

BUSHBUCKRIDGE LOCAL MUNICIPALITY



ANNUAL REPORT 2023/2024

BUSHBUCKRIDGE LOCAL MUNICIPALITY



BUSHBUCKRIDGE
LOCAL MUNICIPALITY

ANNUAL REPORT

2023/2024 FINANCIAL YEAR

Table of Contents

Table of Contents.....	ii
MUNICIPAL GENERAL INFORMATION	iv
LIST OF ABBREVIATIONS AND ACRONYMS	v
CHAPTER 1: MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	1
1.1. FOREWORD BY THE EXECUTIVE MAYOR.....	1
1.2. MUNICIPAL MANAGER FOREWORD	6
1.3. MUNICIPAL OVERVIEW AND GEOGRAPHICAL PROFILE	9
1.4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT.....	16
1.5. AUDIT AND PERFORMANCE COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2024.....	17
1.6. RISK MANAGEMENT COMMITTEE REPORT	23
CHAPTER 3: SERVICE DELIVERY PERFORMANCE.....	45
3.1. GOOD GOVERNANCE	45
3.2. INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY.....	47
3.3. LOCAL ECONOMIC DEVELOPMENT AND PLANNING.....	55
3.4. COMMUNITY SERVICES.....	60
CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE	63
SECTION A: TOTAL MUNICIPAL WORKFORCE.....	64
4.1. WORKFORCE PROFILE AND CORE SUPPORT FUNCTIONS	64
SECTION B: MUNICIPAL WORKFORCES.....	69
4.2. WORKFORCE MANAGEMENT	69
SECTION C: CAPACITY OF THE MUNICIPALITY	70
4.3. SKILLS DEVELOPMENT.....	71
SECTION D: WORKFORCE EXPENDITURE MANAGEMENT	73
4.4. MONITORING	73
CHAPTER 5: FINANCIAL PERFORMANCE	77
COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE	78
5.1. Financial performance status.....	78
5.2. Operating results.....	79



5.3.	Income.....	79
5.4.	Operating results per category of expenditure	80
COMPONENT B: STATEMENT OF FINANCIAL PERFORMANCE		82
5.5.	Capital expenditure.....	82
COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENT		82
5.6.	Investments and cash	82
5.7.	Debtors' Assessment.....	82
5.8.	Billing Systems.....	83
COMPONENT D: OTHER FINANCIAL MATTERS.....		83
5.9.	ANNUAL FINANCIAL STATEMENT 2023/2024.....	83
5.10.	Review of Auditor General's Reports.....	83
5.11.	FINANCIAL MANAGEMENT POLICIES	84
5.12.	Remedial actions.....	85
CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS.....		86
Appendix A: Annual Performance Report.....		89
Appendix B: Annual Financial Statement		89
Appendix C: Audit Report-AGSA.....		89

MUNICIPAL GENERAL INFORMATION

Bushbuckridge Local Municipality

PHYSICAL ADDRESS:	R533 Graskop Road Opp Mapulaneng DLTC Bushbuckridge 1280
POSTAL ADDRESS:	Private Bag X9308 Bushbuckridge 1280
TELEPHONE NUMBER:	013 065 0983
CO-ORDINATES:	31°3'59.796" E 24°50'24.3304" S
EMAIL ADDRESS:	info@bushbuckridge.gov.za
WEBSITE:	www.bushbuckridge.gov.za
PUBLISHED BY:	Communications@Bushbuckridge Local Municipality
Title of Publication:	Bushbuckridge Local Municipality: Annual Report 2022/23 Financial Year

LIST OF ABBREVIATIONS AND ACRONYMS

Abbreviation	Definition
AFS	Annual Financial Statement
AGSA	Auditor-General South Africa
AO	Accounting Officer
AOPO	Audit of Predetermined Objectives
APR	Annual Performance Report
AR	Annual Report
BEDA	Bushbuckridge Economic Development Agency
BLM	Bushbuckridge Local Municipality
CCIFSA	The Cultural and Creative Industries Federation of South Africa
CDWs	Community Development Workers
COGTA	Department of Corporate Governance and Traditional Affairs
DARDLEA	Department of Agriculture, Rural Development, Land and Environmental Affairs
DDM	District Development Model
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
GBVF	Gender-Based Violence and Femicide
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
LED	Local Economic Development
LGNC	Local Geographical Name Change Committee
LM	Local Municipality
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant
MPRA	Municipal Property Rates Act
MSCOA	Municipal Standard Chart of Account
NKPI	National Key Performance Indicator
NSDP	National Spatial Development Perspective
NT	National Treasury
OHS	Occupational Health and Safety
PCF	Premiers Coordinating Forum
RLCC	Regional Land Claims Commission

RMC	Risk Management Committee
SALGA	South African Local Government Association
SANCO	South African National Civic Organization
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SMMEs	Small, Medium, and Micro Enterprises
VIP	Ventilated Improved Pit Latrine
WSA	Water Service Authority
WSP	Water Service Provider
WSP	Workplace Skill Plan
WWTW	Wastewater Treatment Works
AO	Accounting Officer

Phrases	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 at 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 prior to 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.



Phrases	Definition
Weighting	The percentage value of a KPA compared to other KPAs.
Source Document	A document used to prove whether the KPA has been performed or not.
Performance Contract	The document that records the agreements between the employee and the manager regarding what is expected from the employee in terms of performance for the performance cycle also records the employees' 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.

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1. FOREWORD BY THE EXECUTIVE MAYOR



*Councillor Matlanatso Lydia Moroane,
Executive Mayor; Bushbuckridge Local Municipality*

First and foremost, I would like to extend my utmost appreciation to my predecessor, Executive Mayor Sylvia Nxumalo. Your guidance and advice have been invaluable since I joined this wonderful institution. I can't thank you enough for all the help that you've bestowed upon me.

The Annual Report for Bushbuckridge Local Municipality has been compiled in accordance with the provision of section 121(1) of the Municipal Finance Management Act, (Act No. 56 of 2023) which requires that “every Municipality and a municipal entity must for each financial year, prepare an annual report in accordance with its guidelines.” This report is evidence of the fulfillment of the legislative framework governing the public sector by the political leadership and administration in the best interests of our esteemed citizens of Bushbuckridge.

It is a legislative imperative that we submit the annual report 2023/2024 financial year to the council for consideration. The Annual Report for 2023/24 reflects the municipal activities that occurred during the year under review. Therefore, one is accordingly honoured to present the Annual Report for the 2023/24 financial year which by all accounts has been quite an eventful year. The Bushbuckridge Municipal Council has worked hard during this period to finalize the outstanding matters on infrastructure-related projects and the required improvements in the delivery of basic services to our people. It has also been a period for unprecedented service delivery pace as we worked towards the successful implementation of the local government back-to-basics strategy, which was set up to realize significant improvements in how the local government machinery functions across the province and the country.

The municipality adopted the Back-to-Basics programme to ensure that our objectives are aligned with the objectives of the programme. We committed ourselves to going back to the basics of service delivery to better deal with backlogs and provide sustainable services. In March 2022, we launched the Back-to-Basics Service Delivery Fridays programme which is a flagship initiative used to visit communities and unblock a wide range of service delivery issues. This intervention is already bearing the much-needed results and making a significant impact in accelerating service delivery across Bushbuckridge Local Municipality.

Our priorities are summarised in the following nine points:

- Enhance access to reliable, affordable, and sustainable electricity.
- Ensuring that every community has access to reliable, clean, running water that is safe to drink.
- Investing in safe, reliable, affordable public transport; well-maintained roads; and infrastructure renewal.
- Ensuring effective waste collection and waste disposal.
- Promoting housing options, ensuring more people own their homes by receiving their valid title deeds.
- Being tough on crime and tougher on the causes of crime by investing in localised law enforcement.
- Minimizing the risks that lead to poor health, responding effectively to health emergencies, and promoting the resilience of communities through effective disaster risk management.
- Regaining the financial stability of the Bushbuckridge Local Municipality by ensuring good governance; and
- Attracting investors and creating jobs for the local economy by making it easier to do business within the municipality.

These priorities are in line with the overarching strategic vision 2040 of Bushbuckridge Rural Metro. The Rural Metro strategy will be taken to Council for approval as it is the blueprint in achieving the Municipal Vision.

The term started during a period in which the country was experiencing an unprecedentedly high cost of living, with an ever-soaring level of unemployment, which currently sits at 52%, and youth unemployment at 65%. In addition, the devastating impact of Covid-19 did not make the situation any better with many of our residents losing their jobs and businesses finding it hard to make ends meet. This meant many of our residents and businesses struggled to pay their municipal accounts thus placing immense strain on the Municipality's coffers.

The Provincial Government has developed and approved the Mpumalanga Economic Recovery Plan which all Departments and Municipalities must implement to ensure that the province deals with the shortcomings that emanate from the COVID-19 pandemic. The Municipality is reviewing the LED strategy, Spatial Development Framework (SDF), and developing the Rural Development Plan to ensure alignment with the Provincial strategy. This will assist the municipality in dealing with the triple P challenges. The National DCoG has developed the regulations on the District Development Model (DDM) and the Ehlanzeni District Municipality has developed the District's One Plan. The Municipality has also played a role in the development of the Plan and some of the Rural Metro catalytic projects have found expression in the One Plan. The Municipality together with different stakeholders including the private sector are in the process of seeking funding for these projects.

In the area of electricity, the Bushbuckridge local Municipality's Energy section -has done exceptionally well in meeting targets with 98% of the community having access to electricity. We managed to facilitate the supply of electricity through Eskom to communities as funding was made available for the INEP Grant. Furthermore, the Municipality is committed to ensuring that all residents have access to water that is safe and clean for human consumption. In this regard, we have increased the number of smart water connections within Bushbuckridge, and we are working hard to ensure that the number of water meters installed is uploaded to the billing system. To mitigate water scarcity and ensure the security of supply, we have completed two reservoirs and five are still under construction in the 2023/24 financial year.

In terms of health issues, the Community Services Directorate has done exceptionally well in reducing HIV/AIDS by providing awareness campaigns as there were 26 awareness campaigns coordinated and supported on health and social programs (HIV, STI's, TB, and school health programs) in all 38 wards during the 2023/2024 fiscal year. 16 Community Dialogues on GBVF, Men championing change program, Drug and substance abuse coordinated and supported successfully. There was overachievement in terms of awareness campaigns for substance abuse, the overall annual performance is 74 against 25 targets. This is an indication that our Prevention of Mother-to-Child Transmission is reaching the targeted audience with the desired impact. We have also managed to get more households registered and approved for indigent benefit, which is designed to relieve the pressure from the most vulnerable in our society.

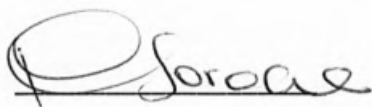
Crime has become a thorny issue in the municipality. Through the Community Services Department, the municipality has started a forum on crime prevention and combating by working together with all the police stations in the municipality, community policing forums and formations, and the Hoedspruit Farm Watch from our sister municipality, Maruleng Local Municipality. The initiative has since yielded results by conducting policing operations such as roadblocks in strategic areas. This forum will continue to meet regularly to develop strategies to further reduce criminal activities.

In the 2023/2024 financial year, new municipal roads have been delivered far beyond annual targets. We have excelled in expanding the construction and maintenance of stormwater drainage systems, which aid in the longevity of our road infrastructure. We continue striving to do better and deliver quality services across the board. We continue to make strides on road infrastructure projects to ensure accessibility to all our villages within the municipality. Such road infrastructure projects are at Orpen Village, Thembisa and Matsikitsane, and are at the stage of completion and will be in use by communities just after they are complete.

Our efforts to implement our plans effectively have been successful so far. As Bushbuckridge Local Municipality, we are actively working toward sustainably improving our residents' living conditions. We are glad in this regard that most of the multi-year projects that we initiated as part of our focus on water services have started and that some of our communities are already benefiting from some of these investments. We can mention in this particular regard that the planned bulk capacity expansions of the reticulation projects, Thulamahashe/Ludlow and Acornhoek/Inyaka Schemes respectively are some of the achievements from which our communities will immensely benefit after completion thereof. Upgrading the Ngwedzeni water treatment plant will add more value to the surrounding villages that the project intends to supply.

We continue to make strides on road infrastructure projects to ensure accessibility to all our villages within the Municipality. Such road infrastructure projects at Orpen Village, Thembisa and Matsikitsane are at the stage of completion and will be in use by communities just after they are complete. We can further report that other community facilities are under construction at Merrium Mogakane Community Hall and wastewater treatment plants, once completed they will have a positive impact on the livelihood of our communities. At this time in its history, Bushbuckridge Local Municipality is rising to the challenge of creating a strong, supportive, planned, and sustainable future for the people of Bushbuckridge. This report shows our commitment to action, and we look forward to continuing to work with Bushbuckridge's strong and diverse communities to ensure that our residents have every opportunity to grow and develop to their highest potential.

I hereby present this Annual Report for the financial year 2023/2024. It outlines the successes and shortcomings during this period under review.



Ms. M.L. Moroane

Executive Mayor: Bushbuckridge Local Municipality

1.2. MUNICIPAL MANAGER FOREWORD



Mr. Jasper Ngobeni

Municipal Manager of Bushbuckridge Local Municipality

It is with a great sense of responsibility and commitment that I present this statement as Bushbuckridge Local Municipality tables the 2023/24 Annual Report. It reflects our dedication to upholding the Constitutional principles that underpin the mandates of the local sphere of government in South Africa. As we proceeded with the 2023/24 financial year, flood disasters struck in all 38 wards within the municipal jurisdiction in January 2023. Despite these challenges, we remained committed to our resolve to strengthen the delivery of services by bringing together resources through internal and external partnering to confront these difficulties. Having just come out of a difficult period under the COVID-19 pandemic and the flood disasters further intensified the need for a one-government approach (partnering with sector departments) towards saving lives and strengthening our service delivery mechanisms.

A year-on-year comparison indicates that organizational performance has remained steady at 72% for the year, matching the achievement of 2022/2023. However, this falls short of the 81% attained in the 2021/2022 financial year, highlighting a performance gap we are striving to close. To enhance efficiency and drive the implementation of our mandate, we have adopted a more robust approach to key organizational programmes and performance areas. Following a comprehensive review of the Operating Model and Organisational Structure, we are continuing with the following programs to advance our strategic objectives:

- Programme 1: Infrastructure Development and Basic Services Delivery.
- Programme 2: Municipal Institutional Transformation and Organizational Development.
- Programme 3: Local Economic Development (LED).
- Programme 4: Municipal Financial Viability and Management.
- Programme 5: Good Governance and Public Participation.

Through a thorough review of our organisational programmes, we have identified areas for improvement and realignment. We have streamlined processes, enhanced coordination, and adopted innovative strategies to ensure that our resources are utilised optimally, and our efforts are directed towards meaningful outcomes.

As we reflect on the year under review, we are inspired by the remarkable progress we have made in fulfilling our mandate and advancing the well-being of our communities. Some of the highlights include the hosting of the Mayoral Imbizos and IDP and Budget Public Participations, wherein the Honourable Executive Mayor directed the Municipality to, amongst others, continue to have focused engagements with various stakeholders to ensure that our citizens and communities are sustainably provided with basic services.

Our Annual Report reflects the diverse yet interconnected nature of our programmes, highlighting the collective impact of our endeavours. None of this would have been possible without the leadership of the Executive Mayor and her executive committee. The dedication and passion of our talented team employees and the invaluable support and collaboration of our stakeholders and partners, have been instrumental in making our collective efforts a resounding success.

The organization's operational overview reveals that by 30 June 2024, the municipality had collected R400 million in revenue, falling short of the projected R600 million. The collected revenue comprised various sources, including property rates, service charges, and licenses and permits. However, accurately forecasting revenue remains challenging, as the municipality is not a revenue-generating entity.


Internal management related to section 56 managers

It is with great pleasure that inform you that all our director positions are filled apart from the position of Director Technical Services, the HR selection process has started and will be concluded speedily as this is a strategic position. The management team functioned exceptionally well amid the challenging local government environment.

Acknowledgement(s) or Appreciation

I would like to take this opportunity to acknowledge the contribution and commitment of the municipal staff and executive management in achieving the improved results contained in this Annual Report.

Approval and sign-off



Mr. J. Ngobeni

Municipal Manager: Bushbuckridge Local Municipality

1.3. MUNICIPAL OVERVIEW AND GEOGRAPHICAL PROFILE

Bushbuckridge Local Municipality (BLM) is situated in the north-eastern part of Mpumalanga Province, bordered by the Kruger National Park to the east, the City of Mbombela Local Municipality to the south, and Thaba Chweu Local Municipality to the west. The municipality covers a vast geographical area of approximately 1,000,000 hectares (10,250 km²), with a portion of the Kruger National Park falling within its jurisdiction.

NATIONAL AND PROVINCIAL CONTEXT

Bushbuckridge Local Municipality serves as Mpumalanga Province's gateway to Africa, strategically positioned between Limpopo Province (leading to Zimbabwe) and Mozambique. The municipality is traversed by the R40 road, a key economic route that forms part of the Maputo Corridor. It is one of the four local municipalities within the Ehlanzeni District Municipality.

MUNICIPAL WARDS

The municipality comprises 38 wards, each represented by a ward councillor and a proportional representation (PR) councillor. The table below outlines the wards and their respective settlements:

WARD NO	REGIONAL (SETTLEMENT)	AREA	WARD NO	REGIONAL (SETTLEMENT)	AREA
Ward 1	Mkhuhlu		Ward 21	Acornhoek	
Ward 2	Mkhuhlu		Ward 22	Acornhoek	
Ward 3	Mkhuhlu		Ward 23	Lilydale	
Ward 4	Mkhuhlu		Ward 24	Lilydale	
Ward 5	Mkhuhlu		Ward 25	Lilydale	
Ward 6	Mkhuhlu		Ward 26	Lilydale	
Ward 7	Maviljan		Ward 27	Thulamahashe	

WARD NO	REGIONAL AREA (SETTLEMENT)	WARD NO	REGIONAL AREA (SETTLEMENT)
Ward 8	Dwarsloop	Ward 28	Lilydale
Ward 9	Dwarsloop	Ward 29	Lilydale
Ward 10	Shatale	Ward 30	Thulamahashe
Ward 11	Shatale	Ward 31	Thulamahashe
Ward 12	Shatale	Ward 32	Casteel
Ward 13	Casteel	Ward 33	Thulamahashe
Ward 14	Casteel	Ward 34	Hluvukani
Ward 15	Acornhoek	Ward 35	Maviljan
Ward 16	Acornhoek	Ward 36	Thulamahashe
Ward 17	Acornhoek	Ward 37	Maviljan
Ward 18	Acornhoek	Ward 38	Hluvukani
Ward 19	Acornhoek		
Ward 20	Acornhoek		

TOWNSHIPS (R293 TOWNS)

The municipality's township areas include:

- Acornhoek (Peri-urban)
- Dwarsloop
- Maviljan
- Mkhuhlu
- Shatale
- Thulamahashe

POPULATION SIZE AND COMPOSITION

According to Stats SA (2016 Community Survey - CS), Bushbuckridge's population grew from 548,760 in 2016 to 750,821 in 2021, reflecting a 3.3% increase. This makes it the second-largest population in both the Ehlanzeni District and Mpumalanga Province, accounting for 34% of the district's total population in the 2021 census.

The population growth is attributed to a high birth rate and an influx of immigrants from Mozambique, Zimbabwe, and Eswatini, drawn by South Africa's middle-income status, stable democratic institutions, and industrialized economy. This growth has placed increasing pressure on municipal services, as available resources and revenue remain limited. To address this, the municipality has developed a revenue enhancement strategy to expand income sources and ensure sustainable service delivery. Population growth statistics have been integrated into the municipality's Integrated Development Plan (IDP) processes.

SERVICE DELIVERY OVERVIEW

#	R293 TOWNS	WATER	ELECTRICITY	REFUSE REMOVAL	SOLID WASTE	PROPERTY RATES	USE OF OTHER FACILITIES (E.G., HALLS)
1.	Acornhoek	Yes	No	No	Yes	No	Yes
2.	Dwarsloop	Yes	No	Yes	Yes	Yes	Yes
3.	Maviljan	Yes	No	Yes	Yes	Yes	Yes
4.	Mkhuhlu	Yes	No	Yes	Yes	Yes	Yes
5.	Shatale	Yes	No	Yes	Yes	Yes	Yes
6.	Thulamahashe	Yes	No	Yes	Yes	Yes	Yes

Note: Eskom provides electricity directly to the communities.

Water and Sanitation

As an authorized Water Service Authority (WSA) and Water Service Provider (WSP), the municipality is mandated to provide clean and sufficient water and sanitation services under

the Water Services Act 108 of 1997. It operates 14 water purification plants, including 10 package plants and 4 conventional treatment plants, which abstract, purify, and distribute water through bulk pipelines, reticulation networks, and reservoirs. In areas without infrastructure, water is supplied via boreholes and tankers.

Sanitation services include full water-borne systems in R293 towns, with sewerage treated at five wastewater treatment plants. In rural areas, services include septic tanks, VIP toilets, chemical toilets, and pit latrines, supported by honey sucker services. Challenges such as water losses, illegal connections, and infrastructure theft are being addressed through a Water Conservation and Demand Management Strategy.

Electricity

Eskom, licensed by the National Electricity Regulation of South Africa, supplies electricity to the entire municipality. The municipality facilitates the identification of areas needing electrification and infrastructure development.

Waste Management

The municipality provides waste collection services to R293 towns and rural areas, including schools, police stations, hospitals, and clinics. It operates one regional landfill site in Thulamahashe and transfer stations in Acornhoek, Maviljan, and Mkhuhlu. An Integrated Waste Management Plan has been approved to improve service standards, address backlogs, and promote recycling initiatives.

LEGISLATIVE AND OTHER MANDATES

Constitutional mandate

The mandate of the local government in South Africa is primarily derived from Chapter 7 of the Constitution of the Republic of South Africa, 1996, hereafter referred to as the Constitution.

The objectives of local government are—

- a) To provide a democratic and accountable government for local communities.
- b) To ensure the provision of services to communities in a sustainable manner.

- c) To promote social and economic development.
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organizations in the matters of local government.

Our primary mandate as Bushbuckridge Local Municipality is to

- a) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- b) Participate in national and provincial development programmes.

As a municipality, our function is to implement and monitor, among other things, the following national policies and legislations as well as our own by-laws:

Name of Legislation Mandate	Mandate
Municipal Property Rates Act, 2004 (Act No.6 of 2004)	To impose rates on property; to exclude certain properties from rating in the national interest; to implement a transparent and fair system of exemptions, reductions and rebates through BLM rating policies; to apply a fair and equitable valuation methods of properties; and to make provision for an objections and appeals process.
Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)	To secure sound and sustainable management of the financial affairs of the municipality and other; to implement treasury norms and standards.
Disaster Management Act, 2002 (Act No. 57 of 2002)	To implement:

Name of Legislation Mandate	Mandate
	<ul style="list-style-type: none"> • An integrated and coordinated disaster management policy, which focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery. • The establishment of a municipal disaster management centre.
Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	To apply all the prescripts of the legislation.
Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)	To apply all the prescripts of the legislation.

VISION, MISSION, AND VALUES

Vision

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

Mission

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

Values

The core values of the municipality are:

- Accountability
- Openness and Transparency

- Responsiveness
- Honesty
- Service standards
- Diligence
- Effective and efficient governance

1.4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following: All information and amounts disclosed throughout the Annual Report are consistent. The Annual Report is complete, accurate, and free from any omissions. The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by the National Treasury (NT) and in terms of Section 121 of The Local Government: Municipal Finance Management Act 56 of 2003. The Annual Financial Statements (Chapter 5 of the report) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer (AO) is responsible for the preparation of both the Audit of Pre-determined Objectives (AOPO) and the Annual Financial Statements (AFS) and for the judgments made in this information. The AO is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the Annual Financial Statements. The external auditors are engaged to express an independent opinion on the Annual Financial Statements and the Audit of Pre-determined Opinion. In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the Municipality for the financial year ended 30 June 2024.

Yours faithfully


Mr. J. Ngobeni

Accounting Officer

1.5. AUDIT AND PERFORMANCE COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2024

INTRODUCTION

The Chairperson of the Audit Committee submits this annual report to the Council, outlining the committee's discharge of its legislative mandate under Section 166(2)(a)-(e) of the MFMA, the Audit Committee Charter, and other applicable laws, including the Municipal Performance Management Regulations.

The Council appointed the following members to the Audit and Performance Committee:

Audit Committee Members

The Council appointed the following members to the Audit and Performance Committee:

NAME OF MEMBERS	QUALIFICATIONS	DESIGNATION	DATE APPOINTED	MEETINGS ATTENDED
<i>Ms. Phetego Mokgope</i>	<i>B. Com Honours in Accounting/CTA, National Diploma in Internal Auditing, SAIGA, SAIPA</i>	<i>Chairperson</i>	<i>07/02/2023</i>	<i>08/08</i>
<i>Adv. Geraldine Khoza</i>	<i>B. Proc, LLB, IMSSA, National Higher Diploma in Tax Law, Safety Management</i>	<i>Member</i>	<i>07/02/2023</i>	<i>08/08</i>
<i>Ms. Patience Ntuli</i>	<i>B. Com Accounting, B. Compt Honours, Post</i>	<i>Member</i>	<i>07/02/2023</i>	<i>08/08</i>

NAME OF MEMBERS	QUALIFICATIONS	DESIGNATION	DATE APPOINTED	MEETINGS ATTENDED
	<i>Graduate Diploma in Forensic Audit, SAICA</i>			
<i>Mr. Kenneth Mhlongo</i>	<i>BA, Business Economics, Diplomas in Bookkeeping & Practical Accounting, MBL, LLB</i>	<i>Member</i>	<i>07/02/2023</i>	<i>08/08</i>
<i>Mr. Michael Secker</i>	<i>Chartered Accountant (SA), CTA</i>	<i>Member</i>	<i>01/06/2024</i>	<i>02/02</i>

Dates of Audit Committee Meetings (2023/2024)

Date of the Meeting	Date of the Meeting	Date of the Meeting
17/07/2023	Ordinary Meeting	All
22/08/2023	Special Meeting	All
17/11/2023	Ordinary Meeting	All
21/02/2024	Ordinary Meeting	All
26/02/2023	Special Meeting	All
04/03/2024	Special Meeting	All
14/06/2024	Ordinary Meeting	All
20/06/2024	Special Meeting	All

Audit Committee Responsibilities

The Committee has complied with its legislative mandates under Section 166 of the MFMA, Municipal Performance Management Regulations, and the Audit Committee Charter. Key responsibilities include advising the Council, political office-bearers, the Accounting Officer, and management on:

- Internal financial control and internal audits.
- Risk management, accounting policies, and financial reporting.
- Performance management, governance, and compliance with applicable legislation.
- Reviewing the Annual Financial Statements and other matters referred by the municipality.

Internal Financial Control and Internal Audits

The Committee confirms that the municipality has approved policies for internal financial control. It reviewed all internal audits conducted during 2023/2024, noting findings, recommendations, and management's commitments to address issues. Key weaknesses identified include:

- Grant Management
- Infrastructure Assets
- Water and Sanitation Management
- MFMA Compliance
- Performance Management
- SDBIP, Budget, and IDP Alignment
- Governance Management
- Stand-by, Shift, and Overtime
- Fleet Management
- Interim and Annual Financial Statements
- Leave Management
- Project Management
- ICT Management
- Supply Chain Management

Action plans to address these issues are partially implemented.

Risk Management

Mr. Mthembu chairs the Risk Management Committee, which held three meetings in 2023/2024. The Committee reviewed strategic, operational, and emerging risks, as well as fraud prevention matters.

Accounting Policies

The Committee reviewed and confirmed the adequacy of accounting policies and internal Budget and Treasury policies, all approved by the Council within the prescribed period.

Financial Reporting and Information

The Committee reviewed the 2023/2024 Service Delivery and Budget Implementation Plan (SDBIP), Integrated Development Plan (IDP), quarterly performance reports, and annual reports. It confirmed alignment between the IDP, SDBIP, and budget, and monitored compliance with legal prescripts for IDP consultations.

Performance Management

The Performance Management System Unit has been renamed the Planning, Monitoring & Evaluation Unit. While the unit functions effectively, additional personnel are needed for full monitoring and evaluation capabilities. The Committee commended the completion of performance evaluations for the Municipal Manager and senior managers.

Effective Governance

The Committee expressed satisfaction with the composition and functioning of governance structures, including departmental portfolio committees, the Mayoral Committee, Municipal Council, MPAC, Risk Management Committee, and ICT Steering Committee.

Compliance with MFMA

The Committee identified non-compliance issues and made recommendations to improve the control environment. It noted an increase in irregular, unauthorized, and fruitless expenditure in the 2022/2023 financial statements.

Annual Division of Revenue Act

The Committee reviewed quarterly budget statements and confirmed no anticipated rollovers for 2023/2024 projects.

Review of Annual Financial Statements

The Committee reviewed the Annual Financial Statements, raised issues requiring management's attention, and ensured corrections before submission to the Auditor-General.

Other Reports Considered

The Committee reviewed:

- Litigations: A panel of law firms was appointed to handle municipal litigations for three years.
- ICT and mSCOA: No concerns were raised regarding ICT infrastructure or mSCOA implementation.
- Annual Budget 2024/2025: Reviewed and confirmed alignment with operational and capital needs.
- Audit Action Plan: Developed to address 2022/2023 audit findings, with recommendations for post-audit sessions to address recurring issues.

External Investigation (Section 106)

The Committee awaits the outcome of an external investigation by the Hawks, conducted under Section 106 of the MFMA.

Assessment of Budget and Treasury Department

The department remains satisfactory, with critical positions filled by competent personnel. Recruitment processes for Section 56 positions are ongoing.

Appreciation

The Committee thanks the Municipal Council, Management Team, and Internal Audit Unit for their support in fulfilling its responsibilities.

Approval and sign-off



Ms. P. Mokgope

CHAIRPERSON: Audit and Performance Committee

1.6. RISK MANAGEMENT COMMITTEE REPORT

Introduction

The Risk Management Committee (RMC) was established in compliance with Sections 62(1)(c)(i) and 95(c)(i) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, read in conjunction with the National Treasury Framework. These provisions mandate the Accounting Officer to ensure the institution maintains effective, efficient, and transparent risk management systems.

The RMC is chaired by an independent external chairperson, with the Municipal Manager and Heads of Department serving as permanent members. Departmental Champions and Senior Managers are standing invitees. The Mpumalanga Provincial Treasury (Risk Management Division) and Ehlanzeni District Municipality (Risk Management Division) are also standing invitees, providing oversight and advisory support where necessary. Additionally, an Internal Risk Management Committee, chaired by the Director of Community Services, supports the municipality's risk management efforts.

Number of meetings held during 2022/2023

The RMC held three quarterly meetings during the year under review:

MEETING	DATE
Quarter 1	15 November 2023
Quarter 2	30 April 2024
Quarter 3	13 August 2024

Note: The 2nd meeting combined reports for the 2nd and 3rd quarters, while the 3rd meeting was delayed due to the appointment of a new RMC Chairperson.

Risk Committee Composition

NUMBER	MEMBERS	SEATS	INTERNAL	EXTERNAL
1	Mr. S. Mthembu	Chairperson		√
2	Risk Management Unit	Chief Risk Officer (CRO)	√	
3	Internal Audit Unit	Chief Audit Executive	√	
4	Municipal Manager	Office of the MM	√	
5	Chief Financial Officer	Budget & Treasury	√	
6	Acting Director: Technical Services	Infrastructure Development	√	
7	Director: Economic Development, Planning & Env.	Planning, Development & LED	√	
8	Director: Corporate Services	Corporate Services	√	
9	Director: Community Services	Community Services	√	
10	Departmental Risk Champions (5)	All Departments	√	

Number of seatings

#	MEMBERS	SEATS	Q1	Q2	Q3
1	Mr. S. Mthembu	Chairperson	√	√	√
2	Risk Management Unit	CRO	√	√	√
3	Internal Audit Unit	Chief Audit Executive	√	√	√
4	Municipal Manager	MM	√	√	√
5	CFO	Budget & Treasury		√	√
6	Director: Technical Services	Infrastructure Development	√	√	√
7	Director: Economic Development, Planning & Env.	Planning and Development	√	√	
8	Director: Corporate Services	Corporate Services	√	√	√
9	Director: Community Services	Community Services	√	√	√
10	Departmental Risk Champions (5)	All Departments	√	√	√

Risk Management Committee Responsibilities and Discharge

The RMC operates under a Risk Management Committee Charter, which outlines its membership, meeting format, responsibilities, and reporting lines. The Committee ensures robust risk oversight by:

- Reviewing and recommending for approval:
 - Risk Management Policy.
 - Risk Management Strategy.
 - Risk Management Implementation Plan.
 - Fraud Prevention Plan.

- Whistle Blowing Policy.
- Strategic and Operational Risk Registers.
- Emerging Risk Reports.
- Assessing the effectiveness of risk identification and assessment methodologies.
- Monitoring the implementation of the Risk Management Policy and Strategy.
- Providing timely reports and recommendations to the Accounting Officer on the state of risk management.

The RMC also reviews internal controls and action plans outlined in the risk registers, ensuring alignment with the municipality's strategic objectives.

Audit Committee Oversight

The Audit Committee focuses on the robustness of the risk management processes and oversees the municipality's strategic risk register. The RMC supports the Audit Committee by conducting internal reviews of operations, particularly in areas identified in the risk registers.

Conclusion

The RMC remains committed to building a formal, robust, and standardized risk management system. Efforts will continue to bridge gaps, reinforce risk ownership, define municipal-level risk criteria, and standardize risk language across the municipality.

The Committee extends its appreciation to the Accounting Officer, Management Team, Risk Management Unit, Internal Audit Unit, Audit Committee, Ehlanzeni District Municipality, and the Provincial Treasury for their ongoing support and guidance. These efforts are critical in addressing issues raised in the 2023/2024 Auditor-General's report and ensuring the municipality's long-term sustainability.



Mr. S. Mthembu

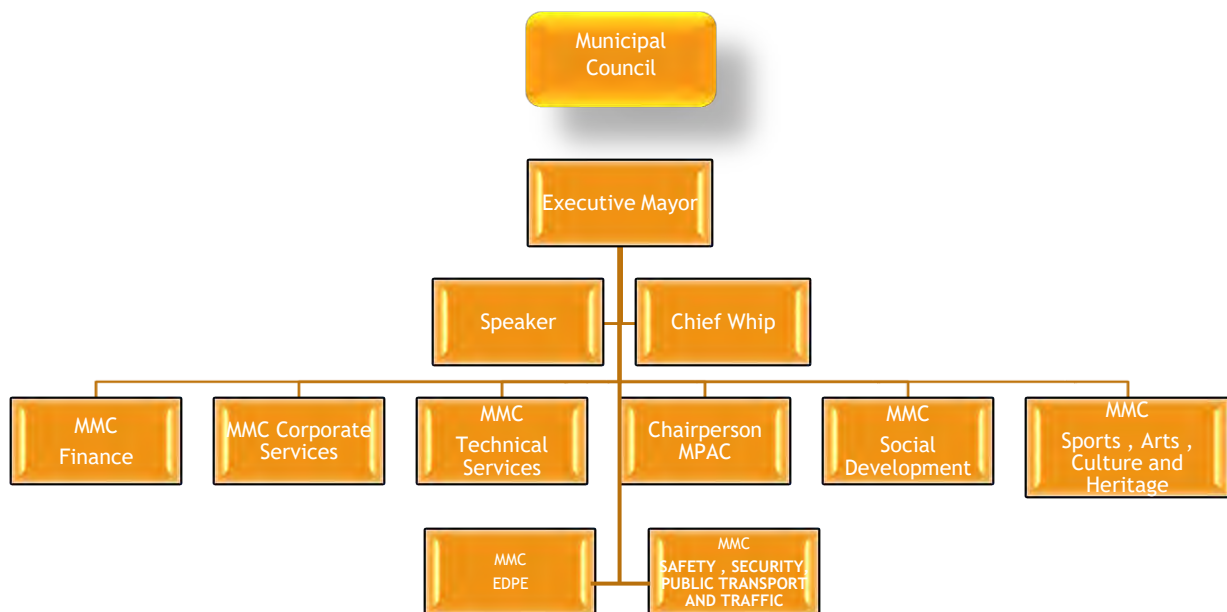
CHAIRPERSON: Risk Management and Fraud Prevention Committee

CHAPTER 2: GOVERNANCE

COMPONENT A: GOVERNANCE STRUCTURES

Bushbuckridge Local Municipality operates within a structured political framework designed to ensure effective governance, service delivery, and public participation. The political structure is guided by the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), and consists of elected and administrative leadership responsible for decision-making and oversight.

2.1. Political structure



- The political governance structures and systems within the municipality remain fully functional. Notably, during the period under review, these structures have effectively fulfilled their statutory mandates and responsibilities as assigned by the Council.

- The Section 80, Troika, and Section 79 committees have successfully carried out their oversight roles in accordance with legal and council requirements. Their recommendations continue to form the foundation for many of the Council's resolutions.
- Furthermore, the Council has exercised its mandate by making decisions on several strategic municipal matters. The Action Plan for implementing Council resolutions and addressing the Auditor-General's recommendations remains a crucial tool for monitoring progress and ensuring political oversight in the execution of Council decisions.

LIST OF COUNCILLORS FROM 1 JULY 2023 TO 30 JUNE 2024

NAME & FULL NAMES	SEAT TYPE
1. Cllr. Mpangana Bio Muziwandile	Ward 01 Councillor
2. Cllr. Sihlabela Helman Ezekiel	Ward 02 Councillor
3. Cllr. Nkuna Lot Mkhungeni (Deceased–30 September 2023) Cllr. Male Petros Mohammed	Ward 03 Councillor
4. Cllr. Mokoena Refiloe Hellen	Ward 04 Councillor
5. Cllr. Mkhabela Sabelo Tears	Ward 05 Councillor
6. Cllr. Madalane Jabu Tokyo	Ward 06 Councillor
7. Cllr. Malomane Jupiter Booyesen	Ward 07 Councillor
8. Cllr. Mashego Eddy	Ward 08 Councillor
9. Cllr. Ngomane Thembinkosi William	Ward 09 Councillor (MMC)
10. Cllr. Mashigo Thabiso Ronald	Ward 10 Councillor
11. Cllr. Mogane Nnete	Ward 11 Councillor

NAME & FULL NAMES	SEAT TYPE
12. Cllr. Ngobeni-Khumalo Busisiwe Ndhabayabo	Ward 12 Councillor
13. Cllr. Sambo Lefokisi Gram	Ward 13 Councillor
14. Cllr. Mashego Godfrey	Ward 14 Councillor
15. Cllr. Nukeri Kgopotso	Ward 15 Councillor
16. Cllr. Mhangane Mathew	Ward 16 Councillor
17. Cllr. Mashile Kagiso Ramusa	Ward 17 Councillor
18. Cllr. Sebatane Grinos	Ward 18 Councillor
19. Cllr. Ngobeni Derrick	Ward 19 Councillor
20. Cllr. Makhubela Samson	Ward 20 Councillor
21. Cllr. Sambo Prince Moxe	Ward 21 Councillor (MMC)
22. Cllr. Mashaba Army	Ward 22 Councillor
23. Cllr. Nzima Thomas Godfrey	Ward 23 Councillor
24. Cllr. Mashinini Tony	Ward 24 Councillor
25. Cllr. Mdluli Duladula Vanryn	Ward 25 Councillor
26. Cllr. Ngomane Roux Jacky	Ward 26 Councillor
27. Cllr. Mathebula Asnath Maduva	Ward 27 Councillor
28. Cllr. Gumede Malamule Prince	Ward 28 Councillor (MMC)
29. Cllr. Sithole Sainah Lilly	Ward 29 Councillor
30. Cllr. Mnisi Brian Venter	Ward 30 Councillor
31. Cllr. Hlatywayo Shadow Mthunzi	Ward 31 Councillor
32. Cllr. Malatsie Selby Owen	Ward 32 Councillor

NAME & FULL NAMES	SEAT TYPE
33. Cllr. Mabunda Emelda Engel	Ward 33 Councillor
34. Cllr. Shabangu Goodman	Ward 34 Councillor
35. Cllr. Mkhonto Oupa	Ward 35 Councillor
36. Hlatshwayo Alliance Welcome	Ward 36 Councillor
37. Cllr. Mokoena Abednego	Ward 37 Councillor
38. Cllr. Nziyane Wonderful Given	Ward 38 Councillor
39. Cllr. Nxumalo Cecilia Sylvia (Resigned 18 June 2024)	ANC PR Councillor (Executive Mayor)
40. Cllr. Rakganya Busisiwe Ruth	ANC PR Councillor (Council Speaker)
41. Cllr. Malandule Bhunu Witness	ANC PR Councillor (Chief Whip)
42. Cllr. Gubayi Patricia	ANC PR Councillor (MMC)
46. Cllr. Mzimba Virginia Nkhensani	ANC PR Councillor (MMC)
44. Cllr. Mathebula Sylvia	ANC PR Councillor (MMC)
45. Cllr. Mhaule Luther Sydwel	ANC PR Councillor (MMC)
46. Cllr. Lekhuleni Mathalaza Lizah	ANC PR Councillor (MPAC Chairperson)
47. Cllr. Phelephe Sephelele Martinah	ANC PR Councillor
48. Cllr. Mashele Elizabeth	ANC PR Councillor
49. Cllr. Khumalo Selina	ANC PR Councillor
50. Cllr. Dube Khangezile Inkie	ANC PR Councillor
51. Cllr. Mametja Banyamme Sessy	ANC PR Councillor
52. Cllr. Mashava Ivy Shadow	ANC PR Councillor
53. Cllr. Mashego Rachel Saletah	ANC PR Councillor

NAME & FULL NAMES	SEAT TYPE
54. Cllr. Qhibi Rhulani (Resigned 11 June 2024) Cllr. Shabangu Khomotso Jeanet	EFF PR Councillor
55. Cllr. Kubayi Surprise Harold	EFF PR Councillor
56. Cllr. Mashego Mygirl Peace	EFF PR Councillor
57. Cllr. Mathonsi Rudolf Mjaket	EFF PR Councillor
58. Cllr. Matlhavane Prince	EFF PR Councillor
59. Cllr. Mngomenzulu Phindile Beatrice	EFF PR Councillor
60. Cllr. Mpangane Matimba Hebert	EFF PR Councillor
61. Cllr. Nyathi Zinhle	EFF PR Councillor
62. Cllr. Mokgotho Velly Janeiro	ISANCO PR Councillor
63. Cllr. Ndlovu Mavis Lorrain (Resigned 31 May 2024)	ISANCO PR Councillor
64. Cllr. Mapaila Thomas Tervin	ISANCO PR Councillor
65. Cllr.	ISANCO PR Councillor
66. Cllr. Nyakane Mamsy Kedibone	ISANCO PR Councillor
67. Cllr. Mbhandze Freddy	APC PR Councillor
68. Cllr. Malomane Suzan Constance	APC PR Councillor
69. Cllr. Matsie Linky	BRA PR Councillor
70. Cllr. Mokoena Patrick Delta	BRA PR Councillor
71. Cllr. Mnisi Canuel	DA PR Councillor
72. Cllr. Mashile Lillian Mmina	DA PR Councillor
73. Cllr. Mbazima Musa Grichard	ATM PR Councillor

NAME & FULL NAMES	SEAT TYPE
74. Cllr. Thobakgale Hamilton Phillip	BLOM PR Councillor
75. Cllr. Nxumalo Take-Easy	DCM PR Councillor
76. Cllr. Mokoena Oupa Khutso	SAHRA PR Councillor

COMMITTEE ALLOCATIONS – JULY 2023 TO 30 JUNE 2024

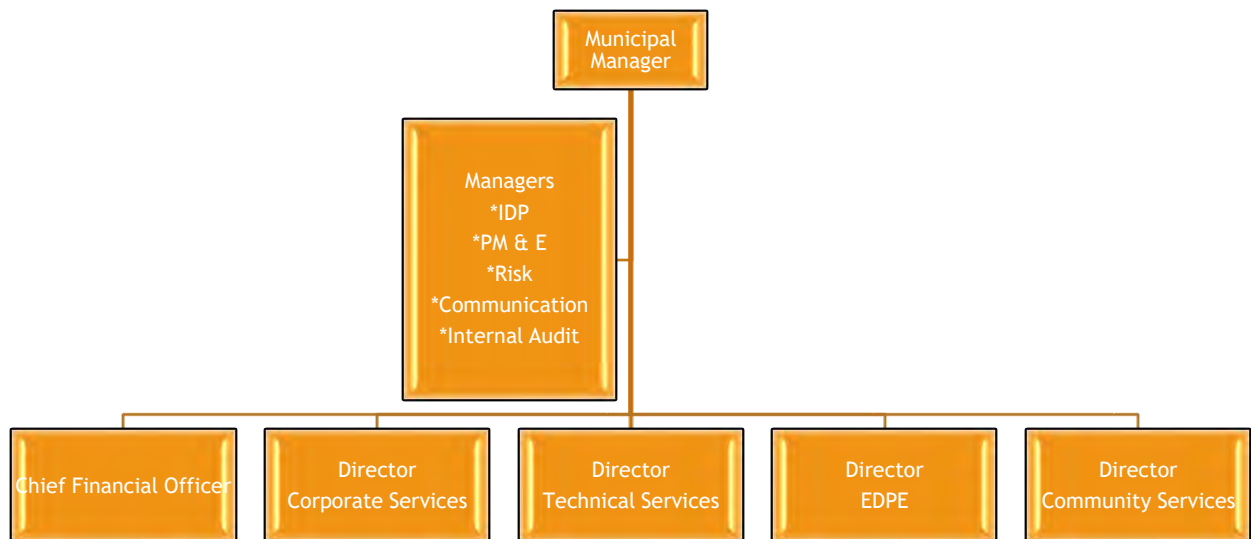
COMMITTEE ALLOCATION		
PORTFOLIO COMMITTEE	CHAIRPERSON	MEMBERS
Finance	Ngomane Thembinkosi William	Shabangu Goodman, Mashego Eddy, Ngomane Roux, Hlatshwayo Shadow Mthunzini , Qhibi Rhulani , Ndlovu Mavis Lorraine and Thobagale Hamilton Phillip
Technical Services	Nkuna Lot Mkhungeni (Deceased–30 September 2023) Sambo Prince Moxe	Mashaba Ammy, Ngobeni Busisiwe, Ngobeni Derrick, Mpangane Mzwandile , . Mkhabela Sabelo, Mdluli Duladula, Mngomezulu Phindile and Mokgotho Velly
Social Development	Mzimba Virginia Nkhensani	Khumalo Selinah, Mashele Elizabeth, Monareng Maria, Nzima Thomas, Mashego Rachel., Zitha Zinhle, Malomane Suzan, Mokoena Abednigo, Moraba Bafedile Festa and Mokoena Oupa

COMMITTEE ALLOCATION		
PORTFOLIO COMMITTEE	CHAIRPERSON	MEMBERS
Economic Development, Planning, and Environment	Cllr Patricia Gubayi	Cllr Helmen Ezekiel Sihlabela, Cllr Ivy Mashaba, Cllr Samson Makhubela, Cllr Evidence Lubisi, Cllr Nnete Mogane, Cllr Kagiso Mashile, Cllr Prince Mathlavane, Cllr Sainah Sithole, and Cllr Selby Malatjie
Corporate Services	Cllr Sylvia Mathebula	Cllr Asnath Mathebula, Cllr Thabiso Mashego, Cllr Jupiter Malomane, Cllr Mathew Mangani, Cllr Tony Mashinini (Deceased), Cllr Hellen Refilwe Mokoena, Cllr Oupa Mkhonto, Cllr Take-Easy Nxumalo and Cllr Trocia Mthombeni
Service Delivery	Executive Mayor: Cecilia Sylvia Nxumalo	Cllr Velly Mokgotho, Cllr Sabelo Mkhabela, Cllr Sabelo Jupiter Malomane , Cllr Trocia Mthombeni , Cllr Army Mashaba , Cllr Goodman Shabangu and Cllr Mathew Mangani
Sports, Arts, Culture and Heritage	Cllr Malamule Prince Gumede	Cllr Thabiso Mashego, Cllr Sessy Mametja, Cllr Grace Malomane, Cllr Given Nziyane, Cllr Kgopotso Nukeri, Cllr. Grechard Mbazima, Cllr Thabiso. Mahlakoane and Cllr Jabu Madalane

COMMITTEE ALLOCATION		
PORTFOLIO COMMITTEE	CHAIRPERSON	MEMBERS
Public Safety and Security	Cllr Luther Sydwell Mhaule	Cllr Jabu Madalane, Cllr Rems Mashile, Cllr Mygirl Mashego., Cllr Venter Mnisi. and Cllr. Phindile Mngomezulu
Ethics Committee	Speaker: Ruth Busisiwe Rakganya	Cllr Jeanet Shabangu, Cllr Selinah Khumalo, Cllr Elizabeth Mashele, Cllr Herbert Mpangane, Cllr Lllian Mashile, Cllr Sessy Mametja and Cllr Sainah Sithole
Municipal Public Accounts Committee (MPAC)	Cllr Mathalaza Laizah Lekhuleni	Cllr Welcome Hlatshwayo, Cllr Prince Kubayi, Cllr Thomas Mapaila. Cllr Inkie Dube, Cllr Linky Matsie, Cllr Emelda Mabunda, and Cllr. Grenos Sebatane

2.2. Administrative structure

Bushbuckridge Local Municipality operates under a governance structure designed to promote transparency and accountability. The municipality's administrative structure on Senior Management consists of:



COMPONENT B: INTERGOVERNMENTAL RELATIONS

Intergovernmental relations (IGR) are vital for ensuring coordination, cooperation, and policy alignment among various spheres of government. In Bushbuckridge Local Municipality, effective IGR plays a key role in service delivery, governance, and socio-economic development. This section outlines the municipality's efforts in fostering partnerships with national, provincial, and district government structures, as well as other relevant stakeholders.

The municipality actively participates in several district and provincial intergovernmental forums, including:

- **Ehlanzeni District IGR Forum** – Focuses on regional planning, service delivery coordination, and integrated development.
- Additionally, the municipality engages in various IGR structures, such as the Mayor's Forum, Municipal Managers Forum, Premier's Coordinating Forum (PCF), Local

Economic Development (LED) forums, and Integrated Development Plan (IDP) Representative forums. While most resolutions from these forums have been successfully implemented, some remain in progress, including the transfer of the licensing function back to the province.

Key Achievements in Intergovernmental Relations

In strengthening economic development and tourism, the municipality participated in the **Africa Tourism Indaba in Durban**. However, some planned targets for the 2023/2024 financial year could not be implemented due to unforeseen disasters. As a result, the LED section adjusted its annual targets in line with the service delivery budget and implementation plans.

Challenges and Mitigation Strategies

Given the uncertainties posed by external factors such as pandemics and technological shifts, the municipality has adopted a flexible approach to planning. Moving forward, new strategies will incorporate a mix of physical and virtual engagements to ensure the effective implementation of programs in Bushbuckridge during the 2023/24 financial year.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public Meetings

Public meetings serve as a vital platform for meaningful engagement between the municipality and communities, enabling consultation, participation, reporting, and the exchange of views on municipal programs and performance in delivering on the electorate's mandate. In alignment with **Section 152(1)(e) of the Constitution of the Republic of South Africa**, the municipality established mechanisms that actively involve communities and community-based organizations in municipal affairs. This ensured a transparent and inclusive governance process that brings municipal leadership closer to the people.

Ward Committees

To strengthen community involvement, the municipality has ensured that all **38 ward committees** are established and fully functional. To maintain proper representation across all sections and sectors within a ward, the **Office of the Speaker** conducts quarterly verification of ward committee members to assess their effectiveness. Any vacancies within ward committees are filled in accordance with the approved **Ward Committee Policy**.

In line with the **Municipal Structures Act** and the **Public Participation Policy**, **Ward Councillors** are required to convene:

- **One ward committee meeting per month**
- **One community meeting per quarter**

However, to align with the **Back-to-Basics** approach and address urgent community matters, Ward Councillors are encouraged to hold monthly community meetings. These meetings provide a platform for residents to raise concerns, which are then escalated to the municipality for action, ensuring continuous feedback and accountability.

The **Public Participation Strategy** identifies various platforms for community engagement, including:

- **Community meetings, sector meetings, Imbizo, and other organized forums**
- **Radio, community newspapers, and public notices**
- **Loud hailing, municipal call centers, official municipal websites, and social media accounts**

The **Office of the Speaker** plays a central role in coordinating public participation programs, working closely with **Ward Councillors and Ward Committees**. A **standardized reporting template** is provided to all Ward Councillors to document meetings and engagements with communities and stakeholders. Each month, the Office of the Speaker receives **38 Ward Committee reports**, which detail progress onward **operational plans** and community needs. These reports form a key part of the municipality's **Service Delivery and Budget Implementation Plan (SDBIP)**.

The **Bushbuckridge Local Municipality (BLM)** recognizes that **public involvement** is fundamental to delivering **quality and sustainable services**, as outlined in the **Constitution of the Republic of South Africa. Chapter 4 of the Local Government Municipal Systems Act (Act 32 of 2000)** highlights three key areas of participatory governance:

- Integrated Development Planning (IDP)
- Performance Management
- Budgeting and strategic service delivery decisions

In addition to formal municipal structures, BLM collaborates with other **community-based organizations**, including:

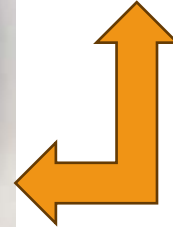
1. Faith-Based Organizations (FBOs)
2. Community Police Forums (CPFs)
3. Traditional Leadership events
4. Sector Department structures, such as the Home Affairs Stakeholders Forum

IDP PARTICIPATION AND ALIGNMENT

Ehlanzeni District Municipality developed the IDP Framework Plan, which guided the IDP Process Plans of all local municipalities within the district. In line with this framework, Bushbuckridge Municipality formulated its municipal Process Plan, serving as a structured roadmap for the development, review, and implementation of its IDP. The plan was presented to the Council and officially adopted on August 19, 2022, under Council Resolution No. **BLM: B015/2023**.



The development of the IDP followed a structured process plan consisting of five key phases:



1. Analysis Phase

This phase involved extensive stakeholder engagement including training for 38 ward committees, traditional leaders, and other key stakeholders who participated in consultations.

- ✓ The sessions were organized into smaller groups comprising Ward committees, Community Development Workers (CDWs), and Ward Councillors. During these meetings, a comprehensive IDP review process was presented, along with relevant documentation.
- ✓ Ward committees subsequently held meetings in their respective wards to provide feedback on project implementation and future community plans. A situational analysis was conducted to assess whether municipal departments were fulfilling their legislative mandates. The analysis phase commenced on October 4, 2023, and concluded in mid-November 2023.
- ✓ Follow-up meetings were arranged to include wards that were unable to participate in the initial consultations. After the current Council was established, individual sessions with Councillors were held to confirm community priorities identified in previous meetings. While minimal challenges arose during consultations, stakeholders emphasized the need for improved municipal feedback mechanisms.

2. Strategy Phase

This phase focused on developing and reviewing strategies for addressing priority issues identified during the analysis phase. Inter-departmental discussions explored the most effective methods for tackling these priorities while considering policy guidelines, resource availability, interdependencies, and competing demands. A task team was formed to facilitate the strategic planning session and provide direction for the 2024-2025 IDP and budget processes. The strategic planning session concluded on February 14, 2023, with participation from Traditional Leaders, the Department of Cooperative Governance and Traditional Affairs (COGTA), the Office of the Premier (OTP), Ehlanzeni District Municipality (EDM), Mega, and other sector departments.

3. Project Phase

During this phase, departmental project task teams were responsible for developing project proposals aligned with strategic priorities. Additional project details, including target figures, technical standards, locations, timeframes, and cost estimates, were gathered where necessary. This phase aimed to ensure a seamless transition between planning and implementation by involving relevant stakeholders in concrete project planning. The phase was scheduled for completion in May 2023.

4. Integration Phase

This phase ensured that the outcomes of the project planning phase aligned with the municipality's vision, objectives, and strategies while optimizing resource allocation. The first draft of the 2023-2024 IDP document was tabled before the municipal council on March 31, 2023, under Council Resolution No. **BLM: S-GCM: A022/2023**. Sector departments and other stakeholders' projects and programs were integrated into the Draft IDP.

5. Approval Phase

The draft IDP was presented to the Council on March 31, 2024, and its final approval was set for May 31, 2024. The approved Draft IDP was published on the municipal website and other communication platforms. Public consultation meetings were held between April and May, during which a public notice was issued inviting inputs and comments on the draft document via the municipal website (www.bushbuckridge.gov.za)

Community consultation sessions were held across all wards, with ward committees actively participating. These engagements facilitated municipal service provision discussions, ensuring community participation in resource allocation based on genuine needs. Through community engagement in the IDP process and the monitoring of Council projects, valuable information was disseminated about municipal operations and service delivery mechanisms. Residents were given platforms to raise concerns and seek solutions for local issues.

As part of its Ward Participatory System, the municipality adopted a ward committee system, enabling community members to be elected to represent their respective sectors. Ward committees play a crucial role in fostering community participation in governance, particularly in Council programs and service delivery initiatives. Community concerns, inputs, and recommendations are processed for consideration by municipal departments.

Monthly ward committee meetings were conducted to discuss critical and urgent issues, ensuring continuous community involvement in governance and service delivery processes.

COMPONENT D: CORPORATE GOVERNANCE

RISK MANAGEMENT

Bushbuckridge Local Municipality is committed to maintaining a robust risk management framework as an integral part of its corporate governance processes. Risk management is essential for ensuring sustainable service delivery, financial stability, and the effective execution of the Municipality's mandate.

Risk Governance and Oversight

The Municipality has established a structured risk management process that aligns with relevant legislation, including the **Municipal Finance Management Act (MFMA), No. 56 of 2003**. The **Municipal Council, Performance and Audit Committee, and Risk Management Committee** provide oversight to identify, assess, and mitigate risks proactively.

Risk Identification and Mitigation Strategies

In the 2023/2024 financial year, the Municipality continued its efforts to identify, assess, and manage risks across all departments. Comprehensive risk assessments were conducted, evaluating both internal and external risks. To address these risks effectively, strategic and operational action plans were developed, ensuring continuous monitoring, management, and mitigation.

Risk mitigation is facilitated through annual Strategic and Operational Risk Assessments, allowing the Municipality to proactively address potential challenges. Additionally, the development of the Risk Management Implementation Plan has further strengthened the Municipality's risk governance framework.

Anti- Corruption and Fraud

As part of its commitment to good governance, the Municipality has placed a strong emphasis on anti-corruption and fraud prevention measures. Fraud risk assessments were conducted to identify vulnerabilities, and whistleblowing and internal controls were strengthened to mitigate fraudulent activities. Awareness programs and monitoring have been implemented to promote ethical conduct and transparency within the Municipality.

The Municipality remains dedicated to continuous improvement in risk management practices. Through regular risk assessments, internal audits, and stakeholder engagements, emerging risks including fraud and corruption are swiftly identified and addressed, ensuring accountability, resilience, and sustainable service delivery.

Supply Chain Management

The municipality remains committed to ensuring a transparent, fair, and cost-effective supply chain management (SCM) process in line with the Municipal Finance Management Act (MFMA) and National Treasury guidelines. During the year under review, the municipality implemented the approved SCM Policy, which aligns with the SCM Regulations, and the Model Policy issued by the National Treasury.

Efforts were made to enhance procurement efficiency through a review of SCM procedures and processes, resulting in improved procurement timelines and controls. Procurement activities were executed in accordance with the approved procurement plan; however, legal uncertainties surrounding the Preferential Procurement Regulations (PPR) 2017 in the latter half of the year led to delays in major projects, affecting service delivery timelines. To mitigate these challenges, the municipality has strengthened oversight mechanisms, enhanced risk management measures, and is exploring alternative procurement approaches to ensure uninterrupted service delivery. Continuous training and capacity-building initiatives are also being undertaken to equip officials with the necessary skills to navigate regulatory changes effectively.

Websites

The website of the municipality is complying with the requirement of a municipal website as set out in MFMA section 75. The signed performance agreements of all section 56 for 2023/24 are also available on the municipal website.

Municipal Website: Content and currency of material

Documents published on the Municipality's website

Yes/No

Municipal Website: Content and currency of material	
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (2022/2023)	Yes
The draft annual report (2023/24) to be published	Yes
All current performance agreements required in terms of section 57 (1)(b) of the	Yes
Municipal Systems Act and resulting scorecards	Yes
All service delivery agreements (2023/2024)	Yes
All long-term borrowing contracts (2022/2023)	Yes
All supply chain management contracts above a prescribed value (give value) for (2023/2024)	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during (2023/2024)	No
Contracts agreed in (2023/2024) to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in (2022/2023)	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during (2023/2024)	Yes
Note: MFMA S75 sets out the information that a municipality must include on its website as detailed above. Municipalities are, of course, encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.	

Public satisfaction

The public participation policy of the council still provides that the customer satisfaction survey be done in December each year. The timing of the policy to survey still imposes a challenge in terms of implementation.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Introduction

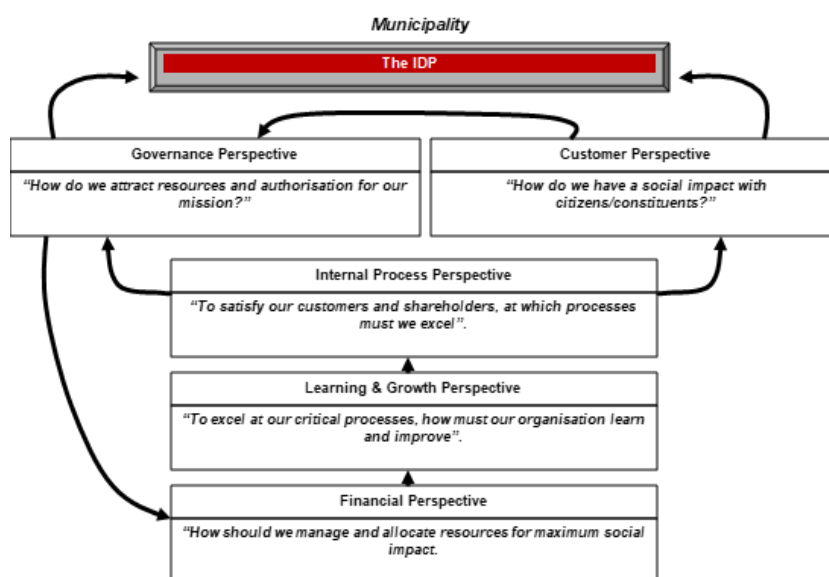
This section outlines the overall performance of the Bushbuckridge Local Municipality across all its service delivery areas, categorized under the following **Key Performance Areas (KPA)s**:

1. Good Governance and Public Participation
2. Infrastructure Development and Basic Service Delivery
3. Local Economic Development (LED)
4. Municipal Transformation and Organizational Development
5. Municipal Financial Viability and Management

3.1. GOOD GOVERNANCE

The Bushbuckridge Local Municipality has implemented the Balanced for the 2023/2024 financial year, the organization's scorecard was developed and designed in alignment with Balanced Scorecard principles, National Treasury guidelines, and industry best practices. The municipality's 2023/2024 Service Delivery and Budget Implementation Plan (SDBIP) was formulated based on the approved IDP and budget.

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



3.1.1. 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 2023/2024.

POLICY AND FRAMEWORK	ANNUAL PERFORMANCE REPORT
✓ S56 Appointees	✓ Comparisons with Previous Financial Year
✓ Performance Management Committee	✓ Governance
✓ Performance Agreements Signed	✓ Service Delivery Priorities
✓ Performance assessment cascaded to all staff	✓ Performance Targets
✓ Improvement Measures through Performance task team	✓ Governance

Challenges in the Performance Management Process

The Organizational Performance Management System (OPMS) sub-unit is staffed by only two employees, who often face an overwhelming workload that includes reporting, monitoring, and evaluation responsibilities.

Progress

During the period under review, the Performance Management System (PMS) Unit was restructured into the Performance, Monitoring, and Evaluation (PM&E) Unit in alignment with the municipality's new staff regulations. This change was incorporated into the organizational structure, as reviewed and adopted by the Council.

Remedial Actions

- The municipality will adhere to the performance standards and target-setting guidelines provided by the National Treasury.
- Full utilization of the electronic performance management system will be prioritized to enhance efficiency.
- Critical positions will be filled with suitably qualified officials to improve service delivery and ensure effective performance monitoring.
- Senior management must prepare monthly reports aligned with the Service Delivery and Budget Implementation Plan (SDBIP) to enable early detection of underperformance.

3.2. INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY

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

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

3.2.1. Rendering of free basic services

a) Free Basic Electricity

The municipal council approved a total of 2,307 indigent household beneficiaries from the previous financial year, and this list was submitted to Eskom for implementation. During the 2023/24 financial year, an average of just over 1,200 households registered as indigent beneficiaries received 50 units of free basic electricity each month.

b) Free Basic Refuse

For the 2023/24 financial year, a total of 167,927 households were registered to receive free basic refuse removal services. During this period, there was a slight increase in waste collection, with an additional 61,989 households gaining access to waste collection services. However, the backlog for waste collection services remains at 105,938 households.

c) Free Basic Water and Sanitation

The municipality supplies water to settlements that lack formal water reticulation systems by utilizing water tankers and boreholes. In line with the Water Services Act, all households received the allocated 6 kilolitres of free water. Furthermore, during the 2023/2024 financial year, the municipality installed 1,410 ventilated improved pit latrines (VIP) in villages without access to waterborne sanitation systems.

Challenges associated with rendering free basic services

Areas of Concern	Challenges	Possible solutions
Infrastructure Vandalism	The municipality frequently faces vandalism of infrastructure, particularly water infrastructure, including unauthorized water connections and theft of borehole equipment.	✓ Strengthen community awareness campaigns to discourage vandalism. ✓ Increase security measures, such as surveillance and patrols, around critical infrastructure.

Areas of Concern	Challenges	Possible solutions
High Water Losses	Aged infrastructure contributes to significant water losses, requiring urgent attention and a dedicated budget to address the issue.	Implement water conservation programs and modernize water management systems to reduce losses.
Infrastructure Backlogs	Many settlements still experience high infrastructure backlogs and insufficient budget or funding delays in the progress of eradicating these backlogs.	Explore alternative funding mechanisms, such as public-private partnerships (PPPs) or municipal bonds, to supplement grant funding
Dependence on Grant Funding	Basic infrastructure development relies heavily on limited grant funding, which restricts the municipality's ability to implement projects effectively.	Reduce reliance on grants by generating internal revenue through improved billing systems and service delivery.
Limited Yellow Fleet	The municipality lacks adequate yellow fleet vehicles to maintain gravel roads and support the upkeep of water and sanitation infrastructure.	Invest in the procurement or leasing of additional yellow fleet vehicles to improve road maintenance and infrastructure upkeep.
Illegal Dumping	High levels of illegal dumping persist, negatively impacting	Provide accessible waste collection services and

Areas of Concern	Challenges	Possible solutions
	the environment and public health.	designated dumping sites to discourage illegal activities.

3.2.2. Implementation of Section 78 recommendation

The municipality has implemented the reviewed organizational structure in line with the municipal new staff regulations.

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 municipality has started the process of registration of all Water Treatment Works and Wastewater Treatment Works with the Inkomati Usuthu Catchment Management Agency (IUCMA). The draft water service by law has been approved by the council and is currently undergoing the process of gazette.

The municipality has started the process of application of integrated water use wage applications to IUCMA for all water and wastewater treatment work.

3.2.3. Housing projects

The Municipality, in collaboration with the Department of Human Settlements, is committed to providing adequate and sustainable housing to communities in dire need. This responsibility includes facilitating, coordinating, conducting site inspections, and monitoring construction to ensure quality assurance for all housing projects, ensuring that the rightful beneficiaries in Bushbuckridge receive their homes. The municipality also oversees Beneficiary Management, which involves registering application forms and submitting beneficiary applications to the Department of Human Settlements for approval, as well as registering beneficiaries on the National Housing Needs Register (NHNR) database.

Additionally, the municipality is tasked with establishing townships for the implementation of Integrated Human Settlements, facilitating the provision of Title Deeds Restoration, and conducting Housing Consumer Education (HCE) before and after construction to inform approved beneficiaries of their rights.

In the 2023/2024 financial year, the municipality's housing backlog database estimated approximately 37,200 backlogs, driven by high demand for adequate and sustainable housing (such as RDP houses) due to relocations, new settlements, and disaster-related needs. This backlog database was submitted to the Provincial Department of Human Settlements to inform budgeting and housing provision plans for upcoming financial years.

3.2.4. Roads/streets and construction of bridges

The municipality manages a road network spanning approximately 4,640 kilometers, comprising both internal streets and main roads. Of this total, around 89% (4,133 km) consists of gravel roads, while the remaining 11% (507 km) is paved with asphalt. Through initiatives like the Routine Maintenance Program and the Municipal Support Program, the municipality has re-gravelled access roads leading to essential facilities such as graveyards, clinics, and schools. During the 2023/24 financial year, the municipality completed 11 internal streets, covering a total of 43 kilometers.

Despite these achievements, the municipality continues to face several challenges in maintaining and expanding its road infrastructure. Below are the key challenges and potential solutions:

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

CHALLENGES	SOLUTIONS/ IMPROVEMENT MEASURES
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 and ongoing.
v. Flood disaster destroyed the infrastructure.	v. Increase in disaster fund.

3.2.5. Provision of Public Lighting

The municipality installed 38 high mast lights, but 3 high masts were not yet energised by the end of 2023/2024 due to a lack of materials from Eskom.

3.2.6. Public amenities

The municipality offers public amenities through its satellite offices, which are more accessible to local communities. Residents within and outside the municipality can apply to use municipal sports fields and halls in accordance with the municipal tariff policy. To enhance its facilities, the municipality achieved the following during the 2023/2024 financial year.

- **Infrastructure Upgrades:** Renovation and maintenance of sports fields, community halls, and recreational facilities to ensure compliance with safety standards and improve user experience.
- **Energy-Efficient Solutions:** Implementation of energy-saving measures such as solar lighting and water-saving fixtures to support sustainability and reduce operational costs.
- **Community Engagement:** Hosting sports tournaments, cultural events, and youth programs to promote social cohesion, healthy lifestyles, and talent development within the community.

3.2.7. Access to water

As of the 2023/24 fiscal year, Bushbuckridge Municipality has approximately 180,000 households, with 122,173 of them having access to water. During the same period, the municipality successfully reduced its water service backlog by 7,312 households.

3.2.8. Sanitation

By June 2024, the municipality completed the construction of 1,410 VIP (Ventilated Improved Pit) units across various wards in the midland zones. Additionally, plans are in place to build 1,440 VIP units in the northern zones during the 2024/25 financial year. The Maviljan Wastewater Treatment Works upgrade has reached 85% completion, while the refurbishment of the Mkhuhlu Wastewater Treatment Works was fully completed by the end of June 2024.

3.2.9. Municipal Service Delivery- Municipal Infrastructure Grant

Service delivery within the municipality is primarily supported by the Municipal Infrastructure Grant (MIG), which plays a crucial role in providing basic services. This grant is a key component of the municipality's infrastructure development function. The primary objective of the MIG programme is to ensure that all citizens have access to at least a basic level of service by offering grant funding to cover the capital costs of essential infrastructure, particularly for impoverished communities.

Limitations and Weaknesses

Despite its benefits, the MIG programme has certain limitations, including:

Area of limitation	Effects on the Municipality
1. Restricted Use of Funds: MIG funding cannot be used for infrastructure maintenance, limiting its scope to capital projects.	During the 2023/2024 financial year, the municipality faced significant challenges due to the restriction on using MIG funding for infrastructure maintenance. This limitation hindered its ability to

Area of limitation	Effects on the Municipality
	address ongoing maintenance needs, resulting in the gradual deterioration of existing infrastructure. Consequently, the municipality had to strain other financial resources to cover maintenance costs, further impacting its overall operational efficiency and service delivery capabilities.
2. Focus on Previously Disadvantaged Areas: The grant is primarily allocated for basic infrastructure development in historically underserved communities	During the 2023/2024 financial year, while the municipality prioritized infrastructure development in historically underserved communities, this focus inadvertently led to the neglect of other areas that also required critical upgrades. As a result, disparities in infrastructure quality and service delivery emerged within the municipality, highlighting the challenge of balancing equitable development across all regions.
3. New and Rehabilitated Infrastructure: The funds are used to construct new infrastructure and reconstruct or rehabilitate existing infrastructure that has exceeded its lifespan	During the 2023/2024 financial year, while the municipality allocated funds to new projects and the rehabilitation of aging infrastructure, the emphasis on capital projects created gaps in addressing smaller-scale and ongoing maintenance needs.

Measures to address the limitations:

In 2025, Bushbuckridge Local Municipality will implement a comprehensive strategy to address the challenges posed by the limitations of the MIG grant and ensure efficient operations. These initiatives will empower the municipality to overcome grant-related constraints, maintain infrastructure effectively, and drive equitable development for all residents.

- **Diversifying Funding Sources:** The municipality will explore alternative funding mechanisms, including public-private partnerships, additional grant opportunities, and cost-recovery models, to supplement maintenance and operational needs.
- **Strategic Project Prioritization:** Projects will be aligned with the Integrated Development Plan (IDP) to ensure balanced development across all communities. A dedicated maintenance reserve will be established to address urgent infrastructure issues promptly.
- **Enhancing Internal Capacity:** Investments will be made in staff training, upgrading asset management systems, and fostering stronger community engagement to promote collaboration and ensure sustainable service delivery.

3.3. LOCAL ECONOMIC DEVELOPMENT AND PLANNING**Introduction**

This section of the report evaluates the municipality's performance in developing and implementing its Local Economic Development (LED) strategy, as well as in establishing the necessary structures to address related challenges. In line with the 5-year local government strategic agenda, which mandates provinces to conduct LED capacity assessments for all municipalities, the municipality completed both a capacity assessment and a status quo report for its LED Unit. The findings reveal that the municipality is currently reviewing its LED Strategy to ensure alignment with current economic realities and future goals.

The Bushbuckridge Local Municipality plays a decisive and unwavering role in shaping its economic destiny. Local Economic Development (KPA 3) is recognized as one of the five key performance areas within the local government system. It has been proven that investment

can only thrive where the potential and competitive advantages of local economies are identified, mapped, and effectively utilized. The municipality is tasked with mobilizing diverse stakeholders to drive economic development, implement LED strategies, and execute plans that unlock the area's economic potential.

Economic development remains a top priority for the municipality due to the persistently high levels of poverty and unemployment in the area. Over the past few years, informal trading has grown significantly within the municipal area. While this sector contributes positively to job creation and poverty alleviation, it requires structured support and regulation to ensure proper management and sustainability. To address this, the municipality has promulgated an Informal Trading Bylaw (Notice No. 34 of 2021) and is currently reviewing its Business Licensing Regulations to incorporate Standard Operating Procedures (SOPs) that align with relevant business regulations. These efforts underscore the municipality's commitment to fostering a sustainable and inclusive economic environment.

Progress on Local Economic Development (LED) and Job Creation

The municipality has made notable progress in implementing its Local Economic Development (LED) strategy, with improvements observed in job creation through LED and infrastructure programmes. The Directorate's performance in this regard is detailed in the **Annual Performance Report for the 2023/2024 financial year**.

Job Creation Performance

Job creation is a key performance indicator of the LED strategy. The table below presents the planned and actual number of jobs created over the last three fiscal years:

Financial Year	Planned Jobs	Actual Jobs Created	Analysis
2021/2022	3 000	4 217	The municipality exceeded its target by creating 1,217 more jobs than planned.

Financial Year	Planned Jobs	Actual Jobs Created	Analysis
2022/2023	3 800	4 057	The target was surpassed by 257 jobs, demonstrating consistent performance.
2023/2024	3 100	7 187	Significant overachievement, with 4,087 more jobs created than planned, primarily due to accelerated LED initiatives and infrastructure projects.

The reasons for performance variances in each financial year, including factors contributing to overachievement, are detailed in the **Annual Performance Report for 2023/2024**. These variances were attributed to:

- Increased investment in LED and infrastructure projects.
- Collaboration with private sector partners to boost job creation.
- Temporary job opportunities generated through the Expanded Public Works Programme (EPWP) and Community Works Programme (CWP).

Structure and Location of LED Units within the Municipality

In line with the LED National Framework (2006–2011), LED units must be strategically positioned within the municipal organogram under key performance areas, including institutional development, financial viability, governance, public participation, and service delivery. During the 2022/2023 fiscal year, the LED unit performed the following functions:

- Conducted economic research and developed the Growth and Development Strategy
- Profiled projects for implementation within the LED Strategy

- Planned, implemented, and monitored LED initiatives
- Promoted investment and business opportunities
- Supported SMMEs and cooperatives through skills development
- Enhanced the tourism sector through workshops and awareness campaigns

Portfolio Committees and LED Forums

Political leadership plays a critical oversight role in the implementation of LED initiatives. In accordance with Section 79 of the Municipal Structures Act, the municipality has established five functional Section 79 committees to support its functions and powers. The table below reflects the alignment of LED with relevant structures:

<i>Establishment (Portfolio Committee)</i>	<i>Functionality (Portfolio Committee)</i>	<i>Establishment (LED Forum)</i>	<i>Functionality (LED Forum)</i>
Yes (2022/2023)	Yes (2022/2023)	No (2022/2023)	No (2022/2023)
Yes (2023/2024)	Yes (2023/2024)	Yes (2023/2024)	Yes (2023/2024)

Challenges Experienced by the EDPE Directorate

The effective implementation of the LED strategy faces several challenges, including:

- Slow processes in releasing land for economic development due to unresolved land claims and lengthy leasing and restitution procedures.
- Approximately 90% of municipal land is under traditional authorities, classified as communal land, with potential economic development areas under land claims.

- Limited capacity and misunderstandings among traditional authorities and claimants hinder progress.
- Delays in land formalization processes by the Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA), which frustrates the issuance of title deeds and revenue collection.

Additional challenges include:

- Lack of credible, bankable business plans to attract investors.
- Land invasions and insufficient SMME development and support.
- An understaffed LED unit

Improvement Measures for EDPE

To address these challenges, the municipality has identified the following mitigation measures:

- **Stakeholder Coordination:** Improve collaboration with the Department of Land Affairs, COGTA, and Traditional Authorities to expedite land-related processes.
- **Project Funding and Monitoring:** Secure commitments from sector departments for project funding and monitoring.
- **Investment and Business Development:** Host an investment summit, develop bankable business plans for critical projects, and implement mentorship programs to attract funding.
- **Capacity Building:** Staff the LED unit with competent personnel to perform the functions initially intended for the Bushbuckridge Economic Development Agency (BEDA), which was unsuccessful due to Treasury concerns.
- **Land Claims Resolution:** Fast-track land claims processes through the Mpumalanga Regional Land Claims Commission (RLCC) and DARDLEA to release land for development.

- **Filling Vacant Positions:** Prioritize the filling of vacant positions within the LED unit to enhance capacity and efficiency.

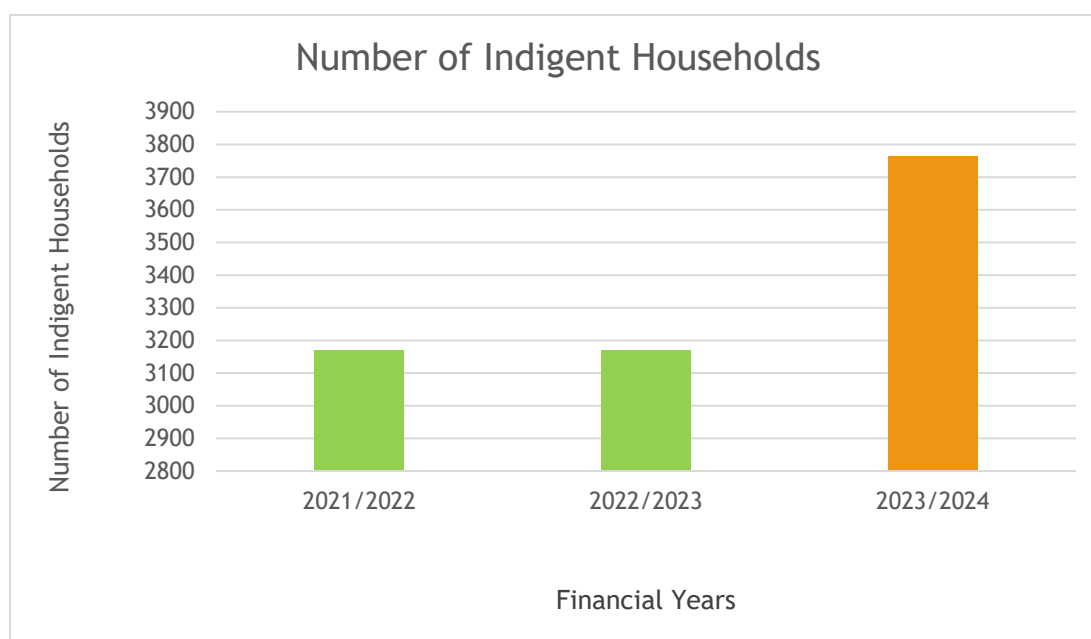
3.4. COMMUNITY SERVICES

Introduction

The Community Services Directorate plays a crucial role in promoting social well-being, inclusivity, and safety within the municipality. This section outlines key initiatives and progress in supporting indigent households, combating social issues, promoting sports and culture, ensuring public health, and enhancing disaster management.

3.4.1. Indigent Services

With unemployment rates exceeding 50% in Bushbuckridge, many households cannot afford basic municipal services. The municipality recorded 3,765 indigent households in the 2023/2024 fiscal year, providing free basic services such as water and electricity. However, this figure does not fully capture the extent of poverty. The municipality also supports impoverished families with pauper burials, with councilors playing a key role in identifying and assisting those in need.



3.4.2. Gender-Based Violence and Femicide (GBVF)

GBVF and contact crimes negatively impact community safety, businesses, and tourism. The municipality collaborated with SAPS, DSD, Justice and Correctional Services, the Department of Education, SANCO, and Love Life to combat GBVF. Continued investment in awareness campaigns and enhanced funding remain priorities.

3.4.3. Sport, Arts, Culture, and Heritage

Sports, arts, culture, and heritage are essential for social cohesion. Key partners include CCIFSA, Bushbuckridge Sports Federation, the Local Geographical Name Change Committee (LGNC), and Traditional Health Practitioners. The LGNC has resumed its work on geographical name changes to promote African identity and address historical injustices.

3.4.4. HIV, AIDS, and Other Chronic Diseases

HIV, AIDS, TB, and cancer remain major health challenges. Collaborating with the Department of Health, NGOs, and Ehlanzeni District Municipality, the municipality conducts awareness campaigns, outreach programs, health assessments, and fun walks to promote health and well-being.

3.4.5. 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.

3.4.6. Vulnerable and Target Groups

Supporting people with disabilities, older persons, women, children, and the LGBTQI community remains a priority. The municipality's Employment Equity Plan, IDP, budget, and SDBIP ensure that social issues are addressed and prioritized.

3.4.7. 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 to structural fires. Through our Communication Unit, the municipality will continue to educate and alert its communities about the danger of fires. Awareness continues to be made to communities to switch off their electricity appliances during load shedding and load reduction phases. 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 the high road fatalities.

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. Awareness Campaigns were held in various communities and shopping malls on various disaster issues including the danger of drawing water from wells and dams, fires, crossing flooded rivers, and road safety.

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organisational development is essential for ensuring the effective functioning and long-term sustainability of any municipality. It involves implementing strategies, structures, and processes that allow the municipality to adapt, grow, and achieve its objectives in an evolving and often complex environment. For the municipality, organisational development is crucial to delivering quality services, promoting good governance, and supporting sustainable development.

This chapter is divided into four key sections:

- **Section A:** Total Municipal Workforce
- **Section B:** Workforce Management
- **Section C:** Capacity of the Municipality
- **Section D:** Managing Workforce Expenditure

These sections collectively assess the municipality's performance in organisational development, focusing on institutional capacity, staff development, operational efficiency, and aligning the organisational structure with strategic objectives.

The municipality operates with a staff establishment aligned with its approved organogram. Compliance with staffing requirements is monitored through quarterly staff establishment reports submitted to the Council. Additionally, the municipality implements various human resource management policies as approved by the Council.

As a designated employer under the Employment Equity Act, the municipality developed and implemented its 2017–2022 Employment Equity Plan, which was approved by the Council and submitted to the Department of Labour in accordance with legislative requirements. The gender composition of the workforce stands at **57.6% male** and **42.4% female**, reflecting the municipality's commitment to promoting gender diversity.

During the financial year, the municipality conducted awareness campaigns to encourage employees living with disabilities to declare their status using EEA1 forms. As a result, **1.01%** of the total workforce comprises employees living with disabilities, which is below the

legislated target of **2%**. The municipality continues to focus on enhancing inclusivity and creating a supportive environment for all employees, including those with disabilities.

SECTION A: TOTAL MUNICIPAL WORKFORCE

4.1. WORKFORCE PROFILE AND CORE SUPPORT FUNCTIONS

The Municipal Council ensured that capable, suitable, and qualifying employees were appointed to execute municipal responsibilities without failure during the 2023/2024 fiscal 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	Female	
Top management	2	0	0	0	3	0	0	0	0	0	5
			0		3	0	0				
Senior management	33	0	0	0	5	0	0	0	1	0	39

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	69	1	0	0	59	0	0	0	0	0	129
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	62	0	0	0	57	0	0	0	0	0	119
Semi-skilled and discretionary decision-making	222	0	0	0	154	1	0	0	0	0	377
Unskilled and defined decision-making	220	0	0	0	167	0	0	0	0	0	387
TOTAL PERMANENT	608	1	0	0	445	1	0	0	1	0	1057
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	609	1	0	0	445	1	0	0	1	0	1056

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
Professionally qualified and experienced specialists and mid-management	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 decision-making	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

Within the municipality, job positions are categorized as either **core operating functions** or **support functions**. Core operating functions are those roles directly aligned with the municipality's primary mandate and service delivery objectives. These positions are essential to the core business of the organization and drive the generation of key outcomes, such as

infrastructure development, service provision, and community engagement. Examples include roles in revenue management, human resources, and social and technical services.

Level in core operating functions

The table below indicates the total number of employees (including people with disabilities), that participate 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	
Top management	2	3	5
Senior management	33	5	38
Professionally qualified and experienced specialists and mid-management	69	58	128
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	5	8
Semi-skilled and discretionary decision-making	96	21	117
Unskilled and defined decision-making	123	73	196
TOTAL PERMANENT	250	110	360
Temporary employees	0	0	0
Total	250	110	360

Levels in Support functions

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	
Top Management	2	4	6
Senior Management	24	5	29
Professionally qualified and experienced specialists and mid-management	40	40	80
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	22	50	72
Semi-skilled and discretionary decision	64	104	168
Unskilled and defined decision making	119	105	224
TOTAL PERMANENT	249	290	539
Temporary employees	0	0	0
GRAND TOTAL	249	290	539

SECTION B: MUNICIPAL WORKFORCES**4.2. WORKFORCE MANAGEMENT****Recruitment**

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	0	0	0	0	1	0	0	0	0	0	1
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
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 decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	1	0	0	0	1	0	0	0	0	0	2
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	1	0	0	0	1	0	0	0	0	0	2

Termination

The table below reports the total number of terminations in 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	1	0	0	0	1	0	0	0	0	0	2
Senior management	2	0	0	0	0	0	0	0	0	0	2
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	4	0	0	0	1	0	0	0	0	0	5
Semi-skilled and discretionary decision-	4	0	0	0	4	0	0	0	0	0	8
Unskilled and defined decision-making	7	0	0	0	5	0	0	0	0	0	12
TOTAL PERMANENT	20	0	0	0	12	0	0	0	0	0	32
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	20	0	0	0	12	0	0	0	0	0	30

SECTION C: CAPACITY OF THE MUNICIPALITY

4.3. SKILLS DEVELOPMENT

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 (MM and Directors)	0	0	0
Senior Management (Deputy Directors)	0	0	0
Professionally qualified and experienced specialists and mid-management (Managers and chiefs)	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	5	15	20
Semi-skilled and discretionary decision-making	14	25	35
Unskilled and defined decision-making	40	11	51
TOTAL PERMANENT	0	0	0
Temporary employees	0	0	0
GRAND TOTAL	68	63	131

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	0	0	48
Professionally qualified and experienced specialists and mid-management	71	1	0	1	65	0	1	1	0	0	140
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	64	0	0	0	60	1	0	0	0	0	125
Semi-skilled and discretionary decision	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	648	2	0	2	557	2	1	2	0	0	1214
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	640	2	0	2	539	2	1	2	0	0	1189

SECTION D: WORKFORCE EXPENDITURE MANAGEMENT**4.4. MONITORING****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	
	0				0						0

Awareness of employment equity

The table below represents the awareness measures of the 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		No	0
Discrimination awareness programmes		No	0

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 of 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
Retirement Policy	X		Not yet
Dress Code Policy	✓		Adopted
Sexual Harassment Policy	✓		Adopted
Probation Policy	✓		Adopted

Policy/ Plan	Developed and implemented	Developed and not implemented	Status
Induction Policy	✓		Adopted
Internet and E-Mail Policy	✓		Adopted
Long Service Recognition Policy	✓		Adopted
Cell Phone Allowance Policy	✓		Adopted
Occupational Health & Safety	✓		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; Master of Public and Development Management (NQF 9); Bachelor of Arts (NQF 8); Masters Diploma in HRM; Certificate in Executive Leadership Municipal Development

NO.	Surname and initials	Position	Qualification
2.	Khoza L. (Section Employee) 56	Director: Corporate Services	Matric; MBA (Master of Business Administration, NQF 9); B. Tech Degree in Human Resource Management (NQF 7), National Diploma for Human Resource Management (NQF 6), CPMD and Advance CPMD in Labour relation certificate.
3.	Mnisi A.M. (Section Employee) 56	Director: Community Services	Matric; MBA (Master of Business Administration, NQF 9) Bachelor's degree in public administration Human Resource Dev (NQF 7). Certificate Communication Management Certificate
4	Makhavhu F. (Section Employee) 56	Acting Director: Technical Services	Matric; National Diploma in Analytic Chemistry (NQF 6); and Post Graduate Diploma in Water Resources Management (NQF 7).
5	Timba F. S (Section Employee) 56	Director: EDPE	Matric; Bachelor of Arts in Education (NQF 7); Bachelor of Education (NQF 8); Master of Environmental Education (NQF 9); Master of Development (NQF 9), Certificate in municipal financial management (NQF 6) and Certificate in Municipal Governance
6	Mathabatha M.T. (Section Employee) 56	Chief Financial Officer	Matric; B. Com (Accounting) (NQF 7); Certificate in municipal financial management (NQF 6); Bachelor of Business Administration (NQF 8)

CHAPTER 5: FINANCIAL PERFORMANCE

Introduction

Effective financial performance is crucial for the municipality to deliver essential services, maintain infrastructure, and support sustainable development. This chapter evaluates the municipality's financial performance and is divided into four key sections:

- **Component A:** Statement of Financial Performance
- **Component B:** Spending Against Capital Budget
- **Component C:** Cash Flow Management and Investment
- **Component D:** Other Financial Matters

One of the key achievements of the financial year is the municipality's improved year-on-year cash flow performance for the past three consecutive years. The availability of surplus cash resources enables the municipality to respond promptly to the needs of essential services such as refuse removal, water supply, and sanitation. Infrastructure assets, particularly roads and water purification plants, have been prioritized and allocated higher budgets compared to previous years.

The municipal Council adopted the **2023/2024 Budget**, which aligns with the following core budgeting principles:

- The budget must be fully funded.
- Expenditure may only be incurred within the limits of an approved budget.
- The budget must align with the municipality's Integrated Development Plan (IDP).

By adhering to these principles, the Council has been able to produce budgets that are realistic, practical, and affordable. The **2023/2024 Budget** of Bushbuckridge Municipality was assessed by the Provincial Treasury and deemed credible, sustainable, and responsive to both the current and future needs of the community.

The management of revenue is governed by policies aimed at enhancing revenue collection and debt recovery. Significant progress was made in recovering long-outstanding debts from government institutions, notably the Provincial Department of Public Works. However, government departments and entities still owe the municipality more than **R900 million**.

Many government departments are not paying their current debts on time, and efforts are ongoing to recover the remaining historical debts. The increasing level of debt remains a concern for all stakeholders. Despite offering a **50% discount** to consumers, debt collection from businesses and households has remained low. Nevertheless, the municipality is confident that the current debt recovery strategies will yield positive results within the next **three to five years**.

A key component of the municipality's revenue enhancement strategy is to increase revenue from water sales, supported by its commitment to ensuring a consistent water supply. This strategy includes investing in **smart water metering technology** to ensure accurate billing and improved revenue collection from all reticulated areas.

The municipality implemented **Supply Chain Management (SCM) Regulations** through its approved **SCM Policy**, which aligns with the SCM Regulations, and the Model Policy issued by the National Treasury. To enhance procurement efficiency, SCM procedures and processes were reviewed, focusing on improving procurement timelines and controls. All procurement activities were planned and executed in accordance with the approved **procurement plan**.

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1. 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	31 May 2023	31 May 2023

Objectives (budget)	Performance Measure/service delivery indicator	Performance	
		Target	Actual
	Approval of the adjustment budget by Council	28 January 2024	28 January 2024
Provide a framework for financial accountability	Approved Service Delivery and Budget Implementation Plan	31 August 2024	29 August 2024
	Adoption of Tariff Structure	31 May 2023	31 May 2023
Prepare and submit Annual Financial Statement (AFS) to AG(SA) for 2023/24 FY	AFS submitted to Council & AG(SA)	31 August 2024	31 August 2024
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

5.2. OPERATING RESULTS

The operating results for the year ended 30 June 2024 disclosed a surplus of **R 439 630 074** against a restated surplus of **R 487 673 072** for the previous financial year. Total income billed for the year amounts to **R596 791 621**, and grant income realised amounts to **R 1,615 170 249**. The current year provision for debt impairment amounts to **R 216 628 614**. The impairment amount represents the increase in the inability to collect the outstanding amount from business and private residences.

5.3. INCOME

Over the past year, cash collection increased to over R400 million due to an initiative to offer customers an incentive to pay their outstanding debts. Grants and subsidies from the Treasury represent 75% of the total income of the municipality. Own income generated from

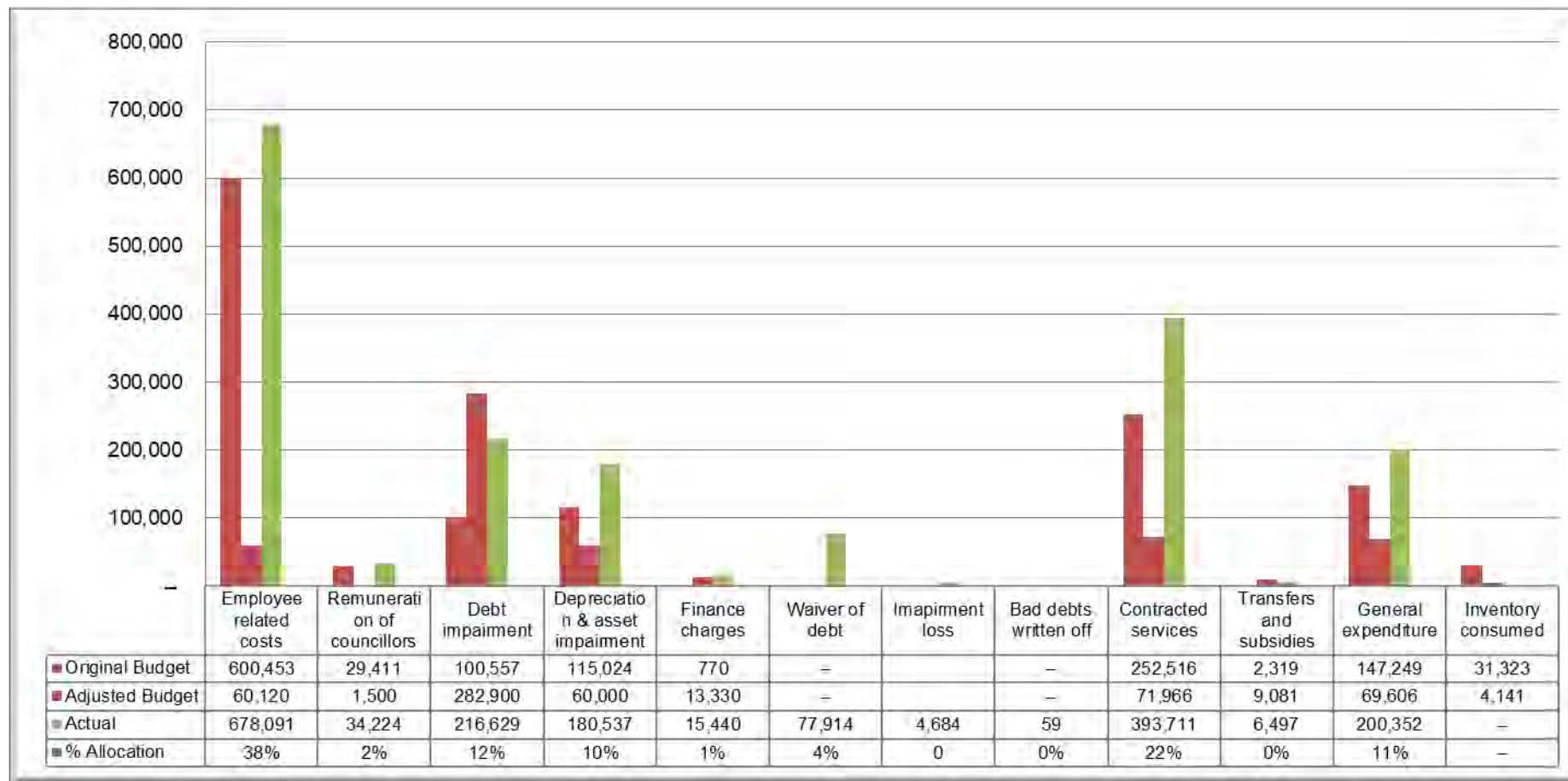
the sale of water and the levying of assessment rates represents 25% of the total income of the municipality.

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

5.4. OPERATING RESULTS PER CATEGORY OF EXPENDITURE

Operating expenditure amounted to R1,803 454 324 in 2024 and the restated figure of R1 577 225 802 in 2023. 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:



COMPONENT B: STATEMENT OF FINANCIAL PERFORMANCE**5.5. CAPITAL EXPENDITURE**

The municipality's cumulative property, land, and equipment balances for the year amounted to **R6 187 360 056** (2023: **R5 485 959 605**). The capital expenditure for the year under review amounted to **R 910 455 279** (2023: **R738 108 202**). All conditional grants were 100% spent except the Municipal Disaster Grant. A complete analysis of capital grants expenditure is included in Note 25 and Note 8 of the Audited Annual Financial Statements while Note 4,3 and 2 of the Audited Annual Financial Statements contain details by asset class.

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENT**5.6. INVESTMENTS AND CASH**

The municipality maintained a healthy cash and investment position, given the current economic conditions. Details on cash and cash equivalents are provided on note 15 to the Audited Annual Financial Statements. Cash on hand as of 30 June 2024 amounted to **R 148,626,983** (2023: 206,591,710).

5.7. DEBTORS' ASSESSMENT

Outstanding consumer debtors as of June 2024 amounted to R 2 840 965 401 (2023: 2,601 548 912). Total provision for impairment decreased year on year from R 320 155 327 in 2023 to R 216 628 614. This could be attributed to increased cash inflows from customers and the waiver of debt offered to customers who paid 50% of their outstanding amounts and received 50% of their debt being waived. Amounts collected from debtors from 1 July 2023 to 30 June 2024 is R361 066 913 in comparison to R216 351 352.

The municipality has appointed a 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 from the Government through the government debt forum.

5.8. BILLING SYSTEMS

The municipality billed customers a total of R 596 791 621 (2023: R 526 842 351) for property rates, refuse removal, sanitation, water, and interest.

The municipality has an adequate billing system that ensures that billing is done timeously monthly, and customer accounts are accurate. Customer statements are sent via emails or to service centers across the municipal jurisdiction for collection.

COMPONENT D: OTHER FINANCIAL MATTERS

5.9. ANNUAL FINANCIAL STATEMENT 2023/2024

The Annual Financial Statements for the year ended 30 June 2024, have been prepared in accordance with GRAP standards and were submitted to the office of the Auditor-General on the 31st of August 2024.

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 Annexures for the 2023/2024 Annual Financial Statements.

5.10. 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 within two months after the end of the financial year to the Auditor-General for auditing. During the year under review, the Auditor-General audited the Annual Financial Statements for the year ended 30

June 2024 and, in their opinion, the Annual Financial Statements fairly represented the financial affairs of the municipality.

5.11. 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

5.12. 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 2024 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

The municipality is committed to maintaining sound financial management and transparency through the timely submission of its Annual Financial Statements (AFS) and Annual Performance Report (APR). Over the past three financial years, the municipality has consistently submitted these reports by the statutory deadline of **31 August**. Notably, the municipality has achieved an **unqualified audit opinion** for three consecutive years, demonstrating compliance with financial reporting standards and the accuracy of its financial records. This consistent performance reflects the municipality's efforts to enhance accountability and maintain public trust.

The table below summarizes the municipality's audit performance:

FINANCIAL YEAR	AFS AND APR SUBMISSION DATE	AUDIT OPINION
2021/2022	31 August 2022	Unqualified
2022/2023	31 August 2023	Unqualified
2023/2024	31 August 2024	Unqualified



7. CONCLUSION

This Annual Report is a comprehensive reflection of the municipality's performance during the 2023/2024 financial year, closely aligned with its key planning and budgeting documents. By ensuring consistency with the Integrated Development Plan (IDP), Budget, Service Delivery, and Budget Implementation Plan (SDBIP), in-year performance reports, annual performance reports, and other strategic frameworks, the report provides a coherent and transparent account of the municipality's activities and achievements. This alignment not only reinforces accountability but also enables stakeholders to clearly understand the municipality's goals, strategies, and outcomes.

The report demonstrates the municipality's commitment to delivering on its mandate, highlighting the progress made in addressing community needs, improving service delivery, and achieving sustainable development. It also underscores the importance of continuous improvement, stakeholder engagement, and adaptive governance in overcoming challenges and seizing opportunities.

As the municipality moves forward, this Annual Report serves as a valuable tool for assessing the link between planned objectives and actual performance, guiding future decision-making, and fostering trust and collaboration with stakeholders. By building on the successes of the past year and addressing areas for improvement, the municipality remains dedicated to enhancing the quality of life for all its residents and ensuring a prosperous and inclusive future.

8. AUTHORISATION AND APPROVAL

Title	Initials and Surname	Comments	Signature	Date
Municipal Manager	J. Ngobeni	Recommended		24 February 2025
Executive Mayor	M.L. Moroane	Approved		24 February 2025

9. APPENDICES

Appendix A: Annual Performance Report

Appendix B: Annual Financial Statement

Appendix C: Audit Report-AGSA

APPENDIX A

ANNUAL PERFORMANCE REPORT 2023/2024



ANNUAL PERFORMANCE REPORT 2023/2024

The Office of the Municipal Manager prepared this Annual Performance Report in compliance with Section 53 of the MFMA. It details all performance-related activities under the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and the MFMA, covering the period from 1 July 2023 to 30 June 2024.

Table of Contents

Abbreviation table	2
1. Introduction.....	3
2. Legislative framework	3
3. Municipal overview	4
municipal goals and strategic objectives	4
key performance areas	5
4. Municipal performance Overview	6
Top layer of the municipal annual performance	10
5. Annual performance of service delivery and budget implementation plan	11
a. Municipal institutional transformation and organisational development - community services.....	11
b. Municipal institutional transformation and organisational development – corporate services	19
c. Economic development, planning, and environment	23
d. Municipal financial viability and management- finance.....	28
e. Service delivery and infrastructure development -technical services.....	34
f. Good governance and public participation	99
Departmental(lower) layer of the municipal annual performance	104
Municipal institutional transformation and organizational development:	105
i. Community Services	105
ii. Corporate services.....	112
iii. Local economic development: EDPE.....	123
iv. Municipal financial viability: finance.....	153
v. Infrastructure development and basic services delivery: technical services	161
vi. Good governance and public participation: PMS, IDP, risk, IA & communication.....	164
6. Conclusion	175
7. Authorisation and approval of the annual performance report	175
Appendix 1: report of external service providers 2023/2024	176

Abbreviation Table

Abbreviation	Full Form
AC	Audit Committee
AFS	Annual Financial Statement
AG	Auditor General
APR	Annual Performance Report
BLM	Bushbuckridge Local Municipality
Cogta	Cooperative Governance & Traditional Affairs
CWP	Community Works Programme
DFFE	Department of Forestry, Fisheries, and the Environment
DLTC	Drivers' license testing centres
EDPE	Economic Development, Planning, and Environment
EE	Employment Equity
FAR	Fixed Asset Register
FY	Financial Year
GBVF	Gender-based violence and femicide
GIS	Geographic Information System
GL	General Ledger
IA	Internal Audit
ICT	Information and Communication Technologies
IDP	Integrated Development Plan
LAC	Local Aids Council
LED	Local Economic Development
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act
PA	Performance Agreement
PMS	Performance Management System
PPE	Personal Protective Equipment
SAWIS	South African Waste Information System
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SMME	Small Medium and Micro Enterprises
SOP	Standard Operating Procedure
SPLUMA	Spatial Planning and Land Use Management Act
UIFW	Unauthorized, Irregular, Fruitless, and Wasteful Expenditure
WSP	Workplace Skills Plan
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works

1. INTRODUCTION

In accordance with the requirements set forth by the Municipal Finance Management Act (MFMA) and related legislation, Bushbuckridge Local Municipality is pleased to present its Annual Performance Report for the 2023/2024 financial year. This report is a comprehensive account of the Municipality's activities, achievements, and challenges during the period under review, serving as a critical tool for both accountability and transparency.

The Annual Performance Report is a critical document that details the performance of the Municipality against the objectives set out in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). It provides:

- Insights into how effectively the Municipality has utilized its resources.
- The progress made towards achieving its strategic goals.
- The impact of its programs and projects on the community.

In compliance with Section 121 of the MFMA, which requires every municipality to prepare an annual report that includes an assessment of the municipality's performance against the measurable objectives set in service delivery agreements for each financial year, Bushbuckridge Local Municipality has diligently compiled this report. This report reflects our commitment to good governance, sound financial management, and the continuous enhancement of service delivery.

This report will serve as a valuable resource for assessing the Municipality's performance and guiding future initiatives to enhance the quality of life for all residents of Bushbuckridge Local Municipality.

2. LEGISLATIVE FRAMEWORK

The preparation of the Annual Performance Report for Bushbuckridge Local Municipality is governed by specific legislative requirements, primarily drawn from the Municipal Systems Act, 2000 (Act No. 32 of 2000) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003). These acts outline the obligations of municipalities to report their performance and ensure transparency, accountability, and continuous improvement in service delivery.

a. Municipal Systems Act, Section 46: Performance Reports

Section 46 of the Municipal Systems Act mandates that:

- Each municipality must, for every financial year, prepare a performance report. This report is essential for objectively analyzing the municipality's overall performance during the financial year.
-

b. Municipal Finance Management Act, Chapter 12: Annual Reports

In alignment with Section 46 of the Municipal Systems Act, Chapter 12 of the MFMA sets out further requirements for the Annual Report: The Annual Report, which includes the performance report, must

be prepared and submitted within nine months after the end of the financial year. This allows for timely review and accountability.

These legislative requirements underscore the importance of thorough, transparent, and timely reporting on the performance of the Bushbuckridge Local Municipality. The municipality demonstrates its commitment to accountability, continuous improvement, and effective service delivery by adhering to these requirements.

3. MUNICIPAL OVERVIEW

Municipality Vision

Bushbuckridge Local Municipality envisions a thriving and prosperous community for all its residents.

Municipality Mission

The municipality is dedicated to delivering affordable and sustainable services through effective governance and active community participation.

Municipality Core Values

- Accountability
- Transparency and Openness
- Responsiveness
- Integrity
- Commitment to Service Excellence
- Diligence
- Efficient and Effective Governance

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 implementation of 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 of public safety. Implementation of recreational programs Tackle social issues

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.

#	Key Performance Area	Directorate	Weight
1	Municipal Institutional Transformation and Organisational Development	Community Services	15%
		Corporate Services	15%
2	Local Economic Development (LED)	EDPE	15%
3	Municipal Financial Viability and Management.	Finance Management And SCM	20%
4	Infrastructure Development and Basic Services Delivery	Technical Services	20%
5	Good Governance and Public Participation	Municipal Manager Office (PMS, IDP, RISK, IA & Communication)	15%
TOTAL			100%

4. MUNICIPAL PERFORMANCE OVERVIEW

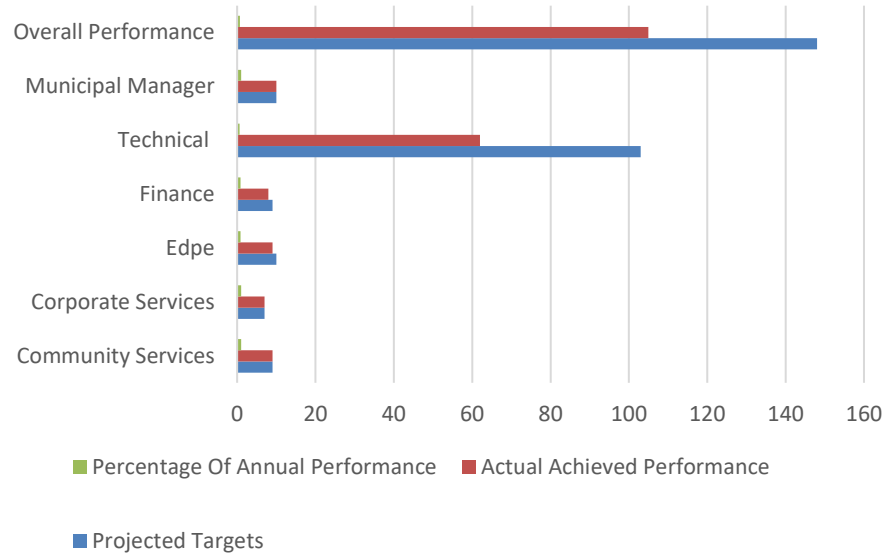
The performance of Bushbuckridge Local Municipality for the financial year 2023/2024 is reported in alignment with the Service Delivery and Budget Implementation Plan (SDBIP) and is structured into two distinct layers, as outlined in the Municipal Finance Management Act (MFMA) Circular No. 13 (Municipal Finance Management Act No. 56 of 2003). **These two layers are the Top Layer and the Departmental Layer.**

a. Top Layer Performance:

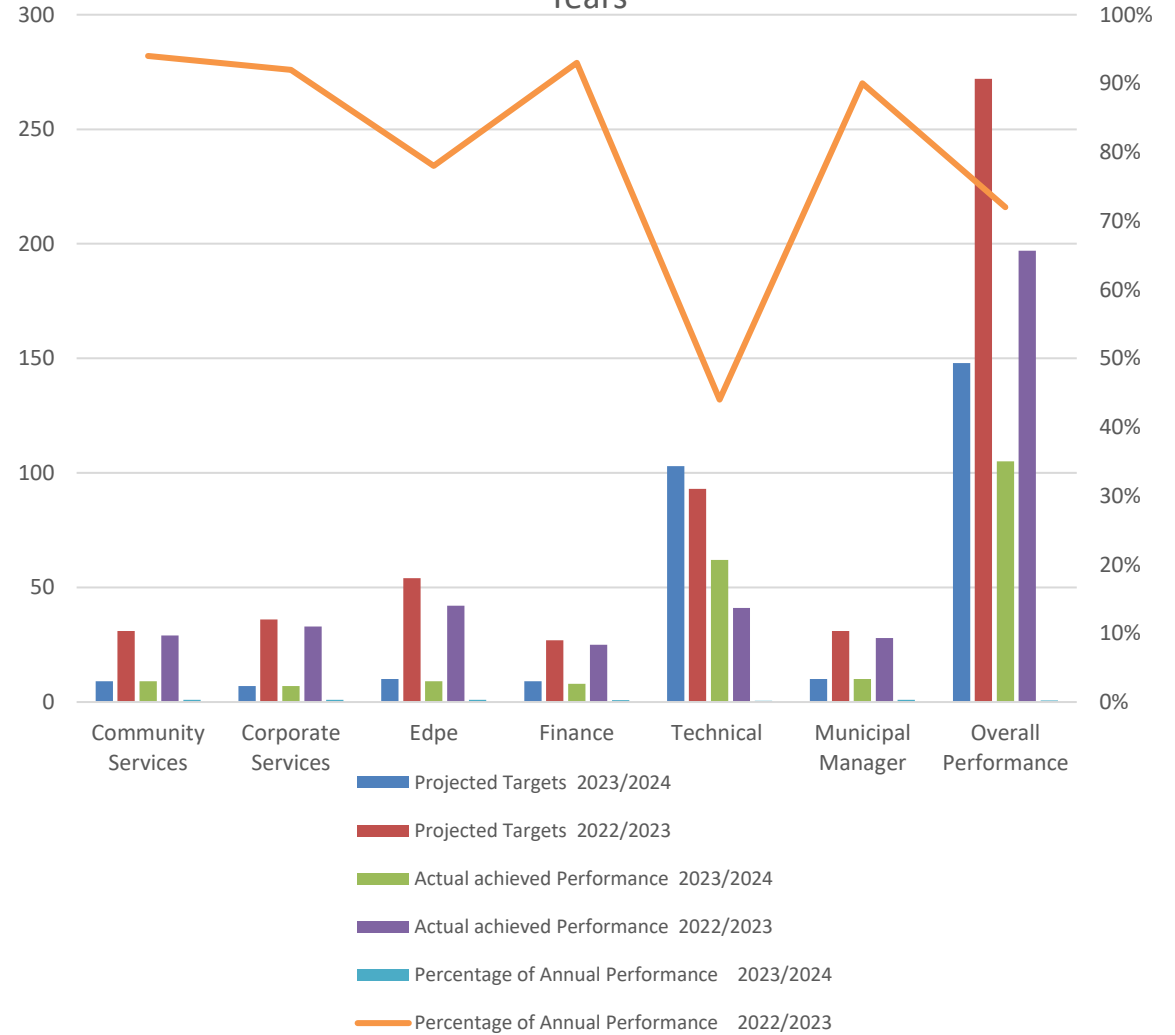
Focusing on the Top Layer of Bushbuckridge Local Municipality, performance varied across the different directorates. Of 318 targets set for the year, 230 were successfully achieved, resulting in an overall performance rate of 72%. This performance indicates the municipality's efforts to meet its service delivery objectives. The performance remained steady at 72%, matching the achievement of the 2022/2023 financial year. Below is a detailed presentation of performance by the directorate, reflecting the specific achievements and areas for improvement within each department.

Below is a detailed performance presentation by the directorate, reflecting the specific achievements and areas for improvement within each department.

Graph 1: Summary of performance



Graph 2 : Summary of Performance - Comparison of Financial Years



b. Key Performance Highlights for 2023/2024

Community Services The Community Services Directorate achieved full performance, demonstrating significant advancements through effective collaboration with departmental stakeholders to support vulnerable groups. Notably, the strategic deployment of traffic officers has enhanced community safety. Additionally, the rising demand for driver’s licenses among youth reflects the municipality’s progress toward becoming a rural metro.	Corporate Services The Corporate Services Directorate achieved notable success in staff development. The introduction of additional training programs and workshops led to more staff receiving training than initially planned, highlighting the commitment to enhancing employee skills and capacity.	
EDPE <ul style="list-style-type: none">• Positive engagement from SMMEs with planned programs, indicating strong interest.• Successful capacity-building efforts with both private and public sectors to support and monitor cooperatives.• Effective partnerships between government and private sector, driving job creation through economic initiatives and incubation programs.• Increased economic activity within the municipality, with a higher number of entrepreneurs and businesses applying for licenses.• Higher-than-expected demand for license renewals due to market conditions and an increase in eligible license holders.• Improved community engagement, potentially enhancing the uptake of waste collection services.		
Finance The Finance Directorate successfully met compliance requirements by timely submitting its report to the National Treasury. Enhanced collection processes, including offering discounts for long-outstanding debt and improved billing practices, contributed to increased revenue collection.	Good Governance and Public Participation Bushbuckridge Local Municipality was committed to fostering good governance and enhancing public participation through an effective Oversight Committee, robust risk management, and strong internal controls, ultimately contributing to a more effective and responsive local government.	Technical Services In the 2023/2024 period, the municipality targeted 136 projects: <ul style="list-style-type: none">• 26 projects from 2022/2023 were completed.• 13 new projects for 2023/2024 were completed.• 33 projects were not implemented and are listed as revised targets due to oversight, funding constraints, or phased implementation under the maintenance budget.• 64 projects were not completed due to various issues including underperformance, contract terminations, and financial challenges faced by contractors.

c. Key Challenges Faced During the Financial Year

1. **Insufficient Capacity in LED Unit:** The lack of sufficient staff in the LED Unit hindered progress on the LED Strategy review, impacting strategic planning and implementation.
2. **Underperformance in Technical Projects:** A significant number of technical projects faced issues such as underperformance, contract terminations, and financial difficulties, leading to incomplete targets.
3. **Funding Constraints:** Limited funds affected the ability to prioritize and implement projects, resulting in revised targets and phased implementations.
4. **Increased Demand for Licenses:** The higher-than-expected demand for license renewals created additional strain on processing capabilities.
5. **Contractor Challenges:** Financial challenges and performance issues with contractors led to delays and terminations of projects.

TOP LAYER OF THE MUNICIPAL ANNUAL PERFORMANCE

5. ANNUAL PERFORMANCE OF SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

A. MUNICIPAL INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT - COMMUNITY SERVICES

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.1.3	Community Bursary	Finalization of the awarding of Bursaries to students by the Council	4 reports on students awarded with bursaries in 2022/2023	Awarding of Bursaries to students approved by Council by 30 June 2024	-	-	-	Report of student awarded with bursaries submitted and approved by Council by 30 June 2024	Not applicable	Not applicable	Report: Advert Invitations - Bursary Committee, Agenda / Programme, Attendance Registers, Minutes and Council	Director: Community Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
											Report and Resolution	
2.6.1.4	Affairs on Vulnerable groups	Number of programmes, meetings, or events for vulnerable groups (Gender, Children, Youth, elderly, and Disability) conducted	4 GBVF events/programmes implemented in 2022/2023	8 programs; 01 meetings and 08 programs/event s/meetings by 30 June 2024	08 programme s/events meetings	-	-	21 programmes/ev ents meetings implemented in 2023/2024	Collaboration with other departmental stakeholders resulted in a positive variance as a direct outcome of our integrated efforts.	Not applicable	Invitations, programs(age nda) and attendance register	Director: Community Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.1.5	Indigent Services	Finalization and approval of Indigent register by the Council	04 reports on the management of indigent services	Finalization and approval of Indigent applications and submission of reviewed indigent policy to council by 30 June 2024	-	-	-	The indigent register updated and adopted by the council in 2023/2024	Not applicable	Not applicable	Indigent Register Indigents, Applications Listing, Verification Report, Indigent Policy, Council Report	Director: Community Services
2.6.1.6	Library Services	Number of library outreach	12 reports on library programs, events/scho	08 Library outreach programs	-	-	-	08 Library outreach programs school	Not applicable	Not applicable	Invitation programs, agenda, attendance register,	Director: Community Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
		programs implemented	ol visits in 2022/2023	school visits by 30 June 2024				visits by 30 June 2024			and/or pictures	
2.6.1.7	Disaster Relief	Number of disaster awareness campaigns conducted	4 disaster awareness campaigns conducted in 2022/2023	4 disaster awareness campaigns conducted by 30 June 2024	-	-	-	4 disaster awareness campaigns conducted by 30 June 2024	Not applicable	Not applicable	Invitation, Programme, attendance registers	Director: Community Services
2.6.1.8	Road Traffic Services	Number of summonses issued	5000 summonses issued in 2022/2023	5000 summonses issued by 30 June 2024	-	-	-	5920 summonses issued	Summons increased by additional roadblocks implemented	Not applicable	Summons Statistics report	Director: Community Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.1.9	Traffic Enforcement	Number of road safety operations (roadblocks) conducted	12 Roadblocks conducted in 2022/2023	12 Roadblocks conducted by 30 June 2024	-	-	-	58 Roadblocks conducted by 30 June 2024	Collaboration with other government stakeholders significantly influenced the increase in the number of roadblocks conducted. By partnering with law enforcement agencies, traffic management	Not applicable	Roadblock statistics report and pictures	Director: Community Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
									authorities, and community safety departments, we were able to pool resources, share intelligence, and coordinate efforts more effectively.			

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services											
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)											
Municipal Priority		Improve sound public safety and community welfare											
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare											
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager	
								Annual Performance	Reason for Variance	Improvement Measures			
2.6.1.10	DLTC and Registry Authority	Revenue amount collected by all DLTC	R40M revenue amount collected in 2022/2023	R42M revenue amount collected by 30 June 2024	-	-	-	R 58 672 210.88 revenue amount collected by 30 June 2024.	Increased revenue was collected due to a rise in the number of tests conducted for learners for learners and driver's licenses.	Not applicable	Enatis RD reports	Director: Community Services	

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services											
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)											
Municipal Priority		Improve sound public safety and community welfare											
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare											
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager	
								Annual Performance	Reason for Variance	Improvement Measures			
2.6.1.11	DLTC and Registry Authority	Number of learners & drivers to be tested in all DLTCs	20,000 learners' drivers tested in 2022/2023	22 000 learners and drivers to be tested in all DLTCs by 30 June 2024	-	-	-	23 993 learners and drivers were tested in all DLTCs by 30 June 2024	High demand for learners and driver's licenses from communities	Not applicable	Enatis RD reports	Director: Community Services	

B. MUNICIPAL INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT – CORPORATE SERVICES

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.2.1	Skills development	Number of staff trained as per WSP	251 staff trained as per WSP in 2022/2023	370 staff trained as per WSP by 30 June 2024	300 staff trained as per WSP by 30 June 2024	1 500 000	369 139	522 staff trained as per WSP	Additional training programs or workshops were introduced during the period, leading to more staff members receiving training than originally planned	Not applicable	List of officials trained. Attendance registers and Training reports	Director: Corporate Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.2.2	Workplace Skills Plan	Submission of WSP to LGSETA	1 WSP submitted to LGSETA in 2022/2023	1 WSP to be submitted to LGSETA 2024/2025 by 30 April 2024	-	-	-	WSP submitted to LSSETA by 30 April 2024	Not applicable	Not applicable	Work Skills Plan, Proof of submission to LGSETA	Director: Corporate Services
2.6.2.3	Labour Relations Management (Disciplinary enquiries/grievances)	Number of reports on misconduct cases submitted to COGTA	04 reports on misconduct cases submitted to COGTA in 2022/2023	04 reports on misconduct cases submitted to COGTA by 30 June 2024	-	-	-	04 reports on misconduct cases submitted to COGTA	Not applicable	Not applicable	Report on misconduct cases submitted to COGTA and Proof Submission	Director: Corporate Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.2.4	EE annual report.	Number of EE Reports to the Dept. of Employment and Labour by the due date	1 EE Report submitted to the Dept. of Employment and Labour by 31 Dec 2022	1 EE Report submitted to the Dept. of Employment and Labour by 31 Dec 2023	-	-	-	1 EE Report submitted to the Dept. of Employment and Labour by the due date	Not applicable	Not applicable	EE Annual Report and Proof of Submission	Director: Corporate Services
2.6.2.5	Mayoral IMBIZO	Number of Mayoral Imbizo held	04 Mayoral Imbizo held in 2022/2023	04 Mayoral Imbizo held by 30 June 2024	-	-	-	04 Mayoral Imbizo held by the due date	Not applicable	Not applicable	Invitations and Attendance registers	Director: Corporate Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.2.6	Employee wellness Education and training	Number of Employee Wellness Programs implemented	04 reports for staff wellness educational programs in 2022/2023	4 staff wellness educational programs conducted by 30 June 2024	-	-	-	5 staff wellness educational programs were conducted	More demand from staff for wellness programs prompted the organization to conduct more sessions to accommodate the increased participation.	Not applicable	Invitations Agenda/ Programme Attendance Register and Report	Director: Corporate Services
3.2.19	Council Support	Number of council sittings held	-	04 council sittings held	-	-	-	04 council sittings held	Not applicable	Not applicable	Invitation, Agenda, and Minutes of the meeting	Manager: Council Support

C. ECONOMIC DEVELOPMENT, PLANNING AND ENVIRONMENT

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Rural Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.3.1	Tourism Development	Number of tourism projects monitored and supported	10 tourism projects monitored and supported	08 tourism projects monitored and supported by 30 June 2024	07 tourism projects monitored and supported by 30 June 2024	848 797	1062 203	07 tourism projects monitored and supported by 30 June 2024	Not applicable	Not applicable	Reports and attendance register	Director: EDPE
2.6.3.2	SMME Development	Number of SMMEs supported	539 SMMEs supported in 2022/2023	200 SMMEs supported by 30 June 2024	-	848 797	1062 203	413 SMMEs supported by 30 June 2024	Small, Medium, and Micro Enterprises (SMMEs) responded positively to an invitation than initially expected.	Not applicable	Reports and attendance register	Director: EDPE

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Rural Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.3.3	Agricultural Development	Number of agricultural cooperatives monitored and supported	06 cooperatives monitored and supported in 2022/2023	06 cooperatives monitored and supported by 30 June 2024	-	43 537	228 614	07 cooperatives monitored and supported by 30 June 2024	Collaborations in capacity-building programs with both private and public sectors.	Not applicable	Reports and attendance register	Director: EDPE
2.6.3.4	Local Economic Development - Job Creation	Number of jobs created from economic and incubation programs/projects and SMMEs	3225 jobs created in 2022/2023	4000 jobs created by 30 June 2024	-	-	-	7187 jobs created by 30 June 2024	Partnership between the government and the private sector to drive job creation through economic initiatives, incubation programs, and support for SMMEs.	Not applicable	List of jobs created	Director: EDPE

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Rural Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.3.5	Local Economic Development Strategy	Number of activities on the review of the LED Strategy	01 report on the review of the LED Strategy in 2022/2023	3 Activities on review of LED Strategy and adopted by Council	3 Activities on review of LED Strategy and adopted by Council	14 371	14 371	0 Activities on review of LED Strategy and adopted by Council	Due to insufficient capacity in the LED Unit, there were no activities done to review the LED Strategy	A service provider will be appointed to develop the LED Strategy in the 2024/2025 FY	Draft LED strategy, public participation report, and final strategy	Director: EDPE
2.6.3.6	Business Licensing	Number of reports on new business licenses issued as per applications received	165 new business licenses issued as per applications in 2022/2023	60 new business licenses issued as per application	-	·	·	74 new business licenses issued as per application	There has been a surge in economic activities within the municipality, leading to more entrepreneurs and businesses applying for licenses.	Not applicable	Reports and list of business licenses issued	Director: EDPE

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Rural Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.3.7	Business Licensing	Number of reports on license renewals	132 licenses renewed in 2022/2023	254 licenses Renewed by 30 June 2024	-	,	,	293 licenses Renewed by 30 June 2024	higher than expected demand for license renewals, due to changes in market conditions and an increase in the number of eligible license holders.	Not applicable	Report and list of business licenses renewed	Director: EDPE
2.6.3.8	Business Licensing	Number of inspections and operations conducted	07 operations and 930 inspections conducted in 2022/2023	08 Operations and 1000 inspections conducted by 30 June 2024		,	,	08 operations and 1097 of inspections conducted	The increased capacity and improved efficiency resulted in a higher number of inspections and operations conducted.	Not applicable	Reports and list of businesses inspected	Director: EDPE

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Rural Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.3.9	Events on outreach and campaigns	Number of awareness campaigns held on a clean and safe environment.	12 Awareness on clean and safe environment campaign held in 2022/2023	12 Awareness campaign held on the clean and safe environment by 30 June 2024	-	142 700	242 505	16 awareness campaigns held on a clean and safe environment.	Enhanced collaboration and engagement with external stakeholders led to a greater number of awareness campaigns being conducted.	Not applicable	Reports and attendance registers	Director: EDPE
2.6.3.10	Waste Collection	Number of households provided with waste collection to reduce the backlog	4500 households provided with waste collection to reduce the backlog	4000 households were provided with waste collection to reduce the backlog by 30 June 2024	7 850 households provided with waste collection to reduce the backlog	9 500 000	9 846 275	12 761 households provided with waste collection to reduce the backlog	Enhanced community engagement and cooperation could lead to higher uptake and utilization of the waste collection service.	Not applicable	Reports and list of businesses inspected	Director: EDPE

D. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT- FINANCE

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.4.1	Revenue collection	Amount of revenue collected	R 367 000 000 collected in 2022/2023	R380 000 000 collected by 30 June 2024	-	,	,	R 450 398 441 Amount of revenue collected	Enhanced collection processes and efforts, and improved billing practices, led to higher revenue collection.	Not applicable	Revenue Collection Reports	Chief Financial Officer
2.6.4.2	Revenue Management	Number of Approved and Gazetted Tariffs	04 Tariffs Approved and Gazetted in 2022/2023	02 Approved and Gazetted Tariffs by 30 June 2024	-	,	,	02 Approved and Gazetted Tariffs	Not applicable	Not applicable	Gazetted Tariff & Updated Tariffs on Sage	Chief Financial Officer

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability											
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State											
Municipal Priority		Financial Viability											
Strategic Goal		Sound Financial Management											
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager	
								Annual Performance	Reason for Variance	Improvement Measures			
2.6.4.6	Budget Management	Number of statutory reports and strings submitted to the Treasury within the prescribed period	12 statutory reports and strings submitted to Treasury within the prescribed period	12 statutory reports and strings submitted to Treasury by 30 June 2024	-	·	·	12 statutory reports and strings submitted to the Treasury by 30 June 2024	Not applicable	Not applicable	GO Muni (Treasury) Report	Chief Financial Officer	
2.6.4.4	Sound Revenue Management	Number of General Valuation /Supplementary Valuation implemented	04 General Valuation /Supplementary Valuation implemented in 2022/2023	04 General Valuation /Supplementary Valuation implemented by 30 June 2024	-	·	·	04 of General Valuation /Supplementa ry Valuation implemented	Not applicable	Not applicable	General Valuation Roll & Supplementary Report.	Manager Revenue	

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.4.5	MFMA Budget prescripts	Submissions of MFMA Budget prescripts to council and Provincial treasury.	02 Submissions of MFMA Budget prescripts to council and Provincial treasury	02 Submissions of MFMA Budget prescripts to council and Provincial treasury.	-	·	·	02 Submissions of MFMA Budget prescripts to council and Provincial treasury.	Not applicable	Not applicable	Council resolutions and advert for the final budget.	Manager: Budget

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability											
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State											
Municipal Priority		Financial Viability											
Strategic Goal		Sound Financial Management											
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager	
								Annual Performance	Reason for Variance	Improvement Measures			
2.6.4.7	Asset Management (Existence and valuation)	% of completed projects and assets verified, unbundled, barcoded, and included in the Fixed Asset Register	100% of completed projects and assets verified, unbundled, barcoded, and included in FAR in 2022/2023	100% of completed projects and assets verified, unbundled, barcoded, and included in FAR by 30 June 2024	-	1	1	100% of completed projects and assets verified, unbundled, barcoded, and included in the Fixed Asset Register	Not applicable	Not applicable	Fixed Asset Register report and GL	Chief Financial Officer	

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability											
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State											
Municipal Priority		Financial Viability											
Strategic Goal		Sound Financial Management											
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager	
								Annual Performance	Reason for Variance	Improvement Measures			
2.6.4.8	Financial and Performance Reporting	Number of Financial Statements submitted to council and Auditor General	2 Financial Statements submitted to council and Auditor General in 2022/2023	2 Financial Statements submitted to council and Auditor General in 2022/2023	-	1	1	2 Financial Statements were submitted to council and Auditor General (1 AFS 2022/2023 and 1 interim FS 2023/2024)	Not applicable	Not applicable	AFS and Interim FS Proof of submission to AG and Council resolution	Chief Financial Officer	
2.6.4.9	SCM Irregular Expenditure Register	Number of UIFW reports submitted	04 UIFW reports submitted	04 UIFW reports submitted	02 UIFW reports submitted	1	1	02 UIFW reports submitted	Not applicable	Not applicable	Report on UIFW and evidence of email to Cogta and AG(SA)	Chief Financial Officer	

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.4.10	SCM policy implementation	Number of training interventions or workshops attended by all SCM officials on SCM matters	01 training interventions or workshop attended by all SCM officials on SCM matters in 2022/2023	04 training interventions or workshops attended by all SCM officials on SCM matters by 30 June 2024	02 training interventions or workshops attended by all SCM officials on SCM matters by 30 June 2024	,	,	01 of training interventions or workshops attended by all SCM officials on SCM matters	The municipality has limited SCM officials, making it challenging to maintain unit operations while others attend training sessions.	The municipality will implement a rotational training schedule that ensures ongoing staff development while preserving the functionality of the SCM unit.	Invitation and Attendance register	Chief Financial Officer

E. SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT -TECHNICAL SERVICES

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.1	Roads and Stormwater	% Completion of Culvert Bridge at Mkhuhlu (Culcata to Jonela)	New target	100% Completion of Culvert Bridge at Mkhuhlu (Culcata to Jonela)	0% Completion of Culvert Bridge at Mkhuhlu (Culcata to Jonela)	,	,	0% Completion of Culvert Bridge at Mkhuhlu (Culcata to Jonela)	Management oversight: The project was completed in the 2022/2023 financial year but was inadvertently removed from the SDBIP during the adjustment period.	-	-	Manager Roads
2.6.5.2	Roads and Stormwater	% 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)	-	,	,	100% Completion of Culvert Bridge at Maviljan (Shangaan Hill B to Matenteng)	Management oversight: The project was completed in the 2022/2023 financial year but was inadvertently removed from the SDBIP during the adjustment.	-	-	Manager: Roads

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.3	Roads and Stormwater	% Completion of Culvert Bridge at Lillydale (Jongilanga)	New target	100% Completion of Culvert Bridge at Lillydale (Jongilanga)	0% Completion of Culvert Bridge at Lillydale (Jongilanga)	,	,	0% Completion of Culvert Bridge at Lillydale (Jongilanga)	Management oversight: The project was completed in the 2022/2023 financial year but was inadvertently removed from the SDBIP during the adjustment period.	-	-	Manager: Roads
2.6.5.4	Roads and Stormwater	% Completion of Culvert Bridge at Dwarsloop (Motibidi to Masakeng)	New target	100% Completion of Culvert Bridge at Dwarsloop (Motibidi to Masakeng)	0% Completion of Culvert Bridge at Dwarsloop (Motibidi to Masakeng)	,	,	0% Completion of Culvert Bridge at Dwarsloop	Management oversight: The project was completed in the 2022/2023 financial year but was inadvertently removed from the SDBIP during the adjustment period.	-	-	Manager: Roads

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.5	Roads and Stormwater	% 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)	0% Completion of Culvert Bridge at Acornhoek (Jameyani Primary to Pendulani High)	,	,	0% Completion of Culvert Bridge at Acornhoek (Jameyani Primary to Pendulani High)	Management oversight: The project was completed in the 2022/2023 financial year but was inadvertently removed from the SDBIP during the adjustment period.	-	-	Manager: Roads
2.6.5.6	Roads and Stormwater	% Completion of Culvert Bridge at Thulamahash e	New target	100% Completion of Culvert Bridge at Thulamahash e	0% Completion of Culvert Bridge at Thulamahashe	,	,	0% Completion of Culvert Bridge at Thulamahashe	Management oversight: The project was completed in the 2022/2023 financial year but was inadvertently removed from the SDBIP during the adjustment period.	-	-	Manager Roads
2.6.5.7	Roads and Stormwater	% Completion of Rehabilitation of internal	New target	100% Completion of Rehabilitation of internal	0% Completion of Rehabilitation of	,	,	0% Completion of Rehabilitation of internal streets at Malubana	Management oversight: The project was completed in the 2022/2023	-	-	Manager Roads

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
		streets at Malubana		streets at Malubana	internal streets at Malubana				financial year but was inadvertently removed from the SDBIP during the adjustment period.			
2.6.5.8	Roads and Stormwater	% Completion of Culvert Bridge at Ndimande – Ward 29	New target	100% Completion of Culvert Bridge at Ndimande Primary	0% Completion of Culvert Bridge at Ndimande Primary	1 200 000	0	0% Completion of Culvert Bridge at Ndimande Primary	The budget was re-prioritised due to own generated revenue collection challenges	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Manager Roads
2.6.5.9	Roads and Stormwater	% Completion of Culvert Bridge at Mkhetshe Primary – Ward 25	New target	100% Completion of Culvert Bridge at Mkhetshe Primary	-	1 500 000	0	0% Completion of Culvert Bridge at Mkhetshe Primary	The budget was re-prioritised due to own generated revenue collection challenges	The Municipality received approval for funding from the Municipal Disaster Recovery Grant. The project is scheduled to be implemented starting in the third quarter of	-	Manager Roads

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										the 2024/2025 financial year.		
2.6.5.10	Roads and Stormwater	% Completion of Culvert Bridge Mambumbu – Ward 22	New target	100% Completion of Culvert Bridge at Mambumbu	-	1 500 000	0	0% Completion of Culvert Bridge at Mambumbu	The budget was re-prioritised due to own generated revenue collection challenges	The Municipality received approval for funding from the Municipal Disaster Recovery Grant. The project is scheduled to be implemented starting in the third quarter of the 2024/2025 financial year.	-	Manager Roads
2.6.5.11	Roads and Stormwater	% Completion of Culvert Bridge at Moreipuso Clinic – Ward 14	New target	100% Completion of Culvert Bridge at Moreipuso	0% Completion of Culvert Bridge at Moreipuso	1 500 000	0	0% Completion of Culvert Bridge at Moreipuso	The budget was re-prioritised due to own generated revenue collection challenges	The municipality will revise its plan and implement this project in the financial years	-	Manager Roads

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										starting from 2025/2026.		
2.6.5.12	Roads and Stormwater	% Completion of Culvert Bridge at Oakley Graveyard – Ward 24	New target	100% Completion of Culvert Bridge at Oakley Graveyard	0% Completion of Culvert Bridge at Oakley Graveyard	1 500 000	0	0% Completion of Culvert Bridge at Oakley Graveyard	The municipality's own generated revenue funds the project. Due to the reprioritization of projects the municipality decided not to implement the project in 2023/2024	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Manager Roads
2.6.5.13	Roads and Stormwater	% Completion of Culvert Bridge at Tlabekisa – Ward 34	New target	100% Completion of Culvert Bridge at Tlabekisa	0% Completion of Culvert Bridge at Tlabekisa	1 500 000	0	0% Completion of Culvert Bridge at Tlabekisa	The municipality's own generated revenue funds the project. Due to the reprioritization of projects the municipality decided not to implement the	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Manager Roads

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
									project in 2023/2024			
2.6.5.14	Roads and Stormwater	% Completion of Culvert Bridge at Khulong Primary - Ward 5	New target	100% Completion of Culvert Bridge at Khulong Primary	-	1 300 000	0	0% Completion of Culvert Bridge at Khulong Primary	The budget was re-prioritised due to own generated revenue collection challenges	The Municipality received approval for funding from the Municipal Disaster Recovery Grant. The project is scheduled to be implemented starting in the third quarter of the 2024/2025 financial year.	-	Manager Roads
2.6.5.15	Roads and Stormwater	% Completion of Paving of Parking at PMU Head Office	New target	100% Completion of Paving of Parking at PMU Head Office	-	2 500 000	,	100% Completion of Paving of Parking at PMU Head Office	Not applicable	Not applicable	Completion Certificate	Manager Roads

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.15 NT 1	Roads and Stormwater	% Completion of Rehabilitation of tarred streets at Malubane - MaF (Ward 1)	New target	30% Completion of Rehabilitation of tarred streets at Malubane - MaF (Ward 1)	-	,	0	0% Completion of Rehabilitation of tarred streets at Malubane - MaF (Ward 1)	The budget was re-prioritised due to own generated revenue collection challenges	The project is scheduled for implementation in 2024/2025.	SDBIP 2024/2025	Manager Roads
2.6.5.15 NT 2	Roads and Stormwater	% Completion of Rehabilitation of tarred streets at Shatale (Ward 7)	New target	30% Completion of Rehabilitation of tarred streets at Shatale (Ward 7)	-	,	0	0% Completion of Rehabilitation of tarred streets at Shatale (Ward 7)	The budget was re-prioritised due to own generated revenue collection challenges	The project is scheduled for implementation in 2024/2025.	SDBIP 2024/2025	Manager Roads
2.6.5.15 NT 3	Roads and Stormwater	% Completion of Re-Construction of Culvert Bridge at Relane C to D (Ward 11)	New target	30% Completion of Re-Construction of Culvert Bridge at Relane C to D (Ward 11)	-	,	0	0% Completion of Re-Construction of Culvert Bridge at Relane C to D (Ward 11)	The budget was re-prioritised due to own generated revenue collection challenges	The project is scheduled for implementation in 2024/2025.	SDBIP 2024/2025	Manager Roads

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.15 NT 4	Roads and Stormwater	% Completion of Rehabilitation of tarred streets at Acornhoek Mall - Greenvalley - (Ward 18)	New target	30% Completion of Rehabilitation of tarred streets at Acornhoek Mall - Greenvalley - (Ward 18)	-	,	0	0% Completion of Rehabilitation of tarred streets at Acornhoek Mall - Greenvalley - (Ward 18)	The budget was re-prioritised due to own generated revenue collection challenges	The project is scheduled for implementation in 2024/2025.	SDBIP 2024/2025	Manager Roads
2.6.5.15 NT 5	Roads and Stormwater	% Completion of Re-Construction of Culvert Bridge at Masingitana Primary (Ward 20)	New target	30% Completion of Re-Construction of Culvert Bridge at Masingitana Primary (Ward 20)	-	,	0	0% Completion of Re-Construction of Culvert Bridge at Masingitana Primary (Ward 20)	The budget was re-prioritised due to own generated revenue collection challenges	The project is scheduled for implementation in 2024/2025.	SDBIP 2024/2025	Manager Roads
2.6.5.15 NT 6	Roads and Stormwater	% Completion of Re-Construction of Culvert Bridge at Motlamogale	New target	30% Completion of Re-Construction of Culvert Bridge at Motlamogale	-	,	0	0% Completion of Re-Construction of Culvert Bridge at Motlamogale Primary (Ward 32)	The budget was re-prioritised due to own generated revenue collection challenges	The project is scheduled for implementation in 2024/2025.	SDBIP 2024/2025	Manager Roads

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
		Primary (Ward 32)		Primary (Ward 32)								
2.6.5.16	Project Management Unit: Water Provision	% Completion of water reticulation at Phendulani Moses	93.5 % construction progress of reticulation and yard meter connection at Phendulani and Moses in 2022/2023	100% completion of reticulation and yard meter connection Phendulani and Moses	-	5 000 000	,	100% completion of reticulation and yard meter connection Phendulani and Moses	Not applicable	Not applicable	Completion Certificate	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.17	Project Management Unit: Water provision	% Completion of water reticulation at Rolle phase 3	20% construction progress reticulation and yard meter connection at Rolle phase 3 in 2022/2023	100% completion of reticulation and yard meter connection at Rolle phase 3	-	15 000 000	19 000 000	77% completion of reticulation and yard meter connection at Rolle phase 3	The project experienced delays due to the contractor's underperformance.	The municipality will implement regular progress reviews and performance evaluations to identify problems early. Contingency plans, including provisions for backup contractors, will be developed to address the challenges. The project will be completed in the Q1 of 2024/2025.	Progress Report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.18	Project Management Unit: Water provision	% Completion of water reticulation project at Mamelodi and Kgapamadi	81% construction progress of reticulation and yard meter connection at Mamelodi and Kgapamadi in 2022/20203	100% completion of reticulation and yard meter connection at Mamelodi and Kgapamadi	-	5 000 000	15 000 000	100% completion of reticulation and yard meter connection at Mamelodi and Kgapamadi	Not applicable	Not applicable	Completion Certificate	Manager PMU
2.6.5.19	Project Management Unit: Water provision	% Completion of water reticulation project at Belfast phase 2	64% construction progress of reticulation and yard meter connection at Belfast phase 2 in 2022/2023	100% completion of reticulation and yard meter connection at Belfast phase 2	-	15 000 000	,	100% completion of reticulation and yard meter connection at Belfast phase 2	Not applicable	Not applicable	Completion Certificate	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.20	Project Management Unit: Water provision	% Completion of water reticulation project at Eglington (Share)	0% completion of water reticulation at Eglington (share) in 2022/2023	100% completion of water reticulation at Eglington (share)	0% completion of water reticulation at Eglington (share)	15 000 000	2 000 000	0% completion of water reticulation at Eglington (share)	Project implementation was delayed pending the review of technical reports by the Department of Water and Sanitation	Once the technical reports are approved, the municipality will revise its plan and proceed with the project.	-	Manager PMU
2.6.5.21	Project Management Unit: Water provision	% Completion of water reticulation project at Somerset	New Target	50% construction progress water reticulation at somerset	0% construction progress water reticulation at somerset	14 183 000	2 183 000	0% construction progress water reticulation at somerset	Project implementation was delayed pending the review of technical reports by the Department of Water and Sanitation	Once the technical reports are approved, the municipality will revise its plan and proceed with the project.	-	Manager PMU
2.6.5.22	Project Management Unit: Water provision	% Completion of water reticulation project at Huntingdon	New Target	50% construction progress of water reticulation at Huntingdon	0% construction progress of water reticulation at Huntingdon	15 000 000	0	0% construction progress of water reticulation at Huntingdon	Project implementation was delayed pending the review of technical reports by the Department of Water and Sanitation	Once the technical reports are approved, the municipality will revise its plan and proceed with the project.	-	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.23	Project Management Unit: Water provision	% Completion of water reticulation project at Ronaldsey	62% Construction progress of water reticulation at Ronaldsey in 2022/2023	100% completion of water reticulation at Ronaldsey	-	10 000 000	14 000 000	96.87 % construction of water at reticulation at Ronaldsey	Project completion was delayed due to an illegal water connection. The project is awaiting a bulk water supply for testing.	The municipality hired a security company to guard the bulk line. The project will be finalised in Q1 of 2024/2025	Progress Report	Manager PMU
2.6.5.24	Project Management Unit: Water provision	% Completion of water reticulation at Welverdiend	New Target	50% construction progress of water reticulation at Welverdiend	0% construction progress of water reticulation at Welverdiend	10 000 000	3 000 000	0% construction progress of water reticulation at Welverdiend	Project implementation is delayed pending the review of technical reports by the Department of Water and Sanitation	Once the technical reports are approved, the municipality will revise its plan and proceed with the project.	-	Manager PMU
2.6.5.25	Project Management Unit: Water provision	% Completion of water reticulation project at Kildare A	74% Construction progress of water reticulation at Kildare A in 2022/2023	100% Completion of water reticulation at Kildare A	74% Construction progress of water reticulation at Kildare A in 2022/2023	5 000 000	,	74% Construction progress of water reticulation at Kildare A in 2022/2023	The contractor's services have been terminated due to poor performance	The municipality is in the process of appointing a new contractor to finish the outstanding scope of work. The municipality anticipates	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										completing the project in Q2 of 2024/2025		
2.6.5.25 NT 7	Project Management Unit: Water provision	% completion of guarding of Brooklyn water package plant phase1	95% construction progress of upgrading of Brooklyn water package plant phase 1 in 2022/2023.	100% completion of guarding of Brooklyn water package plant phase1	-	2 000 000	,	100% completion of guarding of Brooklyn water package phase1	Not applicable	Not applicable	Completion Certificate	Manager PMU
2.6.5.26	Project Management Unit: Water provision	% completion of water reticulation at Nkomo Ka Zitha phase 1	New Target	50% construction progress of provision of water reticulation at Nkomo Ka Zitha phase 1	60% construction progress of provision of water reticulation at Nkomo Ka Zitha phase 1	15 000 000	19 000 000	89% construction progress of provision of water reticulation at Nkomo Ka Zitha phase 1	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.26 NT 8	Project Management Unit: Water provision	% completion of water reticulation at Nkomo Ka Zitha phase 2	New Target	50% construction progress of provision of water reticulation at Nkomo Ka Zitha phase 2	60% construction progress of provision of water reticulation at Nkomo Ka Zitha phase 2			63% construction progress of provision of water reticulation at Nkomo Ka Zitha phase 2	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU
2.6.5.27	Project Management Unit: Water provision	% completion of water reticulation at Zombo and Jameyani	New Target	50% construction progress of water reticulation at Zombo and Jameyani	60% construction progress of provision of water reticulation at Zombo and Jameyani	15 000 000	14 000 000	70% construction progress of provision of water reticulation at Zombo and Jameyani	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.27 NT 9	Project Management Unit: Water provision	% completion of water reticulation at Zombo and Jameyani phase 2	New Target	60% construction progress of water reticulation at Zombo and Jameyani phase 2	-	15 000 000	19 000 000	95% construction progress of water reticulation at Zombo and Jameyani phase 2	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU
2.6.5.28	Project Management Unit: Water provision	% completion of the provision of water reticulation at Kurhula and Tiyakeni Phase 1	New Target	50% Construction progress of water reticulation at Kurhula and Tiyakeni Phase 1	60% Constructio n progress of water reticulation at Kurhula and Tiyakeni Phase 1			40,12% Construction progress of water reticulation at Kurhula and Tiyakeni Phase 1	The contractor faced financial challenges during the year	The financial challenges have been resolved, and the project is now progressing as planned, with an anticipated completion in Q2 of 2024/2025	Progress report	Manager PMU
2.6.5.28 NT 10	Project Management Unit: Water provision	% completion of the provision of water reticulation at Kurhula	New Target	60% Construction progress of water reticulation at Kurhula and	-			63% Construction progress of water reticulation at	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
		Tiyakeni phase 2		Tiyakeni Phase 2				Kurhula and Tiyakeni Phase 2				
2.6.5.29	Project Management Unit: Water provision	% completion of the provision of water reticulation at Sigagule phase 1	New Target	50% of Construction progress provision of water reticulation at Sigagule phase 1	60% of Construction progress provision of water reticulation at Sigagule phase 1	15 000 000	14 000 000	79.04% of Construction progress provision of water reticulation at Sigagule phase 1	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU
2.6.5.29 NT 11	Project Management Unit: Water provision	% completion of the provision of water reticulation at Sigagule phase 2	New Target	50% of Construction progress provision of water reticulation at Sigagule phase 2	60% of Construction progress provision of water reticulation at Sigagule phase 2			95% of Construction progress provision of water reticulation at Sigagule phase 2	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.30	Project Management Unit: Water provision	% Completion construction of bulk water infrastructure and Supply at Mamelodi and Kgapamadi	New Target	50% construction of bulk water infrastructure and Supply at Mamelodi and Kgapamadi	30% construction of bulk water infrastructure and Supply at Mamelodi and Kgapamadi	10 000 000	,	0% construction of bulk water infrastructure and Supply at Mamelodi and Kgapamadi	Delays in appointing the Contractor due to budget constraints	The project has set for evaluation and adjudication, awaiting appointment evaluation by Q2 of 2024/2025.	Progress report	Manager PMU
2.6.5.31	Project Management Unit: Water provision	% Completion of water reticulation at Agincourt	New Target	20% completion of the provision of water reticulation at Agincourt	0% completion of the provision of water reticulation at Agincourt	10 000 000	0	0% completion of the provision of water reticulation at Agincourt	Delays in the approval of the technical report	Once the technical reports are approved, the municipality will revise its plan and proceed with the project.	-	Manager PMU
2.6.5.32	Project Management Unit: Water provision	% completion of water reticulation at Buyisonto George Bizoose	New Target	100 % completion of water reticulation at Buyisonto George Bizoose	20 % completion of water reticulation at Buyisonto George Bizoose	5 000 000	,	0 % completion of water reticulation at Buyisonto George Bizoose	Delays in appointing the Contractor	The project has set for evaluation and adjudication, awaiting appointment	Progress report	Deputy Director: Water Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										evaluation by Q2 of 2024/2025.		
2.6.5.33	Project Management Unit: Water provision	% completion reticulation and yard meter connection at Kildare B phase 1	New Target	50% Construction progress of provision of water reticulation at Kildare B phase 1	-	10 000 000	,	58.45% construction progress of provision of water reticulation at Kildare B phase 1	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.33 NT 12	Project Management Unit: Water provision	% completion reticulation and yard meter connection at Kildare B phase 2	New Target	50% Construction progress of provision of water reticulation at Kildare B phase 2	-			44.42% Construction progress of provision of water reticulation at Kildare B phase 2	The contractor faced financial challenges during the year	The financial challenges have been resolved, and the project is now progressing as planned, with anticipated completion in Q2 of the 2024/2025 financial year. Should any challenges arise, the municipality will address them with the contractor in accordance with the terms of the contract.	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.34	Project Management Unit: Water provision	% completion of reticulation and Yard meter connection at Edinburgh Phase 1	New Target	50% construction progress of reticulation and yard meter connection at Edinburgh Phase 1	-	15 000 000	-	90% construction progress of reticulation and yard meter connection at Edinburgh Phase 1	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU
2.6.5.34 NT 13	Project Management Unit: Water provision	% completion of reticulation and Yard meter connection at Edinburgh phase 2	New Target	50% construction progress of reticulation and yard meter connection at Edinburgh phase 2	-			92% construction progress of reticulation and yard meter connection at Edinburgh phase 2	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.35	Water Services	% construction progress of provision of water at Dwarsloop new sites	New Target	50% construction progress of provision of water at Dwarsloop new sites	0% construction progress of provision of water at Dwarsloop new sites	10 000 000	0	0% construction progress of provision of water at Dwarsloop new sites	The project is aligned with Project 2.5.5.81, which was cancelled for implementation.	Project 2.5.5.81 will now be implemented in the 2024/2025 financial year. The project will be implemented in 2024/2025	SDBIP 2024/2025	Manager PMU
2.6.5.36	Water Services	% completion of construction of water reticulation at Ngwedzeni Phase 1B	New Target	100 % completion of water reticulation at Ngwedzeni Phase 1B	-	30 000 000	28 000 000	100 % completion of construction of water reticulation at Ngwedzeni Phase 1B	Not applicable	Not applicable	Completion Certificate	Director: Technical Services
2.6.5.36 NT 14	Water Services	% completion of construction of water reticulation at Ngwedzeni Phase 1A	New Target	100 % completion of construction of water reticulation at Ngwedzeni Phase 1A	-			100 % completion of construction of water reticulation at Ngwedzeni Phase 1A	Not applicable	Not applicable	Completion Certificate	Director: Technical Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.36 NT 15	Water Services	% completion of construction of water reticulation at Ngwedzeni Phase 1C	New Target	100 % completion of construction of water reticulation at Ngwedzeni Phase 1C	-			100 % completion of construction of water reticulation at Ngwedzeni Phase 1C	Not applicable	Not applicable	Completion Certificate	Director: Technical Services
2.6.5.37	Water Services	% completion of water reticulation at Shatale RDP Extension	New Target	100 % completion of water reticulation at Shatale RDP Extension	-	5 000 000	,	100 % completion of water reticulation at Shatale RDP Extension	Not applicable	Not applicable	Completion Certificate	Director: Technical Services
2.6.5.38	Water Services	% Development of water services laboratory designs	New Target	100% Development of water services laboratory designs	0% Developme nt of water services laboratory designs	2 000 000	0	0% Development of water services laboratory designs	The project is funded through the municipality's own generated revenue. However, the KPI lacks specificity, preventing alignment with the SMART principle. As a result, the municipality	The municipality will revise its plan and assess the feasibility of implementing the project in the financial years starting from 2025/2026.	-	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
									decided not to implement the project in the 2023/2024 financial year.			
2.6.5.39	Water Services	% completion of construction of the reservoir and connection into a bulk pipeline at Nkanini	New Target	100 % completion of construction of a reservoir and connection into a bulk pipeline at Nkanini	-	8 000 000	,	77% completion of construction of a reservoir and connection into a bulk pipeline at Nkanini	The contractor encountered issues with the supply of specified materials (Steel tank) needed for the project	The project material was delivered by the end of the quarter, and the project is now progressing smoothly with anticipation to be completed in Q1 of 2024/2025 FY.	Progress report	Deputy Director: Technical Services
2.6.5.40	Water Services	% Completion of the upgrade of Shatale WTW	0% completion of the upgrade of Shatale WTW in 2022/2023	20% completion of the upgrade of Shatale WTW	0% completion of the upgrade of Shatale WTW	2 000 000	0	0% completion of the upgrade of Shatale WTW	The budget was re-prioritized due to own generated revenue collection challenges.	The project will be implemented in 2024/2025 through MIG	-	Deputy Director: Technical Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.41	Water Services	% completion of the upgrade of the Dingledale package plant phase 2 (Raw water pipeline and bulk pipeline)	New Target	100 % completion of the upgrade of the Dingledale package plant phase 2	-	20 000 000	-	90 % completion of the upgrade of the Dingledale package plant phase 2	The contractor encountered issues with the supply of specified materials (Raw water pumps) needed for the project	This project material was delivered end of fourth quarter, and the project is now progressing smoothly with anticipation to be completed in Q2 of 2024/2025 FY.	Progress report	Deputy Director Water Services
2.6.5.42	Water Services	% construction progress on installation of Hoxane to Cuning Moore steel pipeline	New Target	5 % construction progress on installation of Hoxane to Cuning Moore steel pipeline	0 % construction progress on installation of Hoxane to Cuning Moore steel pipeline	2 000 000	0	0 % construction progress on installation of Hoxane to Cuning Moore steel pipeline	This project is aligned with the initiatives outlined in the District Development Model. Due to budget constraints, the municipality is currently negotiating with the Department of Water Affairs to obtain a grant.	-	-	Deputy Director Water Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.43	Water Services	% of water meters installed (Various Locations)	New target	100 % completion of the installation of water meters (Various Locations)	0 % completion of the installation of water meters (Various Locations)	11 000 000	0	0 % completion of the installation of water meters (Various Locations)	The project is funded through the municipality's own generated revenue. However, the KPI lacks specificity, preventing alignment with the SMART principle. As a result, the municipality decided not to implement the project in the 2023/2024 financial year.	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Deputy Director Water Services
2.6.5.44	Water Services	% Completion Sealing of leaking reservoir phase 2	New target	100 % completion of the sealing of the leaking reservoir phase 2	0% completion of the sealing of the leaking reservoir phase 2	6 500 000	0	0% completion of the sealing of the leaking reservoir phase 2	The project is funded through the municipality's own generated revenue. However, the KPI lacks specificity, preventing alignment with the SMART principle.	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Deputy Director Water Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
									As a result, the municipality decided not to implement the project in the 2023/2024 financial year.			
2.6.5.45	Water Services	% implementation of water loss management program	New target	10 % Progress on the implementation on water loss management program	0 % Progress on the implementation water loss management program	15 000 000	5 000 000	0 % Progress on the implementation water loss management program	The project is funded through the municipality's own generated revenue. However, the KPI lacks specificity, preventing alignment with the SMART principle. As a result, the municipality decided not to implement the project in the 2023/2024 financial year.	The specific activities in the water management programme will not be implemented using the operational maintenance budget for the 2024/2025 financial year.	-	Deputy Director Water Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.46	Water Services	% implementation of the refurbishment of the Agincourt booster pump station	New target	100 % implementation of the refurbishment of the Agincourt booster pump station	0 % implementation of the refurbishment of the Agincourt booster pump station	6 000 000	0	0 % implementation of the refurbishment of the Agincourt booster pump station	The refurbishment of booster pumps was regarded as an operational activity by the municipality and will not be implemented as a project. Instead, it will be carried out under the maintenance budget.	The municipality will implement the project using the maintenance budget for 2024/2025	-	Deputy Director Water Services
2.6.5.47	Water Services	% Upgrade of Sigagule package plant	New target	100 % completion of the upgrade of Sigagule package plant	0 % completion of the upgrade of Sigagule package plant	14 000 000	0	0 % completion of the upgrade of Sigagule package plant	The municipality's own generated revenue funds the project. Due to the reprioritization of projects the municipality decided not to implement the project in 2023/2024	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Deputy Director Water Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.48	Water Services	% Modification of Acornhoek Raw water pump station	New target	100 % completion of modification of Acornhoek raw water pump station	0 % completion of modification of Acornhoek raw water pump station	5 000 000	0	0 % completion of modification of Acornhoek raw water pump station	The municipality's own generated revenue funds the project. Due to the reprioritization of projects the municipality decided not to implement the project in 2023/2024	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Director Water Services
2.6.5.49	Water Services	% refurbishment of Belfast package plant	New target	100 % completion of the refurbishment of the Belfast package plant	0 % completion of the refurbishment of the Belfast package plant	3 000 000	0	0 % completion of the refurbishment of the Belfast package plant	The municipality's own generated revenue funds the project. Due to the reprioritization of projects the municipality decided not to implement the project in 2023/2024	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Director Water Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.49 NT 16	Water services	% Upgrading of sand river package plant phase 2	0 % Completion of upgrade of Sand River Package Plant phase 2 in 2022/2023	60% Upgrading of sand river package plant phase 2	-	6 000 000	5 707 103	84% Upgrading of sand river package plant phase 2	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	-	Director Water Services
2.6.5.49 NT 17	Water services	Completion of purchase and installation of laboratory equipment by 31 March 2024	Purchase of laboratory equipment not completed in 2022/2023	Purchase and installation of laboratory equipment completed by 31 March 2024	-	4 000 000	4 430 981.63	Laboratory equipment purchased and installed by 31 March 2024	Not applicable	Not applicable	Completion Certificate	Deputy Director Water Services
2.6.5.49 NT 18	Water services	% progress on lining of Mkhuhlu ponds-phase 1	New target	100% progress on lining of Mkhuhlu Primary and Two sludge ponds-phase 1	-	6 000 000	6 387 640	100% completion on the lining of Mkhuhlu Primary and Two sludge ponds-phase 1	Not applicable	Not applicable	Completion Certificate	Deputy Director Water Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.49 NT 19	Water services	% Refurbishment of Bulk Sewer pipelines phase 1(Mkhuhlu, Bushbuckridge and Dwarsloop)	New Target	20% Refurbishment of Bulk Sewer pipelines Phase 1	-	0	6 000 000	24,33% Refurbishment of Bulk Sewer pipelines Phase 1	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress Report	Deputy Director Water Services
2.6.5.49 NT 20	Water services	% refurbishment of Zoeknag package plant	0 % Completion of Refurbishment of Zoeknag Package plant in 2022/2023	50% refurbishment of Zoeknag package plant	-	0	7 500 000	74% refurbishment of Zoeknag package plant	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Deputy Director Water Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.49 NT 21	Water services	% upgrading of Bushbuckridge bulk pipeline from Inyaka regional water treatment works to Mapulaneng reservoir	New target	50% upgrading of Bushbuckridge bulk pipeline from Inyaka regional water treatment works to Mapulaneng reservoir	-	0	9 000 000	61% upgrading of Bushbuckridge bulk pipeline from Inyaka regional water treatment works to Mapulaneng reservoir	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Deputy Director Water Services
2.6.5.50	Water Services	% installation of lockable manhole covers	0% Completion of installation of lockable manhole covers in 2022/2023	100 % installation of lockable manhole covers	-	2 000 000	690 600	100 % installation of lockable manhole covers	Not applicable	Not applicable	Completion Certificate	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.51	PMU- Roads Projects	% Completion of Paving of internal streets at Hluvukani Region Ward 34	30% paving of internal at Hluvukani Region Ward 34 in 2022/2023	100% completion of paving of internal streets at Hluvukani Region Ward 34	-	10 000 000	12 000 000	100% completion of paving of internal streets at Hluvukani Region ward 34	Not applicable	Not applicable	Completion Certificate	Manager PMU
2.6.5.52	PMU- Roads Projects	% Completion of tarring internal streets from Casteel to Tembisa High School	50% construction progress of tarring of internal streets project at Casteel to Tembisa High School phase 2 in 2022/2023	100% completion of tarring of internal streets from Casteel to High Primary School phase 2	60% construction progress of tarring of internal streets from Casteel to Tembisa High School phase 2	5 000 000	,	50% construction progress of tarring of internal streets from Casteel to Tembisa primary school phase 2	The contractor has been terminated due to underperformance	The municipality is in the process of appointing a new contractor during Q2 of 2024/2025	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.53	PMU- Roads Projects	% Completion of the paving of internal streets at Thulamahash e Ward 22 at Dingledale	83% construction progress of paving of internal streets at Thulamahash e Ward 22 at Dingledale in 2022/2023	100% completion of the paving of internal streets at Thulamahash e at Ward 22 at Dingledale	-	5 000 000	3 000 000	100% Completion of the paving of internal streets at Thulamahash e at Ward 22 at Dingledale	Not applicable	Not applicable	Completion certificate	Manager PMU
2.6.5.54	PMU- Roads Projects	% Completion of the paving of internal streets project at Maviljan Region ward 09	New Target	80% construction progress of paving of internal streets at Maviljan at Ward 09	-	10 000 000	8 000 000	46.79% construction progress of paving of internal streets at Maviljan at Ward 09	The contractor faced financial challenges during the year.	The financial challenges have been resolved, and the project is now progressing as planned, with an anticipated completion in Q2 of 2024/2025	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.55	PMU- Roads Projects	% Completion of the stormwater drainage project at Thulamahash e Phase 2	55% construction progress of construction of stormwater project at Thulamahas he Phase2 in 2022/2023	100% Completion of construction of stormwater drainage project at Thulamahash e phase 2	-	5 000 000	,	100% Completion of construction of stormwater drainage project at Thulamahashe Phase 2	Not applicable	Not applicable	Completion certificate	Manager PMU
2.6.5.56	PMU- Roads Projects	% Completion of the paving of internal streets at Casteel Ward 16	76% construction progress of paving of internal project at Casteel Ward 16 in 2022/2023	100% completion of the paving of internal streets at Casteel Ward 16	-	5 000 000	,	100% completion of the paving of internal streets at Casteel Ward 16	Not applicable	Not applicable	Completion certificate	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.57	PMU- Roads Projects	% Completion of paving internal streets at Acornhoek Ward 17 (Happydam)	48% Construction progress of tarring of internal at Acornhoek ward 17 (Happydam) in 2022/2023	100% completion of tarring of internal streets at Acornhoek - ward 17 (Happy Dam)	90% construction progress of tarring of internal streets at Acornhoek ward 17 (Happy Dam)	25 000 000	,	43.86% construction progress of tarring of internal streets at Acornhoek Ward 17 (Happy Dam)	The contractor's services were terminated due to poor performance	A new contractor has been appointed to take over the project. The project will be completed in Q2 of 2024/2025	Progress report	Manager PMU
2.6.5.58	PMU- Roads Projects	% Completion paving of internal streets at Matsikitsane Ward 15 Phase 3	New Target	80% construction progress of paving internal at Matsikitsane - Ward 15 Phase 3	-	10 000 000	,	40% construction progress of paving internal at Matsikitsane - Ward 15 Phase 3	The project experienced delays due to the contractor's underperformance.	The municipality will implement regular progress reviews and performance evaluations to identify problems early. Contingency plans, including provisions for backup contractors, will be developed to address	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										potential contractor failure. The municipality will ensure strict adherence to contract terms when engaging the contractor. The project completion is anticipated in Q2 of 2024/2025.		
2.6.5.59	PMU- Roads Projects	% completion of paving street at Ward 23 Cork	New Target	80% construction progress of paving of internal streets at Ward 23 Cork	-	10 000 000	8 000 000	42.56% construction progress of paving of internal streets at Ward 23 Cork	The project experienced delays due to the contractor's underperformance.	The municipality will implement regular progress reviews and performance evaluations to identify problems early. Contingency plans, including provisions for backup	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										contractors, will be developed to address potential contractor failure. The municipality will ensure strict adherence to contract terms when engaging the contractor. The project completion is anticipated in Q2 of 2024/2025.		
2.6.5.60	PMU- Roads Projects	% Completion paving of internal streets at Lillydale Region ward 25 at Justicia	New Target	80% Construction progress of paving of internal streets project at Lillydale Region ward 25 Justicia	-	10 000 000	8 000 000	28.41% Construction progress of paving of internal streets project at Lillydale Region ward 25 Justicia	The contractor faced financial challenges, and the project was put on hold during the year due to a community strike.	The financial challenges and the community concerns were resolved. The project is now progressing as planned, with an anticipated	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										completion in Q3 of 2024/2025		
2.6.5.61	PMU- Roads Projects	% Completion paving of internal streets at Alexandria and Brantam	New Target	80% Construction progress of paving of internal streets at Alexandria and Brantam	-	10 000 000	8 000 000	93% Construction progress of paving of internal streets at Alexandria and Brantam	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress Report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.62	PMU- Roads Projects	% Completion of tarring of internal streets at Agincourt	32% Construction progress of Tarring of internal streets project at Agincourt in 2022/2023	100% completion of Tarring of internal streets at Agincourt	-	10 000 000	,	92.54 % completion of Tarring of internal streets at Agincourt	The project experienced delays due to the contractor's underperformance.	The municipality will implement regular progress reviews and performance evaluations to identify problems early. Contingency plans, including provisions for backup contractors, will be developed to address potential contractor failure. The municipality will ensure strict adherence to contract terms when engaging the contractor. The project	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										completion is anticipated in Q2 of 2024/2025.		
2.6.5.63	PMU- Roads Projects	% Completion Paving of internal streets project at Marite at Bakutswe to Ka Mona	64% construction of paving of internal streets project at Marite Bakutswe to ka Mona in 2022/2023	100% Completion of the paving of internal streets at Marite Bakutswe ka Mona	-	5 000 000	,	98.85 % Completion of the paving of internal streets at Marite Bakutswe ka Mona	The project experienced delays due to the contractor's underperformance.	The municipality will implement regular progress reviews and performance evaluations to identify problems early. Contingency plans, including provisions for backup	Progress Report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										contractors, will be developed to address potential contractor failure. The municipality will ensure strict adherence to contract terms when engaging the contractor. The project completion is anticipated in Q2 of 2024/2025.		
2.6.5.64	PMU- Roads Projects	% Completion tarring of internal streets project at Acornhoek 21 at Buffelshoek	50% construction progress of internal streets project at Acornhoek ward 21 at Buffelshoek	100% completion of tarring of internal streets at Acornhoek Ward 21 at Buffelshoek	-	15 000 000	,	94 % completion of tarring of internal streets at Acornhoek at ward 21 at Buffelshoek	The project was affected by community unrest and abnormal weather conditions	The contractor was granted an extension of time to complete the project. The project will be completed in Q1 of 2024/2025	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
			in 2022/2023									
2.6.5.65	PMU- Roads Projects	% Completion Paving of internal streets project at Shatale Region Ward 12	New Target	80% construction progress of paving of internal streets project at Shatale Region Ward 12	-	10 000 000	,	54% construction progress of paving of internal streets project at Shatale Region Ward 12	The project was affected by community unrest and abnormal weather conditions	The contractor was granted an extension of time to complete the project. The project will be completed in Q1 of 2024/2025	Progress report	Manager PMU
2.6.5.66	PMU- Roads Projects	% Completion of the paving of internal streets at Ward 19 Acornhoek	New Target	80% construction progress of paving of internal streets at Ward 19 Acornhoek	70% construction progress of paving of internal streets at Ward 19 Acornhoek	10 000 000	8 000 000	48 % construction progress of paving of internal streets at Ward 19 Acornhoek	The project experienced delays due to the contractor's underperformance.	The municipality will implement regular progress reviews and performance evaluations to identify problems early. Contingency plans, including	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
										provisions for backup contractors, will be developed to address potential contractor failure. The municipality will ensure strict adherence to contract terms when engaging the contractor. The project completion is anticipated in Q2 of 2024/2025.		
2.6.5.67	PMU- Roads Projects	% Completion of Tarring of internal Road project from Tintswalo to open gate phase 2	80% construction progress of Tarring of internal streets from Tintswalo to	100% completion of tarring of internal streets from Tintswalo to	-	5 000 000	,	100% completion of tarring of internal streets from Tintswalo to open gate phase 2	Not applicable	Not applicable	Completion certificate	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
			Open Gate Phase 2 in 2022/2023	open gate phase 2								
2.6.5.68	PMU- Roads Projects	% Completion of Tarring of Mariepskop access road project	75% Completion of tarring of Mariepskop access road project in 2022/2023	100% completion of tarring of Mariepskop road	-	10 000 000	30 000 000	100% completion of Mariepskop Road	Not applicable	Not applicable	Completion certificate	Manager PMU
2.6.5.69	PMU- Roads Projects	% completion of the paving of internal streets at Buyisonto Ward 10	New Target	80% construction progress of paving of internal streets at Buyisonto Ward 10	-	10 000 000	8 000 000	84% construction progress of paving of internal streets at Buyisonto Ward 10	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.70	PMU- Roads Projects	%completion of Paving of internal streets at Ward 08 Ga Motibidi	New Target	80% construction progress of paving of internal streets at ward 08 at Ga Motibidi	-	10 000 000	8 000 000	51 % construction progress of paving of internal streets at ward 08 at Ga Motibidi	The project was affected by community unrest and abnormal weather conditions	The contractor was granted an extension of time to complete the project. The project will be completed in Q2 of 2024/2025	Progress report	Manager PMU
2.6.5.71	PMU- Roads Projects	% completion Paving of internal streets at Hluvukani Eglington Ward 33	New Target	80% construction progress Paving of internal streets at Hluvukani Eglington ward 33	-	10 000 000	8 000 000	99,92% construction progress Paving of internal streets at Hluvukani Eglington Ward 33	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU
2.6.5.72	PMU- Roads Projects	% Completion of Paving of internal streets at ward 35 at Cunningmoore	New Target	80% construction progress of Paving of internal streets at ward 35 at	-	10 000 000	7 000 000	80% construction progress of Paving of internal streets at ward 35 at Cunningmoore	Not applicable	Not applicable	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
				Cunningmoore								
2.6.5.73	PMU- Roads Projects	%Completion of Paving of internal streets at ward 32 at Zoeknag and Wales	New Target	80% construction progress of paving of internal streets at ward 32 at Zoeknag and Wales	-	10 000 000	7 000 000	72.55% construction progress of paving of internal streets at ward 32 at Zoeknag and Wales	The project was affected by community unrest and abnormal weather conditions	The contractor was granted an extension of time to complete the project. The project will be completed in Q2 of 2024/2025	Progress report	Manager PMU
2.6.5.74	PMU- Roads Projects	% completion of Paving of internal streets at ward 07 Thabakgolo and Masakeng	New Target	80% construction progress of Paving of internal streets at ward 07 Thabakgolo and Masakeng	-	10 000 000	7 000 000	29.12% construction progress of Paving of internal streets at ward 07 Thabakgolo and Masakeng	The contractor faced financial challenges, and the project was put on hold due to a community strike during the quarter.	The financial challenges were resolved. The project is now progressing as planned, with an anticipated completion in Q3 of 2024/2025	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.75	PMU- Roads Projects	% completion of Paving of internal streets at New Forest	New Target	100% completion of Paving of internal streets at New Forest	70% construction of paving of internal streets at Newforest	10 000 000	7 000 000	37.18% construction of paving of internal streets at Newforest	The project was affected by community unrest.	The contractor was granted an extension of time to complete the project. The project will be completed in Q2 of 2024/2025	Progress report	Manager PMU
2.6.5.76	PMU- Roads Projects	% completion of the paving of internal streets at Mkhuhlu Ward 3 Culcata	New target	100% completion of the paving of internal streets at Mkhuhlu Ward 3 Culcata	-	10 000 000	16 000 000	100% construction progress of paving of internal at Mkhuhlu Ward 3 Culcata	Not applicable	Not applicable	Completion Certificate	Manager PMU
2.6.5.76 NT 22	PMU- Roads Projects	% completion of construction of access road to Alexandria Motseleng primary school	New target	100% completion of construction of access road to Alexandria Motseleng Primary School	80% Construction of the progress of construction of access road to Alexandria Motseleng	,	10 000 000	91% Construction of the progress of construction of access road to Alexandria Motseleng Primary School	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
					Primary School							
2.6.5.76 NT 23	PMU- Roads Projects	% completion of the paving of internal at ward 24 at Oakley	95% paving of internal streets in Ward 24 at Oakley in 2022/2023	100% completion of internal streets in Ward 24 at Oakley	-	0	2 000 000	100% completion of internal streets in streets in Ward 24 at Oakley	Not applicable	Not applicable	Completion certificate	Manager PMU
2.6.5.76 NT 24	PMU- Roads Projects	% completion of paving of internal streets at ward 28 at Xanthia	79% paving of internal streets at ward 28 at Xanthia in 2022/2023	100% completion of paving internal streets at Ward 28 Xanthia	-	0	5 000 000	100% completion of paving internal streets at Ward 28 Xanthia	Not applicable	Not applicable	Completion certificate	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.76 NT 25	PMU- Roads Projects	% Completion Paving of internal streets project at Shatale Region ward 12 (Garelani and Orrinnoco village)	80% Completion Paving of internal streets project at Shatale Region ward 12 (GA relane and Orrionnco village) in 2022/2023	100% Completion Paving of internal streets project at Shatale Region ward 12 (GA relane and Orrionnco village)	-	0	3 000 000	100% Completion Paving of internal streets project at Shatale Region ward 12 (Ga Relane and Orrinnoco Village)	Not applicable	Not applicable	Completion certificate	Manager PMU
2.6.5.76 NT 26	PMU- Roads Projects	% Rehabilitation of Dwarsloop internal streets phase 1	52% Rehabilitation of Dwarsloop internal streets phase 1 in 2023/2024	100 % Rehabilitation of Dwarsloop internal streets phase 1	-	3 000 000	,	100 % Rehabilitation of Dwarsloop internal streets phase 1	Not applicable	Not applicable	Completion certificate	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.77	PMU-Construction Projects	% Completion of a municipal head office building	50% Construction progress of construction municipal head office building in 2022/2023	100% Completion of the municipal head office building	80% Construction progress of construction of municipal head Office building	80 000 000	23 000 000	58.42% Construction progress of construction of municipal head Office building	The contractor faced financial challenges, and the project was put on hold due to a community strike during the quarter.	The financial challenges were resolved. The project is now progressing as planned, with an anticipated completion in Q4 of 2024/2025	Progress report	Manager PMU
2.6.5.78	PMU-Construction Projects	% Completion of Acornhoek Sports Facility project Phase 2	25% construction progress of Acornhoek sports facility project Phase 2 in 2022/2023	100% Completion of Acornhoek Sports Facility Phase 2	80% construction progress of construction of Acornhoek sports facility project phase 2	10 000 000	,	38% construction progress of construction of Acornhoek sports facility project phase 2	The contractor has been terminated due to underperformance	The municipality is in the process of appointing a new contractor during Q2 of 2024/2025	Progress report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.79	PMU-Construction Projects	% Completion of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	100% design for construction of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia completed in 2022/2023	100% Construction of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	0% Construction of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	10 000 000	0	0% Construction of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	The budget was re-prioritised due to own generated revenue collection challenges	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Manager PMU
2.6.5.80	PMU-Construction Projects	% Completion of Mnisi Resort Chalets in Welverdiend and Construction of	New Target	100% Completion of Mnisi Resort Chalets in Welverdiend and Construction of	0% Completion of Mnisi Resort Chalets in Welverdiend and Constructio	10 000 000	0	0% Completion of Mnisi Resort Chalets in Welverdiend and Construction of Guardhouse and Waste	The budget was re-prioritised due to own generated revenue collection challenges	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	-	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
		Guardhouse and Waste Equipment at Inyaka Dam		Guardhouse and Waste Equipment at Inyaka Dam	n of Guardhouse and Waste Equipment at Inyaka Dam			Equipment at Inyaka Dam				
2.6.5.81	PMU-Construction Projects	% Servicing of sites in Dwarsloop	0% Servicing of sites in Dwarsloop in 2022/2023	100% Servicing of sites in Dwarsloop.	0% Servicing of sites in Dwarsloop.	2 000 000	0	0% Servicing of sites in Dwarsloop	The project is funded through the municipality's own generated revenue; however, expenses have been incurred for consultancy costs.	Planned for implementation in 2024/2025 financial year	SDBIP 2024/2025	Manager PMU
2.6.5.81 NT 27	PMU Construction Projects	% completion of Replacement of Asbestos water reticulation pipelines in Thulamahash e A and B	New Target	5 % completion of Replacement of Asbestos water reticulation pipelines in Thulamahash e A and B	-	5 000 000	,	5 % completion of Replacement of Asbestos water reticulation pipelines in Thulamahashe A and B	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress Report	Manager PMU

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.82	PMU-Construction Projects	% Construction of Landfill site (Phase 3) at Thulamahash e	50% construction progress of construction of landfill site Phase 3 in 2022/2023	100% Construction of Landfill site (Phase 3)	80% construction progress of landfill site (phase 3)	10 000 000	12 000 000	53% construction progress of landfill site (phase 3)	The contractor faced financial challenges during the quarter	The financial challenges have been resolved, and the project is now progressing as planned, with an anticipated completion in Q3 of 2024/2025	Progress report	Manager PMU
2.6.5.83	Sanitation	% completion of Refurbishment of Acornhoek Tintswalo WTW	New Target	100 % completion of Refurbishment of Acornhoek Tintswalo WTW	-	2 000 000	,	100% construction progress on Refurbishment of Acornhoek Tintswalo WTW	Not applicable	Not applicable	Completion Certificate	Deputy Director Water Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.84	Sanitation	% construction progress of upgrading of Maviljan WWTW	85% progress of upgrading of Maviljan WWTW in 2022/2023	100% construction progress of upgrading of Maviljan WWTW	-	20 000 000	0	92 % Completion of upgrading of Maviljan WWTW	A dispute arose between the consultant and the contractor, causing delays to the project.	The matter was referred to an external adjudicator for impartial resolution, which ultimately ruled on the dispute and allowed the project to proceed.	Progress report	Deputy Director Water Services
2.6.5.85	Sanitation	% provision of sanitation Infrastructure (North region)	New Target	10 % provision of basic sanitation Infrastructure (North region)	0 % provision of basic sanitation Infrastructure (North region)	10 000 000	0	0 % provision of basic sanitation Infrastructure (North region)	Delays in appointing the Contractor due to budget constraints	The project has set for evaluation and adjudication, awaiting appointment evaluation by Q2 of 2024/2025.	Progress report	Deputy Director Water services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.85 NT 28	Sanitation	% provision of sanitation Infrastructure (Midland)	80 % completion of construction of basic sanitation in 2022/2023	100 % completion of construction of basic sanitation (Midland)	-	15 000 000	,	100 % completion of construction of basic sanitation (Midland)	Not applicable	Not applicable	Completion Certificate	Deputy Director Water services
2.6.5.86	Sanitation	% upgrade of Mkhuhlu sewage plant phase 1	New Target	10% Construction on the upgrade of Mkhuhlu sewage plant phase 1	100% design progress on upgrade of Mkhuhlu sewage plant phase 1	40 000 000	,	100% design progress on upgrade of Mkhuhlu sewage plant phase 1	Not applicable	Not applicable	Completed Design	Deputy Director Water services
2.6.5.87	Sanitation	% Refurbishment of Thulamahashe sewer network phase 1	New Target	25% construction on refurbishment of Thulamahashe the sewer network phase 1	0% construction on refurbishment of Thulamahashe the sewer network phase 1	20 000 000	0	0% construction on refurbishment of Thulamahashe the sewer network phase 1	The budget was re-prioritised due to own generated revenue collection challenges	The municipality will revise its plan and implement this project in the financial years starting from 2025/2026.	Progress reports /completion certificate	Deputy Director Water services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.88	Building Infrastructure & Maintenance	% Completion of Renovations of Merriam Mogakane Community Hall	50% Completion of Renovations of Merriam Mogakane Community Hall in 2022/2023	100% Completion of Renovations of Merriam Mogakane Community Hall	-	4 000 000	2 800 000	100% Completion of Renovations of Merriam Mogakane Community Hall	Not applicable	Not applicable	Completion certificate	Manager Building Infrastructure & Maintenance
2.6.5.88 NT 29	Building Infrastructure & Maintenance	% Completion of Renovations of Huntington Community Hall	90% Completion of Renovations of Huntington Community Hall in 2022/2023	100% Completion of Renovations of Huntington Community Hall	-			100% Completion of Renovations of Huntington Community Hall	Not applicable	Not applicable	Completion certificate	Manager Building Infrastructure & Maintenance
2.6.5.89	Building Infrastructure & Maintenance	% Completion of Fencing of Municipal Infrastructure (Mkhuhlu Stores)	New Target	100% Completion of Fencing of Municipal Infrastructure (Mkhuhlu Stores)	-	10 000 000	6 130 000	100% Completion of Fencing of Municipal Infrastructure (Mkhuhlu Stores)	Not applicable	Not applicable	Completion certificate	Manager Building Infrastructure & Maintenance

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.89 NT 30	Building Infrastructure & Maintenance	% Completion of Fencing of Inyaka-Dam Employees Accommodati on	0% Completion of Fencing of Inyaka-Dam Employees Accommoda tion in 2022/2023	100% Completion of Fencing of Inyaka-Dam Employees Accommodati on	-			100% Completion of Fencing of Inyaka-Dam Employees Accommodation	Not applicable	Not applicable	Completion certificate	Manager Building Infrastructure & Maintenance
2.6.5.89 NT 31	Building Infrastructure & Maintenance	% Completion of Fencing and Solar Mini High Mast at Marite Package Plant	New Target	100% Completion of Fencing and Solar Mini High Mast at Marite Package Plant	-			100% Completion of Fencing and Solar Mini High Mast at Marite Package Plant	Not applicable	Not applicable	Completion certificate	Manager Building Infrastructure & Maintenance

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.89 NT 32	Building Infrastructure & Maintenance	% Completion of Fencing IEC Office Thulamahash e	New Target	100% Completion of Fencing IEC Office at Thulamahash e	-			0 Completion of Fencing IEC Office at Thulamahashe	The project is funded internally. Due to reprioritization of projects the municipality decided not to implement this project in 2023/2024	The project will be implemented in the 2024/2025 FY	Progress Report / Completion Certificates	Manager Building Infrastructure & Maintenance
2.6.5.89 NT 33	Building Infrastructure & Maintenance	% Completion of Fencing at Dwarsloop Regional Office	New Target	100% Completion of Fencing at Dwarsloop Regional Office	-			0 Completion of Fencing at Dwarsloop Regional Office	The project is funded internally. Due to reprioritizations of projects the municipality decided not to implement this project in 2023/2024	The project will be implemented in the 2024/2025 FY	Progress Report / Completion Certificates	Manager Building Infrastructure & Maintenance

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.90	Building Infrastructure & Maintenance	Number of Municipal Guardrooms constructed (Various municipal buildings)	New Target	100% completion of construction of 10 guardrooms (Various municipal buildings)	5 Municipal Guardrooms constructed (Various municipal buildings)	1 800 000	1 400 000	5 Municipal Guardrooms constructed (Various municipal buildings)	Not applicable	Not applicable.	Completion Certificates	Manager Building Infrastructure & Maintenance
2.6.5.91	Building Infrastructure & Maintenance	Number of Operators' Houses Constructed	New Target	100% completion of 5 construction operators' houses	3 Operators' Houses Constructed (Various Municipal Buildings)	2 400 000	1 440 000	2 Operators' House Constructed	The project's progress is being delayed due to setbacks in appointing an additional service provider to complete the remaining houses.	The municipality will Implement a contingency plan to mitigate the impact of delays on the overall project timeline.	Progress reports /completion certificate	Manager Building Infrastructure & Maintenance
2.6.5.92	Building Infrastructure & Maintenance	% Completion Construction of Ablution Facility at Dwarsloop Office Phase 1	New target	100% Completion Construction of Ablution Facility at Dwarsloop Office Phase 1	-	800 000	600 000	100% Construction progress of Ablution Facility at Dwarsloop (Phase 1)	Not applicable	Not applicable	Completion certificate	Manager Building Infrastructure & Maintenance

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.93	Building Infrastructure & Maintenance	% Completion of Maintenance of Municipal Building Infrastructure	New Target	100% Completion of Maintenance of Municipal Building Infrastructure	-	8 302 990	3 994 491.74	100% Completion of Maintenance of Municipal Building Infrastructure	Not applicable	Not applicable	Completion certificate	Manager Building Infrastructure & Maintenance
2.6.5.94	Central Electrical and Mechanical Workshop	% Completion installation of High Masts (All 38 wards in the Municipality)	76% Installation of high masts in 2022/2023	100% Installation of high masts	-	10 000 000	-	98 % Installation of high masts	The remaining 2% is pending electrification by Eskom.	The municipality will actively engage with Eskom to expedite the electrification process. Regular follow-ups and collaboration with Eskom will be established to ensure timely completion. Additionally, alternative solutions will be explored to minimize any further delays.	Practical completion certificate	Manager Central Electrical and Mechanical Workshop

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.95	Central Electrical and Mechanical Workshop	% of households electrified at Croquet Lawn phase 2.	New Target	100% of households electrified at Croquet Lawn Phase 2.	85% of households electrified at Croquet Lawn Phase 2.	3 000 000	2 550 000	85.50 % of households electrified at Croquet Lawn Phase 2.	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager Central Electrical and Mechanical Workshop
2.6.5.95 NT 34	Central Electrical and Mechanical Workshop	% Electrification croquet lawn Village	54 % Electrification croquet lawn Village in 2022/2023	100% of households electrified at the croquet lawn Village	-	3 000 000	.	100% Electrification croquet lawn Village	Not applicable	Not applicable	Completion certificate	Manager Central Electrical and Mechanical Workshop
2.6.5.96	Central Electrical and Mechanical Workshop	% of households electrified at Welverdiend	New target	100% of households electrified at Welverdiend	85% of households electrified at Welverdiend	3 000 000	2 850 000.	86% of households electrified at Welverdiend	The contractor had put in additional effort, leading to the project's overperformance.	Not applicable	Progress report	Manager Central Electrical and Mechanical Workshop
2.6.5.97	Central Electrical and Mechanical Workshop	% of households electrified at Hluvukani Phase 2	New target	100% of households electrified at Hluvukani Phase 2	75% of households electrified at Hluvukani Phase 2	12 000 000	R9 000 000	75% of households electrified at Hluvukani Phase 2	Not applicable	Not applicable	Progress report	Manager Central Electrical and Mechanical Workshop

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.97 NT 35	Central Electrical and Mechanical Workshop	% of installation of the 1Mva generator at Hoxane WTW	30% installation of 1MVA generator at Hoxane WTW completed in 2022/23	70% of installation of the 1Mva generator at Hoxane WTW	100% of installation of the 1Mva generator at Hoxane WTW	6 095 292.39	5 555 592.39	100% of installation of the 1Mva generator at Hoxane WTW	Not applicable	Not applicable	Completion certificate	Manager Central Electrical and Mechanical Workshop
2.6.5.97 NT 36	Central Electrical and Mechanical Workshop	% of installation of the 1Mva generator at Inyaka WTW	30% installation of 1MVA generator at Inyaka WTW completed in 2022/23	70% of installation of the 1Mva generator at Inyaka WTW	100% of the installation of the 1Mva generator at Inyaka WTW	6 841 370.93	6 841 370.93	100% of the installation of the 1Mva generator at Inyaka WTW	Not applicable	Not applicable	Completion certificate	Manager Central Electrical and Mechanical Workshop
2.6.5.97 NT 37	Central Electrical and Mechanical Workshop	% of installation of the 800kVA generator at Hoxane Raw Water	30% installation of 1MVA generator at Hoxane Raw Water completed in 2022/23	70% of installation of the 800kVA generator at Hoxane Raw Water	100% of installation of the 800kVA generator at Hoxane Raw Water	3 212 716.19	2 743 516.19	100% of installation of the 800kVA generator at Hoxane Raw Water	Not applicable	Not applicable	Completion Certificate	Manager Central Electrical and Mechanical Workshop

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Technical Services (Service Delivery and Infrastructure Development)										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of basic Services										
Strategic Goal		Provision of basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Adjusted Budget (Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.5.97 NT 38	Central Electrical and Mechanical Workshop	% of installation of the 500kVA generator at Intermediate Booster (Hoxani Water Treatment Plant)	30% of installation of the 500kVA generator at Intermediate Booster in 2022/2023	100% of installation of the 500kVA generator at Intermediate Booster	-	2 353 848.75	2 215 848.75	100% of installation of the 500kVA generator at Intermediate Booster	Not applicable	Not applicable	Completion Certificate	Manager Central Electrical and Mechanical Workshop
2.6.5.97 NT 39	Central Electrical and Mechanical Workshop	% fitment of equipment at Dwarsloop workshop	80% fitment of equipment at Dwarsloop workshop in 2022/2023	100% fitment of equipment at Dwarsloop workshop	-	R2 483 180.67	950 165.46	100% fitment of equipment at Dwarsloop workshop	Not applicable	Not applicable	Completion Certificate	Manager Central Electrical and Mechanical Workshop

F. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Municipal KPA		Good Governance and Public Participation										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.6.1	Internal Audit Documents	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	-	,	,	Review 4 documents (IA charter, IA policy, AC charter & IA manual)	Not applicable	Not applicable	Signed IA Charter, IA Policy, AC Charter, and IA Manual	Chief Audit Executive
2.6.6.2	Internal Audit Strategic Plan & Annual Plan	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	2023/2024 annual plan and three-year strategic plan approved by the Audit Committee	-	,	,	IA plan developed	Not applicable	Not applicable	Signed Annual Plan	Chief Audit Executive

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance and Public Participation										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.6.3	Risk Management	Activities on Strategic Risk Management processes conducted	4 Activities on Strategic Risk Management processes conducted in 2022/2023	4 Activities on Strategic Risk Management processes conducted by 30 June 2024	-	,	,	4 Updated Strategic Risk Register Action Plan	Not applicable	Not applicable	Strategic Risk Register and Attendance Register	Manager: Risk Management
2.6.6.4	Integrated Development Planning	Number of public participations in IDP conducted	10 public participations conducted in 2022/2023	10 public participations conducted by 30 June 2024	-	,	,	10 public participations conducted	Not applicable	Not applicable	Agendas and attendance registers	Manager: Integrated Development Planning
2.6.6.5	Integrated Development Planning	Strategic plans and IDP approved by 4th quarter	Strategic session and Approved IDP document	1 strategic session and approved IDP	-	,	,	1 strategic session and approved IDP	Not applicable	Not applicable	IDP strategic planning session	Manager: Integrated Development Planning

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance and Public Participation										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.6.6	SDBIP	Number of SDBIP developed and submitted to stakeholders	02 SDBIP developed (01 revised and 01 SDBIP for 2022/2023)	02 SDBIP developed (01 revised and 01 SDBIP for 2023/2024)	-	,	,	02 SDBIP developed	Not applicable	Not applicable	Original and Revised SDBIP, public notices, Council resolution, and submission letters	Manager: Performance Management System
2.6.6.7	Performance management	Number of Performance Agreements for S56 & 54 developed and submitted to all stakeholders	06 Performance Agreements (PA) for S56&54 developed and submitted to all stakeholders	06 Performance Agreements (PA) for S56&54 developed and submitted to all stakeholders	-	,	,	06 Performance Agreements (PA) for S56&54 developed and submitted to all stakeholders	Not applicable	Not applicable	Performance Agreements, letters of submission and public notice	Manager: Performance Management System

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance and Public Participation										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.6.8	Performance Assessment for section 56 and 54 employees	Number of Performance Assessments for section 56 and 54 employees conducted	03 Performance Assessments for Section 56 and 54 employees conducted	03 PMS Assessment for Section 56 and 54 employees conducted	-	•	•	03 PMS Assessment for Section 56 and 54 employees conducted	Not applicable	Not applicable	Invitation, Attendance registers, and assessment reports	Manager: Performance Management System
2.6.6.9	Annual report	Number of annual reports developed	02 Annual reports developed and Submitted to all Stakeholders	02 Annual reports developed and Submitted to all Stakeholders	-	•	•	1 Draft Annual Report developed 01 Final Annual Report developed and submitted to all Stakeholders	Not applicable	Not applicable	Draft and final audit report and council resolution, letter of submission to all stakeholders	Manager: Performance Management System

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance and Public Participation										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.6.10	Water Services Authority	Annual Water and wastewater compliance report	New target	Annual Water and wastewater compliance report	-	,	,	Annual Water and wastewater compliance report	Not applicable	Not applicable	Annual Water and wastewater compliance report	WSA Manager

DEPARTMENTAL(LOWER) LAYER OF THE MUNICIPAL ANNUAL PERFORMANCE

MUNICIPAL INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT:

I. COMMUNITY SERVICES

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
2.6.1.1	Sports, Arts, Culture, and Recreation	Frequency of maintenance for each Recreational Facility	New Target	4 maintenances conducted on 4 recreational facilities by 30 June 2024	-	,	,	0 maintenances conducted on 4 recreational facilities by 30 June 2024	Lack of resources (budget and human resources) to conduct maintenance of facilities	Hire resources and add more budget to conduct maintenance on the municipal facilities	Maintenance Schedule, Pictures, and Report on maintenance conducted	Director: Community Services
2.6.1.2	Municipal Cemeteries Management	Frequency of maintenance for each cemetery	New Target	4 maintenances conducted on 3 municipal cemeteries by 30 June 2024.	-	,	,	0 maintenance conducted on 3 municipal cemeteries by 30 June 2024.	Lack of resources (budget and human resources) to conduct maintenance of facilities	Hire resources and add more budget to conduct maintenance on the municipal facilities	Maintenance Schedule, Pictures, and Report on maintenance conducted	Director: Community Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.1.1	Arts, Culture, and Heritage	Number of programs, events, or meetings conducted for arts and culture programs	4 Arts & Culture events/programs implemented in 2022/2023	4 Arts & Culture events/programs conducted by 30 June 2024	-	·	·	4 Arts & Culture events/programs conducted by 30 June 2024	Not applicable	Not applicable	Invitation Attendance Register and, or Pictures	Manager: Sports, Arts, Culture, and Recreation
3.1.2	Sports and Recreation	Number of sports and recreation programs, events, and meetings conducted	8 Sport Recreation events/programs implemented in 2022/2023	4 sports and recreation programs, events, or meetings conducted by 30 June 2024	-	·	·	20 Sports and recreation program events, or meetings conducted by 30 June 2024	Collaboration with other municipal stakeholders	Not applicable	Invitation Attendance Register and, or Pictures	Manager: Sports, Arts, Culture, and Recreation
3.1.3	Youth Affairs	Number of youth affairs programs and meetings conducted	07 Youth Affairs, events or programs conducted in 2022/2023	04 programs and 04 Youth Development meetings	-	·	·	12 programmes and 04 Youth Development meetings conducted	Collaboration with other municipal stakeholders	Not applicable	Invitation, Agenda Attendance registers	Manager: Social Development

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSP Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.1.4	HIV AND AIDS: Life Skills	Number of HIV & AIDS programs conducted	4 Report on HIV & TB Programs /Events implemented and submitted in 2022/2023	10 HIV & TB Programs /Events implemented and submitted in 2023/2024	-	,	,	9 HIV & TB Programs /Events implemented and submitted in 2023/2024	Budget constraints	Programmes will be planned in line with the available budget	Agenda, and attendance registers.	Manager: Social Development
3.1.5	Functional Local AIDS Council and WACS	Number of local AIDS Council (LAC) meetings or events conducted	4 local AIDS Council (LAC) meetings were conducted in 2022/2023 in 2021/2022	4 Reports on LAC and 4 reports on WAC's submitted in 2023/2024	-	,	,	4 Reports on LAC and 4 reports on WAC's submitted in 2023/2024	Not applicable	Not applicable	Minutes of the meetings and attendance registers	Manager: Social Development
3.1.6	Indigent Services	Number of reports on paupers' burials provided	04 reports on paupers' burial in 2022/2023	04 reports on paupers' burial	-	,	,	04 reports on paupers' burial	Not applicable	Not applicable	Quarterly Report	Director Community Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTsf Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.1.7	Library Management	Number of reports to council on library services conducted	04 quarterly library Services report submitted to council in 2022/2023	04 quarterly library Services reports	-	,	,	04 quarterly library Services reports	Not applicable	Not applicable	Quarterly reports	Manager: Library services
3.1.8	Security Services	Number of reports on security services provided to the municipality	12 monthly reports submitted in 2022/2023	08 Bi-monthly reports to be submitted by June 2022/23	-	,	,	08 Bi-monthly reports to be submitted by June 2022/23	Not applicable	Not applicable	Bi-Monthly Security Reports	Manager: Security Services
3.1.9	Fire and Rescue - Inspection	Number of fire inspections conducted, and compliant certificates issued	200 inspections conducted in 2022/2023 on fire prevention	170 fire prevention inspections and issue of certificates	-	,	,	257 fire prevention inspections and issue of certificates	An additional effort from employees	Not applicable	List of businesses inspected and	Chief Fire Officer

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.1.10	Fire and Rescue	Number of reports on fire and rescue incidents calls received and attended	4 reports of incidents call received and attended to in 2022/2023	4 reports of incidents call received and attended	-	,	,	4 reports of incidents call received and attended	Not applicable	Not applicable	Compliance certificates	Chief Fire Officer
3.1.11	Fire and Rescue - Awareness	Number of fire awareness conducted	12 fire awareness campaigns conducted in 2022/2023	12 fire awareness campaigns conducted by June 2024	-	,	,	41 fire awareness campaigns conducted by June 2024	An additional effort from employees	Not applicable	Reports on incidents registered and attended	Chief Fire Officer
3.1.12	Disaster Awareness	Number of reports on disaster relief materials issued.	4 reports on disaster relief materials issued in 2023/2024	4 reports on disaster relief materials issued in 2021/2022	-	,	,	4 reports on disaster relief materials issued in 2021/2022	Not applicable	Not applicable	Report	Manager: Disaster Management
3.1.13	Disaster Management	Number of local disaster management forum meetings held	4 forum meetings conducted in 2022/2023	4 forum meetings conducted	-	,	,	4 forum meetings conducted	Not applicable	Not applicable	Invitations, Agenda, Attendance registers	Manager: Disaster Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.1.14	By Law Enforcement	Number of reports for By-law's operations and compliance	12 reports for By-law's operations and compliance in 2022/2023	12 reports for By-law's operations and compliance				12 reports for By-law's operations and compliance	Not applicable	Not applicable	By-law enforcement Statistics report, Notices, and or Pictures	Acting Chief Traffic Officer
3.1.15	Public Transport Forum	Number of Public Transport forums held	4 Public Transport forums held in 2022/2023	4 Public Transport forums held by 30 June 2024				4 Public Transport forums held by 30 June 2024	Not applicable	Not applicable	Invitation, Agenda, and attendance registers	Manager: Public Transport
3.1.16	Public Transport Inspections	Number of public transport inspections conducted	04 inspections to be conducted	04 inspections to be conducted				24 inspections to be conducted	An additional effort from employees	Not applicable	Reports on inspection	Manager: Public Transport
3.1.17	Risk Management	Number of risk management reports	4 Risk reports developed in 2022/2023	4 Risk reports developed				4 Risk reports developed	Not applicable	Not applicable	Risk reports	Director Community Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Community Services										
2019-24 MTSF Priority		Social Security, education, Skills, and Health (3 & 4)										
Municipal Priority		Improve sound public safety and community welfare										
Strategic Goal		Mobilize resources for an improved and conducive environment, public safety, and community welfare										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.1.18	Performance Management	Compliance to the Municipal Performance Management Framework	7 Performance compacts developed and assessed in 2022/2023	Development of performance compacts for all employees reporting to the Director and 4 assessment reviews conducted				Development of performance compacts for all employees reporting to the Director and 4 assessment reviews conducted	Not applicable	Not applicable	Signed and assessed performance compacts and register	Director Community Services
3.1.19	Human Resources Management	Number of departmental meetings conducted	04 departmental meetings conducted in 2022/2023	07 Departmental meetings conducted				07 Departmental meetings conducted	Not applicable	Not applicable	Agenda, minutes of the meetings and attendance register	Director Community Services

II. CORPORATE SERVICES

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.1	Human Resource Management (Staff establishment)	Number of reports on updated staff establishment and reviewed organogram	04 reports on updated staff establishment submitted to council in 2021/2022	04 staff establishments submitted to council reports updated by 30 June 2024	-	-	-	04 staff establishments submitted to council reports updated	Not applicable	Not applicable	Reports, organogram, and council resolution	Manager: Human Resources
3.2.2	Human Resource Management (Recruitment of staff)	Number of appointed employees with individual job descriptions	23 employees with individual job descriptions appointed in 2022/2023	24 employees appointed	10 employees appointed	-	-	0 employees appointed	Lack of funding	The municipality will optimize resource allocation and implement strategic workforce planning to better manage its limited funding.	Appointment letters and job descriptions per position appointed	Manager: Human Resources

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.3	Proper utilization of staff (Leave management)	Number of Reports on controlled attendance registers against leave registers	04 Reports on controlled attendance registers against leave registers submitted	04 Reports on controlled attendance registers against leave registers submitted	-	-	-	04 Reports on controlled attendance registers against leave registers submitted	Not applicable	Not applicable	Report signed attendance register and approved leave books, captured leave forms on the system, and utilization of ESS System	Manager: Human Resources
3.2.4	Payrolls and Staff verification	Number of signed payroll registers	12 signed payroll registers submitted in 2022/2023	12 signed payroll registers submitted	-	-	-	12 signed payroll registers submitted	Not applicable	Not applicable	Signed payroll registers	Manager: Human Resources
3.2.5	Labour Relations Management	Number of labour relations workshops conducted	04 labour relations workshops conducted in 2022/2023	04 labour relations workshops conducted	-	-	-	04 labour relations workshops conducted	Not applicable	Not applicable	Invitations and attendance registers	Manager: Human Resources

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.6	Local Labour Forum (LLF)	Number of Local Labour Forum (LLF) meetings conducted	04 Local Labour Forum (LLF) meetings conducted	04 Local Labour Forum (LLF) meetings conducted	-	-	-	04 Local Labour Forum (LLF) meetings conducted	Not applicable	Not applicable	Invitation, Agenda, Minutes of the meeting, and attendance registers	Manager: Human Resources
3.2.7	Occupational Health & Safety (OHS)	Number of Occupational Health and Safety (OHS) Committee Meetings held	04 Occupational Health and Safety (OHS) Committee Meetings held	04 Occupational Health and Safety (OHS) Committee Meetings held	-	-	-	04 Occupational Health and Safety (OHS) Committee Meetings held	Not applicable	Not applicable	Invitation, Agenda, Minutes of the meeting, and attendance registers	Manager: Human Resources
3.2.8	Occupational Health & Safety (Medical examination)	Number of employees examined by registered medical Doctor	358 employees undergo medical examination by the registered Medical Doctor in 2022/2021	600 employees examined by registered medical Doctor	400 employees to be examined by a registered medical Doctor	-	-	0 employees examined by registered medical Doctor	Medical Doctor not yet appointed	Fast-track the appointment of Medical Doctor	List of employees examined	Manager: Human Resources

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.9	Skills development and Councillor training	Number of councillors trained	43 councillors trained as per WSP 2022/2023	70 councillors trained as per WSP by 30 June 2024	40 councillors to be trained	-	-	31 councillors trained	The municipality finalize the appointment of a panel of training providers in June 2024	As the panel of training providers is appointed, training will be implemented accordingly without delays	List of councilors trained Attendance registers and training reports	Manager: Human Resources
3.2.10	Internship Programme	Number of learners placed for practicals as per WSP	27 learners placed for internship program for 2022/2023	30 learners placed by June 2024	-	-	-	60 learners placed in internship program	The office receives lots of placement requests from different stakeholders for work placement	Not applicable	Advert shortlisting list of learners placed	Manager: Human Resources

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.11	Bursaries	Number of reports on bursary allocation and monitoring	41 Officials awarded with bursaries in 2022/2023	4 Reports on bursary allocation and monitoring	-	-	-	4 Reports on bursary allocated and monitored	Not applicable	Not applicable	Bursary Report, list of people awarded, and monitoring report	Manager: Human Resources
3.2.12	Implementation of EE plan	Number of reports on implementation of the EE Plan to council	04 reports on the implementation of the EE Plan submitted to council	04 reports on the implementation of the EE Plan submitted to council	-	-	-	04 reports on the implementation of the EE Plan submitted to council	Not applicable	Not applicable	Reports to Council and council resolutions for reports submitted in the previous quarter	Manager: Human Resources
3.2.13	Psychosocial Support	Number of social support programs for employees conducted	04 social support programs for employees conducted in 2022/2023	04 social support programs for employees conducted by 30 June 2024	-	-	-	04 social support programs for employees conducted	Not applicable	Not applicable	Social support programmes and reports	Manager: Human Resources

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.14	Contract Development and Management	Number of updated contract registers	04 updated contract registers submitted	04 updated contract registers submitted	-	-	-	04 updated contract registers submitted	Not applicable	Not applicable	Updated contract registers	Legal Advisor
3.2.15	Legal Advisory and Administrative Services	Number of reports on litigations, liabilities and claims submitted to council	04 reports on litigations, liabilities, and claims submitted to council	04 reports on litigation, liabilities, and claims submitted to council	-	R7 411 726	-	04 reports on litigation, liabilities, and claims submitted to council	Not applicable	Not applicable	Litigation reports and council resolutions for reports submitted in the previous quarter	Legal Advisor
3.2.16	Fleet Management	Number of fleet management reports to council	04 fleet management reports submitted to council in 2021/2022	04 fleet management reports submitted to council by 30 June 2024	-	-	-	04 fleet management reports submitted to council	Not applicable	Not applicable	Fleet Management reports and council resolution for reports submitted in the previous quarter	Manager: Fleet Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.17	Records Management	Number of reports on the implementation of the approved File Plan	04 reports on the implementation of the approved File Plan submitted to council	04 reports on the implementation of the approved File Plan submitted to council	-	-	-	04 reports on the implementation of the approved File Plan submitted to council	Not applicable	Not applicable	Report and file plan	Manager: Records Management
3.2.18	Administrative Support	Number of reports insurance cover	04 reports on insurance cover submitted to council in 2021/2022	04 reports on insurance cover to be submitted	R1 500 000	-	-	04 reports on insurance cover submitted to council	Not applicable	Not applicable	Report with claims	Manager: Administrative Support
3.2.19	Council Support	Number of ordinary council sittings held	04 ordinary council sittings held	04 ordinary council sittings held	-	-	-	04 ordinary council sittings held	Not applicable	Not applicable	Invitation, Agenda and Minutes of the meeting	Manager: Council Support
3.2.20	Implementation of council resolutions	Number of Council Resolution Implementation Reports	04 Council Resolution Implementation Reports submitted to council	04 Council Resolution Implementation Reports submitted to council	-	-	-	04 Council Resolution Implementation Reports submitted to council	Not applicable	Not applicable	Signed Report on implementation of council resolution	Manager: Council Support

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
		submitted to the council										
3.2.21	Ward Committees	Number of consolidated ward committee reports submitted to council	04 consolidated ward committee reports submitted to council	04 consolidated ward committee reports submitted to council	-	-	-	04 consolidated ward committee reports submitted to council	Not applicable	Not applicable	Ward Committees reports to council and council resolutions	Manager: Council Support
3.2.22	ICT	Number of ICT Steering Committee meetings on implementation of ICT Charter	04 ICT Steering Committee meetings on implementation of ICT Charter	04 ICT Steering Committee meetings on implementation of ICT Charter	-	-	-	04 ICT Steering Committee meetings on implementation of ICT Charter	Not applicable	Not applicable	Invitation, Agenda, Minutes of the meeting.	Manager: ICT

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.23	ICT	Number of ICT reports on the implementation of strategic plan and action plan to Council	04 ICT reports on the implementation of strategic plan and action plan to Council held	04 ICT reports on the implementation of strategic plan and action plan submitted to Council	-	-	-	04 ICT reports on the implementation of strategic plan and action plan submitted to Council	Not applicable	Not applicable	The reports to Council and Council resolutions for reports.	Manager: ICT
3.2.24	ICT	Number of system backups implemented and registered	New target	36 Backups implemented and registered on the Backup Register	-	-	-	49 Backups implemented and registered on the Backup Register	ICT was capacitated with additional human resources that led to efficient service support	Not applicable	Signed-off Backup register.	Manager ICT

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.25	Performance Management	Compliance to the Municipal Performance Management Framework	5 Performance compacts developed and assessed in 2022/2023	Development of performance compacts for all employees reporting to Director and 4 assessment reviews conducted	07 Performance compacts developed and assessed	-	-	Assessment reviews conducted on 7 employees	Not applicable	Not applicable	Signed and assessed performance compacts and register	Director: Corporate Services
3.2.26	Risk Management	Number of risk management reports	04 risk management reports submitted	04 risk management reports submitted	-	04 risk management reports submitted	-	04 risk management reports submitted	Not applicable	Not applicable	Risk management reports	Director: Corporate Services
3.2.27	Procurement	Procurement plans and reports on implementation of the procurement plan.	Procurements plan submitted to SCM and monitored	Submission of procurement plan and monitoring	-	-	-	Procurement plan submitted and monitored	Not applicable	Not applicable	Procurement plans and list of requisitions	Director: Corporate Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Corporate Services										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.2.29	Human Resources Management	Number of departmental meetings held	04 departmental meetings conducted	04 departmental meetings conducted	-	-	-	04 departmental meetings conducted	Not applicable	Not applicable	Invitation, Agenda, Minutes of the meetings, and attendance register	Director: Corporate Services

III. LOCAL ECONOMIC DEVELOPMENT: EDPE

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.1	Tourism Development	Number of tourism awareness and marketing programmes conducted	04 Tourism awareness and marketing programmes conducted (TRAC and Tourism Indaba)	06 tourism awareness and marketing programmes conducted	05 tourism awareness and marketing programmes conducted	848 796	371 672.40	07 tourism awareness and marketing programmes conducted	In collaboration with other stakeholders, additional tourism awareness and marketing programmes were conducted	Not applicable	Reports and Attendance registers	Manager: Local Economic Development

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.2	Tourism Development	Development of a feasibility study and research at Xilokoxo Heritage Site (Marula Cultural Route)	New target	Development of a feasibility study and research at Xilokoxo Heritage Site (Marula Cultural Route)	Development of a feasibility study and research at Xilokoxo Heritage Site (Marula Cultural Route)	500 000	,	Development of a feasibility study and research at Xilokoxo Heritage Site (Marula Cultural Route)	Not applicable	Not applicable	Progress reports	Manager: Local Economic Development
3.3.3	Stakeholder Coordination	Number of LED Fora meetings held	12 meetings held in 2022/2023	14 meetings held	14 meetings held	,	,	14 LED Fora meetings held	Not applicable	Not applicable	Minutes and attendance registers	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.4	Agricultural Development	Number of Agricultural projects monitored	09 projects supported and monitored	08 agricultural projects monitored and supported	08 agricultural projects monitored and supported	·	200 000	08 agricultural projects monitored and supported	Not applicable	Not applicable	Reports and attendance registers	Manager: Local Economic Development
3.3.5	Agricultural Development	3.5 ha Resuscitation of 35 hectares for the Zoeknog Coffee Project	New Target	3.5 ha resuscitation of Zoeknog Coffee Project by 30 June 2024	3.5 ha resuscitation of Zoeknog Coffee Project by 30 June 2024	100 000	·	3.5 ha resuscitation of Zoeknog Coffee Project by 30 June 2024	Not applicable	Not applicable	Reports and pictures	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.6	Agricultural Development	Completion of 15km fencing at Pfukani Hoxani Irrigation Scheme	New Target	Completion of 15km fencing at Pfukani Hoxani Irrigation Scheme by 30 June 2024	-	6 000 000	-	Completion of 15km fencing at Pfukani Hoxani Irrigation Scheme by 30 June 2024	Not applicable	Not applicable	TOR, Inception report, and pictures of completed fencing.	Manager: Local Economic Development
3.3.7	Agricultural Development	Development of agro-processing feasibility study	New target	Development of agro-processing feasibility study completed by 30 June 2024	-	1 000 000	-	Development of agro-processing feasibility study	Not applicable	Not applicable	TOR, Inception report, and draft feasibility study	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.8	Agric and Rural Development (CWP support	Number of reports on the implementation of the CWP programme	4 reports on the implementation of the CWP programme	4 reports on the implementation of the CWP programme	-	,	,	04 reports on the implementation of the CWP programme	Not applicable	Not applicable	Reports	Manager: Local Economic Development
3.3.9	Business Licensing	Number of awareness workshops on trading by-laws	06 Awareness workshops conducted	04 Awareness workshops conducted	-	,	,	06 Awareness workshops conducted	Two workshops were conducted with SMMEs and Liquor traders	Not applicable	Reports and attendance registers	Manager: Local Economic Development

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.10	Environmental sustainability	Number of schools greened and monitored	12 Schools greened and 12 monitored	12 Schools greened and 12 monitored	-	-	-	12 Schools greened and 03 monitored	Not applicable	Not applicable	Reports and Pictures	Manager: Environmental Management
3.3.11	Environmental Youth Clubs	Number of Environmental Youth Clubs Supported	2 Environmental Youth Clubs Supported	4 Environmental Youth Clubs supported	-	59 400	257 600	4 Environmental Youth Clubs supported	Not applicable	Not applicable	Reports	Manager: Environmental Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.12	Greenest Municipality Programme	Number of workshops conducted, and recycling stations established	4 Reports on greening practices in the municipal offices	2 workshops conducted and 2 recycling stations established	-	21 100	66 800	2 workshops conducted and 2 recycling stations established	Not applicable	Not applicable	Reports	Manager: Environmental Management
3.3.13	Adopt a Spot Programme	Number of illegal dumps cleaned and rehabilitated	1 illegal dump cleaned and rehabilitated	4 illegal dumps cleaned and rehabilitated	-	50 000	-	4 illegal dumps cleaned and rehabilitated	Not applicable	Not applicable	Reports and pictures	Manager: Environmental Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.14	Climate Change	Number of climate change workshops held	4 Workshops conducted	4 Climate Change Workshops to be held	-	39 200	60 000	4 Climate Change Workshops to be held	Not applicable	Not applicable	Reports and attendance registers	Manager: Environmental Management
3.3.15	Auditing of Wastewater Treatment Works	Number of Wastewater Treatment Works audited.	2 Wastewater Treatment Works audited	7 Wastewater Treatment works audited	-	,	,	7 Wastewater Treatment works audited	Not applicable	Not applicable	Inspection Report	Manager: Environmental Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.16	Auditing of Water Purification Plants	Number of Water Purification Plants audited	2 Water Purification Plants audited	12 Water Purification Plants audited	-	,	,	12 Water Purification Plants audited	Not applicable	Not applicable	Inspection Report	Manager: Environmental Management
3.3.17	Auditing of Disposal Sites	Number of Disposal audited	New Target	4 Disposal sites audited	-	,	,	4 Disposal sites audited	Not applicable	Not applicable	Inspection Report	Manager: Environmental Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.18	Environmental Management	Number of development al projects with environment al authorization s verified	24 Development al projects verified	52 Developmental projects verified	36 Developmental projects verified	,	,	36 Developmental projects verified	Not applicable	Not applicable	Reports and list of verified projects	Manager: Environmental Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.19	Waste recycler support	Number reports on workshops, PPE, and tools to support waste recyclers	04 workshop, PPE to 120 beneficiaries, and tools provided 6 groups	4 reports on workshops for recyclers	-	-	95 646	4 reports on workshops for recyclers	Not applicable	Not applicable	Report and registers	Manager: Solid Waste Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.20	Development of regional landfill site	Number of reports on phase 3 of regional landfill site construction	04 reports on phase two of regional landfill site construction completed	04 reports on phase 3 of regional landfill site construction compiled	-	.	12 000 000	06 reports on phase 3 of regional landfill site construction compiled	Additional reports were generated to update the council after the project was halted for quite some time.	Not applicable	Reports	Manager: Solid Waste Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.21	EPWP	Number of reports on EPWP Programme submitted to Department of Public Works	04 reports on EPWP Programme submitted to Department of Public Works	04 reports on EPWP Programme submitted to Department of Public Works	-	R 14 719 000	R 80 420	04 reports on EPWP Programme submitted to Department of Public Works	Not applicable	Not applicable	Reports and proof of submissions	Manager: Solid Waste Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.22	Development of Data for South African Waste Information System (SAWIS) and reporting	Number of reports on SAWIS data collected and submitted to DFFE	Waste data collected from the landfill sites	4 reports on waste data generated and reported	-	-	-	4 reports on waste data generated and reported	Not applicable	Not applicable	Reports and proof submission	Manager: Solid Waste Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.23	Waste By-Laws	Number of reports on public education, awareness, and enforcement of the	04 report on public education and awareness of the waste by-law	04 reports on public education and awareness of the waste by-law	-	-	-	04 reports on public education and awareness of the waste by-law	Not applicable	Not applicable	Reports and attendance registers	Manager: Solid Waste Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.24	Capacitation of Traditional Authorities and Communities	Number of workshops for communities and traditional authorities held	2 Workshops held by communities and traditional authorities	4 workshops for communities and traditional authorities held by 30 June 2024	-	-	R 50 000	06 workshops for communities and traditional authorities held by 30 June 2024	Not applicable	Not applicable	Report and Attendance Register	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.25	Consumer Education	Number of workshops on Housing Consumer Education to Communities	29 workshops held	40 workshops on consumer education	24 workshops on consumer education	.	R 50 000	28 workshops on consumer education	Additional 4 RDP houses were added and require extra consumer education workshops to be conducted	Not applicable	Report and Attendance Register	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.26	Ensure quality standards are applied in Building Construction Projects	Number of building plans approved	95 building plans approved	4 reports on submission and approval of building plans	-	,	,	4 reports on submission and approval of building plans	Not applicable	Not applicable	Building Plan Register	Chief Town Planner
3.3.27	Ensure quality standards are applied in Building Construction Projects	Number of site inspections conducted	40 site inspections conducted	480 inspections to be conducted	-	,	,	1842 inspections to be conducted	Additional units of RDP conducted	Not applicable	Inspections report	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.28	Illegal building construction activity	Number of notices for National Building Regulations	40 notices issued	40 notices issued	-	-	-	36 notices issued	Illegal building construction activities where minimal hence lesser notices were issued	Conduct more inspections to ensure compliance to building regulations.	Copies of Notices issued	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.29	Layout plans for Bulk Site demarcations Meetsi, Seville, and Masana)	Number of reports on submission of General Plans for Meetsi, Seville, and Masana	3 layout plans drawn	3 reports on stages for submission of General Plans for Meetsi, Seville, and Masana	-	.	R 3 000 000	3 reports on stages for submission of General Plans for Meetsi, Seville, and Masana	Not applicable	Not applicable	Reports	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.30	Layout plans for Bulk Site demarcations Cuningmoore A, Orinocco, and Croquet lawn	Submitted inception and Status quo reports for Cuningmoore Orinoco and Croquet lawn	3 layout plans drawn	Submitted inception and Status quo reports for Cuningmoore Orinoco and Croquet lawn	-	.	3 000 000	03 Submitted inception and Status quo reports for Cuningmoore Orinoco and Croquet lawn	Not applicable	Not applicable	Proof of submissions	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.31	Rezoning and Consolidation of sites at Dwarsloop-A	Approved town planning application for Rezoning and Consolidation of sites for Dwarsloop	Precinct Plans	Approved town planning application for Rezoning and Consolidation of sites for Dwarsloop	-	·	R 100 000	Approved town planning application for Rezoning and Consolidation of sites for Dwarsloop	Not applicable	Not applicable	Town Planning Application and Letter of Approval	Chief Town Planner
3.3.32	Reviewal of SDF	Inception and Status Quo report on review of the SDF	SPLUMA	Inception and Status Quo report on review of the SDF	-	·	R 100 000	01 Inception and Status Quo report on review of the SDF	Not applicable	Not applicable	Inception and Status Quo Reports	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.33	Precinct Plans for Hluvukani & Lillydale and Thulamahashe Precinct Investment Plan	Draft and final precinct plan for Hluvukani & Lillydale and Thulamahashe Precinct Investment Plan	SDF	Draft and final precinct plan for Hluvukani & Lillydale and Thulamahashe Precinct Investment Plan	-	.	R 200 000	06 precinct plan for Hluvukani & Lillydale and Thulamahashe Precinct Investment Plan	Not applicable	Not applicable	Draft and final precinct plans	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget &Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.34	Geo-referencing and capturing all Infrastructure	Inception report on the development of the Infrastructur e Geo database for the entire municipality	New target	Inception report on the development of the Infrastructure Geo database for the entire municipality	-	R 500 000	R 350 000	Inception report on the development of the Infrastructure Geo database for the entire municipality	Not applicable	Not applicable	Inception Report	Chief Town Planner
3.3.35	Outdoor advertisement audit and georeferencing	Development of Outdoor advertiseme nt Geo dataset	Outdoor Advertising Application Register	Developed Outdoor advertisement Geo dataset	-	R 1 000 000	R 1 000 000	Developed Outdoor advertisement Geo dataset	Not applicable	Not applicable	Inception Report and Geodata set	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.36	Reviewal of the GIS Strategy	Development of GIS Strategy with the Implementati on Plan	GIS Strategy	Developed Strategy with the implementation Plan	–	R 500 000	R 500 000	Developed Strategy with the implementation Plan	Not applicable	Not applicable	Inception report and the GIS Strategy	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.37	Assigning of Physical Address in all rural settlements	Number of households with mounted physical address and number of streets with physical street name posts	New target	60000 households with mounted physical address. 1000 Streets with street name poles	-	R35 000 000	R 5 000 000	60000 households with mounted physical address. 1000 Streets with street name poles	Not applicable	Not applicable	Inception report and list of households with mounted addresses and streets with name poles.	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.38	Vesting of Municipal Assets (North, Midlands & South	Inception and Status Quo Report for Vesting of Municipal Assets	SPLUMA	Inception and Status Quo Report for Vesting of Municipal Assets	-	R 500 000	R 3 000 000	Inception and Status Quo Report for Vesting of Municipal Assets	Not applicable	Not applicable	Inception and status quo Report for Vesting of municipal assets	Chief Town Planner

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.40	Performance Management	Compliance with the Municipal Performance Management Framework	4 Performance compacts developed and assessed in 2023/2024	Development of performance compacts for all employees reporting to the Director and 4 assessment reviews conducted d.	-	-	-	04 Development of performance compacts for all employees reporting to the Director and 4 assessment reviews conducted	Not applicable	Not applicable	Signed and assessed performance compacts	Director: EDPE
3.3.41	Risk Management	Number of risk management reports	04 risk management reports to be submitted.	4 risk management reports to be submitted.	-	-	-	4 risk management reports to be submitted.	Not applicable	Not applicable	Risk Reports	Director: EDPE

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.3.42	Procurement	Procurement plans and reports on implementation of the procurement plan.	Procurement plan submitted to SCM and monitored.	Submission of procurement plan and monitoring.	-	-	-	07 Submission of procurement plan and monitoring.	Not applicable	Not applicable	Procurement plans and list of requisitions	Director: EDPE
3.3.43	Human Resources Management	Number of departmental meetings held	04 departmental meetings to be held.	04 departmental meetings to be held.	-	-	-	10 departmental meetings to be held.	Change of leadership in the Department necessitated more meetings be held for	Not applicable	Invitation, Agenda, minutes of the meetings, and	Director: EDPE

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		ECONOMIC DEVELOPMENT, PLANNING, AND ENVIRONMENT										
2019-24 MTSF Priority		Economic transformation and job creation Spatial planning, Human Settlement and Local Government Infrastructure; Real Development; and Human Settlements Land Use Management and Spatial Transformation										
Municipal Priority		Economic growth and Job creation										
Strategic Goal		Sustainable economic growth and job creation										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget (Rands)	Revised Budget & Rands)	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
									regular updates		attendance registers	

IV. MUNICIPAL FINANCIAL VIABILITY: FINANCE

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Development State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.4.1	Revenue customers billing for water	Number of new additional customers billed	40 000 New Additional Customers Billed Monthly in 2022/2023	7 000 additional customers billed by 30 June 2024	-	-	-	11 291 New Additional Customers Billed Monthly in 2022/2023	Replacement of vandalized and faulty meters	Not applicable	Monthly Signed billing reports	Manager: Revenue
3.4.2	Revenue Enhancement Strategy (RES)	Number of activities in the RES implemented	4 activities of Revenue enhancement strategy implemented in 2022/2023	4 activities of Revenue enhancement strategy implemented by 30 June 2024	-	-	-	06 of activities in the RES implemented		Not applicable	RES implementation report	Manager: Revenue

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Development State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.4.3	Budget spending	Number of accurate spending vs. budget reports	12 accurate spending vs. budget reports submitted in 2022/2023	12 accurate spending vs. budget reports	-	-	-	12 of accurate spending vs. budget reports	Not applicable	Not applicable	Budget vs. Expenditure report and email evidencing distribution of the report	Manager Budget
3.4.4	Expenditure Management(payment)	% Payments made within 30 days.	91 % of Payments made within 30 days in 2022/2023	90% of made within 30 days	-	-	-	96.5% of Payments made within 30 days.	Additional effort by employees	Not applicable	Payment report	Manager: Expenditure Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Development State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.4.5	Expenditure Management	Number of Cash flow Projections submitted	12 Cash flow Projections submitted in 2022/2023	12 Cash flow Projections submitted	-	-	-	12 of Cash flow Projections submitted	Not applicable	Not applicable	Proof of email submission and Cash flow projection report	Manager: Expenditure Management
3.4.6	Asset Management (Existence and valuation)	Number of Inventory Valuation Reports	04 Inventory Valuation Reports submitted in 2022/2023	04 Inventory Valuation Reports	-	-	-	04 of Inventory Valuation Reports	Not applicable	Not applicable	Inventory Valuation Reports from Pastel	Manager: Assets
3.4.7	Financial and Performance Reporting	Favorable Audit outcome	Unqualified	Unqualified	-	-	-	01 Favourable Audit outcome	Not applicable	Not applicable	Audit Report	Manager: AFS

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Development State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.4.8	Financial and Performance Reporting	% Audit Action Plan issues resolved	90% of Audit Action Plan issues resolved	90% Audit Action Plan	-	-	-	96% Audit Action Plan issues resolved	Enhanced collaboration and effort to put by different directorates to resolve the audit findings raised	Not applicable	Audit Action plan progress report	Manager: AFS
3.4.9	Financial and Performance Reporting	Number of reports on reconciliations for all units	04 reports on reconciliations for all units	04 reports on reconciliations for all units	-	-	-	04 of reports on reconciliations for all units	Not applicable	Not applicable	Reconciled reports	Manager: AFS

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Development State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.4.10	SCM	Number of Accurate Commitments Registers submitted by due date	04 Accurate Commitments Registers submitted by the due date	04 Accurate Commitments Registers submitted by the due date	-	-	-	04 Accurate Commitments Registers submitted by due date	Not applicable	Not applicable	Commitment registers from the system	Manager: Supply Chain Management
3.4.11	SCM Legal framework and policy	Number of SCM Policies reviewed	01 SCM Policy reviewed	01 SCM Policy reviewed	-	-	-	01 of SCM Policies reviewed	Not applicable	Not applicable	Council resolution	Manager: Supply Chain Management
3.4.12	SCM Irregular Expenditure Register	Number of UIFW reports submitted	04 UIFW reports submitted	04 UIFW reports submitted	-	-	-	03 of UIFW reports submitted	01 Target not reported on third quarter	Not applicable	Report on UIFW and evidence of email to Cogta and AG(SA)	Manager: Supply Chain Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Development State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.4.13	SCM Contract registers	Number of updated Contract registers submitted to AFS by the due date	04 updated Contract registers submitted to AFS by the due date	04 updated Contract registers submitted to AFS by the due date	-	-	-	04 of updated Contract registers were submitted to AFS by the due date	Not applicable	Not applicable	Updated contract registers	Manager: Supply Chain Management
3.4.14	SCM procurement plan	Number of progress reports on the SCM procurement plan	New Target	04 reports on the SCM procurement plan	-	-	-	04 of progress reports on the SCM procurement plan	Not applicable	Not applicable	Procurement plan implementation report	Manager: Supply Chain Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Development State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.4.15	SCM policy implementation reports	% Transactions adhering to timelines as per SCM SOP	100% Transactions adhering to timelines as per SCM SOP	100% Transactions adhering to timelines as per SCM SOP	-	-	-	100% Transactions adhering to timelines as per SCM SOP	Not applicable	Not applicable	Report on adherence to SOP timelines and requisitions register	Manager: Supply Chain Management
3.4.16	Performance Management	Compliance to the Municipal Performance Management Framework		Development of performance compacts for all employees reporting to the Director and 4 assessment reviews conducted.	-	-	-	02 Compliance to the Municipal Performance Management Framework	Not applicable	Not applicable	Signed and assessed performance compacts	Chief Finance Officer

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Financial Viability										
2019-24 MTSF Priority		A Capable, Ethical, and Development State										
Municipal Priority		Financial Viability										
Strategic Goal		Sound Financial Management										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.4.17	Risk Management	Number of risk management reports	04 01 risk management reports	04 risk management reports	-	-	-	03 of risk management reports	Not applicable	Not applicable	Risk Reports	Chief Finance Officer
3.4.18	Human Resources Management	Number of departmental meetings conducted	04 departmental meetings conducted	04 departmental meetings conducted	-	-	-	03 departmental meetings conducted	Not applicable	Not applicable	Invitation, Agenda, minutes of the meetings, and attendance register	Chief Finance Officer

V. INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICES DELIVERY: TECHNICAL SERVICES

Municipal KPA		Service Delivery and Infrastructure Development: Technical Services										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of Basic Services										
Strategic Goal		Provision of Basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.5.1	Performance Management	Compliance with the Municipal Performance Management Framework	05 performance compacts developed, and 4 assessment reviews conducted	Development of performance compacts for all employees reporting to the Director and 4 assessment reviews conducted	-	-	-	Development of performance compacts for all employees reporting to the Director and 4 assessment reviews conducted	Not applicable	Not applicable	Signed and assessed performance compacts	Director: Technical Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Service Delivery and Infrastructure Development: Technical Services										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of Basic Services										
Strategic Goal		Provision of Basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.5.2	Risk Management	Number of risk management reports	04 risk management reports	04 risk management reports	-	-	-	04 risk management reports	Not applicable	Not applicable	Risk Reports	Director: Technical Services
3.5.3	Procurement	Procurement plans and reports on implementation of the procurement plan.	Procurement plan submitted to SCM and monitored.	Submission of procurement plan and monitoring.	-	-	-	Procurement plan submitted at the beginning of the year to SCM but not monitored	Not applicable	Not applicable	Procurement plans and list of requisitions	Director: Technical Services
3.5.4	Human Resources Management	Number of departmental meetings conducted	12 meetings	12 meetings held	-	-	-	12 meetings held	Not applicable	Not applicable	Invitation, Agenda, minutes of the meetings,	Director: Technical Services

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Service Delivery and Infrastructure Development: Technical Services										
2019-24 MTSF Priority		Improved access to basic services										
Municipal Priority		Provision of Basic Services										
Strategic Goal		Provision of Basic Services										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
											and attendance register	
3.5.5	Grant Reports	Number of grant reports (12 MIG, 12 WSIG, 12 DoE, 12 RBIG)	48 reports	60 reports	48 reports	-	-	48 reports	Not applicable	Not applicable	Copies of signed submitted reports	PMU Manager
3.5.6	Infrastructure Planning	Number of business plans/ Technical reports	15 business plans/Technical reports	30 business plan/ Technical reports	12 business plan/ Technical reports			12 business plan/ Technical reports	Not applicable	Not applicable	Copies of signed submitted reports	PMU Manager

VI. GOOD GOVERNANCE AND PUBLIC PARTICIPATION: PMS, IDP, RISK, IA & COMMUNICATION

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.6.1	Good governance (HRM)	Number of meetings to monitor the performance of all departments	12 Meetings to monitor the performance of all departments	12 Meetings to monitor the performance of all departments	-	-	-	12 meetings held	Not applicable	Not applicable	Attendance registers and minutes	Municipal Manager
3.6.2	Performance assessments for units reporting to MM	Compliance with the Municipal Performance Management Framework	05 performance compacts developed, and 4 assessment reviews conducted	02 assessment conducted	-	-	-	2 assessments conducted	Not applicable	Not applicable	Invitation, schedule, and Signed assessment attendance register	Manager: Performance Management System

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.6.3	Rolling out PMS(Workshop/T raining)	Number of PMS workshops conducted across the organisation.	12 PMS workshops conducted in 2022/2023	12 PMS workshops by June 2024	-	-	-	12 PMS workshops conducted	Not applicable	Not applicable	Invitations, Agenda, and attendance registers	Manager: Performance Management System
3.6.4	PMS Task Team Meetings	Number of PMS task team sittings	02 task Team meetings held in 2022/2023.	02Task Team Meetings	-	-	-	02 PMS Task Team meetings held	Not applicable	Not applicable	Agenda, Minutes, and attendance register	Manager: Performance Management System
3.6.5	IDP development	IDP process plan approved by 1 st quarter	Approved process plan	1 approved process plan	-	-	-	01 Approved process plan	Not applicable	Not applicable	Approved final process plan & council resolution	Manager: Integrated Development Planning

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.6.6	IDP Gap Analysis	Number of IDP Gap Analysis reports developed	2 Reports	IDP Mapping report	-	-	-	IDP Mapping report	Not applicable	Not applicable	Final Gap application report	Manager: Integrated Development Planning
3.6.7	IDP Process	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	-	-	-	1 Final alignment report and functional GIS system	Not applicable	Not applicable	Final alignment report and functional GIS system	Manager: Integrated Development Planning
NT.3.6.10	Implementation of the approved plan	Number of audit reports on the Implementation of IA plan	16 Reports issued	15 Reports to be issued	-	-	-	07 Reports issued	An increase in conducting consulting activities impacted	Audit will be conducted in 2024/2025	Issued Internal Audit reports	Chief Audit Executive

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
									on the implementation of the plan			
3.6.8	Follow-up reviews on previous queries raised	Submission of Quarterly reports to management and AC	4 reports to management and AC were submitted.	4 reports to management and AC	-	-	-	04 reports to management and AC	Not applicable	Not applicable	Follow-up reports	Chief Audit Executive
3.6.9	Follow up on audit committee resolutions	Number of reports on implementation of audit	4 reports on the implementation of audit committee resolutions	4 reports on the implementation of audit committee	-	-	-	4 reports on the implementation of audit committee	Not applicable	Not applicable	Updated AC resolution	Chief Audit Executive

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
		committee resolutions.	were developed.	resolutions to be submitted				resolutions submitted				
3.6.10	Audit commit sitting	Number of audit committee meetings	7 Audit committee meetings held	6 Audit committee meetings to be held	-	-	-	7 Audit committee meetings held	1 additional meeting was held as a management request	Not applicable	Attendance Register and minutes of the meetings held	Chief Audit Executive
3.6.11	Reports to council	Number of Internal Audit reports to council	5 Internal Audit Reports to council	4 Internal Audit Reports to council	-	-	-	5 Internal Audit Reports to council	Additional reports were driven by additional	Not applicable	Quarterly Reports to council	Chief Audit Executive

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
									audit requests from directorates			
3.6.12	Risk management report	Number of Risk management reports	04 Risk Management reports	04 Risk Management reports	-	-	-	04 Risk Management reports	Not applicable	Not applicable	RMC and Audit Committee Reports	Manager: Risk Management
3.6.16	Operational risk assessment	Number of operational risk registers developed by 1 st quarter	1 Strategic risk registers for 2023/2024 developed	04 Operational risk register reports	-	-	-	04 Operational risk register reports	Not applicable	Not applicable	Operational Risk Register and Attendance Register	Manager: Risk Management

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
		employees conducted.										
3.6.17	Risk committee sitting	Number of risk committee sittings	04 Risk Committee Meetings Held	04 Risk Meetings	-	-	-	04 Risk Meetings	Not applicable	Not applicable	Minutes of RMC and attendance registers	Manager: Risk Management
3.6.18	Customer Care and Complaints Management	Customer care and complaints management meetings held.	-	4 Customer care and complaints management meetings held.	-	-	-	4 Customer care and complaints management meetings were held.	Not applicable	Not applicable	Complaints Registers and attendance registers	Manager Communication

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.6.19	Effective and Improved communication both internal and external	Number of media statement and notices to be issued, uploaded on the website and social media accounts	-	12 Media statements and notices uploaded on website and social media pages.	-	-	-	12 Media statements and notices uploaded on the website and social media pages.	Not applicable	Not applicable	Media statements, Notices, website monthly reports	Manager: Communication
3.6.20	Newsletter Production and Delivery	Number of newsletters produced and distributed	-	40 000 copies of newsletters produced and circulated	-	-	-	30,000 copies of newsletters produced and circulated	Late delivery by service provider	To engage the supplier to deliver the newsletter earlier.	Newsletters and distribution registers	Manager: Communication

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.6.21	Establish and Maintain Media Relations, Media Monitoring and Analysis	Number of reports on the implementation of the SLAs signed with local media houses.	-	3 signed contracts/service level agreements with the local media houses and monitored the implementation/ service provided.	-	-	-	3 Media coverage and production and supply of reports supporting the work done	Not applicable	Not applicable	SLA's Media monitoring and Analysis reports	Manager: Communication
3.6.22	Water Services Authority	Development of water services development plan	New target	Development of water services development plan	-	-	-	water services plan developed	Not applicable	Not applicable	Approved water services development plan	WSA Manager

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.6.23	Water Services Authority	Development of water and sanitation policies (free basic, indigent, Tarif and sanitation)	New target	Approved water and sanitation policies	-	-	-	water and sanitation policies were approved	Not applicable	Not applicable	Approved water and sanitation policies	WSA Manager
3.6.24	Water Services Authority	Annual report for water services provision	New target	Annual performance report of water service provision	-	-	-	1 Annual performance report of water service provision submitted	Not applicable	Not applicable	Annual report for water services provision	WSA Manager

ANNUAL PERFORMANCE REPORT 2023/2024

Municipal KPA		Good Governance										
2019-24 MTSF Priority		A Capable, Ethical, and Developmental State										
Municipal Priority		Institutional										
Strategic Goal		Ensuring integrated development planning and integrated Human Settlement To build a capable and high-performing municipality										
KPI NO	Functional Area	Key Performance Indicator	Baseline	Annual Target	Revised / Refined Target	Original Budget	Revised Budget	APR 2023/2024			Portfolio of Evidence	Responsible Manager
								Annual Performance	Reason for Variance	Improvement Measures		
3.6.25	Water Services Authority	Development or review of water and sanitation master plan	New target	Development of water services master plan	-	-	-	Development of water services master plan	Service provider is yet to be appointed	To be implemented in 2024/2025	Approved water and sanitation master plan	WSA Manager

6. CONCLUSION

	<p>The 2023/2024 Annual Performance Report is a critical tool for relevant stakeholders to assess the municipality's progress toward realizing its vision and mission. This report is pivotal in aligning the Integrated Development Plan (IDP) with the budget, particularly about key performance areas (KPA's) such as service delivery and other municipal priorities.</p> <p>By ensuring the comprehensive implementation of planning and the submission of accurate data, the municipality empowers the communities of BLM to monitor and track the progress of IDP projects and programs.</p> <p>This plan is expected to accurately reflect the realities on the ground and successfully deliver on its objectives. Progress has been continuously tracked through in-year monitoring reports to ensure that quarterly targets are met, ultimately leading to the achievement of annual goals. This has been carried out in alignment with the five key performance areas of the municipality: Infrastructure Development and Basic Service Delivery, Municipal Institutional Transformation and Organizational Development, Local Economic Development (LED), Municipal Financial Viability and Management, and Good Governance and Public Participation.</p>

7. AUTHORISATION AND APPROVAL OF THE ANNUAL PERFORMANCE REPORT

TITLE	SURNAME AND INITIALS	COMMENTS	SIGNATURE	DATE
MUNICIPAL MANAGER	NGOBENI J	RECOMMENDED		25 JANUARY 2025
EXECUTIVE MAYOR	MOROANE M. L	APPROVED		25 JANUARY 2025

APPENDIX 1: REPORT OF EXTERNAL SERVICE PROVIDERS 2023/2024

DATE	OBJECTIVE	INVOICE DETAILS		PAYMENT DETAILS		OFFICIAL
		NUMBER	AMOUNT	AMOUNT	DATE	RESPONSIBLE
2023/07/06	PHOTO COPY RENTAL	IN-GRV12760	R 700 000.00	R 700 000.00	2023/08/18	CFO

DATE	OBJECTIVE	INVOICE DETAILS		PAYMENT DETAILS		OFFICIAL
		NUMBER	AMOUNT	AMOUNT	DATE	RESPONSIBLE
2023/07/21	PHOTO COPY RENTAL	IN-GRV12288	R 341 907.42	R 443 565.70	2023/07/07	CFO
2023/07/24	PHOTO COPY RENTAL	IN-GRV12754	R 409 363.89	R 433 565.70	2023/08/18	CFO
2023/07/24	PHOTO COPY RENTAL	IN-GRV12793	R 413 638.10	R 443 565.70	2023/08/18	CFO
2023/08/24	PHOTO COPY RENTAL	IN-GRV12904	R 433 565.70	R 449 064.08	2023/08/23	CFO
2023/08/24	PHOTO COPY RENTAL	IN-GRV13000	R 442 616.03	R 443 565.70	2023/09/08	CFO
2023/09/20	PHOTO COPY RENTAL	IN-GRV13102	R 443 465.70	R 463 672.41	2023/09/21	CFO
2023/09/20	PHOTO COPY RENTAL	IN-GRV13418	R 443 565.70	R 443 565.70	2023/10/04	CFO
2023/10/26	PHOTO COPY RENTAL	IN-GRV13414	R 443 565.70	R 443 565.70	2023/11/03	CFO
2023/10/26	PHOTO COPY RENTAL	IN-GRV14099	R 443 565.70	R 444 847.14	2023/11/06	CFO
2023/11/22	PHOTO COPY RENTAL	IN-GRV14105	R 443 565.70	R 443 465.70	2023/11/22	CFO
2023/11/22	PHOTO COPY RENTAL	IN-GRV13856	R 443 565.70	R 465 676.34	2023/12/22	CFO
2023/11/22	PHOTO COPY RENTAL	IN-GRV14098	R 443 565.70	R 918 009.36	2024/01/15	CFO
2023/11/22	PHOTO COPY RENTAL	IN-GRV13867	R 443 565.70	R 443 565.70	2024/01/25	CFO
2024/02/08	PHOTO COPY RENTAL	IN-GRV14703	R 443 565.70	R 341 907.42	2024/02/14	CFO
2024/02/08	PHOTO COPY RENTAL	IN-GRV14324	R 443 565.70	R 443 565.70	2024/02/22	CFO

2024/02/27	PHOTO COPY RENTAL	IN-GRV14550	R 443 565.70	R 433 565.71	2024/03/12	CFO
2024/03/08	PHOTO COPY RENTAL	IN-GRV14506	R 443 565.70	R 443 565.70	2024/03/15	CFO
2024/03/20	PHOTO COPY RENTAL	IN-GRV14813	R 444 847.14	R 413 638.10	2024/04/01	CFO
2024/03/20	PHOTO COPY RENTAL	IN-GRV14919	R 449 064.08	R 442 616.03	2024/04/19	CFO
2024/04/23	PHOTO COPY RENTAL	IN-GRV15163	R 463 672.41	R 443 565.70	2024/04/19	CFO
2024/05/31	PHOTO COPY RENTAL	IN-GRV15678	R 465 676.34	R 409 363.89	2024/05/16	CFO
2024/06/03	PHOTO COPY RENTAL	IN-GRV15268	R 474 443.66	R 442 616.03	2024/05/17	CFO
2024/06/19	PHOTO COPY RENTAL	IN-GRV15267	R 477 920.91	R 409 363.89	2024/06/12	CFO
2024/06/20	PHOTO COPY RENTAL	IN-GRV15700	R 494 121.94	R 951 797.28	2024/06/28	CFO
2024/06/28	PHOTO COPY RENTAL	IN-GRV15679	R 508 231.58	R 443 565.70	2024/06/28	CFO

DATE	OBJECTIVE	INVOICE DETAILS		PAYMENT DETAILS		OFFICIAL
		NUMBER	AMOUNT	AMOUNT	DATE	RESPONSIBLE
2023/07/31	CONSULTATION	APBR05413	R 6 745.00	R 6 745.00	2023/11/07	CFO
2023/07/31	CONSULTATION	IN-GRV13266	R 194 748.58			CFO
2023/09/01	CONSULTATION	IN-GRV12872	R 747 598.57	R 747 598.57	2023/09/06	CFO
2023/09/27	CONSULTATION	IN-GRV13605	R 175 725.00			CFO
2023/09/30	CONSULTATION	IN-GRV13269	R 194 748.58	R 194 748.58	2023/12/12	CFO
2023/10/31	CONSULTATION	APBR05437	R 25 946.00	R 584 245.74	2023/10/19	CFO
2023/10/31	CONSULTATION	APBR05437	R 121 000.00	R 146 946.00	2023/11/07	CFO
2023/10/31	CONSULTATION	IN-GRV13505	R 194 748.58	R 194 748.58	2024/03/08	CFO
2023/11/29	CONSULTATION	IN-GRV13746	R 194 748.58	R 220 826.00	2023/11/01	CFO
2023/11/30	CONSULTATION	IN-GRV14111	R 144 473.57	R 144 473.57	2024/01/18	CFO
2023/11/30	CONSULTATION	IN-GRV13722	R 154 725.00	R 154 725.00	2023/12/12	CFO
2023/12/11	CONSULTATION	IN-GRV13747	R 194 748.58	R 565 222.16	2023/12/13	CFO
2024/01/25	CONSULTATION	IN-GRV14449	R 26 450.00	R 26 450.00	2024/03/08	CFO

2024/01/25	CONSULTATION	IN-GRV14450	R 194 748.58	R 194 748.58	2024/03/22	CFO
2024/02/02	CONSULTATION	IN-GRV14223	R 826 000.00	R 825 900.00	2024/02/03	CFO
2024/02/09	CONSULTATION	IN-GRV14789	R 19 705.00			CFO
2024/02/09	CONSULTATION	IN-GRV14794	R 346 000.01	R 346 000.00	2024/04/13	CFO
2024/02/23	CONSULTATION	IN-GRV14604	R 194 748.58	R 795 600.00	2024/04/05	CFO
2024/02/29	CONSULTATION	IN-GRV14788	R 280 000.00	R 299 705.00	2024/04/12	CFO
2024/03/25	CONSULTATION	IN-GRV14739	R 795 600.00	R 194 748.58	2024/04/26	CFO
2024/03/26	CONSULTATION	IN-GRV15227	R 73 307.13			CFO
2024/04/04	CONSULTATION	IN-GRV14738	R 80 975.98	R 80 975.98	2024/04/09	CFO
2024/04/23	CONSULTATION	IN-GRV14966	R 194 748.58	R 194 748.58	2024/05/02	CFO
2024/04/30	CONSULTATION	IN-GRV15226	R 33 309.02			CFO
2024/05/27	CONSULTATION	IN-GRV15219	R 194 748.58	R 389 497.16	2024/06/07	CFO
2024/05/31	CONSULTATION	IN-GRV15220	R 194 748.58			CFO
2024/05/31	CONSULTATION	IN-GRV15259	R 320 000.00			CFO
2024/06/03	CONSULTATION	IN-GRV15239	R 4 732 000.00	R 4 732 000.00	2024/06/24	CFO
2024/06/24	CONSULTATION	GL-CBBR03242	R 426 616.15	R 426 616.15	2024/06/28	CFO
2024/06/28	CONSULTATION	IN-GRV15481	R 185 150.00			CFO

DATE	OBJECTIVE	INVOICE DETAILS		PAYMENT DETAILS		OFFICIAL
		NUMBER	AMOUNT	AMOUNT	DATE	RESPONSIBLE
2024/01/19	PERFORMANCE SYSTEM CONSULTANT	IN-GRV14149	R 372 600.00	R 828 000.00	2023/07/07	CFO
2024/04/24	PERFORMANCE SYSTEM CONSULTANT	IN-GRV15164	R 372 600.00	R 372 600.00	2024/02/01	CFO
2024/05/31	CONSULTATION	GL-CBBR03206	R 372 600.00	R 372 600.00	2024/05/31	CFO
	CONSULTATION			R 372 600.00	2024/06/12	CFO

DATE	OBJECTIVE	INVOICE DETAILS		PAYMENT DETAILS		OFFICIAL
		NUMBER	AMOUNT	AMOUNT	DATE	RESPONSIBLE
2023/07/26	DOCUMENT MANAGEMENT	IN-GRV12721	R 7 911.59	R 52 753.23	2023/07/25	CFO
2023/08/29	DOCUMENT MANAGEMENT	IN-GRV12973	R 7 911.59	R 7 911.59	2023/08/17	CFO
2023/10/11	DOCUMENT MANAGEMENT	APBR05359	R 2 207.52	R 7 911.59	2023/09/18	CFO
2023/10/11	DOCUMENT MANAGEMENT	APBR05359	R 5 204.62	R 25 605.97	2023/10/25	CFO
2023/10/11	DOCUMENT MANAGEMENT	APBR05359	R 8 366.32	R 7 911.59	2023/12/12	CFO
2023/10/26	DOCUMENT MANAGEMENT	IN-GRV13415	R 7 911.59			CFO
2023/10/30	DOCUMENT MANAGEMENT	IN-GRV13810	R 7 911.59	R 7 911.59	2023/08/02	CFO
2023/11/27	DOCUMENT MANAGEMENT	IN-GRV13827	R 7 911.59	R 7 911.59	2024/03/01	CFO
2023/12/27	DOCUMENT MANAGEMENT	APBR06097	R 7 911.59	R 7 911.59	2024/03/05	CFO
2024/01/26	DOCUMENT MANAGEMENT	APBR06096	R 10 547.98			CFO
2024/03/26	DOCUMENT MANAGEMENT	IN-GRV15059	R 7 618.38	R 59 752.82	2024/05/10	CFO
2024/04/30	DOCUMENT MANAGEMENT	IN-GRV15024	R 52 134.44			CFO
2024/05/01	DOCUMENT MANAGEMENT	IN-GRV15353	R 22 688.10			CFO

DATE	OBJECTIVE	INVOICE DETAILS	PAYMENT DETAILS	OFFICIAL
------	-----------	-----------------	-----------------	----------

		NUMBER	AMOUNT	AMOUNT	DATE	RESPONSIBLE
2023/07/18	CONSULTATION	INV3034	R 935 646.09	R 1 295 670.94	2023/07/21	CFO
2023/08/15	CONSULTATION	INV3035	R 1 460 919.46	R 1 140 008.34	2023/07/21	CFO
2023/11/01	CONSULTATION	INV3036	R 2 442 794.31	R 935 646.09	2023/09/08	CFO
2023/12/07	CONSULTATION	INV3037	R 2 812 843.24	R 1 460 919.46	2023/09/28	CFO
				R 2 442 794.31	2023/11/23	CFO
				R 2 812 743.24	2023/12/21	CFO

DATE	OBJECTIVE	INVOICE DETAILS		PAYMENT DETAILS		OFFICIAL
		NUMBER	AMOUNT	AMOUNT	DATE	RESPONSIBLE
2023/09/30	VALUATION ROLL CONSULTANT	IN-GRV13482	R 175 275.00	R 175 275.00	2023/11/16	CFO
2024/03/12	VALUATION ROLL CONSULTANT	IN-GRV14543	R 219 440.20	R 219 440.20	2024/03/15	CFO
2024/03/16	VALUATION ROLL CONSULTANT	GL-CBBR03084	R 219 440.20	R 219 440.20	2024/03/16	CFO
2024/06/30	VALUATION ROLL CONSULTANT	IN-GRV15344	R 412 605.03			CFO
2024/06/30	VALUATION ROLL CONSULTANT	IN-GRV15412	R 415 605.03			CFO

DATE	OBJECTIVE	INVOICE DETAILS		PAYMENT DETAILS		OFFICIAL
		NUMBER	AMOUNT	AMOUNT	DATE	RESPONSIBLE
2023/07/01	FLEET MANAGEMENT CONSULTANT	APBR06007	R 865 653.78	R 794 657.14	2023/07/04	CFO
2023/07/06	FLEET MANAGEMENT CONSULTANT	APBR06089	R 400 000.00	R 321 495.27	2023/07/05	CFO
2023/07/19	FLEET MANAGEMENT CONSULTANT	IN-GRV12720	R 469 309.94	R 400 384.61	2023/07/14	CFO

2023/07/21	FLEET MANAGEMENT CONSULTANT	IN-GRV12627	R	93 444.09	R	245 241.97	2023/07/17	CFO
2023/07/21	FLEET MANAGEMENT CONSULTANT	IN-GRV12628	R	133 544.13	R	289 800.00	2023/07/17	CFO
2023/07/21	FLEET MANAGEMENT CONSULTANT	GL-CBBR02754	R	321 495.27	R	0.01	2023/07/17	CFO
2023/08/01	FLEET MANAGEMENT CONSULTANT	IN-GRV12756	R	232 760.69	R	321 495.27	2023/07/21	CFO
2023/08/01	FLEET MANAGEMENT CONSULTANT	IN-GRV12792	R	400 384.61	R	133 544.13	2023/08/03	CFO
2023/08/03	FLEET MANAGEMENT CONSULTANT	IN-GRV12755	R	289 800.00	R	93 444.09	2023/08/03	CFO
2023/08/21	FLEET MANAGEMENT CONSULTANT	IN-GRV12855	R	29 682.54	R	469 309.94	2023/08/17	CFO
2023/08/21	FLEET MANAGEMENT CONSULTANT	IN-GRV12912	R	152 977.79	R	232 760.68	2023/08/18	CFO
2023/08/31	FLEET MANAGEMENT CONSULTANT	IN-GRV12983	R	317 400.00	R	289 800.00	2023/08/18	CFO
2023/08/31	FLEET MANAGEMENT CONSULTANT	IN-GRV12905	R	400 384.61	R	400 384.61	2023/08/25	CFO
2023/09/04	FLEET MANAGEMENT CONSULTANT	IN-GRV12997	R	309 237.21	R	29 682.54	2023/09/05	CFO
2023/09/08	FLEET MANAGEMENT CONSULTANT	GL-CBBR02832	R	553 362.40	R	553 362.40	2023/09/08	CFO
2023/09/12	FLEET MANAGEMENT CONSULTANT	IN-GRV13022	R	400 464.78	R	400 384.61	2023/09/08	CFO
2023/09/12	FLEET MANAGEMENT CONSULTANT	IN-GRV13101	R	1 190 421.96	R	152 977.97	2023/09/08	CFO
2023/09/30	FLEET MANAGEMENT CONSULTANT	IN-GRV13136	R	400 384.61	R	317 400.00	2023/09/19	CFO
2023/10/12	FLEET MANAGEMENT CONSULTANT	IN-GRV13193	R	276 000.00	R	309 237.20	2023/09/21	CFO
2023/10/19	FLEET MANAGEMENT CONSULTANT	IN-GRV13258	R	93 192.57	R	400 464.78	2023/09/29	CFO
2023/10/19	FLEET MANAGEMENT CONSULTANT	IN-GRV13259	R	550 683.43	R	79 255.27	2023/09/29	CFO
2023/11/01	FLEET MANAGEMENT CONSULTANT	IN-GRV13813	R	12 928.75	R	1 190 421.96	2023/10/03	CFO
2023/11/01	FLEET MANAGEMENT CONSULTANT	IN-GRV13500	R	317 400.00	R	400 384.61	2023/10/06	CFO
2023/11/01	FLEET MANAGEMENT CONSULTANT	IN-GRV13463	R	400 384.61	R	276 000.00	2023/10/16	CFO

2023/11/02	FLEET MANAGEMENT CONSULTANT	IN-GRV13840	R 1 426 822.25	R 93 192.58	2023/10/20	CFO
2023/11/03	FLEET MANAGEMENT CONSULTANT	APBR05857	R 377 159.04	R 550 683.43	2023/10/20	CFO
2023/11/03	FLEET MANAGEMENT CONSULTANT	APBR05857	R 449 131.50	R 400 384.61	2023/11/17	CFO
2023/11/27	FLEET MANAGEMENT CONSULTANT	IN-GRV13731	R 1 021 213.14	R 317 400.00	2023/11/23	CFO
2023/11/30	FLEET MANAGEMENT CONSULTANT	IN-GRV13730	R 303 600.00	R 826 290.54	2023/11/23	CFO
2023/11/30	FLEET MANAGEMENT CONSULTANT	IN-GRV13641	R 400 384.61	R 400 384.61	2023/12/07	CFO
2023/12/05	FLEET MANAGEMENT CONSULTANT	IN-GRV13843	R 39 721.59	R 303 600.00	2023/12/12	CFO
2023/12/07	FLEET MANAGEMENT CONSULTANT	IN-GRV13837	R 252 251.70	R 1 021 217.14	2023/12/13	CFO
2023/12/09	FLEET MANAGEMENT CONSULTANT	IN-GRV13039	R 79 255.27	R 1 544 188.07	2023/12/13	CFO
2023/12/12	FLEET MANAGEMENT CONSULTANT	IN-GRV13751	R 1 021 217.14	R 39 721.59	2023/12/22	CFO
2023/12/13	FLEET MANAGEMENT CONSULTANT	GL-CBBR03195	R 1 544 188.07	R 252 251.70	2023/12/22	CFO
2023/12/18	FLEET MANAGEMENT CONSULTANT	IN-GRV13836	R 1 055 642.33	R 1 055 642.33	2023/12/22	CFO
2023/12/22	FLEET MANAGEMENT CONSULTANT	IN-GRV14106	R 220 800.00	R 1 426 822.25	2023/12/22	CFO
2023/12/22	FLEET MANAGEMENT CONSULTANT	IN-GRV14102	R 400 384.61	R 400 384.61	2024/01/18	CFO
2024/01/25	FLEET MANAGEMENT CONSULTANT	IN-GRV14404	R 53 730.85	R 12 928.78	2024/01/18	CFO
2024/01/31	FLEET MANAGEMENT CONSULTANT	IN-GRV14258	R 289 800.00	R 220 800.00	2024/01/26	CFO
2024/01/31	FLEET MANAGEMENT CONSULTANT	IN-GRV14253	R 400 384.61	R 400 384.61	2024/02/19	CFO
2024/02/26	FLEET MANAGEMENT CONSULTANT	IN-GRV14443	R 1 171 444.11	R 289 800.00	2024/02/23	CFO
2024/02/29	FLEET MANAGEMENT CONSULTANT	IN-GRV14577	R 289 800.00	R 53 730.85	2024/03/01	CFO
2024/02/29	FLEET MANAGEMENT CONSULTANT	IN-GRV14551	R 400 384.61	R 1 171 444.11	2024/03/05	CFO
2024/03/01	FLEET MANAGEMENT CONSULTANT	IN-GRV14853	R 400 384.61	R 400 384.61	2024/03/16	CFO

2024/03/08	FLEET MANAGEMENT CONSULTANT	IN-GRV14579	R 772 195.42	R 289 800.00	2024/03/18	CFO
2024/03/19	FLEET MANAGEMENT CONSULTANT	IN-GRV14764	R 499 291.04	R 772 195.42	2024/03/18	CFO
2024/03/20	FLEET MANAGEMENT CONSULTANT	IN-GRV14860	R 1 097 309.52	R 499 291.04	2024/04/05	CFO
2024/03/25	FLEET MANAGEMENT CONSULTANT	IN-GRV15155	R 124 892.02	R 400 384.61	2024/04/12	CFO
2024/03/31	FLEET MANAGEMENT CONSULTANT	IN-GRV14904	R 276 000.00	R 1 097 309.52	2024/04/12	CFO
2024/04/12	FLEET MANAGEMENT CONSULTANT	IN-GRV14896	R 1 147 156.76	R 276 000.00	2024/04/16	CFO
2024/04/25	FLEET MANAGEMENT CONSULTANT	IN-GRV15110	R 3 074 738.00	R 1 147 156.75	2024/04/16	CFO
2024/04/30	FLEET MANAGEMENT CONSULTANT	IN-GRV15165	R 400 384.61	R 3 074 738.09	2024/05/10	CFO
2024/05/07	FLEET MANAGEMENT CONSULTANT	IN-GRV15474	R 121 142.49	R 124 892.02	2024/05/16	CFO
2024/05/30	FLEET MANAGEMENT CONSULTANT	IN-GRV15106	R 303 600.00	R 303 600.00	2024/05/17	CFO
2024/05/31	FLEET MANAGEMENT CONSULTANT	IN-GRV15473	R 289 800.00	R 400 384.61	2024/05/23	CFO
2024/05/31	FLEET MANAGEMENT CONSULTANT	IN-GRV15283	R 400 384.61	R 569 852.60	2024/06/28	CFO
2024/06/10	FLEET MANAGEMENT CONSULTANT	IN-GRV15472	R 2 803 289.08	R 205 401.97	2024/06/28	CFO
2024/06/11	FLEET MANAGEMENT CONSULTANT	IN-GRV15313	R 205 401.97			CFO
2024/06/19	FLEET MANAGEMENT CONSULTANT	IN-GRV15284	R 169 467.99			CFO
2024/06/30	FLEET MANAGEMENT CONSULTANT	IN-GRV15656	R 262 200.00			CFO
2024/06/30	FLEET MANAGEMENT CONSULTANT	IN-GRV15564	R 400 384.60			CFO

DATE	OBJECTIVE	INVOICE DETAILS		PAYMENT DETAILS		OFFICIAL RESPONSIBLE
		NUMBER	AMOUNT	AMOUNT	DATE	
2023/07/03	ASSET MANAGEMENT CONSULTANT	IN-GRV12323	R 450 000.00	R 450 000.00	2023/07/18	CFO

2024/02/27	ASSET MANAGEMENT CONSULTANT	IN-GRV14425	R 1 989 905.78	R 2 709 929.05	2023/11/01	CFO
2023/10/10	ASSET MANAGEMENT CONSULTANT	IN-GRV13501	R 2 205 014.74	R 2 205 014.73	2023/12/06	CFO
2024/04/09	ASSET MANAGEMENT CONSULTANT	IN-GRV15020	R 2 496 368.61	R 1 989 905.78	2024/03/05	CFO
2023/10/10	ASSET MANAGEMENT CONSULTANT	IN-GRV13380	R 2 709 929.05	R 1 248 184.30	2024/04/30	CFO
				R 1 248 184.30	2024/06/28	CFO

DATE	OBJECTIVE	INVOICE DETAILS		PAYMENT DETAILS		OFFICIAL RESPONSIBLE
		NUMBER	AMOUNT	AMOUNT	DATE	
2023/07/01	TRAFFIC MANAGEMENT CONSULTANT	APBR05374	R 6 154.80	R 119 350.00	2023/09/04	CFO
2024/02/19	TRAFFIC MANAGEMENT CONSULTANT	GL-CBBR03041	R 11 649.50	R 137 252.50	2023/09/06	CFO
2024/03/11	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV14815	R 24 943.50	R 137 252.50	2023/09/08	CFO
2023/07/01	TRAFFIC MANAGEMENT CONSULTANT	APBR05374	R 39 353.00	R 137 252.50	2023/09/21	CFO
2023/09/04	TRAFFIC MANAGEMENT CONSULTANT	APBR06409	R 119 350.00	R 137 252.50	2023/10/13	CFO
2023/08/02	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV12880	R 137 252.50	R 137 252.50	2023/10/16	CFO
2023/08/03	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV12911	R 137 252.50	R 137 252.50	2023/11/17	CFO
2023/09/04	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV13001	R 137 252.50	R 11 649.50	2024/02/19	CFO
2023/09/21	TRAFFIC MANAGEMENT CONSULTANT	GL-CBBR02832	R 137 252.50	R 411 757.50	2024/02/20	CFO
2023/10/11	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV13191	R 137 252.50	R 137 252.50	2024/02/22	CFO
2023/11/02	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV13469	R 137 252.50	R 137 252.50	2024/02/22	CFO

2023/12/01	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV14285	R 137 252.50	R 137 252.50	2024/03/27	CFO
2024/01/03	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV14287	R 137 252.50	R 25 668.00	2024/03/28	CFO
2024/02/02	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV14286	R 137 252.50	R 137 252.50	2024/03/28	CFO
2024/03/01	TRAFFIC MANAGEMENT CONSULTANT	IN-GRV14586	R 137 252.50	R 24 943.50	2024/05/02	CFO
2024/02/20	TRAFFIC MANAGEMENT CONSULTANT	GL-CBBR03040	R 411 757.50			CFO

APPENDIX B

ANNUAL FINANCIAL STATEMENT 2023/2024



BUSHBUCKRIDGE

LOCAL MUNICIPALITY

Auditor - General
South - Africa

12 Nel Street Docex 39

2024 -11- 30

PO Box 2684 Nelspruit 1200
Mpumalanga

Auditor - General South - Africa
12 Nel Street Doorn - 10
2024 -11- 30
PO Box 2684 Nelspruit 1200
Mpumalanga

Bushbuckridge Local Municipality

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

General Information

LEGAL FORM OF ENTITY

Municipality in terms of section 9 of the Local Government Structures Act (Act 117 of 1996) read with section 155 (i) of the Constitution of the 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 (Resigned 18 June 2024)

Cllr BR Rakganya: Speaker

Cllr BW Malandule: Chief Whip

Cllr VN Mzimba: MMC Social Services (Dissolved as per MSA s60(5))

Cllr S Mathebula: MMC Corporate Services (Dissolved as per MSA s60(5))

Cllr TW Ngomane : MMC Finance (Dissolved as per MSA s60(5))

Cllr MP Gumede : MMC Sport, Culture (Dissolved as per MSA s 60(5))

Cllr PM Sambo: MMC Technical Services (Dissolved as per MSA s60(5))

Cllr P Gubayi: MMC EDPE Services (Dissolved as per MSA s 60(5))

Cllr LS Mhaule: MMC Public Safety (Dissolved as per MSA s60(5))

Cllr ML Lekhuleni: MPAC Chairperson (Dissolved as per MSA s60 (5))

Councillors

Cllr MS Phelepe

Cllr F Mbhanze

Cllr ML Ndlovu (Resigned 31 May 2024)

Cllr KI Dube

Cllr GLD Sambo

Cllr ML Nkuna (Deceased 30 September 2023)

Cllr AM Mathebula

Cllr IS Mashava

Cllr HE Sihlabela

Cllr DV Mdluli

Cllr SO Makhubela

Cllr R Qhibi (Resigned 11 June 2024)

Cllr SC Malomane

Cllr ST Mkhabela

Cllr K Nukeri

Cllr L Matsie

Cllr AW Hlathwayo

Cllr SO Malatsie

Cllr GB Sebatane

Cllr M Mangani

Cllr S Khumalo

Cllr C Mnisi

Cllr KR Mashile

Cllr E Mashele

Cllr TT Mapsila

Cllr MG Mbazima

Cllr OK Mokoena

Cllr LM Mashile

Cllr GW Nziyane

Cllr ML Monareng

Cllr RJ Ngomane



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

General Information



Clir T Nxumalo
Clir VJ Mokgotho
Clir KJ Shabangu
Clir MP Mashego
Clir MH Mpangane
Clir Z Nyathi
Clir SH Kubayi
Clir P Mathlavane
Clir EE Mabunda
Clir T Mthombeni
Clir SL Sithole
Clir TG Nzima
Clir RH Mokoena
Clir A Mokoena
Clir BP Mngomezulu
Clir BV Mnisi
Clir G Mashego
Clir PM Male
Clir BM Mpangana
Clir JT Madalane
Clir RS Mashego
Clir E Mashego
Clir TR Mashigo
Clir A Mkonto
Clir D Ngobeni
Clir BN Ngobeni
Clir ST Mahlakoane
Clir JB Malomane
Clir BS Mametja
Clir A Mashaba
Clir N Mogane
Clir SM Hlatshwayo
Clir G Shabangu
Clir TM Mashinini
Clir H Thobakgale

GRADING OF LOCAL AUTHORITY

4

ACCOUNTING OFFICER

Mr. J Ngobeni

CHIEF FINANCIAL OFFICER (CFO)

Ms. TM Mathabatha

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)

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Contents

	PAGE
Accounting Officer's Responsibilities and Approval	4
Audit Committee Report	5 - 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 Amounts	13 - 17
Significant Accounting Policies	18 - 57
Notes to the Annual Financial Statements for the year ending 30 June 2024	58 - 97

Abbreviations used:

AGSA	Auditor General South Africa
PPE	Property, Plant and Equipment
GRAP	Generally Recognised Accounting Practice
FMG	Finance Management Grant
EPWP	Expanded Public Works Programme
DORA	Division of Revenue Act
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
VAT	Value 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 2024

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is 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 a going concern basis, were approved by Council on 29 August 2024 and were signed on its behalf by:

Accounting Officer
Mr. J Ngobeni



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2024.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

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

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Ms. Phetego Mokgope (Chairperson)	10
Advocate Geraldine Khoza	10
Ms. Patience Ntuli (CA (SA)	10
Mr. Kenneth Mhlongo	10
Mr. Michael Secker (CA (SA) (Appointed 1 June 2024)	2

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 IV 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 audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices
- reviewed the entities compliance with legal and regulatory provisions;

The audit committee concur with and accept the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

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.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Audit Committee Report



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2024.

1. REVIEW OF ACTIVITIES

MAIN BUSINESS AND OPERATIONS

Net surplus of the municipality was R 439,630,074 (2023: surplus R 487,673,072).

2. GOING CONCERN

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus (deficit) and that the municipality's total assets exceed its liabilities by R 6,757,425,925.

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:

1. Current assets exceed current liabilities.
2. Under DORA the municipality has been allocated funds for three years 2024/25 to 2026/27.
3. 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.
4. In addition the municipality collects revenue for services rendered and this will augment cashflows in subsequent years.

3. SUBSEQUENT EVENTS

The municipality elected Cllr Matlanatso Lydia Moroane on 16 July 2024 as the Executive Mayor following the resignation of Cllr CS Nxumalo on 18 June 2024. The following Members of the Mayoral Committee of various portfolios were appointed by the newly elected Executive Mayor as follows:

- Cllr T.W Ngomane - MMC Corporate Services
- Cllr. V. Mzimba -MMC Finance
- Cllr. S. Mathebula - MMC Social Development
- Cllr. L. Mhaule - MMC Public Safety
- Cllr. P. Sambo P -MMC Technical Services
- Cllr .P. Gubayi - MMC EDPE
- Cllr. P. Gumede -MMC Culture, Arts and Sports

4. ACCOUNTING OFFICERS' INTEREST IN CONTRACTS

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

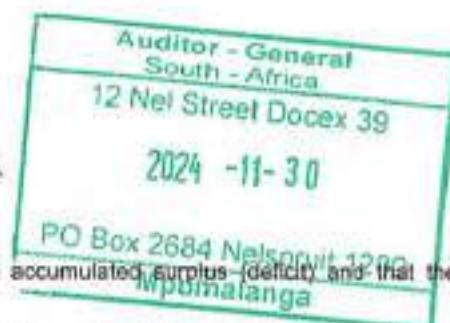
5. ACCOUNTING POLICIES

The 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 officer of the municipality during the year follows:

Name	Nationality
Mr J Ngobenl	South African



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Report

7. CORPORATE GOVERNANCE

GENERAL

The accounting officer is 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 on Corporate Governance for South Africa 1 April 2017. The accounting officer discuss the responsibilities of management in this respect, at Senior Management meetings and monitor the municipality's compliance with the code on a regular basis.

MANAGEMENT MEETINGS

The accounting officer has met with senior management and management on separate occasions during the financial year, he schedules 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) is mandated to continue as Auditors.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the Council and were signed by the accounting officer on 29 August 2024 on its behalf by:

Accounting Officer
Mr. J Ngobeni



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

		2024	2023 Restated*
	Note(s)		
Assets			
Current Assets			
Inventories	10	38,501,449	34,226,689
Prepayments	11	4,739,218	4,750,168
Receivables from non-exchange transactions	12	756,635,084	782,100,693
VAT receivable	13	52,292,423	83,550,589
Receivables from exchange transactions	14	285,256,832	220,100,020
Cash and cash equivalents	15	148,626,984	205,591,710
		1,286,051,990	1,331,319,869
Non-Current Assets			
Investment property	2	99,043,763	99,669,127
Property, plant and equipment	3	6,088,291,964	5,386,034,993
Intangible assets	4	24,329	255,485
		6,187,360,056	5,485,959,605
Total Assets		7,473,412,046	6,817,279,474
Liabilities			
Current Liabilities			
Payables from exchange transactions	5	514,877,440	276,118,016
Consumer deposits	7	2,514,854	2,514,854
Unspent conditional grants and receipts	8	14,720,000	48,769,177
Provisions	9	75,496,107	68,839,638
		607,608,401	396,241,685
Non-Current Liabilities			
Provisions	9	108,377,720	103,241,938
Total Liabilities		715,986,121	499,483,623
Net Assets		6,757,425,925	6,317,795,851
Accumulated surplus		6,757,425,925	6,317,795,851
Total Net Assets		6,757,425,925	6,317,795,851



* See Note 51

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

		2024	2023 Restated*
	Note(s)		
Revenue			
Revenue from exchange transactions			
Service charges	16	127,169,549	118,616,511
Rental of facilities and equipment	17	1,200,248	1,066,490
Interest received	18	21,709,972	18,636,744
Agency services	19	15,821,137	14,814,487
Licences and permits	20	381,473	246,594
Other income	21	13,413,954	6,856,912
Interest received - receivables from exchange transactions	22	65,568,867	47,034,570
Total revenue from exchange transactions		245,265,200	207,272,308
Revenue from non-exchange transactions			
TAXATION REVENUE			
Property rates	23	265,723,414	252,547,989
Interest - receivables from non exchange transactions	24	138,329,791	108,643,281
TRANSFER REVENUE			
Government grants & subsidies	25	1,615,170,249	1,484,707,222
Public contributions and donations	26	14,779,428	9,945,360
Fines, Penalties and Forfeits	27	2,848,050	3,901,282
Total revenue from non-exchange transactions		2,036,850,932	1,859,745,134
Total revenue		2,282,116,132	2,067,017,442
Expenditure			
Employee related costs	28	(678,091,140)	(631,572,215)
Remuneration of councillors	29	(34,224,192)	(32,083,987)
Waiver of debt	57	(77,913,962)	-
Depreciation and amortisation	30	(180,536,735)	(157,189,055)
Finance costs	31	(15,440,455)	(11,682,677)
Debt impairment	32	(216,628,614)	(320,155,327)
Bad debts written off	33	(59,161)	(96,875)
Contracted services	34	(393,710,829)	(303,772,149)
Transfers and Subsidies	35	(6,497,491)	(12,070,891)
General Expenses	36	(200,351,745)	(108,622,626)
Total expenditure		(1,803,454,324)	(1,577,225,802)
Operating surplus		478,661,808	489,791,640
Loss on disposal of assets and liabilities	37	(37,048,688)	(11,009,110)
Actuarial gains/losses	38	1,331,605	2,168,204
Gain/(loss) on provisions	39	1,369,394	6,986,393
Impairment loss	40	(4,684,045)	(264,055)
		(39,031,734)	(2,118,568)
Surplus for the year		439,630,074	487,673,072



* See Note 51

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

	Accumulated surplus / deficit	Total net assets
Balance as previously reported at 1 July 2022	5,901,132,476	5,901,132,476
Correction of Errors- Refer to Note 51	(71,009,697)	(71,009,697)
Opening balance as at 1 July 2022	<u>5,830,122,779</u>	<u>5,830,122,779</u>
Surplus for the year	487,673,072	487,673,072
Total changes	<u>487,673,072</u>	<u>487,673,072</u>
Restated* Balance at 01 July 2023	<u>6,317,795,851</u>	<u>6,317,795,851</u>
Surplus for the year	439,630,074	439,630,074
Total changes	<u>439,630,074</u>	<u>439,630,074</u>
Balance at 30 June 2024	<u>6,757,425,925</u>	<u>6,757,425,925</u>
Note(s)		



* See Note 51

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

		2024	2023 Restated*
	Note(s)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		361,066,913	216,351,352
Grants		1,623,226,512	1,533,476,399
Interest income		21,709,972	18,636,744
Rental of facilities and equipment		1,200,248	1,066,460
Agency income		15,621,137	14,814,487
Other income		13,413,954	6,856,912
License and permits		381,473	246,594
		<u>2,036,620,209</u>	<u>1,791,448,978</u>
Payments			
Employee costs		(718,969,389)	(660,051,139)
Suppliers		(598,665,349)	(520,048,154)
Finance costs		(3,902,383)	(7,798,489)
		<u>(1,321,537,121)</u>	<u>(1,187,897,782)</u>
Net cash flows from operating activities	44	<u>715,283,088</u>	<u>603,551,196</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(773,247,814)	(740,470,732)
Net cash flows from investing activities		<u>(773,247,814)</u>	<u>(740,470,732)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash and cash equivalents		<u>(57,964,726)</u>	<u>(136,919,536)</u>
Cash and cash equivalents at the beginning of the year		206,591,710	343,511,246
Cash and cash equivalents at the end of the year	15	<u>148,626,984</u>	<u>206,591,710</u>

The accounting policies on pages 18 to 57 and the notes on pages 58 to 97 form an integral part of the annual financial statements.

* See Note 51

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Auditor - General South - Africa
12 Nel Street Docex 39
2024 -11- 30
PO Box 2684 Nelspruit 1200
Mpumalanga

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	90,745,000	34,267,000	125,012,000	127,169,549	2,157,549	
Rental of facilities and equipment	1,082,000	-	1,082,000	1,200,248	118,248	
Interest received	7,500,000	13,449,000	20,949,000	21,709,972	760,972	
Agency income	11,060,000	4,450,000	15,510,000	15,821,137	311,137	
Licences and permits	5,335,000	584,000	5,919,000	381,473	(5,537,527)	A1
Other income	7,258,000	292,142,240	299,398,240	13,413,954	(285,984,286)	A2
Interest received - Exchange receivables	4,799,360	54,299,400	59,098,760	65,568,867	6,470,107	
Total revenue from exchange transactions	127,777,360	399,191,640	526,969,000	245,265,200	(281,703,800)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	250,631,000	-	250,631,000	265,723,414	15,092,414	
Interest - non exchange receivables	19,160,000	132,840,000	152,000,000	138,329,791	(13,670,209)	
Transfer revenue						
Government grants & subsidies	1,629,374,000	(457,000)	1,628,917,000	1,615,170,249	(13,746,751)	
Public contributions and donations	-	-	-	14,779,428	14,779,428	A3
Fines, Penalties and Forfeits	2,000,000	1,099,003	3,099,003	2,848,050	(250,953)	
Total revenue from non-exchange transactions	1,901,165,000	133,482,003	2,034,647,003	2,036,850,932	2,203,929	
Total revenue	2,028,942,360	532,673,643	2,561,616,003	2,282,116,132	(279,499,871)	
Expenditure						
Employee related cost	(600,453,000)	(60,120,000)	(660,573,000)	(678,091,140)	(17,518,140)	
Remuneration of councillors	(29,411,000)	(1,500,000)	(30,911,000)	(34,224,192)	(3,313,192)	
Waiver of debt	-	-	-	(77,913,962)	(77,913,962)	A5
Depreciation and amortisation	(115,024,000)	(60,000,000)	(175,024,000)	(180,538,735)	(5,512,735)	
Impairment loss	-	-	-	(4,684,045)	(4,684,045)	A5
Finance costs	(770,000)	(13,330,234)	(14,100,234)	(15,440,455)	(1,340,221)	
Debt Impairment	(100,557,000)	(282,900,300)	(383,457,300)	(216,628,614)	166,828,686	
Bad debts written off	-	-	-	(59,161)	(59,161)	A7
Contracted Services	(252,516,000)	(71,986,237)	(324,482,237)	(393,710,829)	(69,228,592)	A8
Transfers and Subsidies	(2,319,000)	(9,081,338)	(11,400,338)	(6,497,491)	4,902,847	
General Expenses	(147,249,000)	(69,605,911)	(216,854,911)	(200,351,745)	16,503,166	
Inventory consumed	(31,323,000)	(4,141,000)	(35,464,000)	-	35,464,000	
Total expenditure	(1,279,622,000)	(572,645,020)	(1,852,267,020)	(1,808,138,369)	44,128,651	
Operating surplus	749,320,360	(39,971,377)	709,348,983	473,977,763	(235,371,220)	
Loss on disposal of assets and liabilities	2,163,000	476,899	2,639,899	(37,048,686)	(39,688,587)	A4

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Actuarial gains/losses	-	-	-	1,331,605	1,331,605	A9
Gain/(loss) on provisions	-	-	-	1,369,394	1,369,394	A10
	2,163,000	476,899	2,639,899	(34,347,689)	(36,987,588)	
Surplus before taxation	751,483,360	(39,494,478)	711,988,882	439,630,074	(272,358,808)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	751,483,360	(39,494,478)	711,988,882	439,630,074	(272,358,808)	
Reconciliation						

The municipality provides variance explanations for budget vs actual for those variances exceeding 10%.

Variance Explanations

A1- less applications received on business licencing.

A2- the municipality maintain savings in bank balances over the years and these were budgeted to implement projects using the savings. The amount was budgeted under Other Income and was considered to have been received at the beginning of the year.

A3- The municipality received donations from various organisations which was not anticipated.

A4- Due to disposal of boreholes and infrastructure assets that were found to be decommissioned and beyond repair.

A5- recoverable amount of certain assets was found to be below the carrying value and hence impaired. The amount of the impairment was higher than anticipated during the budgeting process.

A6- Due to the implementation of the 50% discount which increased the municipal revenue collection, the amount of the debt impairment was lower than anticipated during the budgeting process.

A7- The municipal offered an incentive for customers to pay only 50% of the outstanding debt on full settlement, as a result the other 50% was written off which was more than anticipated during budgeting.

A8- Higher expenditure on security, professional fees, maintenance of municipal infrastructure and the flooding disaster led to the increase in expenditure than anticipated.

A9- Current service cost, interest cost and changes in CPI and other criterion used by actuaries. Was not budget for

A10- Changes due to discount factors , was not budgeted for



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<div style="border: 2px solid green; padding: 10px; transform: rotate(-2deg); display: inline-block;"> <p>Auditor - General South - Africa 12 Nel Street Docex 39 2024 -11-30 PO Box 2684 Nelspruit 1200 Mpumalanga</p> </div>						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	19,677,000	15,086,795	34,763,795	38,501,449	3,737,654	
Prepayments	-	-	-	4,739,218	4,739,218	B3
Receivables from non-exchange transactions	602,891,475	(437,043,223)	165,848,252	756,635,084	590,786,832	B1
VAT receivable	337,511,000	(119,928,906)	217,582,094	(52,292,423)	(269,874,517)	B2
Receivables from exchange transactions	220,072,808	(14,151,067)	205,921,741	285,256,832	79,335,091	B4
Other current assets	72,766	(72,766)	-	-	-	
Cash and cash equivalents	389,182,624	(235,645,295)	153,537,329	148,626,984	(4,910,345)	
	1,569,407,673	(791,754,462)	777,653,211	1,181,467,144	403,813,933	
Non-Current Assets						
Investment property	12,119,000	81,091,602	93,210,602	99,043,783	5,833,161	
Property, plant and equipment	5,677,559,000	(262,905,558)	5,414,653,442	6,088,291,964	673,638,522	
Intangible assets	14,917,000	(14,661,762)	255,238	24,329	(230,909)	B5
	5,704,595,000	(196,475,718)	5,508,119,282	6,187,360,056	679,240,774	
Total Assets	7,274,002,673	(988,230,180)	6,285,772,493	7,368,827,200	1,083,054,707	
Liabilities						
Current Liabilities						
Payables from exchange transactions	886,883,563	(618,327,713)	268,555,850	514,877,439	246,321,589	B6
VAT payable	16,562,084	55,192,331	71,744,415	-	(71,744,415)	
Consumer deposits	2,514,473	-	2,514,473	2,514,854	381	
Unspent conditional grants and receipts	-	-	-	14,720,000	14,720,000	B7
Provisions	66,373,450	2,466,188	68,839,638	75,496,107	6,656,469	
	972,323,570	(560,669,194)	411,654,376	607,608,400	195,954,024	
Non-Current Liabilities						
Provisions	106,897,063	(3,655,125)	103,241,938	108,377,720	5,135,782	
Total Liabilities	1,079,220,633	(564,324,319)	514,896,314	715,986,120	201,089,806	
Net Assets	6,194,782,040	(423,905,861)	5,770,876,179	6,652,841,080	881,964,901	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	6,194,782,040	(423,905,861)	5,770,876,179	6,757,425,925	986,549,746	

Variance Explanations

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

B1- The increase is attributable to non-payment and increased interest rates on non-receivables.

B2-Expected refunds from SARS were higher than anticipated at the beginning of the year.

B3- This relates to ESKOM invoices paid in advance.

B4- The increase is attributable to non-payment and increased interest rates on non-receivables.

B5- The municipality budgeted for depreciation on an anticipated average depreciation for the year and did not take into account the accelerated depreciation on software due to its very short lifespan.

B6-The creditors increased almost two fold due to delayed payments to suppliers emanating from cashflow challenges.

B7-The municipality anticipated to spend all conditional grant during budgeting. The unspent conditional grants was transferred allocated in the last quarter of the financial year and hence could not be spent by year end. The rollover application was made.

C1- This are cash amount of revenue that are measured consistently .

REASONS FOR ADJUSTMENT BUDGET

1. Grants were adjusted from the DORA allocation (MIG, INEP, RBIG, NDG and EPWP)
2. Municipal Disaster Grant was not fully spent by R14.7 million and rollover application has been done.
3. Reprioritisation of funds to ensure operational, contracted services expenditure are catered for.
4. To ensure full implementation of the resolutions of the strategic planning session.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Cash Flow Statement

Cash flows from operating activities

Receipts

Sale of goods and services	315,231,000	214,053,000	529,284,000	391,883,725	(137,400,275)	C1
Grants	1,629,374,000	(457,000)	1,628,917,000	1,623,226,512	(5,690,488)	
Interest income	31,459,000	(11,499,000)	19,960,000	21,709,972	1,749,972	
	1,976,064,000	202,097,000	2,178,161,000	2,036,820,209	(141,340,791)	

Payments

Employee costs and suppliers	(1,304,116,000)	(10,617,000)	(1,314,733,000)	(1,317,634,738)	(2,901,738)	
Finance costs	(770,000)	(9,730,000)	(10,500,000)	(3,902,381)	6,597,619	
	(1,304,886,000)	(20,347,000)	(1,325,233,000)	(1,321,537,119)	3,695,881	

Net cash flows from operating activities	671,178,000	181,750,000	852,928,000	715,283,090	(137,644,910)	
--	-------------	-------------	-------------	-------------	---------------	--

Cash flows from investing activities

Purchase of property, plant and equipment	(773,585,000)	(120,428,000)	(894,013,000)	(773,247,814)	120,765,186	
---	---------------	---------------	---------------	---------------	-------------	--

Net increase/(decrease) in cash and cash equivalents	(102,407,000)	61,322,000	(41,085,000)	(57,964,724)	(16,879,724)	
--	---------------	------------	--------------	--------------	--------------	--

Cash and cash equivalents at the beginning of the year	366,673,000	(160,198,000)	206,475,000	206,591,710	116,710	
--	-------------	---------------	-------------	-------------	---------	--

Cash and cash equivalents at the end of the year	264,266,000	(98,876,000)	165,390,000	148,626,986	(16,763,014)	
--	-------------	--------------	-------------	-------------	--------------	--

Reconciliation

Auditor - General South - Africa
12 Nel Street Docex 39
2024 -11-30
PO Box 2684 Nelspruit 1200
Mpumalanga

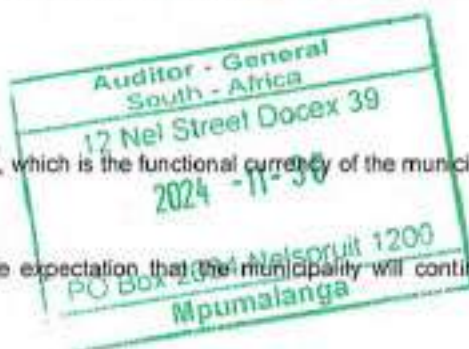
Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

	Note(s)	2024	2023
1. Significant accounting policies			
The significant accounting policies applied in the preparation of these annual financial statements are set out below.			
1.1 BASIS OF PREPARATION			
The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).			
These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.			
Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.			
These accounting policies are consistent with the previous period.			
1.2 PRESENTATION CURRENCY			
These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.			
1.3 GOING CONCERN ASSUMPTION			
These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for the foreseeable future.			
1.4 MATERIALITY			
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.			
The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.			
1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY			
In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:			
Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.			
Trade receivables / Held to maturity investments and/or loans and receivables			
The municipality assesses its trade 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.			



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Allowance for slow moving, damaged and obsolete stock

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.

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 9 - Provisions.

Contingent provisions on entity combinations

Contingencies recognised in the current year required estimates and judgments, refer to note on entity combinations.

Useful lives of waste and water network and other assets

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

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

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

Accounting by principals and agent

The municipality makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgements applied are as follow [State significant judgements made].

Additional information is disclosed in Note 55.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures and impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the 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 municipality 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 are 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.

Accounting for adjustments to revenue

Determining whether an adjustment to revenue charged in terms of legislation or similar means is a correction of an error or a change in an accounting estimate requires the application of judgement by management. When adjustments to revenue already recognised arise from new information that becomes known to the municipality, the following considerations are applied to determine whether the adjustment to revenue already recognised is a correction of an error or a change in an accounting estimate:

(a) If information becomes known to the municipality, and the municipality could reasonably have been expected to know of the information and/or the information used was incorrect, the adjustment to revenue is likely to be a correction of an error.

(b) If information becomes known to the municipality, but the municipality could not reasonably have been expected to know of this information when the revenue was charged, the adjustment to revenue is likely to be a change in an accounting estimate.

Accounting for adjustments to revenue that correct an error or prior period error

Following the outcome of the determination processes noted above, and assessing whether this is new information that becomes known to the municipality, the municipality accounts for an adjustment to revenue already recognised, including interest and penalties, as the correction of an error or prior period error where the entity:

(a) has not followed a proper due process to promulgate the tariff, basis, percentage or formula to charge the revenue; and/or

(b) incorrectly applied the tariff, basis, percentage or formula in charging revenue.

Errors discovered within the reporting period which relates to that period are corrected before the annual financial statements are authorised for issue. The principles in GRAP 3 are applied to account for the adjustment to revenue already recognised as a result of the correction of a prior period error.

Accounting for adjustments to revenue as a change in an accounting estimate

Following the outcome of the determination processes noted above, and assessing whether this is new information that becomes known to the municipality, the municipality accounts for any adjustment to revenue already recognised, including interest and penalties, as a change in an accounting estimate if changes occur in the circumstances that led to the recognition of the revenue.

The principles in GRAP 3 are applied to account for a change in an accounting estimate.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Materiality

Applying materiality is pervasive to the preparation of financial statements. Materiality is a key consideration in deciding how to apply the Standards of GRAP when preparing the financial statements. Information is material if its omission or misstatement has the potential to influence the decisions of users or affect the discharge of accountability by the entity.

Applying materiality in the preparation of annual financial statements requires the entity to make key assessments and decisions. Key assessments and decisions made in considering materiality, are as follows:

- Identification of users and their information needs
- Assessing information based on nature and size, by developing qualitative considerations and quantitative thresholds
- Application of materiality in preparing the financial statements:
 - Developing accounting policies
 - Deciding what information to disclose
 - Deciding how to present information
 - Assessing omissions, misstatements and errors



The assessments and decisions are considered throughout the financial reporting cycle, and not only when annual financial statements are prepared.

1.6 INVESTMENT PROPERTY

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

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

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

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

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

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

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

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	3-41 years

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.6 INVESTMENT PROPERTY (continued)

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.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 2).

1.7 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.7 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives.

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.

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

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.7 PROPERTY, PLANT AND EQUIPMENT (continued)

The municipality assesses at each reporting date whether there is any indication that an asset is impaired. If any such indication exists, the municipality revises the value of the asset accordingly. The change is accounted for as impairment in the current year income statement. Assets that are in a state of disrepair and not providing any level of service to the municipality are impaired in full until they are restored into service through repairs and/or refurbishment. Any increase in an asset value, as a result of a restoration or repair, is reversed directly in Accumulated impairment. The increase is recognised in surplus or deficit to the extent that it reverses impairment of the same asset previously recognised in surplus or deficit. When significant components of an item of property, plant and equipment is withdrawn or retired from use for whatever reason as a result of which the entire assets can no longer provide the intended service, all the related separate items (components) of the property, plant and equipment are also withdrawn and removed through a process of write-off and disposal. Any decrease in the asset(s) carrying amount, as a result of the write-off, is credited to the income statement.

1.8 INTANGIBLE ASSETS

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset;
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.8 INTANGIBLE ASSETS (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

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

The municipality discloses relevant information relating intangible, in the notes to the financial statements (see note 4).

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.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

- cash;

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.9 FINANCIAL INSTRUMENTS (continued)

- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

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

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.9 FINANCIAL INSTRUMENTS (continued)

- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking; or
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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

Cash and cash equivalents

Receivables from exchanges transactions

Receivables from non exchange transactions

Category

Financial asset measured at amortised cost

Financial asset measured at amortised cost

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

Payables from exchange transactions

Consumer deposits

Unspent conditional grants

Category

Financial liability measured at amortised cost

Financial liability measured at amortised cost

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.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

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.

Reclassification

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

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

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

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

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

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

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.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.9 FINANCIAL INSTRUMENTS (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

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

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.9 FINANCIAL INSTRUMENTS (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

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

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

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

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax (where applicable) relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

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

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

1.10 STATUTORY RECEIVABLES

Identification

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

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

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

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

The transaction amount for 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



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.10 STATUTORY RECEIVABLES (continued)

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.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

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

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

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

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

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.10 STATUTORY RECEIVABLES (continued)

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.

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.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.12 INVENTORIES (continued)

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 CONSTRUCTION CONTRACTS AND RECEIVABLES

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by:

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.14 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.

1.15 IMPAIRMENT OF CASH-GENERATING ASSETS

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

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

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

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.

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

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.15 IMPAIRMENT OF CASH-GENERATING ASSETS (continued)

Designation

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

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

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

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

Identification

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

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

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

Value in use

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

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

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.15 IMPAIRMENT OF CASH-GENERATING ASSETS (continued)

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

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

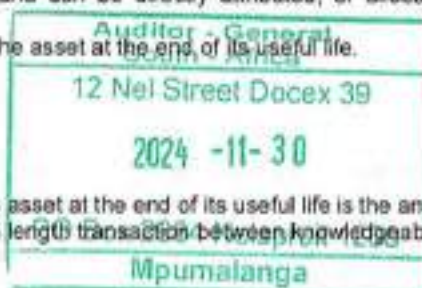
Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.15 IMPAIRMENT OF CASH-GENERATING ASSETS (continued)

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.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.15 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.

1.16 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.

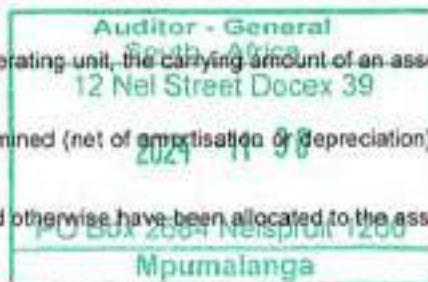
Non-cash-generating assets are assets other than cash-generating assets.

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 2024

Significant Accounting Policies

1.16 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:

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.

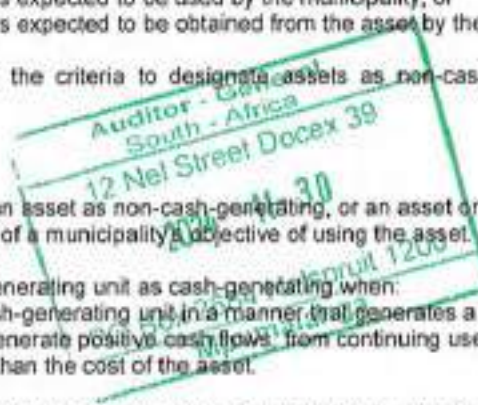
An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective 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.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.16 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 oversized or overcapacity asset. Oversized 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.

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.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.16 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.

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.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies



1.17 EMPLOYEE BENEFITS

Identification

Employee benefits

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

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

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Classification of plans

A binding arrangement is an arrangement that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract. It includes rights from contracts or other legal rights.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Multi-employer plans are defined contribution plans (other than state plans) or defined benefit plans (other than state plans) that: (a) pool the assets contributed by various entities that are not under common control; and (b) use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.

State plans are plans established by legislation that operate as if they are multiemployer plans for all entities in economic categories laid down in legislation.

Net defined benefit liability (asset)

The net defined benefit liability (asset) is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.

The deficit or surplus is: (a) the present value of the defined benefit obligation; less (b) the fair value of plan assets (if any); plus (c) any liability that may arise as a result of a minimum funding requirement.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Plan assets comprise: (a) assets held by a long-term employee benefit fund; and (b) qualifying insurance policies.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.17 EMPLOYEE BENEFITS (continued)

Assets held by a long-term employee benefit fund are assets (other than nontransferable financial instruments issued by the reporting entity) that: (a) are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits; and (b) are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either: (i) the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or (ii) the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in GRAP 20) of the reporting entity, if the proceeds of the policy: (a) can be used only to pay or fund employee benefits under a defined benefit plan; and (b) are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either: (i) the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or (ii) the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Defined benefit cost

Service cost comprises: (a) current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period; (b) past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan); and (c) any gain or loss on settlement.

Net interest on the net defined benefit liability (asset) is the change during the period in the net defined benefit liability (asset) that arises from the passage of time.

Remeasurements of the net defined benefit liability (asset) comprise: (a) actuarial gains and losses; (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Actuarial gains and losses are changes in the present value of the defined benefit obligation resulting from: (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and (b) the effects of changes in actuarial assumptions.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less: (a) any costs of managing the plan assets; and (b) any tax payable by the plan itself other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.

A settlement is a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan, other than a payment of benefits to, or on behalf of, employees that is set out in the terms of the plan and included in the actuarial assumptions.

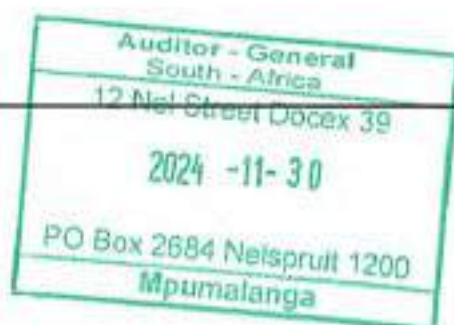


Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies



1.17 EMPLOYEE BENEFITS (continued)

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

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:

(a) 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.

(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and

(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and

(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

Termination benefits

Recognition

The entity recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of GRAP 19 and involves the payment of termination benefits.

Measurement

The entity measures termination benefits on initial recognition, and measures and recognise subsequent changes, in accordance with the nature of the employee benefit, provided that if the termination benefits are an enhancement to post-employment benefits, the entity applies the requirements for post-employment benefits. Otherwise:

(a) If the termination benefits are expected to be settled wholly before twelve months after the end of the reporting period in which the termination benefit is recognised, the entity applies the requirements for short-term employee benefits.

(b) If the termination benefits are not expected to be settled wholly before twelve months after the end of the reporting period, the entity applies the requirements for other long-term employee benefits.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.18 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating surplus (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 45.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.18 PROVISIONS AND CONTINGENCIES (continued)

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

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

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

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

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

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

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

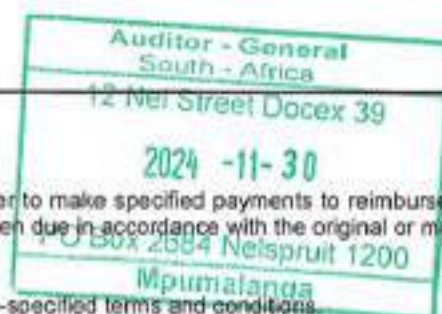
Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.15 and 1.16.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.18 PROVISIONS AND CONTINGENCIES (continued)

Levies

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other Standards, and
- fines or other penalties that are imposed for breaches of the legislation.

Government refers to government, government agencies and similar bodies whether local, national or international.

The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.

The municipality does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the municipality being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that the municipality has a present obligation to pay a levy that will be triggered by operating in a future period.

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy, as identified by the legislation, occurs over a period of time).

If an obligation to pay a levy is triggered when a minimum threshold is reached, the corresponding liability is recognised when that minimum threshold is reached.

The municipality recognises an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

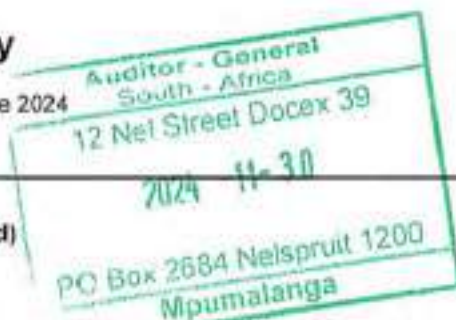
1.19 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.20 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).

Sale of goods

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

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

Rendering of services

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

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

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

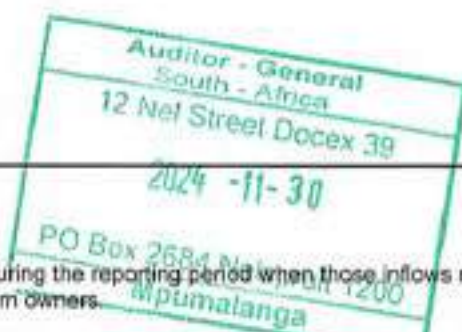
When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.20 REVENUE FROM EXCHANGE TRANSACTIONS (continued)

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.21 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset 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.

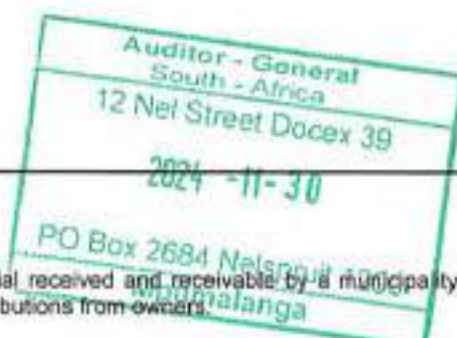
Recognition

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.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.21 REVENUE FROM NON-EXCHANGE TRANSACTIONS (continued)

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.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for income tax is the earning of assessable income during the taxation period by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Taxation revenue are not grossed up for the amount of tax expenditures.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.21 REVENUE FROM NON-EXCHANGE TRANSACTIONS (continued)

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.

Requests

Requests 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.

Concessionary loans received

A concessionary loan is a loan granted to or received by a property, plant and equipment on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the cash flow statement recognises revenue as and when it satisfies the conditions of the loan agreement.

1.22 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.

Change in accounting policy due to amendments to GRAP 5 - Borrowing costs

The adoption of amendments to GRAP 5 - Borrowing costs resulted in a change in accounting policy during the current period. The effect of the change is that borrowing costs are now expensed when incurred, and this change is applied prospectively since . The effective date of the amendments was .

Borrowing costs, incurred both before and after the effective date of this amendment and related to qualifying assets for which the commencement date for capitalisation is prior to the effective date of this Standard, is recognised in accordance with the municipality's previous accounting policy.

1.23 ACCOUNTING BY PRINCIPALS AND AGENTS

Identification

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.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.23 ACCOUNTING BY PRINCIPALS AND AGENTS (continued)

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 a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

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.

1.24 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.25 UNAUTHORISED EXPENDITURE

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.25 UNAUTHORISED EXPENDITURE (continued)

- 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).

1.26 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).

1.27 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).

1.28 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.

1.29 BUDGET INFORMATION

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

1.29 BUDGET INFORMATION (continued)

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

The municipality provides variance explanations for budget vs actual for those variances exceeding 10%.

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.

1.30 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.

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.

1.31 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.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Significant Accounting Policies

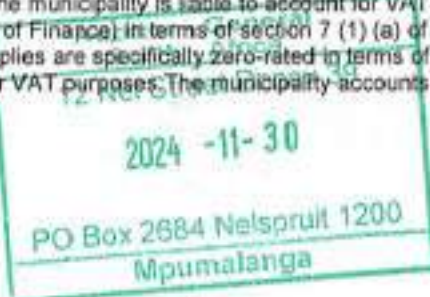
1.32 EXPENDITURE

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; 1. 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. 2. 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. 3. Write downs of inventory and decreases in fair values of financial instruments classified as held at fair value. 4. 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 satisfied:

a) 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 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	86,360,733	-	86,360,733	86,360,733	-	86,360,733
Investment property	22,761,156	(10,078,126)	12,683,030	22,761,155	(9,452,761)	13,308,394
Total	109,121,889	(10,078,126)	99,043,763	109,121,888	(9,452,761)	99,669,127

Reconciliation of investment property - 2024

	Opening balance	Depreciation	Total
Land	86,360,733	-	86,360,733
Buildings	13,308,394	(625,364)	12,683,030
	99,669,127	(625,364)	99,043,763

Reconciliation of investment property - 2023

	Opening balance	Depreciation	Total
Land	86,360,733	-	86,360,733
Buildings	13,935,490	(627,096)	13,308,394
	100,296,223	(627,096)	99,669,127

Pledged as security

There were no Investment property carrying value of assets pledged as security

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Auditor - General
South - Africa
12 Nel Street Docex 39
2024 -11-30
PO Box 2584 Nelspruit 1200
Mpumatanga

Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

Figures in Rand

3. Property, plant and equipment

	2024		2023	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation
Land	63,680,945	-	63,680,945	63,680,945
Buildings	108,067,507	(43,768,620)	64,298,887	103,084,612
Machinery equipment	28,377,183	(12,774,873)	15,602,310	16,925,306
Furniture and office equipment	26,570,363	(18,432,452)	8,137,911	26,645,909
Transport Assets	173,218,776	(89,505,027)	83,713,749	170,414,831
Domestic equipment	7,040,920	(1,794,212)	5,246,708	3,860,760
Computer equipment	16,793,629	(9,606,301)	7,187,328	19,371,348
Infrastructure	5,609,314,485	(913,826,253)	4,695,488,232	4,982,390,139
Community	291,592,094	(102,800,847)	188,791,247	261,208,684
Temporary buildings	912,186	(576,611)	335,575	912,186
Work in progress (WIP)	954,311,321	-	954,311,321	780,149,937
Library books	7,582,830	(6,085,079)	1,497,751	7,582,830
Total	7,287,462,239	(1,199,170,275)	6,088,291,964	6,436,327,487
				(1,050,292,494)
				5,386,034,993



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 30 June 2024

	Opening balance	Additions	Additions through donations	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	63,680,945	-	-	-	-	-	-	63,680,945
Buildings	61,527,246	3,252,718	-	(339,986)	2,730,154	(2,851,152)	(20,093)	64,298,887
Machinery and Equipment	4,638,233	716,555	-	(194,980)	12,797,061	(2,354,559)	-	15,602,310
Furniture and Office Equipment	9,046,602	1,689,569	-	(218,740)	222,837	(2,602,357)	-	8,137,911
Transport assets	101,522,009	2,803,946	-	-	-	(20,612,206)	-	83,713,749
Domestic Equipment	2,718,343	2,970,000	110,160	-	-	(551,785)	-	5,246,708
Computer equipment	9,279,032	1,047,102	-	(739,942)	-	(2,398,864)	-	7,187,328
Infrastructure	4,184,505,822	63,993,182	14,669,267	(36,487,399)	609,386,281	(139,664,396)	(914,525)	4,695,488,232
Community	166,786,411	106,537	-	(473,200)	31,138,755	(8,458,692)	(308,564)	188,791,247
Temporary operational buildings	417,628	-	-	-	-	(82,053)	-	335,575
Work in progress	780,149,937	633,875,670	-	-	(656,275,088)	-	(3,439,198)	954,311,321
Library books	1,762,785	-	-	-	-	(265,034)	-	1,497,751
	5,386,034,993	910,455,279	14,779,427	(38,454,247)	-	(179,841,108)	(4,682,380)	5,088,291,964

Auditor - General
South - Africa
12 Nel Street Docex 39
2024 -11-30
PO Box 2684 Nelspruit 1200
Mpumalanga

Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

Figures in Rand

3. 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 reversal	Total
Land	63,680,945	-	-	-	-	-	-	-	63,680,945
Buildings	64,094,777	143,150	-	-	-	-	(2,710,681)	-	61,527,246
Machinery and Equipment	5,188,512	140,550	-	(188,244)	-	-	(512,161)	7,576	4,638,233
Furniture and Office equipment	9,398,123	2,865,234	-	(880,356)	-	-	(2,340,703)	2,304	9,046,602
Transport assets	68,737,112	50,820,766	-	(787,540)	-	-	(18,248,329)	-	101,522,009
Domestic equipment	3,114,419	-	-	-	-	-	(396,076)	-	2,718,343
Computer equipment	5,770,064	4,858,007	-	(309,433)	1,413,211	-	(2,453,739)	922	9,279,032
Infrastructure	4,000,260,916	62,967,727	9,945,360	(8,200,805)	240,357,147	798,898	(121,338,564)	(274,857)	4,184,505,822
Community	174,577,079	29,500	-	(8,884)	29,500	-	(7,849,668)	-	166,786,411
Temporary operational buildings	349,059	139,500	-	-	-	-	(62,047)	-	417,528
Work in progress (WIP)	405,022,634	615,513,950	-	-	(240,386,647)	-	-	-	780,149,937
Library books	1,726,301	384,983	-	(83,331)	-	-	(245,168)	-	1,782,785
WIP-Security upgrades	1,149,376	263,835	-	-	(1,413,211)	-	-	-	-
Assets under investigations	799,898	-	-	-	-	(798,898)	-	-	-
	4,804,859,215	738,108,202	9,945,360	(10,456,593)	-	-	(166,157,136)	(264,055)	5,386,034,993

Pledged as security

There were no PPE carrying value of assets pledged as security.

Auditor - General
South - Africa
12 Nel Street Docex 39
2024 -11-30
PO Box 2684 Nelspruit 1200
Mpumalanga

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
3. Property, plant and equipment (continued)		
PPE projects delayed/halted		
The following projects were delayed/halted as the contractor was dismissed because of poor performance. The amounts are in Work in progress		
1. Upgrading of Road from Casteel to Thembisa primary phase 2- WIP Infrastructure	6,148,264	-
2. Construction of Acornhoek Sports Facility phase 2- WIP Community Assets	16,420,212	-
3. Internal streets in Ward 17 at Happydam Village- WIP Infrastructure	8,589,938	-
4. Provision of water reticulation in Kildare A- WIP Infrastructure	22,453,027	-
	53,611,441	-

Reconciliation of Work-in Progress 30 June 2024

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	685,777,218	44,882,889	50,782,967	781,443,074
Additions/capital expenditure	788,919,266	9,329,941	34,333,153	832,582,360
Impairment	(3,439,198)	-	-	(3,439,198)
Transferred to completed items	(608,963,324)	(31,138,810)	(16,173,008)	(656,275,142)
	862,293,962	23,074,020	68,943,112	954,311,094

Reconciliation of Work- in Progress 30 June 2023

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	334,338,884	59,563,999	10,441,134	404,344,017
Additions/capital expenditure	543,552,584	36,652,026	37,281,093	617,485,703
Transfers of completed projects	(231,303,478)	(1,311,674)	(514,326)	(233,129,478)
0	(7,257,167)	-	-	(7,257,167)
	639,330,823	94,904,351	47,207,901	781,443,075

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 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

Figures in Rand

4. Intangible assets

	2024		2023			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	6,629,370	(5,605,041)	24,329	6,629,370	(6,373,885)	255,485

Reconciliation of intangible assets - 2024

Computer software	Opening balance 255,485	Amortisation (231,156)	Total 24,329
-------------------	-------------------------------	---------------------------	-----------------

Reconciliation of intangible assets - 2023

Computer software	Opening balance 616,957	Amortisation (361,472)	Total 255,485
-------------------	-------------------------------	---------------------------	------------------



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
5. Payables from exchange transactions		
Electricity	9,033,481	887,008
Retention and Surety	139,314,276	114,990,131
Accrued bonus	15,797,441	15,220,936
Payroll creditors	6,028,598	4,912,678
Trade payables	338,856,233	135,432,046
Debtors with credit balances	4,845,721	3,311,212
PAYE	261,805	266,123
Auditor General	-	7,491
Staff advance	474,092	518,921
Unallocated deposits	265,693	571,470
	514,877,440	276,118,016
6. VAT payable		
7. Consumer deposits		
Water	2,490,867	2,490,867
Refuse	23,987	23,987
	2,514,854	2,514,854
8. 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	14,720,000	43,100,000
Water Services Infrastructure Grant	-	3,486,632
	14,720,000	48,769,177
Movement during the year		
Additions during the year	568,720,000	551,820,000
Income recognition during the year	(554,000,000)	(503,050,823)
	14,720,000	48,769,177

See note 25 for Government grants and subsidies.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
--	------	------

9. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Change in discount factor	Actuarial gains/loss	Total
Environmental rehabilitation	69,420,939	(1,369,394)	-	7,408,325	-	75,459,870
Leave provision	63,093,594	6,656,469	-	-	-	69,750,063
Long service awards	39,567,043	3,213,265	(6,685,352)	3,900,543	(1,331,605)	38,663,894
	172,081,576	8,500,340	(6,685,352)	11,308,868	(1,331,605)	183,873,827

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

Non-current liabilities	108,377,720	103,241,938
Current liabilities	75,496,107	68,839,638
	183,873,827	172,081,576

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

CPI	5,244%	6,1716%
Discount rate	10,244%	9,358%
Net effective discount rate	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 the 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



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
9. 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 present 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 continuous service completed, 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 member of Actuarial Society of South Africa.		
Key assumptions		
Discount rate	10,28%	10,73%
CPI	4,77%	5,87%
Salary increase rate	5,77%	6,87%
Net discount rate	4,26%	3,62%
Assumed retirement age (years)	63	63
	-	-
10. Inventories		
Maintenance materials	38,501,449	34,226,689
11. Prepayments		
Prepayments	4,739,218	4,750,168
This relates to Eskom electricity paid in advance.		
12. Receivables from non-exchange transactions		
Fines	7,133,612	6,148,892
Eskom deposits	8,572,191	8,078,517
Other taxes	365,299	(175,140)
Property rates	450,895,735	446,616,496
Interest -receivables non exchange	289,668,247	321,431,928
	756,635,084	782,100,693
Statutory receivables (Gross Balances) included in receivables from non-exchange transactions above are as follows:		
Property rates	1,245,111,252	1,157,249,232
Fines	11,851,954	9,167,239
Interest - receivables non exchange	808,584,648	823,628,904
	2,065,547,854	1,990,045,375
	-	-



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
12. Receivables from non-exchange transactions (continued)		
Statutory receivables general information		
Determination of transaction amount		
Rates - Rates amounts are determined in terms of section 11 of the MPR Act and the approved rates policy of the municipality.		
Fines - All fines are governed by the specific regulation which is applicable to the offence.		
Interest or other charges levied/charged		
Rates - Interest is charged on past due balances at the prime interest rate		
Fines - No interest or other charges are charged on outstanding fines.		
No discount rate is applied on the above-mentioned statutory receivables to estimate future cash flows		
Statutory receivables impaired		
Rates - Payment percentage of receivables is used to assess whether the receivable is impaired. Refer to note 12 for more detail on the impairment provision and ageing of statutory receivables past due not impaired.		
Fines - Payment percentage of fines is used to assess whether fines are impaired. Refer to note 12 for more detail on the impairment provision and ageing of statutory receivables past due not impaired.		
Reconciliation of provision for impairment for statutory receivables		
Opening balance	1,216,140,924	1,044,180,758
Contribution to impairment	(101,836,717)	(171,960,166)
	1,317,977,641	1,216,140,924
Fines		
Gross balances	11,851,954	9,167,239
impairment	(4,390,592)	(3,018,346)
Balance	7,133,612	6,148,892
Property Rates		
Current (0-30 days)	1,621,752	7,302,180
31-60 days	11,356,800	6,912,693
60-90 days	5,648,304	7,610,800
90-120 days	5,862,903	7,440,391
121-365 days	138,585,275	14,847,521
>365 days	287,820,701	402,502,911
	450,895,735	446,616,496
13. VAT receivable		
VAT	52,292,423	83,550,589
VAT		
VAT receivable	14,723,979	70,129,485
VAT Output	(21,779,198)	(21,541,754)
VAT Input	59,347,643	34,962,857
	52,292,424	83,550,588



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
14. Receivables from Exchange transactions		
Gross balances		
Salary clearing accounts	3,224,509	2,662,565
Water	522,153,916	391,726,949
Waste water management	34,788,674	27,523,586
Rental	8,544,336	7,572,190
Waste management	69,733,525	67,202,798
Interest	146,002,174	88,062,559
Service charges	6,046,927	12,136,185
	790,494,061	596,886,812
Less: Allowance for impairment		
Water	(335,096,927)	(240,036,684)
Waste water management	(22,325,944)	(17,166,601)
Rental	(5,483,383)	(4,636,430)
Waste management	(44,752,110)	(41,216,150)
Interest	(93,698,196)	(66,299,944)
Service charges	(3,880,669)	(7,430,983)
	(505,237,229)	(376,786,792)
Net balance		
Salary clearing accounts	3,224,509	2,662,565
Water	187,056,989	151,690,265
Waste water	12,462,730	10,356,965
Rental	3,060,953	2,935,760
Waste management	24,981,415	25,986,648
Interest	52,303,978	21,762,615
Service charges	2,166,258	4,705,202
	285,256,832	220,100,020
Salary clearing accounts		
121 - 365 days	561,944	-
> 365 days	2,662,565	2,662,565
	3,224,509	2,662,565
Water		
Current (0 -30 days)	5,446,678	3,486,676
31 - 60 days	5,710,068	3,594,310
61 - 90 days	3,615,171	3,238,787
91 - 120 days	3,475,103	3,678,827
121 - 365 days	58,574,628	3,676,668
> 365 days	110,235,341	134,014,997
	187,056,989	151,690,265
Waste water		
Current (0 -30 days)	61,295	165,442
31 - 60 days	199,555	168,020
61 - 90 days	66,348	156,886
91 - 120 days	112,045	166,166
121 -365days	134,327	166,506
> 365 days	11,889,160	9,533,945
	12,462,730	10,356,965

Auditor - General
South - Africa
12 rue Street Docex 39
2024 -11-30
PO Box 2684 Nelspruit 1200
Mpumalanga

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
14. Receivables from Exchange transactions (continued)		
Rental		
Current (0 -30 days)	50,036	-
31 - 60 days	24,617	-
61 - 90 days	26,810	-
91 - 120 days	24,364	-
121 - 365 days	21,916	-
> 365 days	2,913,210	2,935,760
	3,060,953	2,935,760
Waste		
Current (0 -30 days)	237,305	307,213
31 - 60 days	556,746	325,895
61 - 90 days	281,739	316,299
91 - 120 days	297,150	315,515
121 - 365 days	297,992	314,556
> 365 days	23,310,483	24,407,170
	24,981,415	25,986,648
Interest		
Current (0 -30 days)	929,895	1,532,801
31 - 60 days	946,678	1,513,093
61 - 90 days	932,156	1,441,356
91 - 120 days	905,629	1,416,244
121 - 365 days	911,996	1,351,872
> 365 days	47,677,624	14,507,249
	52,303,978	21,762,615
Service charges		
Current (0 -30 days)	102,075	1,511,916
31 - 60 days	119,395	241,093
61 - 90 days	60,168	487,426
91 - 120 days	18,113	37,631
121 - 365 days	1,170	37,377
> 365days	1,865,337	2,389,759
	2,166,258	4,705,202



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
14. Receivables from Exchange transactions (continued)		
Summary of debtors by customer classification		
Household and others		
Current (0 -30 days)	32,201,762	15,886,689
31 - 60 days	51,873,305	14,336,324
61 - 90 days	24,634,129	14,088,423
91 - 120 days	25,745,506	13,907,172
121 - 365 days	25,331,032	13,648,812
> 365 days	1,284,972,603	834,314,127
	1,444,758,337	906,181,547
Commercial		
Current (0 -30 days)	7,980,505	6,687,052
31 - 60 days	9,143,775	5,892,655
61 - 90 days	7,119,348	6,257,994
91 - 120 days	5,938,198	6,072,075
121 - 365 days	5,708,910	5,813,848
> 365 days	350,152,622	317,270,940
	386,043,358	347,994,564
National and provincial government		
Current (0 -30 days)	(2,054,269)	26,534,083
31 - 60 days	23,674,092	24,721,053
61 - 90 days	11,922,409	25,312,779
91 - 120 days	12,354,535	24,972,402
121 - 365 days	12,424,581	24,722,534
> 365 days	951,842,359	1,221,109,949
	1,010,163,707	1,347,372,800
Total		
Current (0 -30 days)	38,127,997	49,107,824
31 - 60 days	84,691,172	44,950,033
61 - 90 days	43,675,886	45,659,196
91 - 120 days	44,038,239	44,951,650
121 - 365 days	43,464,523	44,185,194
> 365 days	2,586,967,584	2,372,695,015
	2,840,965,401	2,601,548,912
Less: Allowance for impairment		
> 365 days	(505,237,229)	(376,786,792)
Reconciliation of allowance for impairment		
Balance at beginning of the year	(376,786,792)	(214,967,835)
Contributions to allowance	(128,450,437)	(161,818,957)
	(505,237,229)	(376,786,792)
Consumer debtors pledged as security		
There was no Consumer debtors pledged as security.		



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
15. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	103,800,664	185,011,915
Call account balances	44,910,493	21,462,932
Cash on hand	115,827	116,863
	148,826,984	206,591,710

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
FNB Bank IA09591	20,368,198	2,845,056	15,137,251	20,368,198	2,845,056	15,137,251
FNB Bank IA09538	26,313,737	18,736,670	38,358,336	26,313,737	18,736,670	38,358,336
FNB Bank IA09494	117,389	2,726,262	1,063,656	117,389	2,726,262	1,063,656
FNB Bank IA09538	3,705,086	2,915,437	1,073,741	3,705,086	2,915,437	1,073,741
Standard Bank IA09518	79,527,381	179,251,421	287,743,702	79,527,381	179,251,421	287,743,702
FNB Bank IA09498	2,103,594	-	-	2,103,594	-	-
FNB Bank IA09542	16,375,773	-	-	16,375,773	-	-
Total	148,511,158	206,474,846	343,376,686	148,511,158	206,474,846	343,376,686

16. Service charges

Sale of water	112,783,749	105,024,772
Waste management	9,479,140	9,071,318
Waste water management	4,906,660	4,520,421
	127,169,549	118,616,511

These service charges are billed as per the Council Approved tariffs.

17. Rental of facilities and equipment

Premises		
Premises	1,152,729	1,021,992
Facilities and equipment		
Rental of equipment	47,519	44,498
	1,200,248	1,066,490

Municipal premises and equipment are rented out to earn income.

18. Interest received

Interest from positive bank account balances		
Interest received	21,709,972	18,636,744

19. Agency services

Management Fees	15,821,137	14,814,487
-----------------	------------	------------

20. Licences and permits

Trading licenses	381,473	246,594
------------------	---------	---------

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
21. Other income		
Sundry income	61,040	159,599
Proof of residence	1,461,558	1,639,577
Insurance refund	9,168,452	2,020,330
Sale of tender documents	1,923,544	2,140,796
Plan approval	227,571	325,177
Amendment of names	3,352	1,497
Clearance certificates	24,054	15,398
Library fees	4,160	715
Administration fees	230,948	274,478
Photocopies	135,785	39,158
Cemetery	63,550	67,876
Fire services	109,980	149,571
Commission earned	-	22,740
	13,413,954	6,856,912
22. Interest received- receivables from exchange transactions		
Interest revenue		
Interest charged on trade and other receivables	65,568,867	47,034,570



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
23. Property rates		
Rates received		
Residential	50,885,286	48,226,414
Commercial	55,140,548	52,514,810
State	-	59,358,880
Industrial properties	1,784,160	1,699,200
Vacant land	24,190,226	23,051,283
Protected area	74,247,691	69,678,140
Agriculture	5,479,289	5,136,816
Public benefit organisations and public service infrastructure	245,117	203,109
Less: Income forgone	53,761,117	(7,320,663)
	265,723,414	252,547,989
Valuations		
Residential	4,298,750,800	4,298,000,800
Commercial	1,776,777,700	1,776,778,000
State	2,055,750,000	2,055,750,000
Municipal	61,730,100	61,730,100
Vacant land	632,805,020	633,155,020
Public benefit organisations	139,098,100	139,098,100
Public service infrastructure	19,961,270	19,961,270
Agriculture	1,714,056,000	1,715,152,000
Protected area	28,336,222,550	28,296,912,550
Protected area residential	874,305,000	870,805,000
Protected area business	1,898,555,000	1,858,815,000
	41,808,009,540	41,726,155,840



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 municipality applied for extension of the period of validity of the current valuation roll and supplementary valuation rolls to the MEC for Department of Co-operative Government and Traditional Affairs. The extension was granted in terms of section 32 (2) (b) (iii) of the Local Government Municipal Property Rates Act, 2004 for a period of 24 months from 1 July 2024 to 30 June 2026.

The new general valuation will be implemented on 01 July 2026.

24. Interest from non-exchange receivables

Interest - property rates	138,329,791	108,643,281
---------------------------	-------------	-------------

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
25. Government grants & subsidies		
Operating grants		
Equitable share	1,054,098,000	979,294,000
Finance Management Grant	2,650,000	2,650,000
Local Government Sector Education Training Authority	1,403,038	1,868,553
Construction of Education and Training Authority	-	493,846
Expanded Public Works Programme Grant	3,243,000	5,219,000
	1,061,394,038	989,525,399
Capital grants		
Neighbourhood Development Partnership grant	5,499,999	4,500,034
Integrated National Electrification Programme	16,682,579	2,317,421
Municipal Infrastructure Grant	421,007,000	430,851,000
Regional Bulk Infrastructure Grant	14,000,000	-
Municipal Disaster Grant	43,100,001	-
Water Services Infrastructure Grant	53,486,632	51,513,368
Energy Efficiency Demand Management Grant	-	6,000,000
	553,776,211	495,181,823
	1,615,170,249	1,484,707,222



Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	561,072,249	505,413,222
Unconditional grants received	1,054,098,000	979,294,000
	1,615,170,249	1,484,707,222

Equitable Share

In terms of section 227 of the Constitution, the Equitable Share Grant provides funding for the municipality to deliver free 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 services and perform functions allocated to it.

Municipal Infrastructure Grant

Current-year receipts	421,007,000	430,851,000
Conditions met - transferred to revenue	(421,007,000)	(430,851,000)
	-	-

This grant is mainly used to fund infrastructure related projects (mainly as part of service delivery). Capitalised projects funded by this grant are included in property, plant and equipment.

Finance Management Grant

Current-year receipts	2,650,000	2,650,000
Conditions met - transferred to revenue	(2,650,000)	(2,650,000)
	-	-

The purpose of the grant is to promote and support reforms in financial management by building capacity in municipalities to implement the MFMA.

Expanded Public Works Programme (EPWP)

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
25. Government grants & subsidies (continued)		
Current-year receipts	3,243,000	5,219,000
Conditions met - transferred to revenue	(3,243,000)	(5,219,000)
	-	-
<p>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 PPWP guidelines.</p>		
Neighbourhood Development Partnership Grant		
Balance unspent at beginning of year	499,966	-
Current-year receipts	5,000,000	5,000,000
Conditions met - transferred to revenue	(5,499,966)	(4,500,034)
	-	499,966
<p>The purpose of the grant is to fund, support and facilitate the planning and development of neighbourhood development programmes and projects that will be catalysts for further development in these areas.</p>		
Regional Bulk Infrastructure Grant		
Current-year receipts	14,000,000	-
Conditions met - transferred to revenue	(14,000,000)	-
	-	-
<p>The grant supports the development of new and/or refurbishment of water and wastewater infrastructure across municipal boundaries.</p>		
Integrated National Electrification Programme		
Balance unspent at beginning of year	1,682,579	-
Current-year receipts	15,000,000	4,000,000
Conditions met - transferred to revenue	(16,682,579)	(2,317,421)
	-	1,682,579
<p>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.</p>		
Municipal Disaster Grant		
Balance unspent at beginning of year	43,100,000	-
Current-year receipts	14,720,000	43,100,000
Conditions met - transferred to revenue	(43,100,000)	-
	14,720,000	43,100,000
<p>Conditions still to be met - remain liabilities (see note 8).</p>		
<p>The grant provides funding for responding to and providing relief for the unforeseeable and unavoidable disaster.</p>		
Water Service Infrastructure Grant		
Balance unspent at beginning of year	3,486,632	-
Current-year receipts	50,000,000	55,000,000
Conditions met - transferred to revenue	(53,486,632)	(51,513,368)

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
25. Government grants & subsidies (continued)		
	<u>-</u>	<u>3,486,632</u>

The grant supports water service authorities in developing interim and intermediate water supply to reduce water and sanitation backlogs.

26. Public contributions and donations

Public contributions and donations	<u>14,779,428</u>	<u>9,945,360</u>
------------------------------------	-------------------	------------------

27. Fines, Penalties and Forfeits

Municipal Traffic Fines	<u>2,848,050</u>	<u>3,901,282</u>
-------------------------	------------------	------------------

Traffic fines issued as per the recognition criteria of IGRAP1.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
28. Employee related costs		
Basic	384,236,205	376,289,842
Bonus	41,990,778	39,110,527
Medical aid - company contributions	28,739,861	26,515,501
Unemployment Insurance Fund	2,431,666	2,491,510
Skills Development Levy	5,602,956	5,177,365
Leave pay provision charge	6,089,394	4,774,952
Defined contribution plans	74,201,694	72,187,652
Overtime payments	21,333,777	16,457,412
Acting allowances	10,440,164	6,915,393
Car allowance	33,167,982	26,172,978
Housing benefits and allowances	854,852	615,156
South African Local Government Association	143,387	139,255
Cellphone allowance	49,000	-
Standby allowance	50,814,858	43,230,176
Danger allowance	3,930,454	646,000
Shift Allowance	11,054,116	10,848,496
	678,091,140	631,672,215



Remuneration of Municipal Manager

Annual Remuneration	1,107,210	906,859
Car Allowance	700,627	629,945
Performance Bonuses	52,596	95,178
Contributions to UIF, Medical and Pension Funds	48,860	7,311
Cellphone allowance	14,000	82,808
Reimbursement (KMs)	17,095	-
	1,941,388	1,722,101

Mr. J Ngobeni was the Municipal Manager for the year under review.

Remuneration of Chief Finance Officer

Annual Remuneration	942,820	480,661
Car Allowance	591,289	510,272
Performance Bonuses	56,079	-
Contributions to UIF, Medical and Pension Funds	16,845	8,541
Acting allowance	-	60,187
	1,607,033	1,059,661

Ms. TM Mathabatha was the Chief Financial Officer for the year under review.

Remuneration of Technical Services Director

Annual Remuneration	1,052,869	877,453
Car Allowance	503,416	510,272
Performance Bonuses	40,301	-
Contributions to UIF, Medical and Pension Funds	207,079	8,541
Annual bonus	87,315	-
Housing subsidy	12,797	-
Acting allowance	104,183	60,187
	2,007,960	1,456,453

Mr. M Makhavhu was the Acting Technical Services Director from September 2023 to date.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
28. Employee related costs (continued)		
Remuneration of Corporate Services Director		
Annual Remuneration	512,759	-
Car Allowance	257,990	341,628
Contributions to UIF, Medical and Pension Funds	6,209	-
Acting allowance	31,816	119,686
Cellphone allowance	21,000	-
Reimbursement (KMs)	2,606	-
	832,380	461,314

Ms. L Khoza was appointed on effective January 2024 as the Director. Ms CT Mathebula was the Acting Director 1 November 2022 till 30 November 2023

Remuneration of Community Services Director

Annual Remuneration	931,736	544,290
Car Allowance	541,058	413,744
Performance Bonuses	133,250	39,657
Contributions to UIF, Medical and Pension Funds	76,186	10,194
Acting allowance	36,326	30,186
Cellphone allowance	14,000	-
	1,732,536	1,038,071

Mr. AM Mnisi was the Director for the period under review.

Remuneration of Economic Development Planning and Environment Director

Annual Remuneration	558,687	811,869
Car Allowance	347,926	514,400
Performance Bonuses	172,240	-
Contributions to UIF, Medical and Pension Funds	35,784	75,823
Annual bonus	44,580	64,941
Leave payout	169,776	464
Acting allowance	27,902	-
Gratuity allowance	15,225	-
Acting car allowance	98,189	-
Cellphone allowance	17,012	-
	1,487,321	1,467,497

Ms. Timba FS was appointed Director effective January 2024. Ms. FS Timba was the Acting EDPE Director from 1 September 2023 till 30 November 2023. Ms S Mogakane contracted ended 31 August 2023.

29. Remuneration of councillors

Councillors remuneration	21,620,095	21,088,643
Councillors' pension contribution	15,628	30,338
Cellphone allowance	1,061,566	-
Car and travel allowance	10,933,944	10,447,985
Medical aid contributions	291,857	237,336
Unemployment insurance fund	4,189	3,535
Skills development levy	296,913	276,150
	34,224,192	32,083,987

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
29. Remuneration of councillors (continued)		
In-kind benefits		
<p>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 Cllr CS Nxumalo resigned from her position on the 27th of June 2024. The municipality appointed an Acting Executive Mayor Cllr P. Sambo until the Council elected Cllr. ML Moroane as the Executive Mayor on 16 July 2024.</p> <p>The Executive Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.</p> <p>The Executive Mayor has a full-time bodyguards and a driver.</p>		
Additional information		
<p>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.</p>		
30. Depreciation and amortisation		
Property, plant and equipment	179,680,214	156,200,489
Investment property	625,385	627,094
Intangible assets	231,156	361,472
	180,536,735	157,189,055
31. Finance costs		
Trade and other payables	4,129,749	1,259,830
Long service awards	3,902,381	3,864,188
Landfill site	7,408,325	6,538,659
	15,440,455	11,662,677
32. Debt impairment		
Debt impairment	215,256,369	319,595,831
Traffic fines	1,372,245	559,496
	216,628,614	320,155,327
33. Bad debts written off		
Bad debts written off	59,161	96,875
34. Contracted services		
Outsourced Services		
Catering Services	4,753,059	3,379,434
Security Services	96,916,738	77,737,114
Traffic Fines Management	1,641,992	2,598,654
Electricity	7,395,373	5,085,994
Maintenance materials	2,218,264	6,444,131
Consultants and Professional Services		
Business and Advisory	45,379,275	21,041,848
Infrastructure and Planning	11,403,860	20,524,890
Water chemicals, laboratory and plant maintenance	28,140,434	9,798,283
Legal Cost	13,432,351	12,971,933



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
34. Contracted services (continued)		
Contractors		
Maintenance of Buildings and Facilities	345,928	212,088
Maintenance of Equipment	360,522	1,076,745
Maintenance of Unspecified Assets	66,984,021	53,289,724
Electricity	110,189,290	89,204,539
Transportation	549,396	251,725
Sewerage Services	3,976,022	59,857
Stage and Sound Crew	24,304	105,190
	393,710,829	303,772,149
35. Transfer and subsidies		
Other subsidies		
Sanitation	-	9,362,043
Free basic electricity	837,904	832,500
Indigent relief	1,356,208	343,351
Bursary	4,303,381	1,532,997
	6,497,491	12,070,891
36. General expenses		
Accommodation	2,561,484	1,161,607
Advertising	9,013,636	3,344,609
Auditors remuneration	10,602,292	11,133,648
Bank charges	675,627	668,320
Cleaning services	1,524,692	17,639
Consumables	2,416,586	-
Communication expenditure	5,558,693	5,865,705
Boreholes utilities and other	448,880	1,759,105
Flowers and gardening services	116,202	4,720
Hire	3,936,087	1,485,864
Insurance premiums	6,296,781	6,244,722
Conferences, workshops and seminars	1,595,311	207,228
Software licenses and computer services	17,357,212	6,729,133
Promotions and sponsorships	904	-
Electricity connection fees and maintenance	36,774,120	6,036,903
Fuel and oil	21,043,852	17,890,375
Fire services	592,281	-
Postage and courier	19,360	16,252
Printing and stationery	426,587	1,987,577
Protective clothing	8,216,814	930,380
Staff welfare-Sports	100,000	-
Subscriptions and membership fees	11,292,459	50,891
Transport and freight services	771,210	264,543
Travel - local	11,364,832	9,007,471
Material consumables	27,056,062	13,348,620
Learnerships, internships and bursaries	1,935,412	2,300,290
Waste water and waste disposal	243,103	233,350
Office decorations	479,712	9,336
Current service cost	3,213,265	3,184,246
Ward committees	-	10,753
Water abstraction fee	14,718,289	14,729,339
	200,351,745	108,622,626



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
37. Gains/loss disposal of Assets		
Gain or loss on disposal of assets and liabilities	(37,048,688)	(11,009,110)
38. Actuarial gains/losses		
Defined benefit plans - General information		
Actuarial gains and losses		
Actuarial gains/losses	1,331,605	2,168,204
Defined contribution plans		
<p>It is the policy of the municipality to provide retirement benefits to all its employees [or specify number of employees covered]. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.</p> <p>The municipality is under no obligation to cover any unfunded benefits.</p>		
39. Gains or losses on provisions		
Change in landfill closure provision	1,369,394	6,986,393
Composition of the change in provision could be associated with the following potential contributing factors;		
<ul style="list-style-type: none"> • Change in CPI • Change in discount rate • Change in unit costs • Change in management practices • Addition of new landfill 		
40. Impairment loss		
Impairments		
Property, plant and equipment	4,684,045	264,055
41. Auditors' remuneration		
Fees	10,602,292	11,133,648
42. Operating lease		
<p>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.</p>		
Minimum lease payments due		
-within one year	5,322,788	5,322,788
-in second to fifth year inclusive	3,104,960	8,427,748
	<u>8,427,748</u>	<u>13,750,536</u>



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
43. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	786,120,873	622,096,794
Total capital commitments		
Already contracted for but not provided for	786,120,873	622,096,794
Total commitments		
Total commitments		
Authorised capital expenditure	786,120,873	622,096,794
This committed expenditure relates to plant and equipment and will be financed by grant funds, existing bank balances, internally generated funds. The commitments balances disclosed above are inclusive of VAT.		
44. Cash generated from operations		
Surplus	439,630,074	487,673,072
Adjustments for:		
Depreciation and amortisation	180,536,735	157,189,055
Gain on sale of assets and liabilities	37,048,688	11,009,110
Finance costs	11,310,706	10,402,847
Impairment deficit	4,684,045	264,055
Bad debts written off	59,161	96,875
Movements in provisions	6,656,469	9,357,468
Gain/(loss) on provisions	(1,369,394)	(6,986,393)
Public contributions and donations	(14,779,428)	(9,945,360)
Other non-cash items	(2,350,515)	(639,589)
Actuarial gains	(1,331,605)	(2,168,204)
Changes in working capital:		
Inventories	(4,274,760)	(18,056,234)
Prepayments	10,950	5,651,974
Receivables from exchange transactions	(65,156,812)	(15,136,188)
Receivables from non-exchange transactions	25,465,609	(44,023,605)
Payables from exchange transactions	101,934,176	41,492,014
VAT	31,258,166	(71,399,259)
Unspent conditional grants and receipts	(34,049,177)	48,789,177
Consumer deposits	-	381
	715,283,088	603,551,196



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
--	------	------

45. 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 assets

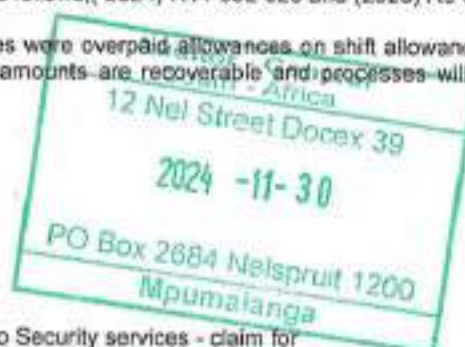
Agency fees on DLTCs-The municipality is in the process of instituting consequence management in cases of alleged fraud in respect to driver learners testing centers where cash received was not banked. The municipal internal audit unit and the department of community safety carried out the investigations and the matter was referred to the Disciplinary Body for advisory. The amounts involved are as follows: (2024) R11 032 023 and (2023) R9 884 296.

Payroll Debtors-The municipal employees were overpaid allowances on shift allowance, standby allowance and leave payout. The municipality is of the view that the amounts are recoverable and processes will be followed to ensure conclusion. The overpayment amount is R6 471 132.

Contingent assets

Driver licence testing centres

Payroll debtors



11,032,023	9,884,296
6,471,132	6,471,132
17,503,155	16,355,428

Contingent Liabilities

1. Izingwenya 210 investment CC & Juslo Security services - claim for services rendered. The matter was dismissed with costs, including those of two counsel on the 7th of August 2024. The municipality is not liable for the claims

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 drive

71,000	71,000
--------	--------

4. Tsebu brothers holdings-cancellation of the agreement for electrification of Makuwana Phase 2

4,050,157	4,050,157
-----------	-----------

5. Robert Themba -damages

-	200,000
---	---------

6. Rand Water-disputed water balances

173,370,000	173,370,000
-------------	-------------

7. BB Siegl- a claim for alleged collision involving municipal car

-	43,072
---	--------

8. NAD property income fund

23,525,000	23,525,000
------------	------------

204,135,915	204,378,987
--------------------	--------------------

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
--	------	------

46. Related parties

Related party transactions

No members of the municipality management have significant influence over the financial or operating policies of the municipality.

The following transactions relating to the former Executive Mayor who was a resident of the municipal area and was billed for services during the financial year.

Transaction in the current year

Former Executive Mayor - S. Nxumalo

Remuneration of management

Councillors

2024

	Remuneration	Basic salary	Car allowance	Cellphone allowance	Re-imbursment (km)	Social contribution	Total
Name							
Cllr CS Nxumalo -Executive Mayor (Resigned 18 June 2024)	-	581,355	363,048	12,097	-	25,782	982,26
Cllr BR Rakganya-Speaker	-	475,504	293,419	12,857	-	24,002	805,78
Cllr VN Mzimba -MMC Social Development	-	445,601	273,766	12,808	18,857	23,921	774,95
Cllr S Mathebula-MMC Corporate Services	-	445,601	273,746	12,857	22,052	23,589	777,84
Cllr BW Malandule- Chief Whip	-	445,601	293,181	12,719	10,641	5,734	767,87
Cllr TW Ngomane -MMC Finance	-	445,601	279,951	12,776	33,857	23,145	795,33
Cllr MP Gumede- MMC Sport ,Culture and Heritage	-	445,601	273,882	13,278	27,354	23,446	783,56
Cllr P Gubayi -MMC EDPE	-	445,601	292,640	12,910	82,301	6,465	839,91
Cllr LS Mhaule-MMC Public Safety services	-	445,601	292,640	523	33,646	6,173	778,58
Cllr PM Sambo -MMC Technical Services	-	290,551	189,036	-	68,478	5,473	553,53
Cllr ML Lekhuleni-MPAC Chairperson	-	432,709	271,204	13,094	26,513	23,481	767,00
Councillors	25,597,544	-	-	-	-	-	25,597,54
	25,597,544	4,899,326	3,096,513	115,919	323,699	191,191	34,224,19

2023

	Remuneration	Basic salary	Car allowance	Re-imbursment (km)	Social contribution	Total
Name						
Cllr CS Nxumalo -Executive Mayor	-	567,137	351,372	-	-	918,509

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

				2024	2023
46. Related parties (continued)					
Cllr BR Rakganya-Speaker	-	454,789	277,862	-	732,651
Cllr BW Malandule- Chief Whip	-	426,737	280,591	-	707,500
Cllr VN Mzimba -MMC Social Development	-	424,488	258,077	27,302	733,113
Cllr S Mathebula-MMC Corporate Services	-	426,737	259,435	36,292	745,648
Cllr TW Ngomane -MMC Finance	-	424,488	279,162	12,949	738,390
Cllr MP Gumede- MMC Sport, Culture and Heritage	-	424,545	258,077	27,052	732,882
Cllr P Gubayi -MMC EDPE	-	424,593	279,162	56,017	765,464
Cllr PM Sambo-MMC Public Safety services	-	417,682	276,291	26,411	726,192
Cllr ML Lekhuleni-MPAC Chairperson	-	413,950	272,137	26,269	721,152
Councillors	24,561,506	-	-	-	24,561,506
	24,561,506	4,405,146	2,792,166	212,292	32,083,987

For full disclosures 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. The councillor positions and names are disclosed on the face of the annual financial statements and their remuneration as per Note 29 Remuneration of Councillors for the period in review. The Executive Mayor and the Speaker and Mayoral Committee Members have such individual executive powers as granted by their delegation and therefore, their remuneration is disclosed individually as per notes to the annual financial statements. A 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.

Management class: Executive management

2024

47. Unauthorised expenditure

Opening balance as previously reported
Add: Unauthorised expenditure - current
Less: Amount written off- (2022/23)

Closing balance



9,763,249	-
-	9,763,249
(9,763,249)	-
-	9,763,249

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Cash	-	9,763,249
------	---	------------------

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
48. Irregular expenditure		
Opening balance as previously reported	38,583,330	442,807,371
Add: Irregular expenditure - current year identified by AG	-	600,000
Add: Irregular expenditure - current year identified by the municipality	-	6,586,801
Less: Amount written off (2021/22)	-	(14,267,744)
Less: Amount written off - subsequent payments	-	(6,586,801)
Less: Amount written off - (2009/2010) and (2010/2011)	-	(264,153,994)
Less: Amount written off - 2021	-	(126,402,303)
Less: Amount written off-(2022/23)	(600,000)	-
Closing balance	37,983,330	38,583,330
49. Fruitless and wasteful expenditure		
Opening balance as previously reported	3,346,885	4,538,041
Add: Fruitless and wasteful expenditure identified - current	4,129,748	1,258,628
Less: Amount written off (2020/21)	-	(31,560)
Less: Amount written off (2021/22)	-	(2,418,224)
Less: Amount written off - (2022/23)	(1,258,628)	-
Impairment on terminated projects	3,439,198	-
Closing balance	9,657,203	3,346,885

Fruitless and wasteful expenditure is presented inclusive of VAT. Included above is impairment on terminated projects that has already been paid for and has to be redone.



Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

Figures in Rand

49. Fruitless and wasteful expenditure (continued)

Details of fruitless and wasteful expenditure

		Nature of fruitless and wasteful expenditure
Auditor General		Interest on late payments
Eskom		Interest on late payments
SARS		Interest on late payments
Department of Water and Sanitation		Interest on late payments
Department of safety, security and liaison		Interest on late payments
Department of Agriculture, land reform and rural development		reconciliation fee (deeds search)
Inkomathi-Usethu Catchment Management Agency		Interest on late payments
Impairment on terminated projects		
Hispane Attorney		Employee case against the municipality



-	58,563
284,444	213,257
-	955
234,059	195,089
3,481,551	790,276
257	486
35,714	-
3,439,198	-
93,723	-
7,568,946	1,258,626

50. Deviation from 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

50,041,479	72,100,589
------------	------------

51. Prior-year adjustments

Property Plant and Equipment

Buildings Assets - 1) During the preparation of the FAR, it was discovered that a cost incurred to bring the asset into condition intended by management was not capitalised to the cost of the asset as per Grap 17. The error was corrected retrospectively and the impact on prior year period.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

2024

2023

51. Prior-year adjustments (continued)

Infrastructure Assets- 1) During the preparation of the FAR, it was discovered that invoices paid in the current year related to projects completed and capitalised in prior years. The error was corrected retrospectively and the impact on prior year period.

Land- amounting to R33 790 527.16 was restated from PPE- Land to IGRAP18 after it was found the land is actually occupied during the verification. The error was corrected retrospectively. Land amounting to R 5 900 237.14 classified as investment property was reclassified to PPE after it was discovered that the land was owner (Municipality) occupied during the verification process. The error was corrected retrospectively. During the verification process, it was noted that land amounting to R6 070 240-00 belonging to the Municipality was not in the FAR. The land was classified as PPE and included in the FAR retrospectively.

Computer Equipment- These assets were incorrectly classified in prior year as per GRAP 17.

Furniture and Office Equipment- These assets were incorrectly classified in prior year as per GRAP 17.

Machinery and Equipment- These assets were incorrectly classified in prior year as per GRAP 17.

Investment Property Buildings- During the current financial year, it was noted that property amounting to R256 000-00 belonging to the Municipality was not in the FAR. The property was classified as investment property and included in the FAR retrospectively.

Community Assets- An amount of R 106 536.04 was paid in the current year relating to a highmast project was completed in the 2021/22 FY. The error was corrected retrospectively and the impact on prior year period is as follows: Increase in PPE- R106 536.04 Decrease in Accumulated Depreciation - R 8004.78

Investment Property-Land- During the current financial year, it was noted that property amounting to R256 000-00 belonging to the Municipality was not in the FAR. The property was classified as investment property and included in the FAR retrospectively. Land amounting to R5 900 237.14 classified as investment property was reclassified to PPE after it was discovered that the land was owner (Municipality) occupied during the verification process. The error was corrected retrospectively. During the verification process, it was noted that unoccupied land amounting to R9 056 060-00 belonging to the Municipality was not in the FAR. The land was classified as investment property and included in the FAR retrospectively. During the current financial year, it was noted that property amounting to R64 000-00 belonging to the Municipality was not in the FAR. The land was classified as investment property and included in the FAR retrospectively.

Transport Assets- During the verification, it was discovered that vehicles that were written off in the 22/23 Financial year per resolution signed March 2023 and through accidents were still in the FAR. The error was corrected retrospectively and the impact on prior year period.

Payables from Exchange transactions. The correction is a resultant of adjustments to suppliers account balances reconciled to supplier statements.

Receivables from Exchange and non Exchange transactions - the corrections are a resultant of the update of the valuation roll due to changes in categories which were previously billed and this had an effect on all other services.

Work in Progress- During the preparation of the FAR, it was discovered that an invoice paid in the current year related to project completed and capitalised in the prior year. The error was corrected retrospectively and the impact on prior year period.

Revenue from Exchange and Non Exchange - The Valuation roll appeal outcome lead to the adjustments based on the Supplementary valuation. The effect was to the comparative year for services and rates.

Employee Cost and Remuneration of Councillors- Skills development levy related to municipal councillors was incorrectly assigned to employee cost. The reclassification was done retrospectively.

VAT and Debt Impairment - Outout VAT and Debt impairment was adjusted as per requirements of mSCOA Circular 12. National Treasury Municipal SCOA Circular No. 12 page 5 of 12 states that "The payment basis means that only the portion of the VAT received or paid must be declared to SARS in the period that the payment is made or received.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

2024

2023

51. Prior-year adjustments (continued)

The VAT Act allows municipalities and only those municipal entities that are supplying water, electricity, refuse removal and waste water services to register for VAT on the payment basis. Once payment for services rendered has been received will the municipality or municipal entity become liable to declare and pay VAT to SARS.

The VAT credit accrual account is used for all billing transactions where the amount owed to SARS is accrued to keep record of the VAT liability. When payment is received from debtors, the amount will be transferred from the VAT credit accrual (liability) to the VAT output account, and at the end of the tax period the amount received from the debtors' transactions and from any other VAT on cash received will be declared. The full amount is transferred from the VAT output account to the VAT control account.

This process of transferring amounts to the different control accounts is utilised to ensure that the

municipality or municipal entity keeps track of VAT payable and what amount will remain as a liability until payment is received from the consumers.

Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated
Receivables from Non Exchange transactions	12	751,210,138	30,890,555	782,100,693
Receivables from exchange transactions	14	291,120,677	(71,020,657)	220,100,020
Payables from exchange transactions	5	(273,755,850)	(2,362,166)	(276,118,016)
Property plant and equipment	3	5,409,005,783	(22,970,790)	5,386,034,993
Investment properties	2	144,045,581	(44,376,754)	99,668,827
VAT receivable	13	37,672,875	45,877,714	83,550,589
		<u>6,359,299,204</u>	<u>(63,962,098)</u>	<u>6,295,337,106</u>

Statement of financial performance

2023

	Note	As previously reported	Correction of error	Restated
Service charges	16	118,819,559	(203,048)	118,616,511
Property rates	23	251,708,461	839,528	252,547,989
Interest -non exchange	24	115,545,722	(6,902,441)	108,643,281
Employee cost	28	(631,851,901)	-	(631,851,901)
Remuneration of councillors	29	(31,804,302)	-	(31,804,302)
Loss on disposal of assets	37	(10,139,676)	(869,434)	(11,009,110)
Debt Impairment		(334,338,620)	14,183,293	(320,155,327)
		<u>(522,060,757)</u>	<u>7,047,898</u>	<u>(515,012,859)</u>

52. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Opening balance	(6,423,456)	-
Current year subscription / fee	6,802,634	-
Amount paid - current year	-	(6,423,456)
Discount on early settlement	(340,146)	-
	<u>39,032</u>	<u>(6,423,456)</u>

Being SALGA membership fees

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

	2024	2023
52. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Water loss		
Billed water	112,783,748	105,515,109
Free basic water	289,638,669	222,348,531
Opening balance as restated	402,422,417	327,863,640
Cost of production	(235,562,923)	(222,320,160)
Less : Closing water inventory	(362,757)	(395,755)
	166,496,737	105,147,725
Audit fees		
Amount paid - current year	10,602,292	11,133,648
PAYE and UIF		
Opening balance	266,123	-
Current year subscription / fee	137,819,055	112,891,658
Amount paid - current year	(137,823,274)	(112,625,535)
	261,904	266,123
Pension and Medical Aid Deductions		
Opening balance	2,636,177	-
Current year subscription / fee	183,205,027	153,507,019
Amount paid - current year	(183,209,161)	(150,870,842)
	2,632,043	2,636,177



Councillors' arrear consumer accounts

The was no Councillors who had arrear accounts outstanding for more than 90 days at 30 June 2024:

53. 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.

54. 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.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

2024

2023

54. Segment information (continued)

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

Executive and Council

Budget and Treasury

Economic development planning and environment

Technical Services

Water services

Corporate services

Municipal Managers Office

Community Services

Goods and/or services

Provides political leadership to the municipality for the generation of economic benefits and service potential

Provides financial administration to the municipality for generation of economic benefits and service potential

Provides for waste management , town planning , local economic development and environment sustainability for the generation of economic benefits and service potential

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

Provides for production and distribution of water to the municipality for the generation of economic benefits and service potential

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

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

Provides social services, public safety,public spaces, libraries and indigents administration to the municipality for generation of economic benefits and service potential

Auditor - General

South - Africa

12 Nel Street Docex 39

2024 -11- 30

PO Box 2684 Nelspruit 1200

Mpumalanga

Bushbuckridge Local Municipality

(Registration number MP325)
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

Figures in Rand

54. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Budget and Treasury	Community Services	Corporate Services	Council Services	Economic development planning and environment	Municipal Manager	Technical Services	Water Services	Total
Revenue									
Agency income	-	15,821,137	-	-	-	-	-	-	15,821,137
Interest received-bank	21,709,972	-	-	-	-	-	-	-	21,709,972
Interest on outstanding debtors	65,568,867	-	-	-	-	-	-	-	65,568,867
License and permits	359,495	-	-	-	21,978	-	-	-	381,473
Other income	13,303,995	109,959	-	-	-	-	-	-	13,413,954
Rental of facilities and equipment	1,200,248	-	-	-	-	-	-	-	1,200,248
Service charges	127,169,548	-	-	-	-	-	-	-	127,169,548
Property rates	265,723,415	-	-	-	-	-	-	-	265,723,415
Transfer and subsidies	1,479,158,037	-	43,100,000	-	-	-	19,925,579	72,988,631	1,615,170,247
Interest on outstanding debtors	138,329,790	-	-	-	-	-	-	-	138,329,790
Public contributions and donations	14,779,428	-	-	-	-	-	-	-	14,779,428
Fines and penalties	-	2,848,050	-	-	-	-	-	-	2,848,050
Total segment revenue	2,127,302,795	18,779,146	43,100,000	-	21,978	-	19,925,579	72,988,631	2,282,116,129
Entity's revenue									2,282,116,129

Audited General
South Africa
12 Nel Street Docex 39
2024-11-30
PO Box 7684 Nelspruit 1200
Mpumalanga

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

Figures in Rand

54. 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	72,523,905	109,730,895	117,034,100	-	72,103,016	40,598,888	87,762,281	178,338,052	678,091,137
Remuneration of councillors	23,843,273	8,723,783	5,460,859	34,224,192	-	-	-	-	34,224,192
Depreciation and amortisation	15,440,454	-	-	-	625,365	-	2,354,557	139,528,896	180,538,733
Finance cost	216,628,614	-	-	-	-	-	-	-	15,440,454
Debt impairment	40,356,965	98,953,591	42,183,621	1,142,728	15,974,077	10,539,081	182,323,272	2,237,493	216,628,614
Contracted services	77,913,952	5,548,287	-	111,300	-	-	837,904	-	393,710,828
Transfer and subsidies	37,247,463	10,448,680	68,838,588	3,079,778	16,188,052	4,573,251	44,116,074	15,857,853	6,497,491
Waiver of debt	59,161	-	-	-	-	-	-	-	77,913,952
General expenses	(1,331,605)	-	-	-	-	-	-	-	59,161
Bad debts written off	4,684,045	-	-	-	-	-	-	-	(1,331,605)
Actuarial gains and loss	15,330,103	21,718,585	(1,369,394)	-	-	-	-	-	4,684,045
Impairment loss	-	-	-	-	-	-	-	-	37,049,688
Loss on disposal of assets and liabilities	-	-	-	-	-	-	-	-	(1,369,394)
Gains on provisions	-	-	-	-	-	-	-	-	-
Total segment expenditure	502,696,340	255,123,830	232,147,774	38,557,998	104,890,510	55,711,220	317,396,088	335,962,294	1,842,486,054
Total segmental surplus/(deficit)	1,624,606,455	(236,344,684)	(189,047,774)	(38,557,998)	(104,868,532)	(55,711,220)	(297,470,509)	(262,975,663)	439,630,075

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

Figures in Rand

54. Segment information (continued)

	Budget and Treasury	Community Services	Corporate Services	Council Services	Economic development planning and environment	Municipal Manager	Technical Services	Water Services	Total
Assets									
Inventories	38,501,449	-	-	-	-	-	-	-	38,501,449
Receivable from non exchange	737,234,211	-	(500)	-	-	-	8,572,191	-	745,805,902
Vat receivable	52,292,423	-	-	-	-	-	-	-	52,292,423
Receivables from exchange transactions	(1,080,337,423)	-	1,356,423,485	-	-	-	-	-	296,086,012
Prepayments	4,739,218	-	-	-	-	-	-	-	4,739,218
Cash and cash equivalents	(846,232,151)	-	-	-	-	-	879,859,136	115,000,000	148,626,985
Intangible assets	-	-	(498,671)	-	-	511,000	-	-	24,329
Property, plant and equivalent	7,314,163	223,737,526	294,006,758	-	99,160,905	1,990,222	5,482,082,390	-	6,088,291,964
Investment property	-	-	99,043,762	-	-	-	-	-	99,043,762
Total segment assets	[1,066,488,110]	223,737,526	1,748,986,784	-	99,160,905	2,501,222	6,350,513,717	115,000,000	7,473,412,044
Total assets as per Statement of financial Position									7,473,412,044
Liabilities									
Payables from exchange transactions	509,204,897	-	5,672,541	-	-	-	-	-	514,877,438
Consumer deposits	2,514,854	-	-	-	-	-	-	-	2,514,854
Unspent conditional grants	6,511,730	-	8,208,269	-	-	23,196,000	(23,195,999)	-	14,720,000
Provisions current liability	25,302,839	-	44,447,223	-	5,746,044	-	-	-	75,496,106
Provisions-Non current liability	38,603,894	-	69,713,826	-	-	-	-	-	108,377,720
Accumulated Surplus	6,317,795,852	-	-	-	-	-	-	-	6,317,795,852
Total segment liabilities	6,899,394,066	-	128,041,859	-	5,746,044	23,196,000	(23,195,999)	-	7,033,781,970
Surplus for the year									439,630,074
Total liabilities as per Statement of financial Position									7,473,412,044

Measurement of segment surplus or deficit, assets and liabilities

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

2024

2023

54. Segment information (continued)

Basis of accounting for transactions between reportable segments

Information about geographical areas

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.

55. Accounting by principals and agents

The entity 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 Liason 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 Liason. Refer 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 2024 R41,339,931 (2023: R42,084,182).

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

Payables

Opening balance	28,228,762	7,809,005
Amounts received on behalf of principal	41,339,931	42,084,182
Interest charged by the principal	3,739,713	-
Amounts paid to the principal	(18,652,819)	(21,684,425)
	<u>54,655,587</u>	<u>28,228,762</u>

All categories

Opening balance	28,228,762	7,809,005
Amounts received on behalf of principal	41,339,931	42,084,182
Amount paid to the principal	3,739,713	-
Amount paid to the principal	(18,652,819)	(21,684,425)
	<u>54,655,587</u>	<u>28,228,762</u>

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

56. New standards and interpretations

56.1 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 for the current financial year and that are relevant to its operations:

- GRAP 1 (amended): Presentation of Financial Statements, 01 April 2023 (Materiality)



The adoption of this has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the financial statements

56.2 STANDARDS AND INTERPRETATIONS EARLY ADOPTED

The municipality did not early adopt any standards and interpretations:

Standard/ Interpretation:

Effective date:
Years beginning on or after

Expected impact:

56.3 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 2024 or later periods:

Standard/ Interpretation:

Effective date:
Years beginning on or after

Expected impact:

- | | | |
|--|---------------|--|
| • GRAP 2023 Improvements to the Standards of GRAP 2023 | 01 April 2023 | Unable to reliably estimate the impact |
| • GRAP 1 (amended): Presentation of Financial Statements (Going Concern) | 01 April 2023 | Not expected to impact results but may result in additional disclosure |
| • IGRAP 22 Foreign Currency Transactions and Advance Consideration | 01 April 2025 | Unable to reliably estimate the impact |
| • GRAP 104 (as revised): Financial Instruments | 01 April 2025 | Impact is currently being assessed |

57. Waiver of debt

Waiver of debt

77,913,962

-

The Council approved the initiative to waive 50% of the outstanding debt when payment of R50% is realised. This initiative have led to the collection of R79,5 million within a period of 4 months.

58. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments.

Bushbuckridge Local Municipality

(Registration number MP325)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements for the year ending 30 June 2024

2024

2023

58. Risk management (continued)

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, derivative 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	2024	2023
Cash and cash equivalents	148,626,983	206,591,710
Receivables from exchange transactions	282,032,323	217,437,455
Receivable from non exchange transactions	8,572,191	8,078,517
Payable from exchange transactions	(487,203,989)	(251,316,676)

Market risk

Described as follows:

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.





AUDITOR - GENERAL
SOUTH AFRICA

The accounting officer
Bushbuckridge local municipality
Private bag X9308
1280

Date: 30 November 2024

Reference: 60053REG23-24

Dear Sir

Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Bushbuckridge Local municipality for the year ended 30 June 2024

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa [section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA) / section 40(2).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA [40(1)(d) you are required to include the auditor's report in the municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the auditor's report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor's report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), members of the staff of the Auditor General (AG), may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party without the permission of the AG or his/her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter..
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



Senior Manager: Mpumalanga Business unit

Enquiries: Lindiwe Mlaba
Telephone: (013) 756 0800
Fax: (013) 756 0800

Report of the auditor-general to the 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 xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Bushbuckridge Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
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 exchange transactions

7. As disclosed in note 14 to the financial statements, the receivables from exchange transactions balance were significantly impaired. The total impairment of receivables from exchange transactions amounted to R505,24 million (2022-23: R376,79 million), which represented 64% (2022-23: 63%) of the total receivables from exchange transactions.

Material impairments – receivables from non-exchange transactions

8. As disclosed in note 12 to the financial statements, the receivables from non-exchange transactions balance was significantly impaired. The total impairment of receivables from non-exchange transactions amounted to R1,317.98 million (2022-23: R1,216.14 million), which represented 64% (2022-23: 61%) of the total receivables from non-exchange transactions.

Restatement of corresponding figures

9. As disclosed in note 51 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Material losses – water

10. As disclosed in note 52 to the financial statements, material water losses of R166,50 million (2022-23: R105,15 million) were incurred, which represented 41% (2022-23: 32%) of total water units purchased. These losses arose from ageing and deteriorating infrastructure as well as illegal connections.

Other matter

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

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but

is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following key performance area presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected a key performance area that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Key performance area	Page numbers	Purpose
Infrastructure development and basic service delivery	[XX]	To improve the provision of basic services such as water, electricity, sanitation and refuse removal.

19. 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.
20. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any measures taken to improve performance

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

22. The material findings on the reported performance information for the selected key performance area are as follows:

Infrastructure development and basic service delivery

Various indicators

23. Achievements were reported against targets, but these targets had not been clearly defined during the planning process. Consequently, the target are not useful for measuring and reporting on progress against the municipality's planned objectives.

Indicators	Targets	Details
Completion of purchase and installation of laboratory equipment by 31 March 2024	Purchase and installation of installation equipment completed by 31 March 2024	1. The planned target per SDBIP and reported target per APR is not specific as to the nature of the laboratory equipment to be purchased and installed. 2. The planned target per SDBIP and reported target per APR is not specific on which laboratory this equipment will be installed
% installation of lockable manhole covers	0 % installation of lockable manhole covers	The planned target per SDBIP and reported target per APR is not specific on the location where these lockable manhole covers will be installed
% Completion installation of High Masts	100% Installation of high masts	The planned target per SDBIP and reported target per APR is not specific on the locations where these high masts will be installed
% of installation of the 500kVA generator at Intermediate booster	100% of the installation of the 500kVA generator at Intermediate Booster	The planned target per SDBIP and reported target per APR is not specific on where this intermediate booster is located.

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements and measures taken to improve performance.

26. 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 reasons for any underachievement of targets / measures taken to improve performance are included in the annual performance report on pages xx to xx.

Infrastructure and basic service delivery

<i>Targets achieved: 51%</i> <i>Budget spent: 99%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
% Completion of Culvert Bridge at Mkhetsi Primary – Ward 25	100% completion of culvert bridge at Mkhetsi Primary	0% Completion of culvert bridge at Mkhetsi Primary
% Completion of Culvert Bridge Mambumbu – Ward 22	100% completion of culvert bridge at Mambumbu	0% Completion of culvert bridge at Mambumbu
% Completion of Culvert Bridge at Khulong Primary - Ward 5	100% completion of culvert Bridge at Khulong Primary	0% Completion of culvert bridge at Khulong Primary
% Completion of Rehabilitation of tarred streets at Malubane - MaF (Ward 1)	30% completion of rehabilitation of tarred streets at Malubane - MaF (Ward 1)	0% completion of rehabilitation of tarred streets at Malubane - MaF (Ward 1)
% Completion of Rehabilitation of tarred streets at Shatale (Ward 7)	30% completion of rehabilitation of tarred streets at Shatale (Ward 7)	0% completion of rehabilitation of tarred streets at Shatale (Ward 7)
% Completion of Re-Construction of Culvert Bridge at Relane C to D (Ward 11)	30% completion of re-construction of culvert bridge at Relane C to D (Ward 11)	0% completion of re-construction of culvert bridge at Relane C to D (Ward 11)
% Completion of Rehabilitation of tarred streets at Acornhoek Mall - Greenvalley - (Ward 18)	30% completion of rehabilitation of tarred streets at Acornhoek Mall - Greenvalley - (Ward 18)	0% completion of rehabilitation of tarred streets at Acornhoek Mall - Greenvalley - (Ward 18)
% Completion of Re-Construction of Culvert Bridge at Masingitana Primary (Ward 20)	30% completion of re-construction of culvert bridge at Masingitana Primary (Ward 20)	0% completion of re-construction of Culvert Bridge at Masingitana Primary (Ward 20)
% Completion of Re-Construction of Culvert Bridge at Motlamogale Primary (Ward 32)	30% completion of re-construction of culvert bridge at Motlamogale Primary (Ward 32)	0% completion of re-construction of Culvert Bridge at Motlamogale Primary (Ward 32)

% Completion of water reticulation at Rolle phase 3	100% completion of reticulation and yard meter connection at rolle phase 3	77% completion of reticulation and yard meter connection at rolle phase 3
% Completion of water reticulation project at Ronaldsey	100% completion of water reticulation at Ronaldsey	96.87 % construction of water at reticulation at Ronaldsey
% completion of the provision of water reticulation at Kurhula and Tiyakeni Phase 1	60% construction progress of water reticulation at Kurhula and Tiyakeni Phase 1	40,12% construction progress of water reticulation at Kurhula and Tiyakeni Phase 1
% Completion construction of bulk water infrastructure and Supply at Mamelodi and Kgapamadi	30% construction of bulk water infrastructure and supply at Mamelodi and Kgapamadi	0% construction of bulk water infrastructure and supply at Mamelodi and Kgapamadi
% completion of water reticulation at Buyisonto George Bizoose	20 % completion of water reticulation at Buyisonto George Bizoose	0 % completion of water reticulation at Buyisonto George Bizoose
% completion reticulation and yard meter connection at Kildare B phase 2	50% construction progress of provision of water reticulation at Kildare B phase 2	44.42% construction progress of provision of water reticulation at Kildare B phase 2
% completion of construction of the reservoir and connection into a bulk pipeline at Nkanini	100 % completion of construction of a reservoir and connection into a bulk pipeline at Nkanini	77% completion of construction of a reservoir and connection into a bulk pipeline at Nkanini
% completion of the upgrade of the Dingleddale package plant phase 2 (Raw water pipeline and bulk pipeline)	100 % completion of the upgrade of the Dingleddale package plant phase 2	90 % completion of the upgrade of the Dingleddale package plant phase 2
% Completion of tarring internal streets from Casteel to Tembisa High School	60% construction progress of tarring of internal streets from Casteel to Tembisa High School phase 2	50% construction progress of tarring of internal streets from Casteel to Tembisa primary school phase 2
% Completion of the paving of internal streets project at Maviljan Region ward 09	80% construction progress of paving of internal streets at Maviljan at Ward 09	46.79% construction progress of paving of internal streets at Maviljan at Ward 09
% Completion of paving internal streets at Acornhoek Ward 17 (Happydam)	90% construction progress of tarring of internal streets at Acornhoek ward 17 (Happy Dam)	43.86% construction progress of tarring of internal streets at Acornhoek Ward 17 (Happy Dam)
% Completion paving of internal streets at Matsikitsane Ward 15 Phase 3	80% construction progress of paving internal at Matsikitsane - Ward 15 Phase 3	40% construction progress of paving internal at Matsikitsane - Ward 15 Phase 3
% completion of paving street at Ward 23 Cork	80% construction progress of paving of internal streets at Ward 23 Cork	42.56% construction progress of paving of internal streets at Ward 23 Cork
% Completion paving of internal streets at Lillydale Region ward 25 at Justicia	80% construction progress of paving of internal streets project at Lillydale Region ward 25 Justicia	28.41% construction progress of paving of internal streets project at Lillydale Region ward 25 Justicia
% Completion of tarring of internal streets at Agincourt	100% completion of Tarring of internal streets at Agincourt	92.54 % completion of Tarring of internal streets at Agincourt
% Completion Paving of internal streets project at Marite at Bakutswe to Ka Mona	100% completion of the paving of internal streets at Marite Bakutswe ka Mona	98.85 % completion of the paving of internal streets at Marite Bakutswe ka Mona

% Completion tarring of internal streets project at Acornhoek 21 at Buffelshoek	100% completion of tarring of internal streets at Acornhoek Ward 21 at Buffelshoek	% completion of tarring of internal streets at Acornhoek at ward 21 at Buffelshoek
% Completion Paving of internal streets project at Shatale Region Ward 12	80% construction progress of paving of internal streets project at Shatale Region Ward 12	54% construction progress of paving of internal streets project at Shatale Region Ward 12
% Completion of the paving of internal streets at Ward 19 Acornhoek	70% construction progress of paving of internal streets at Ward 19 Acornhoek	48 % construction progress of paving of internal streets at Ward 19 Acornhoek
%completion of Paving of internal streets at Ward 08 Ga Motibidi	80% construction progress of paving of internal streets at ward 08 at Ga Motibidi	51 % construction progress of paving of internal streets at ward 08 at Ga Motibidi
%Completion of Paving of internal streets at ward 32 at Zoeknog and Wales	80% construction progress of paving of internal streets at ward 32 at Zoeknog and Wales	72.55% construction progress of paving of internal streets at ward 32 at Zoeknog and Wales
% completion of Paving of internal streets at ward 07 Thabakgolo and Masakeng	80% construction progress of Paving of internal streets at ward 07 Thabakgolo and Masakeng	29.12% construction progress of Paving of internal streets at ward 07 Thabakgolo and Masakeng
% completion of Paving of internal streets at New Forest	70% construction of paving of internal streets at Newforest	37.18% construction of paving of internal streets at Newforest
% Completion of a municipal head office building	80% Construction progress of construction of municipal head Office building	58.42% Construction progress of construction of municipal head Office building
% Completion of Acornhoek Sports Facility project Phase 2	80% construction progress of construction of Acornhoek sports facility project phase 2	38% construction progress of construction of Acornhoek sports facility project phase 2
% Construction of Landfill site (Phase 3)	80% construction progress of landfill site (phase 3)	53% construction progress of landfill site (phase 3)
% construction progress of upgrading of Maviljan WWTW	100% construction progress of upgrading of Maviljan WWTW	94 % completion of upgrading of Maviljan WWTW
% Completion of Fencing IEC Office Thulamahashe	100% completion of fencing IEC Office at Thulamahashe	0 completion of fencing IEC Office at Thulamahashe
% Completion of Fencing at Dwarsloop Regional Office	100% completion of fencing at Dwarsloop Regional Office	0 completion of fencing at Dwarsloop Regional Office
Number of Operators' Houses Constructed	3 operators' Houses	2 operators' House Constructed
% Completion installation of High Masts	100% installation of high masts	98 % installation of high masts
% Completion of Culvert Bridge at Ndimande – Ward 29	100% completion of culvert bridge at Ndimande Primary	0% completion of culvert bridge at Ndimande Primary
% Completion of Culvert Bridge at Moreipuso Clinic – Ward 14	100% completion of Culvert bridge at Moreipuso	0% completion of culvert bridge at Moreipuso
% Completion of Culvert Bridge at Oakley Graveyard – Ward 24	100% completion of culvert bridge at Oakley Graveyard	0% completion of culvert bridge at Oakley Graveyard

% Completion of Culvert Bridge at Tlabekisa – Ward 34	100% completion of culvert bridge at Tlabekisa	0% completion of culvert bridge at Tlabekisa
% Completion of water reticulation project at Englington (Share)	100% completion of water reticulation at Englington (share)	0% completion of water reticulation at Englington (share)
% Completion of water reticulation project at Somerset	50% construction progress water reticulation at somerset	0% construction progress water reticulation at somerset
% Completion of water reticulation project at Huntington	50% construction progress of water reticulation at Huntington	0% construction progress of water reticulation at Huntington
% Completion of water reticulation at Welverdiend	50% construction progress of water reticulation at Welverdiend	0% construction progress of water reticulation at Welverdiend
% Completion of water reticulation at Agincourt	20% completion of the provision of water reticulation at Agincourt	0% completion of the provision of water reticulation at Agincourt
% construction progress of provision of water at new sites	50% construction progress of provision of water at Dwarsloop new sites	0% construction progress of provision of water at Dwarsloop new sites
% Development of water services laboratory designs	100% development of water services laboratory designs	0% development of water services laboratory designs
% Completion of the upgrade of Shatale WTW	20% completion of the upgrade of Shatale WTW	0% completion of the upgrade of Shatale WTW
% construction progress on installation of Hoxane to Cuning Moore steel pipeline	5 % construction progress on installation of Hoxane to Cuning Moore steel pipeline	0 % construction progress on installation of Hoxane to Cuning Moore steel pipeline
% of water meters installed (Various Locations)	100 % completion of the installation of water meters (Various Locations)	0 % completion of the installation of water meters (Various Locations)
% Completion Sealing of leaking reservoir phase 2	100 % completion of the sealing of the leaking reservoir phase 2	0% completion of the sealing of the leaking reservoir phase 2
% implementation of water loss management program	10 % Progress on the implementation water loss management program	0 % Progress on the implementation water loss management program
% implementation of the refurbishment of the Agincourt booster pump station	100 % implementation of the refurbishment of the Agincourt booster pump station	0 % implementation of the refurbishment of the Agincourt booster pump station
% Upgrade of Sigagule package plant	100 % completion of the upgrade of Sigagule package plant	0 % completion of the upgrade of Sigagule package plant
% Modification of Acornhoek Raw water pump station	100 % completion of modification of Acornhoek raw water pump station	0 % completion of modification of Acornhoek raw water pump station
% refurbishment of Belfast package plant	100 % completion of the refurbishment of the Belfast package plant	0 % completion of the refurbishment of the Belfast package plant

% installation of lockable manhole covers	100 % installation of lockable manhole covers	0 % installation of lockable manhole covers
% Completion of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	100% construction of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	0% construction of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia
% Completion of Mnisi Resort Chalets in Welverdiend and Construction of Guardhouse and Waste Equipment at Inyaka Dam	100% completion of Mnisi Resort Chalets in Welverdiend and Construction of Guardhouse and Waste Equipment at Inyaka Dam	0% completion of Mnisi Resort Chalets in Welverdiend and Construction of Guardhouse and Waste Equipment at Inyaka Dam
% Servicing of sites in Dwarsloop	100% serving of sites in Dwarsloop.	0% serving of sites in Dwarsloop
% provision of sanitation Infrastructure (North region)	10 % provision of basic sanitation Infrastructure (North region)	0 % provision of basic sanitation Infrastructure (North region)
% Refurbishment of Thulamahashe sewer network phase 1	25% construction on refurbishment t of Thulamahashe the sewer network phase 1	0% construction on refurbishment t of Thulamahashe the sewer network phase 1

Material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of infrastructure development and basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness of the reported performance information. Those that were not corrected are reported above.

Report on compliance with legislation

28. 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.
29. 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.
30. 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.

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

Annual financial statements

32. 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 expenditure, current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

33. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R4 129 748, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties due to late payments.

Strategic planning and performance

34. The performance management system and related controls were inadequate as it did not describe how the performance planning, monitoring, measurement, review, reporting, processes should be managed, as required by municipal planning and performance management regulation 7(1).and performance management regulation 7(1).

Other information in the annual report

35. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.
36. 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.
37. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report this. I have nothing to report in this regard.

Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
40. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
41. Non-compliance with legislation could have been prevented if the municipality had sufficient resources and capacity to ensure compliance is sufficiently monitored and reviewed by senior management. This resulted in the compliance matters reported above as well as unauthorised, irregular and fruitless and wasteful expenditure.
42. Senior management did not implement adequate recording, reviewing and reporting processes and controls to ensure credible, complete and accurate financial and performance reporting due to constrained capacity and resourcing.
43. Management did not adequately use the action plan to address internal control deficiencies to ensure no recurring of previous reported material misstatements.
44. The municipality service delivery and implementation plan (SDBIP) was not aligned with annual approved budget to ensure that planned targets are achieved so to service the basic delivery in the community.

Material irregularities

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

Status of previously reported material irregularities

Overpayment made on the paving of internal streets at lillydale – Phase 1

46. The municipality appointed a service provider in November 2018 to pave the internal streets at Lillydale phase 1 for a total contract value of R11, 37million.
47. The municipality overpaid the service provider contracted as some quantities paid for were more than the quantities received and some payments were made for work that was not done, resulting in non-compliance with the section 65(2) (a) of the MFMA.
48. The non-compliance was likely to result in a material financial loss due to the overpayment of the service provider for the quantities that were not delivered and the work that was not done.

49. The accounting officer was notified of this material irregularity on 28 October 2021 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity
50. I referred the material irregularity to the Special Investigation Unit (SIU) on 6 August 2024 for investigation, as provided for in section 5(1A) of the PAA. The SIU acknowledged receipt of the referral on the same day and is currently assessing the matter for further investigation.
51. I further recommended that the accounting officer should take the following action to address the material irregularity, which should be implemented by 3 March 2025:
- Review of invoices/completion certificate by the technical unit (Projects manager) to confirm services rendered before approval of payment.
52. I will follow-up on the implementation of the recommendations after the due date.

Auditor-General

Mbombela

30 November 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 areas 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.

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	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b) Parent municipality with ME: Sections 93B(a), 93B(b) Parent municipality with shared control of ME: Sections 93C(a)(iv), 93C(a)(v)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of	Regulations 17(2), 36(1)(a)

Legislation	Sections or regulations
Employment of Senior Managers, 2014	
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

APPENDIX C

AUDIT REPORT

2023/2024



AUDITOR-GENERAL
SOUTH AFRICA

MANAGEMENT REPORT

Bushbuckridge Local Municipality

2023-24

Date: 24 November 2024

INTRODUCTION

1. The purpose of this management report is to communicate the outcomes of the audit for the financial year ended 30 June 2024, as well as the insights and significant matters that require the attention of the accounting officer. The report should be read with the engagement letter, which sets out our responsibilities as well as the standards and processes we apply in performing our audits.
2. The auditor's report is finalised only after the management report has been communicated. All matters included in this report that relate to the auditor's report remain in draft form until the final auditor's report has been signed.
3. We communicated our audit findings and recommendations for improvement to management and obtained their responses throughout the audit. This report is a comprehensive summary of what we shared with management. In **annexure D**, we provide a summary of detailed findings communicated to management.
4. The management report is structured as follows:
 - In **section 1** we share the overall audit outcomes and the status of material irregularities. We also summarise the material irregularities in **annexure F**.
 - In **section 2** we provide the most significant matters from the audit and their impact, which we detail further in the annexures. Where appropriate, we also include the following:
 - Significant deficiencies in internal control that caused the findings we report. Significant deficiencies occur when internal controls do not exist; are not appropriately designed or implemented; or are not operating as intended to prevent – or to promptly detect and correct – material misstatements, non-compliance or non-performance. In **annexure C** we expand on the state of internal control.
 - Key recommendations and the responses received from management on implementing the recommendations.
 - In **section 3** we include observations on the overall internal control environment and the role of the accountability ecosystem. Key recommendations and responses from management are also included.
 - In **section 4** we provide our view of the root causes of deficiencies in the overall internal control environment and provide recommendations for the [party responsible] to address the root causes.
 - We end the report with a **conclusion**.
5. We trust the insights and recommendations in this report will be of value in your pursuit towards building and leading a municipality that is accountable and transparent, has institutional integrity, and performs at a level that has a positive impact on the lives of South Africans.

4. **Annexure E** lists matters that will affect future financial statements, annual performance reports and compliance with legislation.

MATERIAL IRREGULARITIES

5. Since the implementation of the material irregularity process, we have identified one material irregularities at the municipality.

Status of material irregularities

Year of notification	Total	Resolved	Appropriate actions	Following up actions taken	AGSA further actions	Notification response not yet due	Assessing response
2021/22	1	0	0	0	0	0	0

Status of previously reported material irregularities

Overpayment made on the paving of internal streets at lillydale – Phase 1

6. The municipality appointed a service provider in November 2018 to pave the internal streets at Lillydale phase 1 for a total contract value of R11, 37million.
7. The municipality overpaid the service provider contracted as some quantities paid for were more than the quantities received, and some payments were made for work that was not done, resulting in non-compliance with the section 65(2) (a) of the MFMA.
8. The non-compliance was likely to result in a material financial loss due to the overpayment of the service provider for the quantities that were not delivered and the work that was not done.
9. The accounting officer was notified of this material irregularity on 28 October 2021, and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity
10. We referred the material irregularity to the Special Investigation Unit (SIU) on 6 August 2024 for investigation, as provided for in section 5(1A) of the PAA. The SIU acknowledged receipt of the referral on the same day and is currently assessing the matter for further investigation.
11. We further recommended that the accounting officer should take the following action to address the material irregularity, which should be implemented by 3 March 2025:
12. Review of invoices/completion certificate by the technical unit (Projects manager) to confirm services rendered before approval of payment.
13. We will follow-up on the implementation of the recommendations after the due.

	Uncorrected	Corrected	No prior-year misstatement
--	-------------	-----------	----------------------------

16. The municipality has a history of material misstatements which tend to be corrected during the audit process. This indicates that there are still significant internal control deficiencies that need to be improved on for the municipality to produce an accurate set of financial statements. The accountability eco-system plays a major role in the root cause of the misstatements as each level of responsibility needs to effectively fulfil their role as the final output of the AFS and AOPD would reflect the input. Where internal controls are not being monitored, management and those charged with leadership need to analyse the root causes and implement corrective action that stems from filling vacancies and capacity building.
17. Oversight bodies also need to analyse the root causes and advise the municipality adequately to improve on the quality of financial statements.
18. **Impact:** This has resulted into non-compliance with annual financial statement, annual report, and performance report in term of section 122(1) of the MFMA as annual financial statements submitted had material misstatements.
19. Management is encouraged to respond to all COMAFs issued to provide insights on what needs to be done to improve audit outcome of the municipality. Corrections that needed to be done were done as agreed upon in the engagement letter. Management should be commended for the efforts made in making the corrections.

Internal control and recommendations

20. We identified significant internal control deficiencies in financial recordkeeping and the financial statement preparation and related business processes, which caused the misstatements or could cause misstatements in future.

Significant internal control deficiencies – financial records and financial statements

Deficiency	Prior years reported	
	2022-23	2021-22
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	√	√
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.	√	√
Recommendations made by the internal and external auditors are not fully implemented by management	√	√
Regular trainings to keep the finance staff updated with requirements of the accounting standards are not performed.	√	N/A

21. We made recommendations to improve the financial records and the financial statements preparation process to the management. Some of these recommendations were also made in prior years. A summary of the key recommendations and the responses received follows.

Budget spending

Nature	Description	Rand value		
		2023-24	2022-23	2021-21
Budget overspent	No unauthorised expenditure was incurred in the current year, the unauthorised expenditure incurred in the prior year was written off in the current year.	R0	R9 763 249	R0

Financial assessment and compliance

24. Our audit included a high-level assessment of the financial position and key financial ratios of the Municipality based on its financial results to assess its going concern as detailed earlier, and also to highlight those issues that may require corrective action to maintain financial stability. The financial ratios used for assessment include those that the National Treasury also apply when assessing whether a municipality is in financial distress. The assessment is intended to complement, rather than substitute, the Municipality's own financial assessment.
25. The detailed assessment is included in **annexure A**. We used the amounts and information in the financial statements to perform the assessment.
26. We concluded based on the assessment that the financial health of the Municipality is good, which is the same as the previous year.
27. Next, we summarise the key matters identified through the assessment that require attention to improve the financial health.

Financial assessment – key matters

Revenue management
<p>The municipality's debt collection period in the current financial year is 360 days after impairment which is relatively the same as prior year. The number of days are significant and indicate that the municipality is still taking long to collect revenue from debtors, which is an indication of a working capital management that is not improving. The low collection rate is worsened by external economic conditions which have impaired the municipality's debtor's ability to pay. Management is also not taking measures as per their policy to collect debts e.g. issuing out demand letters. Lack of collection hinders the advancement of service delivery.</p> <p>Distribution losses for water is 41%.</p> <p>The ratio for water exceeds the norm of 30% which indicates various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed".</p>
Expenditure management
<p>The municipality is taking 317 days to pay its creditors. This shows a significant cash deficiency and has a negative impact on service delivery as it can slow down the completion of projects. Non-payment of creditors also results in the incurrence of interest which can lead to fruitless and wasteful expenditure. This ratio has not improved as in prior year the creditors days were 245 days.</p>

28. We identified non-compliance with legislation and other local government requirements applicable to the municipality on financial management. The findings on material non-compliance with legislation will be reported in the auditor's report.

36. >Integrated National Electrification Programme

Integrated National Electrification Programme (INEP) at the age of 14

37. >Municipal Disaster Grant

38. >Water services Infrastructure Grant

39. We did not identify findings to highlight in this area of financial management.

Internal control and recommendations

40. We did not identify significant internal control deficiencies in the financial management processes. Where we identified possible improvements, we reported these to management.

Information to be included in auditor's report

41. We can include an 'emphasis of matter' paragraph in the auditor's report to draw the attention of users of the financial statements to important disclosures in the financial statements. The following matters that relate to the financial performance of the municipality will be emphasised:

- Restatement of corresponding figures – as disclosed in note 51 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of correction of errors identified by the municipality in the prior year financial statements on the municipality at, and for the year ended, 30 June 2024.
- Material losses on Water – As disclosed in note 52 to the financial statements, material water losses of R166,50 million (2022-23: R105,15 million) were incurred, which represented 41% (2022-23: 32%) of total water units purchased. These losses arose from ageing and deteriorating infrastructure as well as illegal connections.
- Material impairment - Receivables from exchange transactions – As disclosed in note 14 to the financial statements, the receivables from exchange transactions balance were significantly impaired. The total impairment of receivables from exchange transactions amounted to R505,24 million (2022-23: R376,79 million), which represented 64% (2022-23: 63%) of the total receivables from exchange transactions.
- Material impairment - Receivables from non-exchange – As disclosed in note 12 to the financial statements, the receivables from non-exchange transactions balance was significantly impaired. The total impairment of receivables from non-exchange transactions amounted to R1,317,98 million (2022-23: R1,216,14 million), which represented 64% (2022-23: 61%) of the total receivables from non-exchange transactions.

PERFORMANCE PLANNING, MANAGEMENT AND REPORTING

Overall performance planning and management

42. We tested whether the municipality's performance planning and management processes, integrated development plan (IDP) and service delivery and budget implementation plan (SDBIP) complied with the key requirements from legislation and the framework for the managing of programme performance information (FMPPi).
43. We identified findings. The findings on material non-compliance with legislation will be reported in the auditor's report.

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

52. The evidence to support achievement reported on the annual performance was not always readily available which caused delays in the audit process. In some instances where the evidence was available, discrepancies were identified on the evidence submitted. Audit results – Service delivery and infrastructure development
53. We did not identify findings on the completeness of the indicators used for planning and reporting on performance.
54. We identified material findings on the overall presentation of performance information in the annual performance report. The reported measures taken to improve performance against underachieved targets did not agree to the audit evidence. Consequently, the reported measures are not reliable for helping to understand the actions taken by the accounting officer to address performance gaps and to assess the effectiveness of strategies to improve future performance against the targets.
55. We identified material misstatements in the reported performance information in the annual performance report submitted for auditing. Some of these misstatements are repeat from previous year/s.

Material misstatements not corrected

Description	Prior-year misstatements	
	2022-23	2021-22
1. Completion of purchase and installation of laboratory equipment by 31 March 2024		
2. % installation of lockable manhole covers		
3. % Completion installation of High Masts		
4. % of installation of the 500kVA generator at Intermediate booster		
Performance targets not specific		

	Uncorrected	Corrected	No prior-year misstatement	Indicator not audited/included in annual performance report
--	-------------	-----------	----------------------------	---

Material misstatements corrected

Description	Prior-year misstatements	
	2022-23	2021-22
1. % completion reticulation and yard meter connection at Kildare B phase 2		
2. % construction progress of provision of water at Dwarisloop new sites		
3. % implementation of water loss management program		
4. % implementation of the refurbishment of the Agincourt booster pump station		
5. % Servicing of sites in Dwarisloop		
6. % implementation of the refurbishment of the Agincourt booster pump station		

Deficiency	Prior years reported	
	2022-23	2021-22
The annual performance reported included indicators that were reported as complete in prior year	√	√
The annual performance report included indicators with the target of zero	√	N/A
The planned indicators and targets are not matched with the current available resources to ensure that the planned targets are achieved.	√	√

61. We made recommendations to improve the performance planning, management and reporting process to the senior management. Some of these recommendations were also made in prior years. A summary of the key recommendations and the responses received follows.

Key recommendations and responses – performance planning, management and reporting

Recommendation and management response	Year originally recommended	Status of implementation
Recommendation: Management should adequately exercise controls on the quarterly reports to early track the progress and implement measures in time. Response: Quarterly performance reports and section 71 reports are submitted to council.	2021-20	In process – behind schedule
Recommendation: Management to use the action plan as vital instrument to address internal control deficiencies to ensure non-recurring of previous reported material misstatements. Response: Management has developed an AGSA and internal audit action plan for monitoring and addressing the previously reported misstatements. Progress reports on the actions plans is presented to the audit committee	2021-20	In process – on track
Recommendation: Management should adequately exercise controls on the quarterly reports to early track the progress and implement measures in time. Response: Quarterly performance reports and section 71 reports are submitted to council	2021-20	In process – behind schedule
Recommendation: Management to use the action plan as vital instrument to address internal control deficiencies to ensure non-recurring of previous reported material misstatements. Response: Management has developed an AGSA and internal audit action plan for monitoring and addressing the previously reported misstatements. Progress reports on the actions plans is presented to the audit committee	2021-20	In process – on track
Recommendation: Management to plan targets or projects that are aligned with available budget to ensure that planned targets are achieved so to serve the basic service to the community of Bushbuckridge	2023-24	

62. Prior year recommendations made from the previously audit findings on the audit of annual performance report are not fully implemented as the same reported audit findings occur.

% Completion construction of bulk water infrastructure and Supply at Mamelodi and Kgapamadi	30% construction of bulk water infrastructure and Supply at Mamelodi and Kgapamadi	0% construction of bulk water infrastructure and Supply at Mamelodi and Kgapamadi
% completion of water reticulation at Buyisonto George Bizoose	20 % completion of water reticulation at Buyisonto George Bizoose	0 % completion of water reticulation at Buyisonto George Bizoose
% completion reticulation and yard meter connection at Kildare B phase 2	50% Construction progress of provision of water reticulation at Kildare B phase 2	44.42% Construction progress of provision of water reticulation at Kildare B phase 2
% completion of construction of the reservoir and connection into a bulk pipeline at Nkanini	100 % completion of construction of a reservoir and connection into a bulk pipeline at Nkanini	77% completion of construction of a reservoir and connection into a bulk pipeline at Nkanini
% completion of the upgrade of the Dingleddale package plant phase 2 (Raw water pipeline and bulk pipeline)	100 % completion of the upgrade of the Dingleddale package plant phase 2	90 % completion of the upgrade of the Dingleddale package plant phase 2
% Completion of tarring internal streets from Casteel to Tembisa High School	60% construction progress of tarring of internal streets from Casteel to Tembisa High School phase 2	50% construction progress of tarring of internal streets from Casteel to Tembisa primary school phase 2
% Completion of the paving of internal streets project at Maviljan Region ward 09	80% construction progress of paving of internal streets at Maviljan at Ward 09	46.79% construction progress of paving of internal streets at Maviljan at Ward 09
% Completion of paving internal streets at Acornhoek Ward 17 (Happydam)	90% construction progress of tarring of internal streets at Acornhoek ward 17 (Happy Dam)	43.86% construction progress of tarring of internal streets at Acornhoek Ward 17 (Happy Dam)
% Completion paving of internal streets at Matsikitsane Ward 15 Phase 3	80% construction progress of paving internal at Matsikitsane - Ward 15 Phase 3	40% construction progress of paving internal at Matsikitsane - Ward 15 Phase 3
% completion of paving street at Ward 23 Cork	80% construction progress of paving of internal streets at Ward 23 Cork	42.56% construction progress of paving of internal streets at Ward 23 Cork
% Completion paving of internal streets at Lillydale Region ward 25 at Justicia	80% Construction progress of paving of internal streets project at Lillydale Region ward 25 Justicia	28.41% Construction progress of paving of internal streets project at Lillydale Region ward 25 Justicia
% Completion of tarring of internal streets at Agincourt	100% completion of Tarring of internal streets at Agincourt	92.54 % completion of Tarring of internal streets at Agincourt
% Completion Paving of internal streets project at Marite at Bakutswe to Ka Mona	100% Completion of the paving of internal streets at Marite Bakutswe ka Mona	98.85 % Completion of the paving of internal streets at Marite Bakutswe ka Mona
% Completion tarring of internal streets project at Acornhoek 21 at Buffelshoek	100% completion of tarring of internal streets at Acornhoek Ward 21 at Buffelshoek	% completion of tarring of internal streets at Acornhoek at ward 21 at Buffelshoek
% Completion Paving of internal streets project at Shatale Region Ward 12	80% construction progress of paving of internal streets project at Shatale Region Ward 12	54% construction progress of paving of internal streets project at Shatale Region Ward 12

% Completion of water reticulation project at Huntington	50% construction progress of water reticulation at Huntington	0% construction progress of water reticulation at Huntington
% Completion of water reticulation at Welverdiend	50% construction progress of water reticulation at Welverdiend	0% construction progress of water reticulation at Welverdiend
% Completion of water reticulation at Agincourt	20% completion of the provision of water reticulation at Agincourt	0% completion of the provision of water reticulation at Agincourt
% construction progress of provision of water at new sites	50% construction progress of provision of water at Dwarssloop new sites	0% construction progress of provision of water at Dwarssloop new sites
% Development of water services laboratory designs	100% Development of water services laboratory designs	0% Development of water services laboratory designs
% Completion of the upgrade of Shatale WTW	20% completion of the upgrade of Shatale WTW	0% completion of the upgrade of Shatale WTW
% construction progress on installation of Hoxane to Cuning Moore steel pipeline	5 % construction progress on installation of Hoxane to Cuning Moore steel pipeline	0 % construction progress on installation of Hoxane to Cuning Moore steel pipeline
% of water meters installed (Various Locations)	100 % completion of the installation of water meters (Various Locations)	0 % completion of the installation of water meters (Various Locations)
% Completion Sealing of leaking reservoir phase 2	100 % completion of the sealing of the leaking reservoir phase 2	0% completion of the sealing of the leaking reservoir phase 2
% implementation of water loss management program	10 % Progress on the implementation water loss management program	0 % Progress on the implementation water loss management program
% implementation of the refurbishment of the Agincourt booster pump station	100 % implementation of the refurbishment of the Agincourt booster pump station	0 % implementation of the refurbishment of the Agincourt booster pump station
% Upgrade of Sigagule package plant	100 % completion of the upgrade of Sigagule package plant	0 % completion of the upgrade of Sigagule package plant
% Modification of Acornhoek Raw water pump station	100 % completion of modification of Acornhoek raw water pump station	0 % completion of modification of Acornhoek raw water pump station
% refurbishment of Belfast package plant	100 % completion of the refurbishment of the Belfast package plant	0 % completion of the refurbishment of the Belfast package plant
% installation of lockable manhole covers	100 % installation of lockable manhole covers	0 % installation of lockable manhole covers
% Completion of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	100% Construction of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia	0% Construction of Huntington Cultural Village Chalets and Infrastructure for Marula Cultural Route in Justicia
% Completion of Mnisi Resort Chalets in Welverdiend and Construction of Guardhouse and Waste Equipment at Inyaka Dam	100% Completion of Mnisi Resort Chalets in Welverdiend and Construction of Guardhouse and Waste Equipment at Inyaka Dam	0% Completion of Mnisi Resort Chalets in Welverdiend and Construction of Guardhouse and Waste Equipment at Inyaka Dam
% Servicing of sites in Dwarssloop	100% Servicing of sites in Dwarssloop.	0% Servicing of sites in Dwarssloop

76. The operations of the Wastewater Treatment Works (WWTW) should be compliant with its operating Water Use License (WUL) to ensure service delivery and to safeguard against environmental pollution. The purpose of the audit was to assess the overall state of the Maviljan WWTWs facilities to effectively treat wastewater and to guard against environmental pollution. The focus areas included visits to the selected WWTWs, assessing the infrastructure at the WWTWs, operations and effluent disposal quality.

77. We identified significant findings on the delivery of some of the municipal services at Maviljan WWTWs.

Findings on Wastewater Management

Finding	Prior years reported	
	2022-23	2021-22
The municipality is illegally operating the Maviljan Wastewater Treatment works because it did not have a valid operating licence for Maviljan WWTW for the period under review, as required by section 22(1)(b) of the NWA.	N/A	N/A
The municipality achieved a Green Drop score of 25% for Maviljan WWTW, which is rated it as "critical" for 2021 according to the 2022 Green drop report. The Maviljan WWTW was found to have a Cumulative Risk Rating (CRR) of 81.8% in 2021 and 70.6% in 2023, which means that some or all the risk indicators were in a precarious state, i.e. operational flow, technical capacity, and effluent quality. WWTWs in a high-risk position poses a serious risk to public health and the environment.	N/A	N/A
The quality of the wastewater effluent discharged at the Maviljan ponds wastewater treatment works did not comply with the waste standards or waste management practices during the period under review as required by section 22(2)(c) of the NWA.	N/A	N/A
The infrastructure showed signs of decay and is in need of upgrades, maintenance and repair. The excessive accumulation of overgrown vegetation in the ponds is also causing operational / maintenance challenges, resulting in a further burden towards effective treatment.	N/A	N/A

78. Impact:

- Non-compliant effluent discharged of inadequately treated sewerage from the wastewater plant into the Inyaka Dam, could potentially lead to pollution of the water source for citizens. Some of the ponds were not lined and potentially contaminating underground water.
- Lack of safeguarding of the infrastructure assets on site exposed the wastewater oxidation ponds to theft and vandalism. Furthermore, the lack of regular maintenance of the oxidation ponds has led to the sludge build-up in the primary ponds and this reduces the efficiency of the treatment process. The ponds are not lined, risking pollution.
- The lack of safeguarding of infrastructure assets and maintenance at the oxidation ponds has led to the municipality being non-compliant to the prescripts of section 63(1)(a) of the MFMA during some monitoring months.

79. We identified significant internal control deficiencies, which caused the weaknesses in the waste management service delivery.

Significant internal control deficiencies – project management and delivery

Recommendation and management response	Year originally recommended	Status of implementation
<ul style="list-style-type: none"> The upgrade of the WWTW is scheduled for completion by the end of the current financial year. Internal discussions regarding the development of asset register and budgeting per supply system has started, this will allow for proper budgeting or funding. Ten (10) percent of MIG allocation will be prioritised towards infrastructure maintenance in the next financial year. Internal compliance monitoring wastewater analysis laboratory was established in August last year and regular effluent quality monitoring is now being conducted. Water quality compliance is part of water services officials' performance contract. 		

Solid Waste Management- Mkhuhlu Landfill Site

81. The audit included an assessment on the delivery of solid waste management which included aspects of environmental management and infrastructure management.
82. The specific objectives were to assess the following:
- Compliance to applicable regulatory frameworks that govern solid waste management at Mkhuhlu landfill site.
 - Operating processes, with particular focus on the measures in place for ensuring effectiveness in treating waste to the acceptable quality standards, at Mkhuhlu landfill site.
 - Efforts in ensuring environmental protection against the harmful effects at Mkhuhlu landfill site.
83. We identified significant findings on the delivery of some of the municipal services.
84. The operations of the landfill site should be compliant with its landfill licence to ensure service delivery and to safeguard against environmental pollution. The purpose of the audit was to assess the overall state of Mkhuhlu landfill site, facilities to effectively manage waste and to guard against environmental pollution. The focus areas included a visit to the selected landfill site, assessing the infrastructure at the landfill sites operations.

Findings on Solid Waste Management

Finding	Prior years reported	
	2022-23	2021-22
The IWMP (approved 23 April 2019) was outdated, and the municipality was still in the process of updating the IWMP at the time of the audit. Some specific challenges that were raised in the IWMP (2019) were not included in the Service Delivery Budget Implementation Plan and/or the Integrated Development Plan despite it impacting on the operation of the landfill site.	N/A	N/A
The municipality did not budget for repairs and maintenance of solid waste management and disposal site resulting in non-compliance with MFMA circular 71. Furthermore, the SBDIP and IDP did not include planned repairs and maintenance of the assets at the municipality's landfill sites.	N/A	N/A
According to the municipality's staff establishment, the municipality has 44 posts for Waste management Area 3. Of these, 24 posts (54.5%) were vacant at the time of the audit.	N/A	N/A
DARDLEA issued the licence for the closure of Mkhuhlu landfill site on 20 November 2014. During the site visit on 17 October 2024, it was noted that the municipality has not commenced with the closure operations of the landfill.	N/A	N/A

Internal control deficiency	Prior years reported	
	2022-23	2021-22
The accounting officer did not implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.	N/A	N/A
The municipal management did not protect and enhance the best interest of the operation of the landfill site to ensure that the site was managed in accordance with the conditions of the licence and legislation.	N/A	N/A
Accounting officer did not implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting.	N/A	N/A

87. We made recommendations to improve the delivery processes to senior management.

Key recommendations and responses – municipal services

Recommendation and management response	Year originally recommended	Status of implementation
Recommendation: The Municipal Manager (MM) should: <ul style="list-style-type: none"> Ensure that the IWMP is timely compiled and approved to enable management to effectively address the priorities of the people of Bushbuckridge LM with regards to waste management. Ensure waste management's known challenges are prioritised in the strategic documents with other competing priorities and not compromising compliance with legislation. Response: The integrated waste management plan is outdated, and the municipality is still in the process of updating the IWMP. The IWMP documents have been submitted to supply chain management to further the process needed. The estimated time for approval and endorsed is 6 months.	2023-24	<p>The Municipality plan to address the deficiencies.</p> <p>The municipality is currently constructing the regional landfill site. Mkhuhlu landfill site will be closed after new landfill site has been completed.</p>
Recommendation: Municipal management should: <ul style="list-style-type: none"> Expedite the completion of the regional landfill site to ensure the project is completed timely. Continue with critical maintenance that could possibly impact the community. Response: The municipality will fast track and finalize the construction of regional landfill site.		
Recommendation: Municipal Manager should compile and implement strategy to ensure that staffing and filling of positions are planned for with the completion of the regional landfill project. Response: Financial constraints led to vacant positions to not be filled, and the municipality will prioritise implementation of the organogram.		
Recommendation: The municipal management should monitor the operations of the landfill site to ensure compliance with the relevant acts, report on non-performance. Response: The commencement of closure operations has been delayed due to the regional landfill site still being under construction. Closure operations will begin as soon as the regional landfill site becomes operational.		
Recommendation: Accounting officer should implement proper record keeping in a timely manner to ensure that complete, relevant, and		

Recommendation and management response	Year originally recommended	Status of implementation
<p>efficient, and economically by developing a plan as per requirement to reduce reliance on use of consultants for deliverables of the municipality.</p> <p>Response:</p> <p>Management agree with the finding and a plan will be developed on the reduction of consultancy.</p>		In progress
<p>Recommendation: Management should formally track that transfer of skills is taking place and employees are availing themselves and taking responsibility of being developed.</p> <p>Response: Management indicated that a tracking of skills transfer is conducted, and clause is included only in the PKF and Sempco Consulting contract.</p>	2022-21	In progress

96. There is a dependency on consultants at the municipality, and internal capacity is not fully utilised in areas where the consultants are being used specifically relating to financial reporting processes. A gap analysis could assist the municipality in ascertaining the cost-benefit of utilising consultants.

CO-ORDINATING MINISTRIES AND THEIR IMPACT ON LOCAL GOVERNMENT.

97. The co-ordinating ministries within the province should maintain a role of oversight, co-ordination and guidance to the local government sector and its service delivery activities. The main role-players within the province are Provincial Treasury (PT); the department of co-operative governance and traditional affairs (COGTA); and the Member of executive Council (MEC) for local government.
98. We considered the influence, support, capacitation and interventions of these co-orientating departments as part of our audit. We also considered the role of the accounting officer, mayor and the council, including the municipal public accounts committee (MPAC), internal audit and the audit and risk committee to better understand the discharge of their mandate and the effectiveness of their role.
99. Our insights are as follows:

Financial Management and Support

100. The municipality completed the mid-year budget and performance assessments.
101. This assessment involved key stakeholders, including representatives from Provincial Treasury, National Treasury MFIP Advisor, South African Local Government Association (SALGA), and the Department of Cooperative Governance and Traditional Affairs, as well as municipal officials.
102. A financial recovery plan was not prepared as the municipality was classified to be financially stable.

Capacitation and professionalisation

Insights on Capacitation Provided by Provincial Treasury and COGTA to the Municipality

Provincial Treasury

112. The Council also actively engages in oversight of audit-related matters. During the 25 January 2024 meeting, the Auditor General's Final Audit Report for the 2022/23 financial year was formally received and acknowledged. In line with legislative requirements, the Draft Annual Report, which includes audit findings, was referred to the Municipal Public Accounts Committee (MPAC) for further review. Additionally, the council reviewed a progress report on the Audit Action Plan for the same financial year, highlighting its ongoing efforts to address audit findings and implement corrective actions.
113. Overall, the Municipal Council demonstrates a clear commitment to governance, performance monitoring, and audit oversight. However, addressing weaknesses in financial oversight and enhancing accountability for underperformance are critical areas requiring further attention to improve the municipality's functionality and service delivery.

Municipal Accounts Committee (MPAC)

114. The councillors fulfil significant legislative and political roles through regular council meetings, performance reviews, and collaboration with oversight bodies. However, there is room for improvement in structured follow-up on recommendations, effective monitoring of audit outcomes, and enforcing consequence management to strengthen accountability and service delivery. Their ability to address these gaps will determine their effectiveness in governance and oversight.
115. Inspected the MPAC reports to council and confirmed that the report does not explicitly state whether the MPAC has conducted specific investigations or reported on particular case against alleged transgressors such as the financial misconduct at Mapulaneng DLTC. It outlines the authority and responsibility of the MPAC to monitor and report on such matters, but it does not provide details on past investigations or reports.

Training offered to councillors

116. Councillors at the municipality actively participated in training sessions designed to strengthen their understanding of governance, legislative mandates, and financial oversight. Registers provided confirm their attendance at the Integrated Councillor Induction Programme (ICiP). This training plays a crucial role in equipping councillors with the necessary skills and knowledge to fulfil their legislative and political responsibilities effectively.

Disciplinary Boards

117. The municipal council has established disciplinary boards to address allegations of financial misconduct. This demonstrates the council's commitment to fulfilling its oversight and governance responsibilities by ensuring accountability and addressing instances of financial irregularities.
118. This initiative highlights the council's acknowledgment of its legislative role in ensuring compliance with financial management regulations and enforcing consequence management within the municipality. However, we found that MPAC did not investigate and report to the municipal council on any matter affecting the municipality.

Consequence management

119. The MI raised in the previous year was escalated to the SIU.
120. No environmental matters noted during the financial year

Mayor

121. The top-layer Service Delivery and Budget Implementation Plan (SDBIP) outlines strategic objectives for municipal development, service delivery, and local economic growth, demonstrating a focus on long-term goals.

Findings on procurement and contract management

Area	Findings		
	2023 -24	2022-23	2021-22
Audit limitations			
Deviations			
Conflict of interest			
Non-compliance: competitive bidding process			
Non-compliance: quotation process			
Contract management			

	Material non-compliance with legislation		Findings		No findings
--	--	--	----------	--	-------------

131. Impact: No non-compliance identified. This has been consistent with the prior year

IRREGULAR EXPENDITURE

132. None identified

CONSEQUENCE MANAGEMENT

133. Legislation stipulates that matters such as incurring unauthorised, irregular, and fruitless and wasteful expenditure; the possible abuse of the supply chain management system including fraud and improper conduct; and allegations of financial misconduct should be investigated. Disciplinary steps should be taken based on the results of these investigations. Our audit included an assessment of the municipality's management of consequences.

134. We did not identify findings.

FRAUD RISK

135. Our auditing standards define fraud as an intentional act by one or more individuals who are employees, management, those charged with governance or third parties, and that involves the use of deception to obtain an unjust or illegal advantage.

136. We are required to evaluate whether the information obtained during our audit indicates whether there are any fraud risk factors present at the municipality and consider its impact on the audit. Fraud risk factors are events or conditions that indicate an incentive or pressure to commit fraud or that provide an opportunity to commit fraud (e.g. inadequate controls to prevent or detect fraud). We identified fraud risk factors. Fraud risk factors

SECTION 3: CONTROL ENVIRONMENT

OVERALL CONTROL ENVIRONMENT

139. The significant internal control deficiencies as reported in **section 2** were caused by weaknesses in the overall control environment, for which the accounting officer and senior management are responsible.

140. The following are the main weaknesses that need urgent attention to improve the overall control environment:

Significant internal control deficiencies – overall control environment

Internal control deficiency	Prior years reported	
	2023-22	2022-21
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.	√	√
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.	√	√
Recommendations made by the internal and external auditors are not fully implemented by management.	√	√
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.	N/A	N/A
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.	N/A	N/A
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.	N/A	N/A
Appropriate consequence management should be implemented where repeat issues continue to be detected and remain uncorrected, in order to promote accountability.	N/A	N/A
Management did not establish and communicate SOP to regulate the implementation of infrastructure projects by clearly defining how the infrastructure projects should be managed.	N/A	N/A
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.	N/A	N/A

141. Once management put strong controls on these internal controls deficiencies and adequately monitor the progress, we believe that the audit outcome of the Municipality will improve and the recurring of audit of previously reported audit findings will not occur.

142. In **annexure C** we provide a more detailed view of the overall state of internal control.

The work of internal audit was only limited to risk assessment and no direct assistance was obtained from the municipality as the control environment of the unit needs to be improved on before reliance can be placed on IA work. The internal audit was found to be not fully resourced to exercise their duties and responsibilities.

153. The accountability ecosystem of the municipality does have a positive impact on the audit outcomes. However, more measures should be taken at senior management level to ensure that clean administration is ensured.

RECOMMENDATIONS AND RESPONSES

154. We made recommendations to improve the overall control environment to the [position(s) in senior management]. Some of these recommendations were also made in prior years. A summary of the key recommendations and the responses received follows.

Key recommendations and responses – control environment

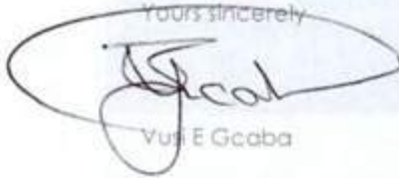
Recommendation and management response	Year originally recommended	Status of implementation
<p>Recommendation: Those charged with leadership should ensure the IA unit is adequately capacitated. The AC should escalate the matter to council where vacancies are not being filled and if it is impacting on the oversight role of the AC.</p> <p>Response: The internal audit unit has already been capacitated with the Chief Audit Executive</p>	2020-21	In progress as the internal audit unit is still understaffed.

155. Consultants have been used where capacity constraints were experienced

CONCLUSION

162. We commend the municipality's management for their positive attitude to the audit process and wish to show appreciation for their cooperation during the 2023-24 audit cycle.

Yours sincerely



Vusi E Gcaba

Senior manager

24 November 2024

Enquiries: Lindiwe Mlaba

Phone: 013 756 0800

Email: lindiwe@ogsa.co.za

		Current year	Previous year
	<ul style="list-style-type: none"> Amount of capital expenditure Amount of operating and capital expenditure 	R910 455 279 R2 051 956 227	R738 108 202 R1 825 821 856
3.3	Asset renewal / rehabilitation expenditure as a percentage of total capital expenditure	0%	0%
	<ul style="list-style-type: none"> Amount of asset renewal / rehabilitation expenditure 	R0	R0
3.4	Asset renewal / rehabilitation expenditure as a percentage of total depreciation and impairment	0%	0%
	<ul style="list-style-type: none"> Amount of depreciation and impairment 	R183 858 383	R157 189 055
Asset and liability management			
4.1	Total debt / borrowings vs total revenue for the year	31.7%	24.2%
	<ul style="list-style-type: none"> Amount of debt / borrowings Amount of revenue for the year 	R715 986 121 R2 282 116 132	R499 483 621 R2 067 017 442
4.2	Current liabilities as a percentage of next year's budgeted resources	29.7%	20.9%
	<ul style="list-style-type: none"> Amount of current liabilities Total budgeted income for the next year, excluding employee costs and remuneration of councillors 	R607 608 401 R2 073 134 000	R396 241 685 R1 892 317 000
4.3	Net current liability position was realised (total current liabilities exceeded total current assets)	No	No
	<ul style="list-style-type: none"> Amount of net current asset position 	R678 443 589	R935 078 184
4.4	Net non-current liability position was realised (total non-current liabilities exceeded total non-current assets)	No	No
	<ul style="list-style-type: none"> Amount of net non-current asset position 	R6 078 982 336	R5 382 717 667
4.5	Net liability position was realised (total liabilities exceeded total assets)	No	No
	<ul style="list-style-type: none"> Amount of net asset position 	R6 757 425 925	R6 317 795 851
4.6	Liquid assets as a percentage of total current liabilities (acid test percentage)	204.5%	326.2%

ANNEXURE B: PROCUREMENT AND CONTRACT MANAGEMENT

1. No findings identified

Deviations

2. Supply chain management legislation and policy prescribe the processes that apply for procuring specific goods and services as well as their threshold values, including competitive bidding, obtaining quotations or participating in transversal contracts. It also defines the requirements for deviating from the prescribed processes. We identified no deviations where the stipulated requirements for such

Conflict of interest – PFMA

3. We assessed the interests of officials and their close family members and/or business partners or associates in suppliers to the municipality as well as the interests of persons in the service of other public sector institutions. Procurement legislation does not prohibit awards to such suppliers, but we performed testing to ensure that conflicts of interest did not result in contracts being unfairly awarded or in unfavourable price quotations being accepted, and to share the information with management as potential risks. We identified instances of false declarations for follow up

Internal control and recommendations

We did not identify significant internal control deficiencies in the procurement and contract management processes. Where we identified possible improvements, we reported these to management.

	Financial statements		Performance reporting		Compliance with legislation	
	Current	Previous	Current	Previous	Current	Previous
Establish and implement an information technology governance framework that supports and enables the business, delivers value and improves performance	▲	▲	▲	▲	▲	▲
Financial and performance management	▶		▶		▶	
Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	▶	▶	▶	▶	▶	▶
Implement controls over daily and monthly processing and reconciling of transactions	▶	▶	▶	▶	▶	▶
Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	▶	▶	▶	▶	▶	▶
Review and monitor compliance with applicable legislation	▶	▶	▶	▶	▶	▶
Design and implement formal controls over information technology systems to ensure the reliability of the systems and the availability, accuracy and protection of information relating to user access management, programme change control and service continuity	▶	▶	N/A	N/A	N/A	N/A
Governance	▶		▶		▶	
Implement appropriate risk management activities to ensure that regular risk assessments, including the consideration of information technology risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored	▲	▲	▲	▲	▲	▲
Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively	▶	▶	▶	▶	▶	▶
Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation	▶	▶	▶	▶	▶	▶

No	Finding	Rating	Classification					Number of times reported in previous two years
			Financial	Performance	Compliance	Internal control	Delivery	
5	VAT receivables – VAT reconciliations not performed on a monthly basis				✓			
6	Inventory valuation – not all water storage tanks and reservoirs included in valuation		✓					
7	Cash and cash equivalent – difference between cash on hand per AFS and cashbook		✓					
8	Use of consultants – no consultancy reduction plan in place				✓			
9	VAT accounting policy not included				✓			
10	Misstatement of impairment		✓					
11	Inadequate procedures performed for GAP analysis				✓			
12	KPA2- reported achievement not accurate			✓			✓	
13	Provision for performance bonus not raised in current year		✓					
14	PPE – WIP recorded in incorrect financial year		✓					
15	Principals and agents – inaccurate narratives on disclosure note				✓			
16	PPE – accounting policy incorrect				✓			
17	Receivables from exchange and non-exchange transactions – disclosure not adequate				✓			
18	Service charges – water billed at incorrect tariff rate		✓					
19	Deviation report not attached / completed as required				✓			
20	KPA2 – measures taken to improve performance does not agree to evidence			✓				✓

No	Finding	Rating	Classification					Number of times reported in previous two years
			Financial	Performance	Compliance	Internal control	Delivery	
37	Maturity analysis not disclosed for financial liabilities				✓			
38	Incorrect budget amounts in the statement of comparison		✓					
39	Payables from exchange transactions		✓					
40	VAT payables - Classification of net off		✓					
41	Segment information - Financial information on segment information not disclosed				✓			
42	Segment information - differences noted on note 54		✓					
43	Accumulated surplus - prior year change not supported		✓					
44	Prior period error - inconsistencies in numbering					✓		
45	Revenue from exchange transactions - waste water management - billing is not complete		✓					
46	Additional disclosure in terms of MFMA - differences identified		✓					
47	Employee related cost - medical aid		✓					
48	Depreciation - presentation and disclosure				✓			
49	KPA 2 - limitation; payment progress sheet			✓				
50	KPA 2 - ICD			✓		✓		
51	KPA 2 - Project a past due date			✓			✓	
52	KPA 2 - Reliability			✓			✓	

No	Finding	Rating	Classification					Number of lines reported in previous two years
			Financial	Performance	Compliance	Internal control	Delivery	
68	PPE – incorrect amounts recorded for opening balances		✓					
69	Inadequate budgeting for repairs and maintenance of solid waste management						✓	
70	Vacancies in the municipality's waste management unit						✓	
71	Waste landfill site not complying with required norms and standards				✓			
72	Wastewater treatment works operating without a license				✓			
73	PPE – depreciation incorrectly calculated		✓					
74	Poor green drop results			✓			✓	
75	Poor and depleted wastewater infrastructure			✓			✓	
76	Decceased persons on indigent register		✓					
77	Skills, capacity and capability – information not submitted for audit purposes			✓				
78	Receivables – debt impairment		✓					

ANNEXURE F: MATERIAL IRREGULARITIES

This annexure lists the material irregularities (MIs) that will be included in the auditor's report.

Notified	Type	MI description	Status description	
			Actions taken	Actions planned / In progress
Referred to Special Investigation Unit (SIU)				
28 October 2021	Financial facts	<p>Overpayment made on the paving of internal streets at Lillydale – Phase 1</p> <p>Irregularity: The municipality overpaid the service provider contracted at some quantities paid for were more than the quantities received and some payments were made for work that was not done, resulting in non-compliance with the section 65(2) (a) of the MFMA.</p> <p>Impact: The non-compliance was likely to result in a material financial loss due to the overpayment of the service provider for the quantities that were not delivered and the work that was not done.</p>	AO did not take appropriate action	in progress