



Msukaligwa Local Municipality



2022/2023 Annual Report

Contents

TABLE OF CONTENTS

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	5
COMPONENT A: MAYOR’S FOREWORD	5
MUNICIPAL MANAGER’S OVERVIEW	7
1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	9
1.2. SERVICE DELIVERY OVERVIEW	13
1.3. FINANCIAL HEALTH OVERVIEW	15
1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW	16
1.5. AUDITOR GENERAL REPORT	18
1.6. STATUTORY ANNUAL REPORT PROCESS	19
CHAPTER 2 – GOVERNANCE	20
2.1. POLITICAL GOVERNANCE	20
2.2. ADMINISTRATIVE GOVERNANCE	21
COMPONENT B: INTERGOVERNMENTAL RELATIONS	22
2.3. INTERGOVERNMENTAL RELATIONS	22
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	23
2.4. PUBLIC ACCOUNTABILITY AND PARTICIPATION	23
2.5. PUBLIC MEETINGS	23
2.6. INTEGRATED DEVELOPMENT PLAN (IDP) PARTICIPATION AND ALIGNMENT	25
COMPONENT D: CORPORATE GOVERNANCE	25
2.7. RISK MANAGEMENT	25
2.8. FRAUD AND CORRUPTION MANAGEMENT	26
2.9. WEBSITES	27
2.10. BY-LAWS	28
2.11. PUBLIC SATISFACTION SURVEY	28
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	29
COMPONENT A: BASIC SERVICES	29
3.1. WATER PROVISION	29
3.2. WASTEWATER (SANITATION) PROVISION	33
3.3. ELECTRICITY	36
3.4. PROJECTS MANAGEMENT	39
3.5. WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)	40
3.6. HUMAN SETTLEMENT	42
3.7. FREE BASIC SERVICES AND INDIGENT SUPPORT	44
COMPONENT B: ROAD and stormwater	45
3.8. ROADS AND STORM WATER MANAGEMENT	45

3.9.	STORM WATER DRAINAGE	48
	COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT	48
3.10.	PLANNING AND ECONOMIC DEVELOPMENT	48
3.11.	LOCAL ECONOMIC DEVELOPMENT	53
	COMPONENT D: COMMUNITY & SOCIAL SERVICES	57
3.12.	LIBRARIES AND COMMUNITY FACILITIES	58
3.13.	CEMETERIES AND CREMATORIUMS	60
3.14.	CHILD CARE; AGED CARE; SOCIAL PROGRAMMES	62
	COMPONENT E: ENVIRONMENTAL PROTECTION	63
3.15.	POLLUTION CONTROL	63
3.16.	BIO-DIVERSITY AND LANDSCAPE (INCL. OPEN SPACES AND SIDEWALKS)	63
	COMPONENT F: HEALTH	64
3.17.	HEALTH SERVICES	64
3.18.	CLINICS	64
3.19.	AMBULANCE SERVICES	65
3.20.	HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	65
	COMPONENT G: SECURITY AND SAFETY	65
3.21.	TRAFFIC SERVICES	65
3.22.	FIRE AND RESCUE SERVICES	67
3.23.	DISASTER MANAGEMENT	70
3.24.	LICENSING	72
	COMPONENT H: SPORT AND RECREATION	73
3.25.	SPORT AND RECREATION	73
	COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	75
3.26.	EXECUTIVE AND COUNCIL	75
3.27.	FINANCIAL SERVICES	76
3.28.	HUMAN RESOURCE SERVICES	76
	CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)	77
	COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	77
4.1.	EMPLOYEE TOTALS, TURNOVER AND VACANCIES	77
	COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	79
4.2.	POLICIES	79
4.3.	INJURIES, SICKNESS AND SUSPENSIONS	80
	COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	82
4.4.	SKILLS DEVELOPMENT AND TRAINING	82
	COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	84
4.5.	EMPLOYEE EXPENDITURE	84
	CHAPTER 5 – FINANCIAL PERFORMANCE	86

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	86
5.1. STATEMENTS OF FINANCIAL PERFORMANCE	86
5.2. GRANTS	90
5.3. ASSETS MANAGEMENT	91
ASSETS MANAGEMENT	91
5.4. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	93
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	99
5.5. CAPITAL EXPENDITURE	100
5.6. SOURCES OF FINANCE	101
5.7. CAPITAL SPENDING ON 5 LARGEST PROJECTS IN 2021/2022 FY	102
5.8. BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	104
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	105
5.9. CASH FLOW	105
5.10. BORROWING AND INVESTMENTS	106
5.11. PUBLIC PRIVATE PARTNERSHIPS	107
COMPONENT D: OTHER FINANCIAL MATTERS	107
5.12. SUPPLY CHAIN MANAGEMENT	107
5.13. GRAP COMPLIANCE	108
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	109
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2019/2020	109
6.1. AUDITOR GENERAL REPORTS 2021/22	109
6.2. MFMA COMPLIANCE	109
GLOSSARY	110
APPENDICES	112
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	112
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	116
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE	117
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	117
APPENDIX E – WARD REPORTING	118
APPENDIX F – WARD INFORMATION	125
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2022/2023	128
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	132
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE	133
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	134
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	136
APPENDIX K (i): REVENUE and Expenditure PERFORMANCE BY Functional classification	137

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	138
APPENDIX M – CAPITAL PROGRAMME BY PROJECT 2022/2023	139
APPENDIX N – CAPITAL PROGRAMME BY PROJECT BY WARD 2020/2021	141
APPENDIX O – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS	141
APPENDIX P – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	142
APPENDIX Q – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	142
APPENDIX R – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71	142
ANNUAL FINANCIAL STATEMENTS	143

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD



It is my great pleasure to introduce the Annual Report for 2023/2024 financial year and this Annual Report reflects the achievements and challenges experienced by the Municipality for the year under review.

The Municipality is committed in serving the community with excellence and good governance and shall make sure that the decisions are taken in the best interest of the people of Msukaligwa Local Municipality.

Our vision statement indicates that our Municipality is enhancing community participation to steer development initiatives towards community needs and as we are striving with the political term of Council, we are mindful of our vision “**A Beacon of Service Excellence**” hence we are presenting the Annual Report to the masses of our people. It is not only compliance with legal statutory requirements, but also our moral high ground so that we should account to our communities for our decisions and spending in the Municipality.

This Annual Report serves as a record of accounting to communities on the institution’s achievements and challenges, as well as the mitigation and remedial measures implemented to address the latter. While it reflects that progress has been made in service delivery despite many challenges the Municipality is faced with such as low revenue base, ageing infrastructure, sewer spillages, potholes and increasing debtors’ book, the Municipality has managed strengthened and streamline its operation to expand service delivery to the residents of Msukaligwa Local Municipality, through the following interventions and actions that have been put in place for our Municipality:

- (a) Stabilizing the administration by filling all key strategic vacancies
- (b) Sourcing available funding to augment key service delivery projects and replace aging and poor infrastructure including re-surfacing of the roads for Msukaligwa.
- (c) Strengthening the Ward Committees System to enhance effective public participation.
- (d) Addressing irregular, fruitless and wasteful expenditure and improving the Audit opinion raised by the Auditor-General and introducing corrective measures towards obtaining an unqualified audit opinion in the next financial year.
- (e) Achieve the financial Recovery Plan the Municipality has put in place to mitigate the Auditor’s-General findings.
- (f) The revenue collection should be the pillar of our day-to-day activities.
- (g) The implementation of the program for the closing of potholes and addressing the water crisis in our Municipality.
- (h) The repayment arrangements with ESKOM, the Department of Water and Sanitation.
- (i) Vigorously instilling a culture of performance within the institutions by applying the performance management system to all staff levels.
- (j) Making the Vision and Statement of the Municipality our motto to provide a strategic trust for the Municipality term development planning.

On Key Policy Development, The National Development Plan “2030” remains our overarching plan, which informs our Integrated Development Plan and budget allocation. The National Development Plan seeks to institutionalize long-term planning and gives expression to the policy continuity characterising the past and informing the next 30 years.

The Mpumalanga Vision 2030 provides a provincial expression of the key priorities, objectives and targets enumerated in the National Development Plan and expressed within the manifesto of the ruling party.

On Key Service Delivery Improvements in the year under review, we have been able to complete our task as per the approved Service Delivery and Budget Implementation Plan, which forms the basis of the performance contract that we have entered with the administration. Although we have limited financial resources to accomplish all the expectations of our communities, we were able to make strides as follows:

- To improve access to electricity to communities that were previously deprived of the service.
- To improve access to waste management through regular refuse removal and health compliance inspections.
- To expand the in the provision of clean potable water to certain areas of our Municipality and install water meters to control the usage of water.
- To provide a platform for communities to engage the Municipality through Izimbizo, notices, websites, Municipality's face book page, local community radio stations and general community meetings.
- Increasing the social assistance net by registering communities as indigents for easy access to Municipal services.
- We have a fully functioning Local Aids Council to mitigate and deal with effects of HIV/AIDS and other opportunistic infections.
- We are in a process of launching a Local Economic Development Forum to mitigate the effects of on our society of the triple challenges, which are poverty, unemployment and equality.

On agreements and Partnership, the Municipality is collaborating with sector departments in creating jobs through the Extended Public Works Programmes. This provided skills development and experiential learning initiatives to the unemployed youth and women with private sector and other agencies of government.

Future actions are that the Municipality is going to increase the social assistance net by registering our communities as indigents for easy access to municipal services, provide skills development and experiential learning initiative to the unemployed youth, we continue to provide quality service delivery to our communities.

In Conclusion

We are making progress in revenue generation, though not at a satisfactory level and we have put in place decisive plans to deal with the issues of revenue management. We are pleased with the performance of our Project Management Unit in implementing the Municipal Infrastructure Grant. We are encouraged by the general performance of the Municipality in various aspects.

Residents of Msukaligwa Local Municipality for your dedication, support and co-operation, which enable the institution to excel and withstanding all challenges.

**CLLR. MP NKOSI
EXECUTIVE MAYOR
MSUKALIGWA LOCAL MUNICIPALITY**

MUNICIPAL MANAGER'S OVERVIEW



This Annual Report reflects on the performance of Msukaligwa Municipality for the 2022/23 financial year thus giving a public account on the administration of the municipality. We have seen some improvements on implementation of capital projects in which service delivery is steadily improving. The year under review had its share of successes and challenges and despite these challenges, the municipality continues to provide basic services to all its residents, customers and businesses. The council has continued to strive towards the realisation of its vision “A Beacon of Service Excellence” which promotes a culture of good governance and provides effective and efficient municipal services. This report records the progress made by the Municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery and Budget Implementation Plan.

The municipality has not yet received a favourable audit opinion, but it has made some strides to come out from that situation. For the past three (3) years, the Municipality has been receiving qualified audit opinion, with some reductions in the audit paragraphs, just to mention the improvement, in 2020/21 (8 paragraphs), in 2021/22 (4 paragraphs) and in 2022/23 (2 paragraphs). The remaining paragraphs are the completeness in irregular expenditure and payable from exchange transactions in which the team is working tirelessly to have resolved.

The Municipality has been and will be tabling unfunded budget, the major contributor is the continued nonpayment of services by consumer (R1,2 billion rand) which leaves out liability to be more than our assets. The debt in question is the debt relating to DWS (R1 billion rand) and Eskom (R 400 million rand). The municipality has participated in the Eskom debt relief programme. However it is worth mentioning that as years progress and winter season coming, one will see the debt of Eskom increase drastically. This is mainly that the tariffs are not cost reflective, even though they maybe, it will impact the affordability of the Municipal services. The Municipality plans to increase its services with inflation rate target as set out in the National Treasury Circular No.128 at 4,9% and guidelines from NERSA on electricity at 12,74% respectively. The municipality will utilise certain strategies such as the revenue enhancement plan and financial recovery plan to ensure that the Municipality remains financially viable. It will also be important that council plays an important role in lobbying the community to participate in programmes offered by Council in terms of indigent registration and any amnesty that council may embark on.

For the Municipality to provide adequately service to the community, the following sources of revenue, Property rates, Electricity Services, Water Services, Sanitation Services, and Refuse removal services should be maintained and protected. This amounts to R 883,891 million rand. This will mean all relevant departments needs to take charge of the roles and responsibilities to optimise revenue and put controls that all distribution of services realises their returns. The Municipality will receive operational grants amounting to R278 469 million, such as equitable share, EPWP, FMG and 5% of MIG for operations, which in the main will be used to pay statutory obligations such Eskom, DWS etc. The municipality is focusing on the collection rate of 74% of all the billed revenue translating to R 654 079 million of the Billed revenue to attend to other operational requirement such as payment of employee related cost, contracted services and operational costs.

The Management of Msukaligwa has not experienced significant changes at Senior Management level since only the position of the Director Technical Services was vacant towards the end of the financial year while all other positions in the Senior Management were filled.

The municipality make use of risk management practice to maximise the achievement of its strategic objectives as per the IDP. During the 2022/23 financial year, management has conducted risk assessment and top 5 risk were identified which amongst them include aging infrastructure, higher debts book due to Eskom and DWS debt, lack of LED forum, inadequate ICT infrastructure and lastly high litigation as a result of non-compliance with applicable laws. In responding to the identified top 5 risks, management has developed risk management mitigation strategies which are implementable in both short-term and long term. Various capital projects are being implemented with the aim of addressing aging infrastructure (electricity, water and roads). The municipality has concluded a repayment plan with Eskom and still negotiating with DWS. Budget provisions have been made to replace the outdated ICT infrastructure and training on all council policies is provided to reduce the risk of non-compliance. Lastly a litigation strategy has been developed with the aim of reducing the municipality's litigation register. Furthermore, implementation of the developed risk mitigation strategies is monitored by the Risk Management Committee and Audit Committee as one of the governance structures as per the municipality's combine assurance model.

We would like to convey our sincere appreciation to everyone who had contributed positively on improving the lives our communities for better.

M KUNENE
MUNICIPAL MANAGER

1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.1.1. INTRODUCTION TO BACKGROUND DATA

The municipality performs its functions in terms of Section 152 and 153 of the Constitution of the Republic of South Africa, Act 108 of 1996. In addition to these provisions, Schedule 4, Part B of the Constitution further provides for the functional areas of the local municipality and for the municipality to render such services. However, it should be borne in mind that some of the functions may not be applicable to this municipality as some are rendered by the District Municipality since the municipality does not have capacity to render those services. Those services that are not rendered by this municipality are indicated in this document.

Improving the lives of the citizens of the municipality through the provision of improved service delivery remains at the centre of the municipal priorities hence the municipality has through the District, conditional grants and other funding mechanisms extended its services to rural/farms communities by providing water through boreholes and water tankers, sanitation and electricity. To date, the majority of farm settlements have access to basic water, sanitation through VIP toilets and electricity though challenges are experienced in some areas where water boreholes get dry. As a result of limited resources, there are some areas that still need services provision at rural/farm area, which the municipality is giving attention to.

All urban areas within the municipality have access to running water, which includes informal settlements areas where water is provided through communal taps. The municipality has met the millennium target of eradicating the bucket system in all its towns with the exception of informal settlements where pit latrines are still used. In dealing with the informal settlements, the municipality has plans in place to relocate those settlements where in-situ development is not possible and developed those that could be developed.

T 1.2.1

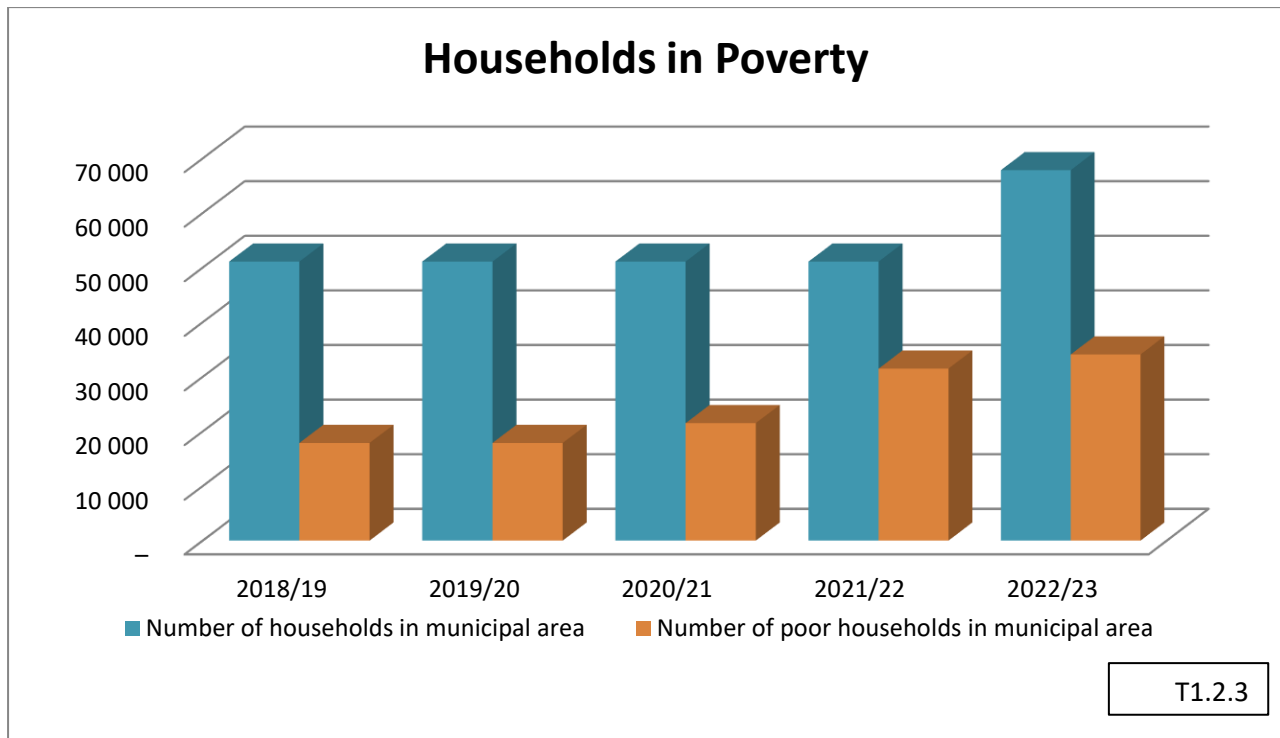
1.1.2. MUNICIPAL DEMOGRAPHICS

The population dynamics of the Msukaligwa Local Municipality is based on statistics derived from *Statistics South Africa 2011 to 2022 Census*. *Statistics South Africa* data had been used for the demographics and where data could not be derived from Statistics South Africa, other sources with more reliable and latest data would have been used. The population of Msukaligwa grew by 49 937 persons during the period 2011 to 2022 at an average annual population growth of 2.8%. Based on the historic growth rate, the municipality would have reached a total of 217 272 persons by 2030. Considering these estimates, this imply that the municipality must continuously and incrementally prepare to provide the necessary services infrastructure to accommodate the growing population.

As for households, the municipality has seen a significant increase in households from 40 932 to 67 827 being an increase of 26 895 households between 2011 and 2022. Although there has been an increase in households, there was a decline in household size from 3.6 to 2.9 in 2022.

Population Details						
Age Groups	2011 Census			2022 Census		
	Male	Female	Total	Male	Female	Total
0-4	8301	8273	16574	9650	9649	19299
5-9	7590	7271	14861	8412	8257	16668
10-14	7030	6944	13974	8353	8298	16650
15-19	7532	7542	15074	7843	7758	15601
20-24	8089	7908	15997	9352	9691	19043
25-29	7969	7520	15489	9897	10698	20595
30-34	5829	5359	11188	9656	10297	19955
35-39	4794	4741	9535	8960	9255	18215
40-44	4125	4191	8316	6641	6735	13376
45-49	3427	3921	7348	5005	4867	9872
50-54	3001	3238	6239	3675	4258	7933
55-59	2417	2673	5090	3267	3876	7143
60-64	1656	1970	3626	2618	3231	5849
65-69	969	1192	2161	1817	2312	4129
70-74	649	1082	1731	1018	1517	2535
75-79	365	638	1003	463	710	1173
80-84	223	438	661	283	483	766
85+	148	363	511	123	389	512
TOTAL	74114	75264	149378	97032	102282	199314

Source: Statistics South Africa, Census 2022

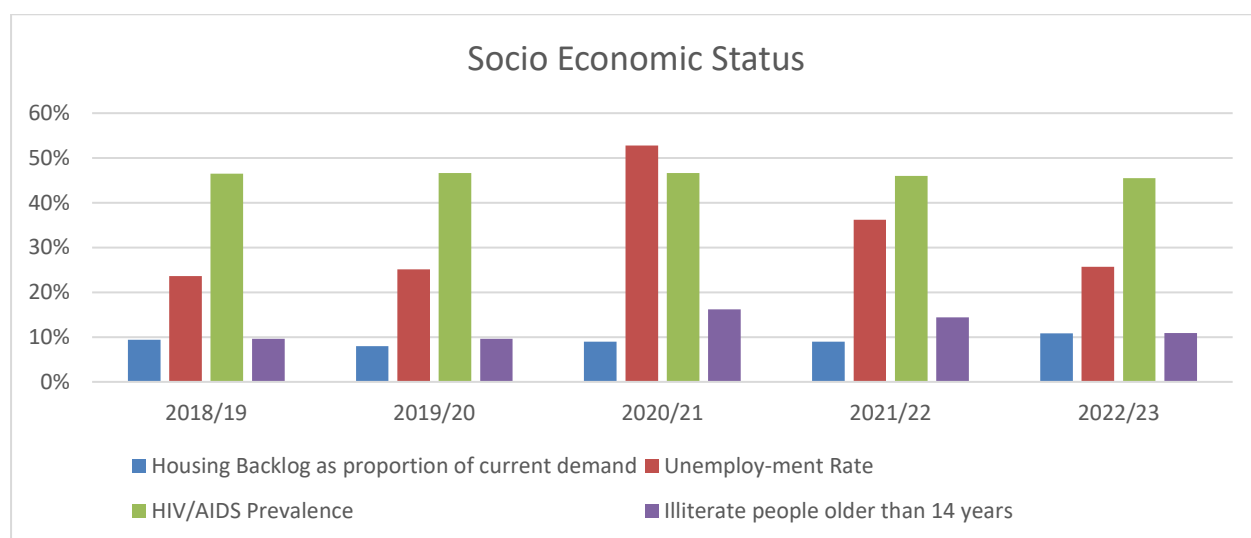


Source: Dept. of Economic Development and Tourism – SERO Report, December 2023

Socio Economic Status (as a %)				
Year	Housing Backlog as proportion of current demand	Unemployment Rate	HIV/AIDS Prevalence	Illiterate people older than 14 years
2018/19	9.4%	23.6%	46.5%	9,6%
2019/20	8%	25.1%	46.5%	9,6%
2020/21	9%	52,8%	46.5%	16,2%
2021/22	9.4%	36.1%	46%	14,4%
2022/23	10.8%	25.7%	-	10,9%

T1.2.4

Source: Dept. of Economic Development and Tourism – SERO Report and Statistics South Africa, Community Survey 2016



Source: Dept. of Economic Development and Tourism – SERO Report 2023 and Statistics South Africa, Census 2022

1.1.3. ENVIRONMENTAL OVERVIEW

1.1.3.1. Topography and Surface Hydrology

Msukaligwa LM is characterized by the gently undulating highland topography with fairly broad to narrowly incised valleys of headwater drainages. The rural areas are also characterized by typical Highveld landscapes in the western and central parts, and more undulating terrain with dense commercial forests in the eastern parts. Interesting landscapes are found in the Chrissiesmeer pan veld area.

There are a number of marshy areas or vleis in the upper parts of the valleys and numerous pans, which vary from insignificant vegetated depressions to large deeply etched features with bare clayey floors. An ecologically important concentration of pans and freshwater lakes is located in the Chrissiesmeer area.

The Local Municipality is roughly dissected by the (continental) divide between the Upper Vaal and Usuthu / Pongola WMA's. In the north of the Local Municipality, certain sub-catchments drain into the Olifants and Inkomati WMA's. The headwaters of the Vaal River are found in the western half of the Local Municipality and drain in a southwesterly direction along with the Tweefontein River. The Usuthu River rises in the northeast of the Local Municipality. The headwaters of the Inkomati River flow northwards from the

Local Municipality into the Inkomati WMA, and the headwaters of the Olifants and Klein-Olifants River drain the far north-west of the Local Municipality.

1.1.3.2. *Climate*

Msukaligwa LM falls under the central Mpumalanga climatic zone characterized by warm, rainy summers and dry winters with sharp frosts. Rainstorms are often violent (up to 80mm per day) with severe lightning and strong winds, sometimes accompanied by hail. The winter months are droughty with the combined rainfall in June, July and August making up only 3.9% of the annual total (734mm).

The average daily maximum temperature in January (the hottest month) is 25.2°C and in July (the coldest month) is 16.7°C. Due to its position near the escarpment, the area is somewhat windier than is typical for the South - Eastern Mpumalanga Highveld, although the majority of winds are still light and their direction is controlled by topography.

1.1.3.3. *Geology and Soils*

Msukaligwa Local Municipality is underlain predominantly by arenite and dolerite intrusions of the Karoo Supergroup. Other underlying rock types include quartz monzonite, granite and basalt. The central-western part of the study area is underlain by the Ermelo coal field, where the predominant rocks are sedimentary, i.e. sandstones, shales and siltstones of the Ecca Group that contains erinaceous strata of the coal-bearing Vryheid formation.

1.1.3.4. *Vegetation and Biodiversity*

Existing vegetation in the undeveloped areas of Msukaligwa Local Municipality consists predominantly of typical highveld grasslands. Grasslands are dominated by a single layer of grasses and the amount of cover depends on rainfall and the degree of grazing. Trees are absent, except in a few localized habitats and geophytes are often abundant.

1.1.3.5. *Challenges/ the Major Threats to the Natural Environment*

The following are challenges or threats to the natural environment within the local municipality:

- (a) human population growth, transformation of land and urbanization;
- (b) mining, especially open-cast coal mining;
- (c) crop cultivation and afforestation.
- (d) overgrazing;
- (e) loss of riverine and wetland/marsh habitat through human intervention;
- (f) Air quality as the Local Municipality was amongst the five Local Municipalities that were declared as Highveld Priority Area in 2007;
- (g) Unavailability of environmental section and environmental officials to implement environmental management programmes;
- (h) Unavailability/ limited/ outdated environmental planning tools;
- (i) Unsustainable developments within the Local Municipality;
- (j) Climate change leading to biodiversity destruction and other natural disasters;
- (k) Alien invasive plants that are replacing indigenous plants while also encroaching water bodies thereby reducing water level in them.

1.1.3.6. *Efforts made to Address the Challenges*

- (a) Landfill sites are maintained on a regular basis to ensure clean environment;
- (b) Plans were put in place for conducting sewer analysis to deal with sewer spillages within the municipality;
- (c) Provisions made in the IDP for the upgrading of existing waste water treatment plants and construction of new plants;
- (d) Environmental management programmes incorporated in the IDP;
- (e) Awareness campaigns through waste management education are being conducted;
- (f) Participating in government environmental management initiatives that promote job creation and sustainable livelihoods; and

(g) Support all government initiatives to protect natural resources.

Natural Resources	
Major Natural Resource	Relevance to Community
Coal	Mining opportunities, transportation, employment opportunities and economic development.
Arable land	Agricultural production, forestry, employment opportunities, economic development and poverty alleviation.
	T1.2.7

1.2. SERVICE DELIVERY OVERVIEW

1.2.1. SERVICE DELIVERY INTRODUCTION

The municipality is responsible for delivery of basic services to its communities in terms of the provisions of both Section 152 and Schedule 4 of the Constitution of the Republic of South Africa, which provides for the object of Local Government that requires municipalities to provide the following:

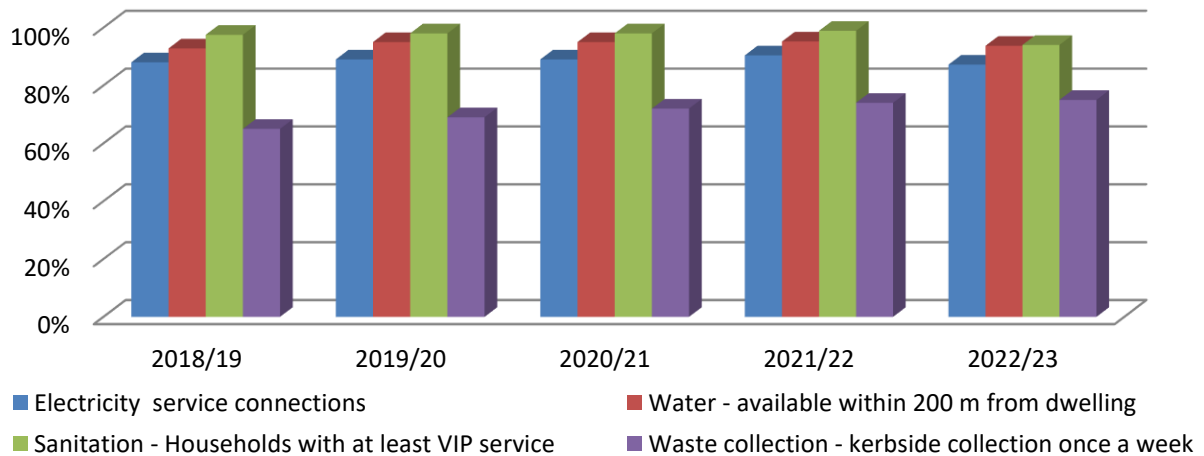
- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organizations in the matters of local government.

Section 152 (2) further provides that a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1)

Therefore, the Integrated Development Plan of the municipality is prepared in line with the provisions of the Municipal Systems Act, the Constitution of the Republic of South Africa and all other legislative mandates to ensure sustainable and quality service delivery to its communities.

T 1.2.1

Proportion of households with access to basic services



T1.3.2

Source: Statistics South Africa, Census 2022 & Municipal 2022/2023 APR

1.2.2. ACCESS TO BASIC SERVICES

As depicted in the diagram above, service delivery in respect of electricity, water and sanitation shows a decrease which is not actually a decrease. Due to population growth, the number of households had increased, resulting in informal settlements without adequate services. Communal water supply within 200m from dwellings has also been reduced as a result of formalization of most of the informal settlements and water is connected to the yards or houses where houses are built. There is quite a significant progress made in electricity connections to households except areas where houses were not yet completed and in the informal settlements that cannot be formalized. There are some areas that need to be electrified and they are in the municipal plans to be electrified.

Provision of VIP sanitation services at farm areas has covered most the areas in the municipality and after the unsuccessful implementation of the piloted convertible water borne toilets system, the municipality will continue to provide sanitation services through the VIP toilets where it is not possible to provide the water borne sewer system. Accordance Statistics South African 2022 Census data, about 6% of the households still do not have proper sanitation and mostly are those in the informal settlements within various towns including Nganga Township in Warburton where sewer reticulation was completed but no connections were made due to challenges related to water supply.

With regards to waste collection, household waste is collected twice a week in all townships except Everest Park, Long Homes, Klipbou and Ermelo suburbs which is collected once a week. The municipality has over the years managed to extend refuse collection services to areas where it was not before and due to limited resources regular collection sometimes becomes a challenge.

T1.2.3

1.3. FINANCIAL HEALTH OVERVIEW

1.3.1. FINANCIAL OVERVIEW

The municipality had a cash flow challenge due to high levels of non-payment, distribution losses and illegal connections. In endeavouring to address the cash flow challenges a Financial Recovery Plan was developed and implemented with short-, medium- and long-term objectives. The latter are as follows:

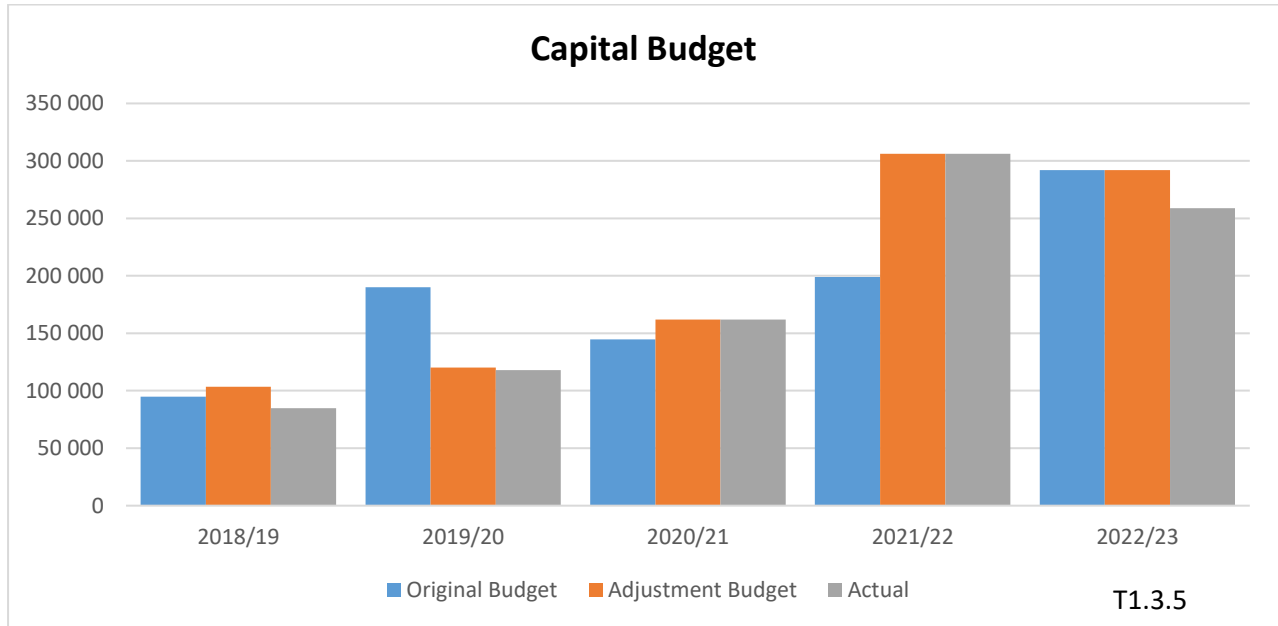
- (a) Strategy One: Restructure the Budget
- (b) Strategy Two: Revise Tariff Policies and Tariff Increases
- (c) Strategy Three: Revenue Enhancement
- (d) Strategy Four: Financial Administration
- (e) Strategy Five: Cash Management Strategy
- (f) Strategy Six: Human Resource Management

T1.3.1

Financial Overview: Year 2022-23			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	231,689	243,694	242,694
Taxes, Levies and tariffs	619,319	671,532	615,036
Other	59,637	67,210	178,575
Sub Total	910,645	982,436	1,036,305
Less: Expenditure	1,125,364	1,135,779	1,231,130
Net Total*	-214,719	-153,343	-194,825
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	22%
Repairs & Maintenance	3%
Finance Charges & Impairment	18%
T 1.4.3	

Total Capital Expenditure: 2021-22 to 2022-23			
			R'000
Detail	2020-21	2021-22	2022-23
Original Budget	144,748	199,069	292,052
Adjustment Budget	161,876	306,216	292,052
Actual	161,876	306,216	258,869
			T 1.4.4



COMMENT ON CAPITAL EXPENDITURE

All capital grants were spent at 100%, except Regional Bulk Infrastructure Grant (RBIG) of which 33% was not spent. Which will be roll-over in the next financial year.

T 1.3.5.1

1.4. ORGANISATIONAL DEVELOPMENT OVERVIEW

1.4.1. ORGANISATIONAL DEVELOPMENT PERFORMANCE

As part of its organisational development (OD) processes, the municipality has put in place measures aimed at addressing the issues that affects the development of the municipality by the reviewing of the organisational structure, the adoption and implementation of human resources policies, capacity building of both Councillors and employees. The following organizational development interventions for the year under review were implemented.

1.4.2. WORKPLACE SKILLS PLAN

The Municipality developed, adopted and implemented a Workplace Skills Plan that is informed by the training needs that Councillors and employees submitted to the Skills Development Facilitator as well as the training needs that have been identified through the independent skills audit that the municipality conducted in the year under consideration. The following targets that are informed by formed by the budgetary considerations were set for the Work Skills Plan:

	Target	Actual
Number of Councillors trained	38	29
Number of officials trained	50	59

The training of the elected members was informed by the identification of training needs through the guidance of the Office of the Speaker, SALGA and in line with the effective implementation of the Workplace Skills Plan (WSP) and Annual Training Program (ATP)

1.4.3. BATHO PELE SERVICE STANDARDS

The Municipality adopted and implemented the 'Batho Pele' Service Charter in all functional areas of the Municipality through the implementation of the following:

- (a) Batho Pele Services Charter
- (b) Personnel Name tags
- (c) Customer Care Centre
- (d) Security / Information Desk in the main building

The Municipal Call Centre has been established and equipped to allow for members of the community be able to report any service delivery related complaints. The call centre is reasonably functional but will do so incrementally but once fully functional the plan is for community members to be able to communicate their complaints or issues using various digital platforms such as through the telephone, sms, emails etc.

1.4.4. EMPLOYMENT EQUITY PLAN

The Municipal Employment Equity Plan has been approved by the Council to reflect the employment equity targets from the non-designated and designated groups in line with the principles of good governance. Refer to Chapter 4 for detailed numerical targets.

1.4.5. EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

The Municipality has adopted its revised Performance Management Framework on the 9th of December 2022 and an Individual Performance Management Policy approved in May 2021 both of which are currently being implemented to establish an effective Performance Management System. Currently it is being implemented on employees appointed in terms of Section 54A and Section 56 of the Municipal Systems Act. With the Municipal Staff Regulation of 2021 being promulgated, the municipality is planning to cascade performance management to employees below Senior Management level in the ensuing financial year. An e-PMS has also been introduced and the municipality has migrated from manual to fully web-based ePMS for SDBIP reporting cycle.

1.4.6. EMPLOYEE VALIDATION PROCESS

The municipality has conducted an employee validation process to identify ghost workers which required that each employee to present themselves to be validated through their identification document and employee number. The validation process was able to validate all the employees and there were no ghost workers identified.

T1.4.1

1.5. AUDITOR GENERAL REPORT

1.5.1. AUDITOR GENERAL REPORT 2021/2022

In terms of section 131(1) and (2) of the Municipal Finance Management Act, 2003, a municipality must address any issues raised by the Auditor General in an audit report. The Mayor of a municipality must ensure compliance by the municipality with this subsection.

The MEC for local government in the province must-

- (a) Assess all annual financial statements of municipalities in the province, the audit report on such statements and any responses of municipalities to such audit reports, and determine whether municipalities have adequately addressed any issues raised by the Auditor General in an audit report; and
- (b) Report to the provincial legislature any omission by a municipality to adequately address those issues within 60 days.

The municipality has received a Qualified Audit Opinion for the 2022/2023 financial year with the following matters:

- (1) Payables from exchange transactions
- (2) Irregular Expenditure
- (3) Material distribution losses of electricity
- (4) Material distribution losses of water
- (5) Restatement of corresponding figures
- (6) Underspending of the conditional grant

There is total number of **77** findings for the financial under review as per the Management letter which shows an improvement when compared with 2020/2021 financial year of **185** findings.

Findings per Department

- | | |
|------------------------------|-------------|
| (a) Finance Department: | 57 Findings |
| (b) Corporate Department: | 5 Findings |
| (c) Office Of The MM: | 15 Findings |
| (d) Technical Services: | No Findings |
| (e) Community Services: | No Findings |
| (f) Planning & Economic Dev: | No Findings |

1.5.2. ADDRESSING AUDITOR GENERAL FINDINGS

An Audit Action plan has been developed to address the audit findings and will be monitored on a regular basis and ensure the following processes are implemented:

- (a) Monitoring the progress on the implementation of the Auditor General recommendations on a monthly basis.
- (b) Management to provide progress report on addressing the issues raised by the Auditor General on a monthly basis.
- (c) Internal audit and Audit Committee will conduct follow up on the implementation of action plans on a quarterly basis.

1.5.3. OVERALL IMPLEMENTATION OF ACTION PLANS

The overall implementation of the Auditor General findings Action Plan for the 2022/23 financial year as at the end of June 2023 was as follows:

TOTAL FINDINGS	Addressed	In Progress	Not Addressed
83	24	1	58

The Municipality is committed to achieve clean administration and to achieve Unqualified Audit Opinion. For the third year running the Municipality received Qualified Audit Opinion, with reduced qualification paragraphs from 4(four) to 2(two). And Audit Action Plan has been developed with the aim to strengthen the Municipal Internal Control environment, compliance with applicable laws and regulations and improved Financial Management practice. The monitoring and implementation of the Audit Action plan is managed in the Municipal Manager office.

T 1.5.1

1.6. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and Integrated Development Plan (IDP) process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and Integrated Development Plan (IDP) commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit the prior year's Draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to Municipal Manager	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited draft Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the Integrated Development Plan (IDP) Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget and finalization of the draft Integrated Development Plan (IDP) for the next financial year. Draft Annual Report and Oversight Reports to be used as input.	January

T1.6.1

Chapter 2

CHAPTER 2 – GOVERNANCE

2.

2.1. POLITICAL GOVERNANCE



Cllr. N.S Xaba
Speaker



Cllr. M. P. Nkosi
Executive Mayor



Cllr. P.T Sibeko
Chief Whip

MEMBER OF THE MAYORAL COMMITTEE



Cllr BJ Motha
MMC for Planning and Economic
Development Department



Cllr. TJ Madlala
MMC for Corporate Services
Department



Cllr TC Motha
MMC for Technical Services
Department



Cllr E.C Msezane
MMC for Finance Department



Cllr. S.E Ngovene
MMC for Community and Social Services
Department

COUNCILLORS

Refer to **Appendix A** where a full list of Councillors is captured (including committee allocations and attendance at council meetings).

T2.1.2

2.2. ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Msukaligwa Local Municipality adhered to administrative governance legislations and regulations and complied with the follows:

1. The Integrated Development Plan (IDP) for 2022/2023 financial year was adopted in accordance with the provisions of the Municipal Systems Act.
2. The Service Delivery and Budget Implementation Plan (SDBIP) for 2022/2023 was approved by the Executive Mayor in compliance with the provisions of the Municipal Finance Management Act (MFMA).
3. Performance Agreements for 2022/2023 financial year were signed in compliance with legislation by the section 56 employees and submitted to the Member of the Executive Council (MEC) for Cooperative Governance and Traditional Affairs (COGTA) as per the provisions of the performance regulations.
4. Performance Management is implemented at the strategic level for Section 56 employees as required by the Municipal Systems Act.
5. Audit Committee meetings were held in the 2022/2023 financial year as per the agreed schedule.
6. Mid- year performance reports for 2022/2023 was submitted to the Council as per Section 72 of the Municipal Finance Management Act (MFMA) including the 3rd and the 4th quarter Service Delivery and Budget Implementation Plan (SDBIP) reports.
7. The municipality engaged the services of consultants to assist in dealing with findings identified by the Auditor General pertaining to administrative governance as well as compilation of the AFS.

T2.2.1

TOP ADMINISTRATIVE STRUCTURE



Mr. M. Kunene
MUNICIPAL MANAGER

DIRECTORS

Mr. P S Mabuza
Director: Corporate Service

Ms. P Z Duma
Director: Technical Services

Mr. P J Nhlabathi
Chief Financial Officer

Mr. M S Lukhele
Director: Community & Social
Services Department

Ms. H Maganya
Director: Planning and Economic Development

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3. INTERGOVERNMENTAL RELATIONS

2.3.1. INTERGOVERNMENTAL STRUCTURE

Intergovernmental structures in which engagements are taking place comprise the Provincial Planners Forum, District IDP Management Committee, District Development Model forum, District and Local IDP Rep Forum and PCF meetings with other plenary meetings in which the municipality participates for plenary and strengthening of IGR.

In the Provincial Planners Forum, issues that affect municipal planning and provincial planning cycles are discussed in order to have a coordinated planning within these two spheres of government also allowing interrogation of plans to establish the best possible approaches to the planning process. These meetings assist in providing municipalities with better understanding on how municipal planning cycles influence the proper planning of the District municipalities and other spheres of government.

The District or Local forums and committees provide a platform for interaction on planning issues, information sharing and learning from best practices between municipalities and other spheres of government. There has been a great improvement on the packaging of the municipal IDP and valuable insights in Spatial approaches obtained from these engagements.

T2.3.2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1. OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Public Participation Policy and Public Participation strategy that outline the various measures on how the municipality engages with the community members was adopted and is being implemented by the municipality. The municipality has had to adapt to other mechanisms in order to engage with the community in order not to violate the prohibition of gatherings in terms of the Covid-19 lockdown regulations. Some of these measures include the use of social media platforms to engage with the community.

In terms of Section 152 of the Constitution of the Republic of South Africa, Local Government Municipal Systems Act, Act 32 of 2000 as amended and Local Government Structure Act, Act 117 of 1998, Municipalities are required to:

- (a) Encourage the involvement of communities and the community organisations in matters of Local Government.
- (b) Develop the culture of participatory development.
- (c) Establish ward committees as a vehicle for community participation.

Community Participation takes place to involve communities during the following processes:

- (a) The preparation, implementation and review of the Integrated Development Plan (IDP).
- (b) The establishment, implementation and review of its Performance Management System
- (c) Preparation of the Budget.

The following are structures established to promote community participation:

- (a) Integrated Development Planning (IDP) Representative Forum
- (b) Ward Committees and Ward Community Meetings
- (c) Local Geographic Names Committee
- (d) Community Development Workers
- (e) Newsletters
- (f) Radio broadcast slots
- (g) Municipal Official Web site
- (h) Municipal Official Facebook page

Community Participation Programmes per ward were developed and implemented.

Refer to **Appendix E** which contains further details on ward committee governance and to **Appendix F** that contains performance data on a ward-based public participation.

T 2.4.0

2.5. PUBLIC MEETINGS

2.5.1. COMMUNICATION FORUMS

The municipality's communication unit is responsible for the overarching implementation of the communication policy, strategy, information dissemination, Presidential Hotline, media monitoring, media liaison, Communication research, Municipal newsletters, website content development, virtual meetings and management, events management and corporate advertisement / branding.

Communication of information is also done by the municipality by contributing to the Gert Sibande District Municipality and Mpumalanga South African Local Government Association quarterly newsletters.

2.5.2. COMMUNICATION INSTITUTIONAL ARRAGEMENT

The Communication Unit has been established, however the unit is not fully capacitated and the municipality is having plans to capacitated the unit. The unit is placed in the Office of the Municipal Manager.

2.5.3. COMMUNICATION FORUM

The municipality attends and participates at the District and Provincial Government Communicators Fora.

2.5.4. LEGISLATIVE FRAMEWORK

There are various legislations that governs the establishment and the functioning of local Government Communication structures which amongst others include the following:

- (1) Constitution Act 108 of 1996
 - (a) **Section 152 (1) (e):** that municipalities must encourage the involvement of communities and community organizations in matters of local government.
 - (b) **Section 160(7):** A municipal council must conduct its business in an open manner, and may close its sittings, or those of its committees, only when it's reasonable to do so.
- (2) Local Government: municipal Systems Act, 2000
 - (a) **Section 21:** communication with local community must take place through the following.
 - (i) in the local newspaper or newspapers of its area;
 - (ii) in t newspaper or newspapers circulating in its area and determined by the council as a newspaper of record; or
 - (iii) by means of radio broadcasts covering the area of the municipality.
- (3) Promotion of Access to information Act, Act No.2 of 2000
 - (a) This act operationalizes sections 8 and 32 of the constitution, it fosters the culture of transparency and accountability and promotes effective access to information to protect an individual's rights.
- (4) Promotion of Administrative Justice Act. Act No 3 of 2000
 - (a) The act requires that all decisions of administrative bodies have to be lawful, procedurally fair and reasonable.
 - (b) People have the right to be given reasons for decisions that adversely affect them which are taken by the government officials.
- (5) Protection of Disclosure Act, Act No 26 of 2000
 - (a) The act protects people who speak out against government corruption, dishonesty and bad administration.

T 2.5.1

2.6. INTEGRATED DEVELOPMENT PLAN (IDP) PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers' Performance Plans?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T2.6.1

COMPONENT D: CORPORATE GOVERNANCE

2.7. RISK MANAGEMENT

2.7.1. RISK MANAGEMENT

The municipality needs to have systems that can proactively and continuously identify, evaluate, analyse, measure and manage risks that might directly or indirectly affect the municipality so that it is able to put in control measures to address those risks.

The Municipality has an approved Risk Management Policy, Risk Management Committee Charter and Risk Management Strategy. Risk assessments are conducted annually for all the Departments to identify risks that impact on the achievement of objectives. As per the strategic risk and operational risk assessment conducted during the financial year under review, 98 risks were identified with their magnitudes as follows:

Risk Magnitude	No of Risk per Risk Magnitude as per Strategic Risk Register	No of Risk per Risk Magnitude as per Operational Risk Register
Maximum Risk	1	2
High Risk	5	52
Medium Risk	0	18
Low Risk	0	3
Minimum Risk	0	0
Total number of Risk Identified	6	75

Progress made on identified risk areas are evaluated on a quarterly basis, the quarterly reviews would also identify new or emerging risks. The risk management unit's task is to identify and propose measures to contain, avoid or transfer the risk concerned. Currently, there are systems in place to monitor the identified risks and a continuous yearly risk management implementation plan was designed together with the risk register to monitor and manage all identified risks.

Risk awareness workshops are conducted to create awareness of risk management to all levels of the Municipality. A Risk Management, Anti-Fraud and Corruption Committee that advises management on the overall system of risk management has been appointed. An external Chairperson was appointed to add value to risk management in the Municipality. The Audit Committee advises the Municipality on risk management and independently monitors the effectiveness of the system of risk management at Audit Committee meetings. The Municipality conducts quarterly/monthly risk evaluation and monitor the risk action plan (Mitigating Strategies).

T2.7.1

2.8. FRAUD AND CORRUPTION MANAGEMENT

2.8.1. FRAUD AND CORRUPTION MANAGEMENT

The Municipality has reviewed and approved an Anti-Fraud Policy and Strategy and the Anti-Fraud implementation plan as a control measure put in place to reduce the occurrence of fraud and corruption related activities. The municipality has to ensure that Integrity and accountability are infused into its operational architecture to discourage and eliminate Corruption, dishonesty, misconduct and unethical behaviour among public officials, which represent serious threats to the basic principles of public service. A Risk Management Committee, Anti-Fraud and Corruption that is chaired by an independent person was also established and appointed by the Council, the committee's duties are to review and monitor the implementation of the anti-fraud and corruption plan and related issues to the higher governance structure such as the Audit Committee and to the Council.

The municipality also approaches the fight against fraud and corruption in a proactive way where fraud risks assessments are conducted as another way of fraud detection and prevention, the National Anti-Fraud Hotline is also promoted for use to report fraud and corruption. The Municipality also make use of the social media platforms such as Facebook to create awareness on the fight against fraud and corruption. Anti-fraud and corruption policies and plans are uploaded in the Municipal website (both intranet and internet) as another way of raising awareness on anti-fraud and corruption within official of the Municipality and the community at large. Lastly, anti-fraud and corruption workshops or awareness's are incorporated in the induction programme of the Municipality to ensure that newly appointed employees are well informed on anti-fraud and corruption related policies and controls.

T2.8.1

2.9. WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	<Yes / No>	Publishing Date
Annual and adjustment budget and budget-related policies	Yes	
All current budget-related policies	Yes	
The previous annual report (2021/2022)	Yes	2023/04/12
The annual report (2021/2022) published/to be published	Yes	2024/02/07 2024/04/10
All current performance agreements for 2022/2023 as required in terms of section 57(1) (b) of the Municipal Systems Act.	Yes	2022/10/07
All service delivery agreements (2022/2023)	No	
All long-term borrowing contracts (2022/2023)	No	
All supply chain management contracts above a prescribed value (give value) for 2021/2022	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2022/2023	No	
Contracts agreed in 2022/2023 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	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2022/2023	Yes	2023/11/15
		T2.9.1

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

The Municipal Website is functional and accessible to the public. The following documents are available on the website:

- (a) Integrated Development Plan (IDP)
- (b) Service Delivery Budget implementation Plan (SDBIP)
- (c) Performance Contracts and Agreements for s54A and 56 Managers
- (d) Budget and Budget related policies
- (e) Annual Financial Statements
- (f) Annual Reports
- (g) Tenders
- (h) By-Laws and other related information.

The Municipal libraries have internet access for the public to access information and the Msukaligwa Local Municipality website address is www.msukaligwa.gov.za.

T2.9.1.1

2.10. BY-LAWS

The by-laws were approved by the Council and the gazetting thereof has been delayed owing to financial constraints.

By-laws Introduced during 2022/23				
Newly Developed	Date Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	Date of Publication
No gazetted by-laws in the financial year under review.				

T2.10.1

2.11. PUBLIC SATISFACTION SURVEY

2.11.1. PUBLIC SATISFACTION SURVEY

The municipality has not conducted any public satisfaction survey in the financial under review. However, COGTA has done a random survey in 2018/2019 FY which served as a baseline from which the municipality should work on to conduct the surveys.

T2.11.0

Chapter 3

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

COMPONENT A: BASIC SERVICES

3.

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

3.1. WATER PROVISION

3.1.1. INTRODUCTION TO WATER PROVISION

Msukaligwa Local Municipality is a water services authority which provides water to all households and businesses within its areas.

- (1) The raw water sources for Msukaligwa
 - (a) Brummer dam for Ermelo Town
 - (b) Douglas dam for Ermelo Town
 - (c) Department of Water and Sanitation (DWS) (Jericho scheme) for Ermelo Town, Davel and Breyten
 - (d) Torbanite dam for Breyten and Chrissiesmeer
 - (e) Mpuluzi River for Lothair.
 - (f) Boreholes, for Sheepmoor, Warburton and Farming and rural areas.

Achievements

The Municipality has in the past year implemented the 2022/2023 financial year IDP. The municipality had since 2016 provided water to **1 960** households which constitute **3.8%** increase in households with access to basic level of water services. As at the end of the 2022/23 financial year, the backlog on water provision has been at 4.5% (2 283 households). The process of providing water to communities will continue until all households are provided with water.

- (2) Municipal Infrastructure Grant (MIG) has funded the following water projects:
 - (a) Installation of Water House Connections at Breyten Ext 4 (Enkanini)
 - (b) Construction of A 8 ML reservoir at Ermelo Ext 44 & associated pipework

The above projects were implemented at an amount of **R 1,743,061.64** and the projects were all completed.

- (3) Regional Bulk Infrastructure Grant (RBIG) has funded the following water projects:
 - (a) Regional bulk water supply scheme for Breyten cluster 2 in Msukaligwa Local Municipality

The above projects were implemented at an amount of **R 134,926,809.00** and it's implemented in phases.

Drinking water compliance for 2022/2023:

The Msukaligwa water treatment works achieved 93.7% compliance for Microbiological Compliance and 94.0% for Chemical Compliance. These results indicate that there were 6.3% failures on Microbial Compliance 6% failures for Chemical Compliance. This assessment was performed by DWS during the Blue Drop Assessments of 2022. The department has developed action plans for each municipality which didn't perform well during the BD Audits with which each municipality will complete as per the requirements set and submit in order to update their individual scores / performance. The overall Blue Drop Score for the municipality is 21.6%.

T3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2018/19	0	0	0		
2019/20	0	0	0		
2020/21	0	0	0		
2021/22	0	0	0		
2022/23	0	0	0		

T3.1.2

Water Service Delivery Levels					
Description	Households				
	2018/19	2019/20	2020/2021	2021/22	2022/23
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<i>Water: (above min level)</i>					
Piped water inside dwelling	25,991	25,991	25,991	25,991	43,982
Piped water inside yard (but not in dwelling)	18,534	18,846	18,846	18,935	18,935
Using public tap (stand pipes)					
Other water supply (within 200m)	3,714	3,714	3,714	3,714	775
Minimum Service Level and Above sub-total	48,239	48,551	48,551	48,640	63,692
Minimum Service Level and Above Percentage	94.4%	95%	95%	95,2%	93,9%
<i>Water: (below min level)</i>					
Using public tap (more than 200m from dwelling)	0	0	0	0	0
Other water supply (more than 200m from dwelling)	2,850	2,538	2,538	2,449	4,135
No water supply	0	0	0	0	0
Below Minimum Service Level sub-total	2,850	2,538	2,538	2,449	4,135
Below Minimum Service Level Percentage	5.6%	5%	5%	4,8%	6,1%
Total number of households*	51,089	51,089	51,089	51,089	67,827

* - To include informal settlements

T3.1.3

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

Households - Water Service Delivery Levels below the minimum					
Description	Households				
	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Formal Settlements					
Total households	46,270	48,551	48,551	48,640	62,917
Households below minimum service level	0	0	0	0	775
Proportion of households below minimum service level	0	0	0	0	0
Informal Settlements					
Total households	4,819	2,538	2,538	2,449	4135
Households that's below minimum service level	3,576	3,576	3,576	2,449	4135
Proportion of households that's below minimum service level	6.9%	4.97%	4.97%	4.8%	6.1%
T3.1.4					

Water Service Policy Objectives Taken From Integrated Development Plan (IDP)										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To ensure long term planning and provision of sustainable services delivery and maintenance of infrastructure										
Number of households with access to basic water	Increase the number of households accessing water supply	48,239	48,551	48,551	48,551	48,640	48,640	49,565	63,692	63,842
Km of water AC pipes replaced with U-PVC pipes	Water pipe bursts repaired or replaced within 24hrs of being reported.	N/A	N/A	N/A	N/A	N/A	N/A	2 km	3.084 km	0
Number of water meters installed	Consumers metered for water consumption	N/A	N/A	N/A	N/A	N/A	N/A	200	47	1500
% of call-outs responded to within 24hrs after being reported	Water pipe bursts repaired or replaced within 24hrs of being reported	95%	98.7%	95%	98.65%	95%	99.99%	100%	100%	100%
Number of households provided with Ventilation Improved Pit Toilets (VIPs) by 30 June 2023	Households provided with access to basic level of sanitation services	N/A	N/A	N/A	N/A	N/A	N/A	334	334	230
% of callouts responded to within 24 hours (sanitation/waste water)	Well maintained services infrastructure	95%	99%	95%	98.65%	95%	100%	98%	100%	0

Water quality sampling results for both water and wastewater compiled	Drinking water quality compliant to SANS 241	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12
Review of the WSDP and Water Safety Plan and approved by Council	Compliance with the Water Services Act	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
Number of reports on the status and performance of wastewater treatment plant	Environmentally compliant wastewater treatment plants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
Number of reports on the status and performance of the water treatment plants	Environmentally compliant water treatment plants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
T3.1.6										

Financial Performance 2022-23: Water Services					
					R'000
Details	2021-22	2022-23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	325,434	309,687	318,366	277,336	-12%
Expenditure:					
Employees	89,106	24,703		26,773	8%
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	71,043	118,271	79,057	5,613	-2007%
Total Operational Expenditure	160,149	142,974	79,057	32,386	-341%
Net Operational Expenditure	-165,285	-166,713	-239,309	-244,950	32%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.1.8

Capital Expenditure 2022-23: Water Services						R' 000
Capital Projects	2022-23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	3,523,705.67	3,472,759.00	3,472,759.00	100%		
Installation Of Water House Connections at Breyten Ext 4 (Enkanini)	1,303,929.30	1,252,982.63	1,252,982.63	100%	1252983	
Construction of A 8 MI Reservoir at Ermelo Ext 44 & associated pipeworks	2,219,776.37	2,219,776.37	2,219,776.37	100%	2219776	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.1.9	

3.2. WASTEWATER (SANITATION) PROVISION

3.2.1. INTRODUCTION TO SANITATION PROVISION

Msukaligwa is responsible for the provision of sanitation services to all households and businesses within its jurisdiction in accordance with Schedule 5, part B of the Constitution. Since the municipality comprises of rural and urban areas, sanitation services is provided through construction of VIP toilets (convertible water borne toilets) at rural areas and water borne toilets at urban areas. The sanitation service extends to sucking of septic tanks at those areas with septic tanks.

Achievements

The municipality had in the past financial (2022/2023) focused on improving the sanitation services at formalised informal settlements and in order to provide households with water-borne toilets. Focus was on providing water first while preparations were made for installation of the sewer infrastructure. Therefore, the following are the sanitation projects implemented within the 2021/2022 financial year:

- (1) Municipal Infrastructure Grant (MIG) has funded the following sanitation projects:
 - (a) Installation Of Sewer Reticulation in Wesselton Extension 11 Phase 1 and Phase 2
 - (b) VIP Toilets in Msukaligwa Farm areas
 - (c) Electro-Mechanical Upgrades to Extension 32, 33 and 34 Pumpstations in Ermelo
- (2) Water Services Infrastructure Grant (WSIG) has funded the following sanitation projects:
 - (a) Upgrading of Ermelo Ext 32, 33 and 34 outfall sewer pipelines
 - (b) The Refurbishment of the Chrissiesmeer Oxidation Ponds
 - (c) The Refurbishment of the Lothair Oxidation Ponds

The sanitation capital projects as implemented through the MIG and WSIG funding were multi-year projects, and they were all completed except the latter. The amount spent on MIG and WSIG was R 15 695 460.65 and R 60 000 000 respectively.

Though water-borne sewer is provided in the urban areas, the ageing infrastructure remains a huge challenge resulting in regular blockages and effluent overflows, which was attended to on an ad hoc basis due to the lack of adequate funding to address the problem completely.

Wastewater treatment compliance for 2022/2023:

The Msukaligwa wastewater treatment work performance was reviewed against using the DWS Special standards for waste treatment works. The municipality shown slight improvement on the Green Drop score during the 2021 assessment (**17%**) versus assessments conducted in 2013 (**7.4%**). There was also a very slight improvement on the Green Drop Risk Rating scores (**94% in 2021 versus 98% in 2013**). It should be noted that there's still a lot of work that still needs to be done as it's estimated that R50 million is required to bring all the wastewater treatment plants to their original operational state.

T3.2.1

Sanitation Service Delivery Levels					
*Households					
Description	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Sanitation/sewerage: (above minimum level)					
Flush toilet (connected to sewerage)	38,895	38,895	39,396	39,492	53,583
Flush toilet (with septic tank)	465	465	465	465	465
Chemical toilet	497	497	497	497	497
Pit toilet (ventilated)	2,006	2,006	2,006	2,006	2,340
Other toilet provisions (above min. service level)	9,029	8,072	8,072	8,072	5,480
Minimum Service Level and Above sub-total	50,892	49,935	50,436	50,532	62,365
Minimum Service Level and Above Percentage	99.6%	97.7%	98.7%	98.9%	92%
Sanitation/sewerage: (below minimum level)					
Bucket toilet	0	0	0	0	0
Other toilet provisions (below min. service level)	0	0	0	0	0
No toilet provisions	197	1,154	653	557	5,462
Below Minimum Service Level sub-total	197	1,154	653	557	5,462
Below Minimum Service Level Percentage	0.4%	2.3%	1.27%	1.1%	8%
Total households	51,089	51,089	51,089	51,089	67,827
*Total number of households including informal settlements					T3.2.3

Waste Water (Sanitation) Service Policy Objectives Taken From Integrated Development Plan (IDP)										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To ensure long term planning and provision of sustainable services delivery and maintenance of infrastructure										
Number of households with access to basic sanitation	Increase in number of households having access to basic level of sanitation.	51,743	49,935	50,436	50,535	50,532	50,532	50,532	62,365	62,595
Number of households provided with Ventilation Improved Pit Toilets (VIPs)	Households provided with access to basic level of sanitation	N/A	N/A	N/A	N/A	N/A	N/A	334	334	230
% of callouts responded to within 24 hours (sanitation/wastewater)	Well maintained services infrastructure	100%	95.6%	95%	98.65%	95%	100%	98%	100%	0
Number of reports on the status and performance of wastewater treatment plant	Environmentally compliant wastewater treatment plants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
										T3.2.6

Financial Performance 2022-23: Sanitation Services						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	53,758	63,813	72,040.00	63,857	0%	
Expenditure:						
Employees	58,133	131,945	-	15,029,679	99%	
Repairs and Maintenance		-	-	-	#DIV/0!	
Other		1,928,998	-	1,642,216	-17%	
Total Operational Expenditure	58,133	2,060,943	-	16,671,895	88%	
Net Operational Expenditure	4,375	1,997,130	-72,040	16,608,038	88%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.2.8	

Capital Expenditure 2022-23: Sanitation Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	76,646,176.91	14,673,559.41	15,644,187.36	107%	
Installation Of Sewer Reticulation In Wesselton Extension 11 Phase 1 and Phase 2	7,575,149.22	6,129,017.30	6,129,017.30	100%	6,129,017.30
Electro-Mechanical Upgrades to Extension 32, 33 and 34 Pumpstations in Ermelo	-	666,206.11	666,206.11	100%	666,206.11
The Upgrading Of Kwazanele Waste Water Treatment Works	970,627.95	-	970,627.95	100%	970,627.95
VIP Toilets in Msukaligwa Farm areas	8,100,399.74	7,878,336.00	7,878,336.00	100%	7,878,336.00
Refurbishment of Chriesmeer Oxidation ponds	17,719,921.32		17,719,921.32	100%	17,719,921.32
Refurbishment of Lothair Oxidation ponds	19,895,893.39		19,895,893.39	100%	19,895,893.39
Upgrading of Ermelo Ext 32, 33 and 34 outfall sewer pipeline	22,384,185.29		22,384,185.29	100%	22,384,185.29
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.2.9

3.3. ELECTRICITY

3.3.1. INTRODUCTION TO ELECTRICITY

The municipality is licensed to provide electricity in Ermelo, Wesselton, Kwa-Dela, Breyten and Silindile. The rest of the admin units as well rural areas of the municipality get electricity supply directly from Eskom. An electricity Master plan has been reviewed and approved by the Council in 2019 for a period of 5 years to address the operations and maintenance challenges. The Master Plan is valid for a period of 5 years, when considering the rapid growth of the population.

Achievement

The municipality has through the assistance of Department of Mineral Resources and Energy under Social Labour Plan (SLP) for the year under review managed to Refurbish Breyten 11kV Substation. This has brought about stability and safety in the operations of the Breyten 11kV Substation.

This has been achieved through an installation of new switchgears complete with a protection scheme to safeguard Eskom apparatus and benefit various settlements of the municipality in Breyten at a cost of R 1,3 mil by surrounding SLPs.

Households with access to electricity is stable at 47053 which constitutes 92,1%. No backlog on electrification under MLM's area of supply however, Eskom electrification projects were deferred to 23/24 financial year due to inadequate funds.

T3.3.1

Electricity Service Delivery Levels Households					
Description	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
<i>Energy: (above minimum level)</i>					
Electricity (at least min. service level)	5,171	5,263	5,236	5,263	
Electricity - prepaid (min. service level)	26,728	26,806	26,806	26,806	
Electricity – Eskom	13,979	14,155	14,155	14,455	
Minimum Service Level and Above sub-total	45,878	45,878	45,878	46,178	59,145
Minimum Service Level and Above Percentage	90%	89,8%	89,8%	90,4%	87%
<i>Energy: (below minimum level)</i>					
Electricity (< min. service level)					
Electricity - prepaid (< min. service level)					
Other energy sources	5,775	5,211	5,211	4,911	8,682
Below Minimum Service Level sub-total	5,775	5,211	5,211	4,911	8,682
Below Minimum Service Level Percentage	11,3%	10,2%	10,2%	9,6%	13%
Total number of households	51,089	51,089	51,089	51,089	67,827
					T3.3.3

Electricity Service Policy Objectives Taken from Integrated Development Plan (IDP)										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To ensure long term planning and provision of sustainable services delivery and maintenance of infrastructure										
Number of households with access to basic level of electricity	Eradication of electricity backlogs	45,314*	46,884*	45,878*	46,634*	45,878	46,178	46,528	51,145	51242
Number of electricity meters installed	Consumers provided with metered electricity	N/A	N/A	N/A	457	500	525	600	425	800
Refurbishment of the Breyten 11Kv sub-station	Uninterrupted power supply to consumers	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0
Refurbishment of MV/LV overhead network at Industrial & Laffnie street		N/A	N/A	N/A	N/A	N/A	N/A	1 km	1 km	1,1 km
Number of reports on the implementation of NERSA audit recommendations		N/A	N/A	N/A	N/A	N/A	N/A	4	4	0
Maintenance of 88 KV main sub-station	Optimal operation and power supply to consumers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Number of irreparable steel/fibre glass	Safety of power supply facilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10

Electricity Service Policy Objectives Taken from Integrated Development Plan (IDP)										
kiosks replaced with concrete kiosks										
Construction of a MV overhead line to Northern Water Treatment Works (Douglas Dam)	Uninterrupted power supply to water treatment works	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
										T3.3.5

Source: STATSSA 2022 Census and Own records

* Figures include projects funded by Eskom which may differ from figures as contained in the Annual Performance Report linked to the SDBIP. The reasons for excluding Eskom figures in the APR are that the municipality do not have direct control on such projects or expenditure.

Financial Performance 2022-23: Electricity Services						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	256,356,000.00	260,019,000.00	272,125,000.00	237,292,000.00	-10%	
Expenditure:						
Employees		47,971,584.00	-	37,954,952.81	-26%	
Repairs and Maintenance		-	-	-	#DIV/0!	
Other			-		#DIV/0!	
Total Operational Expenditure	-	47,971,584.00	-	37,954,952.81	-26%	
Net Operational Expenditure	-256,356,000.00	-212,047,416.00	-272,125,000.00	-199,337,047.19	-6%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.3.7

Capital Expenditure 2022-23: Electricity Services						R' 000
Capital Projects	2022-23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	4,000,000.00	4,000,000.00	4,000,000.00	-		
Installation of Retrofit Technology	4,000,000.00	4,000,000.00	4,000,000.00	-	4,000,000.00	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.3.8

3.4. PROJECTS MANAGEMENT

3.4.1. INTRODUCTION TO PROJECTS MANAGEMENT

The municipality has established a project management unit dealing with overall project management from projects planning, application for funding, monitoring and reporting of projects progress to confirmation of projects completion and signing off of completed projects.

Projects dealt with by the unit are listed on **Appendix F** and **N** of this report.

T3.3.1

Projects Management Policy Objectives Taken from Integrated Development Plan (IDP)										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Number of jobs opportunities created through EPWP	Achieving the EPWP target	457	365	547	365	547	331	461	450	461
Percentage Municipal Infrastructure Grant (MIG) spent annually	To ensure that funds allocated are spent on planned infrastructure projects	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percentage Water Services Infrastructure Grant (WSIG) spent annually	To ensure that funds allocated are spent on planned infrastructure projects	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percentage Integrated National Electrification Programme (INEP) spent annually	To ensure that funds allocated are spent on planned infrastructure projects	100%	98%	100%	100%	100%	100%	0	0	100%
Energy Efficiency and Demand-side Management Grant	Funds allocated are spent on planned infrastructure project	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	0

T3.3.6 a

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

3.5.1. INTRODUCTION TO WASTE MANAGEMENT

Core functions of waste management are to render the following:

- (a) Solid waste removal and prevention illegal dumping
- (b) Development and Enforcement of Waste Management By-Laws
- (c) Establishment and Management of landfill sites
- (d) Cleaning of public open spaces.

The municipality is currently operating two registered landfill sites situated in Ermelo and Breyten while the others are utilized as transfer stations. Waste recorded from Ermelo landfill site is reported regularly on the South African Waste Information Centre (SAWIC). Medical and other hazardous wastes are not disposed at the municipality's landfill sites. Generators of such waste dispose of it privately. The municipality monitor the handling and disposal of medical waste.

Municipal Infrastructure Grant (MIG) has funded the following solid waste projects:

- (a) Procurement of the Yellow Fleet for the waste management.

T3.5.1

Solid Waste Service Delivery Levels

Description	Households				
	2018/19 Actual No.	2019/20 Actual No.	2020/21 Actual No.	2021/22 Actual No.	2022/23 Actual No.
Solid Waste Removal: (Minimum level)					
Removed at least once a week	34,231	35,324	36,952	37,816	51,426
Minimum Service Level and Above sub-total	34,231	35,324	36,952	37,816	51,426
Minimum Service Level and Above percentage	67%	69%	72%	74%	76%
Solid Waste Removal: (Below minimum level)					
Removed less frequently than once a week	809	809	809	809	
Using communal refuse dump	3,041	3,041	3,041	3,041	
Using own refuse dump	6,974	6,974	6,974	6,974	
Other rubbish disposal	2,176	2,176	2,176	2,176	
No rubbish disposal	3,858	2,765	1,137	273	
Below Minimum Service Level sub-total	16,858	15,765	14,137	13,273	16,401
Below Minimum Service Level percentage	33%	31%	28%	26%	24%
Total number of households	51,089	51,089	51,089	51,089	67,827

T3.5.2

Waste Management Service Policy Objectives Taken from Integrated Development Plan (IDP)										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To ensure long term planning and provision of sustainable services delivery and maintenance of infrastructure										
Number of households with access to waste collection.	Number of households with access to refuse removal	35,061	35,324	36,154	36,952	37,782	37,816	38,572	51,426	51,866
Number of illegal dumping sites eradicated	illegal waste dumping spots are identified and cleared	N/A	N/A	N/A	N/A	N/A	N/A	2	2	0
Number of waste educational campaigns conducted quarterly each year.	Education and creating awareness to communities on cleanliness and environmental conservation.	12	19	13	13	13	12	8	12	8
Number of waste minimization projects supported	Clean and waste free environment	8	6	6	3	6	26	8	8	0
Number of waste disposal sites maintained on a daily basis	Well managed waste disposal sites	2	2	2	2	2	2	2	2	0
Number of waste transfer stations maintained per quarter	Well managed waste disposal sites	3	3	3	3	3	3	3	3	0
										T3.4.4

Financial Performance 2022-23: Solid Waste Management Services						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	45,055	58,454	54,135	66,189	12%	
Expenditure:						
Employees	64,643	24,888	-	24,072.00	-3%	
Repairs and Maintenance	-				#DIV/0!	
Other	-	5,408		6,476	16%	
Total Operational Expenditure	64,643	30,296	-	30,548	1%	
Net Operational Expenditure	19,588	-28,158	-54,135	-35,641	21%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.4.7

Capital Expenditure Year 0: Waste Management Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0	#DIV/0!		
Project A	0	0	0	#DIV/0!	280	
Project B	0	0	0	#DIV/0!	150	
Project C	0	0	0	#DIV/0!	320	
Project D	0	0	0	#DIV/0!	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.4.9

3.6. HUMAN SETTLEMENT

3.6.1. INTRODUCTION TO HOUSING

The mandate of the housing section in the Municipality is to facilitate and support the provision of human settlement services within the municipality together with the department of Human Settlements, which include the following:

- (a) Identifying of land for human settlement
- (b) Support Department of Human Settlements in identifying potential beneficiaries for low cost housing.
- (c) Management and maintaining of housing waiting list database.
- (d) Management of housing rental stock.

- (e) Managing and Controlling of illegal land invasions.
- (f) Facilitation of land transfers.

T3.5.1

Housing Service Policy Objectives Taken From Integrated Development Plan (IDP)										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: provision of Sustainable Human Settlement										
Number of quarterly meetings held with the Provincial Department of Human Settlement	Continuous communication between the municipality and the DHS on development is maintained	4	5	4	5	4	6	4	6	4
Number of informal settlements formalized	Communities are settled on approved townships to access municipal services	N/A	N/A	N/A	N/A	N/A	N/A	3	3	3
										T3.5.3

Financial Performance 2022-23: Housing Services						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	2,980	2,627	2,703	2,597	-1%	
Expenditure:						
Employees	3,917	5,142	6,153	3,561	-44%	
Repairs and Maintenance	-				#DIV/0!	
Other	-	8,539	-	12,808	33%	
Total Operational Expenditure	3,917	13,681	6,153	16,369	16%	
Net Operational Expenditure	937	11,054	3,450	13,772	20%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.5.5	

Capital Expenditure Year 0: Housing Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Project A	0	0	0	#DIV/0!	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.5.6</i>

3.7. FREE BASIC SERVICES AND INDIGENT SUPPORT

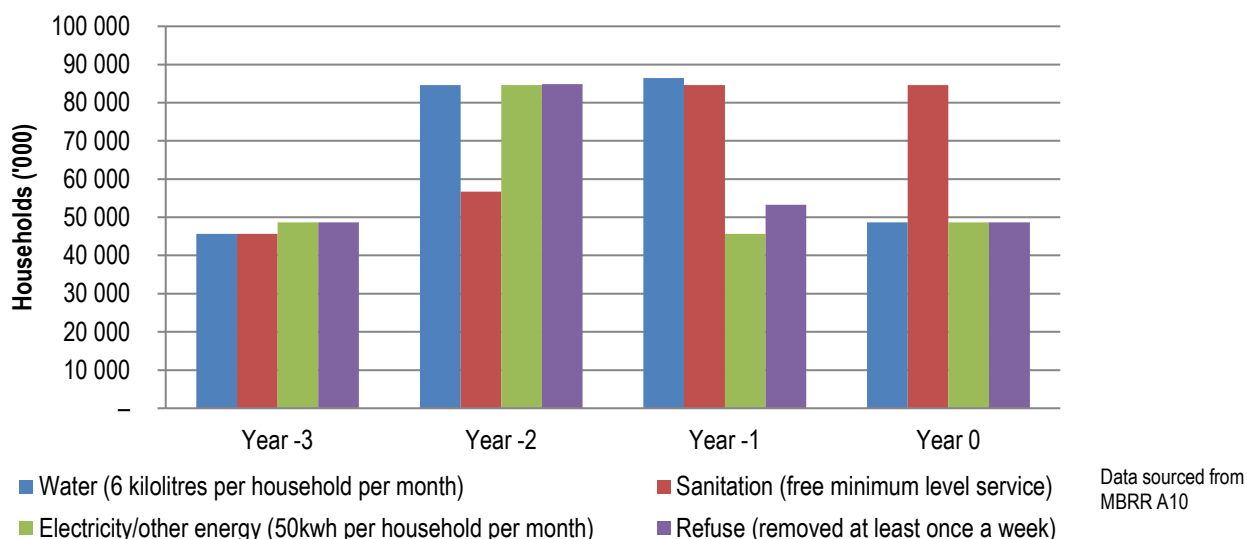
3.7.1. INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The indigent household subsidy policy was approved as part of budget related policies on the 30th of May 2023. The municipality supported **6,703 registered** indigents of the **8,000** planned indigent households in 2021/22 financial year. The municipality budgeted **R 37 781 992** from equitable share to support indigent consumers and assist with free 6kl of water and 50 kwh of electricity which is provided only to indigent households.

(1) Indigents were supported as follows:

- (a) Free 6kl of water is provided to all registered indigent households.
- (b) 50kw basic electricity
- (c) Free refuse removal (R154.00)
- (d) Free sanitation services (R168.00)
- (e) Property rates – R 70 000 reduction on property value

Free Basic Household Services



The following table illustrates how the indigent households that were supported in **2022/2023**:

Electricity	Water	Sewer	Refuse	Rates	Total Amount
R 2 751 000	R 4 243 932	R 13 379 090	R 13 591 322	R 816 648	R 37 781 992

COMPONENT B: ROAD AND STORMWATER

This component includes: roads; transport; and waste water (storm water drainage).

3.8. ROADS AND STORM WATER MANAGEMENT

3.8.1. INTRODUCTION TO ROADS AND STORM WATER MANAGEMENT

Road access needs to be provided to all residents, the police and emergency first responders in Msukaligwa. Grants received from Municipal Infrastructure Grant (MIG) and Gert Sibande District Municipality (GSDM) enables the Municipality to upgrade, maintain and re-build municipal roads. During the Integrated Development Planning (IDP) process, projects were identified at the community consultative meetings. Council takes final resolution on projects that will be implemented.

Achievements

In the **2022/2023** financial year, 4.27km roads have been upgraded from gravel to paved roads. The asphalt roads need to be resurfaced in order to maintain their asset value and for the financial year under review, 45,583.73m² of tarred roads have been resurfaced.

(1) Municipal Infrastructure Grant (MIG) has funded the following roads & Stormwater projects:

- (a) Upgrading of the Wesselton Extension 3 Boxer intersection (0.876km)
- (b) Rehabilitation of Emadamini Ext 6 Taxi collector (1.100km)
- (c) Upgrading of KwaZanele Masizakhe road (0.940km)
- (d) Construction of N17 intersections at Warburton Nganga (0.450km)
- (e) Rehabilitation of Mthambama street (0.904km)
- (f) Construction of Emadamini stormwater channel

(2) OWN Funds has funded the following road project:

- (a) Resurfacing of Hoster Road through municipal support programme.

The total costs for upgrading of the roads from gravel to paved surface was **R 29,692,337.41 MIG** with a total length of 4.27km which projects were fully completed by the end of 2022/2023 financial year. The resurfacing of Hoster Road was done through the municipal support programme and Msukaligwa Local Municipality co-funded with R1,000,000.00. The Construction of Emadamini stormwater channel was interrupted during implementation and the project had to be stopped.

The total of 55.83km of Gravel roads were bladed and new gravel material was imported to repair roads. Sidewalks are maintained by replacing broken concrete tiles, as well as constructing new sections where there was a need.

Msukaligwa Local Municipality together with Gert Sibande District Municipality and Msobo Coal Mine through the municipal support programme has resurfaced Steyn, Hoy, Wall and Breytenbach Street in Breyten. Msukaligwa co-funded to GSDM and resurfaced Hoster Street in Ermelo Nederland Park that is used as a main taxi route for Ext 32, 33 and 34.

T3.7.1

Gravel Roads Infrastructure				
	Kilometers			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt or paved	Gravel roads graded /maintained
2018/19	3301.13	0	3.3	143.2
2019/20	3301.13	0	0.56	123.6
2020/21	144.345	0	2.775	144,345
2021/22	185.5	0	0.72	185.5
2022/23	181,6	0	3,886	181,6
Total	185.5		7.36	185.5

T3.7.2

Asphalted Roads Infrastructure					
Kilometers					
	Total asphalted and paved roads	New asphalt or paved roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt and paved roads maintained
2017/18	250.7 km	0.5 km	0 km	0 km	249 km
2018/19	251.2 km	3.3 km	0 km	3339 m ²	251.2 km
2019/20	254.5 km	0.58 km	0 km	27,404.54 m ²	254.58 km
2020/21	255,1 km	2.775 km	0 km	23,319.31 m ²	257,5 km
2021/22	257,9 km	0.7 km	0 km	10222,4 m ²	257,9 km
2022/23	261,79 km	3.886	0.86km	32,683.73 m ²	263,35km
Total		7.85 km	0.86km	96,968.97 m²	

T3.7.3

Roads and Storm Water Management Service Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To Provide Sustainable Basic Services and Sustainable Infrastructure										
Kilometres of roads/streets upgraded to asphalt/paved	Well maintained roads infrastructure and storm water drainage systems	3.25 km	0.58 km	2.8 km	2,775 m ²	2,34km	0,72km	3,985 km	4.096 km	1.8 km
Square meters of roads re-surfaced/ patched	Well maintained roads infrastructure	12,000 m ²	27,404.54 m ²	12,000 m ²	23,319 m ²	12,000 m ²	10222 m ²	32090 m ²	45583,73 m ²	40000 m ²
Km of gravel roads maintained	Well maintained roads infrastructure	20 km	124.699 km	20 km	144,345 km	20km	185,5k m	30 km	55,73 km	30 km
Number of storm water inlets maintained	Storm water drainage systems maintained	30	156	60	115	60	100	0	0	240

Financial Performance 2022-23: Road Services						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	11,625	12,081	12,081	121,036	90%	
Expenditure:						
Employees	10,514	11,543	-	11,972	4%	
Repairs and Maintenance	-	-	-	-	#DIV/0!	
Other	68,848	73,801	67,426	70,418	-5%	
Total Operational Expenditure	79,362	85,344	67,426	82,390	-4%	
Net Operational Expenditure	67,737	73,263	55,345	-38,646	290%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8	

Capital Expenditure 2022-23: Road Services					
R' 000					
Capital Projects	2022-23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	32,966,929.09	34,729,644.92	34,729,644.92	100%	
Construction of two Intersections to join SANRAL's N17 at Warburton, Nganga Road and associated St - Phase 2	5,680,218.75	6,629,689.67	6,629,689.67	100%	6,629,689.67
Upgrading of the Wesselton Extension 3 Boxer intersection	2,580,972.76	3,969,338.82	3,969,338.82	100%	3,969,338.82
Rehabilitation of Emadamini Ext 6 Taxi collector	3,790,365.42	3,790,365.42	3,790,365.42	100%	3,790,365.42
Upgrading of KwaZanele Masizakhe road	1,899,899.97	1,899,899.97	1,899,899.97	100%	1,899,899.97
Construction of paved roads in Wesselton Mthambama Street	6,433,805.52	6,433,805.52	6,433,805.52	100%	6,433,805.52
Construction of the roads at Wesselton OR Tambo Taxi Collector Phase 1	5,685,666.67	513,370.61	513,370.61	100%	513,370.61
Construction of the storm water chanel at Wesselton Ext 6 eMadamini	6,000,000.00	4,523,886.86	4,523,886.86	100%	4,523,886.86
Construction of the roads at Wesselton Msheveni Street	896,000.00	6,969,288.05	6,969,288.05	100%	6,969,288.05
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.7.9

3.9. STORM WATER DRAINAGE

Storm water drainage forms part of the roads and storm water management reported in section 3.8 of this report.

COMPONENT C: PLANNING AND ECONOMIC DEVELOPMENT

This component deals with planning and local economic development within the municipality.

3.10. PLANNING AND ECONOMIC DEVELOPMENT

3.10.1. INTRODUCTION TO PLANNING AND ECONOMIC DEVELOPMENT

The purpose and function of the Town Planning and Building Control Section is to facilitate the effective implementation and enforcement of the Msukaligwa Spatial Development Framework, the Msukaligwa Land Use Scheme 2021, the Msukaligwa Spatial Planning and Land Use Management By-Law of 2016, the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) and the National Building Regulations. The objectives of the enforcement of the above-mentioned pieces of legislation and policy directives seek to give effect to the following:

- (a) indicate where public and private land development and infrastructure investment should take place;
- (b) indicate desired or undesired utilization of space in a particular area;
- (c) delineate the urban area within a well-defined urban edge;
- (d) identify areas where strategic intervention is required; and
- (e) Indicate areas where priority spending is required.

(f) ensure compliance with applicable land use and building regulations

The Town Planning Section is composed of the following sub-functions:

- (a) Spatial Planning and Land Use Management
- (b) Building Control Management

Geographic Information System (GIS) Management

T3.8.1

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Planning application received	1		56		209	
Determination made in year of receipt	0		42		192	
Determination made in following year	0		10		17	
Applications withdrawn	0		1		0	
Applications outstanding at year end	1		3		0	

T3.10.2

Planning Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To ensure integrated long-term planning										
Number of IDP/Budget Process Plans approved by Council annually	IDP/budget process plan developed and approved by Council every year	1	1	1	1	1	1	1	1	1
Number of Council Approved IDPs by 31 May and submitted to the MEC within 10 days of approval and publicised for public information within 14 days of approval	Council approved IDP by May annually, submitted to the MEC within 10 days of approval and publicized for public information within 14 days of approval	2	2	2	2	2	2	2	2	2
Number of IDP ward consultative meetings held annually	19 IDP public participation meeting held by October each year	19	16	19	19	19	19	19	17	19
Number of Budget/IDP consultative meeting held annually	19 Budget / IDP public participation meetings held by 30 April each year	19	19	19	19	19	19	19	15	19
Number of quarterly IDP Rep-Forums held	4 IDP Rep forums held quarterly each year.	4	2	4	2	4	2	4	4	4
Number of performance	Six performance agreement signed	6	6	6	6	6	6	6	6	6

Planning Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
agreements signed annually	each year for Senior Managers									
Number of performance evaluations conducted annually	2 formal performance evaluations conducted annually	2	3	2	2	2	0	4	4	4
Number of Annual Performance Reports compiled in terms of Sec 46 of MSA and submitted to relevant stakeholders by 31 August each year	1 Annual Performance Report compiled in terms of Sec. 46 of MSA submitted to Council, PT, AG & COGTA by August each year	1	1	1	1	1	1	1	1	1
Number of Annual Reports submitted to relevant stakeholders by 31 March each year	2 Annual Report compiled and submitted to Council, PT, AG & COGTA (draft and final AR)	2	2	2	2	2	2	2	2	2
Number of SDBIP quarterly reports tabled in Council annually	Four (4) quarterly SDBIP reports prepared and submitted to the Council each year	4	4	4	4	4	4	4	4	4
Number of SDBIPs approved 28 days after budget approval	One municipal SDBIP approved by the Executive Mayor 28 days after the approval of the annual budget.	1	1	1	1	1	1	1	1	1
Number of Internal Audit Annual Plans approved	Internal Audit Annual Plan approved by the Audit Committee	1	0	1	1	1	0	1	0	1
Number of Audit Committee meetings held annually	4 quarterly Audit Committee meetings held	4	7	4	4	4	7	4	6	4
Annual Risk Register developed and approved	1 Annual Risk Register developed and approved by RMC	1	1	1	1	1	0	1	0	1
Number of quarterly risk management reports submitted to Risk Management Committee (RMC) annually	4 Risk Management report submitted RMC by June each year	4	4	4	4	4	4	4	4	4

Planning Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Number of audit findings reduced	To improve the municipality's audit outcome							2	10	0
Percentage of action plan implemented to address strategic and operational risks identified per quarter		N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	0
Number of media analysis reports produced annually	4 Quarterly media analysis reports produced	12	11	12	12	12	12	12	12	0
Number of postings on official Facebook account annually	Postings on official Facebook made continuously as and when required	200	938	400	400	959	742	400	972	0
Number of website updates made annually	Website updates made continuously as and when required	120	228	120	120	286	0	120	222	0
Percentage of compliant building plans processed within 60 days	100% of compliant building plans applications received and processed within 60 days of receipt	100%	87.5%	100%	100%	100%	100%	100%	100%	100%
Number of building and land use contraventions issued quarterly	Building and land use contraventions issued quarterly	100	108	100	102	100	100	100	100	100
Percentage building and land use contraventions referred to Legal section after 60 days (Within 90 days from date of first notice)	100% building and land use contraventions referred to Legal section	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of compliant Land Use and Land Development Applications considered by the Land Development Officer within 30 days	100% compliant Land Use and Land Development Applications considered by LDO	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of SPLUMA compliant	To ensure Building Regulations and land use compliant	N/A	N/A	N/A	N/A	100%	100%	100%	100%	0

Planning Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Certificates issued within 28 days	structures and organized settlements									
Percentage of land use and building complaints investigated within 14 days	To ensure that all land use building complaint are timeously investigated and addressed.	N/A	N/A	N/A	N/A	100%	100%	100%	100%	0
To reduce Municipal expenditure and enhance revenue	Percentage reduction on overtime expenditure	N/A	N/A	N/A	N/A	N/A	N/A	50%	0%	0
To mitigate and address identified strategic and operational risks	Percentage of action plan implemented to address strategic and operational risks identified	N/A	N/A	N/A	N/A	N/A	N/A	70%	70%	0
										T3.10.3

Financial Performance 2022-23: Planning Services						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	2,312	2,420	2,450	2,066	-17%	
Expenditure:						
Employees	7,592	10,407	14,420	9,779	-6%	
Repairs and Maintenance	-	-	-	-	#DIV/0!	
Other	3,615	3,260	3,259	3,660	11%	
Total Operational Expenditure	11,207	13,667	17,679	13,439	-2%	
Net Operational Expenditure	8,895	11,247	15,229	11,373	1%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.10.5	

Capital Expenditure Year 0: Planning Services						R' 000
Capital Projects	Year 0				Total Project Value	
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	0	0	0	#DIV/0!		
Project A	0	0	0	#DIV/0!	280	
Project B	0	0	0	#DIV/0!	150	
Project C	0	0	0	#DIV/0!	320	
Project D	0	0	0	#DIV/0!	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.10.6	

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

The major project in the planning unit which has rolled-over from preceding years was the establishment of a township on Portion 17 of the Farm Nootgedacht 262-IT. The township establishment application was approved by the Gert Sibande District Municipal Planning Tribunal in March 2022. The project can be considered to be 80% complete as the only remaining item is the opening of the township register (for title deeds) and proclamation of the township. In the 2020/21 Financial year, the PED department also worked on the development of a SPLUMA compliant land use scheme. The project was completed in 2021, with the land use scheme being proclaimed in March 2021. The PED department also facilitated the approval of the formalisation of the KaMabuza Informal Settlement, the formalisation was approved in October 2021. This a multiyear project funded by the department of Human Settlements, the project can be considered to be 50% as all the town planning approvals have been obtained, save for the registration of the General Plan. In the 2021/22 financial, the municipality received an application for the formalisation of the Nyibe informal settlement. The project is also funded by the department of human settlements. The project is still undergoing the town planning compliance procedure.

In as far as our mandate to ensure compliance by enforcing applicable municipal land use and building regulations, achieving 100% in how we administer land use and building contraventions means that we are able to effectively respond to public complaints and detected cases of non-compliance within the legislated timeframes. We are further committed to maintaining the above status quo. Since the promulgation of the Spatial Planning and Land Use Management By-Law on the 23rd of April 2016, the Section has been successfully implementing the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA) in the assessment of new land use and development applications.

T3.10.7

3.11. LOCAL ECONOMIC DEVELOPMENT

3.11.1. INTRODUCTION TO ECONOMIC DEVELOPMENT

The purpose of Local Economic Development (LED) is to facilitate the growth and sustenance of the local economic capacity for all communities; and to improve economic future prospects that would enhance the quality of life for all. The purpose is also to ensure that plans are in place to improve the socio-economic status of the municipality through infrastructure development. Through the engagements and partnership with other stakeholders, a number of Local Economic Development (LED) objectives such as business opportunities for locals, youth skills development, employment and poverty alleviation were achieved.

The development of the Local Economic Development (LED) strategy for Msukaligwa local municipality was viewed as part of the broader Local Economic Development (LED) Planning process and the development of this strategy took into account work previously done as well as the new developments.

The municipality has reviewed its LED strategy which is a plan that identifies projects of a catalytic nature to address existing and new developments within the municipal area. That is, projects that will have a meaningful impact on the local economy of Msukaligwa Local Municipality and subsequently address the nation-wide triple challenges of unemployment, inequalities and poverty.

The municipality is also working hard to re-establish the Local Economic Development Forum, which will be a platform where LED stakeholders engage on matters relating to the economic growth of the municipality.

(1) Key stakeholders in Local Economic Development (LED) planning, implementation and evaluation are:

- (a) Government
- (b) State enterprises
- (c) Private sector
- (d) Community structures

(2) The LED Vision Elements and Objectives:

Key Vision Elements:

- (a) Creation of job opportunities and the empowerment of local communities.
- (b) SMME development and support.
- (c) Sustainable growth and development based on sectoral competitiveness of the local space.
- (d) Addressing socio-economic challenges faced by local communities, such as poverty, unemployment and skills levels.

3.11.2. JOB CREATION PROJECTS

There is also an initiative from the State Owned Enterprise, TRANSNET, to extend the railway line from Lothair to Swaziland in order to improve transportation of goods between South Africa and Swaziland, which will in turn alleviate the road transportation burden as well as creating job opportunities. Another initiative from the State Owned Enterprise, SANRAL, is the construction of the Ermelo Ring Road, which will in turn contribute to job opportunities. In improving the transport system, the government commits to shift the transportation of coal from road to rail in order to protect the provincial roads through a planned construction of Majuba Rail coal line linking to the existing rail line in Msukaligwa to Majuba power station. The Majuba rail coal line project has been commissioned and number jobs were created.

Since the commissioning of the above-mentioned project, skills transfer for non-contractual targets has resulted in 560 candidates to be trained. In terms of skills development the following skills were transferred to locals:

- (a) Artisanal assistants;
- (b) Environmental officers;
- (c) Laboratory technicians;
- (d) Operators; and
- (e) Quality

Economic Sector Contribution to the District Economy		
Sector	2021/22	2022/23
Agric, forestry and fishing	18.5%	17%
Mining and quarrying	5.6%	7.4%
Manufacturing	5.6%	5.4%
Wholesale and retail trade	23.3%	21,6%
Finance, property, etc.	24.5%	23,5%
Govt, community and social services	23.0%	21%
Construction services	17.0%	15,3%
Transport	31.0%	29%
Utilities	19.2%	19,4%
Total	16.7%	16.7%
	T3.11.2	

Jobs Created during 2022/23 by Local Economic Development (LED) Initiatives (Excluding Extended Public Works Programme (EPWP) projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Initiative A	450	None	None	
Initiative B	None	None	None	
Initiative C	None	None	None	
				T3.11.5

Job creation through Extended Public Works Programme (EPWP) * projects			
Year	Extended Public Works Programme (EPWP) Projects	Community Workers Programme (CWP)	Jobs created through Extended Public Works Programme (EPWP) projects
	No.	No.	No.
2018/2019	26 projects	0	680 Jobs created
2019/2020	17 Projects	0	443 Jobs created
2020/2021	26 projects	0	365 jobs created
2021/2022	20 projects	0	331 jobs created
2022/2023	19 Projects	0	450 jobs created
* - Extended Public Works Programme			T3.11.6

Local Economic Development Policy Objectives Taken From Integrated Development Plan (IDP)										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Service Indicators										
Service Objective: To encourage shared economic growth and development										
Number of Sector Labour Plans meetings held	Businesses adherence to their social responsibility plans	N/A	N/A	N/A	N/A	N/A	N/A	20	20	4
Number of Local SMMEs and Cooperatives supported and registered	Support provided to SMMEs	12	13	20	20	20	26	20	21	30
Number of projects implemented through SLP	Ensure that companies comply with their social responsibility	N/A	N/A	N/A	N/A	N/A	N/A	2	2	0
Number of short-term job opportunities created via Public Employment programmes (EPWP, CWP, etc.)	Job opportunities created in terms of the EPWP guidelines	457	365	547	331	461		461	450	461
Number of LRC meetings convened	Coordination of CWP Local Reference Committee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
Number of the LED Workshops held	Support is given to SMMEs to participate in the economy.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Re-establishment and launching of the LED Forum	Ensuring the functionality of the LED Forum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Number of LED Forum Meetings held	Functional Local economic development forum	4	0	0	0	0	0	0	0	3

Number of monthly Social Labour Plans meetings held by 30 June 2019	Local economic growth	12	12	20	20	20	20	24	20	0
T3.11.7										

Financial Performance 2022-23: Local Economic Development Services						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	0	0	0	0	#DIV/0!	
Expenditure:						
Employees	3,789.00	1,938.00	1,939.00	4,710.00	59%	
Repairs and Maintenance	-	-	-	-	#DIV/0!	
Other	-	-	-	-	#DIV/0!	
Total Operational Expenditure	3,789.00	1,938.00	1,939.00	4,710.00	59%	
Net Operational Expenditure	3,789.00	1,938.00	1,939.00	4,710.00	59%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.11.9

Capital Expenditure Year 0: Economic Development Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0	#DIV/0!		
Project A	0	0	0	#DIV/0!	280	
Project B	0	0	0	#DIV/0!	150	
Project C	0	0	0	#DIV/0!	320	
Project D	0	0	0	#DIV/0!	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>						T 3.11.10

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries and archives; museums, arts galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

3.12. LIBRARIES AND COMMUNITY FACILITIES

3.12.1. INTRODUCTION TO LIBRARIES AND COMMUNITY FACILITIES

The Public Libraries of Msukaligwa are positioned to be a local gateway to information and knowledge. They provide an opportunity for lifelong learning, independent decision-making and cultural development of individuals and social groups. The Libraries are established, supported and funded by Msukaligwa Municipality together with the Provincial Government. Msukaligwa Libraries provide access to information, knowledge and expand the imagination through a range of resources and services because the libraries are equally accessible to all members of the community regardless of race, nationality, gender, religion, language, disability, economic and employment status and educational attainment.

(1) The libraries carry out a number of programmes such as:

- (a) Readathon Programme
- (b) World Book Day
- (c) South African Library Week

(2) We have a total of ten (10) libraries and nine (9) libraries are fully functional while Cassipark Library is closed for renovation. The libraries are situated in the following areas:

- (a) Ermelo
- (b) Wesselton
- (c) Cassim park
- (d) Chrissiesmeer
- (e) Davel
- (f) Breyten
- (g) Kwazanele
- (h) Silindile
- (i) Thusiville
- (j) KwaChibikulu

The Libraries have been able to provide resources and services in a variety of medium to meet the needs of individuals and groups for education, information and personal development including recreation and leisure. They are constantly playing an important role in the development and maintainance of a democratic society by giving the individual access to a wide and varied range of knowledge, ideas and opinions. One of our achievements was being able to create and strengthen the reading habits in children from an early age. Libraries have managed to engaged most schools within the vicinity of the libraries to participate in the activites of the libraries, which are aimed at enhacing and empowering the learners of these schools.

All Libraries are a local centres of information making all kinds of knowledge and information readily available to users. The other one of our achievements as Msukaligwa Libraries is that we have managed to bridge the gap between the information rich and the information poor by providing public access to the Internet as well as providing information in traditional formats.

Eight libraries provide electronic corners in their facilities which give free access to the internet and personal computing, Cassimpark is closed for renovation and Kwachibikulu the provincial department installed networkpoints. Therefore,

Msukaligwa Libraries continue to provide services, which are aimed at meeting the needs of the local communities and continue to be a dynamic information hub in line with government's pathway to the 4th Industrial Revolution.

T3.12.1

Libraries Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To ensure long term planning and provision of sustainable services delivery										
Number of libraries events and educational campaigns held	Culture reading and learning for learners at school promoted	5	6	2	0	2	2	10	10	8
Number of library stakeholders' engagements held	Stakeholder being regularly consulted on libraries developments	N/A	N/A	N/A	N/A	N/A	N/A	4	5	0

T3.12.3

Financial Performance 2022-23: Libraries; Archives; Museums; Galleries; Community Facilities; Other						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	100	80	160	131	39%	
Expenditure:						
Employees	6,578	7,095	7,095	6,954	-2%	
Repairs and Maintenance	-	-	-	-	#DIV/0!	
Other	20,610	20,267	20,201	19,666	-3%	
Total Operational Expenditure	27,188	27,362	27,296	26,620	-3%	
Net Operational Expenditure	27,088	27,282	27,136	26,489	-3%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.12.5	

Capital Expenditure Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Project A	0	0	0	#DIV/0!	280
Project B	0	0	0	#DIV/0!	150
Project C	0	0	0	#DIV/0!	320
Project D	0	0	0	#DIV/0!	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.12.6

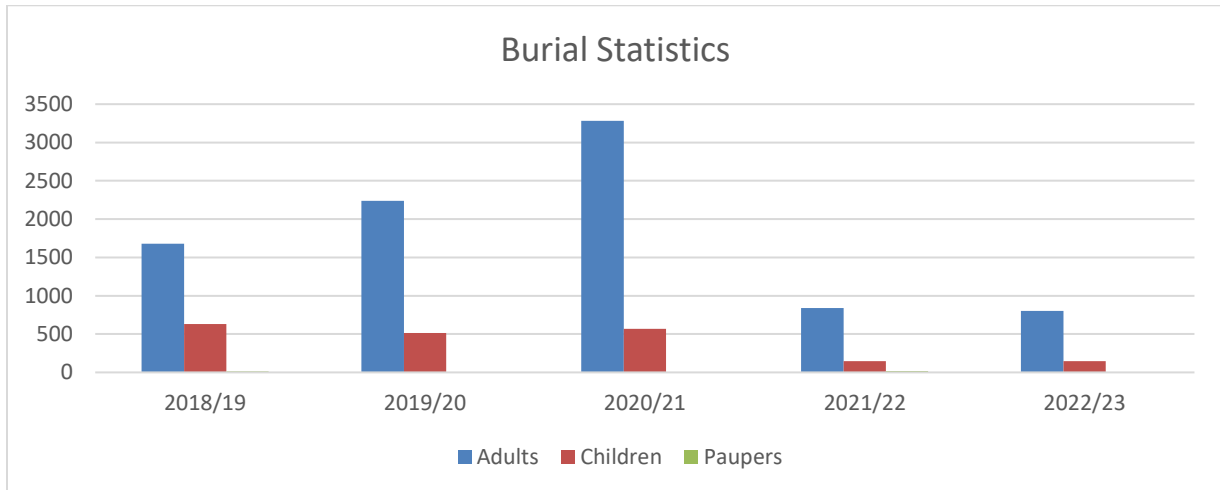
3.13. CEMETERIES AND CREMATORIUMS

3.13.1. INTRODUCTION TO CEMETERIES & CREMATORIUMS

The top priorities of the municipality in relation to cemeteries are to provide burial space as required by legislation and maintain it to the required standards, securing and fencing of the cemeteries and the enforcement of the by-laws. Msukaligwa municipality has 21 cemeteries of which 6 of them are still in an operational state whereas 15 are closed. It is imperative to provide the community with burial facilities that will be able to meet the demand. It is envisaged that the Municipality will not run out of burial space for the next five to ten years. Plans are in place to extend cemetery services to areas where they are currently not provided i.e. Warburton/Nganga.

T3.13.1

Burial Statistics					
Group	2018/19	2019/20	2020/21	2021/22	2022/23
Adults	1680	2238	3281	841	802
Children	632	513	570	145	147
Paupers	13	3	0	17	6
					T3.13.2



T 3.13.2a

The burial statistics are only for those cemeteries that are registered. There are areas where the burials are not accounted for due to the cemeteries or graveyards not being registered. Some graveyards are located on private farms which cannot be account for.

Cemeteries Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Objective: To provide sustainable basic services and sustainable infrastructure										
Number of cemeteries maintained annually	Well maintained and aesthetic cemeteries	14	14	14	15	14	14	14	14	0

T3.13.3

Financial Performance 2022-23: Cemeteries and Crematoriums						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	803	937	937	772	-21%	
Expenditure:						
Employees	3,560	3,789	9,806	3,931	4%	
Repairs and Maintenance	-	-	-	-	#DIV/0!	
Other		168	-	306	45%	
Total Operational Expenditure	3,560	3,957	9,806	4,237	7%	
Net Operational Expenditure	2,757	3,020	8,869	3,465	13%	

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.13.5

Capital Expenditure 2022-23: Cemeteries and Crematoriums

R' 000

Capital Projects	2022-23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	/
Project A	0	0	0	#DIV/0!	280
Project B	0	0	0	#DIV/0!	150
Project C	0	0	0	#DIV/0!	320
Project D	0	0	0	#DIV/0!	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.13.6

(1) There are two main challenges in rendering proper services which are:

- (a) The staff component at the municipal units outside of Ermelo is not assigned to specific tasks and they are doing rotational work from one division to the other. Only the Ermelo unit staff is assigned to specific tasks.
- (b) The other challenge in rendering proper services is obsolete equipment which the municipality is unable to replace due to financial constraints.

COMMENT ON THE PERFORMANCE OF CEMETERIES OVERALL

The priority projects were to fence all the existing and new cemeteries and to establish new cemeteries in those areas where there are no cemeteries. Most of the cemeteries have been fenced, and only seven (7) out of 21 of the existing cemeteries have not been fenced and are in the Municipality's plans to be fenced. The only area without a registered cemetery is Warburton/Nganga and the municipality is a process of establishing a cemetery at that area or unit. The municipality is currently in a process of establishing new cemeteries. However, an Environmental Impact Assessment (EIA) is being conducted with the assistance of PED.

T3.13.7

3.14. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

Child care, aged care and social programmes are not the competency of the Local municipality but the District Municipality.

T3.14.7

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control, biodiversity and landscape

3.15. POLLUTION CONTROL

This function does not fall within the municipality's competency and is being performed by the District Municipality.

3.16. BIO-DIVERSITY AND LANDSCAPE (INCL. OPEN SPACES AND SIDEWALKS)

3.16.1. INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

These services include the administration, development and upgrading of parks, maintenance of open spaces, parks, sidewalks, street trees and general cleanness of the towns and its grounds. The main priorities in the parks division is to repair and replace all dilapidated playing ground facilities and to maintain parks, sidewalks and municipal terrains. Support is given to communities during the cleaning campaigns through provision of equipment and cleaning material.

T3.16.1

3.16.2. SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

The towns are divided into sections for the cleaning and cutting of grass as well as the general maintenance of parks and open spaces. Therefore, the cutting of grass in parks, open spaces and sidewalks is done on a monthly basis. Inadequate staff and equipment remain a challenge leading to some areas not being attended to on time as per the maintenance plan.

T3.16.2

Parks (Open Spaces) Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To provide sustainable basic services and sustainable infrastructure										
Number of parks maintained annually	Well maintained parks	27	26	27	27	27	27	27	27	0

T3.16.3

Employees: Parks (Open Spaces)					
Job Level	2019/20	2020/21			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	% Vacancies (as a % of total posts)
Forms part of the cemeteries and crematoriums in section 3.13					

T3.16.4

Financial Performance Year 0: Bio-Diversity; Landscape and Other						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.16.5	

Capital Expenditure Year 0: Bio-Diversity; Landscape and Other						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.16.6	

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

3.17. HEALTH SERVICES

This is the function of the Provincial Department of Health.

3.18. CLINICS

This is the function of the Provincial Department of Health. The municipality only renders support services in respect municipal services and services infrastructure.

3.19. AMBULANCE SERVICES

This is the Function of the Department of Health and private ambulance services. The municipality renders emergency support services in respect of rescue and fire services. The services include use of Jaws of Life in case vehicle accidents and rescue services in case fire in buildings and veld fires.

3.20. HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

This is the function of the District Municipality.

COMPONENT G: SECURITY AND SAFETY

This component includes: Traffic; fire; disaster management, licensing, control of animals and control of public nuisances, etc.

3.21. TRAFFIC SERVICES

3.21.1. INTRODUCTION TO TRAFFIC SERVICES

The Traffic Department is responsible for traffic-law enforcement and the administration thereof. This function also ensures the technical sustainability of road traffic signs, signals and markings throughout the municipal area. The main focus is to ensure a reduction in the road accidents death rate, compliance to road rules and regulations and free flow of traffic. The following activities are performed to ensure improvement in the municipal traffic services:

- (a) High visibility patrols;
- (b) Effective law enforcement;
- (c) Effective law speed enforcement;
- (d) Attend to accident scenes;
- (e) Escort duties for funerals, abnormal loads and dignitaries;
- (f) Traffic education in schools;
- (g) Road blocks;
- (h) Point duties;
- (i) Scholar patrols; and
- (j) Other related traffic duties.

T3.21.1

Municipal Traffic Service Data						
	Details	2020/21	2021/22	2022/23		2023/24
		Actual No.	Actual No.	Estimates No.	Actual No.	Estimates No.
1	Number of traffic accidents during the year	1 093	1273	1300	1263	
2	Number of by-law infringements attended	20	17	20	22	
3	Number of traffic officers in the field on an average day	7	10	10	10	
4	Number of traffic officers on duty on any average day	1 093	10	10	10	
						T3.21.2

Traffic Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To provide sustainable basic services and sustainable infrastructure										
Number of road safety awareness campaigns conducted at school	Promoting road safety awareness at schools and public at large	12	18	9	0	9	7	12	13	12
Number of roadblocks conducted	Road safety and Crime prevention	12	23	12	20	12	18	12	16	12
										T3.21.3

Financial Performance Year 0: Police						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Police Officers						
Other employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.20.5

Capital Expenditure Year 0: Police						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.20.6

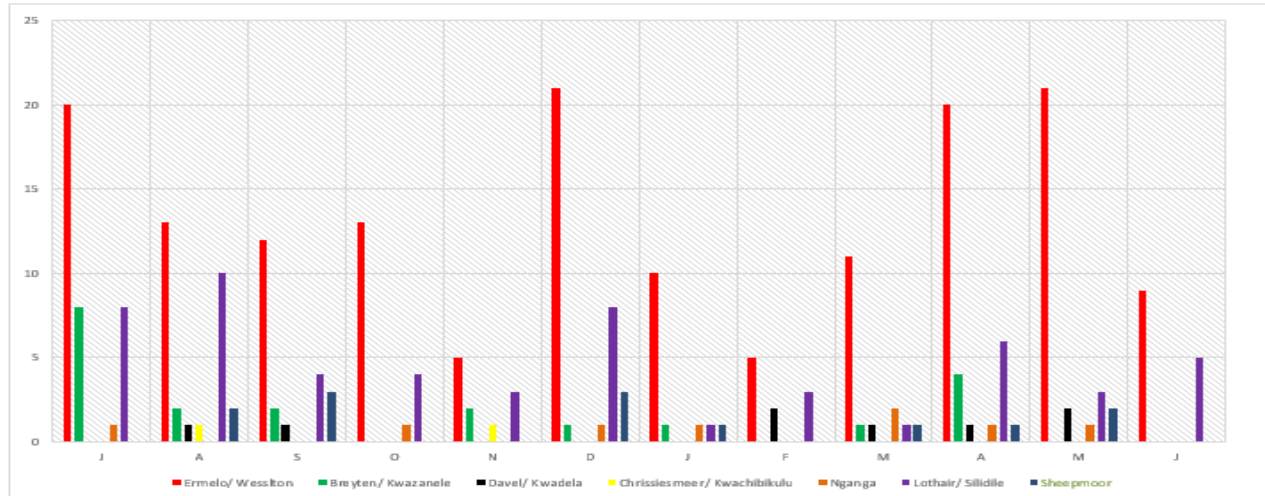
COMMENT ON THE PERFORMANCE OF TRAFFIC SERVICES OVERALL

In relation to Traffic control and Safety under the Community and Social Services Department, the municipality has a responsibility for law enforcement and the issuing of traffic fines amongst other related functions. The section is facing a number of challenges ranging from capacity constraints to limited working tools, whereas the municipal area has experienced a steady vehicle population growth over the years. A proper budgetary allocation is an important consideration in order to improve the quality of service delivery from the section.

3.22. FIRE AND RESCUE SERVICES

3.22.1. INTRODUCTION TO FIRE SERVICES

Year 2022/23– Msukaligwa Special Service Calls (Motor vehicle accidents/ rescues/ hazardous material incidents)



T3.22.1

Municipal Fire Service Data

	Details	2020/21	2021/22	2022/23		2022/24
		Actual No.	Actual No.	Estimate No.	Actual No.	Estimate No
1	Total fires attended in the year	176	210	210	249	249
2	Total of other incidents attended in the year	109	222	222	276	276
3	Average turnout time - urban areas	13	12	12	10	10
4	Average turnout time - rural areas	23	23	23	23	23
5	Fire fighters in post at year end	28	27	27	26	46
6	Total emergency vehicles at year end	10	8	8	8	10
7	Average number of appliance off the road during the year	0	3	0	3	0

T3.22.2

Fire Services Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To ensure long term planning and provision of sustainable services delivery and maintenance of infrastructure										
Percentage of fire and emergency community safety incidents attended to within pre-determined timeframes in accordance with SANS 10090	Turnaround time compared to National guidelines	67%	78%	70%	77%	78%	83%	82%	84%	85%
Number of fire safety inspections conducted	Fire Safety inspections and risk visits conducted in terms of National guidelines	540	598	540	742	700	664	700	763	741
Number of fire safety awareness campaigns conducted (PIER)	Provide fire safety awareness to communities and schools	24	35	9	22	20	42	40	54	52
										T3.22.3

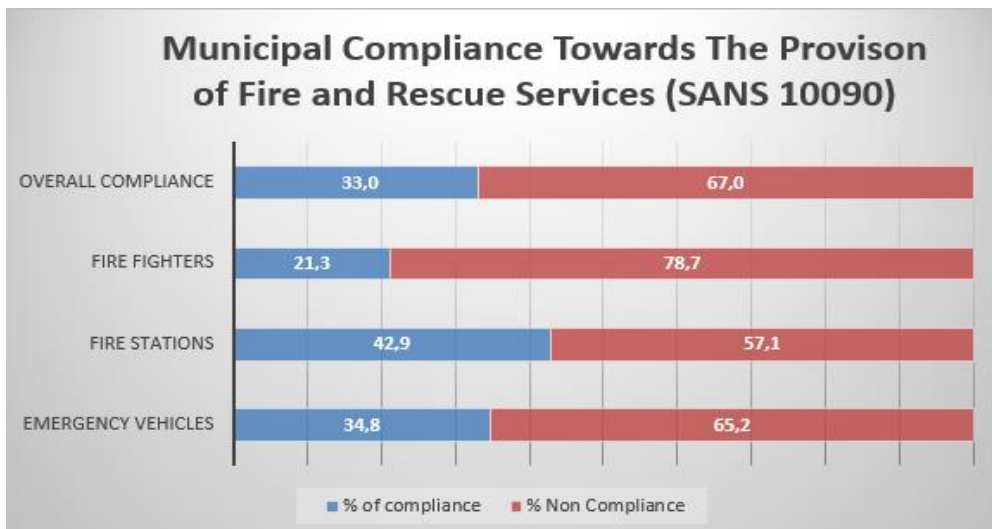
Financial Performance 2022-23: Fire Services					
					R'000
Details	2021-22	2022-23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,829	2,031	2,807	2,116	4%
Expenditure:					
Fire fighters					
Other employees	12,928	18,106	17,903	14,856	-22%
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	12,293	14,718	9,974	13,634	-8%
Total Operational Expenditure	25,221	32,824	27,877	28,490	-15%
Net Operational Expenditure	23,392.00	30,793.00	25,070.00	26,374.00	-17%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.21.5

Capital Expenditure 2022-23: Fire Services						R' 000
Capital Projects	2022-23					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0	#DIV/0!		
Project A	0	0	0	#DIV/0!	280	
Project B	0	0	0	#DIV/0!	150	
Project C	0	0	0	#DIV/0!	320	
Project D	0	0	0	#DIV/0!	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.21.6	

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

- (1) The municipality is providing a fire and rescue service which is intended to be employed for, a) preventing the outbreak or spread of a fire, b) fighting or extinguishing a fire, c) the protection of life or property against a fire or other threatening danger, d) the rescue of life or property from a fire or other danger, e) subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the rendering of emergency medical service as an integral part of the fire and rescue service.

The municipality is required to ensure that its service is maintained at 75% or higher. During 2022 - 2023 an overall compliance of 33% was recorded for the provision of fire and rescue services.



Section 3 of the Fire Brigade Services Act, Act 99 of 1987 requires that a municipality which got an establish service must maintain its service in accordance with the prescribed requirements (SANS 10090, Community Protection Against Fire) and

due to the current financial budget allocations for the provision of a fire service, funding of capital projects are not always possible.

In terms of the minimum requirements as per Section 3 of the FBSA read with SANS 10090, the municipality in terms of its constitutional obligation is classified as a "Category 1" fire services (A fire service as given for category 5(a) as monitored by relevant performance indicators or statistics, or both, and which is able to meet performance criteria as given for category 5(b) more than 75 % of the time, measured annually through, 1) risk profile of area of jurisdiction, 2) weight and speed of response, 3) call receipt and processing requirements, 4) vehicle/equipment availability and maintenance, 5) incident management procedures, 6) pre-fire planning and risk visits, 7) training/personnel, 8) water supplies and 9) fire safety functions.

Although funding is not always available a five (5) year fire service master plan was approved by council to address the identified needs for the next five years.

- (2) Fire Protection Association (National Veld and Forest Fire Act, Act 101 of 1998)
The municipality is a member with both the fire protection associations seated within the municipal area, namely Umpiluzi Fire Protection Association and Msukaligwa Fire Protection Association. The appointed Chief Fire Officer under the Fire Brigade Services Act, is also the appointed Fire Protection Officer for the two Fire Protection Associations and are performing such duties as the Chief Executive Officer for both FPA's.
- (3) Smart Goals Summary
The service will continue to update their legal agreements and by-laws to ensure they are at the most appropriate stage of readiness. Additionally improve upon existing capital funding to ensure a consistent long term stable level of funding has not been achieved. The Fire Services will strive to improve upon their training to enhance the Health and Safety of the Fire Fighters. Additionally, live fire training along with specialty skills training will be started.
- (4) During 2022, Fire Station 3 (Lothair) was also open and services in in the Lothair and Warburton areas are now provided quicker and more effective.

The enhancing of the emergency management capabilities of the municipality is an on-going responsibility of the fire service with all its stakeholders.

T3.22.7

3.23. DISASTER MANAGEMENT

3.23.1. INTRODUCTION TO DISASTER MANAGEMENT

The Disaster Management Function manages and controls the key performance areas associated with the disaster management and security functionality through inputs into the design, development of approved policies, alignment of procedures, systems and controls guiding critical interventions and processes with respect to loss control, risk reduction and elimination and, providing advice, information and guidelines on critical initiatives related to legislative imperatives with a view to sustaining interventions and supporting an integrated approach to protecting Council property and the building of resilient individuals, households and communities within the context of the Integrated Development Plan (IDP).

The unit is also responsible for rendering an effective and efficient customer care management service and the allocation of adequate resources to address identified security threats and risks.

- (1) The function of the Disaster Management Section services is administered as follows and includes:
 - (a) To prevent or reduce the severity of hazards
 - (b) To ensure the preparedness of the community itself

- (c) To provide an effective response should disaster occur
- (d) To provide recovery after disaster

(2) The strategic objectives of this function are to:

- (a) To reduce or avoid the human, physical and economic losses suffered by individuals, society and community at large.
- (b) To enhance management system or function within the municipal area for the safety of the community and households including the property protection.
- (c) To promote an integrated and co-coordinated approach to disaster management.
- (d) To act as information repository for disaster management related issues.
- (e) To promote research to all aspects of disaster management.
- (f) To disseminate information regarding disaster management in the municipal area.
- (g) To promote the recruitment, training and participation of volunteers in the municipality.
- (h) To establish a disaster management advisory forum consisting of all role-players
- (i) To provide an integrated and coordinated disaster management policy framework that focuses on prevention or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective responses as required by the act

T3.23.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT

(1) Summary of achievements

- (a) The Unit has managed to conduct a number of disaster management awareness campaigns around the municipal area of jurisdiction.
- (b) Impact assessments were conducted on time to all incidents reported to the function and those families or individuals were provided with necessary assistance from the Disaster Management Centre.
- (c) The approval of the Reviewed Disaster Management Plan Council Resolution: **LM 504/10/2023**.

The key issues for 2022/2023 FY were:

- (a) Shortage of staff
- (b) Budget Constraints

T3.23.2

Disaster Management Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To provide sustainable basic services and sustainable infrastructure										
Percentage of disaster incidents responded to within 24 hours	Providing disaster relief to affected communities	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of disaster awareness campaigns Conducted	Educating community on possible disasters and mitigation thereof.	12	11	9	10	12	13	12	12	12

T3.23.3

Financial Performance 2022-23: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc						R'000
Details	2021-22	2022-23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	4,589	5,001	5,002	5,528	10%	
Expenditure:						
Employees	30,702	32,469	38,487	37,166	13%	
Repairs and Maintenance	-	-	-	-	#DIV/0!	
Other	-	34,672	-	32,599	-6%	
Total Operational Expenditure	30,702	67,141	38,487	69,765	4%	
Net Operational Expenditure	26,113	62,140	33,485	64,237	3%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.22.5

Capital Expenditure Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	0	0	0	#DIV/0!		
Project A	0	0	0	#DIV/0!	280	
Project B	0	0	0	#DIV/0!	150	
Project C	0	0	0	#DIV/0!	320	
Project D	0	0	0	#DIV/0!	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						T 3.22.6

3.24. LICENSING

3.24.1. INTRODUCTION TO LICENSING SERVICES

The licencing function of the municipality deals with services including registration and licencing of vehicles, testing of roadworthiness of vehicles and issuing of road worthiness certificates, conducting learners and driving licences tests, issuing of learners and drivers licences, issuing of professional driving permits, administering instructors' certificates and issuing of temporary and special permits.

The licencing services had however been transferred to the Provincial Department of Community Safety, Security and Liason at the municipality is no more responsible for the services.

T3.24.1

Municipal Licensing Service Data				
Details	2020/21	2021/22	2022/23	2023/24
	Actual No.	Actual No.	Actual No.	Estimate No.
1 Total number applications for learners licenses received	3,000	2,106		
2 Total number of applications for driving licenses received	4,000	3,575		
3 Total number vehicles tested for roadworthiness	1,200	1,086		
T3.24.2				

Licensing Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To ensure long term planning and provision of sustainable services delivery and maintenance of infrastructure										
Number of learner driver licence applications received and processed	Competent drivers	3,000	1,852	3,000	2,252	2400	2,106	2,400	1868	0
Number of driver licence applications received and processed	Competent drivers	4,000	5,057	4,000	3,767	2000	3,575	2,000	3695	0
Number of for road worthiness application Received and processed.	Safe and roadworthy vehicles	1,220	991	1,200	715	400	1,086	400	1642	0
T3.24.3										

COMMENT ON THE PERFORMANCE OF LICENSING SERVICES OVERALL

The licensing services has been transferred to Provincial Department of Community Safety, Security and Liason and no more with the municipality from the 2023/2024 financial year.

T3.24.5

COMPONENT H: SPORT AND RECREATION

This component includes sports fields; sports halls; stadiums; swimming pools; and sport promotion.

3.25. SPORT AND RECREATION

3.25.1. INTRODUCTION TO SPORT AND RECREATION

The mandate of the section is to provide, maintain and manage sports and recreational facilities. Promotion of sports and assisting athletes who participate at regional, provincial and national level with transport and other logistical arrangements also form part of the municipality's mandate.

The municipality is currently managing and maintaining 19 sports facilities that cut across all sporting codes. Only Ermelo has facilities of reasonable standards while the other six units within the municipality are still having challenges with sub-standard sports facilities. The Section is in the process of sourcing funds for fencing of the sports facilities so that access and egress control can be effected.

Due to financial constraints, the municipality could not provide support to sporting activities for the financial year under review.

T3.25.0

3.25.2. SERVICE STATISTICS FOR SPORT AND RECREATION

The municipality facilitates and supports the following sporting codes:

Soccer; Rugby; Netball; Tennis; Korfball; Wrestling; Gymnastics; Basketball; Volleyball; Swimming; Karate; Table tennis; Indigenous games, bowling, golf, athletics, pool, squash, pigeon racing club, hockey and Cricket.

T3.25.1

Sports Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Service Indicators										
Service Objective: To ensure long term planning and provision of sustainable services delivery										
Number of sports facilities maintained	Well maintained sports facilities	12	12	12	12	12	12	12	0	0
										T3.25.2

Financial Performance Year : Sport and Recreation							R'000
Details	2019/20	2020/21	2021/22				
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Revenue	-	12	67	67	10	-570%	
Expenditure:							
Employees	1 322	1 375	2 974	2 974	2 828	-5%	
Repairs and Maintenance	-	-	200	200	140	-43%	
Other	9 995	8 877	8 713	8 713	17	-49769%	
Expenditure	11 317	10 252	11 886	11 886	2 985	-298%	
Expenditure	(11 317)	(10 240)	(11 819)	(11 819)	(2 975)	-297%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.23.4	

Capital Expenditure: Sport and Recreation					
					R' 000
Capital Projects	2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.23.5

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

None.

T3.25.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.26. EXECUTIVE AND COUNCIL

(1) The municipality is having a Mayoral Committee, which are leading different Portfolio Committees:

- (a) MMC for Corporate Services – MMC TJ Madlala
- (b) MMC for Technical Services- MMC TC Motha
- (c) MMC for Planning and Economic Development- MMC BJ Motha
- (d) MMC for Community and Social Services - MMC SE Ngovene
- (e) MMC for Finance – MMC EC Msezane.

(2) Council has appointed 08 Section 79 Committees with Chairpersons.

- (a) Corporate Services - Cllr Khalishwayo
- (b) Technical Services - Cllr S Cindi
- (c) Planning and Economic Development - Cllr VJ Maseko
- (d) Community and Social Services - Cllr PH Sibiya
- (e) Finance Committee - Cllr TP Zulu
- (f) Local Geographic Names Committee - Cllr M Mkhaliiphi
- (g) Municipal Public Accounts Committee - Cllr BJ Motha
- (h) By-Laws and Policies – Cllr NR Nkosi

Financial Performance: The Executive and Council							R'000
Details	2019/20	2020/21	2021/22				
	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational	-	-	-	-	-	#DIV/0!	
Expenditure:							
Employees	-	-	33 938	33 938	25 761	-32%	
Repairs and Maintenance	-	-	90	90	85	0%	
Community Participation	-	-	2 583	2 583	11 748	0%	
Total Operational	-	-	36 611	36 611	37 595	3%	
Net Operational	-	-	(36 611)	(36 611)	(37 595)	3%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.24.5	

Capital Expenditure: Financial Services						R' 000
Capital Projects	2021/22					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	-	-	-	0%		
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						
					T 3.25.6	

3.27. FINANCIAL SERVICES

The total staff component for Financial Services is planned at 105 employees and 72 positions have been filled.

3.28. HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The functions of the human resource unit includes:

- Recruitment, selection, appointment and orientation of staff
- Implementation of capacity building programme for Councillors and Officials
- Formulation of Human Resource Strategies

T3.28.1

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

INTRODUCTION

Council Resolution **LM 102/05/2022** approved an ideal organogram for the Municipality with a staff compliment **1068** positions and 605 positions were filled in the year under review.

T4.0.1

4.1. EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2021/2022	2022/2023			
	Employees No.	Approved Posts No.	Employees No.	Vacant Variance %	Filled Variance %
Water and Sanitation	74	102	80	22	22%
Electricity	32	79	36	43	54%
Waste Management	79	115	86	29	25%
Human Settlement	8	18	8	10	56%
Roads and Storm Water Management	34	81	39	42	52%
Land use and spatial development	7	11	7	4	36%
Local Economic Development	3	10	3	7	70%
Libraries	18	40	18	22	55%
Parks Sports and Cemeteries	52	89	53	36	40%
Traffic Services	15	28	16	12	43%
Fire Services	27	48	27	21	44%
Disaster Management	7	10	7	3	30%
Law Enforcement and Security Services	0	4	0	4	100%
Licensing	22	36	21	15	42%
Executive and Council	7	15	8	7	47%
Financial Services	86	118	96	22	19%
Human Resource Services	8	12	8	4	33%
Totals	479	816	513	303	37%
Office of the Director Technical Services	2	2	2	0	0%
Office of the Director Planning and Development	2	2	2	0	0%
Office of Director community and Social Services	2	2	2	0	0%
IDP	4	4	4	0	0%
Office of Director Corporate Services	2	2	2	0	0%
Corporate Services	50	59	50	9	15%
Office of CFO	2	3	2	1	33%
Office of the Municipal Manager	3	3	4	-1	-33%
Internal Audit	3	4	3	1	25%

Risk	2	40	2	38	95%
Communications	2	12	5	7	58%
Technical Services (PMU)	5	6	5	1	17%
Tech workshop	8	14	9	5	36%
TOTALS	87	153	92	61	40%

T4.1.1

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.

Vacancy Rate 2022/2023

Designations	Total Approved Post No.	Filled Posts No.	Percentage		Days
			Vacant	Filled	
Municipal Manager	1	1	0%	100%	0
Chief Finance Officer	1	1	0%	100%	0
Director Corporate Services	1	1	0%	100%	0
Director Community Services	1	1	0%	100%	0
Director Technical Services	1	1	0%	100%	0
Director Planning and Economic Development	1	1	0%	100%	0
Municipal Traffic Officer	25	6	60	40	0
Fire Fighter	41	27	35	65	0
Managers (Excluding Finance)	31	23	26	74	0
Finance Managers	07	08	0	100	0
Supervisors (Excluding Finance)	02	02	50	50	0
Finance Supervisors	00	0	0	0	0
Total	112	72	36	64	0

Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T4.1.2

Turn-over Rate

Financial Year	Total number of employees as of beginning of Financial Year	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
2018/19	569	04	34	5.98%
2019/20	597	83	31	5.2%
2020/21	635	15	30	5%
2021/22	569	29	39	5%
2022/23	605	47	52	7.7%

*Divide the number of employees who have left the organization within a year, by total number of employees who occupied posts at the beginning of the year

T4.1.3

COMMENT ON VACANCIES AND TURNOVER

In 2022/2023 financial year, the following senior management positions were filled:

- (a) Municipal Manager – Filled
- (b) Chief Finance Officer – Filled
- (c) Deputy Chief Financial Officer – Filled
- (d) Director Corporate Service – Filled
- (e) Director Planning and Economic Development – Filled
- (f) Director Technical Service – Filled
- (g) Director Community and Social Services – Filled

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Msukaligwa Local Municipality has a Human Resources Section whose function is to develop and implement policies, provide guidance to employees on issues of personnel administration, skills development and industrial relations. The municipality adopted the Human Resources Plan and Strategy and is implementing these by prioritising the critical service delivery vacancies to be filled.

T4.2.0

4.2. POLICIES

The following policies were adopted by the municipality and councillors as well as employees were trained on these policies through separate workshops. The policies are being implemented by the municipality.

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Recruitment, Selection Promotion and Retention Policy	100%	100%	Adopted by the Council and implemented
2	Overtime	100%	100%	Adopted by the Council and implemented
3	Incapacity due to ill health	100%	100%	Adopted by the Council and implemented
4	Attendance and punctuality	100%	100%	Adopted by the Council and implemented
5	Remuneration work outside the municipality	100%	100%	Adopted by the Council and implemented
6	Leave policy	100%	100%	Adopted by the Council and implemented
7	Succession planning policy	100%	100%	Adopted by the Council and implemented
8	Scares skills	100%	100%	Adopted by the Council and implemented
9	HR strategy	100%	100%	Adopted by the Council and implemented
10	HR plan	100%	100%	Adopted by the Council and implemented
11	Code of Conduct for employees	100%	100%	The Council implements the Code of Conduct which was agreed at between the parties in the Bargaining Council

12	Delegations, Authorisation & Responsibility	100%	100%	Adopted by the Council and implemented
13	Disciplinary Code and Procedures	100%	100%	Currently using main collective agreement
14	Essential Services	100%	100%	Currently using the main collective agreement on essential services.
15	Employee Assistance	100%	100%	Adopted by the Council and implemented
16	Grievance Procedures	100%	100%	Currently using the main collective agreement on essential services.
17	Workplace HIV/Aids	100%		Draft
18	Occupational Health and Safety	100%	100%	Adopted by council and implemented
19	Sexual Harassment	100%		Draft
20	Skills Development	100%	100%	Adopted by council and implemented
				T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT

Corporate Services department has developed Human Resources policies and has reviewed the critical policies. Other policies are being reviewed as and when there are changes in legislation and regulations.

T4.2.2

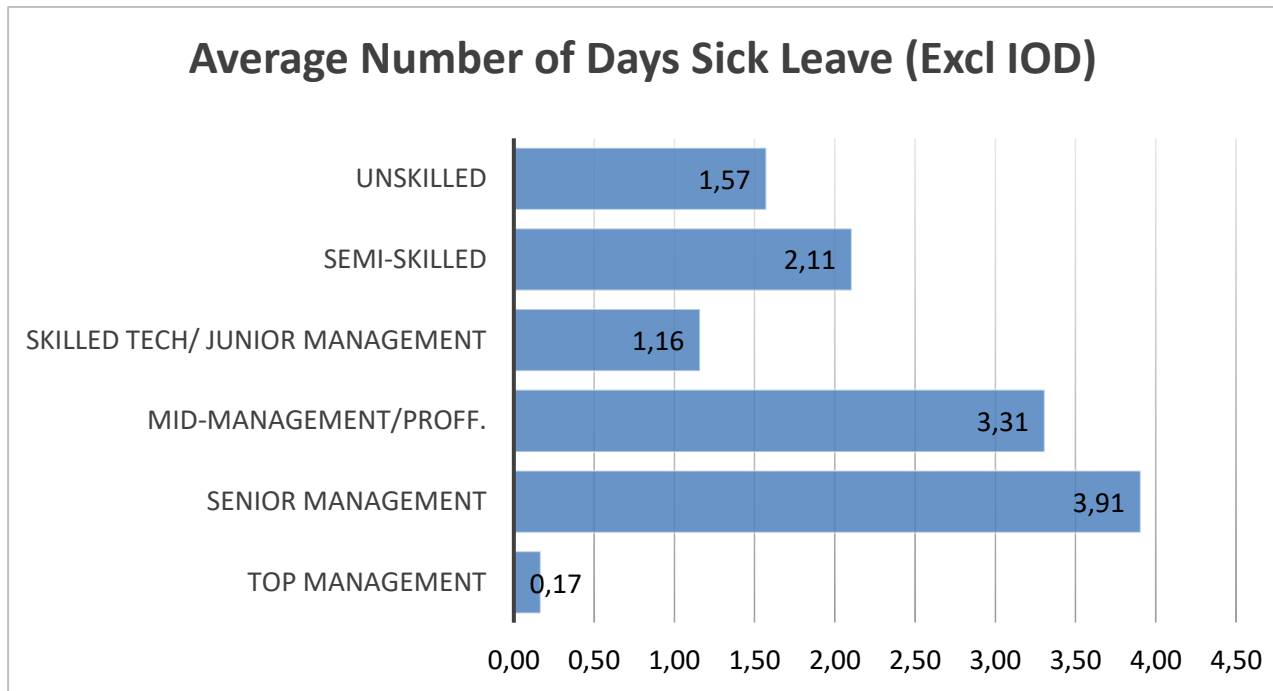
4.3. INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Average injury leave taken per employee %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	181	2		Clause 15 paragraph 1.5.1 in the Mpumalanga collective agreement applies	
Temporary total disablement	0	0	0	0	
Permanent disablement	0	0	0	0	
Fatal	0	0	0	0	
Total	181	02	0.50%		
*Average injury leave taken per employee: Calculated by taking Column 3 divide by Column 2 X 100					
Average Injury Leave per employee Days: Calculated by taking Column 2 divide by Column 3					
				T4.3.1	

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Occupational Levels	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in occupational level*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Top Management	01	N/A	01	06	0,2	R
Senior Management	125	N/A	04	32	3,9	R235870
Mid-Management/Prof	258	N/A	11	78	3,3	R 474944.42
Skilled Tech/ Junior Management	317	N/A	18	273	1,2	R288128.65
Semi-Skilled	40	N/A	01	19	2,1	R 23698.89
Unskilled	310	N/A	19	197	1,6	R 16550.26
Total	1051	N/A	54	605	1,7	

* - Number of employees in post at the beginning of the year
 *Average calculated by taking sick leave in column 2 divided by total employees in column 5 T4.3.2

For the purpose of this Report that Municipal Manager and Directors are reported on as Top Management.



T4.3.3

COMMENT ON INJURY AND SICK LEAVE

Sick leave taken by employees did not have a significant impact on the total budget of the Municipality in the year 2021/2022.

T4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised	Date Finalised
None	N/A	N/A	N/A	N/A
				T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
None			
			T4.3.6

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.4. SKILLS DEVELOPMENT AND TRAINING

Skills Matrix										
Management level	Gender	Employee s in post as at 30 June 2023 No.	Number of skilled employees required and actual as at 30 June 2022							
			Learnership		Skills programmes & other short courses		Other forms of training		Total	
			Planned 30 June 2021	Actual 30 June 2022	Planned 30 June 2021	Actual 30 June 2022	Planned 30 June 2021	Actual 30 June 2022	Planned 30 June 2021	Actual 30 June 2022
MM and S57	Female	0	1	0	0	0	0	0	1	0
	Male	1	1	0	1	1	0	0	1	0
Councillors, senior officials, and managers	Female	25	30	26	14	7	0	0	30	15
	Male	56	30	23	24	13	0	0	30	19
Technicians and associate professionals	Female	16	10	2	5	2	5	0	20	4
	Male	61	10	6	5	2	5	0	20	8
Professionals	Female	24	5	0	5	0	5	0	15	0
	Male	12	5	0	5	0	5	0	15	0
Sub total	Female	57	26	7	26	24	15	4	67	10
	Male	94	37	4	37	36	10	1	84	41
Total		151	63	11	63	60	25	5	151	76
										T4.4.1

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

Corporate Services Department conducted a skills audit and information gathering sessions with various departments, which informed the Works Skills Plan (WSP) and Annual Training Programme (ATP). The findings of the Skills Audit revealed that there was a significant number of employees that require assistance with the recognition of prior learning, employees whose skills were mismatched to the work they are doing etc. The municipality is incrementally implementing the findings of the skills audit report.

The following training intervention is highlighted:

- a. Minimum Competency Training Programme in partnership with Provincial Treasury.
- b. Various Ad Hoc Training interventions to respond to institutional skills shortage and comprise the following:

Training / Course	No. of Officials Attended	No. Councillors Attended
Council Practice	0	16
Protocol Training for Councillors and Officials	16	7
Local Economic Development for Councillors	0	2
Integrated Development Planning Councillors	0	1
LLF training	3	1
Prolaser Training for Traffic Officers	4	0
Waste Water Process Control Training	9	0
MFMP	14	0
Trade Test Plumber	1	0
Cash and Expenditure Management Training	4	0
Records Management	2	1
Road Construction	2	0
Records Management	2	1
Job Evaluation	2	0
Total	59	29

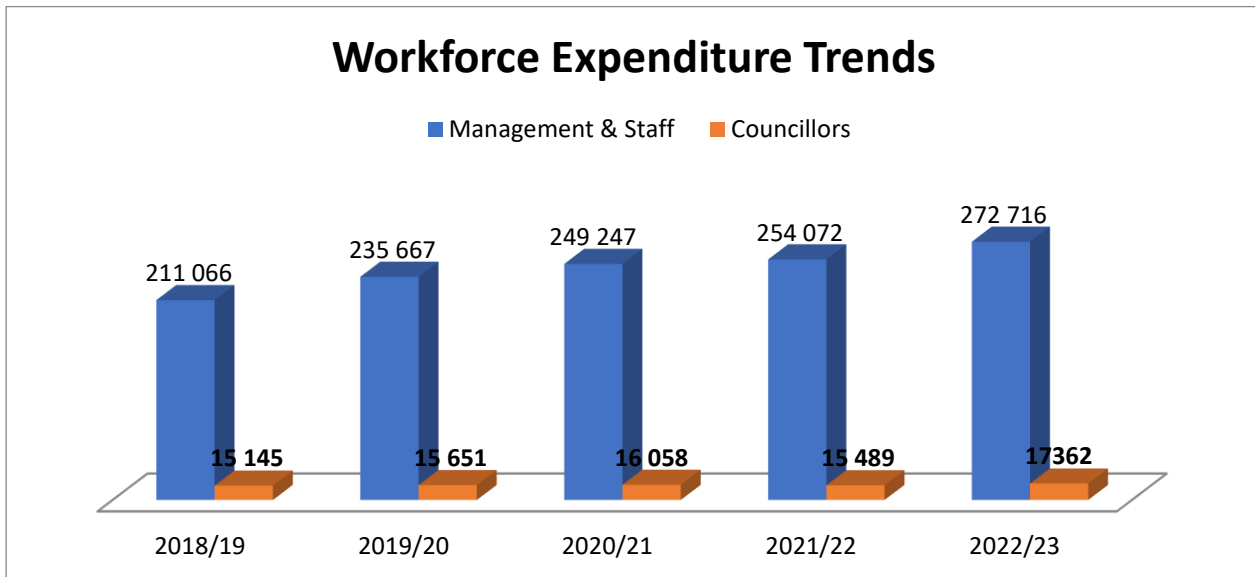
The actual expenditure on Minimum Competency Training programme was **R407 313.90** and the other Ad Hoc Training intervention was **R433 855.00**

T4.4.2

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.5. EMPLOYEE EXPENDITURE

	2018/19	2019/20	2020/21	2021/22	2022/23
Management & Staff	211066	235667	249247	254072	272716
Councillors	15 145	15 651	16 058	15489	17362



T4.5.1

Number of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Top Management	Female	None
	Male	None
Senior Management	Female	None
	Male	None
Professional Qualified	Female	None
	Male	None
Skilled Technical	Female	None
	Male	None
Semi-Skilled	Female	None
	Male	None
Unskilled & Defined	Female	None
	Male	None
Total		

Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right-hand side of the column (as illustrated above).

T4.5.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0

T4.5.3

Employees appointed to posts not approved

Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None				

T4.5.4

DISCLOSURES OF FINANCIAL INTERESTS

Disclosure forms were issued to all employees and Councillors and were returned to be kept in employee files.

T4.5.5

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- (a) Component A: Statement of Financial Performance
- (b) Component B: Spending Against Capital Budget
- (c) Component C: Financial Position

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1. STATEMENTS OF FINANCIAL PERFORMANCE

MP302 Msukaligwa - Table B1 Budget Summary									
Description	Budget Year 2022/2023								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	1,00 A1	2,00 B	3,00 C	4,00 D	5,00 E	6,00 F	7,00 G	8,00 H
R thousands									
Financial Performance									
Property rates	191 336 759,00	191 336 759,00	-	-	-	-	-8 213 309,00	-8 213 309,00	183 123 450,00
Service charges	441 196 899,00	441 196 899,00	-	-	-	-	-45 641 477,00	-45 641 477,00	395 555 422,00
Investment revenue	300 000,00	300 000,00	-	-	-	-	-	-	300 000,00
Transfers recognised - operational	207 727 429,00	207 727 429,00	-	-	-	-	429 517,00	429 517,00	208 156 946,00
Other own revenue	65 607 298,00	65 607 298,00	-	-	-	-	-10 370 328,00	-10 370 328,00	55 236 970,00
Total Revenue (excluding capital transfers and contributions)	906 168 385,00	906 168 385,00	-	-	-	-	-63 795 597,00	-63 795 597,00	842 372 788,00
Employee costs	271 208 849,00	271 208 849,00	-	-	-	-	11 681 903,00	11 681 903,00	282 890 752,00
Remuneration of councillors	17 648 339,00	17 648 339,00	-	-	-	-	-	-	17 648 339,00
Depreciation & asset impairment	139 145 623,00	139 145 623,00	-	-	-	-	1 469 918,00	1 469 918,00	140 615 541,00
Finance charges	-	-	-	-	-	-	29 200 000,00	29 200 000,00	29 200 000,00
Inventory consumed and bulk purchases	419 508 278,00	419 508 278,00	-	-	-	-	-91 563 503,00	-91 563 503,00	327 944 775,00
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	295 999 416,00	295 999 416,00	-	-	-	-	-95 216 970,00	-95 216 970,00	200 782 446,00
Total Expenditure	1 143 510 505,00	1 143 510 505,00	-	-	-	-	-144 428 652,00	-144 428 652,00	999 081 853,00
Surplus/(Deficit)	-237 342 120,00	-237 342 120,00	-	-	-	-	80 633 055,00	80 633 055,00	-156 709 065,00

Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	199 068 571,00	199 068 571,00	-	-	-	-	-	-	199 068 571,00
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-38 273 549,00	-38 273 549,00	-	-	-	-	80 633 055,00	80 633 055,00	42 359 506,00
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-38 273 549,00	-38 273 549,00	-	-	-	-	80 633 055,00	80 633 055,00	42 359 506,00
Capital expenditure & funds sources									
Capital expenditure	243 924 223,00	243 924 223,00	-	-	-	-	-6 537 964,00	-6 537 964,00	237 386 259,00
Transfers recognised - capital	199 068 571,00	199 068 571,00	-	-	-	-	-167 172,00	-167 172,00	198 901 399,00
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	44 855 652,00	44 855 652,00	-	-	-	-	-6 370 792,00	-6 370 792,00	38 484 860,00
Total sources of capital funds	243 924 223,00	243 924 223,00	-	-	-	-	-6 537 964,00	-6 537 964,00	237 386 259,00
Financial position									
Total current assets	517 941 163,00	517 941 163,00	-	-	-	-	-113 796 080,00	-113 796 080,00	404 145 083,00
Total non current assets	2 708 750 730,00	2 708 750 730,00	-	-	-	-	6 120 727,00	6 120 727,00	2 714 871 457,00
Total current liabilities	1 015 605 592,00	1 015 605 592,00	-	-	-	-	603 083 199,00	603 083 199,00	1 618 688 791,00
Total non current liabilities	60 797 970,00	60 797 970,00	-	-	-	-	18 653 533,00	18 653 533,00	79 451 503,00
Community wealth/Equity	2 150 288 331,00	2 150 288 331,00	-	-	-	-	-770 946 865,00	-770 946 865,00	1 379 341 466,00
Cash flows									
Net cash from (used) operating	246 784 724,00	246 784 724,00	-	-	-	-	-10 455 607,00	-10 455 607,00	236 329 117,00
Net cash from (used) investing	-243 924 223,00	-243 924 223,00	-	-	-	-	2 208 789,00	2 208 789,00	-241 715 434,00
Net cash from (used) financing	-3 511 336,72	-17 434 000,00	-	-	-	-	13 923 000,00	13 923 000,00	-3 511 000,00
Cash/cash equivalents at the year end	69 350 141,28	55 427 478,00	-	-	-	-	-56 463 374,00	-56 463 374,00	-1 035 896,00

Cash backing/surplus reconciliation										
Cash and investments available	22 632 478,00	22 632 478,00	-	-	-	-	-18 641 114,00	-18 641 114,00	3 991 364,00	
Application of cash and investments	512 223 083,00	512 223 083,00	-	-	-	-	746 244 035,00	746 244 035,00	1 258 467 118,00	
Balance - surplus (shortfall)	-489 590 605,00	-489 590 605,00	-	-	-	-	-764 885 149,00	-764 885 149,00	-1 254 475 754,00	
Asset Management										
Asset register summary (WDV)	2 708 750 730,00	2 708 750 730,00	-	-	-	-	6 120 727,00	6 120 727,00	2 714 871 457,00	
Depreciation	139 145 623,00	139 145 623,00	-	-	-	-	1 469 918,00	1 469 918,00	140 615 541,00	
Renewal and Upgrading of Existing Assets	78 661 321,00	78 661 321,00	-	-	-	-	-42 581 302,00	-42 581 302,00	36 080 019,00	
Repairs and Maintenance	29 465 151,00	29 465 151,00	-	-	-	-	-7 204 205,00	-7 204 205,00	22 260 946,00	
Free services										
Cost of Free Basic Services provided	42 128 374,00	42 128 374,00	-	-	-	-	-16 711 331,00	-16 711 331,00	25 417 043,00	
Revenue cost of free services provided	14 865 470,00	14 865 470,00	-	-	-	-	3 962 269,00	3 962 269,00	18 827 739,00	
Households below minimum service level										
Water:	3 892,00	-	-	-	-	-	-	-	3 892,00	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	
Energy:	-	-	-	-	-	-	-	-	-	
Refuse:	1,00	-	-	-	-	-	-	-	1,00	

Financial Performance of Operational Services							R '000
Description	2021/22	2022/23			2022/23		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	26,485	23,572	28,075	23,042	-2.30%	-21.84%	
Waste Water (Sanitation)	8,541	8,285	9,054	8,456	2.02%	-7.07%	
Electricity	12,355	10,254	12,478	13,219	22.43%	5.61%	
Waste Management	14,232	13,235	13,662	12,097	-9.41%	-12.94%	
Housing	6,542	5,496	5,954	6,346	13.40%	6.19%	
Component A: sub-total	68,155	60,842	69,222	63,161	3.67%	-9.60%	
Waste Water (Stormwater Drainage)	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Roads	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Transport	5,322	4,470	5,747	4,630	3.45%	-24.14%	
Component B: sub-total	16,607	8,455	8,624	9,554	11.50%	9.73%	
Planning	1,254	1,003	1,191	1,354	25.93%	12.04%	
Local Economic Development	2,516	2,063	2,264	2,340	11.83%	3.23%	
Component B: sub-total	3,769	3,066	3,455	3,693	17.00%	6.46%	
Planning (Strategic & Regulatory)	12,546	10,413	11,793	11,542	9.78%	-2.17%	
Local Economic Development	2,355	2,190	2,425	2,402	8.82%	-0.98%	
Component C: sub-total	14,900	12,603	14,218	13,944	9.62%	-1.97%	
Community & Social Services	4,565	3,698	4,337	4,291	13.83%	-1.06%	
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Health	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Security and Safety	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Sport and Recreation	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Corporate Policy Offices and Other	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Component D: sub-total	32,808	28,552	35,122	29,145	2.04%	-20.51%	
Total Expenditure	136,240	113,518	130,642	119,497	5.00%	-9.33%	
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2	

COMMENT ON FINANCIAL PERFORMANCE

The procurement of goods and services is done in line with the Supply Chain Management regulations, PPPFA of 2011 and in line with the approved budget and Integrated Development Plan (IDP) of the Council, which strives for a procurement process that is to be fair, equitable, cost effective and competitive.

T5.1.2

5.2. GRANTS

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

The municipality received the following grants:

Grant Performance				
R' 000				
Description	Year 2021/22	Year 2022/23		
	Actual	Budget	Adjustments Budget	Actual
Operating Transfers and Grants				
National Government:	226 751	206 811	-	207 210
Equitable share	219 070	199 061	-	199 442
Expanded Public Works Programme Integrated Grant	2 062	1 968	-	1 986
Department of Water Affairs	-	-	-	-
Local Government Financial Management Grant	3 000	3 000	-	3 000
Municipal Infrastructure Grant	2 618	2 782	-	2 782
Provincial Government:	-	-	-	-
Health subsidy	-	-	-	-
Housing	-	-	-	-
Ambulance subsidy	-	-	-	-
Sports and Recreation	-	-	-	-
Municipal Infrastructure Grant	-	-	-	-
District Municipality:	-	-	-	-
	-	-	-	-
	-	-	-	-
Other grant providers:	-	-	-	-
	-	-	-	-
Total Operating Transfers and Grants	226 751	206 811	-	207 210

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.

T5.2.1

5.3. ASSETS MANAGEMENT

ASSETS MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The Goal of asset management is to achieve the required level of service in the most effective manner, which is achieved through management of asset's life cycle. The utilisation and management of property, plant and equipment is the prime mechanism by which a Municipality can fulfil its constitutional mandates for the Delivery of sustainable services, Social and economic development, Promoting a safe and healthy environment and Providing the basic needs to the community. The Municipal Manager is accountable for the management of the assets of the Municipality, including the safeguarding and the maintenance of those assets. The staff involved in assets management is as follows and reports to the Chief Financial Officer: Manager Assets; Accountant Assets Management and Assets clerks.

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2021/22

Asset 1				
Name	INFRASTRUCTURE ASSET			
Description	MV SUBSTATION			
Asset Type	SWITCHGEAR			
Key Staff Involved	YES			
Staff Responsibilities	ELECTRICAL SECTION			
	Year -3	Year -2	Year -1	Year 0
Asset Value	2 753 322.95	2 818 878.26	2 884 433.57	2 949 988.88
Capital Implications	CONDITIONAL CAPITAL FUNDING			
Future Purpose of Asset	ELECTRICITY DISTRIBUTION			
Describe Key Issues	ELECTRICITY DISTRIBUTION			
Policies in Place to Manage Asset	ASSETS MANAGEMENT POLICY			
Asset 2				
Name	INFRASTRUCTURE ASSET			
Description	WATER RESERVOIR			
Asset Type	RESERVOIR			
Key Staff Involved	YES			
Staff Responsibilities	WATER SECTION			
	Year -3	Year -2	Year -1	Year 0
Asset Value	2 074 176.82	2 118 308.24	2 162 439.66	2 206 571.08
Capital Implications	CONDITIONAL CAPITAL FUNDING			
Future Purpose of Asset	WATER DISTRIBUTION			
Describe Key Issues	WATER DISTRIBUTION			
Policies in Place to Manage Asset	ASSETS MANAGEMENT POLICY			
Asset 3				

Name	TRANSPORT ASSET			
Description	UD Trucks			
Asset Type	COMPACTOR TRUCKS			
Key Staff Involved	YES			
Staff Responsibilities	WASTE MANAGEMENT UNIT			
	Year -3	Year -2	Year -1	Year 0
Asset Value	1 717 600.00	1 860 733.33	2 003 866.67	2 147 000.00
Capital Implications	CONDITIONAL CAPITAL FUNDING			
Future Purpose of Asset	WASTE COLLECTION			
Describe Key Issues	WASTE COLLECTION			
Policies in Place to Manage Asset	ASSETS MANAGEMENT AND FLEET POLICY			
	T 5.3.2			

COMMENT ON ASSET MANAGEMENT:

Before a Municipality can spend funds on a project the Municipal Council must consider the project costs covering all the financial years until the project is operational, as well as all future operational costs and revenue for the project. The Council of Msukaligwa Local Municipality has considered all the above in terms of the projects and the projects were approved for implementation. The above projects were funded from Conditional Grants and all supporting documents are available on file for audit inspection.

T 5.3.3

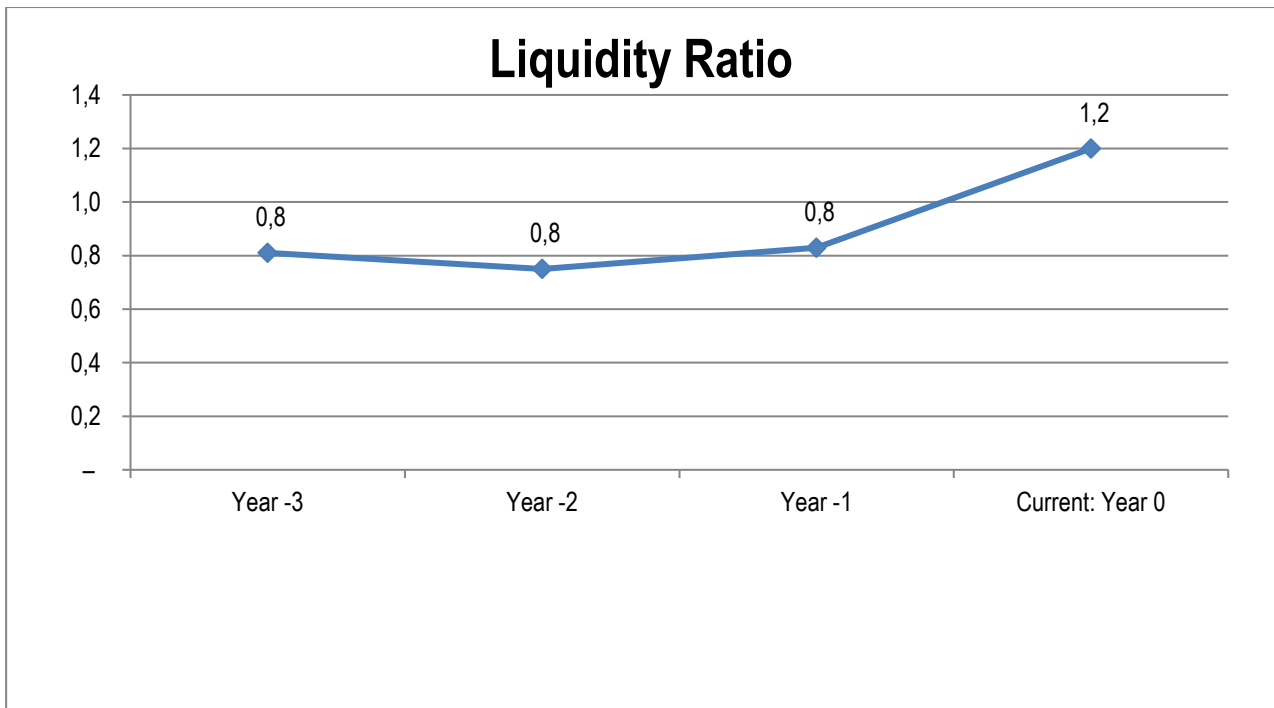
Repair and Maintenance Expenditure: 2022/23				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	81 522 000	81 522 000	29 442 494	36%
	T 5.3.4			

5.4. FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

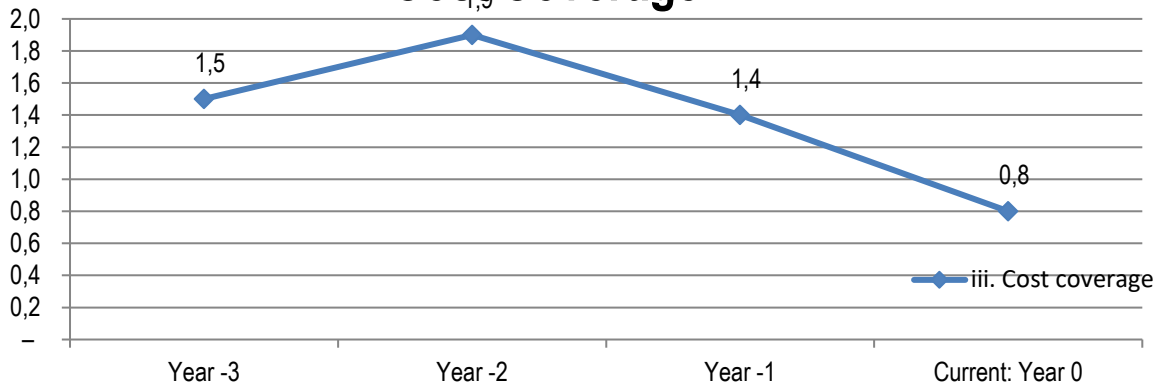
Expenditure management			
1.1	Creditor-payment period	1005 Days	1001 Days
1.2	Deficit was realised for the year (total expenditure exceeded total revenue)	No	No
	Amount of surplus / (deficit) for the year	R44 137 395	R16 362 248
Revenue management			
2.1	Debt-collection period (after impairment)	181 Days	168 Days
	• Amount of debtor's impairment provision	R903 260 425	R748 003 763
	• Amount of accounts receivable	R231 917 030	R203 856 316
2.2	Debt-impairment provision as a percentage of accounts receivable	80%	79%
	• Amount of debt-impairment provision	R903 260 425	R748 003 763
	• Amount of accounts receivable (before impairment)	R1 135 177 455	R951 860 079
2.3	Percentage distribution losses – electricity	60%	60%
	• Amount of units generated / purchased	193 793 818	222 003 278
	• Amount of units sold to consumers	77 412 400	88 762 868
2.4	Percentage distribution losses – water	76%	76%
	• Amount of units generated / purchased	9 815 960	8 275 789
	• Amount of units sold to consumers	2 318 818	1 989 225
Asset maintenance and renewal			
3.1	Percentage spending on repairs and maintenance	2%	1%
	• Amount of expenditure on repairs and maintenance	R50 243 216	R 29 955 437
	• Amount of property, plant and equipment (carrying value)	R2 651 634 315	R2 555 795 186
3.2	Total capital expenditure as percentage of total expenditure	26%	33%
	• Amount of capital expenditure	R241 341 000	R314 942 000
	• Amount of total expenditure (operating + capital)	R950 184 000	R965 876 000
3.3	Asset renewal / rehabilitation expenditure as a percentage of total capital expenditure	33%	10%
	• Amount of asset renewal / rehabilitation expenditure	R50 243 216	R 29 955 437

3.4	Asset renewal / rehabilitation expenditure as a percentage of total depreciation and impairment	167%	200%
	<ul style="list-style-type: none"> Amount of depreciation and impairment 	R139 284 236	R142 480 537
Asset and liability management			
4.1	Total debt / borrowings vs total revenue for the year	140%	142%
	<ul style="list-style-type: none"> Amount of debt / borrowings Amount of revenue for the year 	R1 805 437 028 R1 291 741 687	R1 617 697 241 R1 143 169 040
4.2	Current liabilities as a percentage of next year's budgeted resources	353,4%	245,3%
	<ul style="list-style-type: none"> Amount of current liabilities Total budgeted income for the next year, excluding employee costs and remuneration of councillors 	R1 641 186 651 R918 787 000	R 1 467 567 709 R982 436 000
4.3	Net current liability position was realised (total current liabilities exceeded total current assets)	Yes	Yes
	<ul style="list-style-type: none"> Amount of net current asset / (liability) position 	(R1 174 444 154)	(R1 134 147 852)
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 / (liability) position 	R2 668 717 672	R2 584 283 973
4.5	Net liability position was realised (total liabilities exceeded total assets)	No	No
	<ul style="list-style-type: none"> Amount of net asset / (liability) position 	R1 494 273 518	R1 617 697 241
4.6	Liquid assets as a percentage of total current liabilities (acid test percentage)	27%	22%
	<ul style="list-style-type: none"> Amount of liquid assets 	R23 589 169	R13 003 712
4.7	Current ratio	0,28	0,23
	<ul style="list-style-type: none"> Amount of current assets 	R466 742 497	R333 419 857
4.8	Total debt to total assets ratio	0,55	0,53
	<ul style="list-style-type: none"> Amount of debts Amount of assets 	R1 805 437 028 R3 299 710 546	R1 617 697 241 R3 067 833 262
Cash management			
4.9	Year-end bank balance was in overdraft	No	No

	<ul style="list-style-type: none"> Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft) 	R78 704 967	R9 673 827
4.10	Cash plus investments less applications	R78 704 967	R9 673 827
	<ul style="list-style-type: none"> Amount of year-end bank balance (cash and cash equivalents) Amount of total investments (short and long term) Less: amount of cash applications/ commitments 	R78 704 967 - -	R9 673 827 - -
4.11	Cash coverage	0,7 months	0,1 months
	<ul style="list-style-type: none"> Amount of monthly expenditure 	R105 166 000	R98 586 000
<p><i>These amounts have not been adjusted for uncorrected misstatements that resulted in the modification of the audit opinion</i></p>			



Cost Coverage

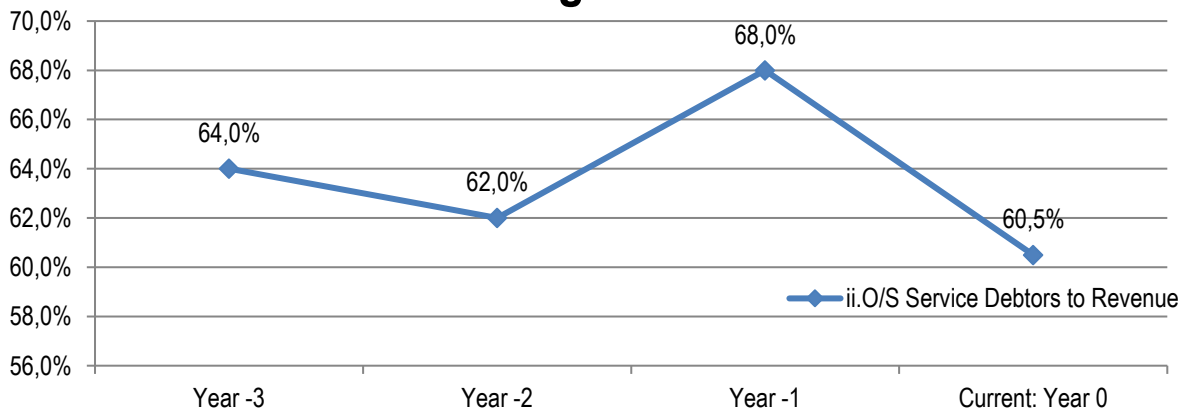


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRB SAR

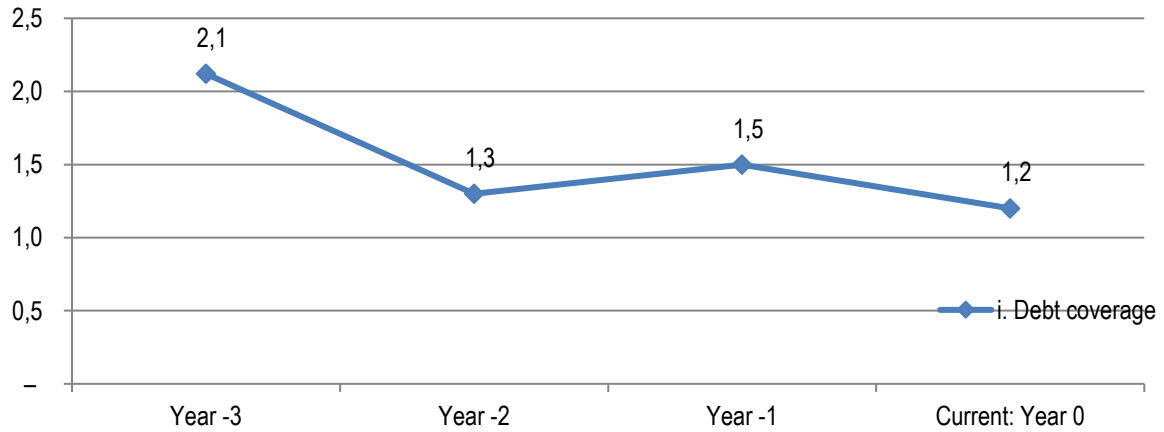
5.4.2

Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Debt Coverage

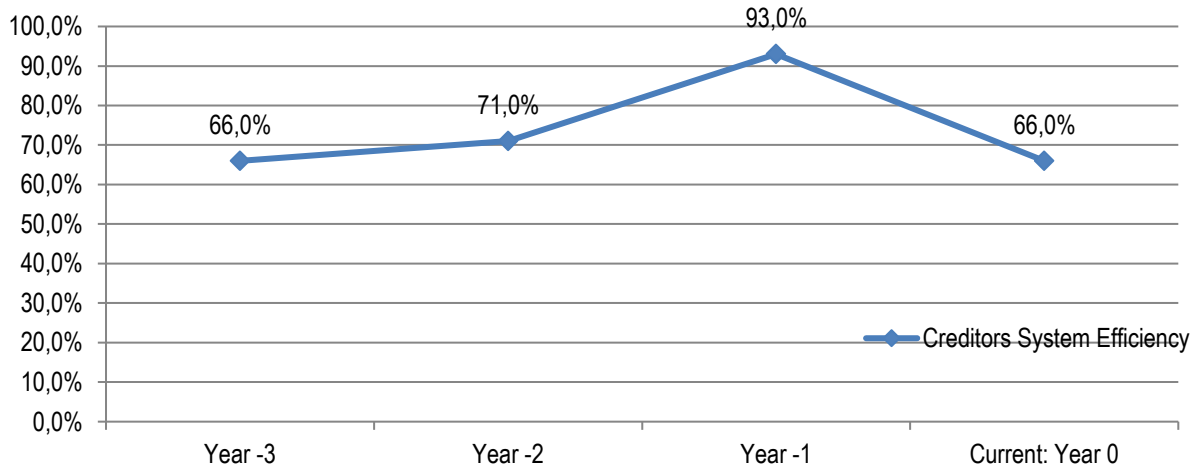


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

5.4.4

Creditors System Efficiency

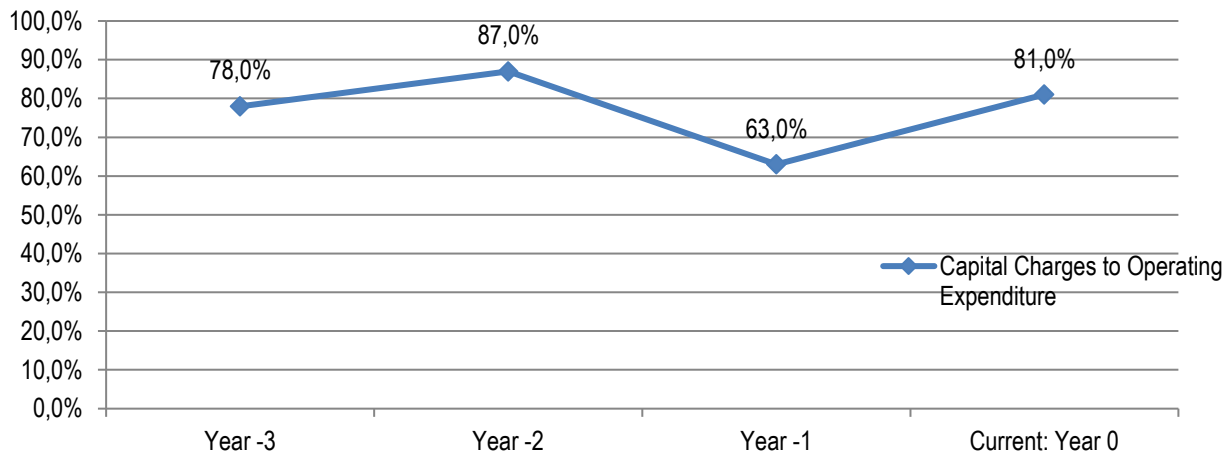


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

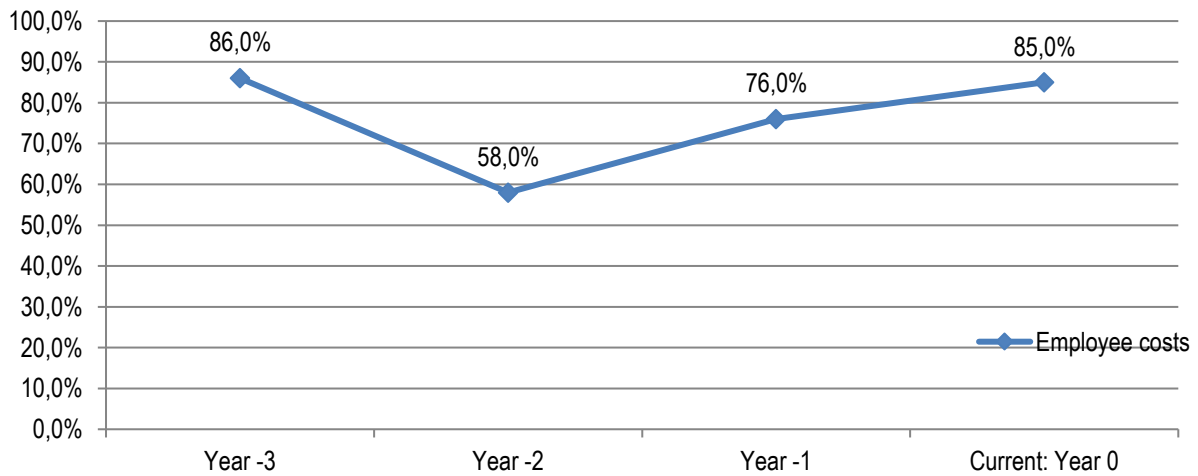
Data used from MBRR SA8

5.4.5

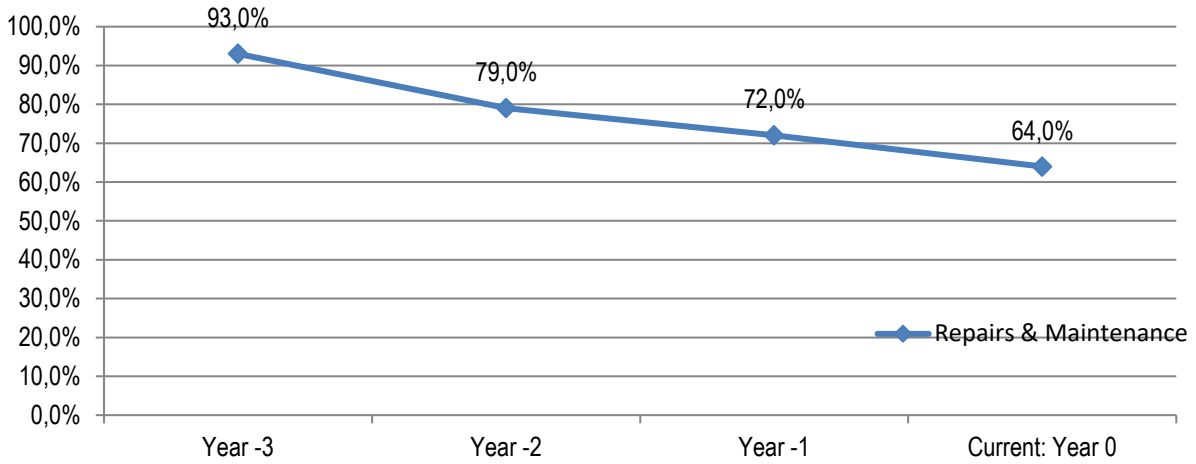
Capital Charges to Operating Expenditure



Employee Costs



Repairs & Maintenance



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION: SPENDING AGAINST CAPITAL BUDGET

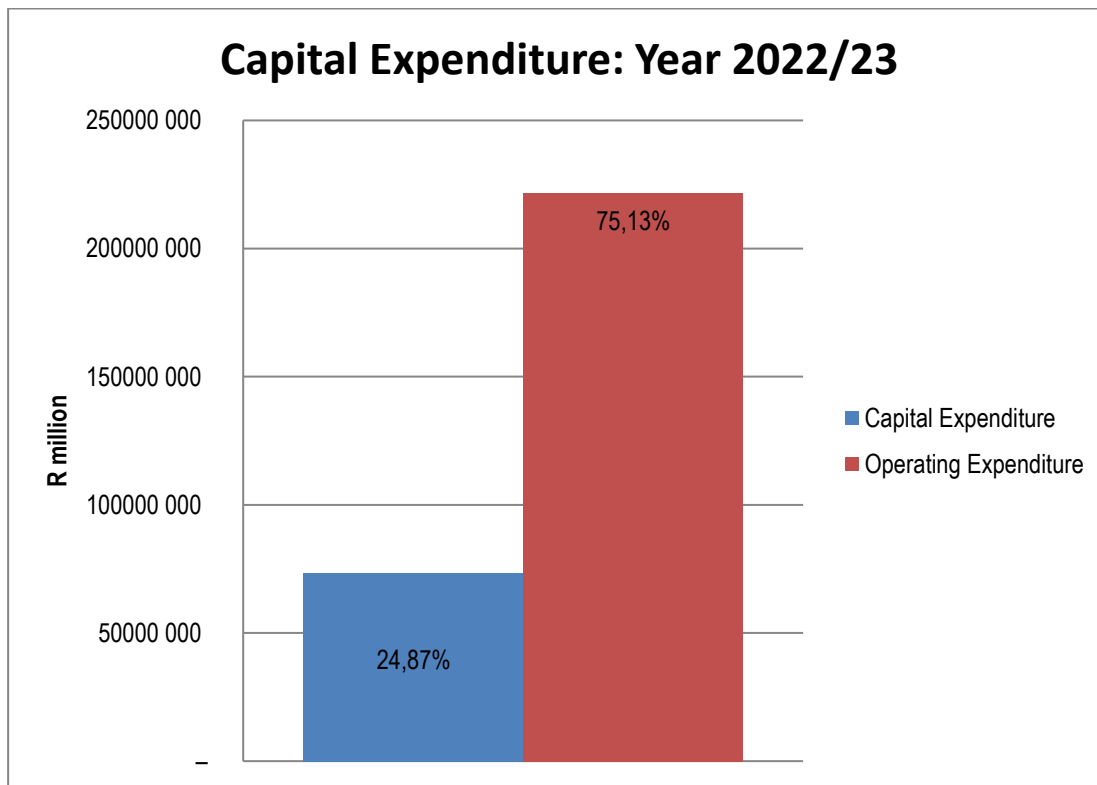
The capital spending in the municipality is mainly financed by means of external grants received from the National Treasury.

The municipality has improved in terms of capital expenditure as compared to the previous financial year with a 100% expenditure recorded in the year being reported. Projects were planned and implemented on time hence the improvement on expenditure.

T5.5.1

T5.5.0

5.5. CAPITAL EXPENDITURE

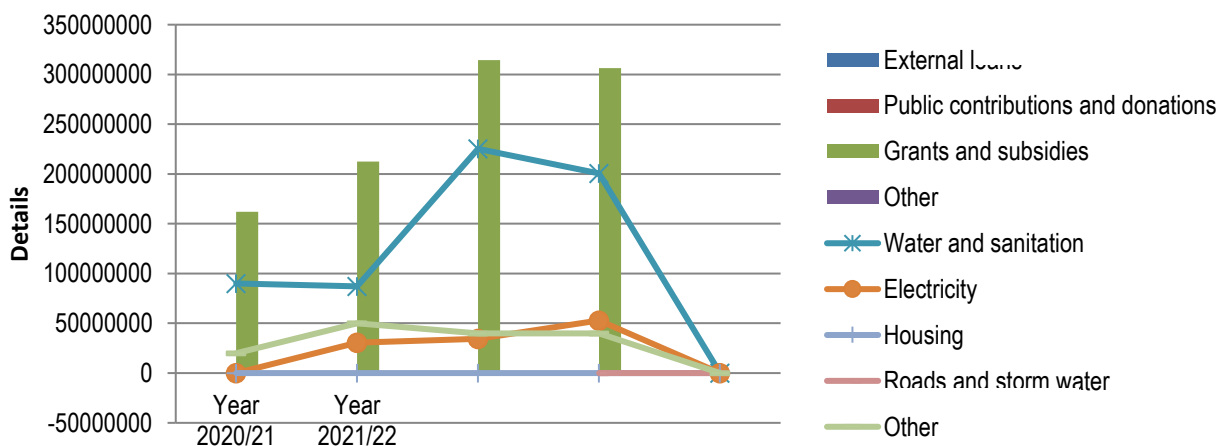


5.6. SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2021/22 to 2022/23							R' 000
Details	2021/22	2022/23					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	0	0	0	0	0.00%	0.00%	
Public contributions and donations	0	0	0	0	0.00%	0.00%	
Grants and subsidies	303435	292052	296052	258869	1.37%	-11.36%	
Other	0	0	0	0	0.00%	0.00%	
Total	303435	292052	296052	258869	1.37%	-11.36%	
Percentage of finance							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital expenditure							
Water and sanitation	240578	235000	235000	194814	0.00%	-17.10%	
Electricity	10000	4000	4000	4000	0.00%	0.00%	
Housing	0	0	0	0	0.00%	0.00%	
Roads and storm water	52856	57052	57052	57052	0.00%	0.00%	
Other	0	0	0	0	0.00%	0.00%	
Total	303434	296052	296052	255866	0.00%	-17.10%	
Percentage of expenditure							
Water and sanitation	79.3%	79.4%	79.4%	76.1%	0.0%	100.0%	
Electricity	3.3%	1.4%	1.4%	1.6%	0.0%	0.0%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	17.4%	19.3%	19.3%	22.3%	0.0%	0.0%	
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

T 5.6.1

Source of Finance and Capital Expenditure



5.7. CAPITAL SPENDING ON 5 LARGEST PROJECTS IN 2021/2022 FY

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year			Variance Current Year	
	Original Budget (R 000)	Adjustment Budget (R 000)	Actual Expenditure (R 000)	Original Variance (%)	Adjustment variance (%)
Regional Bulk Water Scheme for Breyten Cluster 2 Work in progress	R86 748 868.95		R85 824 374.37	0	0
Regional Bulk Water Supply Scheme for Davel Cluster 3	R36 781 222,78		R36 781 222.78	0	0
Upgrading of Ermelo Ext 32, 33 and 34 outfall sewer pipeline Work in Progress	R21 613 766.04		R21 613 766.04	0	0
Construction Of A 8 MI Reservoir At Ermelo Ext 44 & associated pipeworks Work in progress	R20,970,833.77		R20,970,833.77	0	0
Design and Construction of 20MVA, 88/11KV Transformer in Ermelo KV Substation Work in Progress	R16 759 250.00		R12 335 700.10	0	0
Capital Expenditure of 5 largest projects*					

Name of Project - A	Regional Bulk Water Supply Scheme for Breyten Cluster 2
Objective of Project	Provide Bulk Water Supply
Delays	None
Future Challenges	None
Name of Project - A	Regional Bulk Water Scheme for Breyten Cluster 2

Name of Project - B	Regional Bulk Water Supply Scheme for Davel Cluster 3
Objective of Project	Provide Bulk Water Supply
Delays	None
Future Challenges	None
Name of Project - B	Regional Bulk Water Supply Scheme for Davel Cluster 3

Name of Project - C	Upgrading of Ermelo Ext 32, 33 and 34 outfall sewer pipeline
Objective of Project	Upgrade Outfall Sewer pipeline
Delays	None
Future Challenges	None
Name of Project - C	Upgrading of Ermelo Ext 32, 33 and 34 outfall sewer pipeline

Name of Project - D	Construction Of A 8 MI Reservoir At Ermelo Ext 44 & associated pipeworks
Objective of Project	8 MI Reservoir At Ermelo Ext 44 & associated pipeworks
Delays	None
Future Challenges	None
Name of Project - D	Construction Of A 8 MI Reservoir At Ermelo Ext 44 & associated pipeworks

Name of Project - E	Design and Construction of 20MVA, 88/11KV Transformer in Ermelo KV Substation
Objective of Project	20MVA, 88/11KV Transformer in Ermelo KV Substation
Delays	None
Future Challenges	None
Name of Project - E	Design and Construction of 20MVA, 88/11KV Transformer in Ermelo KV Substation
T5.7.1	

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2022/23	
Asset 1	
Name	Regional Bulk Water Supply Scheme for Breyten Cluster 2
Description	
Asset Type	
Key Staff Involved	
Staff Responsibilities	Monitoring and evaluating the project
Capital Implications	
Future Purpose of Asset	Provision of access to the community
Describe Key Issues	
Policies in Place to Manage Asset	Asset Management Policy
T5.7.2	

Asset 2	
Name	Regional Bulk Water Supply Scheme for Davel Cluster 3
Description	
Asset Type	
Key Staff Involved	PMU,
Staff Responsibilities	Monitoring and evaluating the project
Capital Implications	
Future Purpose of Asset	Provision of access to the community
Describe Key Issues	
Policies in Place to Manage Asset	Asset Management Policy

Asset 3	
Name	Construction Of A 8 MI Reservoir At Ermelo Ext 44 & associated pipeworks
Description	
Asset Type	Water
Key Staff Involved	PMU
Staff Responsibilities	Monitoring and evaluating the project
Capital Implications	
Future Purpose of Asset	Provision of access to hygienic sanitation services.
Describe Key Issues	
Policies in Place to Manage Asset	Asset Management Policy

5.8. BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Service Backlogs as at 30 June 2023				
Households (HHs)	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	63,554	94%	4,273	6%
Sanitation	63,757	94%	4,070	6%
Electricity	59,145	87%	8,682	13%
Waste management	50,973	75%	16,851	25%
Housing	0	0	0	0

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.

T5.8.1

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9. CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2021/22	2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	456,076	614,136	623,992	473,715
Government - operating	204,476	225,906	243,353	282,513
Government - capital	306,217	297,835	296,394	258,869
Interest	1,099	932	3,133	4,854
Dividends	-			-
Payments				
Suppliers and employees	(650,934)	(838,995)	(803,410)	(708,844)
Finance charges				
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	316,934	299,814	363,462	311,109
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1,174		1,441	443
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(314,942)	(297,835)	(297,835)	(241,341)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(313,768)	(297,835)	(296,394)	(240,898)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(1,338)		-	(1,180)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1,338)	-	-	(1,180)
NET INCREASE/ (DECREASE) IN CASH HELD	1,828	1,979	67,068	69,031
Cash/cash equivalents at the year begin:	7,846	1,020	8,662	9,674

Cash/cash equivalents at the year end:	9,674	2,999	75,730	78,705
Source: MBRR A7				T 5.9.1

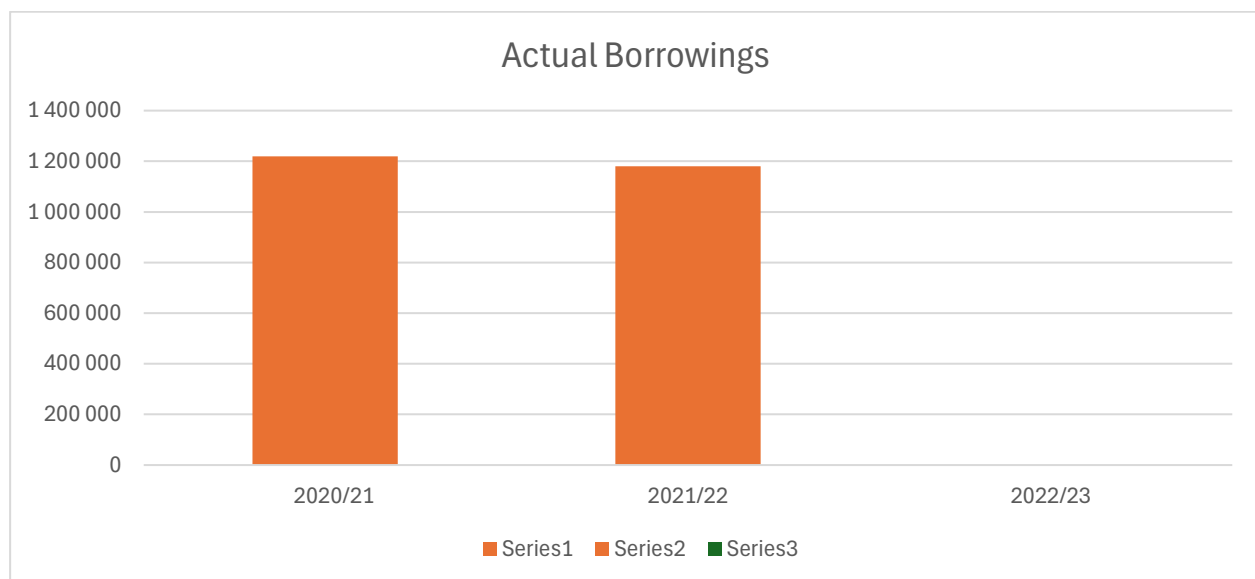
COMMENT ON CASH FLOW OUTCOMES

The average payment rate for the year is 78%. Actions to improve the collection rate are underway as the ideal ratio of 95% needs to be achieved.

T 5.9.1

5.10. BORROWING AND INVESTMENTS

Actual Borrowings 2020/21 – 2022/23			
Instrument	2020/21	2021/22	2022/23
	R	R	R
Municipality	Nil	Nil	Nil
Long-Term Loans (annuity/reducing balance)	Nil	Nil	Nil
Long-Term Loans (non-annuity)	Nil	Nil	Nil
Local registered stock	Nil	Nil	Nil
Instalment Credit	Nil	Nil	Nil
Financial Leases	1 219 090	1 179 875	Nil
Finance Granted By Cap Equipment Supplier	Nil	Nil	Nil
Marketable Bonds	Nil	Nil	
			T5.10.1



COMMENT ON BORROWINGS

The financial lease for 1 x Fire vehicle were finalised in 2018/2019./ A three year finance leases were taken up in 2019/2023 for photocopier and printing, telephphone system as well as ITC equipment for operational puposes

T5.10.2

Municipal Investments					
Investment* type	2018/19 Actual (R 000)	2019/20 Actual (R 000)	2020/21 Actual (R 000)	2021/22 Actual (R 000)	2022/23 Actual (R 000)
Securities - National Government	Nil	Nil	Nil	Nil	Nil
Listed Corporate Bonds	Nil	Nil	Nil	Nil	Nil
Deposits - Bank	Nil	20 721 971	2 876 927	5 593 397	56 413 720
Deposits - Public Investment Commissioners	Nil	Nil	Nil	Nil	Nil
Deposits - Corporation for Public Deposits	Nil	Nil	Nil	0	Nil
Bankers' Acceptance Certificates	Nil	Nil	Nil	0	Nil
Negotiable Certificates of Deposit - Banks	Nil	Nil	Nil	0	Nil
Guaranteed Endowment Policies (sinking)	Nil	Nil	Nil	0	Nil
Repurchase Agreements - Banks	Nil	Nil	Nil	0	Nil
Municipal Bonds	Nil	Nil	Nil	0	Nil
Other	Nil	Nil	Nil	0	Nil
Municipality Total	Nil	20 721 971	2 876 927	5 593 397	56 413 720

T5.10.4

5.11. PUBLIC PRIVATE PARTNERSHIPS

None.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12. SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Municipality implemented a supply chain management policy in line with the provisions of Supply Chain Management Regulation.

T5.12.1

5.13. GRAP COMPLIANCE

GRAP COMPLIANCE

The annual financial statements are prepared on an accrual basis of accounting and are in accordance with historical cost convention. The annual financial statements have been prepared in accordance with the Standards of Generally Recognized Accounting Practice (GRAP) as prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

As far as it has been practicable, applicable standards have been adopted retrospectively and prior-year figures have been restated to achieve comparability requirements.

It should be noted that these Annual Financial Statements have been audited in line with the Minister of Finance in terms of General Notice 991 and 992 of 2005 to comply with Section 126 of the MFMA from the normal submission date of 31 August each year.

T5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2019/2020

6.

6.1. AUDITOR GENERAL REPORTS 2021/22

The Auditor General report for 2021/22 is presented as an annexure after the municipal AFS and the municipality has received a Qualified Audit Opinion as detailed in the attached report.

6.2. MFMA COMPLIANCE

All MFMA and DORA returns are submitted by the municipality as required monthly, quarterly and annually.

Name of return	Submitted to
MONTHLY	
Financial Management Grant	PT and NT
Age Analysis Debtors (AD) and Creditors (AC), Cash Flow, Operating Statement Actual (OSB)	PT and NT
Section 71 Budget Statements	PT and NT
Supply Chain Management	NT/PT
MIG returns	PT and NT
Equitable Share	COGTA
QUARTERLY	
MFMA Implementation and monitoring checklist	NT
Municipal entities	N/A
Public Private Partnerships	N/A
Long-term contracts	NT
Borrowing	NT
ANNUALLY	
Appendix A	NT
Operating Statement Budget (OSB)	PT and NT
New Budget Regulations 1 April 2009	NT / PT

SIGNED BY CFO _____

DATE _____

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to

GLOSSARY

	which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr. M. P. Nkosi	FT	<ul style="list-style-type: none"> • Council • Mayoral Committee • Finance Committee 	Executive Mayor	100%	0%
Cllr. S. N. Xaba	FT	<ul style="list-style-type: none"> • Council • Rules and Ethics • By-Laws and Policies 	Speaker	100%	0%
Cllr. B.G. Motha	FT	<ul style="list-style-type: none"> • Council • Mayoral Committee • Planning and Economic Development 	Ward 8 - ANC	100%	0%
Cllr T.C. Motha	FT	<ul style="list-style-type: none"> • Council • Mayoral Committee • Technical Services 	PR – ANC	92%	8%
Cllr E.C. Msezane	FT	<ul style="list-style-type: none"> • Council • Mayoral Committee • Finance Committee 	PR – ANC	100%	0%
Cllr S. E. Ngovene	FT	<ul style="list-style-type: none"> • Council • Mayoral Committee • Community & Social Services 	Ward 10 - ANC	86%	14%
Cllr. T.J. Madlala	FT	<ul style="list-style-type: none"> • Council • Mayoral Committee • Corporate Services 	Ward 3 - ANC	100%	0%
Cllr P.T Sibeko	FT	<ul style="list-style-type: none"> • Council • Whip of Council 	PR – ANC	100%	0%
Cllr S.S. Buthelezi	PT	<ul style="list-style-type: none"> • Council • Technical Services • Finance Committee 	Ward 1 - ANC	86%	14%
Cllr S.M. Mabuza	PT	<ul style="list-style-type: none"> • Council • Community and Social Services 	Ward 2 - ANC	92%	8%
Cllr T. J. Maduna	PT	<ul style="list-style-type: none"> • Council • By-laws and Policies • Women Caucus 	Ward 4 - ANC	92%	8%

APPENDICES

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
		<ul style="list-style-type: none"> Rules and Ethics Community and Social Services Local Geographical Names 			
Cllr. B.L. Ndlazi	PT	<ul style="list-style-type: none"> Council Technical, Services Planning and Economic Development Corporate Services 	Ward 6 - ANC	100%	0%
Cllr. V.C.N. Madini	PT	<ul style="list-style-type: none"> Council Corporate Services 	Ward 5 - ANC	100%	0%
Cllr. B.A. Mahlalela	PT	<ul style="list-style-type: none"> Council Planning and Economic Development 	PR – ANC	76%	24%
Cllr K.J Makhubu	PT	<ul style="list-style-type: none"> Council Finance Committee Corporate Services Municipal Public Accounts Committee 	Ward 9 - ANC	100%	0%
Cllr S. P. Khalishwako	PT	<ul style="list-style-type: none"> Council Corporate Services Technical Services Municipal Public Accounts Committee Finance Committee Rules and Ethics 	Ward 11 - ANC	76%	24%
Cllr M.M. Mkhaliphi	PT	<ul style="list-style-type: none"> Council Local Geographical Name Corporate Services Planning & Economic Development Municipal Public Accounts Committee By-Laws & Policies Rules & Ethics 	Ward 12 - ANC	100%	0%
Cllr S.F Ngwenya	PT	<ul style="list-style-type: none"> Council Technical Services Local Geographical Names Women Caucus 	Ward 13 - ANC	86%	14%

APPENDICES

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Cllr. Z. E. Zulu	PT	<ul style="list-style-type: none"> Council Community and Social Services 	Ward 14 - ANC	76%	24%
Cllr V.J. Maseko	PT	<ul style="list-style-type: none"> Council Planning & Economic Development Municipal Public Accounts Committee 	Ward 15 - ANC	92%	0%
Cllr. P. H. Sibiyi	PT	<ul style="list-style-type: none"> Council Community and Social Services Finance Committee Technical Services Municipal Public Accounts Committee 	Ward 16 - ANC	100%	0%
Cllr. S.S. Cindi	PT	<ul style="list-style-type: none"> Council Technical Services Local Geographical Names Municipal Public Accounts Committee 	Ward 17 - ANC	100%	0%
Cllr. B. J. Nkosi	PT	<ul style="list-style-type: none"> Council Finance Committee Corporate Services 	Ward 18 - ANC	100%	0%
Cllr M.A. Nzimande	PT	<ul style="list-style-type: none"> Council Municipal Public Accounts Committee 	Ward 19 - ANC	86%	14%
Cllr M.R. Yende	PT	<ul style="list-style-type: none"> Council Municipal Public Accounts Committee Planning & Economic Development 	PR - EFF	76%	24%
Cllr M.F.J Nhlapho	PT	<ul style="list-style-type: none"> Council Finance Committee Corporate Services Planning and Economic Development 	PR – EFF	86%	14%
Cllr T Nkosi	PT	<ul style="list-style-type: none"> Council Corporate Services 	PR - EFF	69%	31%
Cllr M.F.J. Ndlovu	PT	<ul style="list-style-type: none"> Council 	PR – EFF	76%	24%

APPENDICES

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
		<ul style="list-style-type: none"> Community and Social Services 			
Cllr R.T. Nzimande	PT	<ul style="list-style-type: none"> Council Technical Services 	PR – EFF	86%	14%
Cllr Z. Breydenbach	PT	<ul style="list-style-type: none"> Council Women Caucus By-Laws & Policies Municipal Public Accounts Committee 	Ward 7 - DA	92%	8%
Cllr S. C. Mathebula	PT	<ul style="list-style-type: none"> Council By-Laws & Policies Local Geographical Name 	PR – DA	92%	8%
Cllr B.I. Mabuza	PT	<ul style="list-style-type: none"> Council Rules & Ethics Community & Social Services 	PR – DA	86%	14%
Cllr N.L. Masuku	PT	<ul style="list-style-type: none"> Council Corporate Services 	PR – EFF	92%	8%
Cllr M. Z. Nkosi	PT	<ul style="list-style-type: none"> Council 	PR – EFF	86%	14%
Cllr D. F. Arnoldi	PT	<ul style="list-style-type: none"> Council Finance Committee 	PR – FF+	92%	8%
Cllr J.D.A. Bignaut	PT	<ul style="list-style-type: none"> Council Rules & Ethics Municipal Public Accounts Committee Technical Services Community & Social Services 	PR – FF+	92%	8%
Cllr J.J. Scholtz	PT	<ul style="list-style-type: none"> Council Finance Committee By-Laws & Policies 	PR – ACDP	92%	8%
Cllr M. S. Malaza	PT	<ul style="list-style-type: none"> Council Planning & Economic Development 	PR – DA	100%	0%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them				T A	

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Corporate Services Committee	To exercise oversight on corporate services matters.
Public Safety Committee	To exercise oversight on Public Safety matters.
Technical Services Committee	To exercise oversight on Technical Services matters.
Community Services Committee	To exercise oversight on Community Services matters.
Finance Committee	To exercise oversight on Financial matters.
Rules and Ethics Committee	Oversight role on the code of conduct of Councillors.
By- Law and Policies Committee	Policy formulation, development and implementation.
Local Geographical Names Committee	Standardization and renaming of identified features and public facilities.
Led and Tourism Committee	Promotion of viable economic environment for sustainable growth.
Budget Evaluation committee	Evaluate the income and expenditure activities of the municipality and make recommendations to section 80 committees for oversight.
Local Aids Forum Council	Creating awareness on the scourge of HIV and AIDS pandemic including coordination HIV awareness programmes in various workplaces
Local labour Forum Committee	Advice on issues of mutual interest involving management and the workforce.
Moral Regeneration Movement Committee	Promotion of moral values within the society.
Municipal Public Account Committee	<ul style="list-style-type: none"> To promote good governance, transparency and accountability on the use of public funds and perform any tasks delegated by Council in terms of relevant applicable legislations, To conduct investigation in the recovery of unauthorized, irregular and fruitless expenditure in terms of section 32 of the Municipal Finance Management Act (MFMA), To review the Municipality and its entities Annual Report and to develop an oversight report on the Annual Report.
Gender Youth and People with disabilities Committee	Playing an advocacy role in the protection of the rights and interests of the vulnerable groups comprising women, youth and people with disability.

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APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Corporate Services	Mr. P. S. Mabuza – Director Corporate Services
Finance	Mr P. J. Nhlabathi – Chief Financial Officer
Technical Services	Mr F. R. Ntekele – Director Technical Services
Planning & Economic Development	Ms H. Maganya - Director Planning and Economic Development
Community & Social Services	Mr M. S. Lukhele – Director Community and Social Services
Office of the Municipal Manager	Mr M. Kunene – Municipal Manager
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2	

(T2.2.2).

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	No
Building regulations	Yes	No
Child care facilities	No	Yes
Electricity and gas reticulation	Yes	Yes
Fire fighting services	Yes	No
Local tourism	No	Yes
Municipal airports	Yes	No
Municipal planning	Yes	No
Municipal health services	No	Yes
Municipal public transport	No	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	N/A	N/A
Storm water management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	No
Beaches and amusement facilities	N/A	N/A

APPENDICES

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	No	Yes
Facilities for the accommodation, care and burial of animals	No	Yes
Fencing and fences	Yes	No
Licensing of dogs	N/A	N/A
Licensing and control of undertakings that sell food to the public	No	Yes
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	No	Yes
Municipal abattoirs	No	Yes
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	No	Yes
Pounds	No	Yes
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	No
Traffic and parking	Yes	No
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
One	Cllr S.S Buthelezi Zinhle Ngomane Sphamandla Nkosi Innocent Mabuza Daniel Mavuso Nomalungelo Maseko Simphiwe Mdeni	Yes	12	12	08

APPENDICES

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	David Sangweni Sifiso Zwane Sanele Manana Ayanda Mthethwa				
Two	Cllr S.M Mabuza Manqoba Nkosi Solly Nkosi John Norman Nkambule Phindile Agnes Mthethwa Lucky Benny Malinga Lindokuhle Enerst Mavuso Sithembiso Priscilla Hlengethwa Nokusa Sweetness Nkosi Sibongile Jane Mahlangu	Yes	09	09	08
Three	Cllr T.J Madlala Elijah Makhahlela Ngcongwane Sikhona Mkombo Nkululeko Mkhonza Nueem Ismail Ahmed Vally Ivan Thamsanqa Zulu Vusumuzi James Mavimbela Mbali Carol Myanga Thandiwe Eugene Zwane Nkululeko Ignatious Vilakazi	Yes	12	12	11
Four	Cllr T.J Maduna Fonono Dumisani Ntshangase Mxolisi Phineus Masilela Sibusiso A. Hlophe Prudence Ngwenya Innocent Sanele Mbendane Ntombi Zwane Dumisani Mahlangu	Yes	12	12	04

APPENDICES

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Nosipho Fezile Vilakazi Simangele Godness Mashigo Gift Ndlangamandla				
Five	Cllr V.C Madini Thembi Gracious Zwane Eunice Goodness Mtshali Sabetha Hazel Selepe Sizakele Mavis Ndlangamandla Nqobile Lindokuhle Sibiya Samkelisiwe Nkambule Thembelihle Gama Zanele Magagula Habofande Ignatius Mokholane Patrick Richard Nkosi	Yes	12	12	13
Six	Cllr B.L Ndlazi Thandiwe Mkhwanazi Alvina Masimula Nonjabulo Jele Busisiwe Shongwe Nonsikelelo Portia Cindi Bagezile Masango Lumkile Jagger Skhumbuzo Phakathi Anastacia Mpatho Shongwe Ayanda Nkambule	Yes	12	12	04
Seven	Cllr Z Breydenbach Given Rendani Matamele Nkosinatho Robert Mabasa Lucky Simphiwe Mpungose Veli Mokoena Samuel Ragedi Masilo Malusi Ngcobo Maria Myburg	Yes	12	12	02

APPENDICES

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Michael Philip Dos Reis Gerrit Christiaan Breydenbach				
Eight	Cllr B.G Motha Phathekile Maureen Magagula Makhehla J. Nkosi Linah Ntombane Nkosi Lolo Busi Ngwenya Delisile Ester Mtsheweni Sandile Desmond Nkosi Siyabonga Herbet Shabalala Walter Msibi Sfiso Ngwenya	Yes	12	12	06
Nine	Cllr T.P Zulu Sibonelo Mhlanga Mildred Dudu Mayisela Jaybie Sibanyoni Marry-Jane Nomcebo Myeza Sibusiso Msibi Stanley Trust Nomakhosi Hlophe Simangele J Nkosi Lungile Angel Maseko Apolo Isaiah Nkambule	Yes	12	12	12
Ten	Cllr S. Ngovene Nurse Jabulile Nkosi Nurse Irene Mkhonto Sammy Mohlape Thabile Getrude Dlamini Nomacala Sophie Mofokeng Ntombizodwa Shabangu Vusi Willie Zitha Thembinkosi Derick Zwane Lovers December Mahlangu Sizwe Bafana Nkosi Irene skosana	Yes	12	12	07

APPENDICES

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Sammy Mohlape Thabile Gertrude Dlamini Nurse Jabulile Nkosi				
Eleven	Cllr S. Khalishwayo Sibusiso Ngqotheni Sifiso Thabiso Hadebe Thapelo Bongani Mshayisa Nompumelelo Mtshali Deliwe Alice Dhladhla Mandla Maseko Thokozisi Mthethwa Ntompela Ellie Mndawe Mpostoli Zulu Ntingile Nkosi	Yes	12	12	05
Twelve	Cllr Mkhaliphi Phindile Maseko Cynthia Nkosi Deli Nkosi Sinethemba Nkosi Sunday Mdluli Nhlanhla Nkosi Thandeka Mayisela Mveleni D.Zulu Nkosinathi Magwagwa Jacob Dumisani Dlamini	Yes	12	12	11
Thirteen	Cllr N.R Nkosi Sbongile Nhlabathi Esther .Rosa . Shabangu Thabo Sidwell Masina Doctor William Mnisi Sonto Mdladla Joseph Mahlangu Zanele Mlangeni Betty Mdluli Sibusiso Xaba Senzo J . Sibeko	Yes	12	12	04
Fourteen	Cllr Z.E Zulu Bheki Richard Motsweni	Yes	12	12	04

APPENDICES

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Mbali G. Zulu Sonto M. Maseko Fikile Ester Nzima Dumsani Joseph Mthembu Thulani D.Malang Kenneth L. Malatjie Thembi Betty Nkosi Jacob Dumisani Dlamini				
Fifteen	Cllr V.J Maseko Nhlakanipho Mdluli Mthokozisi Mathebula Bonginkosi Gininda Sizwe Blessing Khaba Sanele Ndlovu Nomkhosi Lucia Shiba Richard Manana Lungelwa G. Mkhonza Mkhethiwe M. Dladla Nkosingiphile Simelane	Yes	12	12	04
Sixteen	Cllr P.H Sibiya Mbongelwa Milton Mtungwa Nomusa Makwakwa Gugu Nkosi Nolthando Zwane Vuyile Tshabalala Thomas Makangane Siphesihle Mnisi Sibongile Nkosi Jabhi Makhanye Nontobeko Nkosi	Yes	12	12	06
Seventeen	Cllr S. Cindi Phindile Mafuna Thamsanqa Mokoena Phethile Zodwa Mkhatshwa Mfanimpela Maseko Jeremia Gwende Nkosi	Yes	12	12	06

APPENDICES

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Thandukwazi Mavin Magagula Busisiwe Ngubeni Hansen Xolani Lindokuhle Kutu Mandla Thabethe Mlungisi Mkhwanazi				
Eighteen	Cllr B.J Nkosi Doctor Phakathi Thembisile Prudence Mndebele Duduzile Nkosi Ntombifuthi Mathebula Makhosonke Nsibande Winnie Zwane Bongane Methula Delisile Nkosi Sicolile Mkhonza	Yes	12	12	08
Nineteen	Cllr M.A Nzimande Manqoba Ntuli Sindiso T . Mokoena Thulile Elsie Nkosi Sydney A .Ndlovu Zanele Zulu Siphelile Masuku Tshepo Mabizela Mondli Henry Ngomane Danile Christina Mahlangu Nkululeko Sithole	Yes	12	12	07

APPENDICES

APPENDIX F – WARD INFORMATION

Ward Title: Ward 2				
Capital Projects: Seven Largest in 2022/223 FY (Full List at Appendix M)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value (19/20FY)
1	Rehabilitation of Emadamini Ext 6 Taxi collector	23/06/2021	Multi-year	R12 015 754.79
T F.1				

Ward Title: Ward 8				
Capital Projects: Seven Largest in 2022/223 FY (Full List at Appendix M)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value (19/20FY)
2.	Construction of A 8 MI Reservoir at Ermelo Ext 44 & associated pipework	01/09/2020	Multi-year	R 31 953 643.07
3.	design and construction (Turnkey) for the replacement of a 20 MVA, 88/11 KV transformer in Ermelo.	16/06/2021	Multi-year	R16 759 250.00
T F.1				

Ward Title: Ward 6,7,8,16				
Capital Projects: Seven Largest in 2022/223 FY (Full List at Appendix M)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value (19/20FY)
4.	Upgrading of Ermelo Ext 32, 33 and 34 outfall sewer pipeline.	12/07/2021	Multi-year	R 22,384,185.29
T F.1				

Ward Title: Ward 12,15				
Capital Projects: Seven Largest in 2022/223 FY (Full List at Appendix M)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value (19/20FY)
5.	The Refurbishment of the Lothair Oxidation Ponds	07/09/2022	Multi-year	R 19,895,893.39
T F.1				

Ward Title: Ward 19				
Capital Projects: Seven Largest in 2022/223 FY (Full List at Appendix M)				
				R' 000

APPENDICES

No.	Project Name and detail	Start Date	End Date	Total Value (19/20FY)
6.	The Refurbishment of the Chrissiesmeer Oxidation Ponds	08/09/2022	Multi-year	R 17,719,921.32
T F.1				

Ward Title: Ward 12,13,14,15,19				
Capital Projects: Seven Largest in 2022/223 FY (Full List at Appendix M)				
R' 000				
No.	Project Name and detail	Start Date	End Date	Total Value (20/20FY)
7.	Regional bulk water supply scheme for Breyten cluster 2 in Msukaligwa Local Municipality	16/03/2021	Multiyear	R134 926 809.00
T F.1				

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	63,554	63,757	59,145	50,973	X
Households without minimum service delivery	4,273	4,070	8,682	16,854	
Total Households*	67,827	67,827	67,827	67,827	
Houses completed in year	X				
Shortfall in Housing units					
*Including informal settlements					T F.2

Top Four Service Delivery Priorities for the Municipality (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2022/2023
1	Provision of adequate water supply.	All the water projects that were implemented during the Financial Year only one (1) completed and are as follows: <ul style="list-style-type: none"> Installation Of Water House Connections at Breyten Ext 4 (Enkanini)
2	Provision of hygienic sanitation services.	All of the sanitation projects that were implemented during the Financial Year only two (2) completed and are as follows: <ul style="list-style-type: none"> Installation Of Sewer Reticulation in Wesselton Extension 11 Phase 1 and Phase 2 VIP Toilets in Msukaligwa Farm areas Electro-Mechanical Upgrades to Extension 32, 33 and 34 Pumpstations in ErmeloRefurbishment of Ermelo WWTW
3	Provision roads and storm water management	The following projects were implemented and completed except 2 projects and 1 contract cancelled: <ul style="list-style-type: none"> Upgrading of the Wesselton Extension 3 Boxer intersection Rehabilitation of Emadamini Ext 6 Taxi collector

APPENDICES

		<ul style="list-style-type: none"> • Upgrading of KwaZanele Masizakhe road • Construction of paved roads in Wesselton Mthambama Street • Construction of the roads at Wesselton OR Tambo Taxi Collector Phase 1 • Construction of the storm water chanel at Wesselton Ext 6 eMadamini- contract cancelled
4	Electricity	<p>The Municipality implemented a project; installation of high mast within its jurisdiction. Other projects that were implemented are as follows:</p> <ul style="list-style-type: none"> • EEDSM (Retrofitting of the highmast lights and street lights)
T F.3		

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2022/2023

Municipal Audit Committee Recommendations			
Date of Committee	Audit Committee recommendations during 2022/2023	Action Taken	Recommendations adopted (enter Yes); not adopted (provide explanation)
25 FEBRUARY 2021	The Audit Committee requested corporate services to perform an investigation in order to try and see where capacity is weak or lacking in the SCM unit so that the Audit Committee can try and assist.	The skills profile of SCM official has been conducted and enclosed as per annexure, majority of SCM officials are competent in terms of the minimum competency requirement except where the official is still in the process of qualifying for the academic qualification	Yes
14 MARCH 2022	The Audit Committee recommended that the performance assessment of Senior Managers be conducted within the month of March 2022	Performance Assessment scheduled to be conducted on the week of the 7-10 November 2022 Assessments were conducted in November and December 2022	Yes
29 JUNE 2022	The Audit Committee recommended that the municipality resuscitate the FRP and have a champion for the FRP.	Management has resolved that the function be moved to the MMs office and the Champion has been appointed to be Mr. Zwane a manager in the office of the MM. to ensure accountability of all directors	Yes
18 AUG 2022	The Accounting Officer to develop his own action plan to address the Audit Committee resolutions that have not been addressed by management.	The Municipal Manager is attending to the issues of Audit, Audit Action plan as all of these are	Yes

APPENDICES

		discussed/attended to in the EXCO Meetings	
18 AUG 2022	The Accounting Officer to take the lead to ensure that the revenue enhancement committee is revived and is fully functional, in order to enhance revenue collection.	Management has resuscitated the revenue enhancement committee, scheduled to meet weekly. Municipal Manager has appointed a committee, a schedule will be developed for a sitting of the committee	Yes
18 AUG 2022	The Audit Committee requested that an invite to Audit Committee meetings be extended to the chairperson of MPAC	Invitation to the MPAC Chairperson has been sent	Yes
14 MARCH 2022	Audit committee recommended that management urgently engages with Eskom in regard to the payment agreement entered into to avoid litigation	Management has finalized repayment plan with Eskom, waiting for Eskom to sign the arrangement.	Yes
18 AUG 2022	The Accounting Officer intervene in addressing the matter of the FRP being inadequately responded to.	Management has resolved that the function be moved to the MMs office and the Champion has been appointed to be Mr. Zwane a manager in the office of the MM. to ensure accountability of all directors	Yes
18 AUG 2022	The Risk Chairperson to deal with issues of ethics management and how financial disclosure are made starting from Senior management to the person on the ground, and issues of hotline not being reported and the gift register	A subheading reporting on the issues of Ethics Management, Financial disclosures, Gifts register, and Hotline has been added to the Risk Committee Report to be reported to the Audit Committee on a quarterly basis	Yes

APPENDICES

18 AUG 2022	The Provincial Treasury sits with the Accounting Officer and ensure that the Action Plan of the Internal Audit Quality Assurance Report is agreed upon by the whole management	Provincial Treasury presented the QAR to the Accounting Officer and agreed upon the report in September 2022	Yes
18 AUG 2022	The Chief Internal Auditor to develop and submit action plan of the External Quality Assurance report to the Audit Committee	Action Plan of the External Quality Assurance Report has been developed	Yes
25 FEBRUARY 2021	The Audit Committee requested management to provide an acceleration plan that will help to address the internal audit findings, and the plan must be submitted within the next two weeks and management must not wait for the next Audit Committee meeting.	Internal Audit to present report with regards to I.A Action plan implementation.	Yes
01 JUNE 2021	The Audit Committee requested that management submit a report on the next meeting on what management is doing to ensure that the issues raised by Internal Audit and the Audit Committee in the Licensing and Traffic are addressed and not neglected, and the Audit Committee needs to know how management is structuring itself to ensure that the same arrangement that is in the Main Office is also there in the Service Delivery Offices.	The recruitment processes are still with the Human Resources, for an appointment of additional NATIS officer. The Organizational structure is being reviewed. Manager Service Delivery Unit has been appointed.	Yes
25 FEBRUARY 2021	The Audit Committee raised a concern on the Municipality's debt book and requested management to come up with tangible strategies in order to reduce the debt book, the Audit Committee further requested management to implement their credit control policies.	Management Implementation of a web platform for consumers to get their statements, municipal accounts be sent through Post Office, still in tender process. Targeted approach in terms Cut off list for services are compiled	Yes
01 JUNE 2021	The Audit Committee recommended that a Forensic investigation be conducted on the findings raised by Internal Audit on the stores audit.	An item was re-tabled before Council by the Audit Committee Chairperson in report of the AC.	Yes

APPENDICES

		MPAC was requested to investigate the matter.	
21 JANUARY 2022	<p>The Audit Committee requested that on the action plans that are outstanding in the Financial Recovery Plan report, management must develop an action plan.</p> <p>Classify actions as short-term action, long-term action or mid-term action with specific due dates (if the actions are not included in the financial recovery plan) to avoid having the same actions not addressed at the end of the financial year.</p>	<p>Progress report was presented to the strategic planning session detailing the achievement to date, we recommended that there should be a one consolidated plan to avoid duplications.</p> <p>FRP progress report as at 30 April 2023 completed.</p>	Yes
18 AUG 2022	<p>Management must indicate if the Forensic investigation at stores is feasible or not, so the resolution can be removed as it has been long overdue</p>	<p>An item was re-tabled before Council by the Audit Committee Chairperson.</p> <p>Council has requested MPAC to investigate the matter.</p>	Yes
18 AUG 2022	<p>The Accounting Officer to have a meeting with the DWS HOD Nationally or start with the Provincial Head and deliberate on the matter to see if they cannot at the strategic level come up with a solution and take the initiative to assist the municipality regarding the DWS Account.</p>	<p>Meeting was scheduled for 08 Feb 2023.</p> <p>Two Meetings were held on the 09 March and 12 May 2023 to resolve the disputes and for the municipality to enter into Repayment Plan</p>	Yes
02 MARCH 2023	<p>Audit Committee requested that management hold a post audit committee meeting and discuss how best they can fast track the resolving of the outstanding resolution.</p>	<p>EXCO meetings are scheduled to seat before all risk and audit committee sittings</p>	Yes

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Medium/ Long Term Contracts (Largest Contracts Entered into 2022/2023 R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Makey Building Construction	Refurbishment of Chrissiesmeer Oxidation Ponds	23-Jan-23	Multi-year	Technical department	R16,227,201.04
A1 Glass Aluminium	Refurbishment of Lothair Oxidation Ponds	23-Jan-23	Multi-year	Technical department	R18,104,290.00
Ndhlabili Construction and Projects	Construction of Road at Wesselton, Msheveni Street	30-Jan-23	Multi-year	Technical department	R 15,195,158.27
CV & SS TRADING ENTERPRISE CC	VIP Toilets in Msukaligwa Farm areas	17-Oct-22	10-Mar-23	Technical department	R7,878,336.00
Sibusisosobuhle Trading Enterprise	Construction of paved roads in Wesselton Mthambama Street	23-Jan-23	23-Jun-23	Technical department	R 7,101,379.73
Zondle Trading	Installation Of Sewer Reticulation In Wesselton Extension 11 Phase 1 and Phase 2	23-Jan-23	30-Jun-23	Technical department	R 7,025,857.17
Element Consulting Engineers	Installation of Retrofit Technology	28-Sep-22	30-Jun-23	Technical department	R 4,000,000.00
					T H.1

Public Private Partnerships Entered into					
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	2021/22	R' 000
				Project manager	Value
No PPPs entered with the municipality	-	-	-	-	-
					T H.2

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule								
Service Objectives	Outline Service Targets	2017/18		2018/19		2019/20		2020/21
		Target	Actual	Target	Actual	Target	Actual	Future
Service Indicators	Service Targets							
Service Objective: To provide sustainable basic services and sustainable infrastructure								
None – Contained in Appendix M								
								T I

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2022 to 30 June 2023		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	MP Nkosi	Nil
Speaker	NS Xaba	Nil
Council Whip	PT Sibeko	Nil
Member of the Mayco	ZE Zulu	Nil
Member of the Mayco	EC Msezane	Nil
Member of the Mayco	SE Ngovene	Nil
Member of the Mayco		
Councillor	LL Nhlapho	Nil
Councillor	JDA Blignaut	Nil
Councillor	TC Motha	Nil
Councillor	BL Ndlazi	Nil
Councillor	BG Motha	Nil
Councillor	MS Malaza	Nil
Councillor	BI Mabuza	Nil
Councillor	TP Zulu	Nil
Councillor	MR Yende	Nil
Councillor	PH Sibiya	Nil
Councillor	JJ Scholtz	Ermelo Sand CC, Pro Fire Ermelo, Pro Engineering Bolts and Nuts
Councillor	MA Nzimande	Nil
Councillor	T Nkosi	Nil
Councillor	NR Nkosi	Nil
Councillor	MZ Nkosi	Nil
Councillor	BI Nkosi	Nil
Councillor	SF Ngwenya	Nil
Councillor	SE Ngovene	Nil
Councillor	MFJ Ndlovu	ICT Logistics, Palmsco Group
Councillor	VCN Madini	Nil
Councillor	SM Mabuza	Nil
Councillor	TJ Maduna	Nil
Councillor	BA Mahlalela	Nil
Councillor	VJ Maseko	Nil
Councillor	SC Mathebula	Nil
Councillor	MM Mkhaliphi	Nil

APPENDICES

Disclosures of Financial Interests		
Period 1 July 2022 to 30 June 2023		
Position	Name	Description of Financial interests* (Nil / Or details)
Councillor	DVF Arnoldi	Ecological Services
Councillor	Z Breytenbach	Ermelo Properties
Councillor	SSS Buthelezi	Nil
Councillor	SS Cindi	Nil
Councillor	SP Khalishwako	Sasol Inzalo shares, Amabuzi , Siyasho Ngani CC, Cormmerial Farm
Councillor	TJ Madlala	Nil
Councillor	AM Mahlangu	Nil
Councillor	RT Nzimande	Nil
Municipal Manager	M. Kunene	Nil
Chief Financial Officer	J. Nhlabathi	Nil
Deputy Chief Financial Officer	S. Phiri	Nil
Directors	PS Mabuza	Nil
	M. Lukhele	Nil
	P. Duma	Nil
	H. Maganya	Nil
Other S57 Officials	None	

* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A
T J

APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		181,646	207,037	230,134	17,180	202,863	230,134	(27,271)	-12%	230,134
Service charges - electricity revenue		240,824	246,323	254,046	19,283	226,614	254,046	(27,432)	-11%	254,046
Service charges - water revenue		64,326	67,192	75,529	7,330	74,243	75,529	(1,286)	-2%	75,529
Service charges - sanitation revenue		48,774	52,787	58,547	4,742	57,677	58,547	(871)	-1%	58,547
Service charges - refuse revenue		40,181	45,048	50,142	4,009	49,300	50,142	(842)	-2%	50,142
Rental of facilities and equipment		2,720	2,700	2,851	248	2,920	2,851	69	2%	2,851
Interest earned - external investments		1,098	932	3,133	600	4,854	3,133	1,722	55%	3,133
Interest earned - outstanding debtors		29,709	31,001	35,060	3,462	37,111	35,060	2,051	6%	35,060
Dividends received								-		
Fines, penalties and forfeits		4,771	5,177	5,174	13	177	5,174	(4,997)	-97%	5,174
Licences and permits		3,666	3,636	3,636	4,902	4,925	3,636	1,289	35%	3,636
Agency services		8,001	8,490	8,490	2,396	2,396	8,490	(6,094)	-72%	8,490
Transfers and subsidies		207,661	231,689	243,694	(8,000)	228,404	243,694	(15,291)	-6%	243,694
Other revenue		6,113	8,633	11,999	541	6,966	11,999	(5,033)	-42%	11,999
Gains		67,088	-	-	3,964	4,843	-	4,843	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		906,577	910,645	982,436	60,669	903,294	982,436	(79,142)	-8%	982,436

APPENDICES

APPENDIX K (I): REVENUE AND EXPENDITURE PERFORMANCE BY FUNCTIONAL CLASSIFICATION

MP302 Msukaligwa - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		502,049	479,945	522,045	12,320	448,831	522,045	(73,214)	-14%	522,045
Executive and council		241,446	259,023	263,043	(6,500)	228,519	263,043	(34,524)	-13%	263,043
Finance and administration		260,602	220,922	259,002	18,820	220,312	259,002	(38,691)	-15%	259,002
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		10,465	11,139	12,081	594	6,437	12,081	(5,644)	-47%	12,081
Community and social services		907	1,017	1,096	97	929	1,096	(168)	-15%	1,096
Sport and recreation		160	164	174	15	178	174	4	2%	174
Public safety		6,418	7,032	7,809	168	2,118	7,809	(5,692)	-73%	7,809
Housing		2,980	2,627	2,703	314	3,213	2,703	510	19%	2,703
Health		-	299	299	-	-	299	(299)	-100%	299
<i>Economic and environmental services</i>		16,750	17,518	17,549	7,424	9,362	17,549	(8,186)	-47%	17,549
Planning and development		5,094	5,422	5,453	127	2,066	5,453	(3,387)	-62%	5,453
Road transport		11,656	12,096	12,096	7,297	7,297	12,096	(4,799)	-40%	12,096
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		680,602	693,974	726,666	41,819	440,013	726,666	(286,653)	-39%	726,666
Energy sources		256,356	260,019	272,125	19,884	233,294	272,125	(38,831)	-14%	272,125
Water management		325,434	309,687	318,366	8,154	83,261	318,366	(235,106)	-74%	318,366
Waste water management		53,758	65,813	72,040	5,319	63,857	72,040	(8,183)	-11%	72,040
Waste management		45,055	58,454	64,135	8,461	59,601	64,135	(4,534)	-7%	64,135
<i>Other</i>	4	145	121	147	13	151	147	3	2%	147
Total Revenue - Functional	2	1,210,012	1,202,697	1,278,488	62,169	904,794	1,278,488	(373,694)	-29%	1,278,488
Expenditure - Functional										
<i>Governance and administration</i>		271,025	213,196	177,695	13,587	163,645	177,695	(14,049)	-8%	177,695
Executive and council		59,773	48,197	54,471	(50)	55,979	54,471	1,508	3%	54,471
Finance and administration		211,252	165,000	123,224	13,637	107,667	123,224	(15,557)	-13%	123,224
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		119,583	121,569	123,894	18,141	105,803	123,894	(18,091)	-15%	123,894
Community and social services		61,449	63,620	69,582	13,431	61,633	69,582	(7,949)	-11%	69,582
Sport and recreation		28,510	19,684	19,984	964	15,624	19,984	(4,360)	-22%	19,984
Public safety		25,220	32,824	27,877	3,326	24,374	27,877	(3,503)	-13%	27,877
Housing		3,917	5,142	6,153	421	4,142	6,153	(2,011)	-33%	6,153
Health		486	299	299	-	30	299	(269)	-90%	299
<i>Economic and environmental services</i>		94,358	100,992	98,665	5,950	74,163	98,665	(24,503)	-25%	98,665
Planning and development		14,996	15,606	19,618	1,397	15,617	19,618	(4,001)	-20%	19,618
Road transport		79,362	85,386	79,047	4,553	58,545	79,047	(20,502)	-26%	79,047
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		585,697	689,503	735,412	156,168	509,503	735,412	(225,909)	-31%	735,412
Energy sources		300,337	433,182	439,991	126,571	377,206	439,991	(62,785)	-14%	439,991
Water management		160,149	144,544	116,524	24,037	73,207	116,524	(43,317)	-37%	116,524
Waste water management		61,568	61,092	142,696	1,565	27,711	142,696	(114,984)	-81%	142,696
Waste management		63,643	50,685	36,201	3,996	31,378	36,201	(4,823)	-13%	36,201
<i>Other</i>		101	105	105	9	75	105	(30)	-28%	105
Total Expenditure - Functional	3	1,070,763	1,125,364	1,135,771	193,855	853,189	1,135,771	(282,582)	-25%	1,135,771
Surplus/ (Deficit) for the year		139,248	77,333	142,718	(131,686)	51,605	142,718	(91,113)	-64%	142,718

APPENDICES

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
R						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Original Budget	Adjustment Budget	
	R	R	R	%	%	
Audited AFS Note 23						
Municipal Systems Improvement Grant	0	0	0	0%	0%	
Finance Management Grant	3 000 000	3 000 000	3 000 000	0%	0%	
EPWP	2 062 310	2 062 310	2 062 310	0%	0%	
SETA Grants	303 131	300 131	303 131	0%	0%	
PMU	2 618 300	2 618 300	2 618 300	0%	0%	
Municipal Disaster Relief Fund Grant	0	0	0	0%	0%	
GSDM Contribution COVID-19	0	0	0	0%	0%	
Total	7 983 741	7 983 741	7 983 741	0%	0%	
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

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COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG

The Financial management grant were spent according to the FMG support plan. Funds were utilized to employ interns, assist with the compiling of the Annual Financial Statements. The EPWP grant were utilised to appoint and ensure payment of contract workers.

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APPENDICES

APPENDIX M – CAPITAL PROGRAMME BY PROJECT 2022/2023

Project Name	Ward No.	2022/2023 FY Budget	Expenditure	Project Status
Installation Of Water House Connections at Breyten Ext 4 (Enkanini)	13	R 1,225,260.41	R 1 225 260.41	Project completed
Construction of A 8 MI Reservoir at Ermelo Ext 44 & associated pipeworks	8	R 2,260,863.23	R 29,692,779.84	Project practically completed
Installation Of Sewer Reticulation in Wesselton Extension 11 Phase 1 and Phase 2	9	R 7,153,534.76	R 0.00	Project practically completed.
VIP Toilets in Msukaligwa Farm areas	8,12,14,15	R 7,875,719.78	R 0.00	Project completed
Electro-Mechanical Upgrades to Extension 32, 33 and 34 Pumpstations in Ermelo	16	R 666,206.11	R 7,640,187.94	Implementation SLA with DHS (Overall -98% Construction (Electrical -90% Construction))
Construction of two Intersections to join SANRAL's N17 at Warburton, Nganga Road and associated St	12	R 6,629,689.67	R 192,231.15	Project practically completed.
Upgrading of the Wesselton Extension 3 Boxer intersection	1	R 3,969,338.82	R 5,770,805.32	Project completed
Rehabilitation of Emadamini Ext 6 Taxi collector	2	R 3,790,365.42	R 8,225,389.37	Project completed
Upgrading of KwaZanele Masizakhe road	14	R 1,899,899.96	R 5,167,208.22	Project completed
Construction of paved roads in Wesselton Mthambama Street	17	R 7,618,694.82	R 0.00	Project practically completed.
Construction of the roads at Wesselton OR Tambo Taxi Collector Phase 1	1,9	R 513,370.61	R 323 929.43	Design completed (design only)
Construction of the storm water chanel at Wesselton Ext 6 eMadamini	2	R 597,574.99	R 0.00	Contractor Appointed
Construction of the roads at Wesselton Msheveni Street	17	R 8,675,474.68	R 0.00	Implementation (39%)
Procurement of the Yellow Fleet for the waste management	N/A	R 1,773,750.00	R 4,800,000.00	Compactor Truck Delivered
Installation of Highmast Lights	4,12,15	R 315,932.69	R 1 134 730.55	Project completed
	10,11 & 18	R 2,086,574.05	R3 933 478.65	Implementation (97.2%)
EEDSM	16	R4, 000, 000.00	R4 000 000.00	Project completed

APPENDICES

Regional bulk water supply scheme for Breyten cluster 2 in Msukaligwa Local Municipality	12,13,14,15,19	R134 926 809.00	R403 560 935.9	Implementation
Upgrading of Ermelo Ext 32, 33 and 34 outfall sewer pipeline.	16	R 22,384,185.29	R 22,384,185.29	Implementation (98.7%)
The Refurbishment of the Chrissiesmeer Oxidation Ponds	19	R 17,719,921.32	R 17,719,921.32	Implementation (80%)
The Refurbishment of the Lothair Oxidation Ponds	15	R 19,895,893.39	R 19,895,893.39	Implementation (60%)
design and construction (Turnkey) for the replacement of a 20 MVA, 88/11 KV transformer in Ermelo.	7 & 8	R16 164 162.97	R15 161 822,97	Implementation (97.5%)

APPENDICES

APPENDIX N – CAPITAL PROGRAMME BY PROJECT BY WARD 2020/2021

See Appendix M

APPENDIX O – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Schools are provided with all municipal services except solid waste collections at farm schools.				
Clinics (NAMES, LOCATIONS)				
Clinics are provided with all municipal services.				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				TP

APPENDICES

APPENDIX P – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
<u>Clinics:</u>		
Farm areas	High	Mobile clinics not doing regular visits. Communities have to travel to towns to access health services and some do not afford transport fares. The elderly are the most affected.
<u>Housing:</u>		
Ermelo extension 32, 34, Nganga, Wesselton ext.3 and other areas.	Medium	There is a complaint about houses that are taking too long to be built or completed and those that were not built at all while beneficiaries are approved as beneficiaries on the Dept. of Human Settlement database.
<u>Schools (Primary and High):</u>		
Khayelisha settlement at Ward 9	Medium	The settlement has grown and due to the population growth and urban migration. So, there is a need for a primary school. The current Wesselton Primary school is too far for small kids and often parents struggle to pay transport fees for the kids.

APPENDIX Q – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

No grants were made by the municipality.

APPENDIX R – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

There were no returns made in accordance with Section 71 of the MFMA.

VOLUME II

ANNUAL FINANCIAL STATEMENTS