to the results of the community survey indicates that 67 152 people are unemployed, and this is equivalent to 12% of the population which contributes to a huge number of free basic services beneficiaries. The municipality has developed an indigent register to assist indigent households that are living below the poverty line and unemployed citizens of Bushbuckridge Local Municipality.

2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public meetings

Bushbuckridge Local Municipality developed a process plan for the development of the IDP for 2022/2023. The process plan was circulated internally to directorates for comments and inputs before the Council adopted it. The Municipality advertised the

public meetings as per the MSA no. 32 of 2000. Ward councilors were requested to inform all the stakeholders in their wards. Traditional leaders, community members, NGOs, Parastatals, and Sector Departments were invited to attend the public meetings.

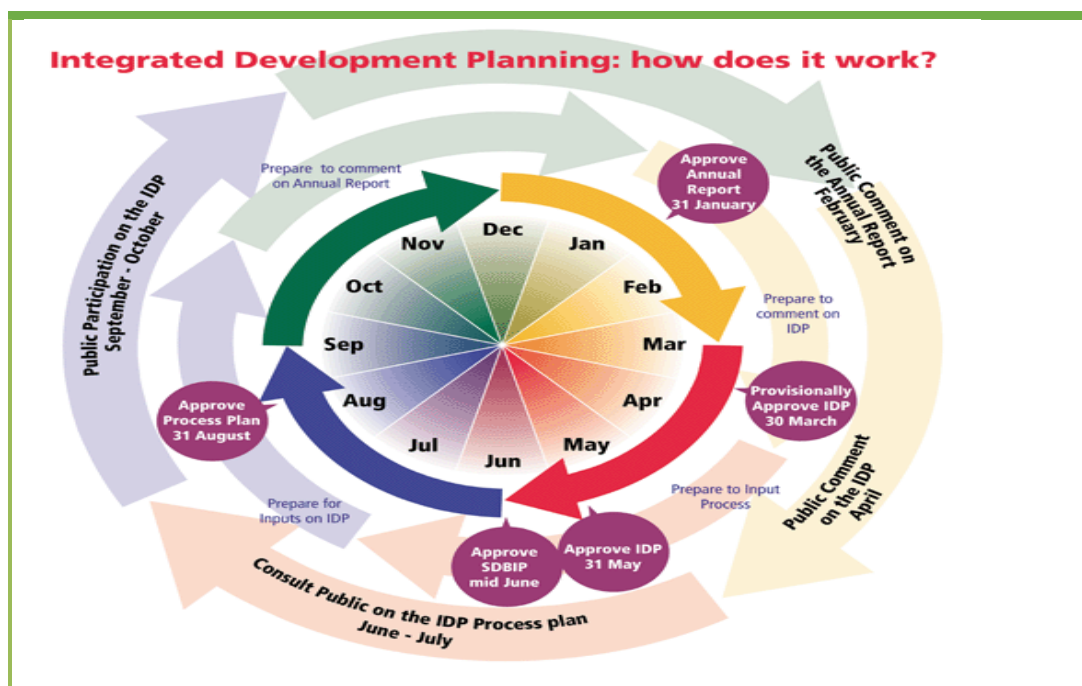
IDP participation and alignment

The municipality conducted extensive Community-Based Planning and GIS mapping. The process was inclusive of major stakeholders in the municipal area. Ward Councillors, ward committees, and CDWs were requested to review their community-based planning documents in consultation with the community.

The IDP process

The figure below highlights the IDP 2022/2023 process that was adopted by the municipality. The picture below illustrates the cycle the municipality adopted to conduct its IDP processes.

Figure: IDP Process



IDP Planning Process

The processing of Integrated Development Planning process during 2022/2023 was done as follows:

- Approval Phase**

The 2022/23 (Draft) IDP was tabled to all portfolio committees, the Mayoral committee in March 2022, and to Council on the 23 March 2022 with council resolution **(BLM121/30/03/2022/2021/2022)**. After the adoption of the draft document, the municipality started with the advertising process of the public participation dates and the draft document. The document has been placed on the municipal website and at all offices of the municipality. The final IDP document was approved on **25 May 2022** with Council resolution number: **BLM/161/25/05/2022/2021/2022**.

IDP PERFORMANCE STATEMENT	YES/NO		REMARKS
IDP approved by the Council and implemented	√	-	Adoption date 25 May 2022
Approved IDP is seen as the single, inclusive, and strategic plan for the municipality	√	-	IDP aligned with Budget and SDBIP 2022/2023
IDP prepared within set timeframes is the approved IDP seen as the single, inclusive, and strategic plan for the municipality	√	-	IDP 2022/2023 implementations are to end in June 2023.
IDP includes all core components of MSA	√	-	MSA 2000 Chapter 5
The community needs to be prioritized at the ward level	√	-	Public Participation Processes

IDP PERFORMANCE STATEMENT	YES/NO		REMARKS
SDF approved (date) before IDP approval by Council	√	-	SDF approved in 2017
Sector plans were prepared and included in the IDP	√	-	6 Sectoral plans attached on IDP
IDP process plan	√	-	BLM58/06/08/2021/2021/2022
IDP resolution number	√	-	BLM/161/25/05/2022/2021/2022

IDP Achievement

The 2022/2023 IDP met all the requirements set- out by COGTA, and it was regarded as a credible IDP document.

The municipality managed to address all the issues and gaps identified during the development of the IDP and the Sectoral plans. For this reason, two sectoral plans were reviewed in the 2022/2023 financial year, and these are the Municipal LED strategy and the disaster management plan. The Comprehensive Infrastructure Plan (CIP) consists of the water plan, roads plan, and sanitation plan as well as the SDF review and ensuring that the environmental plan and the human resource strategy are in place, and they were reviewed during 2022/2023.

During the planning process, the ward committees, Councillors and CDWs, traditional leaders, NGOs, and sector departmental representatives were present to represent all 38 wards. The steering committee prioritized all needs and projects were formulated out of the identified needs. The technicians did the projects' cost estimates on the IDP under the Project Management Unit.

Council approved the 2022/2023 IDP document on the 25th of May 2022 and it was submitted to the MEC of Cooperative Governance and Traditional Affairs within 10 days as legislated for comments.

Challenges in IDP Processes

The municipality experienced the following challenges during the implementation of the IDP process plan:

- a) Lack of Intergovernmental Relations Forums.
- b) Poor participation of sector departments on IDP forums that resulted in a lack of integration of plans between the municipality and sector departments.
- c) Poor communication between the sector departments and the municipality that resulted in planning disjointedly.
- d) Inadequate funding to implement the IDP and to respond to the basic service needs of the communities.
- e) Project costing and budgeting.
- f) Unavailability of funds to cater for capital projects.
- g) Poor revenue collection.

2.4 COMPONENT D: CORPORATE GOVERNANCE

Risk assessment

The Risk Management Committee has been meeting every quarter under the independent chairperson appointed by the Accounting Officer. Risk assessments of all departments were completed and measured to mitigate all risks internally and externally. Action plans, both strategic and operational were developed to monitor, manage, and mitigate the risks.

The municipality's risks are mitigated through Strategic and Operational risk assessments which are assessed every year. The municipality also managed to develop the Risk Management Implementation Plan. Can we reflect on risks that were identified in the previous year and the mitigation strategies?

Anti-corruption and fraud

The municipality developed an Anti-Corruption Strategy and Fraud Prevention Plan because of the expressed commitment by the Government to fight corruption. Fraud represents a significant potential risk to the Bushbuckridge Municipality assets, service delivery efficiency, and reputation.

2.5 INTERNAL AUDIT

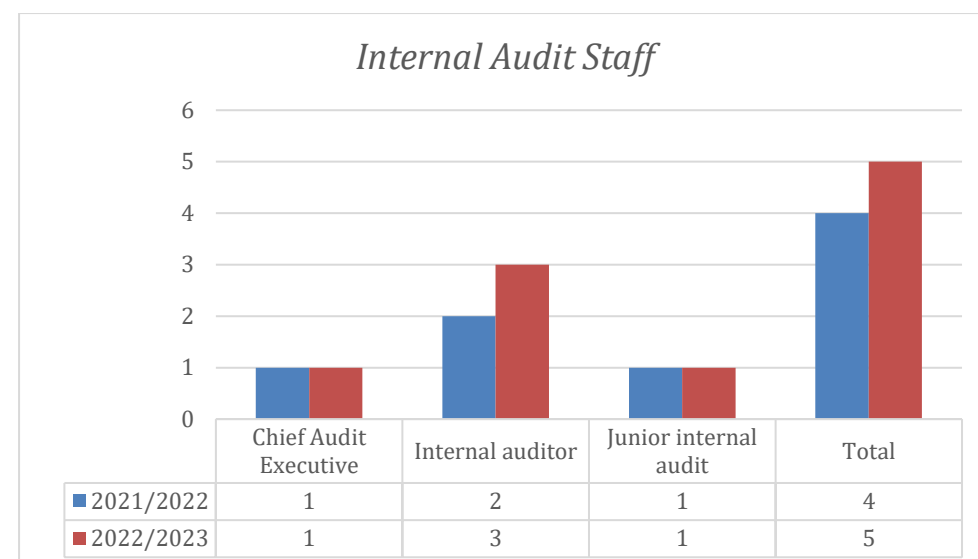
Background

The municipality has its internal audit unit. Internal audit addresses, in particular, issues of governance, risk management, and internal control. The Internal Audit functions independently and it is headed by a manager who reports administratively to the Municipal Manager and functionally to the Audit and Performance Committee. Internal Audit assignments are performed in-house and co-sourced.

Composition of Internal Audit

To provide a focused and industry-specific audit service, the Internal Audit section has a dedicated team of auditors that provide internal audit services. The benefit of this setup is that the municipality receives advice from internal auditors who are well acquainted with systems and processes within the municipality. Internal Audit performs its duties according to its approved charter, which is reviewed on an annual basis.

The graph below presents the staffing of the Internal Audit Unit



Internal audit scope of work

The scope of work of the Internal Audit is to determine whether the municipality's risk management, control, and governance processes, as designed and represented by management are adequate and function in a manner to ensure that the following aspects are addressed:

Risks are appropriately identified and managed.

- a) Appropriate reporting and communication with the various governance groups occurs effectively.
- b) Significant financial, managerial, and operating information is accurate, reliable, and timely.
- c) Employees' actions are following policies, standards, procedures, and applicable laws and regulations.
- d) Assets are safeguarded, used efficiently, adequately protected, and verified.
- e) Resources are acquired economically, used efficiently, and adequately protected.
- f) Economic and efficient management of the entity's financial, human, and other resources and the effective conduct of its operations.
- g) Programs, plans, and objectives are achieved. Quality and continuous improvement are fostered in the municipality's control process.

- h) Significant legislative or regulatory issues impacting the municipality are recognized, and addressed appropriately and timeously and compliance is ensured.

Internal audit working hours

The table below reports the working hours of internal auditors during the 2022/2023 financial year.

Audit performance activities

Re-Visiting Current Risk Profile and Priorities

HOURS	OUTCOME
8	Effective
24	Effective

Compiling Strategic Audit Plan and Annual Plan

Performance Audits (PMS/IDP/SDBIP)

First Quarter

100	Effective
100	Effective
100	Effective
100	Effective
180	Effective

Second Quarter

Third Quarter Ending March

Fourth Quarter

Alignment of SDBIP, IDP, and Budget

Follow Up Audits

Action Log

Ad-Hoc Audits

480	Unsatisfactory
560	Satisfactory

Audit performance activities

HOURS	OUTCOME
-------	---------

Finance

Assets Infrastructure Management (**Outsourced**)

420	Satisfactory
356	Unsatisfactory
420	Satisfactory
100	Satisfactory

Supply Chain Management (1st and 2nd Quarter Outsourced)

Supply Chain Management (3rd and 4th Quarter)

DORA Compliance review

Supply Chain Management (1st and 2nd Quarter Outsourced)

356	Unsatisfactory
420	Satisfactory
100	Satisfactory
200	Satisfactory
400	Satisfactory
320	Satisfactory
120	Satisfactory
120	Satisfactory
300	Unsatisfactory
256	Unsatisfactory
320	Unsatisfactory

Supply Chain Management (3rd and 4th Quarter)

DORA Compliance review

MFMA

Expenditure Management

Revenue Management (**Outsourced**)

Interim Financial Statements (**Outsourced**)

Annual Financial Statement

Stores management

Contract Management (**Outsourced**)

Cash Management (**Outsourced**)

Corporate Services

Information and Communications Technology

300	Unsatisfactory
420	Unsatisfactory

Occupational Health and Safety Management

Community Services

Bursary Management

320	Satisfactory
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Technical Services

Water and Sanitation Management

400	Satisfactory
-----	--------------

EDPE

LED Management

320	Unsatisfactory
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Office of The Municipal Manager

Governance

320	Effective
7064	

Total Hours

Operational plan

a) Risk-Based Audits

The objectives of risk-based types of audits are to evaluate the adequacy and effectiveness of controls concerning key risks and business processes (linked to the strategic objectives and prioritized organizational risks of the Department).

The municipality's Risk-Based Audit plan is developed separately for each Directorate based on the Directorate's identified risks and risk profile as assessed by the municipality's management team.

A risk assessment was performed in May/June 2023. The municipality's Annual Internal Audit plan is based on the results of the Directorate's risk assessment workshops. The results of the risk assessments were recorded and summarised in a risk matrix report to provide a holistic view of risk and the planned internal audit assurance to be provided to the municipality.

The output of the risk assessment process was used to develop the Rolling 3-Year Strategic Internal Audit Plan, as required by Treasury Regulation 3.2.7, by:

- i. Identifying and allocating a priority ranking to the respective risk areas.
- ii. Based on experience, establishing the need and appropriateness for the specific types of audits/reviews.
- iii. Assessing the level of audit skills required and estimating resources required for each type of audit/review.
- iv. Determining the timing of the respective audits/reviews.

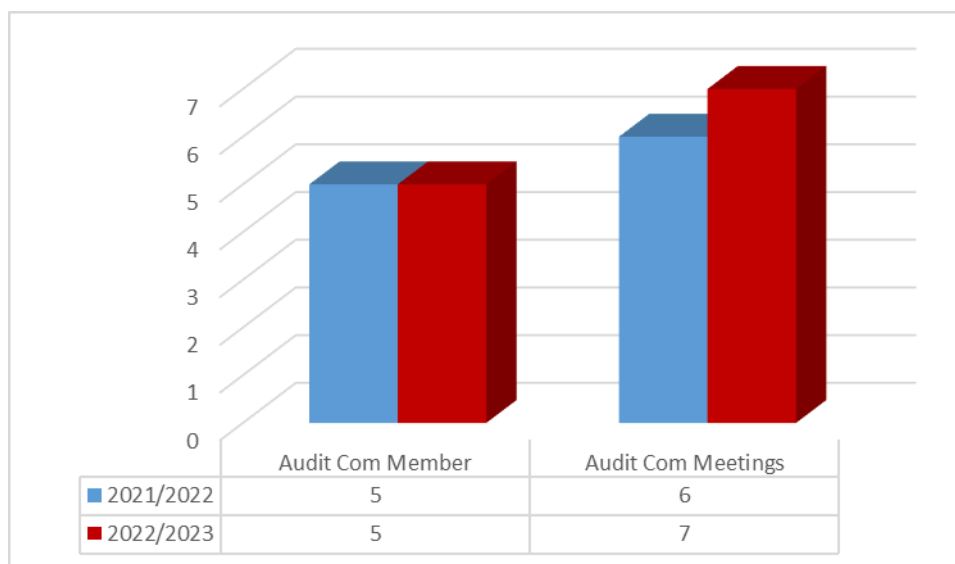
b) The Risk- Risk-based audit Process Includes the Following:

Preparing/updating the process documentation to extend the understanding of the process. This includes.

- i. The identification of the process-level objectives, risks, and controls
- ii. Evaluating and testing the controls currently in place
- iii. Confirming the factual correctness of findings with management
- iv. Reporting recommendations for improvement of controls where applicable, and
- v. Assessing management's corrective actions.
- vi. The following were also done during the financial year:
- vii. Review of the Audit Committee Charter
- viii. Review of the Internal Audit Charter
- ix. Review of the Internal Audit Policy
- x. Review of the Internal Audit Manual and
- xi. A continuous professional development plan was adopted at the beginning of the financial year and was implemented.

Functioning of the audit and performance committee

An Audit and Performance Committee was successfully established comprising external members and its functioning effectively. An Audit and Performance Committee Charter was approved and adopted by the Council and the respective number of meetings held as per the graph below:



□

Audit and Performance Committee Members

Ms Mokgope Phetego -(Chairperson) (Appointed February 2023)

Mr Ngobeni Jasper- (Chairperson) (Resigned 1st of February 2023)

Mr Kenneth Mhlongo - (Member)

Ms Patience Ntuli (CA)SA)-(Member)

Adv. Geraldine Khoza- (Member)

Municipal Oversight Committees

The Annual Report highlights that the municipal council has played its oversight role and conducted all ordinary council sittings and two special council sittings during the 2022/2023 financial year. The approved municipal IDP remained the primary tool that guided and informed planning, budgeting, managing, and making informed decisions in the municipality. The municipal council capacitated the MPAC to execute its oversight role and took action to address financial and administrative challenges.

Council developed and adopted sectoral plans for the smooth implementation of the IDP. The implementation of council resolutions and reports were submitted to the council quarterly to update the council about the status of all resolutions. The municipal council received reports from the audit committee for functionality and responsiveness on the financial and performance management of the BLM.

Conclusion

This report serves as an achievement by the Municipality to report progress made in terms of service delivery KPAs and other related KPAs discussed in the report. The management of the BLM has ensured accurate reporting and submission of accurate data that made it possible for the PMS Unit to consolidate and report against the five Key Performance Areas. It is anticipated that this report will do justice to the situation on the ground and that it will achieve what it set out to achieve.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

BACKGROUND

This section presents the overall performance of the BLM across all the service delivery lines offered by the municipality in terms of the Key Performance Areas within:

- a) Infrastructure Development and Basic Service Delivery
- b) Local Economic Development (LED)
- c) Municipal Transformation and Organizational Development
- d) Municipal Financial Viability and Management
- e) Good Governance and Public Participation

3.1. SERVICE DELIVERY PERFORMANCE: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY

Introduction

Performance Analysis reflects that the municipality has managed to carry out its mandate by ensuring that infrastructure projects, as well as operation and maintenance programmes as guided by the IDP and Budget, were implemented.

This section of the report addresses progress made; challenges experienced as well as interventions undertaken by the municipality.

Rendering of free basic services

- **Free Basic Electricity**

The municipal council approved 2 307 indigent household beneficiaries from the previous financial year and was submitted to Eskom for implementation. In the

2022/23 financial year, the average of just above 800 households registered as indigent households benefited from 50 units of free basic electricity every month.

- **Free Basic Refuse**

In the 2022/2023 financial year, the municipality procured a skip loader truck, compactor truck, 1 TLB, 1800 x 85L bins (household), 200 x 240L bins for businesses, 52 skip bins, and a donation of skip loader truck and a compactor truck from DFFE. The total number of households that received waste removal services was 48,942 by the end of 2022/2023 and the backlog stands at 88477.

- **Free Basic Water and Sanitation**

The municipality provides water to villages without formal water reticulation through water tankers and boreholes. All households benefited from the free 6kl water as per the Water Services Act. The municipality provided 1,500 ventilated improved pit latrines (VIP) in 2022/2023 to households in villages without waterborne sanitation.

Challenges in service delivery

- The Municipality regularly encounters infrastructure vandalism, especially with water infrastructure, e.g., unauthorized water connections and theft of borehole equipment.
- High water losses in the Municipality caused by aged infrastructure that need special attention with a budget to rectify the problem.
- The challenge of loss of water is exacerbated by illegal water connections and private water tanker owners illegally drawing water from the municipal water network.
- Infrastructure backlogs are still high in most settlements, and it will still take more time to eradicate them due to insufficient budget or funds.
- Basic infrastructure development is dependent only on limited grant funding.
- There is a very limited yellow fleet to mend the Municipality's gravel roads and utilization in the maintenance of water and sanitation infrastructure.
- High illegal dumping

Implementation of Section 78 recommendations

The municipality has taken over the bulk water supply function from Rand Water since the 1st of July 2019, 137 employees who were directly involved with the provisioning of bulk water supply were transferred to the municipality. The municipality has reviewed its organogram in line with section 78 recommendations.

Water services operation and maintenance are conducted from three schemes (Inyaka-Acornhoek, Marite-Mkhuhlu & Thulamahashe-Ludlow), and Placement of water services employees into the revised water services organogram is at 99 % complete, with some of the critical vacancies having been advertised.

The draft water service by-laws have been approved by the council, and gazette and is currently being implemented.

The municipality has started the process of applying for an integrated water use license to Inkomati Usuthu Catchment Management Agency (IUCMA) for all water and wastewater treatment work.

Housing projects

The Municipality in conjunction with the Department of Human Settlements aims to ensure that the provision of adequate and sustainable human shelters (houses) to the dire need community is adhered to. This leaves the municipality with the responsibilities to facilitate, coordinate, and conduct a site inspection and monitoring to ensure quality assurance of all construction houses, for the rightful beneficiaries of Bushbuckridge. The municipality is also responsible for Beneficiary Management (registering application forms and submission of beneficiary applications to the Department of Human Settlements for approval), and beneficiary registration on the National Housing Needs Register (NHNR) database. Township establishments for implementation of Integrated Human Settlements, Facilitate the provision of Title Deeds Restoration, Conducting Housing Consumer Education (HCE) before and after construction to approve beneficiaries to acknowledge their rights. In 2022/2023, the municipality backlog database had estimated +- 20 000 backlogs, based on the high demand, and need for adequate and sustainable human shelter (RDP House) through

relocations, new settlements, disasters, etc. The housing backlog database was submitted to the Provincial Department of Human Settlements for budgeting and provision of houses for upcoming financial years.

Roads/streets and construction of bridges

The Municipality has an approximate total length of 4 640 km network of roads or internal streets, of which approximately 90.8% (4 213 km) is gravel streets and 9.2% (427km) is asphalt surfaced and paved. The Municipality has re-graveled access streets that lead to graveyards, clinics, and schools through the Routine Maintenance Program and Municipal Support Program. The Municipality has completed Eighteen (18) internal streets with 44 km during the 2022/23 financial year. The Municipality has rehabilitation projects for internal streets at Thulamahashe, Mkhuhlu, Dwarsloop, and Shatale which are under implementation for completion in the 2023/24 financial.

Challenges and possible solutions /improvement measures for roads and street projects

CHALLENGES	SOLUTIONS/ IMPROVEMENT MEASURES
i. Insufficient human resources to maintain road infrastructure and monitor maintenance projects.	i. Filling of vacant positions in the road's unit including heavy machinery operators.
ii. Insufficient machinery to maintain gravel roads.	ii. Additional procurement of machinery
iii. A huge backlog of unsurfaced roads	iii. Upgrading of gravel access streets to paving within the 38 wards
iv. Poor stormwater drainage system within the R293 towns.	iv. Rehabilitation projects are planned are ongoing.

Provision of public lighting

The municipality installed 97 high mast lights and 32 are not yet energized by the end of 2021/2022 due to a lack of funds to pay Eskom. In 2022/2023, the municipality through Eskom managed to energise 38 high masts and aims to energise the remaining high masts by September 2023. There was no new installation of high masts constructed in the 2022/2023 financial year.

Public amenities

The municipality provides the services of public amenities at its satellite offices as they are closer to the communities. The community within and outside the municipality is allowed to apply for utilization of municipal sports fields and halls in line with the municipal tariff policy. To provide better and improved facilities to its community, in the 2021/2022 financial year, the municipality managed to:

- Complete the phase 1 construction of Acornhoek Sports Facility to complete phase 2 in 2023/2024. The Phase 1 construction was scoped to complete the artificial pitch, subsoil drainage, and retaining wall. Phase 2 construction will focus on the construction of grandstands, athletic tracks, ablution blocks, change rooms, septic tanks, sewer reticulation, stormwater management, parking, guardrooms, offices, and fencing.
- Appoint a contractor for maintenance of Thulamahashe Stadium to be completed by November 2023.

Access to water

Bushbuckridge Municipality has an estimated total number of 180,000 households of which 151,050 households have access to water at the end of the 2022/23 financial year. The municipality has reduced the backlog in the financial year 2022/23 by 8,846 households.

Sanitation

The municipality has completed 1 500 VIP units in a different ward by June 2023, the municipality has planned to construct 1 500 VIPs in the financial year 2023/24. The

upgrading of Maviljan Wastewater Treatment Works was at 85% construction progress by June 2023 and has an estimated completion date of October 2023. The Refurbishment of Mkhuhlu Wastewater Treatment Works was at 100% by the end of June 2023.

Programme goals and objective on MIG

The MIG program is about planning and delivering municipal infrastructure basic services. It is an integral part of the infrastructure development function of the municipality. The objective of the MIG programme is to provide all citizens with at least a basic level of service through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor.

Limitations and weaknesses

- The funds cannot be used for maintenance.
- It is utilized for basic infrastructure in previously disadvantaged areas.
- Building new infrastructure and rehabilitating existing infrastructure (i.e., reconstruction of infrastructure which has reached its lifespan).
- Limited budget for operations and maintenance of infrastructure.

Service delivery challenges

- Insufficient budget to address all basic services backlog.
- Aged workforce especially on water services.
- High vacancy rate
- Lack of qualified yellow fleet operators.
- Insufficient yellow fleet.
- Poor maintenance of the available yellow fleet.

NUMBER	LIMITATIONS AND CONSTRAINTS	MEASURES TO BE TAKEN BASED ON THE LESSON LEARNT
1	Community unrest and labour strikes.	The community should be fully engaged/involved from start to finish of the projects to avoid strikes and unrest.
2	Late completion of projects by service providers.	Penalties should be applied to service providers that fail to complete projects on time.
3	Interference on project implementation by the local business forum.	

3.2. LOCAL ECONOMIC DEVELOPMENT AND PLANNING

Introduction

This section of the report set out to evaluate the performance of the municipality in the development and implementation of LED strategy, as well as in the development of structures required to meet the challenges.

The 5-year local government strategic agenda requires that all provinces conduct LED capacity assessments of all their municipalities. The municipality successfully conducted both a capacity assessment and a status quo report of the LED unit. To this end, the report reveals that the municipality has reviewed its LED strategy and is under implementation despite the challenges and constraints experienced.

Bushbuckridge Local Municipality has a decisive and important role to play in shaping its economic destiny. Local Economic Development (KPA 3) is listed as one of the five key performance areas in the local government system. It has been proven that investment can only take place where the potential and competitive advantages of the various local economies are mapped and harnessed, known, and exploited.

The municipality plays a critical role that entails harnessing diverse stakeholders for the realization of the economic development of the area and the implementation of LED strategy and plans.

Economic development

Economic development remains among the priority areas of the municipality due to the unacceptable levels of poverty and unemployment in the area.

Regulations of Informal Trading: Over the previous years, there has been a mushrooming of informal trading within the municipal area. Although the sector contributes positively to job creation and poverty alleviation, it is necessary to ensure some support and control for purposes of proper management and sustainability. As a result, the municipality identified and prioritized the need to regulate this sector by developing an informal trading policy and business trading by-laws in this regard.

Progress

There has been some improvement in the implementation of LED strategy and job creation. The performance of the Directorate has been reported on the annual performance report 2022/2023.

Number of jobs created through LED and infrastructure programs

Job creation is one of the important indicators of LED. The table below reflects the total number of jobs created in three financial years. Reasons for variances in job creation are reported on the draft annual performance report 2022/2023

Financial Year	PLANNED	ACTUAL
2020/2021	3000	4217
2021/2022	3000	4795
2022/2023	3800	3467

Structure & location of LED units within the Municipality.

The LED National Framework 2006 to 2011 requires that LED must be strategically located within the municipal organogram, as part of the municipal Key Performance Area (institutional development and transformation, financial viability and management, good governance and public participation, and municipal service delivery). The current positioning of the LED unit is in line with the LED National Framework. The table below reflects key functions performed by this unit during the 2022/2023 financial year.

Economic research	√	
Growth and Development Strategy is developed	√	
Projects profiled in the LED Strategy for implementation	√	
LED planning, implementation, and monitoring	√	
Investment and business promotions	√	
SMME/ Cooperative support and skills development	√	
Tourism sector promotion through workshops and awareness	√	

Portfolio committees and LED forum

Political leadership is particularly important in playing an oversight role in the implementation of LED in municipalities. Section 79 of the Municipal Structures Act allows a municipality to establish committees necessary for the effective performance of any of its functions or the exercise of its powers in this regard. The municipality has 5 section 79 committees, and they are all functional.

The table below represents the status quo in terms of aligning LED with relevant fundamental structures:

LED Portfolio committee/forum

	2021/2022	2022/2023
Establishment (Portfolio)	Yes	Yes
Functionality (Portfolio)	Yes	Yes
Establishment (Forum)	No	No
Functionality (Forum)	No	No

Challenges experienced by EDPE.

Adequate implementation of the LED strategy is weakened by the slow process of releasing land for economic development and the lack of an LED forum. Almost 90% of the land in the municipal area is under traditional authorities which is deemed communal land. Potential land for economic development is under land claim. Both processes of leasing, land release, and restitution have lengthy processes that frustrate investment and the municipality. Misunderstandings and lack of capacity for the leadership of claimants and traditional authorities to drive these processes remain a challenge. This is further constrained by the processes that the Regional Land Claims Commission must undergo in facilitating land restitution. Non-release of portions of land by DALRRD puts the land formalization processes to a halt, which frustrates the issuing of title deeds to households and revenue collection.

The table below reflects the critical challenges the municipality encountered in the EDPE Directorate.

Project funding and support by sector departments

No credible bankable business plans for critical projects to attract investors

Land invasion
Insufficient SMME development and support
Slow processes on land claims and land acquisitions
Lack of the LED forum
Understaffed LED unit

EDPE Improvement measures

The below table reflects the mitigating factors towards the challenges mentioned above

Improve stakeholder coordination (Department of Land Affairs, COGTA, and Traditional Authority)
Seek commitment to allocated project funding and project monitoring by sector departments.
Conduct investors' summit and development of bankable business plans for critical projects
Fast track land claims processes by DALRRD and release of land portions to the municipality.
Filling of vacant positions on the approved organogram
Political intervention in the establishment of the LED forum

3.3. COMMUNITY SERVICES

Indigent register and pauper burial assistance

Unemployment remains high in Bushbuckridge, and as such some households cannot afford to pay for municipal services. Many households' monthly income is below the breadline. The municipality has a responsibility to provide free basic services such as water and electricity to indigent households within its financial and administration means, sustainably and equitably.

The municipality has recorded 3170 indigent households in the 2022/2023 financial year. The latter is not a true reflection of the underprivileged households compared to the municipal population and the unemployment rate as per statistics from Statistics South Africa. Those in the indigent register qualify for free basic services such as water, electricity, and other basic municipal services. The municipality continues to assist the less fortunate to bury their loved ones through paupers' burial. Councillors remain a critical enabler in assisting families that cannot afford to bury their loved ones.

Gender-based violence and femicide.

The municipality has a myriad of socio-economic challenges facing our communities including an unacceptable high level of Gender Based Violence and Femicide (GBVF) and contact crimes. The latter has negatively impacted on general safety of the communities, businesses, and the tourism sector.

The municipality has over the years fought GBVF and crime in general working together with other stakeholders including SAPS, DSD, Justice and Correctional Service, Department of Education, SANCO, and Love Life. The municipality has invested and prioritized the fight against GBVF over the years and it shall continue to do so and improve on the current strategies and funding for the fight against GBVF. The security cluster through the District Development model collectively joined efforts and resources to fight the escalating crime rate which bears some positive results.

Sport, Arts, Culture and Heritage

Sport, Arts, Culture, and Heritage remain the social fibre and means of social cohesion of the municipality hence the continued investment in issues of Sports, Arts, Culture and Heritage. We have structures in place like CCIFSA, Bushbuckridge Sports Federation, Local Geographical Name Change Committee, and Traditional Health Practitioners that work with the municipality to advance issues of Sport, Arts, Culture and Heritage.

The LGNC has been re-established and shall continue with the outstanding work of geographical name change with a primary aim of bringing an African identity and undoing the historical apartheid.

HIV, AIDS, and other chronic diseases

HIV and AIDS remain a threat to the health and well-being of society, hence the municipality, together with other stakeholders like the Department of Health, NGO, and the Ehlanzeni District Municipality continue to invest in the fight against HIV and AIDS, as well as chronic diseases, through an awareness campaign, community outreach programs, seminars, workshops, Imbizo's and health assessment and Fun Walk programs.

The Executive Mayor and all stakeholders from the Local Aids Council (LAC) manage to hold several programs oriented at the fight against the spread of HIV and AIDS and other illnesses like TB, and STIs and promote healthy living amongst the youth and the elderly.

Public amenities

The municipality had over years invested in public amenities including community halls, stadia, and parks. Some of the amenities are not in a good state hence plans and budgets have been put in place to refurbish them in the next three financial years. The refurbishment will also include public taxi ranks. The reviewed Public Transport Plan will guide the improvement of the public transport infrastructure.

Vulnerable and target groups

Issues of people living with disability, older persons, women, children and the Lesbian, Gay, Bisexual Transgender Queer Intersex (LGBTQI) continues to be one of the municipality's social agenda issues. The municipality was active in the issues relating to LGBTQ and tried to manage and prioritize the matters concerning the area in the Employment Equity Plan, the IDP, the budget, and the SDBIP. All the vulnerable groups within the municipality have desks and forums that advocate their interests.

Safety, Security, and Disaster Management

The municipality has witnessed with shock the continuous experience of privately owned houses catching fire. The Fire and Rescue unit is stretched beyond its limit in attending house fires. Through our disaster management and awareness outreach programs and Communication Unit, the municipality will continue to educate and alert its communities about the dangers of fires, drownings, and floods. Awareness continues to be made to communities to switch off their electricity appliances during load shedding and load reduction and avoid crossing flooded rivers.

Safety on our roads is still a concern, hence we continue to invest in tools of trade for our Traffic Law Enforcement and road safety equipment to assist in enforcing road safety and curb high road fatalities. The management will table a proposal before the Mayoral Committee and Council for the establishment of a unit that will focus on Road Safety Education which will mitigate the carnages that occur in municipal areas of authority by the beginning of the second quarter of the 2023/2024 financial year.

Disaster Management Unit in partnership with the Ehlanzeni Disaster Management, COGTA disaster management, and other role players including the Disaster Advisory Forum, DSD, and Human Settlement have managed to assist disaster-stricken areas like Mkhuhlu, Buffelshoek, and Hluvukani to bring relief to the affected families. We have over the years noticed that the municipality experienced excessive rains during December and January which requires proper and adequate planning and budgeting from a disaster point of view.

Awareness Campaigns were held in various communities and shopping malls on various disaster issues including the danger of drowning, fires, and road safety.

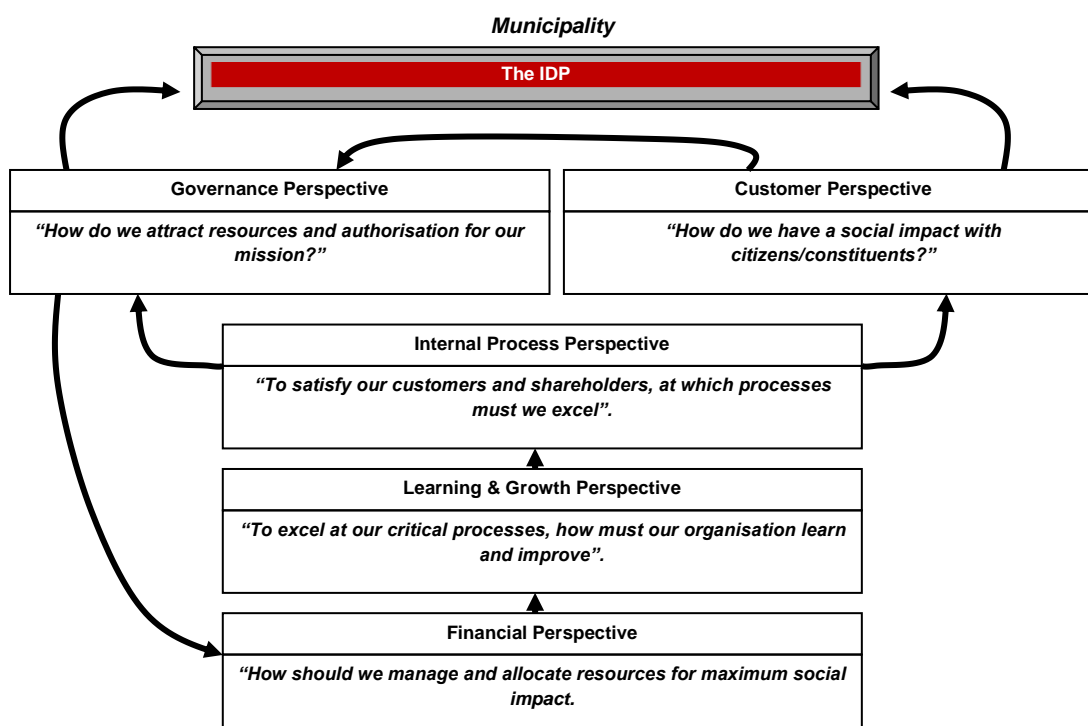
CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1. PERFORMANCE MANAGEMENT

Bushbuckridge Local Municipality adopted the Balanced Scorecard for monitoring the implementation of the IDP. The organization scorecard for the 2022/2023 financial year has been developed and designed by the balanced scorecard principles, national treasury guidelines, and best practices. The municipality based its 2022/2023 SDBIP on the approved IDP and budget.

The municipality approved the 2022/2023 SDBIP and revised it during budget adjustments. The Accounting Officer and the members of the Mayoral Committee conducted quarterly performance reviews. Internal workshops were conducted to capacitate employees to develop measurable indicators and compilation of performance portfolios of evidence.

The below figure illustrates the balanced scorecard model that the municipality adopted:



The Performance Management Process

The figure below presents the process followed by the municipality to manage its organizational performance. The planning processes were completed on time. Reasons for variance and remedial measures have been reported for each project on the Annual Performance Report 2022/2023.

Policy and Framework	Performance Management Committee	PMS		Annual Performance Report				Improvement measures
		S56 appointees	All Staff	Performance agreements signed	Comparisons previous F/Y	Service delivery priority	Performance targets	
✓	✓	✓	✓	✓	✓	✓	✓	✓

Challenges for the Performance Management Process

OPMS sub-unit is manned by two employees, and they are often overwhelmed with duties that stretch to reporting, monitoring, and evaluation.

Progress

The PMS unit was strengthened by filling the vacancy of the unit manager through a placement process during the fourth quarter of the period under review.

Remedial Actions

- The municipality will follow the guidelines provided by the National Treasury in setting its performance standards and targets.
- The municipality will fully utilize the electronic performance management system.

- The municipality will prioritize the filling of critical positions with suitable and qualified officials to improve service delivery and proper monitoring of the performance.
- The senior management of the municipality must prepare monthly reports in line with the SDBIP to detect poor performance on time.

4.2. SECTION A: WORKFORCE PROFILE AND CORE & SUPPORT FUNCTIONS

The Municipal Council played a role in ensuring that capable, suitable, and qualifying employees were appointed to execute municipal responsibilities without failure during the 2022/2023 financial year.

OCCUPATIONAL levels

The table below reports on the total number of employees (including employees with disabilities) in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians, and W=Whites.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Femal	
Top management	3	0	0	0	2	0	0	0	0	0	6
Senior management	37	0	0	0	7	0	0	0	1	0	45

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Femal	
Professionally qualified and experienced	74	1	0	0	62	0	0	0	0	0	137
Skilled technical and	69	0	0	0	61	0	0	0	0	0	130
Semi-skilled and discretionary	234	0	0	0	163	1	0	0	0	0	398
Unskilled and defined decision-making	240	0	0	0	182	0	0	0	0	0	422
TOTAL PERMANENT	657	1	0	0	478	1	0	0	1	0	1138
Temporary	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	657	1	0	0	478	1	0	0	1	0	1138

The table below reports on the total number of employees with disabilities in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians, and W=Whites.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Professionally qualified and experienced specialists and mid-	2	0	0	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary	2	0	0	0	1	0	0	0	0	0	3
Unskilled and defined decision-making	3	0	0	0	3	0	0	0	0	0	6
TOTAL PERMANENT	7	0	0	0	4	0	0	0	0	0	11
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	7	0	0	0	4	0	0	0	0	0	11

Core operation functions and support functions by occupational level

A job position can either be the core operating function or a support function. The core operating function positions are those that relate to the core business of an organization and may lead generations' e.g., sales production, human resources, corporate services, etc.

Municipal Workforce Levels

The table below indicates the total number of employees (including people with disabilities), that are involved in / **Core Operational Function positions** at each level in the municipality. Note: A=African, C=Coloured, I=Indians and W=Whites.

Occupational levels	Gender		Total
	Male	Female	M & F
Top management	1	0	1
Senior management	7	1	8
Professionally qualified and experienced specialists and mid-management	23	12	35
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	41	5	46
Semi-skilled and discretionary decision-making	102	17	119
Unskilled and defined decision-making	108	64	172
TOTAL PERMANENT	282	99	381
Temporary employees	0	0	0
Total	282	99	381

The table below indicates the total number of employees (including people with disabilities), that are involved in **support function** positions at each level in the municipality. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Gender		Total
	Male	Female	M&F
Top Management	2	3	5
Senior Management	30	7	37
Professionally qualified and experienced	52	50	102
Skilled technical and academically qualified workers, junior management, and	28	56	84
Semi-skilled and discretionary	132	147	279
Unskilled and defined decision-making	132	118	250
TOTAL PERMANENT	376	381	757
Temporary employees	0	0	0
GRAND TOTAL	376	381	757

4.3. SECTION B: WORKFORCE MOVEMENT

The table below reports the total number of recruits, including people with disabilities. Note: A=African, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2	0	0	0	0	0	0	0	0	0	2
Senior management	0	0	0	0	1	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-Skilled technical and academically qualified workers, junior management,	1	0	0	0	4	0	0	0	0	0	5
Semi-skilled and discretionary decision-making	5	0	0	0	3	0	0	0	0	0	8
Unskilled and defined decision-making	1	0	0	0	5	0	0	0	0	0	6
TOTAL PERMANENT	6	0	0	0	7	0	0	0	0	0	13
Temporary employees	15	0	0	0	19	0	0	0	0	0	34
GRAND TOTAL	0	0	0	0	0	0	0	0	0	0	0

Termination

The table below reports the total number of terminations at each occupational level, including people with disabilities. Note: A=Africans, C=Coloured, I=Indians and W=Whites.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	1	0	0	0	0	0	1
Senior management	2	0	0	0	0	0	0	0	0	0	2

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	0	0	0	3	0	0	0	0	0	6
Semi-skilled and discretionary decision-making	6	0	0	0	2	0	0	0	0	0	8
Unskilled and defined decision-making	12	0	0	0	12	0	0	0	0	0	24
TOTAL PERMANENT	25	0	0	0	19	0	0	0	0	0	44
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	25	0	0	0	19	0	0	0	0	0	44

4.4. SECTION C: CAPACITATING THE MUNICIPAL WORKFORCE

Skills development

The report below shows the total number of people from the designated groups, including people with disabilities, who receive training solely to achieve the numerical goals, Note: A=Africans, C=Coloureds, I=Indians, and W=Whites.

Occupational Levels	Gender		Total
	Male	Female	M&F
Top Management	0	0	0
Senior Management	03	07	10
Professionally qualified and experienced specialists and mid-management	05	07	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	08	09	17
Semi-skilled and discretionary decision-making	22	19	41
Unskilled and defined decision-making	04	08	12
TOTAL PERMANENT	0	0	0
Temporary employees	0	0	0
GRAND TOTAL	42	50	92

Numerical goals

The table below indicates the numerical goals (i.e., the workforce profile) projected to be achieved for the total number of all employees including those with **Disabilities** at the end of the current employment equity plan in terms of occupational levels.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	3	0	0	0	3	0	0	0	0	0	6
Senior management	36	0	0	0	11	0	0	1	1	0	49
Professionally qualified and experienced	71	1	0	1	65	0	1	1	0	0	140
Skilled technical and academically qualified workers, junior management.	64	0	0	0	60	1	0	0	0	0	125
Semi-skilled and discretionary	231	0	0	0	195	1	0	0	0	0	427
Unskilled and defined decision-making	235	1	0	1	205	0	0	0	0	0	442
TOTAL PERMANENT	640	2	0	2	539	2	1	2	1	0	1189
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	640	2	0	2	539	2	1	2	1	0	1189

4.5. SECTION D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Disciplinary action

Disciplinary action: (Total number of disciplinary actions during the twelve months preceding this report). The report is on formal outcomes only. Note: A=Africans, C=Coloureds, I=Indians and W=Whites.

DISCIPLINARY ACTION	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	09				1						10

Awareness of employment equity

The table below represents the awareness measures of employment equity as implemented by BLM:

	Yes	No	Employees Covered
Formal written communication	Yes	No	All
The policy statement includes a reference to employment equity	Yes		1
Summary of the Act displayed	Yes		All
Employment Equity training		No	Forum
Diversity Management programmes	Yes		All
Discrimination awareness programmes	Yes		All

Consultation

The table below indicates which stakeholders were involved in the consultation process before the development of the employment equity plan:

Stakeholders	Yes	No
Consultative body or employment equity forum	Yes	
Registered trade union	Yes	
Employees	Yes	

Status on human resource policies and plans:

The following table presents HR policies that are currently in place to guide the Human capital affairs of BLM.

Policy/ Plan	Developed and implemented	Developed and not implemented	Status
Language Policy		√	Not adopted
Recruitment and selection	√		Adopted
Performance management system framework	√		Adopted
Skills development plan	√		Adopted
Employment equity plan	√		Adopted
Skills development charter	√		Review
Code of conduct	√		Adopted
Employment equity policy	√		Adopted
Transport Control Policy	√		Adopted
Payroll policy and procedures	√		Adopted
Training and Development Policy	√		Adopted
Relocation policy	√		Adopted
Smoking policy	√		Adopted
HIV/AIDS Policy	√		Adopted
Bursary Policy	√		Adopted
cash policy	√		Review
Dress Code Policy	√		Adopted
Sexual Harassment Policy	√		Adopted
Probation Policy	√		Adopted
Induction Policy	√		Adopted
Internet and E-Mail Policy	√		Adopted
Long Service Recognition Policy	√		Adopted
Cell Phone Allowance Policy	√		Adopted
Occupational Health & Safety Policy	√		Adopted
Human Resource Strategy	√		Adopted

Minimum qualifications of senior managers

The municipality ensured that all senior management positions were (Section 54 and 56 employees) filled. The minimum qualifications for senior and middle management have been described by SALGA and the National treasury and all position advertisements were done in line with these requirements.

The table below reflects the minimum qualification for employees appointed in terms of Section 56/54 of Local Government: Municipal System Act, Amended Act 32 of 2000:

No.	Surname and initials	Position	Qualification
1.	Ngobeni J. (Section 54 Employee)	Municipal Manager	Matric; Bachelor of Arts; Postgraduate Diploma in Higher Education; Master's in public management; Master's in human resources management; Certificate in Project Management; Certificate in Executive Municipal Leadership Development Program; and Certificate in South African Income Tax and Accounting
2.	Mathebula C.T. (Section 56 Employee)	Acting Director: Corporate Services	Bachelor of Arts; B.A. Honors in Education; Certificate in Leadership and Management for Transformation; Certificate in MFMA; Certificate in Good Municipal Governance
3.	Mnisi A.M. (Section 56 Employee)	Director: Community Services	MBA (Master of Business Administration) Bachelor's degree in public administration Human Resource Dev. Certificate Communication Management Certificate Local Government Executive Leadership Management Certificate

No.	Surname and initials	Position	Qualification
4	Mashava E. (Section 56 Employee)	Director: Technical Services	Matric; National Diploma in Civil Engineering (NQF 6); Certificate in Executive Leadership Management Programme (ELMDP); Programme in Municipal Development (CPMD) and Labour-intensive Construction (NQF 7).
5	Mogakane S. (Section 56 Employee)	Director: EDPE	Matric; Bachelor of Arts; Bachelor of Education; Master of Management; and Executive Leadership Municipal Development Programme Certificate.
6	Mathabatha T.M. (Section 56 Employee)	Chief Financial Officer	Matric; Bachelor of Commerce; Honors in Business Administration; Pastel Accounting Version 6

Conclusion

The municipality has a staff establishment as per the approved organogram that was monitored by sending quarterly staff establishment reports to the Council. The various human resources management policies as approved by the Council were also implemented. Moreover, as a designated employer in terms of the Employment Equity Act, the municipality had the 2017-2022 Employment Equity Plan approved by the Council and submitted to the Department of Labour as prescribed. Male to female ratio stood at 57,6% and 42, 4%. The municipality conducted highlights for the financial year's awareness campaign to encourage employees living with disability to declare in terms of the EEA1 forms. To that effect, the municipality recorded 1,01% against the required 2% of the total workforce on employees living with a disability.

CHAPTER 5: FINANCIAL PERFORMANCE

Introduction

An important outcome of the entire year is that, overall, the Municipality has improved its year-on-year cash flows for the past three years consecutively. The availability of surplus cash resources enables the Municipality to respond promptly to requirements of essential services – such as refuse removal, water, and sanitation services. Infrastructure assets, such as roads and water purification plants have been identified as an area of priority and were accordingly allocated higher budgets than in previous years.

Council adopted the 2023/2024 Budget, which reinforces the following principles of budgeting:

- The budget must be funded,
- expenses may only be incurred in terms of an approved budget, and
- The budget must always align with the IDP.

By following these principles, the Municipal Council was able to produce future budgets that are realistic, practical, and affordable to the Municipality. The 2023/2024 budget of Bushbuckridge Municipality was evaluated by the Provincial Treasury and is regarded as credible, sustainable, and responsive towards the current and future needs of the community.

The management of revenue is governed by policies that are aimed at improving revenue management and debt collection. Success has been achieved in terms of collecting long outstanding debts from government institutions, notably the Provincial Department of Public Works whose debt exceeds R500 million. All government departments are timeously paying their current debt and efforts are continuing to collect the remaining historical debts from all the government departments.

The increasing level of debt continues to be a point of concern for all stakeholders in the Municipality. Collection of debt from businesses and households has remained a big mountain to climb, however, the Municipality is adamant that the strategies in place

to recover outstanding amounts will bear positive outcomes in the next three to five years.

A key component of the municipality's revenue enhancement strategy is to increase revenues from the sale of water, with that comes the Municipality's commitment to ensuring consistent water supply to the community of Bushbuckridge. The strategy seeks to increase investment in smart water metering technology which will ensure that revenues generated from the billing of water is collected from all reticulated areas.

The Municipality implemented Supply Chain Management Regulations through an approved Supply Chain Management Policy. The SCM Policy adheres to the SCM Regulations and was developed in accordance with the Model Policy issued by the National Treasury (NT). The SCM procedures and processes were reviewed to improve procurement timelines and controls. Procurement activities were planned and executed in terms of the approved procurement plan, however, uncertainty over the validity of the Preferential Procurement Regulations 2017 in the second half of the year meant that tempered with the implementation of the procurement plan resulting in several planned procurements of major projects being delayed or deferred to the following year.

Financial Performance Status

The table below highlights financial performance measures achieved in terms of MFMA compliance dates within the Finance Section:

Objectives	Performance Measure/service delivery indicator	Performance	
		Target	Actual
Develop a medium-term financial framework.	Three-year capital and the operational budget approved by the	31 May 2022	31 May 2022

Objectives	Performance Measure/service delivery indicator	Performance	
		Target	Actual
(Budget)	Approval of the adjustment budget by the Council	25 January 2023	25 January 2023
Provide a framework for financial accountability	Approved Service Delivery and Budget Implementation Plan (SDBIP)	31 August 2022	31 August 2022
	Adoption of Tariff Structure	31 May 2022	31 May 2022
Prepare and submit the Annual Financial Statement (AFS) to AG(SA) for 2022/23 FY	AFS submitted to Council & AG(SA)	31 August 2023	31 August 2023
Monitor and control the budget & expenditure	Submission of monthly financial report to Provincial & National Treasury	Before the 10 th of each month	Submitted before the 10 th of each month

Annual financial statements 2022/2023

The Annual Financial Statements for the year ended 30 June 2023, have been prepared in accordance with GRAP standards and were submitted to the office of the Auditor-General on the 31st of August 2023.

The notes to the Annual Financial Statements include additional information as required by the Municipal Financial Management Act no.56 of 2003. The notes to the Annual Financial Statements disclose the required information in terms of section 123 of the Municipal Finance Management Act. Refer to the Annexures for the 2022/2023 Annual Financial Statements.

Operating results

The operating results for the year ended 30 June 2023 disclosed a surplus of **R480 625 173** against a restated surplus of **R349 798 954** for the previous financial year. Total income billed for the year amounts to **R578 630 821**, and grant income realized amounts to **R1 484 707 222**. The current year's provision for debt impairment amounts to **R334 338 620**. The impairment amount represents the ability to collect the outstanding amount, particularly from business and private residences.

Income

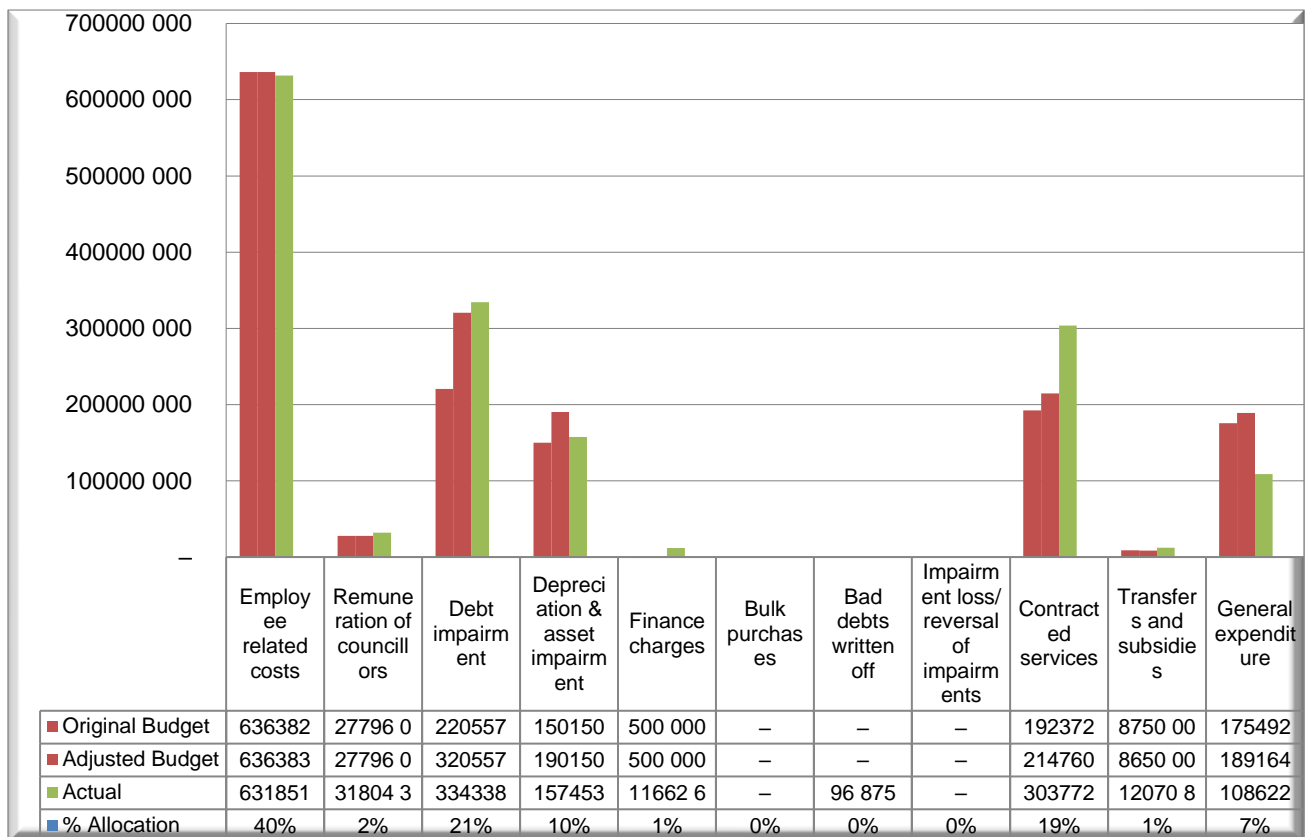
Over the past year, revenue reduced by **10.8%** to **R2 073 283 403**. The decrease is due to a R130m decrease in grants across the board. Grants and subsidies from the Treasury represent **71%** of the total income of the Municipality. Own income generated from the sale of water and the levying of assessment rates represents **29%** of the total income of the Municipality.

The grant revenue includes all grants received from the National and Provincial Governments.

Operating results per category of expenditure

Operating expenditure increased by **5.18%** to **R 1,59 billion**. The Municipality does attempt to keep the cost of operations as low as possible and has a cost curtailment policy in place.

The graph below illustrates a comparison of the budget versus the actual expenditure for major expenditure items:



Capital expenditure.

The Municipality's capital expenditure for the year under review amounted to **R 738 261 728** (2022: R 594,195,142). This represents a 94% capital spend (2022: 86%). All conditional grants were 98.9% spent. A complete analysis of capital grants expenditure is included in Note 15 of the Annual Financial Statements while Note 4 of the annual financial statements contains details by asset class.

Debtors' assessment

Outstanding consumer debtors as of June 2023 amounted to R 2 601 548 912 (2022: R2 180 178 009).

Total provision for impairment decreased from R 816 743 905 in 2022 to R 799 170 370.00 in 2023, which represents 57.6% of total outstanding consumer debtors.

Amounts collected from debtors from 1 July 2022 to 30 June 2023 is R 234 000 000 which amounts to 49% of the amount billed during the year.

The Municipality has appointed one service provider to assist with the recovery of the outstanding debts to curb the accumulation of debt. Additionally, the Provincial Treasury is currently assisting the Municipality in collecting long outstanding debt due by the Government through the government debt forum.

Billing systems

The Municipality billed customers a total of R **370 522 020** (2022: R **355 033 156**) for Property rates, refuse removal, sanitation, and Water during the year under review.

The Municipality has an adequate billing system that ensures that billing is done timeously every month and customer accounts are accurate.

Investments and cash

The Municipality maintained a healthy cash and investment position, given the current economic conditions. Information on cash and cash equivalents is provided in respectively note 7 to the annual financial statements. Cash on hand as of 30 June 2023 amounted to R **206 591 710** (2022: R 343 511 246).

Review of Auditor General's reports

Section 126(1) of the Municipal Finance Management Act requires the accounting officer of a Municipality to prepare and submit Annual Financial Statements and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing. During the year under review, the Auditor-General audited the Annual Financial Statements for the ended 30 June 2021, and in the opinion of the Auditor-General, the Annual Financial Statements fairly represented the financial affairs of the Municipality.

Financial Management Policies

The Municipality has policies in place to ensure sound financial management. The table below depicts the state of policies in place to ensure sound governance of the financial affairs of the municipality.

Credit Control Policies			
Indigent policy	Credit Control and Debt Collection Policy	By-laws	
Adopted	Adopted	Adopted	
Implementation of the Municipal Property Rates Act			
2009-2014	2014-2019	2019 - 2023	
Valuation roll	Valuation roll	Valuation roll	
Yes	Yes	Yes	
Yes	Yes	Yes	
Yes	Yes	Yes	
Financial Policies			
Policy	Approved by Council	Implemented	Promulgated in By-law
Tariff policy	√	√	√
Credit control policy	√	√	√
Indigent policy	√	√	√
SCM policy	√	√	x
Property rate policy	√	√	√
Cash Management and Investment policy	√	√	√
Asset management policy	√	√	x
Budget Policy	√	√	x
Virement Policy	√	√	x

Remedial actions

Corrective action to be instituted on the matters raised in the report of the Auditor-General to Council on the annual financial statements of the Municipality for the year ended 30 June 2023 were consolidated in an Audit Action Plan and approved for implementation. The audit report is unqualified with findings for which corrective actions are required. The corrective actions for each category of findings were closely monitored throughout the year by both Management and Council.

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

AGSA AUDIT OPINION

The submission of AFS and APR to AGSA and the status of the Municipal audit opinion for three financial years is as follows:

2020/2021		2021/2022		2022/2023	
AFS and APR finalized and submitted	Audit Opinion	AFS and APR finalized and submitted	Audit Opinion	AFS and APR finalized and submitted	Audit Opinion
31 August 2021	Unqualified with findings	31 August 2022	Unqualified with findings	31 August 2023	Unqualified with findings

6. CONCLUSION

This Annual Report is aligned with the planning documents and the municipal budget for the year reported on. This means that the IDP, Budget, SDBIP, in-year performance reports, annual performance reports, and annual reports have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

7. AUTHORISATION

Title	Initials and Surname	Comments	Signature	Date
Municipal Manager	J. Ngobeni	Recommended		25 January 2024
Executive Mayor	C. S. Nxumalo	Approved		25 January 2024

APPENDIX A



ANNUAL PERFORMANCE REPORT 2022/2023

This Municipal Annual Performance Report was produced by the Office of the Municipal Manager in terms of section 53 of MFMA. It reflects all performance-related activities in accordance with the requirements of the Local Government: Municipal Systems Act, 2000(Act No. 32 of 2000) and MFMA for the period 1 July 2022 to 30 June 2023. Information contained in this publication was provided by the various departments.
Every effort was made to ensure that the facts were correct.

Table of Contents

<i>Table of Contents</i>	1
1. MUNICIPALITY STRATEGY	4
1.1 Municipality Vision	4
1.2 Municipality Mission	4
1.3 Municipality Core Values	4
1.3.1 Municipal Goals and Strategic Objectives.....	4
1.4 SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN (SDBIP) FRAMEWORK ...	5
1.4.1 Three-year revenue projections.....	7
1.4.2 Monthly projection of revenue to be collected for each source.....	8
1.4.3 Monthly projections of expenditure (operatiON and capital)	9
2. KEY PERFORMANCE AREAS.....	10
3. MUNICIPAL TOP AND DEPARTMENTAL LAYER ANNUAL PERFORMANCE REPORT	11
3.1 MUNICIPAL INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT (30%)	11
3.1.1 COMMUNITY SERVICES (15%).....	11
3.1.2 CORPORATE SERVICES (15%)	24
3.2 ECONOMIC DEVELOPMENT, PLANNING AND ENVIRONMENT	37
3.2.1 LOCAL ECONOMIC DEVELOPMENT	37
3.2.2 OTHER EDPE UNITS	47
3.2.3 TOWN PLANNING	52
3.2.4 EDPE GOVERNANCE	60
3.3 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (WEIGHT 20%)-FINANCE ...	62
3.4 KPA SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (20% WEIGHT)- TECHNICAL SERVICES	72
3.4.1 ROADS AND STORM WATER	72
3.4.2 PMU WATER PROVISION	76
3.4.3 PMU PROJECTS.....	82
3.4.4 SANITATION.....	99
3.4.5 BUILDING INFRASTRUCTURE AND MAINTENANCE.....	101

3.4.6	CENTRAL ELECTRICAL AND MECHANICAL WORKSHOP.....	105
3.4.7	WATER SERVICES.....	111
3.4.8	TECHNICAL GOOD GOVERNANCE AND REPORTS	123
3.5	KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (Weight 15%)	126
3.5.1	MUNICIPAL MANAGER’S OFFICE AND PMS	126
3.5.2	IINTEGRATED DEVELOPMENT PLANNING(IDP)	130
3.5.3	INTERNAL AUDIT	132
3.5.4	RISK MANAGEMENT.....	135
3.5.5	COMMUNICATION	137
4.	CONCLUSION	139
5.	AUTHORISATION AND APPROVAL OF THE ANNUAL PERFORMANCE REPORT	139

1. MUNICIPALITY STRATEGY

1.1 MUNICIPALITY VISION

Bushbuckridge Local Municipality strives for developmental and prosperous life for all.

1.2 MUNICIPALITY MISSION

The municipality commits to provide affordable and sustainable services through good governance and community participation.

1.3 MUNICIPALITY CORE VALUES

- Accountability
- Openness and Transparency
- Responsiveness
- Honesty
- Service Standards
- Diligence
- Effective and efficient governance

1.3.1 MUNICIPAL GOALS AND STRATEGIC OBJECTIVES

Municipal Goals	Strategic Objectives
Goal 1: Ensuring integrated development planning and integrated Human settlement	<ul style="list-style-type: none"> • Strengthen existing IDP structures. • Improve the IDP and budget planning process. • Ensure implementation of IDP priorities • Allocate available funds to identified priorities on a Multi-Year Plan • Promote Public-Private-Partnerships • Ensure implementation of LED strategy
Goal 2: Provision of basic services	<ul style="list-style-type: none"> • Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)

Municipal Goals	Strategic Objectives
Goal 3: To build a capable and high performing municipality	<ul style="list-style-type: none"> • Implement performance management system. • Create awareness and buy-in to BLM strategy. • Improve communication strategy. • Continuous assessment and staff development through PMS
Goal 4: Sound Financial Management	<ul style="list-style-type: none"> • Implement AG action plan. • Improve audit outcome to clean audit. • Ensure all National Treasury regulations. • Increase revenue collection by 10% • • Ensure spending of all allocations
Goal 5: Sustainable economic growth and job creation	<ul style="list-style-type: none"> • Reduce unemployment by 3%
Goal 6: Mobilise resources for improved and conducive environment, public safety, and community welfare	<ul style="list-style-type: none"> • Improve awareness on public safety. • Implementation of recreational programs • Tackle social issues

1.4 SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN (SDBIP) FRAMEWORK

The Service Delivery and Budget Implementation Plan (SDBIP) is a detailed annual financial plan for implementing services using the approved IPD and budget for 2022/2023. This SDBIP will serve as a contract between the municipality (Section 54 and 56 Employees) and the community (council) on the services that the municipality commits to deliver over a period of twelve (12) months. It also helps to hold the municipality and its management accountable for the performance on the mentioned programmes and projects. This SDBIP includes the following as guided by the Municipal Finance Management Act:

- I. Monthly projection of revenue to be collected for each source.
- II. Monthly projections of expenditure (operating and capital) and revenue for each vote

-
- III. Quarterly projections of service delivery targets and performance indicators for each vote
 - IV. Ward information for the delivery of a specific service

1.4.1 THREE YEAR REVENUE PROJECTIONS

	3 Year Revenue Projections		
	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Revenue By Source			
Property rates	243 458 010,00	255 630 910,00	268 412 455,00
Service charges - electricity revenue	-	-	-
Service charges - water revenue	40 733 472,00	42 770 146,00	44 908 654,00
Service charges - sanitation revenue	5 138 700,00	5 530 368,00	5 806 887,00
Service charges - refuse revenue	9 379 650,00	10 068 446,00	10 571 868,00
Rental of facilities and equipment	1 000 373,00	1 050 392,00	1 102 911,00
Interest earned - external investments	27 525 660,00	28 901 943,00	30 347 040,00
Interest earned - outstanding debtors	110 180 000,00	115 689 000,00	121 473 450,00
Fines, penalties and forfeits	3 067 706,00	3 221 091,00	3 382 147,00
Licences and permits	4 932 877,00	5 179 522,00	5 438 496,00
Agency services	13 000 000,00	13 650 000,00	14 332 500,00
Transfers and subsidies	891 974 000,00	936 572 700,00	983 401 336,00
Other revenue	251 641 018,00	264 223 068,00	277 434 223,00
Total Revenue	1 602 031 466,00	1 682 487 586,00	1 766 611 967,00

1.4.2 MONTHLY PROJECTION OF REVENUE TO BE COLLECTED FOR EACH SOURCE.

Bushbuckridge Local Municipality - Monthly Revenue Projections	Budget Year 2022/23												
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Full year budget
Revenue By Source													
Property rates	20 235 218,89	20 235 218,89	20 235 232,14	20 234 985,89	20 234 985,89	20 234 985,89	20 341 230,40	20 341 230,40	20 341 230,40	20 341 230,40	20 341 230,40	20 341 230,40	243 458 010,00
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	8 024 467,60	8 306 153,44	8 170 653,09	8 150 663,91	8 069 132,84	8 288 605,68	1 379 367,43	1 379 367,43	1 379 367,43	1 379 367,43	1 379 367,43	1 379 367,43	40 733 472,00
Service charges - sanitation revenue	383 341,09	384 622,64	380 109,38	379 438,77	378 988,25	193 064,71	506 522,53	506 522,53	506 522,53	506 522,53	506 522,53	506 522,53	5 138 700,00
Service charges - refuse revenue	707 670,13	707 564,89	707 564,89	707 564,89	707 564,89	707 564,89	855 692,57	855 692,57	855 692,57	855 692,57	855 692,57	855 692,57	9 379 650,00
Rental of facilities and equipment	81 011,18	83 176,55	85 051,20	83 271,73	83 628,57	84 019,58	83 369,03	83 369,03	83 369,03	83 369,03	83 369,03	83 369,03	1 000 373,00
Interest earned - external investments	211 094,39	337 635,28	327 631,12	394 121,58	420 567,80	538 229,90	4 216 063,32	4 216 063,32	4 216 063,32	4 216 063,32	4 216 063,32	4 216 063,32	27 525 660,00
Interest earned - outstanding debtors	7 871 958,81	7 999 181,88	8 027 130,10	8 238 713,97	8 455 813,90	-	11 597 866,89	11 597 866,89	11 597 866,89	11 597 866,89	11 597 866,89	11 597 866,89	110 180 000,00
Fines, penalties and forfeits	127 045,00	91 250,00	49 250,00	46 500,00	33 750,00	-	453 318,50	453 318,50	453 318,50	453 318,50	453 318,50	453 318,50	3 067 706,00
Licences and permits	337 449,87	277 375,03	238 966,17	206 985,32	252 607,28	263 487,20	559 334,35	559 334,35	559 334,35	559 334,35	559 334,35	559 334,35	4 932 877,00
Agency services	597 839,22	670 857,95	748 307,84	717 383,00	626 726,55	775 369,60	1 477 252,64	1 477 252,64	1 477 252,64	1 477 252,64	1 477 252,64	1 477 252,64	13 000 000,00
Transfers and subsidies	367 106 338,26	2 650 000,00	-	-	424 692,48	293 524 525,00	38 044 740,71	38 044 740,71	38 044 740,71	38 044 740,71	38 044 740,71	38 044 740,71	891 974 000,00
Other revenue	991 314,21	771 629,15	672 305,31	517 422,26	560 037,37	492 155,29	41 272 692,40	41 272 692,40	41 272 692,40	41 272 692,40	41 272 692,40	41 272 692,40	251 641 018,00
Total Revenue	406 674 748,65	42 514 665,70	39 642 201,24	39 677 051,32	40 248 495,82	325 102 007,74	118 028 715,92	118 028 715,92	118 028 715,92	118 028 715,92	118 028 715,92	118 028 715,92	1 602 031 466,00

1.4.3 MONTHLY PROJECTIONS OF EXPENDITURE (OPERATION AND CAPITAL)

Municipality - Monthly Capital and Operational Expenditure	Jul		Aug		Sept.		Oct		Nov		Dec		Jan		Feb		Mar		Apr		May		Jun	
	Opex	Capex	Opex	Capex	Opex	Capex	Opex	Capex	Opex	Capex	Opex	Capex	Opex	Capex	Opex	Capex	Opex	Capex	Opex	Capex	Opex	Capex	Opex	Capex
Budget and Treasury	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667	29 633 655	1 266 667
Community Services	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667	16 645 555	291 667
Corporate Services	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333	12 217 916	1 208 333
EDPE	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153	7 977 130	1 137 153
Municipal Manager	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000	3 953 743	50 000
Technical Services	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764	38 994 392	56 283 764
Total Expenditure	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584	109 422 391	60 237 584

2. KEY PERFORMANCE AREAS

The following key performance Areas (KPA's) as outlined in the local Government: Municipal Planning and Performance Management Regulations inform the strategic objectives listed in the table below.

Number	Key Performance Area		Weight	
2.1	INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICES DELIVERY	WATER AND TECHNICAL SERVICES	20%	
2.2	MUNICIPAL INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	COMMUNITY SERVICES (15%) AND CORPORATE SERVICES (15%)	30%	
2.3	LOCAL ECONOMIC DEVELOPMENT (LED)	EDPE	15%	
2.4	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT. • SCM	FINANCE MANAGEMENT AND SCM	20%	
2.5	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	PMS, IDP, RISK, IA & COMMUNICATION	15%	
TOTAL			100%	

3. MUNICIPAL TOP AND DEPARTMENTAL LAYER ANNUAL PERFORMANCE REPORT

3.1 MUNICIPAL INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT (30%)

3.1.1 COMMUNITY SERVICES (15%)

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
1	Mobilise resources for improved and conducive environment, public safety, and community welfare	Implementation of recreational programs	Arts, Culture and Heritage	Heritage, cultural integration, and support to arts programmes	Number of reports on programmes, events, or meetings conducted for arts and culture programs	Number of arts and culture programmes / events implemented	09 reports and 18 programmes, events or meetings conducted for arts and culture programmes	04 reports on programmes, events and meetings conducted for arts and culture programs	4 Arts & Culture events/programmes implemented by 30 June 2023	30 000	100 000	4 Arts & Culture events/programmes implemented by 30 June 2023	None	None	Internal Memo - Procurement Invitations (Stakeholders) Programme Attendance Register	Manager: Sports, Arts, Culture and Recreation

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
2			Sports and Recreation	Ensure accessibility to sports and recreation facilities	Number of reports on sports and recreation programmes, events or meetings conducted	Number of Sport Recreation events / programmes implemented	13 sports and recreation programmes, events or meetings conducted	04 reports on sports and recreation programmes, events or meetings conducted	8 Sport Recreation events / programmes implemented	,	,	13 Sport Recreation events / programmes implemented	Addition al programmes requested by stakeholders	None	Internal Memo - Procurement Invitations (Stakeholders) Programme Attendance Register	Manager: Sports, Arts, Culture and Recreation
3			Sports, Arts, Culture and Recreation	Ensure accessibility to sports and recreation facilities	Number of reports on management of recreational facilities	-	New Target	04 reports on management of recreational facilities	-	,	,	04 reports on management of recreational facilities	None	None	Reports, attendance register, invitations, Agenda	Manager: Sports, Arts, Culture and Recreation
4		Improve awareness on public safety	Municipal Cemeteries Management	Management of Municipal cemeteries	Number of reports on management of municipal cemeteries and assistance of paupers' burial	Frequency of maintenance of Municipal cemeteries and assistance of paupers' burial	04 reports on cemeteries management submitted	04 reports on management of municipal cemeteries and assistance of	4 maintenances at municipal cemeteries and 1 report on the assistance of	,	150 000	04 maintenances at municipal cemeteries and 1 report on the assistance of paupers' burials	None	None	Reports, Requisitions, and register	Manager: Sports, Arts, Culture and Recreation

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
								paupers' burial.	paupers' burials							
5		Implementation of recreational programs	Youth Affairs	Youth development	Number of reports on youth affairs programmes, events or meetings conducted.	Number of Youth events/programmes implemented	07 Youth Affairs, events or programmes conducted	04 reports on youth affairs programmes, events or meetings conducted	8 Youth events / programmes implemented	50 000	210 000	6 Youth events / programmes implemented	Delays in supply chain processes for youth programmes planned in Q1	The Municipality will implement all youth programmes in Q2 to allow the smooth running of all logistical arrangements.	Internal Memo If there is a Procurement Invitations (Stakeholders) Programme Attendance Register	Manager: Social Development
6		Tackle social issue	Community Bursary	To contribute to youth development	Number of reports on students awarded with bursaries	Finalization of the awarding of Bursaries to 40 students by Council	01 Activity and 03 reports on community bursary	04 reports on students awarded with bursaries	Awarding of Bursaries to student finalized and approved by Council by 30 June 2023	2 500 000		04 Awarding of Bursaries to student finalized and approved by Council by 30 June 2023	None	None	Adverts, List of students who applied, Invitation to bursary committee members, Attendance register, minutes, report to council	Manager: Social Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
7			HIV AND AIDS: Life Skills	To reduce number of new infections	Number of reports on HIV & AIDS programmes conducted	Number of HIV/ AIDS events / programmes implemented	08 programmes on HIV and AIDS conducted.	04 reports on HIV & AIDS programmes conducted	8 HIV / AIDS Programmes implemented	50 000	137 561	05 HIV / AIDS Programmes implemented	Delays in supply chain processes for youth programmes planned in Q1	None	Reports, invitations, agenda, and attendance registers.	Manager: Social Development
8			Functional Local AIDS Council and WACS	To reduce number of new infections	Number of local AIDS Council (LAC) meetings or events conducted	–	04 Local AIDS Council meetings or events conducted	08 Local AIDS Council meetings or events conducted	04 Local AIDS Council meeting or event	–	–	04 Local AIDS Council meeting or event	None	None	Invitations, minutes of the meetings and attendance registers	Manager: Social Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
9			Affairs on Vulnerable groups	To reduce the rate of gender-based violence cases as per gender strategy	Number of reports on programmes, meetings, or event for vulnerable groups (Gender, Children, Youth Elderly and Disability) conducted	Number of GBVF events / programmes implemented	18 programmes, meetings or events for gender, children, youth, and disability affairs conducted.	04 reports on programmes, meetings, or event for vulnerable group conducted (Gender, Children, Youth Elderly and Disability)	4 GBVF events / programmes implemented by 30 June 2023	30 000	157 391	08 GBVF events / programmes implemented by 30 June 2023	There were more demand of programmes relating to GBV that the municipality implemented	None	Invitations, Minutes of the meetings and attendance registers	Manager: Social Development
10		Tackle social issues	Indigent Services	To ensure responsive government for all	Number of reports on management of indigent services	-	Indigent policy approved and 2 indigent registers updated	04 reports on management of indigent services	-	630 000	630 000	04 reports on management of indigent services	None	None	Reports, Indigent register, and verification indigent report	Manager: Social Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
11			Library Services	Promote the culture of reading	Number of reports on library programmes, events or school visits conducted	Number of school visit conducted to raise awareness on Libraries	21 programmes, events or school visits conducted	04 reports on library programmes, events or school visits conducted	-	5000	3 150.00	04 reports on library programmes, events or school visits conducted	None	None	Reports, Invitations, Agenda, Attendance Register and or Pictures	Manager: Library services
12	community welfare	Improve awareness on public safety	Security Services	Secure all municipal assets	Number of reports on security services provided to the municipality	-	12 monthly reports on security services	4 Quarterly reports on security services provided to the municipality		60 000 000	64 000 000	04 Quarterly reports on security services provided to the municipality	None	None	Security Monthly Reports	Manager: Security Services
13			Fire and Rescue - Inspection	Ensure all businesses are compliant with National Fire and Building Regulations	Number of fire prevention inspections conducted, and compliant certificates issued	-	194 inspections conducted	200 fire prevention inspections conducted	-	100 000.00	-	214 fire prevention inspections conducted	More inspections were conducted during second and fourth quarter	None	Inspection certificates	Chief Fire Officer

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
14			Fire and Rescue - Reports	Ensure fire service is compliant with SANS CODE 10090 community fire protection	Number of reports on fire and rescue incidents calls received and attended	Number of fire and rescue incidents attended	04 reports on fire and rescue incidents calls received and attended	04 reports on fire and rescue incidents calls received and attended	40 fire and rescue incidents attended to	,	,	174 fire and rescue incidents attended to	The municipality received more calls relating to fire incidents caused by loadshedding	None	Reports and Incident register	Chief Fire Officer
15			Fire and Rescue - Awareness	Improved social cohesion and safe environment	Number of reports on fire awareness conducted	Number of fire awareness campaigns conducted	04 reports on fire awareness conducted	04 reports on number of fire awareness conducted	04 Fire Awareness campaigns conducted	,	,	04 Fire Awareness campaigns conducted	None	None	Reports, Invitations, Agenda, and attendance registers	Chief Fire Officer

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
16			Disaster Awareness	Improved social cohesion and safe environment	Number of reports on Disaster awareness campaigns conducted.	Number of disaster awareness campaigns conducted	03 Reports on Disaster Awareness campaigns Conducted	04 reports on Disaster awareness campaigns conducted	04 Disaster awareness campaigns conducted	0	0	05 Disaster awareness campaign conducted	The municipality was hit by disaster and more awareness programmes has to be conducted	None	Reports, Invitations, Agenda, and attendance registers	Manager: Disaster Management
17			Disaster Relief	To provide relief support to the affected disaster victims	Number of reports on relief materials provided to disaster victims	-	04 reports on relief materials provided to disaster victims	04 reports on relief materials provided to disaster victims	-	120 000	120 000	04 reports on relief materials provided to disaster victims	None	None	Reports and List of materials provided	Manager: Disaster Management
18			Disaster Management	To have co-ordinated approach with all stake hold related to disaster	Number of local disaster management forum meetings held	-	02 Disaster management forum held	04 Local Disaster management meetings held	-	706 650	0	04 Local Disaster management meetings held	None	None	Invitations, Agenda, Attendance registers and Minutes of the meetings	Manager: Disaster Management

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
				management												
19	Mobilise resources for improved and	Improve awareness on public safety	Road Traffic Services	Create Awareness and buy-in to BLM strategy	Number of summonses issued	-	4500 summonses issued	5000 summonses issued	-	-	-	5642 summonses issued	The municipality enhance its processes relating to Road Safety. The targets are now set per office per day.	None	Summon Statistics report	Chief Traffic Officer
20	conducive environment, public safety, and		Traffic Enforcement	Improved social cohesion and safe environment	Number reports on road safety operations (roadblocks) conducted	Number of roadblocks conducted	08 roadblocks operations conducted	04 reports on road safety operation programmes (roadblocks)	08 roadblocks operations conducted	-	-	19 roadblocks operations conducted	Municipality planned more roadblocks during	None	Report, Roadblock statistics report and pictures	Chief Traffic Officer

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
								conducted for 2022/2023					festive seasons			
21	Community welfare		By Law Enforcement	Improved social cohesion and safe environment	Number of reports for By-law's operations and compliance	-	04 Reports on by law operations and compliance conducted	04 reports on Bylaws operations and compliance conducted	-	,	,	04 reports on Bylaws operations and compliance conducted	None	None	Reports, By-law enforcement Statistics report, Notices and or Pictures	Chief Traffic Officer
22			Public Transport Forum	Ensure there is compliance to National Land Transport Act no 5 of 2009	Number of reports on Public Transport forums held	Number of public forum meetings held	03 Public Forum meetings held	04 reports on Public Transport forums held	4 public forum meetings held	30 000	,	04 public forum meetings held	None	None	Reports, Invitation, Agenda, and attendance registers	Manager: Public Transport
23			Public Transport Inspections	Ranking facility that is user friendly to commuters	Number of reports on public transport inspections conducted	Number of transport inspections conducted	40 transport inspection	04 reports on public transport inspections conducted	40 transport inspection conducted	,	,	40 transport inspection conducted	None	None	Reports, inspection forms and pictures	Manager: Public Transport

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
							conduct ed									
24			Public Transport Compliance	Creating Transport strategy	Number of reports on development of local transport plan and implementation	-	Local transport plan not developed in 2021/2022	04 reports report on the development of the Local Transport Plan	Local transport plan developed and approved by 30 June 2023	52 500	,	01 Local transport plan draft developed and awaiting council approval.	None	None	Reports, Council resolutions , Draft Local Transport plan and Final Local Transport Plan	Manager: Public Transport
25			DLTC and Registry Authority	Financial management and viability	Revenue amount collected by all DLTC	-	R43 962 931 revenue amount collected	R40M Revenue Amount collected	R20M Revenue amount collected	50 000	,	R57 239 163 Revenue amount collected	None	None	Enatis RD reports	Chief Licensing Officer
26			DLTC and Registry Authority	Financial management and viability	Number of learners & drivers to be tested in all DLTC's	-	16148 learners and drivers tested	20 000 learners and drivers tested	10 000 Learners and driving licence tested	,	,	24 777 Learners and driving licence tested	None	None	Enatis RD reports	Chief Licensing Officer

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
27	To build a capable and high	Create awareness and buy-in to BLM strategy	Risk Management	Ranking facility that is user friendly to commuters	Number of risk management reports	-	04 Risk Reports developed	04 Risk Reports developed	-	706 650	-	04 Risk Reports developed	None	None	Risk reports	Acting Director: Community Services
28	performing municipality	Continuous assessment and staff development through PMS	Performance Management	To monitor the performance of employees and ensure effectiveness	Number of performance compacts developed and assessed per the PMS cycle	-	Performance Compacts for all managers developed and assessed	09 performance compacts were developed , and 04 assessments conducted	-	-	-	09 performance compacts were developed, and 04 assessments conducted	None	None	Signed and assessed performance compacts	Acting Director: Community Services
29		Create awareness and buy-in to BLM strategy	Implementation OF Council Resolutions	Ensure implementation of IDP priorities	Number of reports on the implementation of council resolution	-	04 council resolution implemented	04 reports on the implementation of council resolution	-	-	-	09 reports on the implementation of council resolution	None	None	Register of council resolutions	Acting Director: Community Services
30			Procurement	Ensure implementation of IDP priorities and budget	Number of procurement plans and reports on implementation of the	-	Procurement plan submitted to SCM and	01 Procurement Plan Submitted 03 monitored	-	-	-	02 Procurement Plan Submitted 03 monitored	An additional procurement plan was submitted	None	Procurement plans and list of requisitions	Acting Director: Community Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	KPI/ measurement	Refined KPI / Measurement	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
					procurement plan		implemented	procurement register				procurement register	d in line with the revised budget			
31			Human Resources Management	Effective and efficient governance structures	Number of departmental meetings conducted	-	06 Departmental meetings held	04 Departmental meetings held	-	1 000 000	,	04 Departmental meetings held	None	None	Invitation, Agenda, minutes of the meetings and attendance register	Acting Director: Community Services

3.1.2 CORPORATE SERVICES (15%)

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
32	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Human Resource Management (Staff establishment)	Improved Implementation of Administration Policies, Procedures, and approved organogram	Number of reports on updated staff establishment and reviewed organogram	04 reports on updated staff establishment and 1 reviewed organogram compiled	04 reports on updated staff establishment and 1 reviewed organogram compiled			-	04 reports on updated staff establishment and 0 reviewed organogram compiled	Delays in reviewing of the organogram due to consultations with the stakeholders	The review of the organogram was completed and due for approval by council on 31 August 2023	Reports, reviewed organogram, and council resolution	Manager: Human Resources
33			Human Resource Management (Recruitment of staff)	Aligned Organizational Structure	Number of appointed employees with individual job descriptions	08 Employees appointed with job descriptions	20 employees appointed with job descriptions			-	35 employees appointed with job descriptions		None	Appointment letters and job descriptions per position appointed	Manager: Human Resources

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
34	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Proper utilisation of staff (Leave management)	Controlled staff attendance	Number of Reports on controlled attendance registers against leave registers	04 Reports on controlled attendance registers against leave register compiled	04 Reports on controlled attendance registers against leave register compiled	'	'	-	04 Reports on controlled attendance registers against leave register compiled	None	None	Report, signed attendance register and approved leave register	Manager: Human Resources
35			Payrolls and staff verification	To ensure that employees paid by the municipality are active	Number of signed payrolls registers	04 Reports on signed payroll registers submitted	12 signed payrolls registers	'	'	-	15 signed payrolls registers	None	None	Signed payroll registers	Manager: Human Resources
36			Labour Relations Management	Capacitate employees on labour-related matters	Number of labour relations workshops conducted	04 labour relations workshops conducted	04 labour relations workshops conducted	'	'	-	04 labour relations workshops conducted	None	None	Invitations and attendance registers	Manager: Human Resources
37			Labour Relations Management (Disciplinary enquiries / grievances)	Maintain a disciplined workforce	No of reports on misconduct cases submitted to COGTA	04 reports on misconduct cases submitted to COGTA	04 Reports on misconduct cases submitted to COGTA	'	'	-	04 Reports on misconduct cases submitted to COGTA	None	None	Report on misconduct cases submitted to COGTA and Proof Submission	Manager: Human Resources

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
38			Local Labour Forum (LLF)	Maintain stability through improved relation between management and labour	Number of Local Labour Forum (LLF) meetings conducted	0 LLF meetings held	12 LLF meetings attended			4 LLF meetings attended	04 LLF meetings attended	None	None	Invitation, Agenda, Minutes of the meeting and Attendance registers	Manager: Human Resources
39			Occupational Health & Safety (OHS)	Maintain a safe working environment which is also free from Health hazards.	Number of Occupational Health and Safety (OHS) Committee Meetings held	04 OHS Meetings held	04 OHS meetings held			-	04 OHS meetings held	None	None	Invitation, Agenda, Minutes of the meeting and Attendance registers	Manager: Human Resources
40			Occupational Health & Safety (Medical examination)	Improved safety in the workplace	Number of employees who undergo medical examination by the registered Medical Doctor	01 report on employees who undergo medical examination by registered Medical Doctor developed	600 employees to undergo medical examinations by the registered Medical Doctor			-	0 employees to undergo medical examinations by the registered Medical Doctor	There were delays in appointing the panel medical doctors	The panel of medical doctors were appointed in July 2023	List of employees examined	Manager: Human Resources

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
41		Implement performance management system	Skills development	Capacitated workforce	Number of staff trained as per WSP.	251 staff trained as per WSP	200 Officials trained as per WSP			120 Officials trained as per WSP	0 Officials trained as per WSP	The municipality still have to appoint the training service provider	The process of advertising the tender is underway.	List of Officials trained Attendance registers and Training reports.	Manager: Human Resources
42			Skills development and Councillor training	Capacitated political office bearers	Number of councillors trained	11 Councillors trained	50 Councillors trained			40 Councillors trained	40 Councillors trained	The training conducted was dedicated to MPAC, EDPE portfolio and Corporate Services Portfolio	More training for councillors is planned in 2023/2024	List of councillors trained Attendance registers and training reports.	Manager: Human Resources
43			Work Integrated Learning	Improved Implementation of Administrative Policies and Procedures	Number of reports on unemployed learners placed for practical's as per WSP	14 learners placed for practicals	15 Learners placed as per WSP			-	20 Learners placed as per WSP	The were more learners that the municipality received from the SETA agencies requiring placement	None	List of learners placed	Manager: Human Resources

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
												for practicals			
44			Workplace Skills Plan	Planning on capacitation of employees and councillors	Number of reports on the implementation of the WSP	1 WSP submitted in 2021/2022	1 WSP2022/2023 submitted to LGSETA by 30 April 2023			--	01 WSP2022/2023 submitted to LGSETA by 30 April 2023	None	None	Training committee attendance registers, LGSETA Acknowledgement letter, Council resolution	Manager: Human Resources
45	To build a capable and high performing municipality		Bursaries	To have an educated workforce	Number of reports and activities on 35 official awarded bursaries	Report on 25 Officials provided with bursaries compiled	03 reports on bursaries awarded to officials and 01 activity on advertisement of bursaries			-	03 reports on bursaries awarded to officials and 01 activity on advertisement of bursaries	None	None	Reports, Bursary award letters, advert	Manager: Human Resources

ANNUAL PERFORMANCE REPORT
2022/2023

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											Annual Performance	Reason for Variance	Improvement Measures		
46		Continuous assessment and staff development through PMS	Implementation of EE plan.	Improved Implementation of Administration Policies and Procedures	Number of reports on implementation of the EE Plan to council	04 Reports on implementation of EE Plan submitted to the council.	04 reports on implementation of EE Plan	-	-	-	04 reports on implementation of EE Plan	None	None	Reports to Council and council resolutions for reports submitted in the previous quarter	Manager: Human Resources
47		Create awareness and buy-in to BLM strategy	EE annual report.	Improved Implementation of Administration Policies and Procedures	Number of EE Reports to the Dept. of Employment and Labour by the due date.	01 Annual report submitted to the Department of Labour	01 Annual report submitted to the Department of Labour by due date	-	-	-	01 Annual report submitted to the Department of Labour by due date	None	None	EE Annual Report and Proof of Submission	Manager: Human Resources

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
48			Psychosocial Support	To provide support to the affected employees	Number of social support programs for employees	12 Social support programmes for employee	12 Social support programmes for employees			-	12 Social support programmes for employees	None	None	Social support programmes and Reports	Manager: Human Resources
49			Education And Training	To provide support to the affected employees	Number of reports for staff wellness educational programs	04 Trainings held in 2021/2022	04 Reports for staff wellness educational programs			-	04 Reports for staff wellness educational programs	None	None	Reports and attendance registers	Manager: Human Resources
50			Health and wellness group work sessions	To encourage employees to participate on programmes	Number of awareness programmes on group work sessions	08 Awareness programmes on group work sessions held	08 Awareness programmes on group work sessions			-	08 Awareness programmes on group work sessions	None	None	Invitations and attendance registers	Manager: Human Resources

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
51	Ensuring integrated development planning and integrated Human settlement	Ensure implementation of IDP priorities	Contract Development and Management	Efficient and Effective Administration	Number of updated contract registers.	04 contract registers updated on a quarterly basis	04 contract registers updated on a quarterly basis	-	-	-	04 contract registers updated on a quarterly basis	None	None	Updated contract registers	Legal Advisor
52	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Legal Advisory and Administrative Services.	Efficient and Effective Administration	Number of reports on litigations, liabilities and claims submitted to council	04 reports on litigations, liabilities and claims submitted to council	04 reports on litigations, liabilities and claims submitted to council	-	-	-	04 reports on litigations, liabilities and claims submitted to council	None	None	Litigation reports and council resolution for reports submitted in the previous quarter	Legal Advisor

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
53	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Fleet Management	To provide effective and efficient fleet management	Number of fleet management reports to council	04 Fleet management reports submitted to council	04 Fleet management reports submitted to council	-	-	-	04 Fleet management reports submitted to council	None	None	Fleet Management reports and council resolution for reports submitted in the previous quarter	Manager: Fleet Management
54	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Records Management	Efficient and Effective Administration of records	Number of reports on the implementation of the approved File Plan	04 reports on the implementation of the approved File Plan submitted	04 reports on the implementation of the approved File Plan	-	-	-	04 reports on the implementation of the approved File Plan	None	None	Report and file plan	Manager: Records Management
55	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Administrative Support	Efficient and Effective Administration of records	Number of reports on insurance cover	0 reports on insurance cover	04 reports on insurance cover	-	-	-	04 reports on insurance cover	None	None	Report with claims	Manager: Administration Support

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											Annual Performance	Reason for Variance	Improvement Measures		
56	Ensuring integrated development planning and integrated Human settlement	Strengthen existing IDP structures	Council Support	Efficient and Effective Administration	Number of ordinary council sittings held	04 ordinary council sittings held	04 ordinary council sittings held				04 Ordinary council sittings held	None	None	Invitation, Agenda and Minutes of the meeting	Manager: Council Support.
57			Implementation of council resolutions	Efficient and Effective Administration	Number of Council Resolution Implementation Reports	04 reports on implementation of council resolutions compiled	04 reports on implementation of council resolutions				04 reports on implementation of council resolutions	None	None	Report on implementation of council resolution	Manager: Council Support
58			Mayoral IMBIZO	Efficient and Effective Administration	Number of Mayoral Imbizo held	04 Mayoral imbizo/Outreach held	04 Mayoral imbizo/Outreach				04 Mayoral imbizo/Outreach	None	None	Attendance registers	Manager: Council Support
59			Ward Committees	To provide vital link between ward councillors and municipality	Number of consolidated ward committee reports submitted to council.	02 Consolidated ward committee reports submitted to council	04 quarterly consolidated ward committee reports				04 quarterly consolidated ward committee reports	None	None	Ward committee reports to council and council resolutions	Manager: Council Support

ANNUAL PERFORMANCE REPORT
2022/2023

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											Annual Performance	Reason for Variance	Improvement Measures		
60	To build a capable and high performing municipality	Improve communication strategy	ICT	Improved information technology structure and Invest in ICT Infrastructure	Number of computers or ICT devices procured	04 reports developed and 120 computers procured	32 Computers or ICT devices procured				52 Computers or ICT devices procured	There was a high demand of computers than planned. The prices of computers went down globally and thus made the municipality to buy more with the budgeted amount .	None	List of procured computers and delivery notes	Manager: ICT
61					Number of ICT Steering Committee meetings on Implementation of ICT Charter	04 ICT Steering Committee meeting held	04 ICT Steering Committee meetings			-	04 ICT Steering Committee meetings	None	None	Invitation, Agenda, Minutes of the meeting and attendance registers	Manager: ICT

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
62					Number of ICT reports on implementation of strategic plan and action plan to Council	04 reports on implementation of ICT strategic plan and action plan to council	04 reports on implementation of strategic plan and action plan to Council	'	'		04 reports on implementation of strategic plan and action plan to Council	None	None	Reports to Council and council resolutions for reports submitted in the previous quarter	Manager: ICT
63		Continuous assessment and staff development through PMS	Performance Management	Effective and efficient governance structures	Number of performance compacts developed and assessed per the PMS cycle	Performance Compacts for 06 managers developed and assessed	08 performance compacts developed, and 4 assessments conducted	'	'		08 performance compacts developed, and 4 assessments conducted	None	None	Signed and assessed performance compacts	Director: Corporate Services
64	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Risk Management	Ranking facility that is user friendly to commuters	Number of risk management reports	04 Risk Reports developed	04 Risk Reports developed	'	'	-	04 Risk Reports developed	None	None	Risk reports	Director: Corporate Services

ANNUAL PERFORMANCE REPORT
2022/2023

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											Annual Performance	Reason for Variance	Improvement Measures		
65	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Implementation OF Council Resolutions	Ensure implementation of IDP priorities	Number of reports on the implementation of council resolution	04 council resolution implemented	04 reports on the implementation of council resolution	'	'	-	04 reports on the implementation of council resolution	None	None	Register of council resolutions	Director: Corporate Services
66	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Procurement	Ensure implementation of IDP priorities and budget	Number of procurement plans and reports on implementation of the procurement plan	Procurement plan submitted to SCM and implemented	01 Procurement Plan Submitted 03 monitored procurement register	'	'	-	01 Procurement Plan Submitted 03 monitored procurement register	None	None	Procurement plans and list of requisitions	Director: Corporate Services
67			Human Resources Management	Effective and efficient governance structures	Number of departmental meetings conducted	04 Departmental meetings held	04 Departmental meetings held	'	'	-	05 Departmental meetings held	1 Additional meeting due to operational reasons	None	Invitation, Agenda, minutes of the meetings and attendance register	Director: Corporate Services

3.2 ECONOMIC DEVELOPMENT, PLANNING AND ENVIRONMENT

3.2.1 LOCAL ECONOMIC DEVELOPMENT

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
68	Sustainable economic growth and job creation	Reduce unemployment by 3%	Tourism Development	Increased tourists in the municipality	Number of tourism projects monitored and supported	08 tourism projects monitored and supported	08 tourism projects monitored and supported	150 500	150 500	-	10 tourism projects monitored and supported	Andover Nature Reserve and Bushbuckridge Nature Reserve were the extra projects that were supported during Quarters 3 and 4 due to challenges that needed to be addressed.	None	Reports and attendance registers	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
69					Number of tourism awareness and marketing programmes conducted	02 Tourism awareness and marketing programmes conducted (TRAC and Tourism Indaba)	04 tourism awareness and marketing programmes conducted			-	06 tourism awareness and marketing programmes conducted	An extra awareness event was conducted in partnership with DEDT during Q1 and another extra event during Q4 with MTPA, hence the variance.	None	Reports and Attendance registers	Manager: Local Economic Development
70					Number of reports on Public, Private, and Partnership Agreement for the operation of Huntington Tsonga Cultural Village	830m x 2.4m Steel Palisade Fence, 5 Chalets, Reception Block, and Guard house	3 reports on Public, Private, and Partnership Agreement for the operation of Huntington Tsonga Cultural Village			0 reports on Public, Private, and Partnership Agreement for the operation of Huntington Tsonga Cultural Village	0 reports on Public, Private, and Partnership Agreement for the operation of Huntington Tsonga Cultural Village	Delays in the issuing of a re-advert by the supply chain	Prioritize re-advert during the 2023–2024 FY.	Reports and attendance registers	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
71	Sustainable Economic Growth and Job Creation	Reduce unemployment by 3%	SMME Development SMME Development	Capacitation of SMMEs	Number of SMMEs supported	305 SMMEs supported	200 SMMEs supported			-	613 SMMEs supported	The collaboration with SEDA, DSBD and SALGA on SMME support programmes received an overwhelming response from the SMMEs during Q1, 2, 3 and 5	None	Reports and attendance registers	Manager: Local Economic Development
72				Capacitation and job creation	Number of reports on support for the Contractor's Incubation Programme	Terms of Reference and the Incubation Steering Committee	04 reports on support for the Contractor's Incubation Programme			0 reports on support for the Contractor's Incubation Programme	0 reports on support for the Contractor's Incubation Programme	The programme was referred to Supply Chain for specifications and public advertisement.	The programme is deferred to the next FY.	-	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
73			SMME Development (Bush mechanic and informal sector programme)	Empowerment and job creation	Number of reports on the support Programme for Bush Mechanics	04 reports on the support Programme for Bush Mechanics were submitted to the council	04 reports on support for Bush Mechanics			0 reports on support for Bush Mechanics	0 reports on support for Bush Mechanics	None	None	Reports and attendance registers	Manager: Local Economic Development
74	Sustainable Economic Growth and Job Creation	Reduce unemployment by 3%			Number of reports on support Programmes for Informal Hawkers	04 reports on support Programmes for Informal Hawkers were submitted to council	04 Reports on support Programme for Informal Hawkers	57 750		0 Reports on support Programme for Informal Hawkers	0 Reports on support Programme for Informal Hawkers	None	None	Reports and attendance registers	Manager: Local Economic Development
75			Stakeholder Coordination	Increase economic participation	Number of activities on the establishment of LED Forum and LED Forum	LED Forum not established in 2021/2022	01 Activity on the establishment of LED Forum and 03 LED Forum meetings			0 Activity on the establishment of LED Forum and 03 LED Forum meetings	0 Activity on the establishment of LED Forum and 03 LED Forum meetings	There was a delay in launching the LED Forum due to challenges from stakeholders	The LED Forum has now been launched.	-	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
					meetings held										
76					Number of other LED Forum meetings held	12 meetings held	10 meetings held	-	-	-	11 meetings held	3 meetings were held during Q1, with the 3rd being facilitated by the Department of Agriculture, Land Reform and Rural Development.	None	Minutes and attendance registers	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
77			Agricultural Development	Increase economic participation	Number of Agricultural projects monitored	09 projects supported and monitored	09 agricultural projects monitored and supported	30 000	-	-	09 agricultural projects monitored and supported	None	None	Reports and attendance registers	Manager: Local Economic Development
78	Sustainable Economic Growth and Job Creation Creation	Reduce unemployment by 3%	Agricultural Development	Increase economic participation.	Number of agricultural cooperatives monitored and supported	05 Cooperatives monitored and supported	06 Cooperative s monitored and supported	210 000	30 000	06 Cooperatives monitored and supported	06 Cooperatives monitored and supported	None	None	Reports and attendance registers	Manager: Local Economic Development
79					% Resuscitation of 35 hectares for the Zoeknog project (consultation, irrigation system, vegetable,	New target	10% resuscitation of the Zoeknog project (consultation, irrigation system, vegetables, and crop planting)	-	-	0 % resuscitation of the Zoeknog project (consultation, irrigation system, vegetables, and crop planting)	0% resuscitation of the Zoeknog project (consultation, irrigation system, vegetables, and crop planting)	The project was under funded.	To be prioritised during 2023 – 2024 FY.	-	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
					and crop planting)										
80					Number of reports on fencing Pfukani Hoxani Irrigation Scheme	0 KM	03 reports on fencing Pfukani Hoxani Irrigation Scheme			0 reports on fencing Pfukani Hoxani Irrigation Scheme	0 reports on fencing Pfukani Hoxani Irrigation Scheme	The project was not funded.	To be prioritised during 2023 – 2023 FY.	-	Manager: Local Economic Development
81			Agricultural Development (CWP support)		Number of reports on the implementation the of CWP programme	4 reports on the implementation the of CWP programme	4 reports on the implementation the of CWP programme			-	4 reports on the implementation the of CWP programme	None	None	Minutes and attendance registers	Manager: Local Economic Development
82			Local Economic Development (LED) - Job Creation		Number of jobs created from economic programmes/projects and SMMEs	3889 jobs created	4500 jobs created			3800 jobs created	3467 jobs created	Updates on job creation were not received from other sectors during Q2. Only jobs from MIG and Supply were recorded.	Anticipate for greater coordination in 2023 – 2024.	List of jobs created	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
83	Sustainable Economic Growth and Job Creation	Reduce unemployment by 3%	Local Economic Development (LED)	Increase economic participation	Number of activities on the review of the LED Strategy	04 activities on the review of the LED Strategy	04 Activities on review of LED Strategy and adopted by Council	5 250		Review of LED Strategy by 30 June 2023	LED Strategy reviewed not yet reviewed	The LED Strategy review is done internally with assistance from Sector Departments. It was not reviewed due to lack of commitment from the stakeholders and support from Finance section.	To be prioritised during 2023 – 2024 FY.	Draft LED Strategy	Manager: Local Economic Development
84	Sustainable Economic Growth and Job Creation	Reduce unemployment by 3%	Local Economic Development (LED)	Increase economic participation	Development of the BBR Growth and Development Strategy	Service provider appointed	Developed BBR Growth and Development Strategy			Developed BBR Growth and Development Strategy	BBR Growth and Development Strategy developed	None	None	Final BGDS Strategy and Council Resolution	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
85	Sustainable Economic Growth and Job Creation	Reduce unemployment by 3%	Business Licensing	Enhance revenue through business licensing.	Number of business license applications processed	57 new licenses issued	60 new business licenses issued as per applications	-	-	-	165 new business licenses issued as per applications	More business license applications were processed as they are depended on applications received from the enterprises	None	Reports and list of business license applications and business licenses issued	Manager: Local Economic Development
86					Number of business license renewals processed	316 licenses renewed	350 license renewals	-	-	-	222 license renewals	Fewer business license renewals were processed during quarter 2 as they are depended on submissions received from the enterprises	Anticipate for greater compliance during 2023 – 2024 FY as a result of capacitated office complement	List of business licenses renewed	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Original Budget	Revised Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
87	Sustainable Economic Growth and Job Creation	Reduce unemployment by 3%	Business Licensing	Ensure that businesses comply with the regulations and conduct inspections as required	Number of inspections and operations conducted	05 operations and 863 inspections conducted	06 Operations and 1000 inspections conducted			06 Operations and 1000 inspections conducted	09 Operations and 1000 inspections conducted	Availability of resources and stakeholder commitment	None	Reports and list of businesses inspected	Manager: Local Economic Development
88	Sustainable Economic Growth and Job Creation	Reduce unemployment by 3%	Business Licensing	To ensure compliance & enforcement tools are in place to manage operating hours in businesses	Number of awareness workshops on trading by-laws	04 Awareness workshops conducted	04 Awareness workshops conducted			-	08 Awareness workshops conducted	Additional workshops were conducted in collaboration with Sector departments	None	Reports and attendance registers	Manager: Local Economic Development

3.2.2 OTHER EDPE UNITS

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined Key Performance Indicator	Baseline	Annual target	Ordinary Budget	Adjusted Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
89	Mobilise resources for an improved and conducive environment, public safety, and community welfare	Improve awareness of public safety	Environmental sustainability	To enhance sustainability for future generations	Number of schools greened and monitored	-	12 greened and 8 monitored	12 Greened and 12 Monitored	6 300	250 000	12 Greened and 12 Monitored	19 Greened and 12 Monitored	Received more trees from DFFE, hence extra 07 schools were greened	None	Reports and pictures	Manager: Environmental Management
90			Greenest Municipality Programme	Ensure that the municipality implements green practices	Number of reports on greening practices in the municipality offices	-	04 reports on greening practices in the municipality offices compiled	04 reports on greening practices in the municipality offices			-	04 reports on greening practices in the municipality offices	None	None	Reports and monitoring checklist	Manager: Environmental Management
91			Climate Change	To promote a safe and secure environment for communities	Number of climate change workshops held	-	04 climate change workshops conducted	04 climate change workshops	30 000	1	-	04 climate change workshops	None	None	Reports and attendance registers	Manager: Environmental Management

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined Key Performance Indicator	Baseline	Annual target	Ordinary Budget	Adjusted Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
92			Events on outreach and campaigns	To promote a safe and secure environment for communities	Number of awareness campaigns held on clean and safe environmental affairs	-	09 awareness campaigns held	12 awareness campaigns on clean and safe environmental affairs	30 000		—	27 awareness campaigns on clean and safe environmental affairs	Extra 15 campaigns were initiated by stakeholders (DARDLE A, SANPARK and IUCMA)	None	Reports and attendance registers	Manager: Environmental Management
93	Mobilise resources for improved and conducive environment, public safety, and community welfare	Improve awareness of public safety	Environmental Impact Assessment (EIA)	Compliance with section 24 of the Constitution of the Republic of South Africa	Number of reports on comments and complaints received for municipal developments applications.		04 reports on comments and complaints received for municipal developments applications	04 reports on comments and complaints received for municipal developments applications			02 reports on comments and complaints received for municipal developments applications	02 reports on comments and complaints received for municipal developments applications	None	None	Reports	Manager: Environmental Management

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined Key Performance Indicator	Baseline	Annual target	Ordinary Budget	Adjusted Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
94			Environmental Authorisations	To ensure that development projects comply with the conditions of the environmental authorisations	Number of reports on a database of development projects and monitoring of compliance to environmental authorisations	Development of database and verification of existing development projects	New target	04 reports on a database of development projects and monitoring of compliance	.	.	02 reports on development of database and verification of 24 development projects	02 reports on development of database and verification of 26 development projects	None	None	Reports and list of verified projects	Manager: Environmental Management
95	Mobilise resources for improved and	Improve awareness on public safety	Waste recycler support	Promotion of sustainable use of natural resource	Number reports on workshops, PPE, and tools to support waste recyclers		02 workshop, PPE to 105 beneficiaries and tools provided to 5 groups	04 reports on 02 workshops, 120 PPE, 181 tools provided to 6 groups (and bale sacks, steel rakes, plastic rakes, hammer, shovels, trolleys, hammers	100 800	300 000	03 reports on 02 workshops, 120 PPE, 181 tools provided to 6 groups (band ale sacks, steel rakes, plastic rakes, hammer, shovels, trolleys, hammers,	03 reports on 02 workshops, 120 PPE, 181 tools provided to 6 groups (band ale sacks, steel rakes, plastic rakes,	None	None	Report and registers	Manager: Waste Management

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined Key Performance Indicator	Baseline	Annual target	Ordinary Budget	Adjusted Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
								and generators)			and generators)	hammer, shovels, trolleys, hammers, and generator s)				
96	conductive environment, public safety, and		Development of regional landfill site	To comply with NEMWA	Number of reports on phase 3 of regional landfill site construction		04 reports on phase 2 of regional landfill site construction	04 reports on monitoring of phase 3 of regional landfill site	,	,	04 reports on monitoring of phase 3 of regional landfill site	04 reports on monitoring of phase 3 of regional landfill site	None	None	Reports	Manager: Waste Management
97	community welfare		Waste By-Laws	Promotion of sustainable use of Waste By-Law	Number of reports on public education , awareness, and enforcement of the waste by-law	Number of public education or awareness on waste by-laws	04 on public education , awareness, and enforcement of the waste by-law	04 report on public education, awareness, and enforcement of the waste by-law			02 reports on and 2 campaigns on public education, awareness, and enforcement of the waste by-law	02 reports on and 2 campaigns on public education , awareness, and enforcement of the waste by-law	None	None	Reports, Invitations, attendance registers , programme	Manager: Waste Management

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined Key Performance Indicator	Baseline	Annual target	Ordinary Budget	Adjusted Budget	Revised / Refined Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
98			Waste Collection	Reduce a backlog of waste collection from 86077 to 90 577 households	Number of households provided with waste collection to reduce the backlog	-	New target	4500 households provided with waste collection to reduce the backlog	1 000 000	1 000 000	4500 households provided with waste collection to reduce the backlog	6250 households provided with waste collection to reduce the backlog	More budget was provided during budget adjustment to procure more bins.	None	Reports	Manager: Waste Management
99	Sustainable economic growth and job creation	Reduce unemployment by 3%	EPWP	Improve economic growth and job creation	Number of reports on EPWP Programme submitted to Department of Public Works	-	New target	04 the reports on EPWP Programme submitted to Department of Public Works	14 719 000	14 719 000	-	04 the reports on EPWP Programme submitted to Department of Public Works	None	None	Reports and Proof of Submission	Manager: Waste Management

3.2.3 TOWN PLANNING

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined KPI/ Measurement	Baseline	Annual target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
100	Ensuring integrated development planning and integrated Human settlement	Ensure implementation of IDP priorities	Capacitation of Traditional Authorities and Communities	Increase awareness on Building Plan applications, approvals, and site inspections	Number of workshops for communities and traditional authorities held	-	01 Workshop held	04 workshops with communities and traditional authorities	-	-	-	07 workshops with communities and traditional authorities	Additional workshops were done in partnership with all EDPE units as a collective	None	Report and Attendance Register	Chief Town Planner
101			Consumer Education	Conduct Housing Consumer Education to Communities	Number of workshops on Consumer Education to Communities	-	09 Workshop held	12 workshops Consumer Education to Communities	-	-	-	24 workshops Consumer Education to Communities	Additional workshops were conducted for areas receiving title deeds and those that received new units.	-	Report and Attendance Register	Chief Town Planner

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined KPI/ Measurement	Baseline	Annual target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
102			Ensure quality standards is applied in Building Construction Projects	To promote safe and secure building environment	Number of building plans approved	-		100 building plans approved	,	,	80 Building plans approved	91 Building plans approved	More workshops done on R293 townships that encourage submissions.	None	Building Plan Register	Chief Town Planner
103			Ensure quality standards is applied in Building Construction Projects	To promote safe and secure building environment	Number of site inspections conducted	-		120 site inspections conducted	,	,	60 site inspections conducted	65 site inspections conducted	Some townships had more sites than others.	None	Inspections report	Chief Town Planner
104	Ensuring integrated development planning and integrated Human settlement	Improve the IDP and budget planning process	Illegal building construction activity	To minimize illegal building activity	Number of notices for National Building Regulations	-	New target	40 notices for National Building Regulations	,	,	-	44 notices for National Building Regulations	More infringements than planned	None	Copies of Notice issued	Chief Town Planner

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined KPI/ Measurement	Baseline	Annual target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
105			Illegal Building Construction activity	Monitoring Building Construction activity	Development of Municipal Building By-Laws	Development of Municipal Building By-Laws by 30 June 2023	New target	01 Activity on development of Municipal Building By-Laws (Final LUS)			01 Activity on development of Municipal Building By-Laws (Final LUS)	01 Activity on development of Municipal Building By-Laws (Final LUS)	None	None	Copy of By-Laws (Final LUS) and council resolution	Chief Town Planner
106			Layout plans for Bulk Site demarcations Meetsi, Seville and Masana)	To provide well planned and secure sustainable human settlement	Number of reports on submission of General Plans for Meetsi, Seville and Masana	Submission of general plans for Meetsi, Seville and Masana by 30 June 2023	3 layout plans drawn	3 reports on submission of General Plans for Meetsi, Seville and Masana	4 000 000	3 000 000	3 General Plan submitted for Meetsi, Seville and Masana	3 General Plan submitted for Meetsi, Seville and Masana	None	None	Reports	Chief Town Planner

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined KPI/Measurement	Baseline	Annual target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
107	Ensuring integrated development planning and integrated Human settlement	Improve the IDP and budget planning process	Layout plans for Bulk Site demarcations Cuningmore A, Orinocco and Croquet lawn	To provide well planned and secure sustainable human settlement	Number of reports on bulk site demarcations for, Cuningmore A, Orinocco and Croquet lawn		03 layout plans drawn	3 submitted Status quo reports for Cuningmore A Orinoco and Croquet lawn	1000 000	1 500 000	3 Status quo reports for Cuningmore A Orinoco and Croquet lawn	0 Status quo reports for Cuningmore A Orinoco and Croquet lawn	Delays on the appointment of the service provider	To be completed in 2023/2024	Reports	Chief Town Planner
108			Rezoning and Consolidation of sites at Dwarsloop-A	Increased township businesses formalized and supported	Number of Rezoned and consolidated sites for business and high density at Dwarsloop-A, Greenvalley and Thulamahashe		Precinct Plans	03 Approved Rezoned and Consolidated sites for Dwarsloop-A, Greenvalley and Thulamahashe	800 000	800 000	03 Approved Rezoned and Consolidated sites for Dwarsloop-A, Greenvalley and Thulamahashe	03 Approved Rezoned and Consolidated sites for Dwarsloop-A, Greenvalley and Thulamahashe	None	None	Approved plans	Chief Town Planner

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined KPI/ Measurement	Baseline	Annual target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
109			Capacity of Traditional Authorities and communities	Increase the implementation of SPLUMA and the Spatial Development Framework	Number of workshops for Communities and Traditional Leaders	-	Approved SDF and LUS	02 workshops for Communities and Traditional Leaders	60 000	60 000	02 workshops to be held for Communities and Traditional Leaders	07 workshops to be held for Communities and Traditional Leaders	Additional workshops were done in partnership with all EDPE units as a collective	None	Report and attendance register	Chief Town Planner
110	Ensuring integrated development	Improve the IDP and budget planning process	Review of SDF	Increase the implementation of SPLUMA and Spatial Development Framework	Number of reports on Reviewal of the SDF		SPLUMA	02 reports on reviewal of the SDF	500 000	500 000	02 reports on reviewal of the SDF	0 reports on reviewal of the SDF	Delays on the appointment of the service provider	Appointment will be done in 2023/2024	Reports	Chief Town Planner

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined KPI/ Measurement	Baseline	Annual target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
111		Improve the IDP and budget planning process	Precinct Plans for Shatale & Dwarsloop, and Agincourt & Ximhungwe	Enhance the Neighbourhood for socio-economic development	Number of Precinct Plans for Shatale & Dwarsloop, Agincourt & Ximhungwe		SDF	02 Precinct Plans for Shatale & Dwarsloop, Agincourt & Ximhungwe	800 000	800 000	02 Precinct Plans for Shatale & Dwarsloop, Agincourt & Ximhungwe	02 Precinct Plans for Shatale & Dwarsloop, Agincourt & Ximhungwe	None	None	Precinct plans	Chief Town Planner
112			Precinct Plans for Hluvukani & Lillydale	Enhance the Neighbourhood for socio-economic development	Number of reports for the development of a precinct plans		SDF	02 reports on inception, status quo, and progress for the precinct plans	1 500 000	600 000	02 reports on inception, status quo, and progress for the precinct plans	02 reports on inception, status quo, and progress for the precinct plans	None	None	Report	Chief Town Planner
113			Land Audit and Rectification of General Plans	Land Use Management and Development Control	Number of reports on land audit and rectification	Completion of the land audit by 30 June 2023	Inception report and status quo	01 report on Final Land Audit and Rectification	1 200 000	1 200 000	01 report on Final Land Audit and Rectification	01 report on Final Land Audit and Rectification	None	None	Report	Chief Town Planner

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined KPI/Measurement	Baseline	Annual target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
114	Ensuring integrated development planning and integrated Human settlement		Geo-referencing and capturing of all Infrastructure	Improvement of Infrastructure Geodatabase and the Municipal Asset Register	Number of reports on the development of Infrastructure Geo database covering the entire municipality	-	New target	02 reports on the development of Infrastructure Geo database for entire municipality	1 500 000	200 000	02 reports on the development of Infrastructure Geo database for entire municipality	0 reports on the development of Infrastructure Geo database for entire municipality	Delays on the appointment of the service provider	Appointment will be done in 2023/2024	Report	Chief Town Planner
115			Outdoor advertisement audit and georeferencing	Improvement of Municipal GIS	Number of reports on development of Outdoor Geo dataset		New target	02 reports on the development of Outdoor Geo dataset	1 000 000	300 000	02 reports on the development of Outdoor Geo dataset	02 reports on the development of Outdoor Geo dataset	None	None	Report	Chief Town Planner

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Refined KPI/ Measurement	Baseline	Annual target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
												Annual Performance	Reason for Variance	Improvement Measures		
116			Survey Geodetic System	Increase the implementation of SPLUMA and Spatial Development Framework	Number of reports on the Implementation of Survey Geodetic System		New target	02 reports for the implementation of Survey Geodetic System	500 000	300000		02 reports for the implementation of Survey Geodetic System	None	None	Report	Chief Town Planner
117			Vesting of Municipal Assets	Increase the implementation of SPLUMA and Spatial Development Framework	Number of reports on registration of municipal assets		New target	02 reports on vesting of municipal assets	500 000	600 000	02 reports on vesting of municipal assets	02 reports on vesting of municipal assets	None	None	Report	Chief Town Planner

3.2.4 EDPE GOVERNANCE

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual target	Ordinary Budget	Revised budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
117	To build a capable and high performing municipality	Continuous assessment and staff development through PMS	Performance Management	Effective and efficient governance structures	Number of performance compacts developed and assessed per the PMS cycle	Performance Compacts for 05 managers developed and assessed	05 performance compacts developed, and 4 assessments conducted	-	-	-	05 performance compacts developed, and 4 assessments conducted	None	None	Signed and assessed performance compacts	Director: EDPE
118	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Risk Management	Ranking facility that is user-friendly to commuters	Number of risk management reports	04 Risk Reports developed	04 Risk Reports developed	-	-	-	04 Risk Reports developed	None	None	Risk reports	Director: EDPE
119			Implementation of Council Resolutions	Ensure implementation of IDP priorities	Number of reports on the implementation of a council resolution	04 council resolution implemented	04 reports on the implementation of council resolution	-	-	-	04 reports on the implementation of council resolution	None	None	Register of council resolutions	Director: EDPE

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual target	Ordinary Budget	Revised budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
120			Procurement	Ensure implementation of IDP priorities and budget	Number of procurement plans and reports on the implementation of the procurement plan	The procurement plan submitted to SCM and implemented	01 Procurement Plan Submitted 03 monitored procurement register	-	-	-	01 Procurement Plan Submitted 04 monitored procurement register	None	None	Procurement plans and list of requisitions	Director: EDPE
121			Human Resources Management	Effective and efficient governance structures	Number of departmental meetings conducted	12 Departmental meetings held	12 Departmental meetings held	-	-	-	12 Departmental meetings held	None	None	Invitation, Agenda, minutes of the meetings, and attendance register	Director: EDPE

3.3 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (WEIGHT 20%)-FINANCE

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
122	Sound Financial Management	Increase revenue collection by 10%	Revenue customers billing for water	Expand the billing of water to all reticulated areas	Number of new additional customers billed monthly	39619 new additional customers billed monthly	40 000 new additional customers billed monthly	-	-	-	46945 new additional customers billed	The municipality is replacing all broken and vandalised meters and billing additional customers in the customers	None	Monthly Signed billing reports	Manager: Revenue
123			Revenue collection	Improve collection of Debt	Amount of revenue collected	R 250m	R 230m	-	-	-	R234M	The Municipality collected slightly more than anticipated due increases in the number of tenders advertised and sold.	None	Revenue collection reports	Manager: Revenue

ANNUAL PERFORMANCE REPORT
2022/2023

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
124			Revenue Enhancement Strategy	Implementation of all items in the Revenue Enhancement Strategy (RES)	Number of activities in the RES implemented	12 activities in Revenue enhancement strategy	12 activities in Revenue enhancement strategy implemented	-	-	4 activities in Revenue enhancement strategy implemented	4 activities in Revenue enhancement strategy implemented	None	None	RES implementation report	Manager: Revenue
125			Revenue Management	Approved and gazetted tariffs	Number of Approved and Gazetted Tariffs	New target	08 Approved and Gazetted Tariffs	-	-	01 Approved and Gazetted Tariffs	01 Approved and Gazetted Tariffs	None	None	Gazetted Tariff & Updated Tariffs on Sage	Manager: Revenue
126			Sound Revenue Management	Implementation of the General Valuation Roll	Number of General Valuation /Supplementary Valuation implemented	New target	04 General Valuation roll/Supplementary Valuation implemented	-	-	04 General Valuation roll/Supplementary Valuation implemented	04 General Valuation roll/Supplementary Valuation implemented	None	None	General Valuation roll & Supplementary report.	Manager: Revenue

ANNUAL PERFORMANCE REPORT
2022/2023

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
127	Sound Financial Management	Ensure compliance to National Treasury regulations	MFMA Budget prescripts	Budget developed and aligned with IDP by target date.	Compliance with MFMA Budget prescripts		03 submissions to council and treasury	-	-	03 submissions to council and treasury	03 submissions to council and treasury	None	None	Council resolutions and advert for final budget.	Manager: Budget
128			Budget Management	Ensure adherence to finance procedures and controls	Number of statutory reports and strings submitted to Treasury within prescribed period	12 statutory reports and strings submitted to Treasury within prescribed period	12 statutory reports and strings submitted to Treasury within prescribed period	-	-	12 statutory reports and strings submitted to Treasury within prescribed period	12 statutory reports and strings submitted to Treasury within prescribed period	None	None	GO Muni (Treasury) Reports	Manager: Budget
129			Budget spending	Enhanced budget Monitoring	Number of accurate spending vs. budget reports	12 accurate spending vs. budget reports submitted	12 accurate spending vs. budget reports	-	-	12 accurate spending vs. budget reports	12 accurate spending vs. budget reports	None	None	Budget vs Expenditure report and email evidencing distribution of report	Manager Budget

ANNUAL PERFORMANCE REPORT
2022/2023

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
130	Sound Financial Management	Ensure compliance to National Treasury regulations	Expenditure Management(payment)	Improved Compliance with MFMA	% Payments made within 30 days.	94%	90%	-	-	90% Payments made within 30 days.	92% Payments made within 30 days.	The Municipality implemented controls to monitor the time invoices spend within the Municipality which resulted improved performance.	None	Payment report	Manager: Expenditure Management
131			Expenditure Management	Improved cash flow management	Number of Cash flow Projections submitted monthly	12 Cash flow Projections submitted monthly	12 Cash flow Projections submitted monthly	-	-	12 Cash flow Projections submitted monthly	12 Cash flow Projections submitted monthly	None	None	Proof of email submission	Manager: Expenditure Management

ANNUAL PERFORMANCE REPORT
2022/2023

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
132	Sound Financial Management	Improve audit outcome to clean audit	Asset Management (Existence and valuation)	Completeness, Existence and accurate capture of new assets of the Municipality.	% Of completed projects and assets verified, unbundled, barcoded, and included in FAR.	100% Of new and complete projects unbundled, verified, new assets barcoded, and included in FAR	100% Of completed projects and new assets verified, barcoded, and included in FAR. 100% of all assets under construction accounted for in the WIP register	-	-	100% Of completed projects and new assets verified, barcoded, and included in FAR.	100% Of completed projects and new assets verified, barcoded, and included in FAR.	None	None	FAR report and GL	Manager: Assets
132 New			Asset Management (Existence and valuation)	Improved implementation of Financial Control	Number of Inventory Valuation Reports	0 Inventory Valuation Report	n/a	-	-	06 Inventory Valuation Reports	06 Inventory Valuation Reports	None	None	Inventory Valuation Reports from Pastel	Manager: Assets

ANNUAL PERFORMANCE REPORT
2022/2023

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
133			Financial and Performance Reporting	Improved implementation of Financial Control	Favourable Audit outcome	Unqualified audit opinion achieved in 2020/2021	Unqualified audit opinion	-	-	Unqualified audit opinion	Unqualified audit opinion	None	None	Audit Report	Manager: AFS
134			Financial and Performance Reporting	Regular Financial and Accurate Financial Reporting	Number of Financial Statements	-	02 Financial Statements prepared	-	-	02 Financial Statements prepared	02 Financial Statements prepared	None	None	AFS and Interim FS	Manager: AFS
135			Financial and Performance Reporting	Proper planning for preparation of AFS and Audit	% Audit Action Plan issues resolved	86%	90% of audit issues resolved	-	-	90% of audit issues resolved	97% of audit issues resolved	There has been a significant improvement in resolving to audit issues due to review of municipal internal controls	None	Audit Action plan progress report	Manager: AFS

ANNUAL PERFORMANCE REPORT
2022/2023

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
136	Sound Financial Management	Improve audit outcome to clean audit	Financial and Performance Reporting	Improved Financial Reporting	Number of reports on reconciliations for all units	New target	04 reports on reconciliations performed for all units	-	-	04 reports on reconciliations performed for all units	04 reports on reconciliations performed for all units	None	None	Reconciled reports	Manager: AFS
137	Sound Financial Management	Ensure compliance to National Treasury regulations and Improve audit outcome to clean audit	SCM	Improved Monitoring of Projects Expenditure	Number of Accurate Commitments Registers submitted by due date	12 Accurate Commitments Registers submitted by due date	04 Accurate Commitments Registers submitted by due date	-	-	04 Accurate Commitments Registers submitted by due date	04 Accurate Commitments Registers submitted by due date	None	None	Commitment registers from the system	Manager: Supply Chain Management
138			SCM Legal framework and policy	Apply latest SCM legislation	Number of SCM Policies reviewed	-	2 Policies reviewed	-	-	2 Policies reviewed	2 Policies reviewed	None	None	Council resolution	Manager: Supply Chain Management
139			SCM Irregular Expenditure Register	Reporting of complete UIFW reports as prescribed	Number of UIFW reports submitted	04 reports to Mayor, COGTA and AG	04 UIFW reports submitted to Mayor, COGTA and AG	-	-	04 UIFW reports submitted to Mayor, COGTA and AG	02 reports to Mayor, COGTA and AG	Oversight from SCM officials	None	Report on UIFW and evidence of email to Cogta and AG(SA)	Manager: Supply Chain Management

ANNUAL PERFORMANCE REPORT
2022/2023

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
140	Sound Financial Management	Ensure compliance to National Treasury regulations and Improve audit outcomes to clean audit	SCM Contract registers	Reporting of complete information as required by SCM prescripts	Number of updated Contract registers submitted to AFS by due date	04 updated contract registers to AFS and treasury	04 updated contract registers to AFS and treasury	-	-	04 updated contract registers to AFS and treasury	04 updated contract registers to AFS and treasury	None	None	Updated contract registers	Manager: Supply Chain Management
141			SCM procurement plan	Adherence to SCM policy	Number of progress reports on the SCM policy produced	04 progress reports on the implementation of SCM policy	04 progress reports on the implementation of SCM policy	-	-	04 progress reports	04 progress reports	None	None	Procurement plan implementation report	Manager: Supply Chain Management
142			SCM policy implementation reports	Improved the turnaround times for SCM processes	% Transactions adhering to timelines as per SCM SOP	100%	100%	-	-	100%	0% Transactions adhering to timelines as per SCM SOP	Insufficient human resources to perform the activity	The finance unit has now been capacitated with interns. The work has now been allocated to them.	Report on adherence to SOP timelines and requisitions register	Manager: Supply Chain Management

ANNUAL PERFORMANCE REPORT
2022/2023

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
143			SCM policy implementation	Improved performance of SCM processes	Number of training interventions or workshop attended by all SCM officials on SCM matters.	01 Training attended by SCM officials	04 training interventions or workshop attended by all SCM officials on SCM matters.	-	-	2 training interventions	0 training interventions	The SCM unit had backlogs and as a result could not attend trainings as planned	The office will be capacitated thus allow staff to attend SCM training as needed	Invitation and Attendance register	Manager: Supply Chain Management
144	To build a capable and high performing municipality	Continuous assessment and staff development through PMS	Performance Management	Effective and efficient governance structures	Number of performance compacts developed and assessed per the PMS cycle	Performance Compacts for 06 managers developed and assessed	06 performance compacts developed, and 4 assessments conducted	-	-	06 performance compacts developed, and 4 assessments conducted	06 performance compacts developed, and 4 assessments conducted	None	None	Signed and assessed performance compacts	Chief Finance Officer
145	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Risk Management	Effective and efficient governance structures	Number of risk management reports	04 Risk Reports developed	04 Risk Reports developed	-	-	04 Risk Reports developed	04 Risk Reports developed	None	None	Risk Reports	Chief Finance Officer

ANNUAL PERFORMANCE REPORT
2022/2023

KPI NO	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
146			Implementation OF Council Resolutions	Effective and efficient governance structures	Number of reports on the implementation of council resolution	04 council resolution implemented	04 reports on the implementation of council resolution	-	-	04 reports on the implementation of council resolution	04 reports on the implementation of council resolution	None	None	Register of council resolutions	Chief Finance Officer
147			Procurement	Effective and efficient governance structures	Number of reports on implementation of the procurement plan	new target	04 Reports	-	-	4 reports on implementation of the procurement plan	4 reports on implementation of the procurement plan	None	None	Report	Chief Finance Officer
148			Human Resources Management	Effective and efficient governance structures	Number of departmental meetings conducted	04 Departmental meetings held	04 Departmental meetings held	-	-	04 Departmental meetings held	04 Departmental meetings held	None	None	Invitation, Agenda, minutes of the meetings and attendance register	Chief Finance Officer

3.4 KPA SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (20% WEIGHT)- TECHNICAL SERVICES

3.4.1 ROADS AND STORMWATER

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
149	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Culvert Bridge at Mkhuhlu (Culcata to Jonela)	Provision of Roads, bridges, and storm water infrastructure	% Completion of Culvert Bridge at Mkhuhlu (Culcata to Jonela)	New Target	100% Completion of Culvert Bridge at Mkhuhlu (Culcata to Jonela)	2 000 000	-	-	100% Completion of Culvert Bridge at Mkhuhlu (Culcata to Jonela)	None	None	Completion Certificate	Director: Technical Services
150	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)	Provision of Roads, bridges, and storm water infrastructure	% Completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)	New Target	100% Completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)	-	-	-	98% Completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)	Project completion was put on hold due to rain	The project will be completed post-financial year 2022/2023	Completion Certificate	Manager Roads

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
151	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Culvert Bridge at Lillydale (Jongilanga)	Provision of Roads, bridges, and storm water infrastructure	% Completion of Culvert Bridge at Lillydale (Jongilanga)	New Target	100% Completion of Culvert Bridge at Lillydale (Jongilanga)	2 500 000	-	-	100% Completion of Culvert Bridge at Lillydale (Jongilanga)	None	None	Completion Certificate	Manager Roads
152			Construction of Culvert Bridge at Dwarsloop (Motibidi to Masakeng)	Provision of Roads, bridges, and storm water infrastructure	% Completion of Culvert Bridge at Dwarsloop (Motibidi to Masakeng)	New Target	100% Completion of Culvert Bridge at Dwarsloop (Motibidi to Masakeng)		-	-	100% Completion of Culvert Bridge at Dwarsloop (Motibidi to Masakeng)	None	None	Completion Certificate	Manager Roads
153	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Culvert Bridge at Acornhoek (Jameyani Primary to Pendulani High)	Provision of Roads, bridges, and storm water infrastructure	% Completion of Culvert Bridge at Acornhoek (Jameyani Primary to Pendulani High)	New Target	100% Completion of Culvert Bridge at Acornhoek (Jameyani Primary to Pendulani High)		-	-	100% Completion of Culvert Bridge at Acornhoek (Jameyani Primary to Pendulani High)	None	None	Completion Certificate	Manager Roads

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
154			Construction of Culvert Bridge at Thulamahashe	Provision of Roads, bridges, and storm water infrastructure	% Completion of Culvert Bridge at Thulamahashe	New Target	100% Completion of Culvert Bridge at Thulamahashe		,	-	100% Completion of Culvert Bridge at Thulamahashe	None	None	Completion Certificate	Manager Roads
155	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Rehabilitation of internal streets at Malubana	Provision of Roads, bridges, and storm water infrastructure	% Completion of Rehabilitation of internal streets at Malubana	New Target	100% Completion of Rehabilitation of internal streets at Malubana		,	-	100% Completion of Rehabilitation of internal streets at Malubana	None	None	Completion Certificate	Manager Roads
156			Development Of Road Master Plan	Provision of Roads, bridges, and stormwater infrastructure	% Completion of Development of Road Master Plan	New Target	100% Completion of Development of Road Master Plan		,	-	100% Completion of Development of Road Master Plan	None	None	Completion Certificate	Manager Roads

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
157	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of Casteel Regional Office	Provision of Roads, bridges, and storm water infrastructure	% Completion of Paving of Casteel Regional Office	New Target	100% Completion of Paving of Casteel Regional Office	1 500 000	,	0% completion of Paving of Casteel Regional Office	0% completion of Paving of Casteel Regional Office	The scope of work expanded beyond the available own funded allocation	The municipality will reassess the need and plan for implementation in 2023/2024	None	Manager Roads

3.4.2 PMU WATER PROVISION

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objective	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
158	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Reticulation and yard meter connection at Phendulani Moses	Water supply to Phendulani and Moses	% Completion of water of reticulation at Phendulani Moses	20% completion progress of water reticulation at Phendulani Moses	100% completion progress of water reticulation at Phendulani Moses	20 000 000	22 399 999	-	93.5 % completion progress of water reticulation at Phendulani and Moses	The project was delayed due to community strike	The municipality held a municipal-wide meeting to address the issues that lead to strikes and continues to have Continuous engagement/education of business chambers on subcontracting and approved rates	Progress report	Manager PMU
159			Reticulation and yard meter connection at Marite Crossroads	Water supply to Marite Crossroads	% Completion of water reticulation at Marite Crossroads	20% completion progress of water reticulation at Marite crossroad	100% completion of water reticulation at Marite crossroad	15 654 565	6 654 565	-	100% water reticulation completed at Marite Crossroad	None	None	Completion certificate	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objective	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
160			Reticulation and yard meter connection at Rolle phase 2	Water supply to Rolle phase 2	% Completion of water reticulation at Rolle phase 2	New Target	100% completion of water reticulation at Rolle 2	20 000 000	10 000 000	20% Construct ion progress of water reticulati on at Rolle phase 2	20% Construction progress of water reticulation at Rolle phase 2	None	None	Progress report	Manager PMU
161			Reticulation and yard meter connection at Mamelodi Kgapamadi	Water supply to Mamelodi and Kgapamadi	% Completion of water reticulation project at Mamelodi Kgapamadi	New Target	100% completion of water reticulation at Mamelodi Kgapamadi	20 313 115	35 313 115	80% construct ion progress of water reticulati on at Mamelodi Kgapamadi	81% construction progress of water reticulation at Mamelodi Kgapamadi	The contractor performed above the planned target (as per the weighted activities on project scope)	None	Progress report	Manager PMU
162			Reticulation and yard meter connection at Belfast phase 2	Water supply to Belfast phase 2	% Completion of water reticulation project at Belfast	New Target	100% completion of water reticulation at Belfast	20 002 798	-	80% construct ion progress of water reticulati on at Belfast phase 2	64% construction progress of water reticulation at Belfast phase 2	The project was disturbed by community strikes	The municipality held a municipal wide meeting to address the issues that lead to strikes and continues to have Continuous	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objective	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
													engagement/education of business chambers on subcontracting and approved rates		
163	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Water reticulation project at Englington (Share)	Water supply to Englington Village	% Completion of water reticulation project at Englington (Share)	New Target	100% completion of water reticulation project at Englington (Share)	,	,	0% completion of water reticulation project at Englington (Share)	0% completion of water reticulation project at Englington (Share)	Delay in approval of technical report by DWS	Bi-monthly progress meeting between DWS and the Municipality regarding submitted technical reports	None	Manager PMU
164			Water reticulation project at Somerset	Water supply to Somerset Village	% Completion of water reticulation project at Somerset	New Target	100% completion of water reticulation project at Somerset	17 350 000	4 350 000	Designs drawnigs completed	Designs drawnigs for water reticulation project at Somerset completed	None	None	Completed designs	PMU Manager

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objective	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
165			Water Reticulation and yard meter connection at Huntington	Water supply to Huntington	% Completion of water reticulation project at Huntington	New Target	100% completion of water reticulation at Huntington	15 860 000	2 860 000	Design drawings completed	Design drawings for water reticulation project at Huntington completed	None	None	Completed designs	PMU Manager
166			Reticulation and yard meter connection at Ronaldsey	Water supply to Ronaldsey	% Completion of water reticulation project at Ronaldsey	New Target	100% completion of water reticulation at Ronaldsey	20 000 000	25 000 000	90% construction progress of water reticulation at Ronaldsey	62% construction progress of water reticulation at Ronaldsey	The project was delayed due to community strike	The municipality held a municipal wide meeting to address the issues that lead to strikes and continues to have Continuous engagement/education of business chambers on subcontracting and approved rates	Progress report	PMU Manager

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objective	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
167	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Provision of Bulk water supply infrastructure and Reticulation at Welverdiend	Water supply to Welverdiend	% Completion of Planning and Designs for water supply at Welverdiend	New Target	100% Completion of Planning and Designs for water supply at Welverdiend	4 000 000	3 100 000	-	100% Completion of Planning and Designs for water supply at Welverdiend	None	None	Completion certificate	Manager PMU
168			Reticulation and yard meter connection at Kildare A	Water supply at Kildare A	% Completion of water reticulation project at Kildare A	90%	100% Completion of water reticulation project at Kildare A	15 000 000	-	-	74% Completion of water reticulation project at Kildare A	The project was delayed by community strikes	The municipality held a municipal wide meeting to address the issues that lead to strikes and continues to have Continuous engagement/e ducation of business chambers on subcontracting and approved rates	Progress report or completion certificate	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objective	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
169			Reticulation and yard meter connection at Thusanang	Water supply at Thusang	% Completion of water reticulation project at Thusanang	85% Completion of water reticulation project at Thusanang	100% Completion of the water reticulation project at Thusanang	4 300 000		-	100% Completion of water reticulation project at Thusanang	None	None	Completion certificate	Manager PMU
170			Upgrading of Brooklyn package plant	Water supply at Brooklyn	% Upgrading of Brooklyn package plant	15% Completion of	100% Completion of Upgrading of Brooklyn package plant	10 000 000		-	95% Completion of Upgrading of Brooklyn package plant	Project was delayed due to community strikes and unfavourable weather which led to the contractor does not access sites	The municipality held a municipal-wide meeting to address the issues that lead to strikes and continues to have Continuous engagement/education of business chambers on subcontracting and approved rates	Progress report	Manager PMU

3.4.3 PMU PROJECTS

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
171	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets at Hluvukani Region ward 34	Provide safe and accessible roads and bridges	% Completion of Paving of internal streets at Hluvukani Region ward 34	New Target	100% Construction progress of Paving of internal streets at Hluvukani Region ward 34	10 000 000	6 000 000	30% construction progress of paving of internal streets at Hluvukani Ward 34	30% construction progress of paving of internal streets at Hluvukani ward 34	None	None	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
172	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Tarring of internal streets project at Casteel Tembisa High school phase 2	Provide safe and accessible roads and bridges	% Completion of tarring internal streets from Casteel to Tembisa High school	New Target	40% Construction progress of tarring internal streets from Casteel to Tembisa High school	10 000 000	6 000 000	100% completion of tarring of internal street from Casteel to Tembisa High School	50% completion of tarring of internal street from Casteel to Tembisa High School	The project was delayed by community strikes and poor performance of the service provider	The municipality held a municipal wide meeting to address the issues that lead to strikes and continues to have Continuous engagement/ education of business chambers on subcontracting and approved rates. The municipality further wrote a letter of dissatisfaction to the service provider indicating the intention to terminate the agreement if the project is	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
													not progressing		

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
173	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving internal streets project at Thulamahashe ward 22 at Dingledale	Provide safe and accessible roads and bridges	% Completion of paving of internal streets at Thulamahashe ward 22 at Dingledale	New Target	100% Completion of paving of internal streets at Thulamahashe ward 22 at Dingledale	10 000 000	15 000 000	80% construction progress of paving of internal streets at Thulamahashe ward 22 at Dingledale	83% construction progress of paving of internal streets at Thulamahashe ward 22 at Dingledale	The contractor performed more than the projected target	None	Progress report	Manager PMU
174	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets project Maviljan Region ward 37	Provide safe and accessible roads and bridges	% Completion of paving of internal streets project at Maviljan Region ward 37	New Target	100% Construction progress of paving of internal streets project at Maviljan Region	10 000 000	,	80% Construction progress of paving of internal streets project at Maviljan Region ward 37	100% Construction progress of paving of internal streets project at Maviljan Region ward 37	The contractor performed above the planned target (as per the weighted activities on project scope)	None	Completion Certificate	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
175	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of storm water drainage project at Thulamahash phase 2	Provide safe and accessible roads and bridges	% Completion of storm water drainage project	New Target	100% Construction progress of storm water drainage project	10 000 000	,	50% Construction progress of storm water drainage project	55% Construction progress of storm water drainage project	The contractor performed above the planned target (as per the weighted activities on project scope)	None	Progress report	Manager PMU
176	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets project at Casteel ward 16	Provide safe and accessible roads and bridges	% Completion of paving of internal streets p Casteel ward 16	New Target	100% Completion of internal streets p Casteel ward 16	10 000 000	,	60% Construction progress of paving of internal streets at Casteel ward 16	76% Construction progress of paving of internal streets at Casteel ward 16	The contractor performed above the planned target (as per the weighted activities on project scope)	None	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
177	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets project at Acornhoek ward 17	Provide safe and accessible roads and bridges	% Completion of paving internal streets at Acornhoek ward 17	New Target	100% Completion of internal streets at Acornhoek ward 17	10 000 000	25 000 000	80% Construction progress of internal streets at Acornhoek ward 17	48% Construction progress of internal streets at Acornhoek ward 17	Poor performance by the contractor	The municipality issued a letter of intension to terminate written to the contractor	Progress report	Manager PMU
178	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets project at Matsikitsane ward 15	Provide safe and accessible roads and bridges	% Completion paving of internal streets at Matsikitsane ward 15	New Target	100% Completion of internal streets at Matsikitsane ward 15	10 000 000	15 000 000	-	100% Completion of internal streets at Matsikitsane ward 15	None	None	Completion certificate	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
179	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets project at Lillydale Region ward 23 at Belfast	Provide safe and accessible roads and bridges	% Completion paving of internal streets at Lillydale Region ward 23 at Belfast	New Target	100% Completion of internal streets at Lillydale Region ward 23 at Belfast	10 000 000	15 000 000	-	100% Completion of internal streets at Lillydale Region ward 23 at Belfast	None	None	Completion certificate	Manager PMU
180	Provision of basic services		Paving of internal streets project at Marite	Provide safe and accessible roads and bridges	% Completion paving of internal streets at Marite	90% Completion paving of internal streets at Marite	100% Completion of internal streets at Marite	10 000 000	-	-	100% Completion of internal streets at Marite	None	None	Completion certificate	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
181	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets project at Agincourt	Provide safe and accessible roads and bridges	% Completion of paving of internal streets at Agincourt	New Target	100% Completion of internal streets at Agincourt	10 000 000	20 000 000	80% Construction progress of internal streets at Agincourt	32% Construction progress of internal streets at Agincourt	The project was disturbed by community unrest due to subcontracting works	Continuous engagement/ education of business chambers on subcontracting and approved rates	Progress report	Manager PMU
182	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets project at Marite4 at Bakutswe to ka mona	Provide safe and accessible roads and bridges	% Completion Paving of internal streets project at Marite at Bakutswe to ka mona	New target	100% Completion Paving of internal streets project at Marite at Bakutswe to ka mona	10 000 000	,	60% Construction progress of internal streets at Marite at Bakutswe to Kamona	64% Construction progress of internal streets at Marite at Bakutswe to Kamona	The contractor performed above the planned target (as per the weighted activities on project scope)	The contractor to keep up the good work which will assist in completing the project in time	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
183	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets project at Acornhoek 21 at Buffelshoek	Provide safe and accessible roads and bridges	% Completion Paving of internal streets project at Acornhoek 21 at Buffelshoek	New target	100% Completion Paving of internal streets project at Acornhoek 21 at Buffelshoek	10 000 000	25 000 000	50% Construction progress of tarring of internal streets at Acornhoek at ward 21 at Buffelshoek	50% Construction progress of tarring of internal streets at Acornhoek at ward 21 at Buffelshoek	None	None	Progress report	Manager PMU
184	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Paving of internal streets project at Shatale Region ward 12	Provide safe and accessible roads and bridges	% Completion Paving of internal streets project at Shatale Region ward 12	New target	100% Completion Paving of internal streets project at Shatale Region ward 12	10 000 000	16 000 000	-	80% Completion Paving of internal streets project at Shatale Region ward 12	The project was disturbed by community unrest due to subcontracting works.	Continuous engagement/ education of business chambers on subcontracting and approved rates	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
185			Tarring of internal Road project from Tintswalo to open gate phase1	Provide safe and accessible roads and bridges	% Completion of Tarring of internal Road project from Tintswalo to open gate phase1	90% Completion of Tarring of internal Road project from Tintswalo to open gate phase1	100% Completion of Tarring of internal Road project from Tintswalo to open gate phase1	10 000 000	-	-	100% Completion of Tarring of internal Road project from Tintswalo to open gate phase1	None	None	Completion certificate	Manager PMU
186	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Tarring of internal Road project from Tintswalo to open gate phase2	Provide safe and accessible roads and bridges	% Completion of Tarring of internal Road project from Tintswalo to open gate phase 2	New Target	100% Completion of Tarring of internal Road project from Tintswalo to open gate phase 2	10 000 000	-	80% Construction progress of tarring of internal road project from Tintswalo open gate phase 2	80% Construction progress of tarring of internal road project from Tintswalo open gate phase 2	None	None	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
187	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Mariepskop access road project	Provide safe and accessible roads and bridges	% Completion of Tarring of Mariepskop access road project	New target	100% Completion of Tarring of Mariepskop access road project	-	13 000 000	50% Construction progress of tarring of Mariepskop access road project	75% Construction progress of tarring of Mariepskop access road project	The contractor performed above the planned target (as per the weighted activities on project scope)	The contractor to keep up the good work which will assist in completing the project in time	Progress report	Manager PMU
188	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Rehabilitation of Thulamahashe internal streets phase1	Provide safe and accessible roads and bridges	% Rehabilitation of Thulamahashe internal streets phase1	New Target	100% Rehabilitation of Thulamahashe internal streets phase1	10 000 000	15 000 000	-	100% Rehabilitation of Thulamahashe internal streets phase1	None	None	completion certificate	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
189	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Rehabilitation of Shatale internal streets phase1	Provide safe and accessible roads and bridges	% Rehabilitation of Shatale internal streets phase1	New Target	100% Rehabilitation of Shatale internal streets phase1	10 000 000	16 000 000	-	100% Rehabilitation of Shatale internal streets phase1	None	None	Completion certificate	Manager PMU
190	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Rehabilitation of Dwarsloop internal streets phase1	Provide safe and accessible roads and bridges	% Rehabilitation of Dwarsloop internal streets phase1	New Target	100% Rehabilitation of Dwarsloop internal streets phase1	10 000 000	3 000 000	-	52% Rehabilitation of Dwarsloop internal streets phase1	The project was disturbed by community unrest due subcontracting works	The matter has been resolved and the project is progressing well	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
191	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Rehabilitation of Mkhuhlu internal streets phase1	Provide safe and accessible roads and bridges	% Rehabilitation of Mkhuhlu internal streets phase1	New Target	100% Rehabilitation of Mkhuhlu internal streets phase1	10 000 000	8 400 000	-	100% Rehabilitation of Mkhuhlu internal streets phase1	None	None	Completion Certificate	Manager PMU
192	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Rehabilitation of Thulamahashe internal streets phase 2	Provide safe and accessible roads and bridges	% Rehabilitation of Thulamahashe internal streets phase2	New Target	100% Rehabilitation of Thulamahashe internal streets phase2	10 000 000	15 000 000	-	0 % Rehabilitation of Thulamahashe internal streets phase2	The scope of work expanded beyond the available own funded allocation	Planned for implementation in 2023/2024	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
193	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Rehabilitation of Shatale internal streets phase2	Provide safe and accessible roads and bridges	% Rehabilitation of Shatale internal streets phase2	New Target	100% Rehabilitation of Shatale internal streets phase2	1	1	0% Rehabilitation of Shatale internal streets phase2	0% Rehabilitation of Shatale internal streets phase2	Reprioritised for next financial year	Planned for implementation in 2023/2024	Progress report	Manager PMU
194	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Rehabilitation of Dwarsloop internal streets phase2	Provide safe and accessible roads and bridges	% Rehabilitation of Dwarsloop internal streets phase2	New Target	100% Rehabilitation of Dwarsloop internal streets phase2	1	1	0% Rehabilitation of Dwarsloop internal streets phase2	0% Rehabilitation of Dwarsloop internal streets phase2	Reprioritised for next financial year	Planned for implementation in 2023/2024	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
195	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Rehabilitation of Mkhuhlu internal streets phase2	Provide safe and accessible roads and bridges	% Rehabilitation of Mkhuhlu internal streets phase 2	New Target	100% Rehabilitation of Mkhuhlu internal streets phase2			0% Rehabilitation of Mkhuhlu internal streets phase2	0% Rehabilitation of Mkhuhlu internal streets phase2	The project was Reprioritised for next financial year	Planned for implementation in 2023/2024	Progress report	Manager PMU
196	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Municipal head office building	Provision of public amenities	% Completion of municipal head office building	New Target	100% Completion of a municipal head office building	25 000 000	25 000 000	50% Construction progress of Head office	50% Construction progress of Head office	None	None	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
197	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Acornhoek sports Facility project phase 2	Access to sport, culture, and recreation	% Completion of Acornhoek sports Facility project phase 2	New target	100% Completion of Acornhoek sports Facility project phase 2	20 000 000		50% Completion of Acornhoek sports Facility project phase2	25% Completion of Acornhoek sports Facility project phase2	The project was delayed due to the late issuing of Permit by the department of labour.	Escalation of delays to the accounting of the department of labour	Progress report	Manager PMU
198	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Huntington cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	Provision of public Amenities	%Construction of Huntington cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	New Target	100% Construction of Huntington cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	4 000 000		10% Construction of Cultural village Chalets and infrastructure for marula cultural route in Justicia	0% Construction of Cultural village Chalets and infrastructure for marula cultural route in Justicia	The project was reprioritised for the next financial year.	The project has planned to start with construction in 2023/24 financial year	Progress Report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
199	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Mnisi Resort Chalets in welverdiend and Construction of Guardhouse and Waste Equipment's at Inyaka Dam	Provision of public Amenities	% Completion of Mnisi Resort Chalets in welverdiend and Construction of Guardhouse and Waste Equipment's at Inyaka Dam		100% Completion of Mnisi Resort Chalets in welverdiend and Construction of Guardhouse and Waste Equipment's at Inyaka Dam			10% construction of Mnisi Resort chalets in Welverdiend and construction of guardhouse and waste equipment at Inyaka Dam	0% construction of Mnisi Resort chalets in Welverdiend and construction of guardhouse and waste equipment at Inyaka Dam	Reprioritised for the next financial year	To be implemented in the 2023/24 financial year	Progress Report	Manager PMU
200	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Servicing of sites in Dwarsloop	Provision of public Amenities	% Serving of sites in Dwarsloop	-	100% serving of sites in Dwarsloop	10 000 000	10 000 000	5% construction progress of water and Sanitation infrastructure Dwarsloop	0% construction progress of water and Sanitation infrastructure Dwarsloop	The project is reprioritised for the next financial year	To be implemented in the 2023/24 financial year	Progress Report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
200 NEW			Construction of Landfill site at Thulamahash e		% Construction of Landfill site (Phase 3)			20 000 000	18 000 000	50% Constructi on of Landfill site (Phase 3)	50% Construction of Landfill site (Phase 3)	None	None	Progress report	Manager PMU

3.4.4 SANITATION

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
201	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation	Provision of Sanitation Maviljan WWTW	Upgrading of Maviljan WWTW	% Completion of Upgrading of Maviljan WWTW	80% Completi on of Upgradin g of Maviljan WWTW	100% Completion of Upgrading of Maviljan WWTW	20 000 000	-	-	85% Completion of Upgrading of Maviljan WWTW	Project delayed due to disputes on quantities between the contractor and consultant	The external adjudicator appointed to look at the disputes	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
202		and Refuse removal)	Provision of Sanitation Mkhuhlu WWTW	Refurbishment of Mkhuhlu WWTW	% Completion of Refurbishment of Mkhuhlu WWTW project	New Target	100% Completion of Refurbishment of Mkhuhlu WWTW project	1 500 000	-	-	0% Completion of Refurbishment of Mkhuhlu WWTW project	Delay in approval of technical report by DWS	Bi-monthly progress meeting between DWS and the Municipality regarding submitted technical reports	None	Manager PMU
203	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Provision of Sanitation Shatale WWTW	Refurbishment of Shatale WWTW	% Completion of planning and designs of Shatale WWTW project	New target	100% Completion of planning and designs of Shatale WWTW project	-	-	-	0% Completion of planning and designs of Shatale WWTW project	The project was not implemented due late approval of technical report by DWS	Bi-monthly progress meeting between DWS and the Municipality regarding submitted technical reports	None	Manager PMU
204			Provision of Basic Sanitation in various wards	Construction of Basic sanitation	% Completion of Basic Sanitation	New target	100 % completion of construction of basic sanitation	15 000 000	-	-	80 % completion of construction of basic sanitation	Project delay due to in accessible roads due recent floods resulting in delayed deliveries of materials	Project currently at 95% completion progress	Progress report	Manager PMU

3.4.5 BUILDING INFRASTRUCTURE AND MAINTENANCE

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
205	Ensuring integrated development planning and integrated Human settlement Ensuring quality assurance on Maintenance of Municipal Infrastructure	Ensure of IDP priorities	Fencing of Mkhuhlu Stores	Improve Distribution of Municipal Services	% Completion of Fencing of Mkhuhlu Stores	New Target	100% Completion of Fencing of Mkhuhlu Stores	3 500 000	,	-	40% Completion of Fencing of Mkhuhlu Stores	The scope of work expanded beyond the available own funded allocation	Project to be completed in the first quarter of the 23/24 financial year	Progress report	Manager Building Infrastructure & Maintenance
206			Fencing of Thulamahashe WWTW	Improve Distribution of Municipal Services	% Completion of Fencing of Thulamahashe WWTW	New Target	100% Completion of Fencing of Thulamahashe WWTW				0% Completion of Fencing of Thulamahashe WWTW	The project was reprioritised for the next financial year	Project planned for implementation in the 2023/2023 financial year	None	Manager Building Infrastructure & Maintenance
207			Fencing of Inyaka-Dam Employees Accommodation	Improve Distribution of Municipal Services	% Completion of Fencing of Inyaka-Dam Employees Accommodation	New Target	100% Completion of Fencing of Inyaka-Dam Employees Accommodation				0% Completion of Fencing of Inyaka-Dam Employees accommodation	The project was reprioritised for the next financial year	Project planned for implementation in 2023/2024 financial year	None	Manager Building Infrastructure & Maintenance

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
208	Ensuring integrated development planning and integrated Human settlement Ensuring quality assurance on Maintenance of Municipal Infrastructure	Ensure implementation of IDP priorities	Fencing of Zoeknog Package Plant (Phase 2)	Improve Distribution of Municipal Services	% Completion of Fencing of Zoeknog Package Plant (Phase 2)	New Target	100% Completion of Fencing of Zoeknog Package Plant (Phase 2)			-	100% Completion of Fencing of Zoeknog Package Plant (Phase 2)	None	None	None	Manager Building Infrastructure & Maintenance
209			Refurbishment of Municipal Building Infrastructure Thulamahashe DCO	Provision of safe and healthy working environment	% Completion of Renovations of Thulamahashe DCO	New Target	100% Completion of Renovations of Thulamahashe DCO	5 000 000	10 000 000	-	0% Completion of Renovations of Thulamahashe DCO	The project was reprioritised for the next financial year	Project planned for implementation in 2023/2024 financial year	None	Manager Building Infrastructure & Maintenance
210			Refurbishment of Municipal Building Infrastructure Mhala DLTC	Provision of safe and healthy working environment	% Completion of Renovations of Mhala DLTC	New Target	100% Completion of Renovations of Mhala DLTC			-	50% Completion of Renovations of Mhala DLTC	The scope of work expanded beyond the available own funded allocation	Project to be completed in the second quarter of the 2023/2024 financial year	Progress report	Manager Building Infrastructure & Maintenance

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
211			Refurbishment of Marite Community Hall	Improve Distribution of Municipal Services	% Completion of Renovations of Marite Community Hall	New Target	100% Completion of Renovations of Marite Community Hall			0% Completion of Renovations of Marite Community Hall	0% Completion of Renovations of Marite Community Hall	The project stopped due to R40 Upgrading (community hall to be relocated)	The project stopped due to R40 Upgrading (community hall to be relocated)	None	Manager Building Infrastructure & Maintenance
212	Ensuring integrated development planning and integrated Human settlement	Ensure implementation of IDP priorities	Refurbishment of Merriam Mogakane Community Hall	Improve Distribution of Municipal Services	% Completion of Renovations of Merriam Mogakane Community Hall	New Target	100% Completion of Renovations of Merriam Mogakane Community Hall			100% Completion of Renovations of Merriam Mogakane Community Hall	50% Completion of Renovations of Merriam Mogakane Community Hall	The scope of work expanded beyond the available own-funded allocation	Project to be completed in the second quarter of the 2023/2024 financial year	Progress Report	Manager Building Infrastructure & Maintenance
213			Refurbishment of Huntington Community Hall	Improve Distribution of Municipal Services	% Completion of Renovations of Huntington Community Hall	New Target	100% Completion of Renovations of Huntington Community Hall			100% Completion of Renovations of Huntington Community Hall	90% Completion of Renovations of Huntington Community Hall	The scope of work expanded beyond the available own funded allocation	Project to be completed in the first quarter of the 2023/2024 financial year	Progress Report	Manager Building Infrastructure & Maintenance

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
214			Fencing of Health-Centre Cemetery	Provision of Security Measures for Fencing of Cemeteries	% Completion of Fencing Health-Centre Cemetery	New Target	100% Completion of Health-Centre Cemetery			0 % Completion of Health-Centre Cemetery	0 % Completion of Health-Centre Cemetery	The project was reprioritised for the next financial year	Project planned for implementation in 2023/2024 financial year	None	Manager Building Infrastructure & Maintenance
214 New			Office Repairs, Rubble Removal, Perimeter Wall Extension and Installation of Electric Fence at Head Office	Provision of Safe Working Environment	% Completion of Office repairs, rubble removal, extension of perimeter wall and installation of Electric fence at Head Office	New Target	100% Completion of Office repairs, rubble removal, extension of perimeter wall and installation of Electric fence at Head Office			-	100% Completion of Office repairs, rubble removal, extension of perimeter wall and installation of Electric fence at Head Office	None	None	Completion Certificate	Manager Building Infrastructure & Maintenance
215			Upgrading of Dwarsloop Old-Traffic Office	Provision of safe and healthy working environment	% Completion of Upgrading Dwarsloop Old-Traffic Office	New Target	100% Completion of Upgrading of Dwarsloop Old-Traffic Office	1 000 000		-	100% Completion of Upgrading of Dwarsloop Old-Traffic Office	None	None	Completion Certificate	Manager Building Infrastructure & Maintenance

3.4.6 CENTRAL ELECTRICAL AND MECHANICAL WORKSHOP

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
216	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Installation of High masts lights	Provision of public lights infrastructure	% Completion of High masts lights	New target	100 % Installation of high masts lights			70 % Installation of high masts light	76 % Installation of high masts light	The contractor performed above the planned target (as per the weighted activities on project scope)	None	Progress report	Manager: Central Electrical and Mechanical Workshop
217			Installation of streetlights Marite intersection	Provision streetlights at Marite intersection	% Completion of streetlights project at traffic lights intersection	New target	100% Installation of streetlights at Marite intersection	24 922 102	14 922 102	0% Installation of streetlights at Marite intersection	15% Installation of streetlights at Marite intersection	The project was put on hold due to the SANRAL upgrades on R40 road	The project implemented after the SANRAL construction has been completed	None	Manager: Central Electrical and Mechanical Workshop
218			Installation of streetlights at Dwarsloop intersection	Provision streetlights at Dwarsloop intersection	% Completion of streetlights project at traffic lights intersection	New target	100% Installation of streetlights at Dwarsloop intersection	5 250 000	R0.00	0% Installation of streetlights at Marite intersection	15% Installation of streetlights at Marite intersection	The project was put on hold due to the SANRAL upgrades on R40 road	The project implemented after the SANRAL construction has been completed	None	Manager: Central Electrical and Mechanical Workshop

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
219			Electrification croquet lawn village	Provision of electricity supply	% Completion of Electrification croquet lawn Village	New target	100% Electrification croquet lawn Village		R4M	97% Electrification croquet lawn Village	54 % Electrification croquet lawn Village	The scope of work expanded beyond the available own-funded allocation	The project is expected to be completed by September 2023	Progress report	Manager: Central Electrical and Mechanical Workshop
220.1 New	Provision of basic service	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal	Retrofitting of energy saving fittings	Provision of Energy Efficiency lights project	% Completion of installation of energy efficiency lights project	New target	100% Retrofitting of energy efficiency light			-	100% Retrofitting of energy efficiency light	None	None	Completion Certificate	Manager: Central Electrical and Mechanical Workshop

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
221.2 New	Provision of basic service	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal	Fitment of Equipment at Dwarsloop Workshop	Provision of central workshop	% Completion of Fitment of Equipment at Dwarsloop Workshop	New target	100% Fitment of Equipment at Dwarsloop Workshop	2 000 000	32 125 000	-	80 % Fitment of Equipment at Dwarsloop Workshop	Delay due to community strike	The municipality held a municipal wide meeting to address the issues that lead to strikes and continues to have Continuous engagement /education of business chambers on subcontracting and approved rates. The project is expected to be completed by end of September 2023	Progress report	Manager: Central Electrical and Mechanical Workshop

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
222.3 New	Provision of basic service	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal	Purchase and installation of generator at Inyaka WTW	Provision of alternative power supply at Inyaka WTW	% of installation of generator at Inyaka WTW	New target	100 % of installation of generator at Inyaka WTW			100 % of installation of generator at Inyaka WTW	30 % of installation of generator at Inyaka WTW	Poor performance by the contractor	Poor performance letter issued to the contractor. The generator will be installed by September 2023	Progress report	Manager: Central Electrical and Mechanical Workshop
223.4 New	Provision of basic service	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal	Purchase and installation of generator at Inyaka Raw Water	Provision of alternative power supply at Inyaka Raw Water	% of installation of generator at Inyaka Raw Water	New target	50 % of installation of generator at Inyaka Raw Water			50 % of installation of generator at Inyaka Raw Water	15 % of installation of generator at Inyaka Raw Water	Poor performance by the contractor	Poor performance letter issued to the contractor. The generator will be installed by end of September 2023	Progress report	Manager: Central Electrical and Mechanical Workshop

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
224.5 New	Provision of basic service	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal	Purchase and installation of generator at Hoxani Raw Water	Provision of alternative power supply at Hoxani Raw Water	% of installation of generator at Hoxani Raw Water	New target	100 % of installation of generator at Hoxani Raw Water			100 % of installation of generator at Hoxani Raw Water	30 % of installation of generator at Hoxani Raw Water	Poor performance by the contractor	Poor performance letter issued to the contractor. The generator will be installed by end of September 2023	Progress report	Manager: Central Electrical and Mechanical Workshop
225.6 New	Provision of basic service	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal	Purchase and installation of generator at Hoxani WTW	Provision of alternative power supply at Hoxani WTW	% of installation of generator at Hoxani WTW	New target	100 % of installation of generator at Hoxani WTW			100 % of installation of generator at Hoxani WTW	30 % of installation of generator at Hoxani WTW	Poor performance by the contractor	Poor performance letter issued to the contractor. The generator will be installed by end of September 2023	Progress report	Manager: Central Electrical and Mechanical Workshop

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
226.7 New	Provision of basic service	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal	Purchase and installation of generator at Intermediate Booster	Provision of alternative power supply at Intermediate Booster	% of installation of generator at Intermediate Booster	New target	100 % of installation of generator at Intermediate Booster			100 % of installation of generator at Intermediate Booster	30 % of installation of generator at Intermediate Booster	Poor performance by the contractor	Poor performance letter issued to the contractor. The generator will be installed by end of September 2023	Progress report	Manager: Central Electrical and Mechanical Workshop

3.4.7 WATER SERVICES

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
220	Provision of basic services	improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Upgrade of Bushbuckridge bulk pipeline	Provision of Water Services	% Completion of upgrade of Bushbuckridge bulk pipeline	New target	100 % Completion of upgrade of Bushbuckridge bulk pipeline	,	,	0 % Completion of upgrade of Bushbuckridge bulk pipeline	0 % Completion of upgrade of Bushbuckridge bulk pipeline	The scope of work expanded beyond the available own funded allocation	The project has been committed to be implemented in 2023/2024. The tender advertised and closed end of May 2023 (awaiting appointment)	Progress report (advert)	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
221			Upgrade of Sand River Package plant phase 2	Provision of Water Services	% Completion of upgrade of Sand River Package Plant phase 2	New target	100 % Completion of upgrade of Sand River Package Plant phase 2	5 000 000	,	-	0 % Completion of upgrade of Sand River Package Plant phase 2	The scope of work expanded beyond the available own funded allocation	The project has been committed to be implemented in 2023/2024. The tender advertised and closed end of May 2023 (awaiting appointment)	Progress report (advert)	Deputy Director: Technical Services
222			Construction of bulk pipeline, reservoir and Reservoir at Nkanini and Ngwedzeni	Provision of Water Services	% Completion of construction of bulk pipeline and reservoir at Nkanini and Ngwedzeni	New target	100 % Completion of construction of bulk pipeline and at Nkanini and Ngwedzeni (phase 1)	2 000 000	,	30 % Completion of construction of bulk pipeline, reservoir, and reticulation at Ngwedzeni (phase 1)	98 % Completion of construction of bulk pipeline and at Nkanini and Ngwedzeni (phase 1)	The contractor performed more than expected	None	Practical Completion certificate	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
223	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of a Phelindaba and Wales bulk pipelines	Provision of Water Services	% Completion of Construction of a Phelindaba and Wales bulk pipelines	New target	100 % Completion of Construction of a Phelindaba and Wales bulk pipelines	4 000 000	4 930 000	-	100% Completion of Construction of a Phelindaba and Wales bulk pipelines	None	None	Completion Certificate	Deputy Director: Technical Services
224			Refurbishment of Sigagule Package plant	Provision of water services	% Completion of Refurbishment of Sigagule Package plant	New target	100% Completion of Refurbishment of Sigagule Package plant	2 000 000	-	-	98% Completion of Refurbishment of Sigagule Package plant	Delays of spare materials (valves) to complete the refurbishment	The refurbishment will be completed in October 2023	Progress Report	Deputy Director: Technical Services
225			Refurbishment of Cork Package plant	Provision of water services	% Completion of Refurbishment of Cork Package plant	New target	100 % Completion of Refurbishment of Cork Package plant	2 000 000	-	-	100% Completion of Refurbishment of Cork	None	None	Completion certificate	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
226	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Refurbishment of Rooibboklagte plant	Provision of water services	% Completion of Refurbishment of Rooibboklagte Package plant	New target	100 % Completion of Refurbishment of Rooibboklagte Package plant	,	,	0 % Completion of Refurbishment of Rooibboklagte Package plan	0 % Completion of Refurbishment of Rooibboklagte Package plan	Project reprioritised for the next financial year	Project reprioritised for the next financial year	None	Deputy Director: Technical Services
227			Refurbishment of Zoeknog Package plant	Provision of water services	100 % Completion of Refurbishment of Zoeknog Package plant	New target	100 % Completion of Refurbishment of Zoeknog Package plant	,	,	0 % Completion of Refurbishment of Zoeknog Package plant	0 % Completion of Refurbishment of Zoeknog Package plant	The scope of work expanded beyond the available own funded allocation	The project has been committed to be implemented in 2023/2024. The tender advertised and closed end of May 2023 (awaiting appointment)	Progress report (advert	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
228			Automation of 50 boreholes	Provision of water services	Number of boreholes automated	New target	Automation of 50 boreholes	1 200 000	,	-	0 boreholes automated	Reprioritised (to be attended through maintenance)	Reprioritised (to be attended through maintenance)	None	Deputy Director: Technical Services
229	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Refurbishment of lime silos	Provision of water services	% Completion of refurbishment of Inyaka Lime silos	New target	100% Completion of refurbishment of Inyaka Lime silos	4 000 000	,	-	0% Completion of refurbishment of Inyaka Lime silos	Reprioritised (to be attended through maintenance)	Reprioritised (to be attended through maintenance)	None	Deputy Director: Technical Services
230			Installation of lockable manholes covers	Provision of water services	% Completion of installation of manholes covers	New target	100% Completion of installation of lockable manholes covers	800 000	,	-	0% Completion of installation of lockable manholes covers	Reprioritised (to be attended through maintenance)	Reprioritised (to be attended through maintenance)	None	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
231			Refurbishment of lime dosing system (Hoxani, Acornhoek, Thorndale Package plant)	Provision of water services	% Completion of refurbishment of lime dosing system	New target	100% completion of Refurbishment of lime dosing system (Hoxani WTW, Thulamahashe WTW, Acornhoek WTW, Thorndale Package and Marite package plant)	700 000	-	-	0% completion of Refurbishment of lime dosing system (Hoxani WTW, Thulamahashe WTW, Acornhoek WTW, Thorndale Package and Marite package plant)	Reprioritised (to be attended through maintenance)	Reprioritised (to be attended through maintenance)	None	Deputy Director: Technical Services
232			Installation of pressure reducing valves	Provision of water services	% Completion of installation of pressure reducing valves	New target	100% Completion of installation of pressure reducing valves	1 400 000	2 000 000	-	98% Completion of installation of pressure reducing valves	Project in practical completion awaiting payment	Payment will be made in the 1 st quarter of 2023/2024	Practical Completion certificate	Deputy Director: Technical Services

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
233	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Supply and Installation of Hoxane clear water pump sets	Provision of water services	% Installation of Hoxane clear water pump sets	New target	100% Installation of Hoxane clear water pump sets	1 600 000	-	-	100% Installation of Hoxane clear water pump sets	None	None	Completion certificate	Deputy Director: Technical Services
234			Installation of Hoxane WTW clear water pump, pipework, and electrical panel	Provision of water services	% Completion of Installation of Hoxane WTW clear water pump, pipework, and electrical panel	New target	100% Completion of Installation of Hoxane WTW clear water pump, pipework, and electrical panel	1 200 000	-	-	100% Completion of Installation of Hoxane WTW clear water pump, pipework, and electrical panel	None	None	Completion certificate	Deputy Director: Technical Services
235			Installation and refurbishment of telemetry system	Provision of water services	% Completion of refurbishment of telemetry system	New target	100 % Completion of refurbishment of telemetry system	2 500 000	-	-	0 % Completion of refurbishment of telemetry system	Reprioritised (to be attended through maintenance)	Reprioritised (to be attended through maintenance)	None	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
236			Installation of reservoir level indicators and control valves	Provision of water services	% Completion of installation of reservoir level indicators and control valves	New target	100 % Completion of installation of reservoir level indicators and control valves	2 000 000	,	-	0 % Completion of installation of reservoir level indicators and control valves	Reprioritised (to be attended through maintenance)	Reprioritised (to be attended through maintenance)	None	Deputy Director: Technical Services
237	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and	Installation of bulk flow meters	Provision of water services	% Completion of installation of bulk flow meters	New target	100% completion of installation of bulk flow meters	2 000 000	,	-	0% completion of installation of bulk flow meters	Reprioritised (to be attended through maintenance)	Reprioritised (to be attended through maintenance)	None	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
238		Refuse removal)	Purchase of leak detection equipment	Provision of water services	Procurement of leak detection equipment	New target	100 % completion of Procurement of leak detection equipment	7 000 000	,	-	0 % completion of Procurement of leak detection equipment	The scope of work expanded beyond the available own funded allocation	The project has been committed to be implemented in 2023/2024. The tender advertised and closed end of May 2023 (awaiting appointment)	Progress report (advert)	Deputy Director: Technical Services
239			Installation of reservoir and bulk pipeline pressure sensors	Provision of water services	% Completion of Installation of reservoir and bulk pipeline pressure sensors	New target	100% completion of Installation of reservoir and bulk pipeline pressure sensors	2 000 000	,	-	100 % completion of Installation of reservoir and bulk pipeline pressure sensors	None	None	Completion certificates	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
240			Purchase of laboratory equipment's	Provision of water services	% Completion of Purchase laboratory equipment	New target	100% completion of Purchase laboratory equipment	7 000 000	,	-	0% completion of Purchase laboratory equipment	The scope of work expanded beyond the available own-funded allocation	The project has been committed to be implemented in 2023/2024. The tender advertised and closed end of May 2023 (awaiting appointment)	Progress report (advert)	Deputy Director: Technical Services
241			Connection of existing Buffelshoek reservoirs	Provision of water services	% Completion of Connection of existing Buffelshoek reservoirs	New target	100 % completion of Connection of existing Buffelshoek reservoirs		,	-	98 % completion of Connection of existing Buffelshoek reservoirs	Project in practical completion awaiting payment	Payment will be made in the 1 st quarter of 2023/2024	Practical Completion certificate	Deputy Director: Technical Services
242			Sealing of existing reservoir	Provision of water services	% Completion of sealing of reservoir	New target	100% Completion of sealing of reservoir	1 500 000	,	-	98% Completion of sealing of reservoir	Project in practical completion awaiting payment	Payment will be made in the 1 st quarter of 2023/2024	Practical Completion certificate	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
243	Provision of basic services	Improve provision of basic services (water, Electricity, Sanitation and Refuse removal)	Construction of Basic sanitation	% Completion of Basic Sanitation	New target	New target	100 % completion of construction of basic sanitation	·	·	0 % completion of construction of basic sanitation	0 % completion of construction of basic sanitation	The projects are a duplication of project no 204	None	None	Deputy Director: Technical Services
244			Refurbishment of sewer network	Provision of water services	% Completion of refurbishment of Mkhuhlu, Maviljan, Thulamahashe and Dwarsloop sewer network	New target	100% completion of refurbishment of Mkhuhlu, Maviljan, Thulamahashe and Dwarsloop sewer network phase 2	1 500 000	·	-	0% completion of refurbishment of Mkhuhlu, Maviljan, Thulamahashe and Dwarsloop sewer network phase 2	The scope of work expanded beyond the available own-funded allocation	The project has been committed to be implemented in 2023/2024. The tender advertised and closed end of May 2023 (awaiting appointment)	Progress report (advert)	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
245			Lining of Dwarsloop and Thulamahashe WWTW ponds	Provision of water services	% Completion of lining of Dwarsloop and Thulamahashe WWTW ponds	New target	100% completion of lining of Dwarsloop and Thulamahashe WWTW ponds	2 500 000	-	-	0% completion of lining of Dwarsloop and Thulamahashe WWTW ponds	The scope of work expanded beyond the available own-funded allocation	The project has been committed to be implemented in 2023/2024. The tender advertised and closed end of May 2023 (awaiting appointment)	Progress report (advert)	Deputy Director: Technical Services
246			Refurbishment of Thulamahashe biofilter and digestors	Provision of water services	% Completion of refurbishment of Thulamahashe biofilter and digestors	New target	100% Completion of the refurbishment of Thulamahashe biofilter and digestors	1 500 000	-	-	100% Completion of the refurbishment of Thulamahashe biofilter and digestors	None	None	Completion certificate	Deputy Director: Technical Services

3.4.8 TECHNICAL GOOD GOVERNANCE AND REPORTS

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
247	To build a capable and high performing municipality	Continuous assessment and staff development through PMS	Performance Management	Improved Performance of the organisation	Number of performance compacts developed and assessed per the PMS cycle	Performance Compacts for 06 managers developed and assessed	10 performance compacts developed, and 4 assessments conducted	-	-	-	10 performance compacts developed, and 4 assessments conducted	None	None	Signed and assessed performance compacts	Director Technical Services
248	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Risk Management	Efficient and Effective governance structures	Number of risk management reports	04 Risk Reports developed	04 Risk Reports developed	-	-	-	04 Risk Reports developed	None	None	Risk reports	Director Technical Services
249			Implementation of Council Resolutions	Ensure implementation of IDP priorities	Number of reports on the implementation of council resolution	04 council resolution implemented	04 reports on the implementation of council resolution	-	-	-	04 reports on the implementation of council resolution	None	None	Register of council resolutions	Director Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
250			Procurement	Ensure implementation of IDP priorities and budget	Number of procurements plans and reports on implementation of the procurement plan	Procurement plan submitted to SCM and implemented	01 Procurement Plan Submitted 03 monitored procurement register	-	-	-	01 Procurement Plan Submitted 03 monitored procurement register	None	None	Procurement plans and list of requisitions	Director Technical Services
251			Human Resources Management	Effective and efficient governance structures	Number of departmental meetings conducted	12 Departmental meetings held	12 Departmental meetings held	-	-	-	12 Departmental meetings held	None	None	Invitation, Agenda, minutes of the meetings and attendance register	Director Technical Services
252	Ensuring integrated development	Allocate available funds to identified priorities	Grant Reports	Informed Planning of Municipal Infrastructure	Number of grant reports (12 MIG, 12 WSIG, 12 DoE) submitted to	12 Grant reports	36 Grant Reports	-	-	-	36 Grant Reports	None	None	Copies of signed submitted reports	Director Technical Services

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
253	planning and integrated Human settlement	on a Multi-Year Plan		re and Projects	the Municipal Manager										
			Infrastructure Planning		Number of business plans or technical reports submitted for approval	12 Business Plans	20 business plans or technical reports	-	-	-	20 business plans or technical reports	None	None	Copies of signed submitted reports	Director Technical Services
254	Sustainable economic growth and job creation	Reduce unemployment by 3%	EPWP (Infrastructure Sector)	Maximize job creation through Infrastructure projects	Number of jobs created	1560 jobs created	2018 jobs created	-	-	-	2227 Jobs created			Signed copies of Compacts	Director Technical Services

3.5 KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (Weight 15%)

3.5.1 MUNICIPAL MANAGER'S OFFICE AND PMS

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
255	To build a capable and high performing municipality	Implement performance management system	Good governance (HRM)	Effective and efficient governance structures	Number of meetings to monitor performance of all departments	12 meetings held	12 Meetings to monitor performance of all departments	-	-	-	12 Meetings to monitor performance of all departments	None	None	Attendance registers and minutes	Municipal Manager
256			SDBIP	Increased implementation of the Performance Management System	Number of SDBIP developed and submitted to stakeholders	01 SDBIP developed for 2021/2022 and 01 revised SDBIP developed	02 SDBIP developed (01 revised and 01 SDBIP for 2022/2023)	-	-	-	02 SDBIP developed (01 revised and 01 SDBIP for 2022/2023)	None	None	Original and Revised SDBIP, public notices, Council resolution and submission letters	Manager: Performance Management System
257			Performance	Increased implementation of the	Number of Performance	06 Performance	06 Performance	-	-	-	06 Performance	None	None	Performance Agreements	Manager: Performance

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
			management	Performance Management System	Agreements for S56 & 54 developed and submitted to all stakeholders	Agreement developed	Agreements (PA) for s56&54 developed and submitted to all stakeholders				Agreements (PA) for s56&54 developed and submitted to all stakeholders			ts, letter of submission and public notice	Management System
258			Performance Assessment for Section 56 and 54 employees	Increased implementation of the Performance Management System	Number of Performance Assessment for Section 56 and 54 employees conducted	04 Performance assessment conducted	01 PMS Assessment for Section 56 and 54 employees conducted	-	-	-	01 PMS Assessment for Section 56 and 54 employees conducted	None	None	Invitation, Attendance registers and assessment reports	Manager: Performance Management System

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
259			Performance assessments for units reporting to MM	Increased implementation of the Performance Management System	Number of assessments conducted for Managers reporting to the Municipal Manager	02 Assessments for all managers reporting to Municipal Manager conducted	01 Assessments for all managers reporting to Municipal Manager conducted	-	-	-	01 Assessments for all managers reporting to Municipal Manager conducted	None	None	Signed and Assessed performance compacts, Invitations , schedule of assessments and attendance register	Manager: Performance Management System
260			Rolling out PMS	Increased implementation of the Performance Management System	Number of PMS workshops conducted across the organization	18 PMS Rollout meetings conducted	12 PMS workshops conducted	-	-	-	18 PMS workshops conducted	Extra effort	None	Invitations , Agenda, and attendance registers	Manager: Performance Management System

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
261			Annual report	Efficient and Effective Administration	Number of annual reports developed	02 Reports Annual reports developed (draft and final annual report)	02 Annual reports for 2020/2021 developed and Submitted to all Stakeholders	-	-	-	02 Annual reports for 2020/2021 developed and Submitted to all Stakeholders	None	none	Draft and final audit report and council resolution , letter of submission to all stakeholders	Manager: Performance Management System
262			PMS Task Team Meetings	Increased implementation of the Performance Management System	Number of PMS task team sittings	04 Task team meetings held	02 Task Team Meetings	-	-	-	01 Task Team Meetings	The task team meetings are chaired by the MMC Corporate Services. At the time of the meeting, the chairperson was not available	The committee took a decision to hold task team meetings in line with council meetings	Agenda, Minutes, and attendance register	PMS Manager

3.5.2 INTEGRATED DEVELOPMENT PLANNING(IDP)

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual target	Ordinary/ budget	Revised Budget	Revised Target	APR 2022/2023			POEs	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
263	Ensuring integrated development planning and integrated Human settlement	Improve the IDP and budget planning process	IDP development	To develop a credible and implementable IDP	Strategic plans and IDP approved by 4th quarter	Strategic session and Approved IDP document	1 strategic session and approved IDP	R500 000	,		1 strategic session and approved IDP	None	None	Final IDP, Council resolution, Attendance register & agenda strategic session	Manager: Integrated Development Planning
264					IDP process plan approved by 1 st quarter	Approved process plan	1 approved process plan	Internal driven	,		1 approved process plan	None	None	Approved final process plan & council resolution	Manager: Integrated Development Planning
265			IDP public participations	To have proper community participation IDP	Number of public participations on IDP conducted	10 public participations held	12 consultations	R500 000	,		12 consultations	None	None	Agendas, attendance registers	Manager: Integrated Development Planning

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual target	Ordinary/ budget	Revised Budget	Revised Target	APR 2022/2023			POEs	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
266			IDP Gap Analysis	To have proper access on projects	Number of IDP Gap Analysis reports developed	2 Reports	IDP Mapping report	R950 000		-	0 IDP Mapping report	Project reprioritised for implementation in 2023/2024	None	None	Manager: Integrated Development Planning
267			IDP	Rural development strategy	Number of plans produced	No rural development plan for the municipality	01 Rural development plan	1 000 000		-	0 Rural development plan	The scope of work expanded beyond the available own-funded allocation	The project was budgeted to be implemented in 2023/2024. The tender is currently on specifications stage	Tender specification document	Manager: Integrated Development Planning
268			IDP	Amalgamation of IDP with SDF	Number of reports on Amalgamation of SDF and IDP	1 report on amalgamation of SDF and IDP	1 Final alignment report and functional GIS system	R700 000		-	1 Final alignment report and functional GIS system	None	None	Final alignment report and functional GIS system	Manager: Integrated Development Planning

3.5.3 INTERNAL AUDIT

KPI No	Strategic Goal	Strategic Objective	Functional Area	Objectives	KPI/ measurement	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
269	Sound Financial Management	Implement AG action plan and Improve audit outcome to clean audit	Internal Audit Documents	Improved functionality and accountability of governance structures	Reviewed IA charter, IA policy, AC charter & IA manual approved by the Audit Committee.	Reviewed IA charter, IA policy, AC charter & IA manual approved by the Audit Committee.	Reviewed IA charter, IA policy, AC charter & IA manual approved by the Audit Committee.	,			03 Reviewed IA charter, IA policy, AC charter & IA manual approved by the Audit Committee.	None	None	Signed IA Charter, IA Policy, AC Charter, and IA Manual	Chief Audit Executive
270			Internal Audit Strategic Plan & Annual Plan	Improved functionality and accountability of governance structures	2022/2023 annual plan and three-year strategic plan approved by the Audit Committee.	2021/2022 annual plan and three-year strategic plan approved by the Audit Committee.	2022/2023 annual plan and three-year strategic plan approved by the Audit Committee.	,			2022/2023 annual plan and three-year strategic plan approved by the Audit Committee.	None	None	Signed Annual plan	Chief Audit Executive

KPI No	Strategic Goal	Strategic Objective	Functional Area	Objectives	KPI/ measurement	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
270				Improved functionality and accountability of governance structures	Number of audit reports on the Implementation of IA plan	15 Reports for 2021/2022 financial year	15 Reports for 2022/2023 financial year				17 Reports for 2022/2023 financial year	None	None	Issued Internal Audit reports	Chief Audit Executive
271			Follow up reviews on previous queries raised	Improved functionality and accountability of governance structures	Submission of Quarterly reports to management and AC	04 reports submitted to management and Audit Committee.	04 reports to management and Audit Committee.				04 reports to management and Audit Committee.	None	None	Follow-up reports	Chief Audit Executive
272			Follow up on audit committee resolutions	Improved functionality and accountability of governance structures	Number of reports on implementation of audit committee resolutions.	04 reports submitted to the Audit Committee.	04 reports to Audit Committee.				04 reports to Audit Committee.	None	None	Updated AC resolution	Chief Audit Executive

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	Objectives	KPI/ measurement	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
273			Audit committing	Improved functionality and accountability of governance structures	Number of audit committee meetings	06 meetings for 2021/2022 financial year	06 meetings for 2021/2023 financial year				07 meetings for 2021/2023 financial year	None	None	Attendance Register and minutes of the meetings held	Chief Audit Executive
274			Reports to council	Improved functionality and accountability of governance structures	Number of reports to council	04 Quarterly reports to council	04 Quarterly reports to council				05 Quarterly reports to council	None	None	Quarterly Reports to council	Chief Audit Executive

3.5.4 RISK MANAGEMENT

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
275	To build a capable and high performing municipality	Create awareness and buy-in to BLM strategy	Risk management implementation plan	Increased implementations of governance policies and internal control	Number of risk management implementation plan developed	01 Implementation Plan developed by 4th Quarter of 2021/2022	01 risk management implementation plans and 02 monitoring action reports				03 risk management implementation plans and 02 monitoring action reports	None	None	Approved Risk Management Implementation Plan and Monitoring reports	Manager : Risk Management
276			Risk management report	Increased implementations of governance policies and internal control	Number of Risk management reports	04 Risk management reports done	04 Risk Management reports				04 Risk Management reports	None	None	RMC and Audit Committee Reports	Manager : Risk Management
277			Strategic risk assessment	Increased implementations of governance policies and internal control	Number of strategic risks register by 4th quarter	strategic risk registers for 2021/2022 developed	04 strategic risk register				04 strategic risk register	None	None	Strategic risk Register and Attendance register	Manager : Risk Management

ANNUAL PERFORMANCE REPORT
2022/2023

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicator	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
278			Operational risk assessment	Risk assessment on both strategic and operation assessment	Number of operational risk register developed by 1 st quarter	1 Operational register	04 Operational risk register reports				03 Operational risk register reports	None	None	Operational Risk Register and Attendance register	Manager : Risk Management
279			Risk management enabling documents	To ensure that all relevant policy documents are developed and reviewed timeously for the proper running of risk management	Number of risk management policies, strategies / frameworks reviewed	Risk Policy, Strategy, RMC, and Audit Committee have approved Charter	04 Risk Policy documents adopted by council				0 Risk Policy documents adopted by council	None	None	Approved Risk Policy documents	Manager : Risk Management
280			Risk committee sitting	Ensure effectiveness of Risk Management Committee	Number of risk committee sittings	3 Risk Committee Meetings held	04 Risk Meetings				04 Risk Meetings	None	None	Minutes of RMC and attendance registers	Manager : Risk Management

3.5.5 COMMUNICATION

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicators	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
281	To build a capable and high performing municipality	Improve communication strategy	Customer Care and Complaints Management	Improved and Seamless Customer Relations and Complaints Management process	Number of customer care and complaints management meetings held	04 customer care and complaints management meeting	04 customer care and complaints management meeting				04 customer care and complaints management meeting	None	None	Complaints Registers and attendance registers	Manager Communication
282			Effective and Improved communication both internal and external	Improved communication channels and positive media relations	Number of media statements and notices to be issued, uploaded on the website and social media accounts	20 Media statements and 40 notices, uploaded on the website social media accounts	20 Media statements and 40 notices, uploaded on the website social media accounts				20 Media statements and 40 notices, uploaded on the website social media accounts	None	None	Media statements, Notices, website monthly reports	Manager: Communication

KPI No	Strategic Goal	Strategic Objective	Functional Area	KPI Objectives	Key Performance Indicators	Baseline	Annual Target	Ordinary Budget	Revised Budget	Revised Target	APR 2022/2023			POE	Responsible Manager
											Annual Performance	Reason for Variance	Improvement Measures		
283			Newsletter Production and Delivery	Improved communication channels and media relations	Number of newsletters produced and distributed	40 000 copies of the newsletters issued	40,000 copies of the newsletter to the targeted areas.				10,000 copies of the newsletter to the targeted areas.			Newsletters and distribution registers	Manager: Communication
284			Establish And Maintain Media Relations, Media Monitoring and Analysis	Improved communication channels and media relations	Number of reports on implementation of the SLA's signed with local media houses.	3 SLA signed with local media houses in 2021/2022	12 reports on implementation reports of SLA's				12 reports on implementation reports of SLA's	None	None	SLA's Media monitoring and Analysis reports	Manager: Communication

4. CONCLUSION

	<p>The purpose of this 2022/2023 Annual Performance Report is to make it possible for the relevant stakeholder groups to evaluate progress made by the municipality towards achieving its vision and mission. This plan is critical to aligning IDP and budget regarding service delivery KPA and other related KPA.</p> <p>The goal is to ensure full implementation of planning and submission of accurate data, making it possible for the BLM communities to track and trace the movement of IDP projects and programs.</p> <p>Regardless, it is anticipated that this plan does justice to the situation on the ground and achieves what it purports to achieve.</p>

5. AUTHORISATION AND APPROVAL OF THE ANNUAL PERFORMANCE REPORT

TITLE	SURNAME AND INITIALS	COMMENTS	SIGNATURE	DATE
MUNICIPAL MANAGER	NGOBENI J	RECOMMENDED		30 November 2023
EXECUTIVE MAYOR	NXUMALO C. S.	APPROVED		30 November 2023

APPENDIX B: REPORT OF EXTERNAL SERVICE PROVIDERS FINANCE 2022/2023 FY

1. ANAKA GROUP (MAAA0276888) & PRINT IT SOLUTIONS (MAAA0943917)

BLM had a Service Level Agreement with Anaka Group for rental of photo copiers, servicing, and supply of printer cartridges. The contract with Anaka was terminated in January 2023 and Print IT Solution Started in February 2023. The total expenditure as at 30 June 2023 financial year is R 9,062,249.82. The tables below reflect the Expenditure incurred during the financial year.

ANAKA GROUP						
			Amounts			Responsible Official
Date	Objective	Invoice No.	Invoice	Paid	Date	
21/03/2023	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV11449	795,083.26	795,083.26	24/03/2023	CFO
29/03/2023	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV11606 / 11607	857,713.01	857,713.01	15/04/2023	CFO
24/04/2023	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV11910	443,565.70	443,565.70	23/05/2023	CFO
24/04/2023	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV11932	427,780.68	427,780.68	30/05/2023	CFO
24/05/2023	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV12142	443,565.70	443,565.70	20/06/2023	CFO
24/05/2023	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV12197	451,314.68	886,138.02	28/06/2023	CFO
21/06/2023	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV12196	434,823.34			
PRINT IT SOLUTION						
			Amounts			Responsible Official
Date	Objective	Invoice No.	Invoice	Paid	Date	
				693,671.39	15/07/2022	CFO
25/07/2022	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV10175	690,379.57	690,379.57	05/08/2022	CFO
24/08/2022	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV10400	671,737.67	671,737.67	02/09/2022	CFO
26/09/2022	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV10567	656,484.01	656,484.01	08/10/2022	CFO
24/10/2022	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV10724	637,719.11	637,719.11	07/11/2022	CFO
23/11/2022	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV10899	645,822.47	645,822.47	08/12/2022	CFO
14/12/2022	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV11025	601,749.93	601,749.93	19/01/2023	CFO
25/01/2023	PHOTO COPY RENTAL & CONSUMABLES	IN-GRV11072	610,839.30	610,839.30	16/02/2023	CFO

2. VALUERS AFRIKA (MAAA0127506)

BLM signed a Service Level Agreement for five (5) years which commenced on 01/07/2019 until 30th June 2024. The expenditure as at 30th June 2023 is R 344,993.95. The service provider was appointed to assist the municipality with the compilation of a General Valuation Roll as well as updating it annually with the Supplementary Valuation Roll for the duration of the agreement. The table below reflect the expenditure incurred during the financial year.

VALUERS AFRIKA						
Date	Objective	Invoice No.	Amounts			Responsible Official
			Invoice	Paid	Date	
29/03/2023	VALUATION ROLL CONSULTANT	INV104847/ 4871/ 4876/ 4903/ 4939	128,400.00	128,400.00	29/03/2023	CFO
30/04/2023	VALUATION ROLL CONSULTANT	INV105063,105091,105112	216,593.95	216,593.95	9/6/2023	CFO

3. SEMPRO (MAAA0240679)

BLM has signed a Service Level Agreement with SEMPRO and the expenditure as at 30th June 2023 is R 2,608,705.30. The service provider was appointed to assist the municipality with the Asset Management. The table below reflect the expenditure incurred during the financial year.

SEMPRO						
Date	Objective	Invoice No.	Amounts			Responsible Official
			Invoice	Paid	Date	
30/11/2022	ASSET MANAGEMENT CONSULTANT	IN-GRV11012	2,608,705.30	2,608,705.30	29/12/2022	CFO

4. CCG SYSTEMS (MAAA0082293)

BLM has a Service Level Agreement with CCG Systems for the implementation of MSCOA. The expenditure as at 30th June 2023 is R 6,364,038.80. The table below reflect the expenditure incurred during the financial year.

CCG SYSTEMS						
Date	Objective	GRV/Invoice No.	Amounts			Responsible Official
			Invoice	Paid	Date	
	mSCOA CONSULTANT			30,648.93	01/07/2022	CFO
	mSCOA CONSULTANT			28,813.30	19/07/2022	CFO
	mSCOA CONSULTANT			11,525.00	21/07/2022	CFO
31/08/2022	mSCOA CONSULTANT	IN-GRV10502	169,062.00	169,062.00	30/09/2022	CFO
31/08/2022	mSCOA CONSULTANT	IN-GRV10503	8,205.00	8,205.00	30/09/2022	CFO
31/08/2022	mSCOA CONSULTANT	IN-GRV10504	169,062.00	169,062.00	30/09/2022	CFO
31/08/2022	mSCOA CONSULTANT	IN-GRV10505	17,855.60	17,855.60	30/09/2022	CFO
27/09/2022	mSCOA CONSULTANT	IN-GRV10771	169,062.00	371,124.00	17/11/2022	CFO
04/10/2022	mSCOA CONSULTANT	IN-GRV10774	33,000.00			
31/10/2022	mSCOA CONSULTANT	IN-GRV10770	169,062.00			
31/10/2022	mSCOA CONSULTANT	IN-GRV10792	6,465.00	305,204.60	07/12/2022	CFO
15/11/2022	mSCOA CONSULTANT	IN-GRV10791	197,200.00			
15/11/2022	mSCOA CONSULTANT	IN-GRV10793	101,539.60			
12/12/2022	mSCOA CONSULTANT	INV19821	71,907.29	71,907.29	17/01/2023	CFO
18/01/2023	mSCOA CONSULTANT	IN-GRV11272	56,833.92	56,833.92	08/03/2023	CFO
01/02/2023	mSCOA CONSULTANT	IN-GRV11135	794,986.66	794,986.66	28/02/2023	CFO
15/03/2023	mSCOA CONSULTANT	IN-GRV11419	67,762.50	67,762.50	22/03/2023	CFO
31/03/2023	mSCOA CONSULTANT	INV20477	169,062.00	169,062.00	06/04/2023	CFO
10/05/2023	mSCOA CONSULTANT	IN-GRV12272	110,000.00	110,000.00	30/06/2023	CFO
01/06/2023	mSCOA CONSULTANT	IN-GRV12093	3,981,986.00	3,981,986.00	15/06/2023	CFO

5. TRUVELO TRAFFIC SOLUTION (MAAA0087787)

BLM has signed a Service Level Agreement with TRUVELO and the expenditure as at 30th June 2023 is **R 4,336,723.26**. The service provider was appointed to assist the municipality with traffic fine Management. The table below reflect the expenditure incurred during the financial year.

TRUVELO TRAFFIC SOLUTIONS						
Date	Objective	GRV/Invoice No.	Amounts			Responsible Official
			Invoice	Paid	Date	
07/07/2022	TRAFFIC FINE CONSULTANT	IN-GRV10342	124,775.00	249,550.00	25/08/2022	CFO
02/08/2022	TRAFFIC FINE CONSULTANT	IN-GRV10341	124,775.00			
02/09/2022	TRAFFIC FINE CONSULTANT	IN-GRV10543	137,252.50	137,252.50	30/09/2022	CFO
02/11/2022	TRAFFIC FINE CONSULTANT	IN-GRV10740	137,252.50	137,252.50	09/11/2022	CFO
02/12/2022	TRAFFIC FINE CONSULTANT	IN-GRV10887	137,252.50	137,252.50	12/12/2022	CFO
09/01/2023	TRAFFIC FINE CONSULTANT	IN-GRV11029	137,252.50	137,252.50	20/01/2023	CFO
06/02/2023	TRAFFIC FINE CONSULTANT	IN-GRV11029	137,252.50	137,252.50	16/02/2023	CFO
23/02/2023	TRAFFIC FINE CONSULTANT	IN-GRV11059	2,989,153.26	2,989,153.26	01/03/2023	CFO
18/04/2023	TRAFFIC FINE CONSULTANT	IN-GRV11586	137,252.50	137,252.50	03/04/2023	CFO
05/05/2023	TRAFFIC FINE CONSULTANT	IN-GRV11766	137,252.50	137,252.50	03/04/2023	CFO
01/06/2023	TRAFFIC FINE CONSULTANT	IN-GRV12059	137,252.50	137,252.50	09/06/2023	CFO

6. PK FINANCIAL CONSULTANT (MAAA0178633)

BLM has signed a Service Level Agreement with PK FINANCIAL and the expenditure as at 30th June 2023 is R 6,578,028.32. The service provider was appointed to assist the municipality with VAT recovery. The table below reflect the expenditure incurred during the financial year.

PK FINANCIAL CONSULTANT						
Date	Objective	GRV/Invoice No.	Amounts			Responsible Official
			Invoice	Paid	Date	
09/11/2022	VAT RECOVERY	INV3029	2,974,389.80	2,974,389.80	09/12/2022	CFO
30/11/2022	VAT RECOVERY	INV3030	2,810,919.03	2,810,919.03	12/12/2022	CFO
28/02/2023	VAT RECOVERY	INV3032	792,719.49	792,719.49	05/05/2023	CFO
30/06/2023	VAT RECOVERY	INV3031	1,295,670.94			CFO
30/06/2023	VAT RECOVERY	INV3033	1,140,008.34			CFO

This report was prepared by the office of the CFO as a true reflection of the external services provider performance under finance section. Signed by Ms. T. Mathabatha (CFO).



BUSHBUCKRIDGE

LOCAL MUNICIPALITY

Audited
By

2023 -11- 3rd

Auditor General South Africa
Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

General Information

LEGAL FORM OF ENTITY

Municipality in terms of section 9f the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of Republic of South Africa (Act 108 of 1996)

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Provision of municipal services in terms of the Municipal Systems Act No.32 of 2000 (MSA) and Municipal Finance Management Act No.56 of 2003 (MFMA)

MEMBERS OF COUNCIL

Member of Mayoral Committee

Cllr CS Nxumalo : Executive Mayor
Cllr BR Rakganya : Speaker
Cllr BW Malandule BW : Chief Whip
Cllr VN Mzimba : Social Development)
Cllr ML Lekhuleni : MPAC: Chairperson
Cllr S Mathebula : Corporate Services
Cllr TW Ngomane: Finance
Cllr MP Gumede : Sport,Culture & Heritage
Cllr ML Nkuna : Technical Services
Cllr P Gubayi : EDPE Services
Cllr PM Sambo : Public Safety
Cllr LM Lekhuleni: MPAC Chairperson

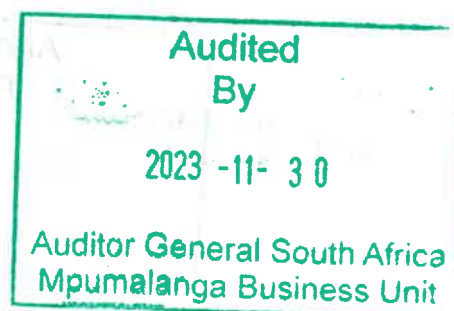
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Bushbuckridge Local Municipality

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

General Information

Councillors

Clrr DV Mdluli
Clrr SO Makhubela
Clrr R Qhibi
Clrr SC Malomane
Clrr ST Mkhabela
Clrr K Nukeri
Clrr L Matsie
Clrr AW Hlatshwayo
Clrr SO Malatsie
Clrr GB Sebatane
Clrr M Mangani
Clrr S Khumalo
Clrr C Mnisi
Clrr KR Mashile
Clrr PM Sambo
Clrr E Mashele
Clrr TT Mapaila
Clrr MG Mbazima
Clrr OK Mokoena
Clrr LM Mashile
Clrr GW Nziyane
Clrr ML Monareng
Clrr RJ Ngomane
Clrr T Nxumalo
Clrr VJ Mokgotho
Clrr KJ Shabangu
Clrr MP Mashego
Clrr MH Mpangane
Clrr Z Nyathi
Clrr P Matlhavane
Clrr EE Mabunda
Clrr T Mthombeni
Clrr BM Mpangana
Clrr JT Madalane
Clrr RS Mashego
Clrr E Mashego
Clrr TR Mashigo
Clrr A Mkonto
Clrr D Ngobeni
Clrr BN Ngobeni
Clrr ST Mahlakoane
Clrr JB Malomane
Clrr BS Mametja
Clrr A Mashaba
Clrr N Mogane
Clrr SM Hlatywayo
Clrr G Shabangu
Clrr TM Shabangu
Clrr S Sithole
Clrr TG Nzima
Clrr RH Mokoena
Clrr A Mokoena
Clrr BP Mngomezulu
Clrr BY Mnisi
Clrr G Mashego
Clrr HP Thobakgale
Clrr F Mchandze
Clrr ML Ndlovu
Clrr KI Dube
Clrr AM Mathebula
Clrr IS Mashava
Clrr HE Sihlabela
Clrr SH Kubayi

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Johannesburg
Durban
Cape Town
Natal
KwaZulu-Natal
Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

General Information

GRADING OF LOCAL AUTHORITY	4
CHIEF FINANCIAL OFFICER (CFO)	Ms. T Mathabatha (Appointed 1 December 2022) Mr. MB Matlala (Acting CFO until 30 November 2022)
ACCOUNTING OFFICERS	Mr J Ngobeni (Appointed 1 February 2023) Mr AM Mnisi (Acting from 2 November 2022-31 January 2023) Mrs. CA Nkuna (Term ended on 1 November 2022)
REGISTERED OFFICE	R533 Graskop Road Bushbuckridge 1280
POSTAL ADDRESS	Private Bag X9308 Bushbuckridge 1280
BANKERS	First National Bank Limited Standard Bank of South Africa Limited
AUDITORS	The Auditor General South Africa (AGSA)

Audited
By
2023 -11- 30
Auditor General South
Mpumalanga Business

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Contents

The reports and statements set out below comprise the annual financial statements presented to the Council:

	PAGE
Accounting Officer's Responsibilities and Approval	5
Audit Committee Report	6
Accounting Officer's Report	7 - 8
Statement of Financial Position	9
Statement of Financial Performance	10
Statement of Changes in Net Assets	11
Cash Flow Statement	12
Statement of Comparison of Budget and Actual for the year ending 30 June 2023	13 - 18
Accounting Policies for the year ending 30 June 2023	19 - 46
Notes to the Annual Financial Statements for the year ending 30 June 2023	47 - 84

Abbreviations used:

AGSA	Auditor General South Africa
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
FMG	Finance Management Grant
EPWP	Expanded Public Works Programme
EEDG	Energy Efficiency Demand Grant
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
VAT	Valued Added Tax
DORA	Division of Revenue Act
MIG	Municipal Infrastructure Grant



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Officer's Responsibilities and Approval

The accounting officers are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officers to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officers acknowledge that they are ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officers to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officers are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officers have reviewed the municipality's cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, they are satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

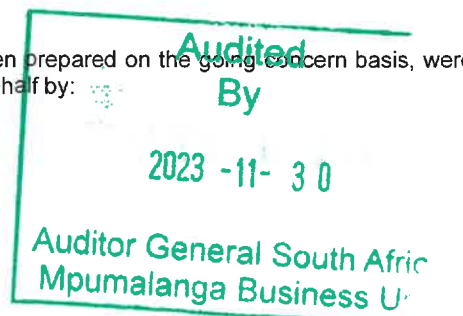
The municipality is wholly dependent on the municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 7.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the accounting officer on 30 August 2023 and were signed on its behalf by:

Mr J Ngobeni
Accounting Officer



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2023.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The audit committee consists of the members listed hereunder and meet on a regular basis as per its approved terms of reference. During the current year seven number of meetings were held.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Ms. P Mokgope (Chairperson)	7
Advocate G. Khoza	7
Ms. P Ntuli (CA,SA)	6
Mr.K Mhlongo	7
Mr. J Ngoben (Resigned 30 January 2023)	4

AUDIT COMMITTEE RESPONSIBILITY

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

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

THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal controls applied by the municipality over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The quality of in year management and monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act.

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the municipality during the year under review.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The audit committee has:

- reviewed and discussed the unaudited annual financial statements, annual performance information with management and were satisfied.

INTERNAL AUDIT

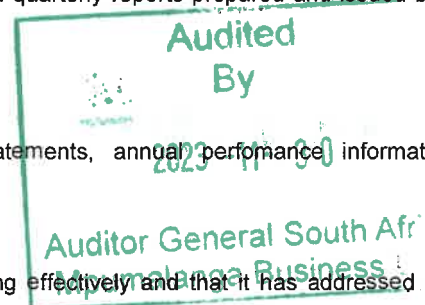
The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

AUDITOR-GENERAL OF SOUTH AFRICA

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Chairperson of the Audit Committee

Date: _____



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Officer's Report

The accounting officers submit their report for the year ended 30 June 2023.

1. REVIEW OF ACTIVITIES

MAIN BUSINESS AND OPERATIONS

The municipality is engaged in provision of municipal services in terms of the municipal systems act no.32 of 2000 (MSA) and Municipal Finance Management Act no.56 of 2003 (MFMA) and operates in South Africa.

Net surplus of the municipality was 2023 R 480,625,173 (2022: R 349,798,954).

2. GOING CONCERN

We draw attention to the fact that at 30 June 2023, the municipality had an accumulated surplus (deficit) 6,381,757,649 and that the municipality's total assets exceed its liabilities by 6,381,757,649.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The municipality is a going concern based on the following;

- Current assets exceed current liabilities
- Under DORA the municipality has been allocated funds for three years 2023/24 to 2025/26
- There is no indication of a possibility of default by the government in paying grants under the Act. This is corroborated by experience where National Treasury has met its obligations year on year and has therefore created a constructive obligation.
- In addition the municipality collects revenue for services rendered and this will augment cashflows in subsequent years.

3. SUBSEQUENT EVENTS

The accounting officers are not aware of any matter or circumstance arising since the end of the financial year.

4. ACCOUNTING OFFICERS' INTEREST IN CONTRACTS

The Accounting Officer has completed the declaration of interest as is required in terms of Supply Chain Regulations.

5. ACCOUNTING POLICIES

The annual financial statements prepared in accordance with the MFMA and standards of GRAP including any interpretations of such Statements issued by the Accounting Standards Board and as per the prescribed framework by National Treasury.

6. ACCOUNTING OFFICER

The accounting officers of the municipality during the year and to the date of this report are as follows:

Name	Nationality	Changes
Mr J Ngobeni	South African	Appointed Wednesday, 01 February 2023
Mr AM Mnisi	South African	Appointed Wednesday, 02 November 2022
Mrs. CA Nkuna	South African	Term ended 1 November 2022

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Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Officer's Report

7. CORPORATE GOVERNANCE

GENERAL

The accounting officer are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The municipality confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King IV Report on Corporate Governance for South Africa 2002. The accounting officer discuss the responsibilities of management in this respect, at Board meetings and monitor the municipality's compliance with the code on a regular basis.

MANAGEMENT MEETINGS

The accounting officer have met the directors on separate occasions during the financial year. The accounting officer schedule to meet with senior management at least once per month.

INTERNAL AUDIT

The municipality has its own internal audit function. This is in compliance with the Municipal Finance Management Act, 2003.

8. BANKERS

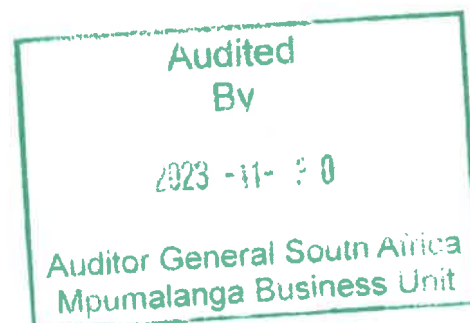
The municipality's bankers did not change during the year under review. First National Bank Limited and Standard Bank were the bankers of the municipality.

9. AUDITORS

The Auditor General South Africa (AGSA) will continue in office for the next financial period.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2023 and were signed on its behalf by:

Mr J Ngobeni
Accounting Officer



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Inventories	6	34,226,689	16,170,455
Receivables from non-exchange transactions	7	751,210,138	745,905,863
VAT receivable	8	37,672,875	12,151,330
Prepayments	9	4,750,168	10,402,142
Receivables from exchange transactions	10	291,120,677	204,963,832
Cash and cash equivalents	11	206,591,710	343,511,246
		1,325,572,257	1,333,104,868
Non-Current Assets			
Investment property	3	144,045,581	144,672,676
Property, plant and equipment	4	5,409,005,783	4,827,402,912
Intangible assets	5	255,485	616,957
		5,553,306,849	4,972,692,545
Total Assets		6,878,879,106	6,305,797,413
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	273,755,850	234,626,000
Consumer deposits	13	2,514,854	2,514,473
Unspent conditional grants and receipts	14	48,769,177	-
Provisions	15	68,839,638	66,373,450
		393,879,519	303,513,923
Non-Current Liabilities			
Provisions	15	103,241,938	101,151,019
Total Liabilities		497,121,457	404,664,942
Net Assets		6,381,757,649	5,901,132,471
Accumulated surplus		6,381,757,649	5,901,132,471
Total Net Assets		6,381,757,649	5,901,132,471

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* See Note 46

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	16	118,819,559	112,140,794
Rental of facilities and equipment	17	1,066,490	1,012,385
Interest received	18	18,636,744	6,586,676
Agency income	19	14,814,487	14,833,975
Licences and permits	20	246,594	3,188,576
Operating income	21	6,856,912	3,891,494
Interest earned- outstanding exchange receivables	22	47,034,570	22,456,713
Total revenue from exchange transactions		207,475,356	164,110,613
Revenue from non-exchange transactions			
TAXATION REVENUE			
Property rates	23	251,708,461	242,892,362
Interest earned- outstanding non-exchange receivables	24	115,545,722	81,652,843
TRANSFER REVENUE			
Government grants and subsidies	25	1,484,707,222	1,351,569,454
Public contributions and donations	26	9,945,360	6,563,840
Fines and penalties	27	3,901,282	1,957,295
Total revenue from non-exchange transactions		1,865,808,047	1,684,635,794
Total revenue		2,073,283,403	1,848,746,407
Expenditure			
Employee related costs	28	(631,851,901)	(592,202,081)
Remuneration of councillors	29	(31,804,302)	(26,847,377)
Depreciation and amortisation	30	(157,189,055)	(139,893,231)
Finance costs	31	(11,662,677)	(8,825,789)
Debt impairment	32	(334,338,620)	(233,736,701)
Bad debts written off	33	(96,875)	(89,177,062)
Contracted services	34	(303,772,149)	(304,235,681)
Transfers and subsidies	35	(12,070,891)	(3,073,201)
General Expenses	36	(108,622,626)	(111,026,561)
Total expenditure		(1,591,409,096)	(1,509,017,684)
Operating surplus		481,874,307	339,728,723
Gain/(Loss) on disposal of assets	38	(10,139,676)	(3,064,795)
Actuarial (losses)/gains	39	2,168,204	998,932
Gain/(loss) on provisions	40	6,986,393	12,136,094
Impairment loss	41	(264,055)	-
		(1,249,134)	10,070,231
Surplus for the year		480,625,173	349,798,954

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* See Note 46

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance as previously reported at 30 June 2021	5,497,901,998	5,497,901,998
Correction of errors - (see Note 46)	53,431,528	53,431,528
Restated balance as at 1 July 2021	5,551,333,517	5,551,333,517
Surplus for the year	349,798,954	349,798,954
Total changes	349,798,954	349,798,954
Balance at 1 July 2022	5,901,132,476	5,901,132,476
Surplus for the year	480,625,173	480,625,173
Total changes	480,625,173	480,625,173
Balance at 30 June 2023	6,381,757,649	6,381,757,649

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* See Note 46

Bushbuckridge Local Municipality

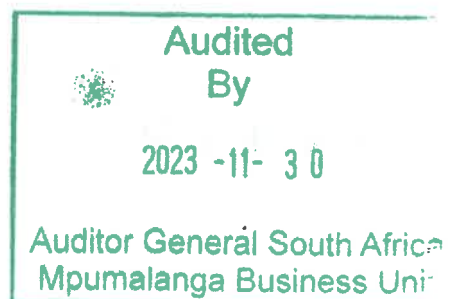
(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		239,335,835	254,208,253
Grants		1,533,476,399	1,350,431,399
Interest income		18,636,744	6,586,676
		<u>1,791,448,978</u>	<u>1,611,226,328</u>
Payments			
Employee costs		(660,051,139)	(621,443,573)
Suppliers		(528,795,817)	(486,989,042)
Finance costs		(1,259,830)	(385,966)
		<u>(1,190,106,786)</u>	<u>(1,108,818,581)</u>
Net cash flows from operating activities	42	<u>601,342,192</u>	<u>502,407,747</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	<u>(738,261,728)</u>	<u>(487,416,270)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash and cash equivalents		(136,919,536)	14,991,477
Cash and cash equivalents at the beginning of the year		343,511,246	328,519,769
Cash and cash equivalents at the end of the year	11	<u>206,591,710</u>	<u>343,511,246</u>

The accounting policies on pages 19 to 46 and the notes on pages 47 to 84 form an integral part of the annual financial statements.



* See Note 46

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual for the year ending 30 June 2023

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	131,387,000	-	131,387,000	118,819,559	(12,567,441)	A1
Rental of facilities and equipment	1,050,000	-	1,050,000	1,066,490	16,490	
Interest received	28,902,000	-	28,902,000	18,636,744	(10,265,256)	A2
Agency income	13,650,000	-	13,650,000	14,814,487	1,164,487	
Licences and permits	5,180,000	-	5,180,000	246,594	(4,933,406)	A3
Operating income	95,024,000	96,001,000	191,025,000	6,856,912	(184,168,088)	A4
Interest earned-outstanding exchange receivables	115,689,000	-	115,689,000	47,034,570	(68,654,430)	A5
Total revenue from exchange transactions	390,882,000	96,001,000	486,883,000	207,475,356	(279,407,644)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	255,631,000	-	255,631,000	251,708,461	(3,922,539)	
Interest-outstanding non exchange receivables	-	-	-	115,545,722	115,545,722	A6
Transfer revenue						
Transfers and subsidies	1,483,014,000	-	1,483,014,000	1,484,707,222	1,693,222	
Public contributions and donations	-	-	-	9,945,360	9,945,360	A7
Fines and penalties	3,221,000	-	3,221,000	3,901,282	680,282	A7(a)
Total revenue from non-exchange transactions	1,741,866,000	-	1,741,866,000	1,865,808,047	123,942,047	
Total revenue	2,132,748,000	96,001,000	2,228,749,000	2,073,283,403	(155,465,597)	
Expenditure						
Employee related costs	(636,382,000)	(1,000)	(636,383,000)	(631,851,901)	4,531,099	
Remuneration of councillors	(27,796,000)	-	(27,796,000)	(31,804,302)	(4,008,302)	A7(b)
Depreciation and amortisation	(150,150,000)	(40,000,000)	(190,150,000)	(157,189,055)	32,960,945	A8
Impairment loss	-	-	-	(264,055)	(264,055)	
Finance costs	(500,000)	-	(500,000)	(11,662,677)	(11,162,677)	A9
Debt Impairment	(220,557,000)	(100,000,000)	(320,557,000)	(334,338,620)	(13,781,620)	A10
Bad debts written off	-	-	-	(96,875)	(96,875)	
Contracted services	(192,372,000)	(22,388,000)	(214,760,000)	(308,772,149)	(89,012,149)	A11
Transfer and subsidies	(8,750,000)	100,000	(8,650,000)	(12,070,891)	(3,420,891)	
General expenses	(175,492,000)	(13,672,000)	(189,164,000)	(108,622,626)	80,541,374	A12
Total expenditure	(1,411,999,000)	(175,961,000)	(1,587,960,000)	(1,591,673,151)	(3,713,151)	
Operating surplus	720,749,000	(79,960,000)	640,789,000	481,610,252	(159,178,748)	
(Loss)/Gain on disposal of assets	2,100,000	-	2,100,000	(10,139,676)	(12,239,676)	A13
Actuarial gains/losses	-	-	-	2,168,204	2,168,204	A14
Gain on provisions	-	-	-	6,986,393	6,986,393	A15

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual for the year ending 30 June 2023

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
	2,100,000	-	2,100,000	(985,079)	(3,085,079)	
Surplus before taxation	722,849,000	(79,960,000)	642,889,000	480,625,173	(162,263,827)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	722,849,000	(79,960,000)	642,889,000	480,625,173	(162,263,827)	
Reconciliation						

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Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual for the year ending 30 June 2023

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	16,047,000	3,400,000	19,447,000	34,226,689	14,779,689	B1
Receivables from non-exchange transactions	645,749,000	44,367,000	690,116,000	751,210,138	61,094,138	B2
VAT receivable	-	-	-	2,711,895	2,711,895	B3
Prepayments	-	-	-	4,750,168	4,750,168	B4
Receivables from exchange transactions	414,553,000	(78,405,000)	336,148,000	291,120,677	(45,027,323)	B5
Cash and cash equivalents	437,018,000	(70,345,000)	366,673,000	206,591,710	(160,081,290)	B6
	1,513,367,000	(100,983,000)	1,412,384,000	1,290,611,277	(121,772,723)	
Non-Current Assets						
Investment property	12,759,000	195,000	12,954,000	144,045,581	131,091,581	B7(a)
Property, plant and equipment	5,153,140,000	(113,038,000)	5,040,102,000	5,409,005,783	368,903,783	B7
Intangible assets	2,973,000	10,625,000	13,598,000	255,485	(13,342,515)	B8
	5,168,872,000	(102,218,000)	5,066,654,000	5,553,306,849	486,652,849	
Total Assets	6,682,239,000	(203,201,000)	6,479,038,000	6,843,918,126	364,880,126	
Liabilities						
Current Liabilities						
Payables from exchange transactions	236,705,000	120,242,000	356,947,000	273,755,850	(83,191,150)	B9
VAT payable	-	-	-	(34,960,980)	(34,960,980)	B3
Consumer deposits	2,510,000	4,000	2,514,000	2,514,854	854	
Unspent conditional grants and receipts	-	-	-	48,769,177	48,769,177	B4(a)
Provisions	-	-	-	68,839,638	68,839,638	B5 (a)
	239,215,000	120,246,000	359,461,000	358,918,539	(542,461)	
Non-Current Liabilities						
Provisions	108,596,000	(1,699,000)	106,897,000	103,241,938	(3,655,062)	B5
Total Liabilities	347,811,000	118,547,000	466,358,000	462,160,477	(4,197,523)	
Net Assets	6,334,428,000	(321,748,000)	6,012,680,000	6,381,757,649	369,077,649	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	6,334,428,000	(321,748,000)	6,012,680,000	6,381,757,649	369,077,649	

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Bushbuckridge Local Municipality

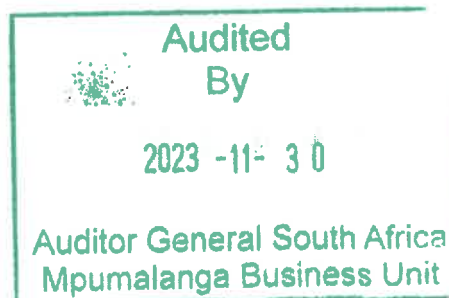
(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual for the year ending 30 June 2023

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Receipts	332,249,000	29,417,000	361,666,000	239,335,835	(122,330,165)	C1
Grants	1,483,014,000	-	1,483,014,000	1,533,476,399	50,462,399	
Interest income	55,531,000	(2,314,000)	53,217,000	18,636,744	(34,580,256)	C3
	1,870,794,000	27,103,000	1,897,897,000	1,791,448,978	(106,448,022)	
Payments						
Suppliers and employee costs	(1,032,040,000)	(50,658,000)	(1,082,698,000)	(1,188,846,957)	(106,148,957)	
Finance costs	(500,000)	-	(500,000)	(1,259,830)	(759,830)	C2
Transfers and subsidies	(8,750,000)	100,000	(8,650,000)	-	8,650,000	
	(1,041,290,000)	(50,558,000)	(1,091,848,000)	(1,190,106,787)	(98,258,787)	
Net cash flows from operating activities	829,504,000	(23,455,000)	806,049,000	601,342,191	(204,706,809)	
Cash flows from investing activities						
Purchase of property, plant and equipment and intangible assets	(722,851,000)	(60,040,000)	(782,891,000)	(738,261,728)	44,629,272	
Proceeds from sale of property, plant and equipment & intangible assets	1,845,000	(1,845,000)	-	-	-	
Net cash flows from investing activities	(721,006,000)	(61,885,000)	(782,891,000)	(738,261,728)	44,629,272	
Net increase/(decrease) in cash and cash equivalents	108,498,000	(85,340,000)	23,158,000	(136,919,537)	(160,077,537)	
Cash and cash equivalents at the beginning of the year	328,520,000	14,996,000	343,516,000	343,511,246	(4,754)	
Cash and cash equivalents at the end of the year	437,018,000	(70,344,000)	366,674,000	206,591,709	(160,082,291)	
Reconciliation						



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual for the year ending 30 June 2023

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Variances of more than 10% between actual results and budgeted amounts are considered material and explanation for these variances are included below.

- A1. Service charges - the tariff increment applied as well as damaged meter replacements.
- A2. Interest received - the intended position was to maintain positive bank accounts and increase some investment amounts. In call accounts but this was not the case as the funds were utilised for emergencies hence low bank balances were kept.
- A3. License and permits - there was a circular from National Treasury not to levy any business licensing on all small business.
- A4. Operating income - the municipality had investments in the bank, budgeted to implement projects utilising the savings. The amount in the bank was budgeted under other income as it was considered to have been 100% received at the beginning of the year. The actual amounts relate to proof of residence, sale of tender documents etc.
- A5. The debtors' balances were reduced in the current year through interest write-off, thus interest billing was lower than anticipated.
- A6. Interest earned outstanding exchange receivables - the budget for interest was not split between exchange and non-exchange billing.
- A7. The municipality received donations from various organisations which was not anticipated.
- A8. Sufficient budget was set aside for ageing infrastructure depreciation and current year additions.
- A9. Late payment of suppliers, interest cost for landfill and long service awards impacted the finance cost.
- A10. Low revenue collection from households and businesses which led to the increase in impairment.
- A11. Appointments of service providers such as for outsourced services, consultancy and professional fees as well as security. The flooding disaster also led to the utilisation of funds not budgeted for.
- A12. Funds fully utilised to ensure operational efficiency, all municipal running costs are incurred.
- A13. The disposal of assets was not budgeted for.
- A14. Actuarial gains (loss) was not budgeted for.
- A15. Gains on provisions due to the passage of time for landfill site was not budgeted for.
- A7(a) The municipality procured the traffic vehicle to aid in the collections and issuance of fines.
- A7(b) This was due to travel claims and upper limits for councillors which were applied retrospectively in line with the Upper limits government gazette.

B1) Inventories: This was due to maintenance of underground infrastructure water and sewer pipes distribution.

B2) Receivables from non-exchange: through intervention by COGTA and Provincial Treasury and the revenue enhancement strategy and implementation of valuation roll this results in an increase on our property rates.

B3) VAT receivable: was not budgeted for as per budget legislation.

B4a) Unspent conditional grants and receipts – grant received at the end of the financial year and funds could not be exhausted.

B4) Prepayments: membership fees for SALGA paid in advance

B5a) Provisions- The increase in finance cost due to interest rates

B5) Receivables from exchange transactions: The budget is as per the gross amount while the actuals reflect the balances net of impairment.

B6) Cash and cash equivalents - the collection rate was low from customers specifically government thus the anticipated cashflows were not reached.

B7a) Investment property: Difference is due to reclassification of land-PPE to investment property-PPE.

B7) Property, plant and equipment Difference is due to additions on Work-In-Progress, additions of land-PPE, land investment property and additions to infrastructure assets.

B8) Intangible assets the difference is due to amortisation.

B7(a) The land was reclassified to investment property in line with GRAP standards and the budget was only allocated for investment property buildings.

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Statement of Comparison of Budget and Actual for the year ending 30 June 2023

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

C1 The current year collections were lower than anticipated, one debt collector company was appointed and could not do much thus far. The economic hardships are affecting the payment ability of the residents for services rendered.

C2. The interest payment were lower than envisaged at the budget process.

C3. Interest income- expected interest was not achieved due to low bank balances and call accounts balances being maintained than anticipated.

Reasons for adjustment budget

1. To cater for the anticipated income under operating income and fully utilise the funds

2. To ensure the debt impairment expenditure is appropriately budgeted for

3. All other expenditure are in sync with expenditure incurred at mid year.

4. There Municipal Disaster grant amounting to R43.1 million was received from CoGTA.

5. Reprioritization of funds to ensure operational, contracted services expenditure is achieved.

6. Resolutions of the strategic planning session had to be implemented Additional text

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(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

Figures in Rand	Note(s)	2023	2022
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1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the municipality's accounting policies, which are described below, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of trade and other receivables

The municipality assesses its trade receivables and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Allowance for slow moving, damaged and obsolete inventories

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.4 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 - Provisions.

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Depreciation and carrying value of items of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgement. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

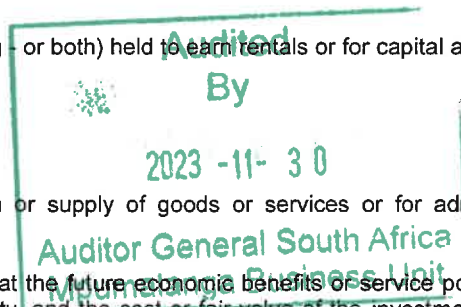
1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality and the cost or fair value of the investment property can be measured reliably.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.5 INVESTMENT PROPERTY (continued)

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	3 - 41years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.6 PROPERTY, PLANT AND EQUIPMENT (continued)

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Infinite
Buildings	Straight-line	3 - 41 years
Transport assets	Straight-line	3 - 10 years
Infrastructure	Straight-line	2 - 100 years
Community	Straight-line	3 - 82 years
Computer equipment	Straight-line	2 - 10 years
Furniture and office equipment	Straight-line	1 - 12 years
Machinery and equipment	Straight-line	1 - 20 years
Temporary operational buildings	Straight-line	5 - 60 years
Library books	Straight-line	3-10 years
Domestic equipment	Straight-line	5-15 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

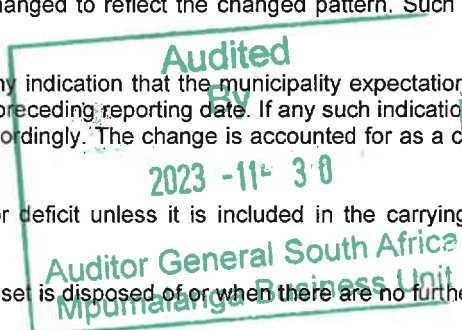
The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.6 PROPERTY, PLANT AND EQUIPMENT (continued)

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.7 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

If the related asset is measured using the revaluation model:

- (a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit
 - an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- (b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
- (c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets under (a). If a revaluation is necessary, all assets of that class are revalued.

1.8 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.8 INTANGIBLE ASSETS (continued)

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	4 - 6 years

1.9 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchanges transactions	Financial asset measured at amortised cost
Receivables from non exchange transactions	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Unspent conditional grants	Financial liability measured at amortised cost

The entity has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.9 FINANCIAL INSTRUMENTS (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.9 FINANCIAL INSTRUMENTS (continued)

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished i.e when the obligation specified in the contract is discharged, cancelled, expires or waived.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

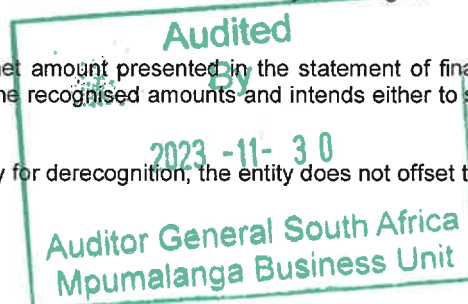
A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

Sub-heading

1.10 Statutory receivables

Identification



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.10 STATUTORY RECEIVABLES (continued)

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

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(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.10 STATUTORY RECEIVABLES (continued)

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.11 LEASES (continued)

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.13 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.14 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.14 IMPAIRMENT OF CASH-GENERATING ASSETS (continued)

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

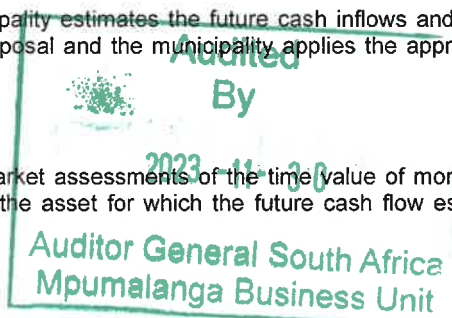
Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.14 IMPAIRMENT OF CASH-GENERATING ASSETS (continued)

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.14 IMPAIRMENT OF CASH-GENERATING ASSETS (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.15 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

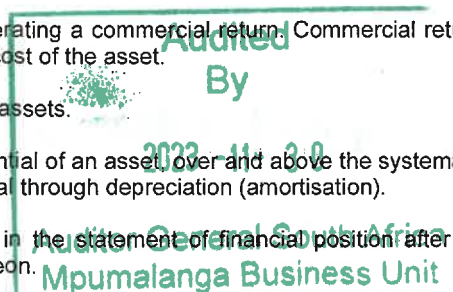
Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.15 IMPAIRMENT OF NON-CASH-GENERATING ASSETS (continued)

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

1. The objective of using the asset
2. The intended use of the assets

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

2023 -11- 30

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.15 IMPAIRMENT OF NON-CASH-GENERATING ASSETS (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.15 IMPAIRMENT OF NON-CASH-GENERATING ASSETS (continued)

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.16 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.16 EMPLOYEE BENEFITS (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Long-service Allowance

The Municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the Municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The Municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

1.17 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.17 PROVISIONS AND CONTINGENCIES (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 44.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.17 PROVISIONS AND CONTINGENCIES (continued)

- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.18 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash. Commitments represent goods/services that have been ordered, but no delivery has taken place at the reporting date.

Approved and contracted commitments represent expenditure that has been approved and the contract awarded at the reporting date.

Approved and not yet contracted commitments represent the expenditure that has been approved and the contract is yet to be awarded or is awaiting finalisation at the reporting date.

Commitments are disclosed in the financial statements if they meet the following criteria;

- the underlying contracts are non-cancellable or only cancellable at significant cost; and
- contracts relate to non- routine transactions.

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are shown in the disclosure notes to the extent that such amounts have not been recorded in the financial statements. Commitments disclosed in the notes to the financial statements represent the aggregate amount of the capital and current expenditure at the reporting date.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

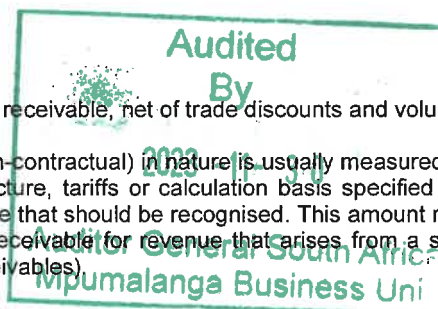
An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.19 REVENUE FROM EXCHANGE TRANSACTIONS (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by

Service Charges

Service charges relating to water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.20 REVENUE FROM NON-EXCHANGE TRANSACTIONS (continued)

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

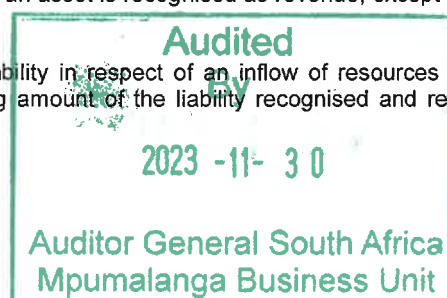
Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.20 REVENUE FROM NON-EXCHANGE TRANSACTIONS (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.22 Accounting by principals and agents

Identification

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.22 Accounting by principals and agents (continued)

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

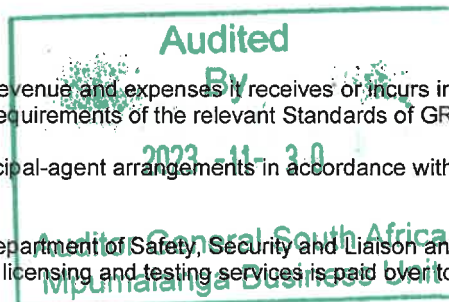
The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

The municipality acts as an agent on behalf of the Mpumalanga Department of Safety, Security and Liaison and receives 20% agency fees, 80% of the revenue collected from registrations, licensing and testing services is paid over to the principal.

1.23 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.24 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.25 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.26 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.27 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.28 Budget information

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations, 2009. A comparative of actual to budgeted amounts are reported in a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the notes to the Statement giving motivations for over- or under spending on line items where it is found to be material. The budgeted figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. Municipality is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar..

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by programmes linked to performance outcome objectives.

The approved budget covers the fiscal period from 2022/07/01 to 2023/07/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

In general , a difference of 10% or more is considered material , although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the financial statements in determining whether a difference between the budgeted and actual amount is material.

Comparative information is not required.

1.29 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

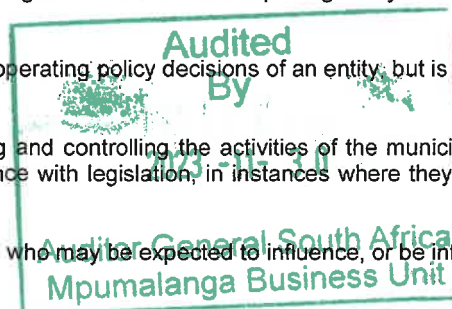
Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.29 RELATED PARTIES (continued)

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.30 DISTRIBUTION LOSSES

Distribution losses are calculated as the difference between water consumed and billed, water freely given to the community and water produced.

1.31 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Accounting Policies for the year ending 30 June 2023

1.32 EXPENDITURE

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

Generally, expenses are accounted for on an accrual basis at fair value. Under the accrual basis of accounting, expenses are recognised when incurred, usually when goods are received or services are consumed. This may not be when the goods or services are actually paid for. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Expenses include write downs of inventory and decreases in fair values of financial instruments classified as held at fair value. Losses on the disposal of non-current assets are reported separately from expenses in the Statement of Financial Performance

Major expense items disclosed in the Statement of Financial Performance include;

- Contracted services – caters for all the external services and is further categorised into outsourced, consultants, professional services and contractors. Repairs and maintenance is also part of contracted services. Outsourced services - the municipality should have capacity to carry out the function but choose to enlist the services of an external service provider. Consultant & professional services - refers to specialist services and skills provided. These skills are unnecessary to maintain inhouse and are required on a once off or temporary basis. Contractors - provides services that are not the core business of the municipality.
- Transfers and grants which relate to expenditure pertaining to free basic services, donations to the community, electrification of the townships, bursaries and general expenses constitute several expense items which are not individually significant.
- Write downs of inventory and decreases in fair values of financial instruments classified as held at fair value.
- Losses on the disposal of non-current assets are reported separately from expenses in the Statement of Financial Performance.

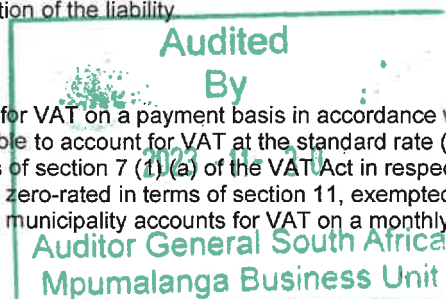
An expense is recognised in the municipality's Statement of Financial Performance when, and only when, the following criteria are satisfied:

- The cost or value may involve estimation. Where an item possesses the essential characteristics of an expense but fails to meet the criteria for recognition it is disclosed in the note.

Where an outflow of economic benefits does not result in future benefits, it is disclosed as fruitless and wasteful expenditure. The point at which an expense is recognised is dependent on the nature of the transaction or other event that gives rise to the expense. Where future economic benefits are consumed immediately or soon after acquisition, for example, repairs and maintenance expenditure, bulk purchases and general expenses, the expense is recognised in the reporting period in which the acquisition of the future economic benefit occurs. Where future economic benefits are expected to be consumed over several reporting periods e.g. non-current assets, expenses (depreciation) is allocated systematically to the reporting period during which the future economic benefits are expected to be consumed; where expenditure produces no future economic benefits e.g. fines paid, an expense is recognised immediately; and where a liability is incurred without the recognition of an asset an expense is recognised simultaneously with the recognition of the liability.

1.33 VALUE ADDED TAX

The municipality accounts for VAT on an accrual basis and is liable for VAT on a payment basis in accordance with section 15(2)(a) of the VAT Act (Act No 89 of 1991). The municipality is liable to account for VAT at the standard rate (14%) and (15% from 1 April 2018 as announced by the minister of Finance) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes. The municipality accounts for VAT on a monthly basis.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
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2. New standards and interpretations

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the municipality has adopted all the standards and interpretations that are effective and applicable for the current financial year and that are relevant to its operations:

2.2 STANDARDS AND INTERPRETATIONS EARLY ADOPTED

The municipality has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> GRAP 1 (amended): Presentation of Financial Statements 	01 April 2023	The impact of the is not material.

2.3 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction 	01 April 2023	Not expected to impact results but may result in additional disclosure
<ul style="list-style-type: none"> GRAP 2020: Improvements to the standards of GRAP 2020 	01 April 2023	Unable to reliably estimate the impact

3. Investment property

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Buildings	22,505,155	(9,452,761)	13,052,394	22,505,155	(8,825,666)	13,679,489
Land	130,993,187	-	130,993,187	130,993,187	-	130,993,187
Total	153,498,342	(9,452,761)	144,045,581	153,498,342	(8,825,666)	144,672,676

Reconciliation of investment property - 2023

	Opening balance	Depreciation	Total
Buildings	13,679,489	(627,095)	13,052,394
Land	130,993,187	-	130,993,187
	144,672,676	(627,095)	144,045,581

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
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3. Investment property (continued)

Reconciliation of investment property - 2022

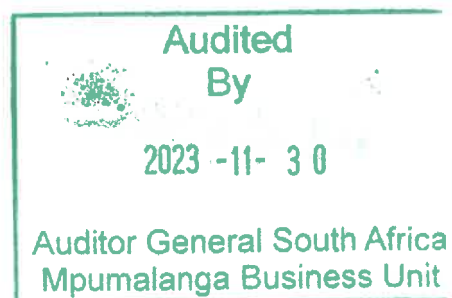
	Opening balance	Transfers	Depreciation	Total
Buildings	12,758,613	1,729,657	(808,781)	13,679,489
Land	130,993,187	-	-	130,993,187
	143,751,800	1,729,657	(808,781)	144,672,676

Pledged as security

There was no investment property assets pledged as security.

Investment property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.



Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand

4. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	85,500,995	-	85,500,995	85,500,995	-	85,500,995
Buildings	103,012,345	(41,554,957)	61,457,388	102,869,195	(38,846,677)	64,022,518
Machinery equipment	11,910,486	(10,051,310)	1,859,176	13,277,136	(10,948,473)	2,328,663
Furniture and office equipment	29,491,828	(20,119,130)	9,372,698	31,637,417	(21,912,198)	9,725,219
Transport Assets	177,363,240	(75,049,743)	102,313,497	126,542,474	(56,725,877)	69,816,597
Domestic equipment	3,960,760	(1,242,417)	2,718,343	3,960,760	(846,341)	3,114,419
Computer equipment	21,668,241	(9,855,456)	11,812,785	18,069,552	(9,765,735)	8,303,817
Infrastructure	4,975,997,781	(798,621,869)	4,177,375,912	4,690,174,709	(689,274,739)	4,000,899,970
Community	261,102,148	(94,422,273)	166,679,875	261,043,148	(86,572,605)	174,470,543
Temporary buildings	912,186	(494,558)	417,628	891,769	(542,710)	349,059
Work in progress (WIP)	787,734,701	-	787,734,701	405,196,537	-	405,196,537
Other Assets (Books)	7,582,830	(5,820,045)	1,762,785	7,663,988	(5,937,687)	1,726,301
Other assets (WIP)	-	-	-	1,149,376	-	1,149,376
Assets under investigation	-	-	-	798,898	-	798,898
Total	6,466,237,541	(1,057,231,758)	5,409,005,783	5,748,775,954	(921,373,042)	4,827,402,912

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By
2023 -11- 30
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Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 30 June 2023

	Opening balance	Additions	Additions through donations	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	85,500,995	-	-	-	-	-	-	-	85,500,995
Buildings	64,022,518	143,150	-	-	-	-	(2,708,280)	-	61,457,388
Infrastructure	4,000,899,970	62,967,561	9,945,360	(8,733,609)	233,099,979	798,898	(121,327,390)	(274,857)	4,177,375,912
Community	174,470,543	29,500	-	-	29,500	-	(7,849,668)	-	166,679,875
Work in progress	405,196,537	615,667,643	-	-	(233,129,479)	-	-	-	787,734,701
Temporary operational buildings	349,059	139,500	-	(8,884)	-	-	(62,047)	-	417,628
Computer equipment	8,303,817	4,858,007	-	(309,433)	1,413,211	-	(2,453,739)	922	11,812,785
Machinery and Equipment	2,328,663	140,550	-	(105,452)	-	-	(512,161)	7,576	1,859,176
Transport assets	69,816,597	50,820,766	-	-	-	-	(18,323,866)	-	102,313,497
Furniture and Office Equipment	9,725,219	2,866,234	-	(880,356)	-	-	(2,340,703)	2,304	9,372,698
Domestic Equipment	3,114,419	-	-	-	-	-	(396,076)	-	2,718,343
Library books	1,726,301	364,983	-	(83,331)	-	-	(245,168)	-	1,762,785
WIP-Security Upgrades	1,149,376	263,835	-	-	(1,413,211)	-	-	-	-
Assets under investigations	798,898	-	-	-	-	(798,898)	-	-	-
	4,827,402,912	738,261,729	9,945,360	(10,121,065)	-	-	(156,219,098)	(264,055)	5,409,005,783

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By
2023 -11- 30
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Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 30 June 2022

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Land	85,500,995	-	-	-	-	-	85,500,995
Buildings	55,787,265	-	(668,269)	11,297,027	-	(2,393,505)	64,022,518
Infrastructure	3,463,727,783	7,092,514	(2,635,831)	642,121,396	-	(109,405,892)	4,000,899,970
Community	141,618,585	-	-	40,400,654	-	(7,548,696)	174,470,543
Work in progress (WIP)	652,199,141	448,546,130	-	(695,548,734)	-	-	405,196,537
Temporary operational buildings	438,237	-	-	-	-	(89,178)	349,059
Computer equipment	5,191,410	4,845,555	-	-	-	(1,733,148)	8,303,817
Machinery and Equipment	2,911,798	150,847	-	-	-	(736,839)	2,328,663
Transport assets	58,784,711	24,465,292	2,857	-	-	(13,433,406)	69,816,597
Furniture and Office equipment	9,532,620	2,781,242	-	-	-	(2,588,643)	9,725,219
Domestic equipment	1,588,383	1,809,000	-	-	-	(282,964)	3,114,419
Library books	2,102,020	66,367	-	-	-	(442,086)	1,726,301
WIP-Security upgrades	1,149,376	-	-	-	-	-	1,149,376
Assets under investigations	864,537	-	-	-	(65,639)	-	798,898
Pledged as security	4,481,396,861	489,756,947	(3,301,243)	(1,729,657)	(65,639)	(138,654,357)	4,827,402,912

Assets pledged as security

There were no property, plant and equipment assets pledged as security.

Assets under investigations

Infrastructure

Road signs could not be verified
- Road signs

65,639

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
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4. Property, plant and equipment (continued)

Reconciliation of Work-in Progress 30 June 2023

	Included within Infrastructure	Included within Community	Included within Buildings	Total
Opening balance	334,338,884	60,416,564	10,441,134	405,196,582
Additions/capital expenditure	543,998,314	35,661,402	28,517,358	608,177,074
Transfers to completed projects	(230,331,422)	(1,311,674)	-	(231,643,096)
Investment property	6,003,910	-	-	6,003,910
	654,009,686	94,766,292	38,958,492	787,734,470

Reconciliation of Work- in Progress 30 June 2022

	Included within Infrastructure	Included within Community	Included within Buildings	Total
Opening balance	569,870,402	80,489,969	1,838,812	652,199,183
Additions/capital expenditure	404,229,210	39,330,750	6,879,356	450,439,316
Reclassification	-	(10,441,134)	10,441,134	-
Correction of prior year errors	(1,668,573)	(224,609)	-	(1,893,182)
Transferred to completed items	(638,092,155)	(48,738,412)	(8,718,168)	(695,548,735)
Security upgrades	-	-	-	1,149,376
	334,338,884	60,416,564	10,441,134	406,345,958

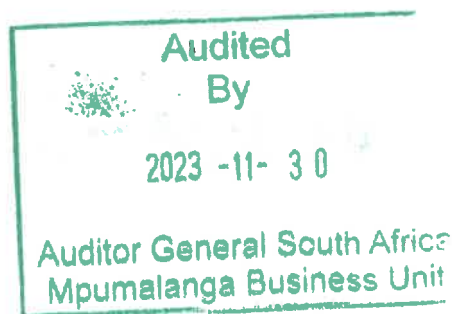
Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted services- repairs and maintenance	54,578,558	51,487,970
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See the note 34 for the expenditure breakdown

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.



Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand

5. Intangible assets

	2023		2022			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
	6,629,370	(6,373,885)	255,485	6,629,370	(6,012,413)	616,957

Reconciliation of intangible assets - 2023

Computer software, other

Reconciliation of intangible assets - 2022

Computer software, other

Pledged as security

There was no carrying value of intangible assets pledged as security:

6. Inventories

Maintenance materials

34,226,689	16,170,455
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Opening balance	Amortisation	Total
616,957	(361,472)	255,485
978,429	(361,472)	616,957

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By
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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
7. Receivables from non-exchange transactions		
Fines	6,148,892	3,135,688
Other receivables - credit balances	3,311,212	7,730,153
Deposits	8,078,517	6,793,916
Other taxes	(175,140)	16,047
Property rates -interest	271,902,315	283,124,884
Property rates	452,060,046	439,411,832
Other receivable- DLTCs, Agency fee payable	9,884,296	5,693,343
	751,210,138	745,905,863
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Property rates	1,166,003,994	1,042,199,396
Fines	9,167,239	5,594,721
	1,175,171,233	1,047,794,117
	-	-
Statutory receivables general information		
Reconciliation of provision for impairment for statutory receivables		
Opening balance	601,776,070	540,471,427
Provision for impairment-property rates	(113,092,548)	61,304,643
	488,683,522	601,776,070
Receivables from non-exchange transactions pledged as security		
There was no receivables from non-exchange transactions pledged as security		
Property rates		
Gross balance	1,166,003,994	1,040,263,233
Impairment	(713,943,950)	(600,851,401)
	452,060,044	439,411,832
Property rates		
Current (0-30 days)	7,302,180	19,472,639
31-60 days	6,912,693	19,246,120
60-90 days	7,610,800	19,226,513
90-120 days	7,440,391	19,181,007
121-365 days	422,793,980	362,285,553
	452,060,044	439,411,832
Intereret -property rates		
Gross balance	840,399,233	726,454,241
Impairment	(568,496,919)	(443,329,357)
	271,902,314	283,124,884

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By
2023 -11- 30
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Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
7. Receivables from non-exchange transactions (continued)		
Intereret -property rates		
Current (0-30 days)	4,732,888	12,014,265
31-60 days	4,672,034	11,692,150
60-90 days	4,450,529	10,856,125
90-120 days	4,372,992	10,152,350
121-365 days	4,174,226	12,456,894
365 days	249,499,645	225,953,100
	271,902,314	283,124,884
8. VAT receivable		
VAT	37,672,875	12,151,330
9. Prepayments		
The municipality paid for SALGA membership fees for 2023/24 in advance in the current year.		
Current portion		
Prepayments	4,750,168	10,402,142
10. Receivables from exchange transactions		
Gross balances		
Water	392,015,507	272,694,873
Waste water	28,036,269	23,313,312
Rental	4,973,274	3,797,983
Waste	67,313,682	57,948,195
Payroll debtors	6,471,132	6,471,132
Interest	88,059,672	41,003,963
Housing rental	2,601,804	2,601,804
Service charges	12,136,185	12,100,405
	601,607,525	419,931,667
Less: Allowance for impairment		
Water	(240,036,684)	(157,312,574)
Waste water	(17,166,601)	(13,471,759)
Rental	(3,043,366)	(2,189,635)
Waste	(4,116,150)	(33,535,398)
Housing rental	(1,593,064)	(1,483,069)
Service charges	(7,430,983)	(6,975,400)
	(310,486,848)	(214,967,835)

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 By
 2023-11-30
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 Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
10. Receivables from exchange transactions (continued)		
Net balance		
Water	151,978,823	115,382,299
Waste water	10,869,668	9,841,553
Rental	1,929,908	1,608,348
Waste	26,097,532	24,412,797
Payroll debtors	6,471,132	6,471,132
Interest	88,059,672	41,003,963
Housing rental	1,008,740	1,118,735
Service charges	4,705,202	5,125,005
	291,120,677	204,963,832
Water		
Current (0 -30 days)	3,486,676	9,474,300
31 - 60 days	3,594,310	8,869,442
61-90 days	3,238,787	8,899,329
91 - 120 days	3,678,827	8,905,308
121 - 365 days	3,676,668	74,406,127
> 365 days	134,303,555	4,827,793
	151,978,823	115,382,299
Waste water		
Current (0 -30 days)	165,442	218,994
31 - 60 days	168,020	276,034
61 - 90 days	156,886	274,012
91 - 120 days	166,166	271,649
121 - 365 days	166,506	8,800,864
> 365 days	10,046,648	-
	10,869,668	9,841,553
Rental		
> 365 days	1,929,908	1,608,348
Waste		
Current (0 -30 days)	307,213	769,817
31 - 60 days	325,895	638,805
61 - 90 days	316,299	714,625
91 - 120 days	315,515	701,471
121 - 365 days	314,556	21,588,079
> 365 days	24,518,054	-
	26,097,532	24,412,797
Payroll debtors		
> 365 days	6,471,132	6,471,132
Interest		
Current (0 -30 days)	1,532,801	8,298,084
31 - 60 days	1,513,093	8,212,155
61 - 90 days	1,441,356	7,902,314
91 - 120 days	1,416,244	7,973,146
121 - 365 days	1,351,872	8,618,264
> 365 days	80,804,306	-
	88,059,672	41,003,963

Audited
By

2023 -11- 30

Auditor General South Africa
Mpumalanga Business

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
10. Receivables from exchange transactions (continued)		
Housing rental		
> 365 days	1,008,740	1,118,735
Service charges		
Current (0 -30 days)	1,511,916	15,522
31 - 60 days	241,093	1,873
61 - 90 days	487,426	2,443
91 - 120 days	37,631	518,101
121 - 365 days	37,377	4,587,066
> 365 days	2,389,759	-
	4,705,202	5,125,005

Audited
By

2023 -11- 30

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Mpumalanga Business


Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
10. Receivables from exchange transactions (continued)		
Summary of debtors by customer classification		
Household		
Current (0 -30 days)	15,886,689	22,064,551
31 - 60 days	14,336,324	26,047,743
61 - 90 days	14,088,423	25,586,822
91 - 120 days	13,907,172	25,416,927
121 - 365 days	13,648,812	50,579,195
> 365 days	834,314,127	842,313,929
	906,181,547	992,009,167
Commercial		
Current (0 -30 days)	6,687,052	2,140,221
31 - 60 days	5,892,655	2,885,364
61 - 90 days	6,257,994	2,857,325
91 - 120 days	6,072,075	2,941,832
121 - 365 days	5,813,848	2,920,928
> 365 days	317,270,940	177,996,748
	347,994,564	191,742,418
Government		
Current (0 -30 days)	26,534,083	5,836,802
31 - 60 days	24,721,053	8,490,518
61 - 90 days	25,312,779	8,800,082
91 - 120 days	24,972,402	8,736,071
121 - 365 days	24,722,534	8,758,311
> 365 days	1,221,109,949	955,804,641
	1,347,372,800	996,426,425
Total		
Current (0 -30 days)	49,107,824	30,041,573
31 - 60 days	44,950,033	37,423,625
61 - 90 days	45,659,196	37,244,229
91 - 120 days	44,951,650	37,094,830
121 - 365 days	44,185,194	62,258,434
> 365 days	2,372,695,015	1,976,115,318
	2,601,548,912	2,180,178,009
Less: Allowance for impairment		
> 365 days	(310,486,848)	(214,967,835)
Total debtor past due but not impaired		
31 - 60 days	25,312,779	8,490,518
61 - 90 days	24,972,402	8,800,082
91 - 120 days	1,245,832,483	824,954,722
	1,296,117,664	842,245,322
Reconciliation of allowance for impairment		
Balance at beginning of the year	(214,967,835)	-
Contributions to allowance	(95,519,013)	(214,967,835)
	(310,486,848)	(214,967,835)

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2023 - 11 - 20
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Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
11. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	200,833,148	341,239,290
Call account balances	5,641,699	2,137,397
Cash on hand	116,863	134,559
	206,591,710	343,511,246

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2023	30 June 2022	30 June 2021	30 June 2023	30 June 2022	30 June 2021
FNB Bank IA09591	2,845,056	15,137,251	22,548,681	2,845,056	15,137,251	22,548,681
FNB Bank IA09538	18,736,670	38,358,336	72,869,338	18,736,670	38,358,336	72,869,338
FNB Bank IA09494	2,726,262	1,063,656	13,108,220	2,726,262	1,063,656	13,108,220
FNB Bank IA09538	2,915,437	1,073,741	50,331,948	2,915,437	1,073,741	50,331,948
Standard Bank IA09518	179,251,421	287,743,702	169,644,531	179,251,421	287,843,702	169,644,531
Total	206,474,846	343,376,686	328,502,718	206,474,846	343,476,686	328,502,718

12. Payables from exchange transactions

Electricity	712,007	765,955
Retention and Surety	114,990,131	92,658,467
Accrued bonus	15,220,936	14,713,959
Trade payables	135,367,449	115,580,420
Debtors with credit balances	3,311,212	7,730,153
Salary payables	2,167,351	2,012,249
PAYE	265,079	264,123
Auditor General	7,491	9,309
Staff Advances	1,142,724	891,365
Unallocated deposits	571,470	-
	273,755,850	234,626,000

13. Consumer deposits

Water	2,490,867	2,490,667
Refuse	23,987	23,806
	2,514,854	2,514,473

14. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Neighbourhood Development Grant	499,966	-
Integrated National Electrification Programme	1,682,579	-
Municipal Disaster Grant	43,100,000	-
Water Services Infrastructure Grant	6,486,632	-
	48,769,177	-

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2023 - 14/09/2023
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Bushbuckridge Local Municipality

(Registration number MP325)

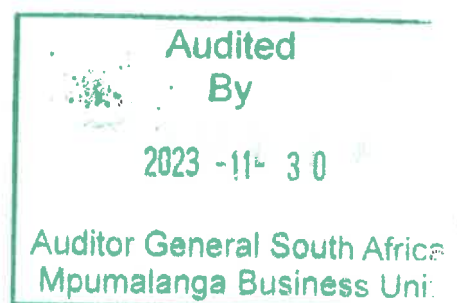
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
14. Unspent conditional grants and receipts (continued)		
Movement during the year		
Additions during the year	551,820,000	468,718,000
Income recognition during the year	(503,050,823)	(468,718,000)
	<u>48,769,177</u>	<u>-</u>

See note 25 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
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15. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Change in discount factor	Actuarial gains/loss	Total
Environmental rehabilitation	69,868,673	(6,986,393)	-	6,538,659	-	69,420,939
Leave provision	60,627,406	2,466,188	-	-	-	63,093,594
Long service awards	37,028,390	3,184,246	(2,341,577)	3,864,188	(2,168,204)	39,567,043
	167,524,469	(1,335,959)	(2,341,577)	10,402,847	(2,168,204)	172,081,576

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Change in discount factor	Actuarial gains/loss	Total
Environmental rehabilitation	76,587,360	5,417,407	-	(12,136,094)	-	69,868,673
Leave provision	60,272,731	354,675	-	-	-	60,627,406
Long service awards	35,144,980	3,211,982	(2,831,372)	2,755,683	(1,252,883)	37,028,390
	172,005,071	8,984,064	(2,831,372)	(9,380,411)	(1,252,883)	167,524,469

Non-current liabilities	103,241,938	101,151,019
Current liabilities	68,839,638	66,373,450
	172,081,576	167,524,469

Environmental rehabilitation provision

The municipality has an obligation to rehabilitate the landfill sites in the Bushbuckridge municipal area. The environmental rehabilitation provision represents the estimated costs to rehabilitate and close existing waste landfill sites.

The provision is recognised at the present value of the expenditure expected to settle the obligation. It is carried at the amortised cost. The rehabilitation cost were determined by Environmental & Sustainability Solutions CC

The general landfill closure cost model (GLCCM) was used to estimate the final rehabilitation and closure costs for the general landfills.

Key assumptions used

CPI	6,1716%	6,6085%
Discount rate	10,6716%	9,358%
Net effective discount rate	4,5%	2,75%

Leave provision

Leave provision consist of an obligation to pay out the annual leave days in the year the employment status of the employee changes due to various reasons. The obligation presents a liability to the employer and the value is represented by the present value of the total number of days the employee would have termination date that is expected to become payable under ther municipality's current policy. The calculation for the leave provision is as follows:
Total annual Leave days capped at 48 days/250 X Current basic salary X 12

Long service awards

Audited By
2023-11-28
Auditor General South Africa
Mpumalanga Business

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
15. Provisions (continued)		
Long service awards consist of an obligation to pay out a bonus in the year of the employee attaining the required length of service. The obligation presents a liability to the employer and the value is represented by the presnet value of the total long service bonus awards expected to become payable under the municipality's current policy. The municipality offers long service bonus every five (5) years continous service complted,starting from ten (10) years to forty five (45) years.Long service accumulated leave must be taken within one year of receiving such leave or maybe wholly or partially settled in cash.The actuarial valuation of the long service awards accrued liability was carried out by D.T Mureriwa, a fellow of the Institute of Actuaries.		
Key assumptions		
Discount Rate	10,73%	10,77%
CPI	5,87%	6,74%
Salary increase rate	6,87%	7,74%
Net discount rate	3,62%	2,81%
Assumed retirement age (years)	63	63
	-	-
16. Service charges		
Water reconnection fees	-	24,600
Sale of water	105,116,936	98,970,640
Solid waste	9,182,202	8,597,505
Sewerage and sanitation charges	4,520,421	4,548,049
	118,819,559	112,140,794
17. Rental of facilities and equipment		
Premises		
Premises	1,021,992	971,913
Facilities and equipment		
Rental of equipment	44,498	40,472
	1,066,490	1,012,385
18. Interest received		
Interest received-bank balances	18,636,744	6,467,367
Interest received from SARS	-	119,309
	18,636,744	6,586,676
• Interest received from maintaining positive cash balances in the bank accounts		
19. Agency income		
Management fees	14,814,487	14,833,975
20. Licences and permits		
Trading Licenses	246,594	3,188,576

Audited
By
2023 -11- 30
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Mpumalanga Business Uni

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
21. Operating income		
Sundry income	159,599	182,270
Proof of residence	1,639,577	1,794,789
Insurance refund	2,020,330	-
Sale of tender documents	2,140,796	889,280
Plan approval	325,177	260,937
Ammendment of names	1,497	1,427
Clearance certificates	15,398	29,089
Library fees	715	1,165
Administration fees	274,478	292,383
Photocopies	39,158	17,863
Cemetery	67,876	64,235
Fire services	149,571	356,976
Commission earned	22,740	1,080
	6,856,912	3,891,494
22. Interest earned		
Interest revenue		
Interest charged on trade and other receivables	47,034,570	22,456,713
23. Property rates		
Rates received		
Residential	48,226,414	44,207,218
Commercial	52,514,810	50,873,723
State	59,358,880	57,504,612
Industrial properties	1,699,200	1,646,100
Vacant land	23,051,283	22,162,156
Protected area	69,678,140	67,658,888
Agriculture	5,136,816	4,711,720
Public benefit organisation and public service infrastructure	203,109	211,968
Less: Income forgone	(8,160,191)	(6,084,023)
	251,708,461	242,892,362
Valuations		
Agriculture	1,714,056,000	1,715,152,000
Commercial	1,723,678,000	1,776,778,000
Public benefit organisations	139,096,100	139,096,100
Public service infrastructure	19,961,270	19,961,270
Residential	4,298,000,800	4,298,000,800
State	2,055,750,000	2,055,750,000
Vacant land	633,155,020	633,155,020
Municipality	61,730,100	61,730,100
Protected area	28,296,912,550	28,296,912,550
Protected area residential	867,805,000	870,805,000
Protected area business	1,852,015,000	1,858,815,000
	41,662,159,840	41,726,155,840

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2023 -11- 30
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Mpumalanga Business Unit

Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2019. Supplementary valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The new general valuation will be implemented on 01 July 2025.

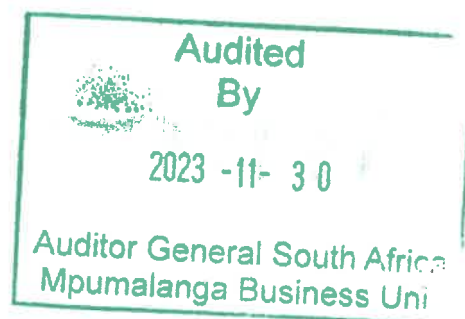
Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
24. Interest from non-exchange receivables		
Interest - property rates	115,545,722	81,652,843



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
25. Government grants & subsidies		
Operating grants		
Equitable share	979,294,000	879,945,000
Finance Management Grant	2,650,000	2,650,000
Local Government Sector Education Training Authority	1,868,553	1,768,399
Construction of Education and Training Authority	493,846	1,138,055
Expanded Public Works Programme Grant	5,219,000	5,379,000
	989,525,399	890,880,454
Capital grants		
Neighbourhood Development Partnership grant	4,500,034	-
Integrated National Electrification Programme	2,317,421	-
Municipal Infrastructure Grant	430,851,000	396,689,000
Water Services Infrastructure Grant	51,513,368	60,000,000
Energy Efficiency Demand Management Grant	6,000,000	4,000,000
	495,181,823	460,689,000
	1,484,707,222	1,351,569,454
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Conditional grants realised	505,413,222	471,624,545
Unconditional grants received	979,294,000	879,945,000
	1,484,707,222	1,351,569,545
Equitable Share		
In terms of section 227 of the Constitution, the Equitable Share Grant provides funding for the municipality to deliver the basic services to the indigent community households and subsidises the cost of administration and other core services for the municipality. This grant is used to enable the municipality to provide basic and perform functions allocated to it.		
Municipal Infrastructure grant (MIG)		
Current-year receipts	430,851,000	396,689,000
Conditions met - transferred to revenue	(430,851,000)	(396,689,000)
	-	-
Conditions still to be met - remain liabilities (see note 14).		
This grant is mainly used to fund infrastructure related projects (mainly as part of service delivery). Capitalised projects funded but of this grant are included in property, plant and equipment whilst the unspent portion of the grant is included in current liabilities.		
Finance Management grant (FMG)		
Current-year receipts	2,650,000	2,650,000
Conditions met - transferred to revenue	(2,650,000)	(2,650,000)
	-	-
Conditions still to be met - remain liabilities (see note 14).		
The purpose of the grant is to promote and support reforms in financial management building capacity in municipalities to implement and adhere to the MFMA.		

Audited
By
2023-11-30
Auditor General South Africa
Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
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25. Government grants & subsidies (continued)

Expanded Public Works Programme (EPWP)

Current-year receipts	5,219,000	5,379,000
Conditions met - transferred to revenue	(5,219,000)	(5,379,000)
	-	-

Conditions still to be met - remain liabilities (see note 14).

The purpose of the grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with EPWP guidelines.

Neighbourhood Development Partnership Grant

Conditions met - transferred to revenue	5,000,000	-
Other	(4,500,034)	-
	499,966	-

Conditions still to be met - remain liabilities (see note 14).

The purpose of the grant is to fund, support and facilitate planning and development of neighbourhood development programmes and projects that will be for further development in the municipality.

Integrated National Electrification Programme

Current-year receipts	4,000,000	-
Conditions met - transferred to revenue	(2,317,421)	-
	1,682,579	-

Conditions still to be met - remain liabilities (see note 14).

The purpose of the grant is to implement the INEP by providing capital subsidies to municipalities to address electrification of occupied residential dwellings, and installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.

Municipal Disaster Grant

Current-year receipts	43,100,000	-
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Conditions still to be met - remain liabilities (see note 14).

The grant provides funding for responding to and providing relief for the unforeseeable and unavoidable disaster.

Water service infrastructure grant

Current-year receipts	55,000,000	60,000,000
Conditions met - transferred to revenue	(51,513,368)	(60,000,000)
	3,486,632	-

Conditions still to be met - remain liabilities (see note 14).

Energy Efficiency Demand Management Grant (EEDMG)

Current-year receipts	6,000,000	4,000,000
Conditions met - transferred to revenue	(6,000,000)	(4,000,000)

Audited By
2023-11-30
Auditor General South Africa
Mpumalanga Business

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
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25. Government grants & subsidies (continued)

	-	-
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Conditions still to be met - remain liabilities (see note 14).

The grant supports municipalities in their efforts to reduce electricity consumption on traffic lights, street lighting and water service infrastructure through use of energy efficient mechanisms.

26. Public contributions and donations

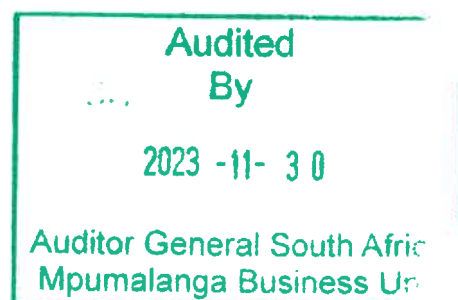
Property plant and equipment	9,945,360	1,162,909
Property, plant and equipment	-	5,400,931
	<u>9,945,360</u>	<u>6,563,840</u>

The municipality received the following donations in the current year.

- Boreholes from Human Settlements Department
- Water reticulation from Ehlanzeni District Municipality
- Bridge from Ehlanzeni District Municipality

27. Fines, Penalties and Forfeits

Municipal Traffic Fines	<u>3,901,282</u>	<u>1,957,295</u>
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Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
28. Employee related costs		
Basic	376,289,842	365,915,612
Bonus	39,110,527	37,567,177
Medical aid - company contributions	26,515,501	24,921,023
Unemployment insurance fund	2,495,046	2,530,144
Skills development levy	5,453,515	5,095,262
Leave pay provision charge	4,774,952	2,441,372
Defined contribution plans	72,187,652	69,601,455
Overtime payments	16,457,412	9,253,823
Acting allowances	6,915,393	5,740,185
Car allowance	26,172,978	23,159,962
Housing benefits and allowances	615,156	539,776
South African Local Government Association	139,255	136,959
Standby allowance	43,230,176	34,266,458
Risk allowance	646,000	-
Shift allowance	10,848,496	11,032,873
	631,851,901	592,202,081
Remuneration of municipal manager		
Annual Remuneration	906,859	1,135,126
Car Allowance	629,945	690,449
Performance Bonuses	95,178	114,096
Contributions to UIF, Medical and Pension Funds	7,311	78,115
Acting allowance	82,808	-
	1,722,101	2,017,786
Remuneration of chief finance officer		
Annual Remuneration	480,661	941,284
Car Allowance	510,272	517,507
Performance Bonuses	-	53,364
Contributions to UIF, Medical and Pension Funds	8,541	226,836
Annual bonus	-	78,190
Acting allowance	60,187	115,020
	1,059,661	1,932,201
Remuneration of Technical services director		
Annual Remuneration	877,453	844,940
Car Allowance	553,433	548,100
Performance Bonuses	-	84,445
Contributions to UIF, Medical and Pension Funds	15,590	16,185
Acting allowance	-	25,727
	1,446,476	1,519,397
Remuneration of Economic Development Planning and Environment director		
Annual Remuneration	811,869	779,944
Car Allowance	514,400	494,734
Performance Bonuses	-	84,445
Contributions to UIF, Medical and Pension Funds	75,823	73,372
Annual bonus	64,941	64,941
Acting allowance	-	2,148
Other	464	-

Audited
By
2023 -11- 30
Auditor General South Africa
Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
28. Employee related costs (continued)	1,467,497	1,499,584
Corporate services director		
Annual Remuneration	-	933,020
Car Allowance	341,628	549,750
Performance Bonuses	-	39,820
Contributions to UIF, Medical and Pension Funds	-	275,655
Reimbursement kilometers	-	993
Acting allowance	119,686	104,265
Annual bonus	-	76,737
	461,314	1,980,240
Community Services Director		
Annual Remuneration	544,290	914,858
Car Allowance	413,744	549,750
Performance Bonuses	39,657	39,820
Contributions to UIF, Medical and Pension Funds	10,194	271,428
Reimbursement kilometers	-	1,910
Acting allowance	30,186	104,265
Annual bonus	-	76,737
	1,038,071	1,958,768
29. Remuneration of councillors		
Executive Major	918,509	886,771
Speaker	732,651	727,062
Councillors	19,437,483	15,032,922
Councillors' pension contribution	30,338	834,866
Car and travel allowance	10,447,985	9,176,475
Medical aid contributions	237,336	189,281
	31,804,302	26,847,377
In-kind benefits		
The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor make use of a Council owned vehicle for official duties.		
The Executive Mayor has one full-time bodyguards and a driver.		
Additional information		
The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.		
30. Depreciation and amortisation		
Property, plant and equipment	156,200,489	138,743,951
Investment property	627,094	787,808
Intangible assets	361,472	361,472
	157,189,055	139,893,231

Audited
By

2023 -11- 30

Auditor General South Africa
Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
31. Finance costs		
Trade and other payables	1,259,830	652,699
Long service awards	3,864,188	2,755,683
Landfill sites	6,538,659	5,417,407
	11,662,677	8,825,789
32. Debt impairment		
Trade receivables -exchange and non exchange	333,779,124	233,203,871
Traffic fines	559,496	532,830
	334,338,620	233,736,701
33. Bad debts written off		
Bad debts written off	96,875	89,177,062
The municipality wrote off traffic tickets amounting to R62 300 in the current year.		
34. Contracted services		
Outsourced Services		
Catering Services	3,379,434	2,266,220
Security Services	77,737,114	69,547,038
Traffic Fines Management	2,588,654	1,193,500
Drivers Licence Cards	-	1,678,928
Electrical	5,085,994	3,018,914
Water Takers	6,444,131	5,777,945
Consultants and Professional Services		
Business and Advisory	21,041,848	31,329,579
Infrastructure and Planning	20,524,890	18,893,366
Laboratory Services	9,798,283	14,177,057
Legal Cost	12,971,933	16,959,721
Contractors		
Maintenance of Buildings and Facilities	212,088	648,980
Maintenance of Equipment	1,076,745	5,601,038
Maintenance of Unspecified Assets	53,289,724	45,237,952
Municipal Services	89,204,539	73,448,687
Photographer	-	2,969,103
Transportation	251,725	-
Sewerage Services	59,857	11,487,653
Stage and Sound Crew	105,190	-
	303,772,149	304,235,681
Repairs and maintenance of assets		
Maintenance of buildings and facilities	212,088	648,980
Maintenance of equipment	1,076,745	5,601,038
Maintenance of unspecified assets	53,289,725	45,237,952
	54,578,558	51,487,970

The repairs and maintenance of assets amounts are as disclosed above. This relates to Property, plant and equipment as per Note 4.

Audited
By
2023 - H- 3-8
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Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
35. Transfer and subsidies		
Other subsidies		
Sanitation	9,362,043	1,748,707
Free basic electricity	832,500	745,482
Indigent relief	343,351	103,126
Bursary	1,532,997	475,886
	12,070,891	3,073,201
36. General expenses		
Accommodation	1,161,607	1,626,625
Advertising	3,344,609	2,808,503
Auditors remuneration	11,133,648	8,908,568
Bank charges	668,320	820,757
Cleaning	17,639	183,277
Conferences and seminars	207,228	355,486
Current service cost	3,184,246	3,211,982
Electricity connection fees	6,036,903	8,851,755
Flowers	4,720	36,832
Fuel and oil	17,890,375	12,530,464
Hire equipment and facilities	1,485,864	2,055,088
Insurance	6,244,722	5,178,530
Information technology expenses	6,729,133	7,921,118
Promotions and sponsorships	-	965,077
Motor vehicle licence	-	1,067,188
Abstraction fee	14,729,339	11,895,900
Postage and courier	16,252	19,225
Printing and stationery	1,987,577	527,506
Protective clothing	930,380	3,665,217
Staff welfare	-	24,240
Subscriptions and membership fees	50,891	11,578,609
Telephone and fax	5,865,705	5,425,707
Transport and freight	264,543	358,967
Travel - local	9,007,471	6,872,165
Municipal services	1,759,105	1,078,057
Fire services	-	73,508
Membership fees	-	134,959
Materials and consumables	13,348,620	5,311,012
Learnerships, internships and bursaries	2,300,290	4,610,809
Office decorations	9,336	410,055
Ward committees	10,753	1,523,000
Waste water and waste disposal	233,350	996,375
	108,622,626	111,026,561
37. Auditors' remuneration		
Fees	11,133,648	8,908,568
38. Gains /Loss on disposal of assets		
Gain /Loss on disposal of assets		
Property, plant and equipment	(10,139,676)	160,916
Other asset	-	(3,225,711)
	(10,139,676)	(3,064,795)

Audited
By
2023 -11- 30
Auditor General South Africa
Mpumalanga Business Unit


Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
39. Actuarial gains/losses		
Calculation of actuarial gains and losses		
Actuarial gains/losses	2,168,204	998,932
Key assumptions used		
Assumptions used at the reporting date are disclosed on Note :15- Provisions		
40. Gains or losses on provisions		
Gains or losses on provisions	6,986,393	12,136,094
41. Impairment loss		
Impairments		
Property, plant and equipment	264,055	-
Culvert bridges were swept away by flooding. Boreholes were vandalised by the during the year and some components were missing.		
42. Cash generated from operations		
Surplus	480,625,173	349,798,954
Adjustments for:		
Depreciation and amortisation	157,189,055	139,893,231
(Gain)/Loss on sale of assets	10,139,676	3,064,795
Gain/(loss) on provisions	(6,986,393)	(12,136,094)
Finance costs	10,402,847	8,173,090
Impairment deficit	264,055	-
Debt impairment	334,338,620	233,736,701
Bad debts written off	96,875	-
Movements in provisions	2,466,188	(14,071,959)
Public contributions and donations	(9,945,360)	(3,753,279)
Non-cash donations and other in-kind benefits	-	(3,322,887)
Other non-cash items	186,300	(1,699,315)
Actuarial gains	(2,168,204)	(998,932)
Changes in working capital:		
Inventories	(18,056,234)	(3,040,846)
Receivables from exchange transactions	(181,675,859)	(268,808,378)
Receivables from non-exchange transactions	(243,564,384)	64,935,347
Prepayments	5,651,974	(6,751,567)
Payables from exchange transactions	39,129,850	3,349,387
VAT	(25,521,545)	14,035,100
Unspent conditional grants and receipts	48,769,177	-
Financial liability	381	4,399
	601,342,192	502,407,747


**Audited
By**
2023 -11- 30
**Auditor General South Africa
Mpumalanga Business Unit**

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

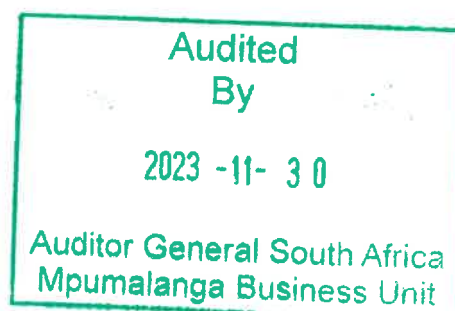
Figures in Rand	2023	2022
43. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	622,096,794	360,040,459
Total capital commitments		
Already contracted for but not provided for	622,096,794	360,040,459
Total commitments		
Total commitments		
Authorised capital expenditure	622,096,794	360,040,459

This committed expenditure relates to plant and equipment and will be financed by inter alia grant funds, existing cash resources and funds internally generated. The commitments figure disclosed above is inclusive of VAT.

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	5,322,788	-
- in second to fifth year inclusive	8,427,748	-
	13,750,536	-

Operating lease payments represents rentals payable by the Municipality for certain office equipments(Multifunction photocopier machines). Operational lease entered with Print IT Solution are negotiated for an average term of three years and rental amount is locked at 0% additional increase for 36 Months. Print IT Solution supplied fifty photocopying machines to the Municipality for a period of 36 Months and is fully responsible for the maintenance of the photocopying machines. The contract commenced on the 1st of February 2023.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
44. Contingencies		
Contingencies arising from pending litigation on contractual disputes and claims for damages..		
Litigation is in the process against the municipality relating to several contractual disputes and claims for damages. As the conclusion of the process is dependent on the setting of dates by the respective courts, timing of the economic outflow is therefore uncertain. Amounts disclosed do not include legal fees. Details of the claims are listed below;		
Contingent Liabilities		
1. Izingwenya 210 investment CC & Juslo Security services - claim for services rendered	3,101,915	3,101,915
2. Midas Chawane - a claim for damages suffered as a result of alleged negligence of the municipality in failing to maintain the damages surface of the road to Manyeleti	17,843	17,843
3. Judas Nkuna- vehicle accident between the plaintiff and the municipal driver	71,000	71,375
4. Tsebu brothers holdings- cancellation of the agreement for electrification of Makuvana Phase 2	4,050,157	4,050,157
5. Hwali business enterprise-claim for service rendered	-	4,364,330
6. Robert Themba- damages	200,000	200,000
7. Aqua Life Still Water -damages emanated from alleged illegal demolition of property	-	3,788,249
8. Rand Water- disputed water balances	173,370,000	173,370,000
9. BB Siegl- a claim for alleged collision involving a municipal car	43,072	43,072
10. Fleet Horizon- alleged unpaid invoices	-	528,690
11. NAD Property income fund	23,525,000	-
	204,378,987	189,535,631

45. Related parties

Related party balances

No members of the municipality management have significant influence over the financial or operating policies of the municipal entities.

Remuneration of management

Management class: Councillors

Refer to note 29 "Remuneration of councillors"

Additional information

Councillors are remunerated according to the Remuneration of Public Office Bearers Act, Act 20 of 1998. As councillors have only collective executive powers for planning, directing and controlling the activities of the municipality. Their remuneration is not disclosed individually, but in aggregate. There are 63 councillor positions, whose aggregate remuneration amounted to Note : Remuneration of Councillors for the period in review. The Executive Mayor and the Speaker council members have such individual executive powers as granted by their delegation. Therefore, their remuneration is disclosed individually in per Note. 29 full list of all councillors is disclosed "General information". The salaries, allowances and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

During the financial year, there were no councillors with related-party transactions.

46. Prior-year adjustments

Property, plant and equipment

1. Other property, plant and equipment- was broken down into various assets classes in line with GRAP standards and also giving more information to the user.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
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46. Prior-year adjustments (continued)

2.WIP- reclassification of expenditure into WIP and transfer of completed project retrospectively.

3. Infrastructure - the retrospective capitalisation of the completed project and accumulated depreciation adjusted.

4.Land - Additions to Land

The municipality had conducted a Land Audit to identify and classify all the land correctly in the accounting records.

It was identified that there were Land parcels made of parks and community facilities which were omitted in the Land Register Management had recognised these lands and passed a correction in the prior year, since this was an omission.

Land- Reclassification

The result of the Land Audit provided with a listing of all vacant and occupied lands which are in the name of the municipality.

All vacant lands from which council has not pronounced the intention has been classified as Investment properties, this to be in line with the requirements of GRAP 16.

The land which are vacant (not owner occupied) where then reclassified to Investment properties

Payables from exchange transactions - write off of long outstanding retention balances in line with the retention policy, adjustment to suppliers account balances reconciled to statements.

VAT Receivable - VAT input adjustment based on payables account balances being adjusted in retrospect.

Receivable from exchange and non-exchange transactions -the adjustment was due to the update of the valuation roll resulting in changes of categories which have been billed and this had an effect in all other services

Expenditure - reclassifications: Travel costs was correctly classified retrospectively, Motor vehicle licenses cost was omitted in prior year.

Interest received - the interest received from the bank was disclosed separately from interest outstanding from receivables.

The resultant adjustment has led to the changes in Cashflow Statement balances.

Statement of financial position

2022

Note	As previously reported	Correction of error(s)	Re-classification	Restated
Property,plant and equipment	-	-	-	-
Other property,plant and equipment	96,332,272	(2,694,497)	(93,637,775)	-
Temporary operational buildings	-	-	349,059	349,059
Computer equipment	-	-	8,303,817	8,303,817
Machinery and equipment	-	-	2,328,664	2,328,664
Motor vehicles	-	-	69,816,597	69,816,597
Furniture and Office equipment	-	-	9,725,219	9,725,219
Domestic equipment	-	-	3,114,419	3,114,419
Work in Progress	410,839,958	(5,643,420)	-	405,196,538
Land	161,089,921	58,176,795	(133,765,721)	85,500,995
Investment property	14,003,979	(3,097,023)	133,765,721	144,672,677
Infrastructure	3,997,541,252	3,345,318	-	4,000,899,970
VAT	11,771,205	330,125	-	12,151,330
Receivables from non-exchange transactions	750,406,551	(4,500,688)	-	745,905,863
Receivable from exchange transactions	205,388,626	(424,794)	-	204,963,832
Payables from exchange transactions	(234,982,415)	356,415	-	(234,626,000)
	5,412,404,349	45,898,631	-	5,458,302,980

Statement of financial performance

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand		2023	2022		
46. Prior-year adjustments (continued)					
2022					
	Note	As previously reported	Correction of error(s)	Re-classification	Restated
Revenue from non-exchange transactions		-	-	-	-
Government grants and subsidies		1,350,431,399	-	1,138,055	1,351,569,454
Revenue from exchange transactions		-	-	-	-
Operating income		5,029,549	-	(1,138,055)	3,891,494
Interest received		-	-	6,586,676	6,586,676
Interest earned (outstanding exchange receivables)		29,043,389	-	(6,586,676)	22,456,713
Expenditure		-	-	-	-
Employee related costs		(591,531,712)	(670,369)	-	(592,202,081)
General expenditure		(110,638,251)	(388,310)	-	(111,026,561)
Depreciation and amortisation		(133,419,020)	(6,474,211)	-	(139,893,231)
		548,915,354	(7,532,890)	-	541,382,464

- The effect of the correction of errors in the Statement of Financial Performance is increasing the accumulated surplus balances to 53 431 521 as disclosed in the Statement of Changes in Net Assets.

47. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk consists mainly of cash deposits, cash equivalents, other financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets/liabilities exposed to credit risk at year end were as follows:

Financial instrument	2023	2022
Cash and cash equivalents	206,591,710	343,511,246
Receivable from exchange transactions	291,129,069	205,344,621
Receivable from non exchange transactions	21,098,885	20,233,459
Payables from exchange transactions	(255,224,839)	(216,637,442)

Market risk

Audited By
2023 -11- 30
Auditor General
Mpumalanga Bushbuckridge Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
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47. Risk management (continued)

as below;

Market risk is the risk that changes in the market process such as interest rates affect the municipality income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on the risk. Market risk comprises interest risk, currency risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in the market interest rates. Currently the municipality does not have any long term borrowing. The interest risk is managed through the implementation of the credit control policy by the revenue unit and applying a prime interest rate. There were no changes on the policy and the method in use.

48. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

49. Fruitless and wasteful expenditure

Opening balance as previously reported	4,538,041	3,096,596
Add: Fruitless and wasteful expenditure identified - current	1,258,628	2,418,224
Less: Amount written off (2020/21)	(31,560)	-
Less: Amount written off (2021/22)	(2,418,224)	-
Less: Amount written off - (2019/20)	-	(921,113)
Less: Amount written off - prior period (2014/15)	-	(55,666)
Closing balance	3,346,885	4,538,041

Fruitless and wasteful expenditure is presented inclusive of VAT

Audited
By
2023 -11- 30
Auditor General South Africa
Mpumalanga Business

Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
49. Fruitless and wasteful expenditure (continued)		
Details of fruitless and wasteful expenditure		
	Disciplinary steps taken/criminal proceedings	
Auditor General	58,563	15,518
Eskom	213,257	185,390
SARS	955	10,360
Department of Water and Sanitation	195,089	342,256
Department of safety, security and liason	790,276	98,757
Nelson Mandela Metropolitan University	-	428
Mpumalangaeni projects	-	568,040
Department of labour	-	1,197,485
Department of Agriculture, land reform & rural development	486	-
	1,258,626	2,418,224

50. Irregular expenditure

Opening balance as previously reported	442,807,371	1,702,132,793
Opening balance adjustment (correction of errors)	-	584,705,422
Add: Irregular expenditure - current year identified by the Auditor General	600,000	7,082,143
Add: Irregular expenditure - current year identified by the municipality	6,586,801	7,185,601
Less: Amount written off (2021/22)	(14,267,744)	-
Less: Subsequent payments written off	(6,586,801)	-
Less: Correction of errors	-	(634,578,607)
Less: Amount written off (2009/2010) and 2010/2011	(264,153,994)	-
Less: Amount written off - (upto 2020)	-	(1,138,586,087)
Less: Amount written off - 2021	(126,402,303)	(85,133,894)
Closing balance	38,583,330	442,807,371



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
51. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription / fee	6,802,634	6,333,557
Amount paid - current year	(6,802,634)	(6,333,557)
	<u>-</u>	<u>-</u>
Material losses through criminal conduct		
Opening balance as previously reported	5,247,975	-
Add: Losses identified - current period	3,850,524	5,247,975
	<u>9,098,499</u>	<u>5,247,975</u>
The municipality lost the disclosed amounts due to fraud at the licencing stations, the internal audit unit is carrying out investigations to establish further details. See note 7		
Distribution loss		
Billed water	105,515,109	98,970,640
Free basic	222,348,531	178,355,176
	<u>327,863,640</u>	<u>277,325,816</u>
Cost of production	(222,320,160)	(239,057,830)
Less: Closing water inventory	(395,755)	-
	<u>105,147,725</u>	<u>38,267,986</u>
Audit fees		
Amount paid - current year	<u>11,133,648</u>	<u>10,344,477</u>
PAYE and UIF		
Opening balance	11,192,697	-
Current year subscription / fee	112,617,028	104,330,225
Amount paid - current year	(112,617,028)	(93,137,528)
	<u>11,192,697</u>	<u>11,192,697</u>
Pension and Medical Aid Deductions		
Opening balance	7,564,406	-
Current year subscription / fee	143,041,724	152,422,034
Amount paid - current year	(143,041,724)	(144,857,628)
	<u>7,564,406</u>	<u>7,564,406</u>

Councillors' arrear consumer accounts

There were no Councillors who had arrear accounts outstanding for more than 90 days at 30 June 2023:

2023 -11- 30
Auditor General South Africa
Mpumalanga Business Unit

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
-----------------	------	------

51. Additional disclosure in terms of Municipal Finance Management Act (continued)

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Accounting Officer and noted by Council. The expenses incurred as listed hereunder have been approved and noted by the municipal council.

Incident

Current year deviations	72,100,589	30,178,912
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52. Segment information

General information

Identification of segments

The report is based municipality departments which are reportable segments and where performance is measurable. Management uses these same segments for compilation of the IDP, SDBIP, budget and monthly and quarterly reporting. The segments were organised around type of service delivered and target market. Management uses the same segments for determining strategic objectives. Segments were aggregated for reporting purposes. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The segments of the municipality were not aggregated.

Types of goods and/or services by segment

The following are the reportable segments of the municipality. These are reportable segments as well as the goods and or services for each segment as set out below:

Reportable segment	Goods and/or services
Executive and Council	Provides political leadership to the municipality for the generation of economic benefits and service potential
Budget and Treasury Office	Provides financial administration to the municipality for generation of economic benefits and service potential
Community Services	Provides social services, public safety, public spaces, libraries and indigents administration to the municipality for generation of economic benefits and service potential
Economic Development Planning and Environment	Provides for waste management, town planning, local economic development and environment sustainability for the generation of economic benefits and service potential
Technical Services	Road transport, electricity, housing and building inspection, project management unit, waste water management and all infrastructure services to the municipality for the generation of economic benefits and service potential
Water Services	Provides for production and distribution of water to the municipality for the generation of economic benefits and service potential
Corporate Services	Provides legal and administration management services including human capital and information and communication technology to the municipality for the generation of economic benefits and service potential.
Municipal Managers Office	Provides for administration, leadership, performance monitoring, integrated development plan, risk management and internal audit functions to the municipality for the generation of economic benefits and service potential

Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand

52. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2023

	Budget and Treasury	Community Services	Corporate Services	Council Services	Economic development planning and environment	Municipal Manager	Technical Services	Water Services	Total
Revenue									
Revenue from Exchange Transactions									
Agency income	-	14,814,487	-	-	-	-	-	-	-
Interest received -bank	18,636,744	-	-	-	-	-	-	-	14,814,487
Interest on outstanding debtors	47,034,569	-	-	-	-	-	-	-	18,636,744
Licence and permits	246,594	-	-	-	-	-	-	-	47,034,569
Operating Income	6,707,341	149,571	-	-	-	-	-	-	246,594
Rental of facilities and equipment	1,066,490	-	-	-	-	-	-	-	6,856,912
Service charges	118,779,549	-	-	-	-	-	-	40,010	1,066,490
Revenue from Non-exchange transactions									
Property rates	251,708,461	-	-	-	-	-	-	-	-
Transfer and subsidies	1,431,490,834	-	-	-	-	-	53,216,388	-	251,708,461
Interest on property rates	115,545,722	-	-	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-	-	9,945,360	115,545,722
Fines and penalties	-	-	-	-	-	-	-	-	9,945,360
	-	3,901,282	-	-	-	-	-	-	3,901,282
Total segment revenue	1,991,216,394	18,865,340	-	-	-	-	53,216,388	9,985,370	2,073,283,402
Entity's revenue									2,073,283,402

Audited
By
2023-11-30
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Mpumalanga Business

Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand

52. Segment information (continued)

Expenditure	Budget and Treasury	Community Services	Corporate Services	Council Services	Economic development planning and environment	Municipal Manager	Technical Services	Water Services	Total
Employee related costs	68,110,256	105,931,749	103,002,703	2,375,988	72,634,368	33,944,859	79,657,069	166,194,904	631,851,896
Remuneration of Councillors	-	-	-	31,804,302	-	-	-	-	31,804,302
Depreciation and amortisation	21,824,991	8,093,458	5,523,491	-	627,094	-	520,881	120,599,140	157,189,055
Finance Cost	11,662,677	-	-	-	-	-	-	-	11,662,677
Debt impairment	334,338,620	-	-	-	-	-	-	-	334,338,620
Contracted services	20,979,282	80,271,141	38,398,832	798,528	9,349,993	12,311,440	102,509,935	39,152,998	303,772,149
Transfer and subsidies	-	1,769,649	-	106,699	-	-	10,194,543	-	12,070,891
Bad debts written off	96,875	-	-	-	-	-	-	-	96,875
General expenses	21,648,836	6,392,540	39,237,460	3,094,632	5,103,438	5,096,950	8,561,576	19,487,194	108,622,626
Actuarial gains/loss	(2,168,205)	-	-	-	-	-	-	-	(2,168,205)
Gain/(loss) on disposal of assets	10,139,676	-	-	-	-	-	-	-	10,139,676
Gains in provisions	-	-	(6,986,393)	-	-	-	-	-	(6,986,393)
Impairment loss	(10,802)	-	-	-	-	-	-	274,857	264,055
Total segment expenditure	486,622,206	202,458,537	179,176,093	38,180,149	87,714,893	51,353,249	201,444,004	345,709,093	1,592,658,224
Total segmental surplus/(deficit)									480,625,178

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By
2023 -11- 30
Auditor General South Africa
Mmamalanga Business Unit

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2023

Figures in Rand

	2023	2022	2021	2020
Liabilities				
Payables from exchange transactions	(1,235,811,586)	-	962,055,738	-
Consumer deposits	(2,514,854)	-	-	-
Provisions-current portion	(25,302,839)	-	(37,790,754)	-
Provisions -Non current portion	(103,241,939)	-	-	-
Unspent conditional grants	6,270,205	-	(49,370,205)	-
Net Assets : Accumulated surplus	(6,381,757,651)	-	-	-
Total segment liabilities	(7,742,358,666)	-	(5,746,044)	(3,986,598)
Total liabilities as per Statement of financial Position			18,270,421	(6,878,879,108)

38

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2023

Notes to the Annual Financial Statements for the year ending 30 June 2023

Figures in Rand	2023	2022
-----------------	------	------

52. Segment information (continued)

The municipality is a category B municipality and presidential nodal point located within Ehlanzeni District in the northeastern part of Mpumalanga province. It is the largest of the four municipalities that make up the district, accounting for a third of its geographical area. The municipal area provides a link to Lydenburg and other centers in the Lowveld, particularly Kruger National Park, Hoedspruit, Pilgrims Rest and Graskop. The municipality can be therefore be called the gateway to the major tourist attraction points in the Mpumalanga and eastern part of the Limpopo province. Management has as per the GRAP standards decided to report on Bushbuckridge as a single geographical area. Management is of the opinion that as per paragraph 32, the cost of developing geographical information would be excessive, secondly that due to the nature of the municipality, it would therefore not be in the interest of the users of the financial statements to develop geographical information for reporting.

53. Unauthorised expenditure

Add: Unauthorised expenditure - current	9,763,249	-
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The unauthorised expenditure relates to expenditure on construction and re-construction of culvert bridges for which no budget was provided to address the aftermath of the January 2023 storms. The unauthorised expenditure will be dealt with in terms of S32 of the MFMA.

54. Accounting by principals and agents

The entity is a party to a principal-agent arrangement(s).

Details of the arrangement(s) is/are as follows:

The municipality acts as an agent on behalf of the Mpumalanga Department of Safety, Security and Liaison for registrations, testing and licensing services. The municipality earns 20% agents fees and 100% on certain transactions and remit the 80% to the principal which is the Mpumalanga Department of Safety, Security and Liaison. Refer to note 19 for the agency fees earned by the municipality.

Entity as agent

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is 14,814,486 (2022: 14,833,975).

Additional information

Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)

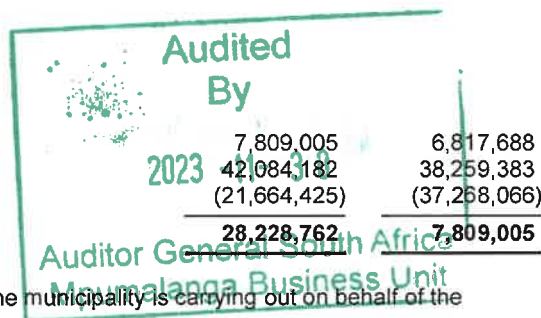
Reconciliation of the carrying amount of payables

Opening balance	7,809,005	6,817,688
Amounts received on behalf of principal	42,084,182	38,259,383
Amount paid to the principal	(21,664,425)	(37,268,066)
	<u>28,228,762</u>	<u>7,809,005</u>

Amounts received relates to registrations, testing and licensing services the municipality is carrying out on behalf of the Mpumalanga Department of Safety, Security and Liaison.

All categories

Opening balance	7,809,005	6,817,688
Amounts received on behalf of principal	42,084,182	38,259,383
Amount paid to the principal	(21,664,425)	(37,268,066)
	<u>28,228,762</u>	<u>7,809,005</u>



Report of the auditor-general to Mpumalanga Provincial Legislature and the council on the Bushbuckridge Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Bushbuckridge Local Municipality set out on pages xxx to xxx which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Bushbuckridge Local Municipality as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with Standards of General Recognised Accounting Practice (GRAP) and the applicable requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Material impairments - Receivables from non-exchange transactions

7. As disclosed in note 7 to the financial statements' material impairments of R713,94 million (2022: R600,85 million) was incurred as a result of the municipality not able to recover monies owed by consumers, the debt was impaired.

Material impairments - Receivables from exchange transactions

8. As disclosed in note 10 to the financial statements' material impairments of R310,49 million (2022: R214,97 million) was incurred as a result of the municipality not able to recover monies owed by consumers, the debt was impaired.

Restatement of corresponding figures

9. As disclosed in the note 46 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Other matter

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

Unaudited disclosure notes

11. In terms of section 125(2) (e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting office determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated function and that is of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Service delivery and infrastructure development	XX	To improve the provision of basic services such as water , electricity, sanitation and refuse removal

18. I evaluated the reported performance information for the selected key performance area against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
19. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and measures taken to improve performance.

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
21. The material findings on the reported performance information for the selected key performance area are as follows:

Service delivery and infrastructure development

Various indicators

22. The achievements were reported in the annual performance report, however, targets in the approved service delivery and budget implementation plan did not agree to the planned targets.

Indicator	Target	Reported achievement
154.% completion of culvert bridge at Thulamahashe	100% completion of culvert bridge at Thulamahashe	100% completion of culvert bridge at Acornhoek (Jamayani Primary to Phendulani High)
155.% completion of rehabilitation of internal streets at Malubana	100% completion of rehabilitation of internal street at Malubana	100% completion of culvert bridge at Acornhoek (Jameyani Primary to Phendulani High)
175.% completion of storm water drainage project	50% construction on progress of storm water drainage project	55% construction progress of internal streets at Maviljan region ward 37

Various indicators

23. The indicators were included in the approved annual performance plan and service delivery and budget implementation plan and integrated development plan but then not clearly defined during planning processes. It was also not determined how the related targets would be measured and what evidence would be needed to support the achievements. Consequently, information might be less useful for measuring performance.

Indicator	Target	Reported achievement
200% serving of sites in Dwarsloop	5% construction on progress of water and sanitation infrastructure Dwarsloop	0% construction progress of water and sanitation infrastructure Dwarsloop
New target	0% completion of construction of basic sanitation	% of completion of construction of basic sanitation

Various indicators

24. The planned targets for these indicators were not specific in that it was not indicated how it would be measured or when it should be delivered. Consequently, the information might be less useful for measuring performance.

Indicator	Target	Reported achievement
201. % completion of Upgrading of Maviljan WWTW	100% completion of upgrading of Maviljan WWTW	85% completion of upgrading of Maviljan WWTW
202. % completion of Refurbishment of Mkhuhlu WWTW project	100% completion of refurbishment of Mkhuhlu WWTW project	0% completion of refurbishment of Mkhuhlu WWTW project
204. % completion of basic sanitation	100% completion of construction of basic sanitation	80% completion of construction of basic sanitation
235. % completion of refurbishment of telemetry system	100% of completion of refurbishment of telemetry system	0% completion of refurbishment of telemetry system
236. % completion of installation of reservoir level indicators and control valves	100% completion of installation of reservoir level indicators and control valves	80% completion of installation of reservoir level indicators and control valves
237. % completion of installation of bulk flow meters	100% completion installation of bulk flow meters	0% completion of installation of bulk flow mers
238. Procurement of leak detection equipment	100% completion of procurement of leak detection equipment	0% completion of procurement of leak detection equipment
239. % completion of installation of reservoir and bulk pipeline pressure sensors	100% completion of installation of reservoir and bulk pipeline pressure sensors	100% completion of installation of reservoir and bulk pipeline pressure sensors
240. % completion of purchase laboratory equipment	100% completion of purchase laboratory equipment	0% completion of purchase laboratory equipment
242. % completion of sealing of reservoir	100% completion of sealing of reservoir	98% completion of sealing of reservoir

Various indicators

25. The reported measures taken to improve performance against the target did not agree to the supporting evidence.

Indicator	Target	Reported achievement
192.% Rehabilitation of Thulamahashe internal streets phase	100% Rehabilitattion of Thulamahashe inyternal streets phase 2	0% Rehabilitation of Thulamahashe internal streets phase 2
226. % completion of refurbishment of Rooibboklage package plant	0% completion refurbishment of Rooibboklagte package plan	0% completion of refurbishment of Rooibboklagte package plan

Various indicators

26. Reported achievement did not agree to evidence, i.e. was not valid and/or accurate and/or complete

Indicator	Target	Reported achievement
150. % completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)	100% completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)	100% completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)
160. % completion of water reticulation at Rolle phase 2	20% construction progress of water reticulation at Rolle phase 2	20% construction progress of water reticulation at Rolle phase 2
172. % completion of tarring of internal street from Casteel to Tembisa High School	100% completion of tarring of internal street from Casteel to Tembisa High School	50% completion of tarring of internal street from Casteel to Tembisa High School
199. % completion of Mnisi Resort Chalets in welverdiend and Construction of Guardhouse and Waste Equipment's at Inyaka Dam	% completion of Mnisi Resort Chalets in welverdiend and Construction of Guardhouse and Waste Equipment's at Inyaka Dam	10% construction of Mnisi resort chalets in welverdiend and construction of guardhouse and waste equipment at inyaka Dam
200. % serving of sites in Dwarsloop	5% serving of sites in Dwarsloop	0% construction progress of water and sanitation infrastructure Dwarsloop

Other matters

27. I draw attention to the matters below.

Achievement of planned targets

28. 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 Adjustment of material misstatements

29. The municipality plays a key role in delivering services to South Africans. 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.

Service delivery and infrastructure development

<i>Targets achieved: 42,61</i> <i>Budget spent: 102,70%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement

158. % Completion water of reticulation at Phendulani Moses	100%	93%
162. % Completion of water reticulation project at Belfast	80%	64%
166. % Completion of water reticulation project at Ronaldsey	90%	62%
168. % Completion of water reticulation project at Kildare A	100%	74%
170. % Upgrading of Brooklyn package plant	100%	94%
172. % Completion of tarring internal streets from Casteel to Tembisa High school	100%	50%
177. % Completion of paving internal streets at Acornhoek ward 17	80%	48%
181. % Completion of paving of internal streets at Agincourt	80%	32%
184. % Completion Paving of internal streets project at Shatale Region ward 12	100%	80%
190. % Rehabilitation of Dwarsloop internal streets phase1	100%	52%
192. % Rehabilitation of Thulamahashe internal streets phase2	100%	0%
197. % Completion of Acornhoek sports Facility project phase 2	50%	25%
198. % Construction of Huntington cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	10%	0%
199. % Completion of Mnisi Resort Chalets in welverdiend and Construction of Guardhouse and Waste Equipment's at Inyaka Dam	10%	0%
200. % Serving of sites in Dwarsloop	5%	0%
201. % Completion of Upgrading of Maviljan WWTW	100%	85%
202. % Completion of Refubishment of Mkhuhlu WWTW project	100%	0%
203. % Completion of planning and designs of Shatale WWTW project	100%	0%
204. % Completion of Basic Sanitation	100%	80%
206. % Completion of Fencing of Thulamahashe WWTW	100%	0%
212. % Completion of Renovations of Merriam Mogakane Community Hall	100%	50%
213. % Completion of Renovations of Huntington Community Hall	100%	90%
219. % Completion of Electrification croquet lawn Village	97%	54%
221.2 New % Completion of Fitment of Equipment at Dwarsloop Workshop	100%	80%

222.3 New% of installation of generator at Inyaka WTW	100%	30%
223.4 New% of installation of generator at Inyaka Raw Water	50%	15%
224.5 New% of installation of generator at Hoxani Raw Water	100%	30%
225.6 New% of installation of generator at Hoxani WTW	100%	30%
226.7 New% of installation of generator at Intermediate Booster	100%	30%
221 % Completion of upgrade of Sand River Package Plant phase 2	100%	0%
226. % Completion of Refurbishment of Rooibboklagte Package plant	100%	0%
227. % Completion of Refurbishment of Zoeknag Package plant	100%	0%
228. Number of boreholes automated	50 boreholes	0 boreholes
229. % Completion of refurbishment of Inyaka Lime silos	100%	0%
230. % Completion of installation manholes covers	100%	0%
231. % Completion of refurbishment of lime dosing system	100%	0%
232. % Completion of installation of pressure reducing valves	100%	98%
234. % Completion of Installation of Hoxane WTW clear water pump, pipework, and electrical panel	100%	98%
235. % Completion of refurbishment of telemetry system	100%	0%
236. % Completion of installation of reservoir level indicators and control valves	100%	0%
237. % Completion of installation of bulk flow meters	100%	0%
238. Procurement of leak detection equipment	100%	0%
240. % Completion of Purchase laboratory equipment	100%	0%
241. % Completion of Connection of existing Buffelshoek reservoirs	100.0%	98%
242. % Completion of sealing of reservoir	100%	98%
243. New target (indicator not well defined, typo on SDBIP)	100%	0%
244. % Completion of refurbishment of Mkhuhlu, Maviljan, Thulamahashe and Dwarsloop sewer network	100%	0%
245. % Completion of lining of Dwarsloop and Thulamahashe WWTW ponds	100%	0%
246. % Completion of refurbishment of Thulamahashe biofilter and digestors	100%	0%

Material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

31. 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.
32. 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.
33. 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.
34. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

35. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Asset management

36. An effective system of internal control for assets was not in place, as required by section 63(2) (c) of the MFMA.

Expenditure management

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

38. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 258 628, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
39. Reasonable steps were not taken to prevent irregular expenditure amounting to R7 186 801, as disclosed in note 50 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Strategic planning and performance management

40. The performance management system and related controls were not maintained as it did not describe how the performance planning, monitoring, measurement, review, reporting, improvement, processes should be managed, as required by municipal planning and performance management regulation 7(1).and performance management regulation 7(1).

Other information

41. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that has been specifically reported in this auditor's report.
42. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
43. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. 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

45. The matters above, as they relate to the basis for the opinion, findings on the annual performance report and findings on compliance with legislation, will be summarised in the auditor's report as follows:
46. Monthly reports and quarterly reports are not adequately reviewed by management to ensure that information included in the annual financial statements is free from material misstatements or errors.

47. Reports or registers supporting the annual financial statements are not timeously submitted to senior management so that proper reviews are done so to detect errors and correct them timeously.
48. Recommendations made by the internal and external auditors are not fully implemented by management.
49. Planned indicators and targets are not always reported in the quarterly performance reports where errors and low performance are timeously detected and corrected by management.
50. Quarterly performance reports are not timeously submitted for review to senior officials to ensure adequate reviews are applied to ensure that reported in the annual performance report is accurate.
51. Regular trainings should be performed to the finance, technical, performance management and SCM unit to ensure that the teams are kept up-to date with the new changes of the requirements of reporting frameworks and compliance with legislations.
52. Appropriate consequence management should be implemented where repeat issues continue to be detected and remain uncorrected, in order to promote accountability.
53. Management did not establish and communicate SOP to regulate the implementation of infrastructure projects by clearly defining how the infrastructure projects should be managed.

Management did not implement effective human resource management to ensure that adequate and sufficiently skilled resources as required by the Municipal Staff Regulations are in place.

Material irregularities

54. In accordance with the PAA and the material irregularity (MI) regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities in progress

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

Auditor-General

Mbombela

30 November 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report¹

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance area and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<p>Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure,</p> <p>Section 1 - Definition: service delivery and budget implementation plan,</p> <p>Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1),</p> <p>Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b),</p> <p>Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i),</p> <p>Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b),</p> <p>Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e),</p> <p>Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1),</p> <p>Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii),</p> <p>Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170,</p> <p>Sections 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72

Legislation	Sections or regulations
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2005	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)

Legislation	Sections or regulations
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)

¹ Annexure to the auditor's report

The annexure must be included with the auditor's report. This means that the annexure must be included directly after / together with the auditor's report when included in the auditee's annual report for printing; it cannot be located elsewhere in the annual report.