



MAKHUDUTHAMAGA  
LOCAL  
MUNICIPALITY

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Mmogo re somela diphetogo! | Together working for change!

# DRAFT ANNUAL REPORT 2022/2023



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## ACRONYMS

AFS	: Annual Financial Statements
AGSA	: Auditor General of South Africa
AIDS	: Acquired Immune deficiency Syndrome
ANC	: African National Congress
APSP	: African People's Socialist Party
AZAPO	: Azanian People's Organisation
BTO	: Budget and Treasury Office
CBO	: Community Based Organisation
CCTV	: Closed Circuit Television
CDW	: Community Development Worker
CFO	: Chief Financial Officer
CLLR	: Councillor
CoGHSTA Traditional Affairs	: Department of Cooperate Governance, Human Settlement and Traditional Affairs
COGTA	: Department of Cooperative Governance and Traditional Affairs
CPMD	: Certificate Programme in Management Development
CSD	: Central Supplier Database
CWP	: Community Works Programme
DA	: Democratic Alliance
DLTC	: Driver's License Testing Center
DoTCS	: Department of Transport and Community Safety



<b>DRDLR</b>	<b>: Department of Rural Development and Land Reform</b>
<b>DSAC</b>	<b>: Department of Sports, Arts and Culture</b>
<b>ECD</b>	<b>: Early Childhood Development</b>
<b>EDP</b>	<b>: Economic Development and Planning</b>
<b>EFF</b>	<b>: Economic Freedom Fighters</b>
<b>EPWP</b>	<b>: Expanded Public Works Programme</b>
<b>ESS</b>	<b>: Employee Self Service</b>
<b>EXCO</b>	<b>: Executive Committee</b>
<b>FBE</b>	<b>: Free Basic Electricity</b>
<b>FBO</b>	<b>: Foster faith based organization</b>
<b>GBV</b>	<b>: Gender Based Violence</b>
<b>GIS</b>	<b>: Geographic Information System</b>
<b>GRAP</b>	<b>: Generally Recognized Accounting Practice</b>
<b>HIV</b>	<b>: Human Immune Deficiency Virus</b>
<b>HoD</b>	<b>: Head of Department</b>
<b>HR</b>	<b>: Human Resources</b>
<b>ICT</b>	<b>: Information Communication Technology</b>
<b>IDP</b>	<b>: Integrated Development Plan</b>
<b>INEP</b>	<b>: Integrated National Electrification Program</b>
<b>JDMPT</b>	<b>: Join District Municipal Planning Tribunal</b>
<b>JMPT</b>	<b>: Joint Municipal Planning Tribunal</b>
<b>Km</b>	<b>: Kilometer</b>
<b>LAC</b>	<b>: Local Aids Council</b>
<b>LED</b>	<b>: Local Economic Development</b>
<b>LEDA</b>	<b>: Limpopo Economic Development Agency</b>
<b>LEDET</b>	<b>: Limpopo Economic Development, Environment and Tourism</b>
<b>LGAAC</b>	<b>: Local Government Advanced Accounting Certificate</b>
<b>LGBTI</b>	<b>: Lesbian, Gay Bisexual, Transgender and Intersex</b>
<b>LGBTIQ</b>	<b>: Lesbian Gay Bisexual Transgender Intersex Queer</b>
<b>LGE</b>	<b>: Local Government Election</b>
<b>LGMIM</b>	<b>: Local Government Municipal Improvement Model</b>
<b>LGSETA</b>	<b>: Local Government Sector Education Training Authority</b>
<b>LLF</b>	<b>: Local Labour Forum</b>
<b>LUMS</b>	<b>: Land Use Management System</b>
<b>MDG</b>	<b>: Millennium Development Goals</b>
<b>MDRF</b>	<b>: Municipal Disaster Relief Fund</b>
<b>MFMA</b>	<b>: Municipal Finance Management Act</b>
<b>MFMP</b>	<b>: Municipal Finance Management Program</b>
<b>MIG</b>	<b>: Municipal Infrastructure Grant</b>
<b>MLM</b>	<b>: Makhuduthamaga Local Municipality</b>
<b>MMC</b>	<b>: Member of Mayoral Committee</b>
<b>MoU</b>	<b>:Memorandum of understanding</b>
<b>MPAC</b>	<b>: Municipal Public Account Committee</b>
<b>MPT</b>	<b>: Municipal Planning Tribunal</b>
<b>MSA</b>	<b>: Municipal Systems Act</b>
<b>mSCOA</b>	<b>: Municipal Standard Charts of Accounts</b>
<b>N/A</b>	<b>: Not Applicable</b>
<b>NASRA</b>	<b>: National Archive Regulation of South Africa</b>
<b>NDP</b>	<b>: National Development Plan</b>
<b>NGO</b>	<b>: Non - Governmental Organisation</b>
<b>OHS</b>	<b>: Occupational Health and Safety</b>
<b>PIGF</b>	<b>: Premier's Intergovernmental Forum</b>
<b>PMS</b>	<b>: Performance Management System</b>
<b>PMT</b>	<b>: Political Management Team</b>
<b>PTO</b>	<b>: Permission To Occupy</b>



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<b>RDP</b>	<b>: Reconstruction and Development Programme</b>
<b>SAMEBA</b>	<b>: South African Maintenance and Estate Beneficiaries</b>
<b>SAPS</b>	<b>: South African Police Services</b>
<b>SASSA</b>	<b>: South African Social Security Agency</b>
<b>SAWIS</b>	<b>: South African Waste Information System</b>
<b>SCM</b>	<b>: Supply Chain Management</b>
<b>SDBIP</b>	<b>: Service Delivery and Budget Implementation Plan</b>
<b>SDF</b>	<b>: Spatial Development Framework</b>
<b>SDL</b>	<b>: Skills Development Levy</b>
<b>SDM</b>	<b>: Sekhukhune District Municipality</b>
<b>SITA</b>	<b>: State Information Technology Agency</b>
<b>SMART</b>	<b>: Specific, Measurable, Achievable, Realistic and Time bound</b>
<b>SMME</b>	<b>: Small, Medium and Micro Enterprises</b>
<b>SOMA</b>	<b>: State Of Municipal Address</b>
<b>SPLUMA</b>	<b>: Spatial Planning and Land Use Management Act</b>
<b>TB</b>	<b>: Tuberculosis</b>
<b>VTS</b>	<b>: Vehicle Testing Station</b>
<b>WSP</b>	<b>: Work Skills Plan</b>

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## CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### 1. INTRODUCTION AND OVERVIEW

Makhuduthamaga Local Municipality hereby, in terms of Section 46 of Municipal System Act No.32 of 2000 (MSA) and sections 121 and 127(2) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), present to Council and community the **2022/2023** Annual Report which outlines achievements and challenges for the year under review. This chapter has been compiled in terms of Section 52(a) of the MFMA, and MFMA circular no 11 and circular 63 guidelines where the Mayor provides general political guidance over the fiscal and non-financial affairs of the municipality. The chapter deals with Mayor's Foreword, Municipal Manager's Foreword and Municipal Overview.



## 1.1 Mayors Foreword

The financial year of 2022/2023 Council of Makhuduthamaga adopted its 2022/2023 Integrated Development Plan IDP and Budget by the end of May and the Mayor signed the Service Delivery Budget and Implementation Plan (SDBIP) to established a fresh start for the Makhuduthamaga Local Municipality. I, therefore, thanks the Council and the continuation of implemented and adoption of the 2022-2023 IDP and Budget, which assures an opportunity of creating and implementing new strategic goals and concrete plans to achieving service delivery. The Administration were presented with tasks to accomplish enhancements in basic service delivery within the Makhuduthamaga community in lines electricity access; road networks development; maintenance of infrastructure and sufficient collection of waste in some of areas. The political environment diversified as assorted political parties represented Makhuduthamaga Councils decision-making.

In the 2022/2023 financial year, Makhuduthamaga Local Municipality developed strategic plans, as well as sector plans to find expression in our principal strategic plan – the IDP, through which we define our developmental path. The improvements in key performance areas and unsatisfactory underperformance of the municipality reflects the political oversights committees' guidance and recommendations made to ensure effective and efficient use of municipal resources and improve capital budget and grant spending. The section 79 political monitoring committee have met as scheduled and this engagement has allowed for concerns to be raised and interventions to be proposed and implemented.

### 1.1.1 The following table shows portfolio committees and number of meetings held during the year under review

Table:1

Name of Portfolio	Number of meetings
Budget and Treasury	10
Community Services	09
Corporate services	08
Economic Development and planning	09
Infrastructure Development Services	09
Municipal Public Account Committee	16

The municipality developed an approach that has been established by our institution in hopes to improves systems within Makhuduthamaga Local Municipality, recognising that many of the

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problems that community faces are multi-sectoral in nature and cannot be adequately dealt with by a single department and not in one financial year.

Vertical coordination will be strengthened by active participation in the intergovernmental relations and working with other spheres of government and private sectors to ensure planning and implementation are integrated.

### **1.1.2 Methods used / implemented to improve public participation and accountability**

During 2022/2023 Community Consultations were conducted extensively through social media platforms and thus this method of communication has been improved as a measure of public engagement e.g Facebook. Public consultations initiated was done by the council in order to comply with the legislative requirements. The LED strategy review consultation done and IDP.

The mayor of Makhuduthaga local municipality invited the members of the public and stakeholders to attend consultation on the Draft Annual Report of 2021/2022 financial year, The following table shows the date and programme

<b>Date</b>	<b>Target Stakeholder</b>	<b>Venue</b>
09/02/2023	Magoshi (joint with SDM)	Municipal Chamber
21/02/2023	Masemola Cluster (Joint with SDM)	Setlaboswana
22/02/2023	Municipal Staff	Municipal Chamber
23/02/2023	Schoornood cluster	Peter Nchabeleng Sports complex
23/02/2023	Jane Furse Cluster	Dichoueng Tribal Office
24/02/2023	Phokwane Cluster	Mohlarekoma
24/02/2023	Special focused group and business people	Municipal chamber

The Municipality working together with all stakeholders such as business, community, unemployed structure, faith based organisation, CDW's and ward committees has been seen as

an improved and effective working relations of Local Economic Development Forum, Council, Local AIDS Council and local command council. The active participation by these various stakeholders did not only strengthen the capacity of the municipality but narrowed a social distance between the municipality and the community.

The Speaker's office facilitated constant interaction with communities through quarterly Ward Committee meetings with their constituencies to identify challenges and problems encountered in their wards. Through that programme Speakers office initiated the community consultation on monitoring ID application and participation of local stakeholders forum at Masemola High School, Ramphelane High school, Kgoshimorwangwato High School and Seopo High School . The Mayor's office also managed to hold 36 special programs focusing on focal groups i.e. women, children (ECD,) disabled persons, the elderly, the moral regeneration, men's forum and LGBTI for the financial year. The total no of 17 outreach/imbizos were also conducted where service delivery challenges and achievements were shared with the general public of the municipality.

The municipality throughout the financial year faced consistent municipal labour unrests and simultaneously we were continuing to attempt to close the gaps and backlogs. Municipality experienced 02 of protest among others community complaint mostly about water shortage and Roads.

The municipality was able to remain stable and managed to hold council total number of 04 ordinary meeting and 13 special meeting

The municipality seeks to achieve the economic growth and poverty alleviation through ensuring a better life for the society by coordinating sustainable social and economic developmental programs. Furthermore, create a conducive environment for business investments and growth for job creation. EPWP and CWP have contributed positively in maintaining a safety net for the poor communities and alleviating poverty where it matters the most. About 208 full-time positions were filled internally and 147 on EPW and 1208 on the CWP programmes.

In our growing population, there is an immense need for housing, and around 80 houses were handover during 2022/2023 financial year and this was promoted by slow service delivery/ under-performance of contractors, scarcity of building material and shortage of serviced sites. It is important to highlight that the number of housing opportunities per financial year is directly dependent on the number of housing subsidies received from the Limpopo Department of Cooperative governance Human Settlements, and Traditional Affairs.

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Towards realizing this vision, we are guided by the following strategic objectives in order to build and maintain strategic infrastructure for logistics:

1. To ensure acquisition and sustainable use of land and promote growth and development.
2. To reduce infrastructure and service backlogs in order to improve quality of life of the community by providing them with roads, storm water control, bridges, electricity, housing and to promote social cohesion, safety, environmental welfare and disaster management for the municipality.
3. To create and manage an environment that will develop, stimulate and strengthen local economic growth
4. To provide sound and sustainable management of the financial affairs of Makhuduthamaga Local Municipality.
5. To promote good governance, public participation, accountability, transparency, effectiveness and efficiency.
6. Improve Internal and External operations of the municipality and its stakeholders

### **1.1.3 General summary of the municipality**

#### **a) Strategic alignment to Provincial Growth and Development Strategy**

The United Nations MDGs/Sustainable Development Goals' Declaration, which aims at promoting a comprehensive approach for addressing development issues across a broad front, with the net effect of ending poverty, fighting inequality and injustice, and tackling the effects of climate change by 2030.

- The White Paper on Local Government of 1998, which sets a clear vision for developmental local government in South Africa.
- The National Development Plan (NDP) 2030, which is considered as the South Africa's "long-term socio-economic development roadmap." The NDP envisages that by 2030, South Africa will be capable of playing a fully developmental role, capable of supporting and guiding development in such a way that benefits society with a particular emphasis on the poor, as captured in the White Paper on Local Government of 1998

In consideration of both the National and the Provincial Strategic framework, our Integrated Development Plan (IDP) seeks to ensure that local government is able to fulfill its developmental role. Our attitude as the Municipality is that we need to use IDP as the blue print

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of the municipality more strategically to focus our attention on critical priorities in our mandate as local government such as spatial planning, infrastructure and basic services.

#### **1.1.4 Summary of Municipal Service Provider's Performance during the year 2022-2023.**

The Municipality's Vision will be achieved by growing the economy and meeting people's needs so that all citizens enjoy a high quality of life with equal opportunities. Service providers play a vital role in the performance of the organization. Some of our municipal services are outsourced through service providers. The Municipality is responsible for ensuring effective and efficient service delivery to the community. Therefore, there is a need to monitor the performance of service providers. The objective of performance monitoring of service providers is to obtain a measure of the service provider's performance under the contract. Performance assessments during the course of a contract help both the Municipality and the service provider to reach a common understanding of the requirements of both parties about the work to be done. A rigorous reporting system is an excellent tool to provide feedback to a service provider on its performance on each project. It helps to identify areas that the Service Provider is excelling in and any areas that need improvement. Performance reports can be used in the assessment of a service provider for pre-qualification, selective tender list, registration, tender evaluation and—in the event of termination—for unsatisfactory performance under a contract. Further, business support strategies and interventions can be appropriately tailored to achieve Municipal developmental objectives which is to ensure:

- a high quality of service is maintained,
- detect underperformance early,
- thereby reducing the risks to projects,
- create mechanisms to improve performance where targets are not being achieved,
- provide data to municipal officials so that informed decisions can be made
- assess the suitability of a service provider for pre-qualification, selective tender lists or expressions of interest.

Municipal services are being provided by the Municipality by entering into Service Level Agreement in terms of Section 76(b) of the Municipal Systems Act 32 of 2000 with an external service provider. The Municipality is responsible for monitoring and assessing the

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Implementation of the agreement, including the performance of the service provider in accordance with section 41 of the Municipal Systems Act 32 of 2000.

The performance of service providers that have been selected to provide assistance in the provision of a municipal services is required by Section 116 of the Municipal Finance Management Act, to be monitored and reported on. While departments have mechanisms in place to monitor the work done by service providers,

**A) The following Service providers' performance as at the end of financial year 2022/2023**

The table below indicates service providers utilised according to functional areas:

**Municipal Manager**

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/Service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>	<b>Expenditure to Date</b>
CorpMD Consulting (Pty) Ltd	3 Years	09/10/2020	08/10/2023	N/A	Applicable Rates	Provision of internal auditing for a period of three (03) years	Good	Good	N/A	R4 095 069
Multichoice DStv	Pay per view	22/02/2018	Continuous	N/A	Pay per view	Subscription to active internal television screen	Good	Good	N/A	R28 800
Re Basadi (Pty) Ltd	3 Years	16/12/2020	15/12/2023	N/A	Applicable Rates	Provision of SMS Line	Good	Good	N/A	R778 267

### Corporate Services

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>	<b>Expenditure to Date</b>
Telkom SA	3 Years	01/07/2021	30/06/24	N/A	Applicable Rates	Provision of Telephone Services	Good	Good	N/A	R5 732 278
Nonke C Travels	3 Years	09/10/2020	08/10/2023	N/A	Applicable Rates	Provision for travel agency for a period of three(03) years	Good	Good	N/A	R3 150 898
Maphorisa Initiatives Security and Projects	3 Years	30/11/2020	29/11/2023	N/A	Applicable Rates	Provision of Microsoft Licensing	Good	Good	N/A	R7 594 998
Open Kingdom Technology Consulting	3 Years	11/09/2020	10/09/2023	N/A	Applicable Rates	Supply and delivery of ICT equipment for a period of three (03) years	Good	Good	N/A	R2 442 233
Rousing Consulting &	3 Years	17/03/2020	16/03/2023	N/A	Applicable	Provision of Municipal	Good	Good	N/A	R537 790



Communication					Rates	Intranet				
LCK Technologies	3 Years	16/10/2020	15/10/2023	N/A	Applicable Rates	Provision of maintenance and ICT systems and infrastructure for a period of three (03) years	Good	Good	N/A	R4 596 899
Regen Institute of Leadership JV U and Projects	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of Budget and treasury trainings for the period of 3 years.	Good	Good	N/A	Not Applicable
Dirane Trading (Pty) Ltd	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of corporate , governance and admin trainings for the period of 3 (three) years.	Good	Good	N/A	R667 826
Black Sky Investment	3 Years	31/10/2022	30/10/2025	N/A	Applicable	Provision of	Good	Good	N/A	R2 31 1 594

and Holdings					Rates	community services training for the period of 3 years.				
White Rock 75 Investment and Holdings	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of infrastructural services training for the period of 3years.	Good	Good	N/A	R3 404 920
Mahayi HRD Services	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of planning and LED training for the period of 3 years	Good	Good	N/A	R197 000
Deunice Trading (Pty) Ltd	3 Years	31/08/2021	30/08/2024	N/A	Applicable Rates	Provision of Printing and publication for a period of 3 years	Good	Good	N/A	R6 199 540
DR LG Nemukongwe	3 Years	17/05/2023	16/05/2026	N/A	Applicable Rates	Provision of occupational	Good	Good	N/A	R44 745

						medical practitioner for period of three years				
LCK Technologies	3 Years	21/04/2023	20/04/2026	N/A	Applicable Rates	Repair and maintenance for access control and time management	Good	Good	N/A	R820 800

### Budget and Treasury

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
ABSA Bank	5 Years	01/07/2019	30/06/2023	N/A	Applicable Rates	Provision of Banking services	Good	Good	N/A	R496 196
Pheladichuene Maintenance and General Supplier	3 Years	01/09/2020	31/08/2023	N/A	Applicable Rates	Provision of cleaning services	Good	Good	N/A	R11 724 173
Jane Furse Tyre (Pty)	3 Years	01/02/	31/01	N/A	Applicable	Supply and	Good	Good	N/A	R2 237 822

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective Measure</b>	<b>Expenditure to date</b>
Ltd		2020	/2023 EXPIRED		Rates	delivery of Tyres				
Camelsa Consulting Group	3 Years	01/07/2021	30/06/2024	N/A	Applicable Rates	Provision of Mscoa System	Good	Good	N/A	R3 315 902
Mod Hope Properties CC	3 Years	01/07/2023	30/06/2026	N/A	Applicable Rates	Development and maintaining of Property Valuation Roll	Good	Good	N/A	R1 071 593
Onkutlwile Security Services	3 Years	01/04/2022	31/03/2025	N/A	Applicable Rates	Provision of Security Services and access control services for a period of three (03) years	Good	Good	N/A	R26 424 000
Fidelity Cash solutions	3 Years	06/11/2020	05/11/2023	N/A	Applicable Rates	Provision of cash collection services	Good	Good	N/A	R143 826

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
						for a period of three (03) years				
Matladi Thabang Projects	3 Years	06/11/2020	05/11/2023	N/A	Applicable Rates	Provision of service, maintenance & repairs of yellow fleet for a period of three (03) years	Fair	Fair	N/A	R6 551 055
Procurement 911	3 Years	15/12/2020	14/12/2023	N/A	Applicable Rates	Provision of Vetting System for a period of Three (03) years	Good	Good	N/A	R373 500
Kunene Makopo Risk Solutions	3 Years	23/06/2021	22/06/2024	N/A	Applicable Rates	Provision of Short Term Comprehensive Insurance	Good	Good	N/A	R1 719 555
Environment	3	23/06/	22/06	N/A	Applic	Provision	Good	Good	N/A	R137

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
ntal and sustainability Solution	Years	2023	/2026		able Rates	for this final rehabilitation and disclosure costs for Madibong Landfill site for the period of 3 years				951
Fleet Horizon Solutions (Pty) Ltd	3 Years	01/09/2022	31/08/2025	N/A	Applicable Rates	Provision of tacking devices on all municipal vehicles for a period of three (03) years	Good	Good	N/A	R95 160
PK Financial Consultants CC	3 Years	01/05/2022	30/04/2025	N/A	Applicable Rates	Provision of VAT recovery for a period of three (03) years	Good	Good	N/A	R3 942 219
Phutitau	3	05/03/	04/03	N/A	Applic	Supply	Good	Good	N/A	R2 86

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
Investment	Years	2020	/2023		able Rates	and delivery of stationery				5 542
Omega OS Segaswane Holdings (Pty) Ltd	3 Years	15/12/2022	14/12/2025	N/A	Applicable Rates	Provision of advertising agency	Good	Good	N/A	R1 600 373
McDon Valor Group	3 Years	11/06/2023	10/06/2026	N/A	Applicable Rates	Supply and delivery of Stationery for the period of three years	Good	Good	N/A	R1 857 130
Five Star Trading Enterprise T/A Auction 24	3 Years	02/06/2023	01/06/2026	N/A	Applicable Rates	Professional Auctioneer for period of 3 years	Good	Good	N/A	R245 463
Pontsee Holdings (Pty) Ltd	3 Years	02/06/2023	01/06/2026	N/A	Applicable Rates	Supply and delivery of Tyres on all Municipal Fleet,	Good	Good	N/A	R7 021 570

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
						Graders, TLB, and Heavy Duty Trucks for a period of three (03) years.				

### Community Services

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure to date
Phasima Trading and Projects	3 Years	16/01/2021	15/01/2024	N/A	Applicable Rates	Supply and delivery of waste collection bags for a period of 03 Years	Good	Good	N/A	R8 955 000
LL Civil and Construction	3 Years	15/11/2020	14/11/2023	N/A	Applicable Rates	Supply and delivery of	Good	Good	N/A	R2 142 222



						Blankets for a period of three (03) years				
Stonefound Engineering Solutions	3 Year	01/05/2022	30/04/2025	N/A	Applicable Rates	Maintenance of Landfill Site for a period of three(03) years	Good	Good	N/A	R16 950 173
4 Interconnect Project Developers	3 Year	02/11/2022	01/11/2025	N/A	Applicable Rates	Distribution of water services for a period of three (03) years	Good	Good	N/A	R1 027 500
Truvelo Africa Electronics Division (Pty) Ltd	3 Year	23/06/2023	22/06/2026	N/A	Applicable Rates	Supply of licenced K78 Trailer with maintenance and support for the period of 36 Months	Good	Good	N/A	R249 750

### Infrastructure Services

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure to date
Tshwane Engineering	3 Years	20/03/2020	19/03/2023	N/A	Applicable Rates	Repairs and Maintenance of Municipal facilities for a period of Three (03) years.	Good	Good	N/A	R1 798 863
Mwelase Thops Construction & Projects	3 Years	29/10/2021	28/10/2024	N/A	Applicable Rates	Repairs and Maintenance of All Municipal Electrical Infrastructure: Including Highmast, Traffic Lights, Streets Lights,	Good	Good	N/A	R36 847 200

						and Lights on All Municipal Facilities for a period of three (03) years				
Kgwadi Ya Madiba General Trading & Projects	3 Years	29/10/2021	28/10/2024	N/A	Applicable Rates	Maintenance of roads and storm water within Makhuduthamaga Municipality for a period of three years	Good	Good	N/A	R2 786 216

### ECONOMIC Development and Planning

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure to date
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

#### 1.1.5 The following projects were priorities during 2022/2023 financial year

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In the year under review the Municipality successfully managed to construct access roads, access bridges; supply water through Sekhukhune District Municipality and sewage system; electrified villages through Eskom plan; provided disaster reliefs; conducted disaster awareness campaigns, awareness against children and women abuse/violence, back to school campaigns, library awareness campaigns, road safety programs; supported SMMEs; fenced cemeteries; promoted sports, arts and culture; constructed guard rooms for municipal facilities, rehabilitated roads, conducted LED forums and provided bursaries to needy students.

**A) The following are major projects that were implemented to impact positively on the municipality's communities:**

<b>No.</b>	<b>Name of Project</b>	<b>Status</b>	<b>Financial Year Completed</b>
1	Mochadi road and bridge constructed(2.8KM)	Completed	2022/2023
2	Construction of Manyeleti to Mamone central access road(2.6 KM)	Completed	2022/2023
3	Construction of Access road and bridge from Makgeru Moshate to Mantime Primary School(0.85 KM)	Completed	2022/2023
4	Construction of access road and bridge from mathousands to Maraganeng	Detailed Design developed	2022/2023
5	Construction of Rietfontein(Ngwaritsi) sports facility	Detailed Design developed	2022/2023
6	Construction of Kome internal street PH2	Detailed Design developed	2022/2023
7	Construction of Access road from Mathapisa to Soetveld (6km)	Detailed Design developed	2022/2023
8	Construction of Access Road from Motor-gate Wonderboom to R579 (10km)	Detailed Design developed	2022/2023
9	Construction of access road from Masemola	Detailed Design	2022/2023

	Moshate to Mohloding/Mamatjekele (10km)	developed	
10	Construction of Malegase to Mapulane access road and bridge(3.5)	Completed	2022/2023
11	Construction of Malegase to Mapulane access road and bridge (3,5Km)	Completed	2022/2023
12	Rehabilitation of access road at Hlalanikahle(2.2 Km)	Completed	2022/2023
13	access road from Mohlala Mamone to R579 (1.2 Km)	Constructed up to site establishment and layout setting out	2022/2023
14	Construction of access road from Jane Furse RDP to Mogorwane (5.8Km)	Constructed up to selected layer	2022/2023
15	Construction of road from Mokwete to Molepane /Ntoane(5km)	Constructed up to sub-base layer	2022/23
16	Construction of access road from Maila Mapitsane to Magolego Tribal Office(4km)	Constructed up to site establishment	2022/2023
17	Construction of access road from Glen Cowie Old Post Office to Phokwane phase 01(3.5km)	Constructed up to roadbed	2022/2023
18	Construction of access road from Lobethal to Tisane(4.2km)	Constructed up to subbase layer	2022/2023
19	Upgrading of sports facility phase 2 (Marishane sports facility)	Sports facility Upgraded	2022/2023
20	Construction of Mashabela Tribal office to Machacha PH 2 (5.5 km)	Completed	2022/2023
21	Construction of Mamone Internal Road	Detailed Design developed	2022/2023
22	Installation of 3 high mast lights at Mamone (Kgoshi Mampuru), Setlaboswane, Marishane)	Completed	2022/2023
23	Construction of guard rooms and boom gates in municipal facilities	Completed	2022/2023

24	Construction of Clear Vu fence at municipal facilities(Nebo DLTC,Jane Furse and Phaahla libraries)	Completed	2022/2023
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**a) The following are other projects achievements by the municipality during 2022/2023**

No	Name of the Project	Targets Achieved	financial year Completed
1.	Work creation projects through Ward based EPWP/ Projects,	147 Work opportunities through EPWP/ES Grants and 347 through projects	2022/2023
2.	Maintenance of roads and storm water infrastructure	35 Roads Maintained	2021/2022
3.	Repairs and maintenance of electricity infrastructure	17 Electrical infrastructure maintained	2022/2023
4.	Repairs and Maintenance for other Assets	13 other assets maintained	2022/2023
5	Indigent's households provided with FBE	2144 Indigent's households provided with FBE	2022/2023
6	House to house collection done	700 House to house collection done	2022/2023
7	50 Skip-bin Successfully collected	Skip- bin Successfully collected 4686 times	2022/2023
8	Environmental awareness and clean up campaigns	04 environmental awareness and clean up campaigns done	2022/2023
9	Road safety programs.	04 Road safety programs done	2022/2023

10	disaster relief to affected families	60 disaster relief provided to affected families	2022/2023
11	disaster awareness campaigns	4 disaster awareness campaigns conducted	2022/2023
12	Sports promotions	7 Sports promotions conducted	2022/2023
13	Arts and Culture promotions	11 Arts and Culture promotions done	2022/2023
14	LED forum	2 LED forum held	2022/2023
15	Provided university bursaries	19 bursaries offered	2022/2023
16	SMME'S Workshop	04 SMME's Workshop	2022/2023
17	SMME's Supported	02 SMME's Supported	2022/2023

#### 1.1.6 Statement of corrective actions whereby service delivery can be improved

The following table outlines Strategic challenges and corrective measure to improve performance:

Key challenges 2022/2023	Progress made to date	Corrective Action/Recommendations
Lack of electricity supply capacity on the existing Eskom power line for implementation of electrification project at Dihlabaneng (Ngwanakwena and Malatjane)	Project moved to Setlaboswane and Mohwelere	Eskom to complete the capacity upgrade and continue with the project.
Low revenue collection	<ul style="list-style-type: none"> <li>i) DPWRT paid 50% of the billed properties as at March 2023 and no additional payment was received thereafter.</li> <li>ii) Major businesses are currently still not paying their property rates to the municipality as they</li> </ul>	<ul style="list-style-type: none"> <li>i) Agreement was reached with DPWRT that the department will pay the municipality based on the new values determined by the municipal valuer.</li> <li>ii) The municipality will</li> </ul>

	alleges that they are currently paying the rate to Magoshi.	meet with Magoshi , business owners and coghta to try and clarify the matter in relation to property rates act
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Going forward, we are guided by our medium to long-term strategic plan – the Municipal Growth and Development Strategy, which constitutes part of our principal strategic medium plan – Integrated Development Plan. In the short term, it is important that the institution addresses the following issue: inadequate maintenance of municipal infrastructure, with certain pockets of poorly maintained infrastructure.

Waste management function is being implemented not up to the level expected by the people; although we started with house to house collection the increase on this issue needs to be addressed in a systematic manner as soon as possible. Land invasions and the extent to which people comply with the by-laws continue to be a challenge.

### 1.1.7 Conclusion

As we conclude this financial year, and prepare to engage in the new financial year 2022/2023, the following considerations should be made:

- Strengthening relations with our communities,
  - Improving on Service Delivery (particularly on areas of priority needs),
  - Filling of critical posts in the reviewed organogram,
  - Strengthening fiscal management systems and ensuring that Supply Chain Management bottlenecks are effectively dealt with,
  - Improving our financial audit results towards clean audits,
  - Investing in infrastructure and spatial development,
  - Enhancing our local economic development efforts,
  - Dealing effectively with labour relations matters and participation in the LLF to ensure that they become active partners in the delivery of municipal services.
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I would like to thank the joint efforts of the Municipal Manager (MM) Mr. RM Moganedi with the support of our dedicated Executive Members, Senior Managers and the entire municipal staff in obtaining an unqualified audit opinion during 2022-2023 financial year. Additionally, I would like to extend my gratitude to my fellow colleagues and leaders within the legislative wing of council guided by the erstwhile and current Speakers, Chief Whips, and executive committee for continuously devoting themselves to the oath of serving our communities.

Furthermore, I would love to thank our communities for sticking together in ensuring that the health and protection of our communities and environment remain intact; for continuously fighting against crime; gender-based violence and drug abuse. On closing remarks, the municipality continuous to prioritize service delivery to its communities and the implementation of prioritized projects. Regardless of the challenges faced by the municipality, the institution still attains its strategic vision of **“to be a catalyst of integrated community driven service delivery”**. And 100 percent spending in Municipal Infrastructure Grant (MIG).

**Mayor (Maitula B.M)**

**Signature:.....**



**Moganedi Ronald Maisane**  
**Municipal Manger**

## **1.2 MUNICIPAL MANAGER'S FOREWORD**

The 2022/23 Annual Report reflects the tremendous achievements and priorities which are aligned to the MFMA Circular No 63 & 11. The financial performance of the organization yielded excellent results as the actual operating revenue and expenditure proved beyond the shade of any doubt, when compared with the Final Adjustments Budget for 2022/2023. The overall operating results achieved for the past financial year closed off with a surplus of R6.4 million compared to a budgeted amount of R88 million. The operating expenditure for the year is R424 million, which reveals a decrease of 42%. The total expenditure capitalized for the year in respect of property, plant, and equipment amounted to R116 million. Cash and short-term investments decreased to R6.6 million (2022: R105 million). During 2022/23 the municipality obtained an unqualified audit opinion with other matters.

Based on the Auditor-General of South Africa (AGSA)'s opinion, a detailed audit action plan developed and it will be monitored on a regular basis to track compliance. The municipality has since implemented over 98% of all the matters raised and emphasised by the AGSA in the previous year. The municipality has put corrective measures to address recurring unauthorized expenditure.

In order to address matters of emphasis, municipality established Operation Clean Audit Committee in ensuring proper implementation of the audit action plan during the year. During the financial year, the municipality embarked on auditing consumer data to improve validity and accuracy of billing information. The municipality is currently working tirelessly to ensure that the problems identified are resolved. During the 2022/23 financial year, the municipality continued to comply with the King IV principles.

Council committees were established with proper terms of reference and separation of powers implemented to uphold good governance status. These committees were established to frequently monitor the implementation of council resolutions, play oversight role and activities that took place at ward and community levels. The municipality has also identified strategic risks, the mitigations of which it is monitoring on a quarterly basis. These risks include, amongst others, fraud and corruption, labour unrest and physical Security verification. We have put in place control measures to mitigate these identified risks. In addition, the council continues to encourage and empower communities and stakeholders with regard to decision-making, implementation and monitoring. This is done through ward participatory systems such as community consultation meetings and council events, e.g. Izimbizo, mayoral outreach programmes and various stakeholder forums. We will continue to deepen our relationships with our key stakeholders.

Public participation remains a critical pillar to our governance. Infrastructure maintenance, construction of new infrastructure and local economic development remain key to the development and growth of the municipality. The municipality continues to face challenges in certain areas, including roads backlog and non-payment of property rates by stake holders and the business.

## **1.2.1 OVERVIEW OF THE MUNICIPALITY**

### **A) Municipal Description**

The Makhuduthamaga Municipality is a Category B4 municipality that is located within Sekhukhune District Municipality (SDM) of the Limpopo Province. Category B4 municipalities are municipalities which are mainly rural with communal tenure and with, at most, one or two small towns in their area. (COGTA 2009) The Municipality is completely rural in nature, dominated by traditional land ownership and comprises of a land area of approximately 209 695 ha (at a low average density of 1, 3 persons per ha). It is made up of 189 settlements with a population of 340 328 (Census 2022) people and 78 497 households, which amounts to more than 24% of the District 1169 762 (Community Survey 2016). Like most rural municipalities in

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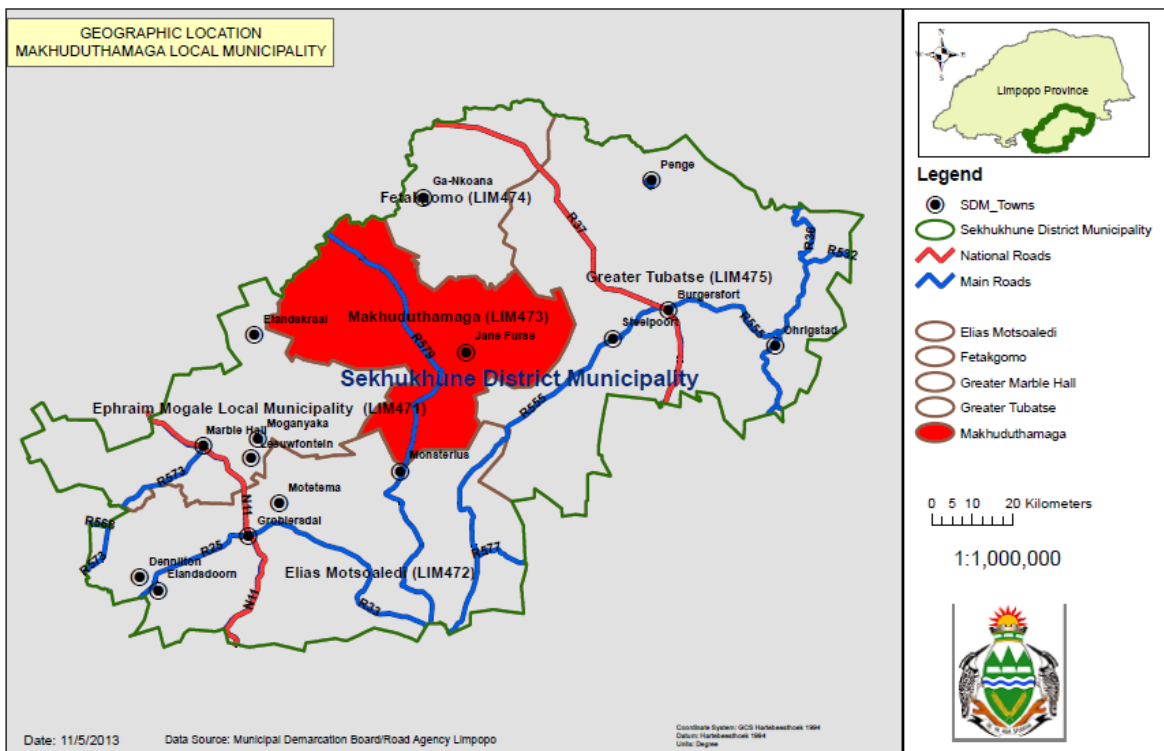
the Republic of South Africa, Makhuduthamaga is characterized by weak economic base, poor infrastructure, major service delivery backlogs, dispersed human settlements and high poverty levels

Makhuduthamaga is linked with Elias Motsoaledi and Ephraim Mogale Municipalities to the south via routes R579 and R33, and with Greater Tubatse Municipality to the north-east via route R555. The R579 - a provincial road - is currently the main route used for passengers and goods to support economic activities in the municipality.

**B) History behind the name**

Makhuduthamaga: Literally means “executives”, this was a term used to denote members of the Fetakgomo movement in the 1950s.

**Makhuduthamaga Local Municipality Geographic Location**



**C) Economic Growth Development and Employment profile**

**Natural resources**

Major Natural Resources	Relevance to community
	Wheat and Maize - along the Olifants river scheme

<b>Agriculture</b>	Sorghum-Tshehlwaneng and Jane Furse areas.
<b>Tourism</b>	the municipality held meetings with tourism stake holders

#### D) Employment Profile for Makhuduthamaga

Employed	14 847
Unemployed	66.7%
<b>NB: No STATS released by SA STATS on Employment Profile</b>	

Source: LEDET 2023

#### E) Population

Municipality	Population		As % of district population	Youth Population	
	2011	2022		2011	2022
Makhuduthamaga	274 358	340 328	24 %	88 663	100 387

Source: Census 2022

**Table: Population by functional age group and sex – 1996 2001, 2011 and 2022**

MLM	2001			2011			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-14	54 700	55 093	109 793	52 967	51 500	104 466	58 898	59 046	117 944
15-64	53 332	81 167	134 499	61 579	86 385	147 964	87 632	107 524	195 156
65+	5 582	12 132	17 714	6 737	15 191	21 928	9 233	14 987	24 220
<b>Total</b>	<b>113 614</b>	<b>148 392</b>	<b>262 005</b>	<b>121 283</b>	<b>153 076</b>	<b>274 358</b>	<b>155 765</b>	<b>184 557</b>	<b>337 320</b>

Source: Census 2022

#### Households

Municipality	Households 2011	Households 2022	As Percentage
Makhuduthamaga	65 217	78 497	24 %

Source: Census 2022

### People with Disabilities.

There are six categories of people living with disabilities

Blind		Deaf		Self-Care		Inability to Communicate		Walking		Remembering/ Concentration	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
103 772	129 700	5 114	9 474	881	1 589	476	90	114	7 230	6 929	265 781

### F) Service delivery overview

The Municipality built quality and safe road infrastructure and electricity network in its communities. Water and sanitation are provided by Sekhukhune District Municipality whilst electricity is provided by Eskom

### The backlog on services

#### I. Water

Households	Households with Water up to RDP Standard	Backlog
23 616	22 615	25240

#### II. Sanitation

Households	Households with Sanitation up to RDP Standard	Backlog	% Backlog
65 217	17 940	47 277	73%

#### III. Electricity

Households	Backlog	% Backlog
65 217	4 565	7%

## 1.2.2 EXECUTIVE SUMMARY

The Makhuduthamaga Local Municipality has maintained its momentum in realising continued, steady progress over the course of the past few financial years. This has ensured that the municipality is able to effectively achieve its constitutional mandate of delivering quality services to its citizens, as well as to uphold and implement principles of good governance.

The municipality's progress bears testimony to the recent MEC's Excellence Awards, as the multi awards winning local municipality in the areas of unqualified audits, in-house preparation of Annual Financial Statements (AFS) and 100% Municipal Infrastructure Grant (MIG) spending for six consecutive financial years which are, 2018/2019, 2019/2020, 2020/2021, 2021/2022 and 2022/2023.

The adverse socio-economic conditions within which the municipality operates include high unemployment rate, particularly youth unemployment, substance abuse and social ills, backlogs in infrastructure especially in relation to access roads within the deepest rural areas and a low revenue generation rate. It is legislative requirement to hold the Integrated Development Planning (IDP) and Budget consultations with stakeholders, however during the year under-review we used media (Thobela FM, Sk FM and MasCom) platforms and social media such as Facebook to reach our constituencies and also community participation imbizo.

As a municipality, our strategic framework is premised on the goals laid out in the National Development Plan 2030. As a means of achieving these goals, the National Government operationalized programmes to which we subscribe to as local government. One such programme includes the Back to Basics program which entails five key pillars: putting people first, delivering basic services, good governance, sound financial systems and building capable local government institutions.

As a municipality, we have met the targets set out in our Municipal Integrated Development Plan, organisational scorecard and the Municipal Performance Plan. Our Municipal Performance Plan is intrinsically linked to the Municipal Service Delivery Budget Implementation Plan and the municipal medium expenditure framework. Through our annual public participation process we have engaged with our citizens and culminated their concerns and suggestions into our strategic operations. Essentially, we are a citizen-centric municipality and believe that our communities are at the forefront of our objectives.

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Council has been able to set its annual performance plans, linked to senior managers' performance agreements with realistic targets. Council has successfully utilise allocated Municipal Infrastructure Grant (MIG) for this financial year.

There has been an improvement in terms of the set targets from 86% to 99% in comparison of two financial years being 2022/23 and 2021/22.

### 1.2.3 SUMMARY PERFORMANCE INFORMATION

The municipality had **143 targets** for the 2022/2023 financial year and managed to attain **141 targets** which is **99% percent** of the total annual targets. There have been an-overall improvements as compared to 2021/2022 financial year.

#### a) Summary of Comparison of Annual Performance Reports between 2021/2022 and 2022/23

Number	Key Performance Areas	Total Number of Key Performance Indicator		Number of Key Performance Indicators Achieved		Number of Key Performance Indicators Not Achieved		Performance Percentage	
		2021/22	2022/2023	2021/22	2022/2023	2021/22	2022/2023	2021/22	2022/2023
1	Spatial Rationale	08	08	5	08	3	0	62%	100%
2	Basic Service Delivery	35	49	29	49	6	0	83%	100%
3	Local Economic Development	7	11	5	11	2	0	71%	100%
4	Financial Viability	19	20	18	19	1	01	95%	95%
5	Good Governance And Public	24	25	20	25	4	0	83%	100%



	Participation								
6	Municipal Transformation And Organisational Development	32	30	31	29	1	01	94%	97%
<b>Total</b>		<b>125</b>	<b>143</b>	<b>109</b>	<b>141</b>	<b>16</b>	<b>141</b>	<b>87%</b>	<b>99%</b>

#### 1.2.4 VISION AND MISSION

##### a) VISION

A Catalyst of Integrated Community Driven Service Delivery

##### b) MISSION

- to strive towards service excellence
- to enhance robust community based planning
- to ensure efficient and effective consultation and communication with all municipal stakeholders

#### 1.2.5 STRATEGIC OBJECTIVE PER DEPARTMENT AND KEY PERFORMANCE AREA (KPA)

KPA	Description	Directorate/Department	Strategic objective
KPA 1	Spatial Rationale.	Economic Development and Planning	To ensure acquisition and sustainable use of land and promote growth and development
KPA 2	Basic Service Delivery.	Infrastructure Services and Community Services	To reduce infrastructure and service backlogs in order to improve quality of life of the community by providing them with roads & storm water, bridges, electricity and housing

			To promote social cohesion, safety, environmental welfare and disaster management for the municipality.
KPA 3	Local Economic Development.	Economic Development and Planning	To create and manage an environment that will develop, stimulate and strengthen local economic growth
KPA 4	Financial Viability.	Budget and Treasury Office	To provide sound and sustainable management of the financial affairs of Makhuduthamaga Local Municipality.
KPA 5	Good Governance and Public Participation.	Municipal manager's Office and Legislative Support	To promote good governance, public participation, accountability, transparency, effectiveness and efficiency.
KPA 6	Municipal Transformation and Organizational Development.	Corporate Services	Strategic objective: Improve Internal and External operation of the municipality and its stakeholders

### 1.2.6 MUNICIPAL FUNCTIONS

Makhuduthamaga Local Municipality is a Category B Municipality established to perform the following functions as bestowed upon by the Constitution in terms of section 156 (1) and the division of powers:

Functions	Description of function performed
1. Building regulations	Enforcing the national building regulations
2. Child care facilities	To provide support on crèches
3. Local tourism	To provide LED support and tourism enhancement support
4. Municipal Planning	Forward planning. Land use control. Policy development Environmental. GIS
5. Municipal Public transport	Provide traffic control and licensing
6. Storm water	Provide storm water system

7.Trading regulations	Regulate trading with support from LEDET
8.Billboards and the display of advertisements in public places	Regulation control and display of advertisement and billboards
9.Cemetries, funeral parlours and crematoria	Control and compliance with regulations
10.Cleansing	Sweeping streets picking litter and emptying of street bins
11.Control of public nuisance	Control of public nuisance and inspection thereof issuing of notices
12. Facilities for the accommodation care and burial of animals	Comply with Landfill license permit
13. Fencing	Fencing of cemeteries and wetlands
14.Licencing and control of undertakings that sell food to the public	Quality control. Safety and hygiene regulations
15. Local sports facilities	Maintaining and provision of stadia
16. Markets	Building of stalls market to the community for revenue enhancement and growing of economy.
17. Municipal parks and recreation	Recreational areas for local communities
18.Municipal roads	Maintenance of roads upgrading roads from gravel to tar
19.Noise pollution	Control of noise pollution
20.Refuse removal refuse disposal sites and Solid waste disposal	Waste collection. Waste disposed at the landfill
21.Street trading	Regulate and control
22.Street lighting	Provide and maintain
23.Vehicle licensing and registration	Provide the vehicle licensing and registration to the community

24.Learners and Drivers licensing	Provide learners and drivers licensing Regulate and control
25.Disaster Management	Provide supports and coordinates the disaster within the jurisdiction of Makhuduthamaga
26. Traffic law enforcement	Ensure compliance to road safety and regulations
27. Licensing dogs	Regulate and Control safety of dogs
28.Municipal abattoirs	Regulate and control
29. Local amenities	Regulate and control
30. Pounds	Impound livestock that go astray and vehicles that infringed road safety
31. Public places	Regulate and control
32. Water	To coordinate the provision of water to local communities by the district municipality
33. Sanitation	To coordinate the provision of sanitation facilities to local communities by the district municipality
34. Municipal health services	To coordinate the provision of municipal health services by the district municipality
35. Fire fighting	To coordinate the provision of fire-fighting rendered by the district municipality

### **1.2.7 ENTITIES RELATED TO THE MUNICIPALITY AND THE SHARING OF POWER WITH THE ENTITIES**

Makhuduthamaga Local Municipality did not have any entity during the financial year 2022/2023 and no power sharing existed.

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### **1.2.8 SECTOR DEPARTMENTS AND THE SHARING OF FUNCTIONS BETWEEN THE MUNICIPALITY/ENTITY AND SECTOR DEPARTMENTS**

The municipality has shared services with the Department of Transport and Community Safety, Department of Sports, Arts and Culture, Department of Public Works, Roads and Infrastructure, Department of Health and Department Social Development. Department of Transport and Community Safety together with Makhuduthamaga Municipality share the services of Driving License Testing Centres (DLTCs) in the ratio of 80:20 (DoTCS gets 80 percent and MLM gets 20%) of revenue collected by MLM.

With regard to Department of Sports, arts and Culture, the department undertook to perform the following functions in assisting the municipality in rendering effective and efficient library services:

- c) Free supply of library books to the community
- d) Access to free Internet
- e) Free supply of ICT hardware and ICT infrastructure and relevant software
- f) Free supply of library furniture
- g) Free training and development programmes for library staff
- h) Pay for running costs of the library management system and access to free internet services to communities
- i) Transfer funds for operational function to the municipality
- j) Payment of electricity bills for Ga-Phaahla; Patantshwane and Phokoane libraries for duration of the library conditional grant

Makhuduthamaga Municipality undertook to perform the following functions

- k) Provide accommodation specifically but not limited to electricity, security/safety and general maintenance
  - l) Provide accommodation and accepts responsibility for all the library materials in the library
  - m) Reimburse DSAC at the request of HoD for all damages or loss that may be incurred in relation to the library materials
  - n) Provide eligible community members free access to the library
  - o) Pay for the remuneration of all library staff appointed by the municipality
-

### 1.2.9 PREVIOUS FINANCIAL YEAR'S AUDIT OPINION: AGSA'S OPINION

The Municipality obtained audit opinion as follows:

2018/2019	2019/20	2020/2021	2021/2022	2022/2023
Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

### 1.2.10 FINANCIAL HEALTH OVERVIEW FOR 2022/23

The Municipality has regressed in terms of financial health during the year under review. Although, the municipality reported the surplus of R6.4 million in 2022/23 as compared to surplus of R104 million in 2021/2022 financial year. The financial ratios as presented in Chapter 5 of this report shows that the municipality's financial status is still in a good condition.

The municipal council has appointed and strengthened the necessary governance structures such as Audit and Performance Committee, Risk Management Committee, Municipal Public Account Committee and other Management and Council committees to ensure that the municipality works harder to achieve unqualified audit opinion with no matters in the next financial year for both Financial Statements and the Performance information.

The municipality reviewed all Budget related policies and HR policies during the year under review to keep them up to date considering the changes in the applicable legislation and new regulations issued. The introduction of mSCOA has significantly improved the reporting systems of the finances and that the system is fully operational.

<b>FINANCIAL OVERVIEW – 2022/2023</b>				
<b>Details</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Actual performance %</b>
Property rates	R 54 329 301	R 58 456 873	R 59 989 487	103%
Bank and Investment revenue	R 1 800 000	R 6 800 000	R 7 216 512	106%
Transfers	R 333 845 000	R 333 845 000	R 333 845	100%

recognised – Operational (Grants)			000	
Refuse Removal	R 161 500	R 161 500	R 175 122	108%
Other revenue	R 7 470 100	R 7 500 100	R 25 416 948	339%
<b>Sub-Total</b>	<b>R 397 605 901</b>	<b>R 406 763 473</b>	<b>R 426 643 069</b>	<b>105%</b>
Less Expenditure	(R 374 951 659)	(R 406 581 843)	(R 429 581 388)	106%
Net Total	R 22 654 242	R 181 630	(R 2 938 319)	1614%

### 1.2.11 REVENUE TREND BY SOURCE INCLUDING BORROWING UNDERTAKEN BY THE MUNICIPALITY

The total revenue realized by the Municipality for the financial year 2022/23 is R 521 558 069. The total revenue from exchange transactions is R 15 201 417. The municipality did not have any borrowings in the year under review. The municipality raised this revenue as follows:

Rental of facilities and equipment	: R 159 924
Licenses & Permits	: R 5 669 320
Other income	: R 428 176
Interest received-investment	: R 7 216 512
Gain on disposal of assets	: R 23 977
Refuse removal	: R 175 122
Actuarial gains	: R 1 362 059
Leave Gain	: R 452 262

The total revenue from non-exchange transactions stood at R 506 356 652. This revenue was received as follow:

Property rates	: R 46 454 278
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Interest on outstanding debtors	: R 13 535 209
Government grants and subsidies	: R 428 858 636
Reversal of debts impairment loss	: R 13 018 144
Traffic fines	: R 1 092 620
Donations received	: R 3 093 765
Fair Value Adjustment–Investment Property	: R 304 000

The bulk of the revenue from non-exchange transactions (R 428 858 636) is the Government grants and subsidies which clearly indicate that we are a grant dependent municipality. This represents **82%** of the municipality's total annual revenue as per the Pre-Audited information for the year ended 30 June 2023. The municipality did not have any borrowing.

#### **1.2.12 INTERNAL MANAGEMENT CHANGES IN RESPECT TO S56/57 MANAGERS**

There were internal management changes which took place in 2022/23 financial year. Two vacancies declared which is CFO and Senior Manager Community Services

#### **1.2.13 RISK ASSESSMENT INCLUDING THE DEVELOPMENT AND IMPLEMENTATION OF MEASURES TO MITIGATE THE TOP 5 RISKS**

##### **a) Risk Management Services:**

The primary responsibility of the unit is to bring specialist expertise to assist the Municipality to embed risk management and leverage its benefits to enhance performance by assisting management to identify potential events that may affect the municipality, manage risk to be within the municipality's risk appetite, and to provide reasonable assurance regarding the achievement of the set objectives.

Below is a summarised table for Top 5 risk which were identified during the financial year. Mitigating measures were also developed to reduce the negative impact on the achievement of municipal objectives.



<b>Risk Description</b>	<b>Root cause</b>	<b>Risk Consequences</b>	<b>Mitigation</b>
Inability to meet some basic service needs	<ul style="list-style-type: none"> <li>&gt;Insufficient funds to implement projects</li> <li>&gt;Poor maintenance of existing national and provincial roads</li> <li>&gt;Municipality is not electricity licence holder</li> <li>&gt;Municipality is not Water Service provider</li> <li>&gt;Municipality not funding housing programme</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Community unrest</li> <li>&gt;low business access and low growth in business within municipal jurisdiction</li> <li>&gt;inefficient movement of commuters</li> </ul>	<ol style="list-style-type: none"> <li>1.Implementation of roads, bridges and stormwater maintenance plan</li> <li>2.Implement electrical maintenance plan</li> <li>3.Co-ordinate housing assessment to resolve previous housing backlog with CoGHSTA</li> <li>4. Identifying indigents for housing for 2022/2023 housing allocation</li> </ol>
>Land Invasion	<ul style="list-style-type: none"> <li>&gt;Land owned by third party</li> <li>&gt;Intentional occupation of land for future financial compensation when legally evicted</li> <li>&gt;High demand in human settlement</li> <li>&gt;Economic opportunities</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Delay in land acquisition process</li> <li>&gt;Delays in developing the acquired land</li> <li>&gt;Financial implications due to legal processes</li> <li>&gt;High cost of in provision of services due to uncoordinated developments.</li> <li>&gt;Non-compliance with National Building Regulations.</li> </ul>	<ol style="list-style-type: none"> <li>1.Continue engagements with Tribal authorities to liaise with the municipality from the planning stage of land allocation</li> </ol>
Inability to maximise revenue collection	<ul style="list-style-type: none"> <li>&gt;Inadequate basic services rendered to communities</li> <li>&gt;Non accountability of debtors due to misunderstanding of</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Unsustainable Municipality</li> <li>&gt;Slow improvement of service delivery</li> </ul>	<ol style="list-style-type: none"> <li>1.To engage with Magoshi and CoGHSTA so that property rates could be collected by the municipality not Tribal offices</li> </ol>

	<p>property rates</p> <p>&gt;Non implementation of by-laws</p> <p>&gt;Land ownership (Tribal Authority custody)</p>		
Environmental pollution	<p>&gt;Illegal Dumping of waste</p> <p>&gt;None implementation of by-Laws(waste management by-Laws)</p> <p>&gt;Lack of training for waste management personnel</p> <p>&gt;Non collection of waste in Government departments due to non-payment to refuse removal services</p>	>Health hazard to community	<p>1.Continuous environmental education and clean-up campaign</p> <p>2.Conduct law enforcement on waste management by-laws</p> <p>3.Training of waste collection personnel</p> <p>4.Continue to engage with non-paying Government Institutions for waste collection</p>

In conclusion, we will always be appreciative to our residents who have always shown commitment to their own municipality. On behalf of the administration of the Municipality, we wish to express our profound gratitude to the political leadership provided by Herworship, our Mayor and council. Without their support, leadership and oversight, very little would have been achieved during the period under review. Our staff continue to play an important role in ensuring that service delivery is accelerated as our people demand that we expeditiously discharge our mandate. We shall continue accelerating the delivery of services through service delivery innovations.

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**MOGANEDI RM**

**MUNICIPAL MANAGER**

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## **CHAPTER 2: GOVERNANCE**

### **1. INTRODUCTION**

This chapters has been categorised into four components, namely:

- Component A (Governance Structures)
- Component B (Intergovernmental Relations)
- Component C (Public Accountability and Participation) and
- Component D (Corporate Governance).

### **2.1 COMPONENT A: GOVERNANCE STRUCTURES**

To ensure accountability and governance, the municipality is expected to meet the requirements of Section 121(2)(c) of the MFMA and Section 18(1)(d) of the MSA wherein is stipulated that information on matters of governance should be communicated to communities. This should, according to Section 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

Section 2 of Chapter 2 of the Local Government Municipal Systems Act 2000 (Act 32 of 2000) defines a municipality as follows;

“ a municipality is –

An organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act 1998

Consists of –

The political structure and the administration of the municipality; and

The community of the municipality”

Section 152 of the Constitution of the Republic of South Africa provides for the following as objects of local government;

Section 152(1) the objects of local government are;

- b) To provide democratic and accountable government for local communities
  - c) To ensure the provision of service to communities in a sustainable manner
  - d) To promote social and economic development
-

- e) To promote a safe and healthy environment and;
- f) To encourage the involvement of communities and community organisations in the matters of local government

## **2.1.1 POLITICAL AND ADMINISTRATIVE GOVERNANCE**

In terms of the Local Government Municipal Structures Act the Council of the Municipality is the highest decision making body. The council appoints Accounting Officer who runs the day to day operations of the municipality on behalf of the council.

### **2.1.1.1 Political Governance**

In line with the provisions of the Local Government: Municipal Structures Act 117 of 1998 Makhuduthamaga Municipality has an established political component. The political component comprises of the Speaker, Chief Whip, Mayor and Councillors. The main role of the political component is provided for in the Structures Act. Council is responsible for policy making and oversees its implementation. Its key role in its current structure is to focus on legislative participatory and oversight roles. The municipality adopted separation of powers model marking a new dispensation in history of Makhuduthamaga municipality where the legislative arm of council being separated from executive arm. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened and that effective public delivery takes place to benefit communities.

The Mayor is the political head championing the strategy of the municipality. The Mayor is assisted by the Executive Committee made up of 10 councillors, of which four including the mayor are full time councillors as well as the Chief whip, the Speaker and the chairperson of MPAC. Members of Executive Committee serve as head of portfolios committees . There is also Section 79 committees that process all the issues before they go to Council.

The Speaker is the chairperson of Council and presides over council meetings. The Chief - Whip of council monitors councillors from various political parties to ensure that they carry out their duties in a responsible manner. The Council Whip deals with the wellbeing and monitors attendance of all councillors to meetings. The municipal council consists of sixty-two (62) councillors, i.e. thirty-one (31) ward councillors and thirty-one (31) proportional representative councillors. Section 79 committees, have been established in accordance with the Standing Rules and Orders of Council. They are chaired by non-executive committee councillors and provide general oversight and monitoring of the Municipal service delivery mandate.

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### a)Councillors

Council adopted the master plan/corporate calendar that plots the specified dates for council meetings. Executive Committee meetings and Portfolio Committee meetings were included in the Corporate Calendar and they were convened and held as per the schedule. There were 62 councillors who served as council members during the 2022/23 financial year from.

**Below is a table that categorized the Councillors within their specific political parties and wards for the 2022-2023 financial year from 1<sup>st</sup> June 2023.**

Table: b

No.	Surname	Initials	Gender	Capacity	Political Party	Portfolios
1	Vilakazi	SM	F	Ward Councillor -1	ANC	Corporate services
2	Mohlakwane	SS	M	Ward Councillor - 2	ANC	LED & Planning
3	Modige	LS	M	Ward Councillor -3	ANC	Community services
4	Malatjie	BT	F	Ward Councillor -4	ANC	Infrastructure
5	Tau	TT	M	Ward Councillor -5	ANC	MPAC
6	Thokwane	KZ	M	Ward Councillor -6	ANC	Infrastructure
7	Selala	PT	F	Ward Councillor -7	ANC	Community services
8	Morodi	PE	M	Ward Councillor -8	ANC	Budget & treasury
9	Tshehla	MZ	F	Ward Councillor -9	ANC	MPAC
10	leokane	MD	M	Ward Councillor -10	ANC	LED & planning
11	Mothupi	SM	M	Ward Councillor -11	ANC	Corporate services
12	Rankoe	TP	M	Ward Councillor -12	ANC	Community services
13	Mogashoa	KJ	M	Ward Councillor -13	ANC	Corporate Service
14	Moretsele	MA	M	Ward Councillor -14	ANC	MPAC
15	Hleko	K	M	Ward Councillor -15	ANC	Corporate services
16	Makuwa	SS	M	Ward Councillor -16	ANC	Budget & treasury
17	Nkadimeng	KT	M	Ward Councillor -17	ANC	Corporate services

<b>No.</b>	<b>Surname</b>	<b>Initials</b>	<b>Gender</b>	<b>Capacity</b>	<b>Political Party</b>	<b>Portfolios</b>
18	Aphane	MN	M	Ward Councillor -18	ANC	LED & planning
19	Moshabane	D	F	Ward Councillor -19	ANC	MPAC
20	Ngoanatsobane	MG	M	Ward Councillor -20	ANC	Budget & treasury
21	Morwamakoti	M	M	Ward Councillor -21	ANC	Corporate services
22	Ngwato	OM	F	Ward Councillor -22	ANC	Infrastructure
23	Maduana	HD	M	Ward Councillor -23	ANC	LED & Planning
24	Tsatsi	MD	M	Ward Councillor -24	INDEP	LED & Planning
25	Diketane	SP	M	Ward Councillor -25	ANC	MPAC
26	Lethuba	MP	M	Ward Councillor -26	ANC	Community services
27	Piitjo	MH	M	Ward Councillor -27	ANC	LED & Planning
28	Mosoane	EM	M	Ward Councillor -28	ANC	Community services
29	Kgatuke	LD	M	Ward Councillor -29	ANC	MPAC
30	Monakedi	MJ	M	Ward Councillor -30	ANC	MPAC
31	Masemola	TP	M	Ward Councillor -31	ANC	Infrastructure
32	Maitula	BM	F	Mayor	ANC	Mayor
33	Mphelane	MJ	M	Speaker	ANC	Speaker
34	Malaka	MS	M	PR Councillor	ANC	LED & planning
35	Phala	M	F	PR Councillor	ANC	Budget & treasury
36	Mokomane	ML	F	PR Councillor	ANC	Budget & treasury
37	Mampane	ML	M	PR Councillor	ANC	Chair of chairs
38	Thamaga	MM	F	Chief Whip	ANC	Chief whip
39	Matjomane	NM	M	PR Councillor	ANC	Corporate services
40	Mohlala	MJ	M	PR Councillor	ANC	Infrastructure
41	Mahlase	MM	F	PR Councillor	ANC	Infrastructure

<b>No.</b>	<b>Surname</b>	<b>Initials</b>	<b>Gender</b>	<b>Capacity</b>	<b>Political Party</b>	<b>Portfolios</b>	
42	Mapheto	MT	M	PR Councillor	DA	Budget & treasury	
43	Machaba	MG	M	PR Councillor	EFF	LED & planning	
44	Mashegoana	MC	M	PR Councillor	EFF	Corporate services	
45	Thokoane	A	M	PR Councillor	EFF	Budget & treasury	
46	Masemola	ME	M	PR Councillor	EFF	Infrastructure	
47	Matsomane	ME	M	PR Councillor	EFF	MPAC	
48	Kgapola	K	F	PR Councillor	EFF	Community services	
49	Machai	MJ	M	PR Councillor	EFF	Community services	
50	Mahlase	E	F	PR Councillor	EFF	Budget & treasury	
51	Maepa	J	M	PR Councillor	EFF	MPAC	
52	Lerobane	MM	F	PR Councillor	EFF	MPAC	
53	Tshehla	MB	F	PR Councillor	EFF	Corporate services	
54	Mmotong	ML	M	PR Councillor	EFF	LED & planning	
55	Moretsele	LP	M	PR Councillor	EFF	Corporate services	
56	Rantho	PK	M	PR Councillor	EFF	Corporate services	
57	Sebowane	SH	F	PR Councillor	EFF	MPAC	
58	Mokalapa	MS	M	PR Councillor	DAP	Infrastructure	
59	Maapea	RS	M	PR Councillor	NCC	infrastructure	
60	Ntobeng	ML	M	PR Councillor	SADA	Budget & treasury	
61	Makobe	PA	M	PR Councillor	SAME BA	infrastructure	
62	Boshiela	MP	M	PR Councillor	SAME BA	Community services	
<b>TOTAL :</b>					<b>62</b>	<b>Males</b>	<b>Females</b>
						<b>46</b>	<b>16</b>

**NB: Cllr Mokalapa MS being replaced by Cllr Mkalapa SM as from 25<sup>th</sup> of May 2023.**

### **Executive Committee**

The Executive Committee and Members of each portfolio committee are listed in the table below for the period 01 July 2022 – 30 June 2023.

**Table: c**

<b>NAME OF MEMBER EXCO</b>	<b>GENDER</b>	<b>CAPACITY</b>
Cllr. Maitula B.M.	F	Mayor
Cllr. Mohlala MJ	M	Head Infrastructure Services
Cllr. Matjomane NM	M	Head Corporate Services
Cllr. Phala M	F	Head Budget and Treasury
Cllr Rankoe TP	M	Head Community Services
Cllr. Malaka MS	M	Head Economic Development and Planning
Cllr. Mahlase M.M	F	Deputy Head Infrastructure
Cllr. Mahlase E.	F	Deputy Head Budget and Treasury
Cllr. Machaba G.	M	Deputy Head Economic Development and Planning
NB: No appointed deputy head in community services department		

### **COMMITTEES OF COUNCIL AND PURPOSE OF EACH COMMITTEE**

<b>NAME OF THE COMMITTEE OF THE COUNCIL</b>	<b>NAME OF MEMBER EXCO</b>	<b>GENDER</b>	<b>CAPACITY</b>	<b>PURPOSE OF MAYORS COMMITTEE</b>
1. Executive Committee	Cllr. Maitula B.M.	F	Mayor	<b>Advices and prioritise issues for municipaliy</b>
	Cllr. Mohlala MJ	M	Head Infrastructure Services	
	Cllr. Matjomane NM	M	Head Corporate Services	



	Cllr. Phala M	F	Head Budget and Treasury	
	Cllr Rankoe TP	M	Head Community Services	
	Cllr. Malaka MS	M	Head Economic Development and Planning	
	Cllr. Mahlase M.M	F	Deputy Head Infrastructure	
	Cllr. Mahlase E.	F	Deputy Head Budget and Treasury	
	No appointed deputy head in community services department	Deputy Head Community Services		
	Cllr. Machaba G.	M	Deputy Head Economic Development and Planning	
<b>2. Budget &amp; Treasury Portfolio committee</b>	Cllr. Phala M.	F	Head	<b>Committee plays oversight and ensures that financial resources of the municipality are managed in line with legislation and accounting policies /regulation</b>
	Cllr. Mahlase E. (Deputy Head)	F	Deputy Head	
	Cllr. Mokomane M.L	F	Chairperson	
	Cllr. Morodi P.E	M	Member	
	Cllr. Makua S.S	M	Member	
	Cllr. Ngoanatsobane M.G	M	Member	
	Cllr. Mapheto M.T	M	Member	
	Cllr. Ntobeng M.L	M	Member	
	Cllr. Thokoane A.	M	Member	
<b>3. Corporate Services Portfolio committee</b>	Cllr. Matjomane N.M	M	Head	<b>Committee plays oversight and ensures department implements Human Resource development strategy/policy and other related policies and that staff establishment is in line with IDP objectives</b>
	Cllr. Moretsele L.P	M	Deputy Head	
	Cllr. Morwamakoti M.	M	Chairperson	
	Cllr. Vilakazi S.M	F	Member	
	Cllr. Hleko K.	M	Member	
	Cllr. Mothupi S.M	M	Member	
	Cllr. Mashegoana M.C	M	Member	

	Cllr. Rantho P.K	M	Member	
	Cllr. Tshehla M.B	M	Member	
	Cllr. Mogashoa K.J	M	Member	
<b>4. Community Services Portfolio committee</b>	Cllr. Rankoe T.P	M	Head	Committee plays oversight and ensure that the department function properly and implement core mandate such as Disaster management, environmental and waste management, law enforcement & licensing, sports, arts & culture and Library services
	Cllr. Mosoane E.M	M	Chairperson	
	Cllr. Lethuba M.P	M	Member	
	Cllr. Selala P.T	F	Member	
	Cllr. Modige L.S	M	Member	
	Cllr. Kgaphola R.K	F	Member	
	Cllr. Nkadimeng K.T	M	Member	
	Cllr. Machai M.J	M	Member	
	Cllr. Boshielo M.P	M	Member	
<b>5. Economic Development and Planning Portfolio committee</b>	Cllr. Malaka M.S	M	Head	Committee plays oversight and ensures that the department deliver on its mandate of economic growth job creation poverty and proper spatial planning
	Cllr. Machaba G.	M	Deputy Head	
	Cllr. Piitjo M.H	M	Chair person	
	Cllr. Mohlakwane S.S	M	Member	
	Cllr. Leokana M.D	M	Member	
	Cllr. Tsatsi M.D	M	Member	
	Cllr. Maduana H.D	M	Member	
	Cllr. Aphane M.N	M	Member	
	Cllr Mmotong L.	F	Member	
<b>6. INFRASTRUCTURE SERVICES Portfolio committee</b>	Cllr. Mohlala M.J	M	<b>Head</b>	Committee plays oversight and ensures that the department provides basic services to communities and capital budget is spent in line with council priorities
	Cllr. Mahlase M.M	F	<b>Deputy Head</b>	
	Cllr. Thokwane K.Z	M	Chairperson	
	Cllr. Masemola T.P	M	Member	
	Cllr. Malatjie B.T	F	Member	
	Cllr. Masemola M.E	M	Member	

	Cllr. Ngwato O.M	F	Member	
	Cllr. Maapea R.S	M	Member	
	Cllr. Makobe P.A	M	Member	
	Cllr Mokalapa M.S/Mkalapa SM	M	Member	
<b>7. MUNICIPAL PUBLIC ACCOUNT COMMITTEE</b>	Cllr Diketane SP	M	Chairperson	<b>Committee plays an oversight on the work of Council and Council committees</b>
	Cllr Kgatuke L.D	M	Member	
	Cllr Tau T.T	M	Member	
	Cllr Tshehla M.Z	F	Member	
	Cllr Moretsele M.A	M	Member	
	Cllr Lerobane M.M	F	Member	
	Cllr Moshabane D	F	Member	
	Cllr Maepa J	M	Member	
	Cllr Sebowane S.H	F	Member	
	Cllr Monakedi M.J	M	Member	
	Cllr Matsomane E	M	Member	
	<b>8. ETHICS COMMITTEE</b>	Cllr Mphelane M.J	M	
Cllr Thamaga M.M		F	Deputy Chairperson	
Cllr Mohlakwane S.S		M	Member	
Cllr Moshabane D		F	Member	
Cllr Lethuba M.P		M	Member	
Cllr Thokwane K.Z		M	Member	
Cllr Machai M.j		M	Member	
Cllr Mokalapa M.S/Mkalapa SM		M	Member	
Cllr Ntobeng M.L		M	Member	
Cllr Maapea R.S		M	Member	

	Cllr Boshiela M.P	M	Member	
	Cllr Mapheto M.T	M	Member	
	Cllr Diketane S.P	M	Member	
	Cllr Mashegoane M.C	M	Member	
<b>9. RULES AND PETITIONS COMMITTEE</b>	Cllr Mphelane M.J	M	Chairperson	Committee ensures that there is discipline and order in Council and its committees
	Cllr Thamaga M.M	F	Deputy Chairperson	
	Cllr Mohlakwane S.S	M	Member	
	Cllr Selala P.T	F	Member	
	Cllr Mosoane E.M	M	Member	
	Cllr Makobe P.A	M	Member	
	Cllr Mokalapa M.S	M	Member	
	Cllr Tsatsi M.D	M	Member	
	Cllr Maapea R.S	M	Member	
	Cllr Mapheto M.T	M	Member	
	Cllr Morwamakoti M	M	Member	
	Cllr Modige L.S	M	Member	
	Cllr Kgatuke L.D	M	Member	
	Cllr Kgaphola R.K	F	Member	
<b>10. WHIPPERY COMMITTEE</b>	Cllr. Thamaga MM	F	Chairperson	Committee addresses matters of Council where there are dissatisfactions about certain matters of Council and seeks to resolve them.
	Cllr Tsatsi M.D	M	Member	
	Cllr. Masemola ME	M	Member	
	Cllr Makobe PA	M	Member	
	Cllr Mapea RS	M	Member	
	Cllr Ntobeng ML	M	Member	
	Cllr Mokalapa MS /Mkalapa SM	M	Member	
11. Programming Committee	Cllr. Mphelane MJ	M	Chairperson)	Committee considers reports of Executive
	Cllr. Thamaga	F	Deputy	

	MM		Chairperson	Committee and sieves which reports must go to portfolio committees for oversight and which ones must be referred to Council for adoptions or approval
	Cllr. Mampane A	M	Member	
	Cllr. Makobe PA	M	Member	
	Cllr Ntobeng ML	M	Member	
	Cllr. Mahlala MJ	M	Member	
	Cllr. Leokana MD	M	Member	
	Cllr Makobe PA	M	Member	
	Cllr. Ntobeng ML	M	Member	
	Cllr. Maapea RS	M	Member	
	Cllr. Phala M	F	Member	
	Cllr. Nkadimeng KT	M	Member	
	Cllr Makuwa SS	M	Member	
	Cllr Malaka MS	M	Member	
	Cllr Machaba M G	M	Member	
	Cllr. Mmotong ML	F	Member	
	Cllr Matsomane EM	M	Member	
12. Geographic Names change Committee	Cllr. Mphelane MJ	M	Chairperson)	<b>Committee facilitates and seeks to get proposals on naming of municipal facilities and other institutions within the municipality and ensures that is proper public consultation on changing and naming of facilities and institutions</b>
	Cllr. Thamaga MM	F	Deputy Chairperson	
	Cllr. Makobe PA	M	Member	
	Cllr. Mahlala MJ	M	Member	
	Cllr Ntobeng ML	M	Member	
	Cllr Sebowane SH	F	Member	
	Cllr. Leokana MD	M	Member	
	Cllr Tshehla MZ	F	Member	
	Cllr. Ntobeng ML	M	Member	
	Cllr. Phala M	F	Member	
	Cllr Maapea RS	M	Member	
	Cllr. Mmotong L	F	Member	
	Cllr. Matsomane EM	M	Member	
	Cllr. Nkadimeng KT	M	Member	
	Cllr Makuwa SS	M	Member	

	Cllr Malaka MS	M	Member		
	Cllr Machaba G	M	Member		
<b>13. Chairperson of Chairpersons Committee</b>	Cllr. Mampane MA	M	Chairperson of Chairpersons	Committee discusses challenges and recommend to the Speaker remedial actions that should be applied on matters that affect portfolio committees	
	Cllr. Mokomane ML	F	Budget and Treasury		
	Cllr. Mosoane EM	M	Community Services		
	Cllr. Morwamakoti M	M	Corporate Services		
	Cllr. Piitjo MH	M	Economic Development and Planning		
	Cllr. Thokwane KZ	M	Infrastructure Services		
	Cllr. Diketane SP	M	Municipal Public Accounts Committee		
	Cllr. Thamaga MM	F	Council Whippery		
	Cllr. Mphelane M.J				Ethics Committee
					Rules and Petitions Committee
					Geographical Names Committee
	Ms. Ngoatjana MS	F	Member		
Mr. Mpjane J	M	Member			
Mr. Maeyane	M	Member			

### SECTION 81 TRADITIONAL LEADERSHIP

During year under review of 2022-2023 there was no traditional leaders serving in council as per section 81.

### DISTRICT REPRESENTATIVE COUNCILLORS

AS FROM 01 JULY 2022 TO 30 JUNE 2023	
SURNAME & INITIALS	PARTY
Cllr. Rankoe T.P	ANC
Cllr. Thokwane KZ	ANC
Cllr. Moswane ME	ANC

Cllr. Leokane MD	ANC
Cllr Machai J	EFF
Cllr. Mashegwane M	EEF
Cllr. Makobe PA	SAMEBA
Cllr Mokomane ML	ANC

### **2.1.1.2 Administrative Governance**

The administration is led by the Municipal Manager, who is appointed in terms of Section 56 of the Municipal Systems Act. The Municipal Manager is employed on a contract basis, which includes an annual performance agreement with performance objectives, targets, and procedures for evaluating performance. The Municipal Manager is also the Accounting Officer of the Makhuduthamaga Local Municipality. The Municipal Manager and five (5) Senior Managers implement council resolutions, advise Council and its committees and oversee the implementation of Integrated Development Plan (IDP) and Budget planning. There are functions that are delegated by Council to the Municipal Manager, who, in turn, delegates certain functions to the Senior Managers in terms of municipal delegation of powers and responsibilities. Under their leadership, municipal officials are assigned with the task to attend community consultative meetings and report to management meetings on plans and progress in addressing community issues.

### **2.1.1.3 Makhuduthamaga Top Management**

<b>Designation</b>	<b>Initials &amp; Surname</b>	<b>Gender</b>	<b>Service</b>
Municipal Manager	Mogamedi R.M	F	Head of administration – Accounting Officer
Acting Chief Financial Officer	- Mothapo KT - Makgalemane TM - Mathabathe C	M	Provides and manages financial services to ensure financial viability, compliance, and reporting
Senior Manager Corporate Services	Mahlare M.A	F	Provides corporate services to ensure efficient support of

			organizational processes
Senior Manager Economic Development and Planning	Thabela A.P	M	Provision of economic development and support of SMMEs and town planning
Senior Manager Community Services	Marishane ME	F	Renders integrated community services to all of the municipality's communities
Senior Manager Infrastructure	Segale M.A	M	Provisions of development, maintenance, and service delivery to ensure sustainable services to all communities
<b>Gender Equity : Female = 3 and Male = 3</b>			

**NB: we had 3 acting Chief Financial Officer**

## **2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS**

The purpose of inter-governmental relations is to achieve the constitutional mandate for local government by mobilizing resources and strategic partnerships which will ensure cooperation and co-ordination by all stakeholders (national, provincial, and local).

### **2.2.1 Intergovernmental Structures**

#### a) National inter-governmental structures

- **National Treasury** – coordinates the development of the Local Government fiscal framework applicable to Municipalities within the context of the Division of Revenue Act. It manages the development of the Local Government Equitable Share formula and ensures compliance with the MFMA to modernise local government budgeting and financial management processes and practices. It provides assistance to improve financial governance and to maximize Municipal capacity to deliver services through efficient, effective and sustainable manner in dealing with corrupt activities. It sets up the accountability cycle by ensuring proper linkages between IDPs, Budgets, SDBIPs, Mid-Year Reports, Annual Financial Statements, Annual Reports, Oversight Reports, and Audit Reports

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- **The Department of Cooperative Governance Human Settlement and Traditional Affairs (COGHTA)** develops various policies and guidelines to enable sustainable development to eradicate poverty and develops a service-orientated culture that requires the active participation of the wider community.
- **SALGA** – Is the national representative body of local government and has a constitutionally defined mandate. It responds to challenges facing organised local governments and addresses past weaknesses.

### **Provincial Intergovernmental Structures**

- **OFFICE OF THE PREMIER** – It focuses on cooperative and good governance through the provision of advice and information, coordination, monitoring, and support to local government.
- **PROVINCIAL TREASURY**– The functions of provincial treasuries are to promote cooperative Government amongst role-players and assist National Treasury in implementing the MFMA, monitor Municipal budgets and outcomes, analyse in-year reports, and take intervention measures to assist Municipalities that breach the MFMA. Provincial Treasury has established various units to assist and monitor the Municipality. These units specialise in revenue enhancement, assets, accounting standards, and in year reporting. Through the assessment meeting and Technical assessment meetings, various Municipal issues in the province are discussed to formulate solutions and plans to improve Governance and service delivery.
- **COGHSTA** – To assist and provide guidance in building a clean, effective, efficient, responsive, and accountable local government. To strengthen partnerships between local government and communities and ensure Municipalities meet their mandate of providing basic services. 80 houses were handed over during 2022/2023 financial year and this was promoted by slow service delivery/ under-performance of contractors, scarcity of building material and shortage of serviced sites. It is important to highlight that the number of housing opportunities per financial year is directly dependent on the number of housing subsidies received from the Limpopo Department of Cooperative governance Human Settlements, and Traditional Affairs.
- **SALGA** – It is the official representative of local government, an employer’s organization for all Municipalities, and sits as the employer in the South African Local Government Bargaining Council.

### **2.2.2 RELATIONSHIPS WITH MUNICIPAL ENTITIES**

The Municipality does not have Municipal entities.

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### 2.2.3 DISTRICT INTER-GOVERNMENTAL STRUCTURES

The Sekhukhune District Municipality has a supporting role to play in the planning and coordinating of activities within its boundaries to ensure the provision of services in the district. It is therefore imperative that the capital allocations from the district be based on community needs. These projects are implemented by the District Municipality such as water and sanitation

#### District Intergovernmental forums

District Monitoring and Evaluation forum

Mayors' forum

Speakers' Forum

Municipal Managers' Forum

Monitoring and Evaluation Forum

Chief Whips' Forum

CFOs' Forum

IDPs' Forum

EPWPs' Forum

### 2.2.4 Representative Forums

#### Local Labour Forum

The table below lists the members of the Local Labour Forum for the 1<sup>st</sup> July 2022 to 30<sup>th</sup> of June 2023 financial year. The following total number of are meeting held

<b>Name of representative during 01/07/2022 to 30/06/2023</b>	<b>Capacity</b>	<b>Representing</b>	<b>Date of the meeting</b>
Cllr. Matsomane NM	Member	Employer	12 July 2022
Mr. Letshedi LI	Member	Employer	26 August 2022
Cllr. Phala M	Deputy Chairperson	Employer	26 September 2022

Ms. Mahlare MA	Member (SM. Corporate Services)	Employer	06 October 2022
Mr. Mampuru SI	Member	Employer	09 November 2022
Mr. Leshaba DM	Member	IMATU (Labour)	07 December 2022
Ms. Mogale NB	Chairperson	SAMWU (Labour)	31 January 2023
Ms Kgothi NM	Member	SAMWU (Labour)	09 February 2023
Mr. Maabane MR	Member	SAMWU (Labour)	24 March 2023
			April 2023 - NONE 02 May 2023 30 June 2023
<b>Total</b>	<b>09</b>	<b>Employer: 5</b> <b>Labour :4</b>	

### 2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality ensures widespread and conducive stakeholder participation and accountability through the following interventions:

Media such as local newspapers, ward community meetings, local radio stations, and local communicators forums are utilised to inform communities and stakeholders of Council's activities.

All messages/information are conveyed in a language/s understood by the general community.

The venues and times for public meetings are well-communicated, and efforts are made to hold meetings conveniently for all stakeholders.

Adequate time is allowed for the community, representatives of organisations, and businesses to report back to their relevant forums and make inputs.

Council meetings are open to the public, and residents are invited to attend through notices in the local newspaper, social media platforms and at notice boards at all municipal key points and libraries. Important documents such as IDP, budget, and valuation roll are made available at all public areas within the municipal jurisdiction.

Ward committee and ward community bi-monthly meetings are convened after an ordinary Council sitting and serve as a platform for interaction, engagement, and sharing of information with ward councillors.

Various forums exist on local, district, and provincial levels.

At least 16 Mayoral outreach programmes are held during 2022/2023 financial year through municipal area.

Community development worker's(CDWs) act as a link between the government and the community.

The establishment of the Integrated Service Delivery Model (ISDM) as an innovative and new approach to service delivery.

### **2.3.1 Public meetings communication, participation, and forums**

The municipality regularly engages the community at consultation meetings to provide feedback on development progress. These consultation meetings are also utilised to gather inputs from communities concerning service delivery needs and disseminate information on the roles and responsibilities of the municipality. The Mayoral Outreach Programme is regarded as another form of community consultation. 16 Mayoral Outreach meetings were scheduled for the financial year under reviewed and all attained.

There are also mayoral special programmes intended to reach out to vulnerable groups such as the youth, the aged, people living with disabilities and e.t.c of which the municipality managed to organise 26 special programmes during the year under review.

The main purpose of these consultations is to ensure that the political principals get closer to the communities and afford community members a chance to voice their needs and participate in council matters.

The IDP forum, constituted by Councillors, Business organisations representatives, Non-Governmental Organisations (NGOs) / Community-Based Organisations (CBOs), government departments, agricultural organisations and other stakeholder representatives, is another

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platform where the representatives of various interest groups are allowed to represent community interests and contribute knowledge and ideas. This builds consensus and support for the planning process itself and ensures broader ownership of the outcomes. Media briefings were held to update the media with information on the latest developments in the municipality. A bulk SMS system is used to disseminate prompt notifications to the community. Quarterly integrated community Izimbizos were held to market and educate the community about government projects, programmes and services.

Quarterly community newsletters were produced and distributed throughout the municipality.

#### Bi-Monthly Mayoral Outreach Programs

##### Quarterly Exco Imbizos

Regular interactions and stakeholders engagement such as business formations and Non-Governmental Organisation

Quarterly newsletters (Lentšū)

Radio-Interviews with the Mayor

Inclusive IDP/Budget public participation program

Good customer care is of fundamental importance to any organisation and analysis here shows that local residents view the Municipality's people relations in a negative light. A successful Communication Strategy therefore links the people to the Municipality's programme for the year.

Below is a communication checklist of the compliance with communication requirements:

<b>Communication activity</b>	<b>Yes/No</b>
Communication Unit	Yes
Communication Strategy	Yes
Communication Policy	Yes
Customer Satisfaction Surveys	Yes
Functional Complaint Management Systems	Yes
Newsletters distributed at least quarterly	Yes

Both the IDP and Multi-year Budget process for the period 2022/2023 was open to the public for comments. The documents were available for inspection at municipal office, all municipal libraries and on the municipal website: [www.makhuduthamaga.gov.za](http://www.makhuduthamaga.gov.za) . The Mayor of Makhuduthamaga Local Municipality, Honourable Cllr. Minah Bahula invites members of the public and all stakeholder to participate on IDP and Budget Consultation for 2022/2023 financial year.

The following is the programme of IDP public participation for 2022/2023

Stake holders consulted	Date	Venue
Magoshi	05/04/2023	Kgaola Mafiri Municipal building
Schoonoord Cluster	13/04/2023	Malegale, Vultures Sports ground
Janefurse Cluster	14/04/2023	Mamone, Mokgopu Sports Ground
Phokoane Cluster	17/04/2023	Mare Sports Ground
Masemola Cluster joint with SDM	18/04/2024	Machacha Sports ground
Masemola Cluster	19/04/2023	Kutupu
Special Group	20/04/2023	Kgaola Mafiri Municipal building
Transport Industry	21/04/2023	Kgaola Mafiri Municipal building
Business people	24/04/2023	Kgaola Mafiri Municipal building
Municipal Staff	25/04/2023	Virtual

The review of IDP by COGHSTA during the year under review

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	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

The following table is the programme of Annual Report consultation for previous financial year 2021-2022

09/02/2023	Magoshi (joint with SDM)	Municipal Chamber
21/02/2023	Masemola Cluster (Joint with SDM)	Setlaboswana
22/02/2023	Municipal Staff	Municipal Chamber
23/02/2023	Schoornood cluster	Peter Nchabeleng Sports complex
23/02/2023	Jane Furse Cluster	Dichoueng Tribal Office
24/02/2023	Phokwane Cluster	Mohlarekoma
24/02/2023	Special focused group and business people	Municipal chamber

### 2.3.3 WARD COMMITTEES

The purpose of the ward committee system is to provide a channel for public participation and the general interaction between the community and Council. The municipality has an intensive community consultation process that is done at ward level, in line with the community-based planning approach. This process stimulates participatory governance by affording community members a fair opportunity to deliberate on issues affecting them in their respective wards. Over and above that, this approach was implemented to inevitably include the local community

in decision-making, planning, and to generally allow them to play an active part in their own developmental affairs. In order to facilitate this community consultation process, thirty one (31) ward committees were established, chaired by the ward councillors, and supported by ten (10) ward committee members. The ward councillor ensures that the interests of all people in the ward are presented in Council. Ward committee meetings are held monthly to discuss, amongst other things, resolutions taken by Council.

Ward committee structures narrow the gap between the municipality and communities since ward committees have the knowledge and understanding of the residents and communities they represent. CDWs work in conjunction with ward committees to link communities (regarding the municipality's community development initiatives/programmes) and the provincial government departments.

The notion of participation remains a key cornerstone of good governance and constitutes an integral component in the policy making process, development planning and budgeting. Section 152 of the Constitution, places the participation of communities at the centre of service delivery and other matters of Local Government. Correspondingly, the Local Government: Municipal Structures Act, 1998 and Local Government: Municipal Systems Act, 2000 provides the legislative framework for the establishment of Ward Committees by municipalities.

The Local Government: Municipal Systems Act of 2000 states in section 42 that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.

The municipality has 310 ward committee members in 31 wards. They successfully met on monthly basis and are also paid a monthly stipend of R1 500,00.

Ward committee reports are submitted to the office of the speaker on quarterly basis to council.

**Ward committees:**

- are made up of representatives of a particular ward
  - are made up of members who are elected to represent a specific geographical area/block
  - are chaired by the ward councillor
-



- are meant to be an institutionalised channel of communication and interaction between communities and municipalities
- give the community members the opportunity to express their needs and opinions on issues that affect their lives, and to be heard at the municipal level via the ward councillor
- are advisory bodies created within the sphere of civil society to assist the ward councillor in carrying out his or her mandate in the most democratic manner possible

Ward committees are elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor, who makes specific submissions directly to the council. These committees play a critical role in the development and annual revision of the integrated development plan of the area.

The ward committees support the ward councillor, who receive reports on development, participate in development planning processes and facilitate wider community participation. The municipality constantly strives to ensure that all ward committees function optimally in terms of the provision of community information, convening meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

## **2.4 COMPONENT D: CORPORATE GOVERNANCE**

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed

The municipality has implemented a system of corporate governance that encourages the effective, efficient, and economic use of resources towards better service delivery and ensures accountability and responsibility for the stewardship of those resources. This governance framework supports sound financial decision-making, ensuring affordable services to the community, guiding funding and financing priorities, and facilitating performance monitoring and review. During the year under review, the following key governance responsibilities were functional:

- Internal audit unit, which operates in terms of an approved internal audit plan/charter
-

- Audit Committee, which operates in accordance with approved terms of reference and Charter
- A risk assessment was conducted, which includes a risk management strategy and monitoring of key risks according to a risk register.
- An approved Fraud Prevention Plan exists.
- A strategic plan was prepared and approved for the financial year, which forms the basis for performance monitoring against the SDBIP, the municipal mandate, objectives, outputs, indicators, and targets.
- A performance management system is in place.
- An approved system of delegations exists to maximise administrative and operational efficiency and to provide for adequate checks and balances as required in terms of Section 59 to 65 of the Municipal Systems Act 32 of 2000.

Council has delegated its administration duties to the Municipal Manager who has five Departmental Heads in charge of the following departments:

- Corporate Services.
- Economic Development and Planning
- Community Services
- Infrastructure Development Services and
- Budget and Treasury

#### **2.4.1 Risk Management**

Section 62 (1) (c) (i) (a) of The Local Government Municipal Finance Management Act 56 of 2000 assigns an extensive responsibility to the Accounting Officer/Municipal Manager to take all reasonable steps to ensure that the Municipality has and maintains effective, efficient, and transparent systems of risk management and internal controls. Risk management policy of Makhuduthamaga Local Municipality as approved by the council further extends responsibility to all Municipal officials to implement effective systems of risk management within their areas of responsibility. Accordingly, the Risk Management Unit is established in the Office of the Municipal Manager.

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**Members of Risk Management Committee as end 2022/2023 financial year**

Risk management committee is chaired by external person and its member are senior managers.

<b>Committee Members</b>	<b>Gender</b>	<b>Designation</b>
Mr. Maeyane A K	Male	Chairperson
Mr Moganedi RM	Male	Member Municipal Manager
Mr Mothapo KT	Male	Member (Acting CFO)
Ms Mahlare MA	Female	Member(Senior Manager Corporate Services)
Mr Segale MA	Male	Member(Senior Manager Infrastructure)
Ms Marishane ME	Female	Member(Senior Manager Community Services)
Mr Thabela AP	Male	Member(Senior Economic Development and Planning)

**NB: The position of CFO has been Acted by several incumbents Mohapo KT, Makgalemane TM and Mathabthe C and they all participated as member of Risk Audit Committee**

Risk management committee held 04 quarterly meetings during the year under review:

- 13 July 2022
- 18 October 2022
- 13 January 2023
- 20 April 2023

In accordance with the requirements of The Local Government Municipal FMA, the annual risk assessment was conducted through intensive departmental sessions and risk assessment workshops. The annual risk assessment covered both strategic and operational risks and security risk assessments of the Municipality, fraud and corruption risks were also identified in both strategic and operational levels.

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A detailed risk register was developed comprised of both strategic and operational risks with the top risks being prioritized by management. All identified risks were grouped into specific risk categories to get a more manageable risk register with greater possibility to overview risks, followed by the rating of the risks and controls. Intervention measures were incorporated into the Risk Register through actions plans with clear time frames and assigning of responsibilities to relevant process owners and risk owners.

The following table illustrates the top risk identified

<b>Risk Description</b>	<b>Root cause</b>	<b>Risk Consequences</b>	<b>Mitigation</b>
Inability to meet some basic service needs	<ul style="list-style-type: none"> <li>&gt;Insufficient funds to implement projects</li> <li>&gt;Poor maintenance of existing national and provincial roads</li> <li>&gt;Municipality is not electricity licence holder</li> <li>&gt;Municipality is not Water Service provider</li> <li>&gt;Municipality not funding housing programme</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Community unrest</li> <li>&gt;low business access and low growth in business within municipal jurisdiction</li> <li>&gt;inefficient movement of commuters</li> </ul>	<ul style="list-style-type: none"> <li>1.Implementation of roads, bridges and stormwater maintenance plan</li> <li>2.Implement electrical maintenance plan</li> <li>3.Co-ordinate housing assessment to resolve previous housing backlog with CoGHSTA</li> <li>4. Identifying indigents for housing for 2022/2023 housing allocation</li> </ul>
>Land Invasion	<ul style="list-style-type: none"> <li>&gt;Land owned by third party</li> <li>&gt;Intentional occupation of land for future financial compensation when legally evicted</li> <li>&gt;High demand in human</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Delay in land acquisition process</li> <li>&gt;Delays in developing the acquired land</li> <li>&gt;Financial implications due to</li> </ul>	<ul style="list-style-type: none"> <li>1.Continue engagements with Tribal authorities to liaise with the municipality from the planning stage of land allocation</li> </ul>

	<p>settlement</p> <p>&gt;Economic opportunities</p>	<p>legal processes</p> <p>&gt;High cost of in provision of services due to uncoordinated developments.</p> <p>&gt;Non compliance with National Building Regulations.</p>	
<p>Inability to maximise revenue collection</p>	<p>&gt;Inadequate basic services rendered to communities</p> <p>&gt;Non accountability of debtors due to misunderstanding of property rates</p> <p>&gt;Non implementation of by-laws</p> <p>&gt;Land ownership (Tribal Authority custody)</p>	<p>&gt;Unsustainable Municipality</p> <p>&gt;Slow improvement of service delivery</p>	<p>1.To engage with Magoshi and CoGHSTA so that property rates could be collected by the municipality not Tribal offices</p>
<p>Environmental pollution</p>	<p>&gt;Illegal Dumping of waste</p> <p>&gt;None implementation of by-Laws(waste management by-Laws)</p> <p>&gt;Lack of training for waste management personnel</p> <p>&gt;Non collection of waste in Government departments due to non-payment to refuse removal services</p>	<p>&gt;Health hazard to community</p>	<p>1.Continuous environmental education and clean-up campaign</p> <p>2.Conduct law enforcement on waste management by-laws</p> <p>3.Training of waste collection personnel</p> <p>4.Continue to engage with non-paying Government Institutions for waste</p>

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#### 2.4.2 Anti- Fraud and Corruption

Our Municipality has commitment to deal with all Fraud, Corruption and Mal-administration activities. This will involve proactive, on-going, and consistent fraud risk management processes to mitigate fraud risks to the lowest levels towards the achievement of the Municipal objectives. Fraud is an ever increasing global problem that affects us all, the Municipality is not immune to this worldwide epidemic and is not prepared to be a victim of fraud, but rather seeks to be part of the solution to a fraud free society.

Section 166 of the Local Government Municipal Finance Management Act no 56 of 2003 requires each Municipality to establishment an audit committee, Performance and risk committee as an independent advisory body which must:

advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to:

- internal financial control and internal audits
- (ii) risk management
- (iii) accounting policies
- (iv) the adequacy, reliability and accuracy of financial reporting and information
- (v) performance management
- (vi) effective governance
- (vii) compliance with acts and legislations
- (viii) performance evaluation

The above requirement is to ensure appropriate and effective system of internal control for the accounting officer and senior management to prudently incorporate fraud risk management and internal control within the Municipality governance processes.

The accounting officer and senior management make a robust assessment of fraud risk as to how they will be managed and mitigated to suit the service delivery plan of the Makhuduthamaga Local Municipality.

This can be achieved by implementing and designing efficient and effective internal control processes to prevent the likelihood of existing and emerging fraud risks to manifest at an alarming rate.

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### **2.4.3 Audit and Performance Committee Responsibility**

The audit and performance committee reports have been complied with its responsibilities arising from section 166(2) (a) of the MFMA. The audit and performance committee also report that it has adopted appropriate formal terms of reference as its audit and performance committee charter, and that its affairs are in compliance with this charter. It also confirms that it has further discharged all its responsibilities as contained therein. Audit and performance committee report for all four quarters of the financial year ended 30 June 2023 were submitted and adopted by the municipal council.

#### 2.4.3.1 The effectiveness of internal control

The system of internal controls applied by the municipality over the financial management, risk management and governance processes were effective, efficient and transparent. In line with the MFMA and the King IV Report on Corporate Governance requirements, Internal Audit report to the audit and performance committee and management, and it provide assurance that the internal controls are appropriate and effective. This is achieved by means of its audits on risk management process, performance management and all other components as per its annual plan as well as the recommendations of corrective actions and suggested enhancements to the controls and processes.

#### 2.4.3.1 Evaluation of annual financial statements, Risk Management & Performance Management

The audit and performance committee has:

Reviewed the draft annual financial statements to be submitted to the Auditor-General South Africa for external audit with the Accounting Officer and senior management of the municipality;

Reviewed the prior year Auditor-General of South Africa's management report and management's response thereto and discussed the progress on implementation of the management's remedial action plans on a quarterly basis for the year ended 30 June 2023;

Reviewed the risk management registers and progress reports presented to it, as well as implementation of the action plans for all four quarters of the financial year ended 30 June 2023 and it is therefore satisfied with the functionality of the risk management committee and the risk management unit within the municipality;

Reviewed the municipality's compliance with legal and regulatory provisions through the advices from the legal service unit.

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Reviewed the quarterly performance management reports and annual performance report for the year ended 30 June 2023 and discussed the reports with management on a quarterly basis.

### **Internal audit**

Section 165 (2) (a) (b) (iv) of the MFMA requires that:

The internal audit unit of a Municipality must– (a) Prepare a risk based audit plan and an internal audit programme for each financial year; and (b) Advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to internal audit.

The audit and performance committee is satisfied that the internal audit function is operating effectively and that it has identified weaknesses in the system of internal controls pertinent to the municipality and also recommended corrective actions to improve the system of internal control.

### **Inputs for AGSA action plans**

Efforts has been made to ensure that external quality assurance reviews are performed in accordance with IIA standards 1300 on the internal audit function, and successfully through the unwavering support and assistance of CoGHSTA in the province, we were able to conduct external quality assurance and improvement program reviews. The report has been issued with recommendations for improvements and it has also been submitted to the Auditor General South Africa during the audit.

Below is the Audit and Performance Committee members appointed with effect from the 1<sup>st</sup> of July 2022- 30 June 2023:

<b>Name</b>	<b>Capacity</b>	<b>Dates of AC meetings held</b>
Mr. Mpjane J N	Chairperson	03 August 2022
Ms. Ngoetjana MS	Member	27 August 2022
Mr. Maeyane A K	Member	25 October 2022 25 January 2023 24 April 2023 30 June 2023



Attendance of meetings of Audit and Performance Committee meetings.

<b>Name</b>	<b>Capacity</b>	<b>Number of meetings attended</b>
Mr. Mpjane J N	Chairperson	6
Ms. Ngoetjana MS	Member	6
Mr. Maeyane A K	Member	6

Below are the activities of the Internal Audit Unit which were performed during the year under review 2022-2023:

<b>Planned Activity/projects</b>	<b>Comment</b>
<b>Policies and plans</b>	
Reviewed Audit and Performance Committee Charter	Reviewed and recommended for approval on the 03 August 2022 by Audit and Performance Committee to Council  Adopted by municipal council – 30 <sup>th</sup> September 2022
Reviewed Internal Audit Charter	Reviewed and approved on 03 August 2022 by Audit and Performance Committee.  Adopted by municipal council – 30 <sup>th</sup> September 2022
Reviewed Internal Audit Methodology	Developed and approved on 03 August 2022 by Audit

	and Performance Committee Adopted by municipal council – 30 <sup>th</sup> September 2022
Three year rolling Internal Audit Plan and annual programme	Developed and approved on 03 August 2022 by Audit and Performance Committee
<b>Projects – (Risk based)</b>	
Review of AFS and APR (2022-2023)	Completed
Follow up audit on AGSA report ( 2021-22 AGSA findings)	Completed
Follow up audit on IA reports (2021 -22 IA findings)	Completed
Risk Management, Security and Loss control	Completed
Environmental ,Waste Management including disaster relief	Completed
Supply Chain Management	Completed
Human Resource Management and HRD	Completed
Economic Development and Planning(LED)	Completed
Assets Management and Maintenance	Completed
Information Technology	Completed
IDP/Budget and SDBIP process	Completed
Revenue and cash management (Debt collection and revenue enhancement strategies)	Completed
Records Management	Completed
Project and contract management	Completed
Expenditure Management	Completed
Fleet management and inventory	Completed
<b>Regulatory Audit</b>	

Audit of Performance Information (First Quarter, Second Quarter, Third Quarter, and Fourth Quarter)	Completed
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#### **2.4.4 Supply Chain Management**

Section 217 of the Constitution of the Republic of South Africa requires that when an organ of State contracts for goods and services it must do so in accordance with a system which is fair equitable transparent competitive and cost effective.

The management has developed and a Supply Chain Management (SCM) Policy and practices in compliance with the guidelines set out by the Supply Chain Management Regulations, which was approved by Council. The Preferential Procurement Regulations, 2017, with effect from 1 April 2017, were incorporated into the policy and adopted. The SCM Policy incorporating the above-mentioned regulations, as well as all other relevant pieces of legislation, regulations, and circulars, are annually reviewed during the budget process. The CSD (Central Supplier Database) was implemented for a supplier to be registered before he/she can be used.

The Supply Chain Management Policy guides all SCM role players relative to Sections 47 and 48 of the MFMA SCM Regulations.

SCM is centralized and the municipality has established the three (3) bid committee system. No councillors are members of a committee of the committees handling supply chain processed.

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#### **2.4.4 Supply Chain Management Unit**

Chapter 11 of the MFMA compels the municipalities to establish Supply Chain Management Units and implement the SCM Policy which gives effect to all SCM functional areas. The Supply Chain Management Unit has been established and operates under a direct supervision of the Chief Financial Officer.

#### **SCM Processes and Procedures**

The following processes mentioned here under will be summarised in stages. i.e. from requisition stage up to the final stage of appointment of a service provider.

#### **Demand**

- The user department identifies a need for a particular goods and/ service.
  - Verifies that goods or services requested are in the approved IDP, SDBIP and have funds available as per approved Annual Budgeted.
  - Submit the requisition to the budget unit for confirmation of budget and signature by
-

Manager Budget/delegated official.

- Submit the request to Bid Specification committee for development of detailed specification of goods or services required.

### **Requisitions**

- The user department will raise a requisition on the mSCOA system
- The requisition gets approved by the Head of Department (HOD)

### **Bid Specification Committee**

- The Committee is established in terms of sec. 27 of the Supply Chain Management regulation and the policy of the Municipality.
- The Committee performs their tasks as required in terms of sec. 27 of the Supply Chain Management regulation and the policy of the Municipality.
- An advert is then placed with the specification from the said Committee on the Municipal website and notice board.

### **Bid Evaluation Committee**

- The Committee is established in terms of sec. 28 of the Supply Chain Management regulation and the policy of the Municipality.
  - The Committee performs their tasks as required in terms of sec. 28 of the Supply Chain Management regulation and the policy of the Municipality.
  - The Committee prepares a report with recommendation(s) to the Bid Adjudication committee.
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### **Bid Adjudication Committee**

-The Committee is established in terms of sec. 29 of the Supply Chain Management regulation and the policy of the Municipality.

-The Committee performs their tasks as required in terms of sec. 29 of the Supply Chain Management regulation and the policy of the Municipality.

-The committee analyse the report from the Bid evaluation committee and make recommendation(s) to the Accounting Officer

### **Appointment Stage**

-The Accounting officer may after due consideration of the reports from the said committees accept or reject recommendations from the Bid Adjudication Committee as in terms of sec. 29 (5) (b) of the Supply Chain Management regulation and the policy of the Municipality.

-The Municipality has adopted a Supply Chain Management Policy which is in line with the Regulation. The Municipality acquires goods and services through the processes as stated in the policy.

- No Councillor is a member of any bid committees and the Municipality is adhering to sec. 117 of MFMA as well as circular No.40.

### **2.4.5 By-laws**

The municipality has adopted By-laws which referred as community laws regarding many aspects of the day to day life activities. They are there to ensure that Municipal rules are maintained and adhered to in the coordination of the daily business activities. By-laws are also there to ensure that municipality generates its own revenue in order to sustain delivery quality services to its communities.

<b>Name of the Bylaw</b>	<b>By-law gazetted</b>
Credit controls	Yes
Property Rates	Yes
Street advertising.	Yes
Street Trading	Yes

Waste Management	Yes
Public Nuisance	Yes
Public Amenities	Yes

NB: No new by- laws were promulgated during the year under review 2021-2023.

#### **2.4.6 Municipal website**

The municipal website is an integral part of a Municipality's communication infrastructure and strategy. It serves as a tool for community participation and improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. It also assists with public information sharing platform, it serves as compliance tool. Section 75 of the MFMA requires that the municipalities place key documents and information on their website among others are IDP; SDBIP; the annual budget adjustments and budget related documents and policies. The Municipality has a service level agreement with State Information Technology Agency (SITA) for website maintenance.

#### **2.4.7 Public Satisfaction on Municipal Services**

During the year under review the municipality did not contacted any public satisfaction survey on municipal services.

#### **2.4.8 All Municipal Oversight Committee**

The municipality has four oversight committees namely: MSA s79 portfolio committees, s79 standing committee (Municipal Public Accounts Committee), MFMA s165 (Audit Committee) and Risk Management Committee. The municipal council established section 79 in terms of the Municipal Structures Act. This committee plays oversight on the work of the Executive Committee on monthly basis by engaging the reports of the executive committee and also visiting projects. The Audit Committee's role is to play oversight on the work of Council and also provide advises on the performance of the municipality on quarterly basis. The Risk Management Committee has been established to advise the municipal manger on risk

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management issues. The committee is chaired by a member of the Audit Committee and reports from the Risk Management Committee are then tabled to the Audit Committee. The Risk Management Committee is composed of Risk Management Unit, Risk Champions and Audit Committee member.

## **CHAPTER 3: SERVICE DELIVERY PERFORMANCE**

### **INTRODUCTION**

This chapter focuses on service delivery on a service-by-service basis. It reflects municipal performance derived from the IDP objectives, translated into SDBIP and presents data on community needs and resource deployment.

### **3.1 BASIC SERVICES PERFORMANCE**

The Municipality performs the following functions in relation to the provision of Basic Services:

- Provision of electricity
- Provision of roads and storm water system
- Repair and maintenance of existing infrastructure related to electricity, roads, bridges, storm-water and buildings.
- Provision of Free Basic electricity

#### **3.1.1 Electricity**

The Municipality has entered into a Service Level Agreement (SLA) with the National Department of Energy for the provision of household connections. After the completion of the projects the municipality transfer the projects to Eskom for maintenance. The Municipality is experiencing the following households electrification challenges:

- Illegal connections to households.
  - Insufficient capacity on the existing network.
  - New extensions of residential sites for post connections
  - Budgetary Constraints
-



**Comment on electricity services' performance overall**

The projects that were initially planned for household electrification were not implemented due to lack of capacity in their respective areas for example Dihlabaneng. The municipality made funds application from the Department for 2022/2023 financial year households electricity provision which has been approved and allocated R6 million.

The numbers of household villages provided with electricity for 2022/2023

Name of villages	Number of Households
Setlaboswane	172
Mohwelere	128

<b>Employees: Electricity Services</b>					
Job Level	2021/2022	2022/2023			
	Employees	Approved Posts	Filled posts	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 – 12	1	1	1	0	0
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

### Financial Performance 2022/23: Electricity and housing

Details	2022/23			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure	R9 144 000	R8 144 000	R7 244 889	R899 112
Employees	R 624 742	R644 742	R612 816	R31 927
INEP	R6 000 000	R6 000 000	R6 000 000	R0.00
Repairs and Maintenance	R2 306 000	R2 854 553	R2 786 216	R68 337
Capital Expenditure	R3 500 000	R3 500 00	R2 028 986	R1 471 014
<b>Total Expenditure</b>	<b>R15 574 342</b>	<b>R15 143 295</b>	<b>R12 672 390</b>	<b>R2 470 390</b>

#### 3.1.2 Free Basic Services and Indigent Support

Free Basic Services provided by MLM

Service provided	Number of households benefitted
1. Electricity FBE collected	1 <sup>st</sup> quarter 2144 2 <sup>nd</sup> quarter 2323 3 <sup>rd</sup> quarter 2146 4 <sup>th</sup> quarter 2159
2. Refuse removal H/H	700

#### 3.1.3. Waste Management (this section to include: refuse collection and waste disposal)

##### Waste management

In terms of Schedule 5 Part B of the Constitution of South Africa Act , 1996 (Act 108 of 1996), waste management, including the removal of refuse, refuse dumps and solid waste disposal, is a local government function that must be executed to protect human and environment. The

Constitution, in its Section 24 of the Bill of Rights, has particular relevance in as far as the environment is concerned. The section states that everyone has the right to an environment that is not harmful to their health and well-being, and to have the environment protected for the benefit of the present and the future generations through reasonable legislative and other measures. Additionally, the National Environmental Management Act (NEMA), 1998 (Act 107 of 1998), provides for the cooperative environmental governance for coordination of the environmental functions. Taking relevance to waste management functions, the National Environmental Management: Waste Act (NEMWA), 2008 (Act 59 of 2008) which is enacted from NEMA, seeks to regulate waste management to ensure prevention of pollution and environmental degradation, and securing ecologically-sustainable development, in order to protect human health and the environment. Makhuduthamaga Municipality has developed a Waste Management Policy that was approved by council, which guides the management of waste, including the storage and transportation of waste within the Municipality.

On this function of waste management, the Municipality has taken a full responsibility of refuse removal services by placing skip bins at several points within the municipal jurisdiction namely: Vleischboom, Mabintane Road, Maserumule Park, Phokoane, Brooklyn, Glen Cowie, Moloi, Mogorwane, Riverside, Mokwete, Jane Furse, Makgane, Schoonoord, Maila Mapitsane, Manganeng, Tjatane, Malegale, Maila Segolo, Marulaneng, Mamone, Marishane, Mashabela, Masemola, Apel Cross, Malope and Setlaboswane. Additionally, the Municipality has contracted various institutions for refuse removal services including: Moratiwa Complex, Moratiwa Extension, Viva Garage Glen Cowie, Saint Ritas Hospital, Jane Furse Hospital, Jane Furse Plaza, Jane Furse Comprehensive School, Kwena Motors, Rakgoadi Bakery, Kgolane Complex, Jane Furse Chicken Licken, Mathomomayo Investment, Marotobale Primary School, Kgaladi Primary School, Guardian Angels College and St Engenas Zion Christian Church in Jane Furse.

The waste generated and collected from the municipal jurisdiction is disposed-off at the registered Jane Furse Waste Disposal Site, also referred to as Jane Furse Class GCB disposal site. This is a general communal and general small disposal site or landfill site, with permit number 12/11/9/D1. The waste disposed in the landfill site is recorded and reported to South African Waste Information System (SAWIS) on monthly basis. There is currently one co-operative with eight (8) members, and seven (7) individuals permitted to do recycling on the site daily. During 2022/2023 financial year, the Municipality conducted four (4) internal landfill site audits, one (1) in each quarter of the financial year.

The municipality is currently facing a challenge of illegal dumping which are created within private own properties and on the outskirts of some villages. To tackle some of the waste

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challenges, the municipality has received a donation in the form of a skip loader truck from the Department of Fisheries, Forestry and the Environment (DFFE) in 2022/2023 financial year. The main aim of the donation was to assist the municipality with effective refuse removal services. As at the end of June 2023, three (3) waste compactor trucks, three (3) skip loaders and fifty (50) skip bins were in place. The municipality has successfully introduced kerbside (house-to-house) collection at Glen Cowie (Mathousand, Glen Cowie New Stands and Marishane Gardens).

Quantities of refuse removed from households in Makhuduthamaga Municipality's Glen Cowie (Mathousand, Glen Cowie New Stands) and Marishane Gardens in 2022/2023 financial year.

Table below shows the quantities of waste collected from households for the 2022/2023 financial year

Item	Quantities
Removed by local authority annually (skips)	4686 collected over 50
Removed by local authority at least once a week from house to house collection (H/H) with Access to waste removal	700

#### Financial Performance 2022/23: Solid Waste Management Services

Details	Original Budget	Adjustment Budget	Actuals	Variance to Budget
General Expenditure	R 65 000	R 165 000	R 126 700	R 38 300
Employees	R 4 010 912	R 3 280 912	R 2 850 029	R 430 883
Repairs and Maintenance	R 800 000	R 1 456 504	R 956 534	R 499 970
Contracted Services	R 24 200 000	R 26 200 000	R 25 905 173	R 294 827
<b>Total</b>	<b>R 29 075</b>	<b>R 31 102 416</b>	<b>R 29 838 436</b>	<b>R 1 293 880</b>

<b>Expenditure</b>	<b>912</b>			
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Below table is a comparison of waste collection

<b>Description</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>
<p><b><u>Solid Waste Removal:</u> (Minimum level)</b></p> <p>Removed at least once a week</p>	<p>-Daily Street to street collection(Jane Furse, Phokoane, Glen Cowie, Mokwete and Schoonoord) other identified areas collection is done as and when required</p> <p>-50 Skips for 19 villages.</p>	<p>-Daily Street to street collection(Jane Furse, ,Phokoane Glen Cowie, Mokwete and Schoonoord) other identified areas collection is done as and when required</p> <p>-50 Skips for 19 villages.</p>	<p>-Daily Street to street collection(Jane Furse, ,Phokoane Glen Cowie, Mokwete and Schoonoord) other identified areas collection is done as and when required</p> <p>-50 Skips for 35 villages.</p>
<b>Total number of households</b>	500 Households collected.	700 with access Households collected.	700 with access Households collected.

**Households - Solid Waste Service Delivery Levels below the minimum**

<b>Description</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>No.</b>	<b>No.</b>	<b>No</b>

**Formal Settlements****Total households:**

Households below minimum service level	Entire Makhudutha maga Municipality	Entire Makhuduthamaga Municipality	Entire Makhuduthamaga Municipality
Proportion of households below minimum service level			

**Informal Settlements****Total households:**

Households below minimum service level	Entire Makhudutha maga Municipality	Entire Makhuduthamaga Municipality	Entire Makhuduthamaga Municipality
Proportion of households below minimum service level	0	0	0

Description	2020/21	2021/22	2022/2023
	No.	No.	No.
Total households			
Households below minimum service level	Entire Makhuduthamaga Municipality	Entire Makhuduthamaga Municipality	700 House to house with access to waste collection made at Glen Cowie and Marishane
Proportion of households below minimum service level			

**Employees: Solid Waste Management Services**

Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	06	08	16	0	0
7 – 9	0	0	0	0	0
10 – 12	01	01	01	0	0
13 – 15	0	0	0	0	0
16 – 18	1	01	01	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>08</b>	<b>10</b>	<b>19</b>	<b>0</b>	<b>0 %</b>

Employees and Posts numbers are as at 30 June 2023. The 16 are combined general workers and drivers with 01 supervisors and 01 Manager.

**Employees: Waste Disposal and Other Services**

Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	01	01	0	0	0
7 – 9	0	0	01	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>01</b>	<b>0</b>	<b>0</b>

NB: the two post is one landfill supervisor.

**3.1.4 Roads, Bridges and Storm water**

The Municipality has the following related strategic objective for the reporting period:

- To reduce infrastructure and service delivery backlogs in order to improve quality of life of the community by providing them with roads and storm water.

Municipality receive MIG funds and Equitable Shares In order to achieve its objective. Municipality needs more resources both financial and human resources to be able to address the backlog. The table shows previous comparison of prior years and the year under review.

<b>Gravel Road Infrastructure</b>				
Financial years	Total Gravel Roads	New Gravel roads constructed/ established	New KM roads Gravel upgraded to asphalt.	Gravel km roads maintained.



2020/21	293	0	19km	45km
2021/22	293	3	11km	40km
2022/23	293	2	14 Km	55km

### Asphalted Road Infrastructure

#### Kilometres

	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2020/21	126	19	1	0	1
2021/22	156	11	0	0	1
2022/23	170	14	2.2	1	0

#### Cost of Construction/Maintenance:

	Gravel			Asphalt		
	New	Gravel – Asphalt amounts	Amounts Maintained	New	Re-worked	Maintained
2020/21	19 Km	R115 000 000	45 333 000	115 000 000	0	0
2021/22	11Km	R41 326 000	R44 745 000	R41 326 000	0	0
2022/23	14	R 97 980 000	R 36 541 000	R 97 980 000	R 9 000 000	0

<b>Employees: Road Services, bridges and storm water</b>					
<b>Job Level</b>	<b>2021/2022</b>		<b>2022/23</b>		
	<b>Approved Posts</b>		<b>Filled posts</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 – 3	13		9	4	0%
4 – 6	1		1	0	30%
7 – 9	2		2	0	0
10 – 12	5		5	0	0
13 – 15	0		0	0	0
16 – 18	2		2	0	0
19 – 20	0		0	4	0
<b>Total</b>	<b>23</b>		<b>19</b>	<b>8</b>	<b>30%</b>

<b>Financial Performance 2022/23: Road Services, Bridges and Storm water</b>					
<b>Details</b>	<b>2022/23</b>				
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance</b>	
<b>Total Operational Revenue (excluding tariffs)</b>	R0	R0	R0	R0	

<b>Expenditure:</b>	R4 041 232	R4 546 232	R 3 573 631	R417 615
Employees				
Repairs and Maintenance	R 24 400 000	R 40 900 000	R 40 820 790	R79 210
General Expenditure	R 4 758 527	R 4 758 527	R 3 300 000	R996 034
<b>Total Operational Expenditure</b>	<b>R33 199 759</b>	<b>R50 204 759</b>	<b>R50 703 968</b>	<b>R499 209</b>

<b>Capital Expenditure 2022/23: Road Services, Bridges and Storm water</b>				
<b>Capital Projects</b>	<b>2022/23</b>			<b>Variance from original budget ( R 000)</b>
	<b>Budget (R 000)</b>	<b>Adjustment Budget (R 000)</b>	<b>Actual Expenditure: (R 000)</b>	
Construction of road from Mashabela Tribal office to Machacha (5.5km) phase 2	R20 500	R 26 500	R 25 909	R (5 409)
Construction of access road from Mokwete to Molepane/ Ntoane(10 km)	R 18 000	R 16 000	R 16 000	R 2 000
Construction of access road from Maila Mapitsane to	R 5 000	R 1 000	R 1 000	

Magolego Tribal office( 7.5Km)				R (4 000)
Construction of access road from Glen Cowie Old Post office to Phokwane (7 km)	R 15 000	R 11 000	R 7 302	R 7 698
Construction of access road from Lobethal to Tisane (4.2 km)	R 15 000	R 15 000	R 17 000	R (2 000)
Construction of Mamone Internal Road	R 10 000	R 1 000	R 1 000	R 9 000
Repair and Maintenance of roads, bridges and stormwater	R 21 900	R 36 900	R 36 541	R (14 641)
Repairs and Maintenance of electricity infrastructure	R 2 305	R 2 855	R 2 855	R (550)
Repairs and Maintenance for other assets	R 2 500	R 4 000	R 3 974	R( 1 474)
Upgrading of sports facility phase 2 ( Marishane sports facility)	R 5 000	R 6 400	R 6 400	R (1 400)
Free basic Electricity	R 3 144	R 2 144	R 2 144	R (1 000)
Construction of Malegase to Mapulane access road and bridge( 3.5 km)	R 11 976	R 8 556	R 6 806	R 5 170

Construction Of Mochadi road and bridge ( 2.8 km)	R 21 470	R 28 760	R 28 760	R( 7 290)
construction of access road and bridge from Mathousand to Maraganeng ( 10 km)	R 500	R 500	R500	R 0
Construction of Rietfontein ( Ngwaritsi) sport facility	R 0	R 1 536	R 922	R (922)
Construction of access road from Jane Furse RDP to Mogorwane ( 5.8 km)	R 550	R 17 595	R 21 703	R (21 153)
Construction of access road and bridge from Makgeru Moshate to Mantime Primary school(0.85 km)	R 11 088	R 10 940	R 10 940	R 148
Construction of access road from Mathapisa to Soetveld (6 km)	R 500	R 2 000	R 1 163	R (663 000)
Construction of Manyeleti to Mamone central road ( 2.6 km)	R 15 949	R 25 412	R 25 567	R (9 618)
Construction of access road from Mohlala Mamone	R 0	R 7 439	R 3 429	

to R579 ( 1.2 km)				R (3 429)
Construction of access road from Masemola Moshate to Mohloding/ Mamatjekele ( 10 km)	R 500	R 1 950	R 2 400	R ( 1 900 )
Construction of access road from Motorgate Wonderboom to R579 ( 10 km)	R 500	R 1 200	R 1 200	R (700 )
Rehabilitation of access road at Hlalanikahle	R 5 000	R 9 000	R 9 000	R (4 000)
Construction of Kome internal street phase 2	R 550	R 550	R 0	R (550)
Electrification of Dihlabaneng ( Ngwanakwena and Malatjane) 300 H/H PH2 ( Setlaboswane and mohwelere)	R 6 000	R 6 000	R 6 000	R 0
Installation of High mast at Mamone(Kgoshi Mampuru, Setlaboswane, Mari shane)	R 3 500	R 3 500	R 3 500	R 0
Construction of guard rooms and boom gates in municipal facilities	R 5 000	R 5 000	R 5 000	

Construction of Clear Vu fence at municipal facilities				R 0
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### 3.1.5 MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE

Municipal Infrastructure Grant (MIG)* Expenditure 2022/23 on Service backlogs						
R' 000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Construction of Malegase to Mapulane access road and bridge (3,5Km)	R 11 976	R 8 556	R 6 804	R 5 170	R 1 750	None
Construction of Mochadi road and bridge (2.9km)	R 21 470	R 28 760	R 28 760	R( 7 290)	R 0	None
Construction of access road and bridge from Mathousands to Maraganeng (10km)	R500	R500	R500	R0	R0	None
Construction of access road from Jane Furse RDP to Mogorwane (5.8Km)	R550	R17 595	R21 703	R(17 045 )	R(4 108)	None
Construction of Access road and	R11 088	R10 940	R10 940	R 148	R0	None

bridge from Makgeru Moshate to Mantime Primary School(0.85Km)						
Construction of Access road from Mathapisa to Soetveld (6kM)	R500	R2 000	R1 163	R (1 500)	R 663	None
Construction of Manyeleti to Mamone central access road(2.6Km)	R15 949	R25 412	R25 567	R (9 463)	R (155)	None
Construction of Access road from Mohlala Mamone to R579 (1.2km)	R0	R7 439	R3 429	R (3 429)	R 4 010	None
MIG Overheads	R2 772	R 2 772	R 2 772	R 0	R0	None
Total	R 70 915	R 94 915	R 94 915	R(18 829)	R(20 169)	None

### 3.2 PLANNING AND DEVELOPMENT

The Makhuduthamaga Municipality is predominantly rural and most of its communities are under the leadership of traditional authorities. The Traditional Authorities are the custodians of land, as a result, for the Municipality to acquire land for spatial development, it has to negotiate with Traditional Authorities through a land acquisition process, a process that also requires facilitation by the Department of Agriculture, Land Reform and Rural Development (DALRRD). The Municipality has a challenge of acquiring land due to exorbitant purchase rates demanded by traditional authorities that do not match with the professional valuation of the subject properties. Most traditional authorities are also reluctant to release land as this is seen to be weakening their authority. The Municipality facilitated consultations meetings with various traditional authorities in quest to create awareness on land use management. These traditional authorities still require more awareness, in order to understand that the municipality requires land to facilitate spatial development within the Municipal area. This helps attract investors to come and invest within the Municipal jurisdiction, as to help grow the local economy and improve the overall standard of living of all its communities.



The Municipal Council approved and adopted, the Local Economic Development (LED) Strategy together with Spatial Development Framework (SDF). The LED strategy identified the municipality's major economic drivers and proposed how they can streamline in a manner that can grow the local economy and create job opportunities for local communities. On the other hand, the SDF identified economic potential clusters (nodes) which the Municipality must pay attention to in respect of directing spatial development to unlock local economic development within the Municipal area.

Makhuduthamaga Local Municipality is predominantly rural in character and as a result, faces challenges in implementing most town planning and land use management tools. The Spatial Planning and Land Use Management Act (SPLUMA) (Act16 of 2013) was passed to ensure that effective and standard land development procedures and land use management is followed and implemented across the country. The promulgation of the said Act further ensures that the responsibility of considering developments applications lies with the municipalities as opposed to the previous arrangement, which allowed other spheres of government to play that role. As per SPLUMA, municipalities are required to adhere and comply with provisions of the said Act by effecting the following changes amongst others:

- Establish Municipal Planning Tribunal (MPT) to consider relevant development applications;
- Categorize development applications;
- Promulgate Municipal Spatial Planning and Land Use Management (SPLUM) by-law;
- Appoint Members of Municipal Planning Tribunal (MPT) and nominate Municipal Authorized Official (AO)
- Develop of a wall-to-wall land use scheme
- Develop a SPLUMA compliant SDF;

### **3.2.1 Spatial Planning**

Sekhukhune District Municipality has advised all its local municipalities to be part of a District Joint Municipal Planning Tribunal (DJMPT) as to ensure sharing of available scarce resources and further to avoid service delivery gaps within its local Municipalities. As a result, Makhuduthamaga Local Municipality through its Council resolved to be part of the district JDMPT.

Initially, the process of developing Municipal SPLUM bylaw was faced with some challenges from local traditional leaders and was then resolved after intensive consultations with the stakeholders. The resolution of the matter has opened way for finalization of the Municipal SPLUM by-law. Nevertheless, the Council approved and adopted the SPLUM by-law in 2020 and was gazetted in the same year

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Additionally, The municipality has finalized its Land Use Management Scheme (LUMS) which was adopted by Council and also promulgated. The completion of LUMS means that the municipality can effectively process all land development applications to speedup spatial development, influence local economic growth and influence investments.

The municipality has a Council approved SPLUMA compliant Spatial Development Framework (SDF) which has also been promulgated.

Amongst others the SDF outlines the following key priority areas:

- the need to initiate the process of formalizing Jane Furse as the primary growth point;
- introduction of formal planning of settlements;
- the need to contain development sprawl;
- conservation of protected areas;
- Development and enhancement of municipal economic potential nodes.

In implementing SDF programs that have been identified and recommended in the SDF, the municipality has initiated projects such as development of precinct plans for economic potential nodal zones, formalization of rural settlements through sites demarcation, etc. The municipality has already conducted feasibility study for formalisation of Jane Furse as the Municipal primary node. This was done by undertaking specific studies and investigations to inform the formal township establishment process of formalizing Jane Fuse.

The municipality also identified settlements that are formally planned, the following settlements were formally planned (formal sites demarcated):

- Groblersvrede (Makgane);
- Korenvelden
- Ga-Mashabela (along R579 to Lebowakgomo)
- Ga-Marishane
- Maila Mapitsane
- Maila Segolo

This is done in response to SDF recommendations to introduce formal planning and to avoid haphazard nature of land allocation which makes it difficult and costly to provide services such as roads, electricity and water. The Municipality received and decided over development applications and/or proposals for

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key economic developments (Regional shopping centre, filling stations etc) which were subjected to formal processes, and therefore complimentary to the recommendations and/or objectives of the SDF.

### 3.2.2 Land Acquisition

The Municipality has been negotiating with relevant stakeholders for land release. This said the Municipality has during the financial year 2022/23 managed to acquire a piece of land measuring 3784m<sup>2</sup> in extent. The implied piece of land, forms part of a portion of portion 3 of the farm Vergelegen 819KS, located adjacent to the main Municipal Offices in Jane Furse. Disappointingly, the Municipality could not acquire adequate land as anticipated. This said, the negotiations for land release are continuous with few private landowners interested to engage the Municipality on the matter with the intension to sell their pieces of land to the Municipality.

### 3.2.3 Local Economic Development

The Local Economic Development (LED) Strategy forms part of Makhuduthamaga Local Municipality's overall strategic plans as outlined in the Integrated Development Planning (IDP) processes in seeking to promote viable local economic activities that benefit the local community. The LED Strategy provides the Municipality with a guideline to create and facilitate local economic development and further realize the underlying economic development potential as well as to encourage private sector involvement in job creation within the jurisdiction of the Municipality.

The local economy is highly dependent upon agriculture with vegetables production, grains and fruit being the key players followed by retail services, taxi industry and manufacturing. While grain farming is a major player on a subsistence farming basis

The LED strategy outlined the role of the municipality and other stakeholders in supporting SMMEs. Two (2) SMMEs were financially supported during the 2022/23 financial year in line with the LED Strategy. In addition, SMME business community has been supported through training sessions which were conducted in conjunction with our key stakeholders such as NYDA, SEDA, DALRRD, etc. The LED strategy has identified various issues and strategic areas for intervention such as indicated below:

Thrust	LED Programmes
Economic Sector Development	<ul style="list-style-type: none"> <li>• Agriculture cluster development</li> <li>• Mining development</li> <li>• manufacturing development</li> <li>• Construction development</li> </ul>

	<ul style="list-style-type: none"> <li>• wholesale and retail sector development</li> <li>• Transport storage and communications development</li> <li>• Tourism development</li> <li>• Enterprise development</li> </ul>
Economic Infrastructure Development	<ul style="list-style-type: none"> <li>• Roads and transport</li> <li>• Water supply</li> <li>• Electrification</li> <li>• Waste Management</li> <li>• Integrated infrastructure investment plan</li> </ul>
Social Infrastructure Development	<ul style="list-style-type: none"> <li>• Skills Development</li> <li>• Housing</li> <li>• Health</li> <li>• Education</li> </ul>
Institutional Support	<ul style="list-style-type: none"> <li>• Business Regulatory Environment</li> <li>• Financial Soundness and Management</li> <li>• LED Directorate Capacity Building</li> </ul>

### LED Initiatives

With a limited budget for LED projects (versus the high needs) the following initiatives have been executed:

DESCRIPTION OF PROJECT	PERFORMANCE HIGHLIGHTS
SMME Support	2 SMMEs were financially supported
Tourism Strategy	1 Tourism Strategy developed and adopted by Council
Feasibility study on manufacturing businesses in	1 Feasibility study on Manufacturing businesses developed and adopted by council.

MLM	
Business Plan for the revival of the Apel Cross Agricultural Scheme	1 Business Plan for the revival of the Apel Cross Agricultural Scheme developed and adopted by council
Review of LED Strategy	1 LED Strategy reviewed and adopted by Council

### Challenges: LED

Challenge	Proposed Solution
Limited budget	To budget enough to cater for more increased number of SMMEs and skills training
Product market establishment	Engagement with other stakeholders e.g DALRRD, SEDA, etc to establish stable market

## 3.3 COMMUNITY SERVICES

The Directorate of Community Services (Municipal Services) also referred to as Community Services Department is comprised of the following divisions:

- Environmental and Waste Management Services
- Community and Social Services
- Road traffic management services and Licencing

### 3.3.1 Environmental and Waste Management Services

The basic services offered under environmental management include waste collection and disposal, management of cemeteries, environmental protection and environmental education and awareness.

#### 3.3.1.1 Cemetery Fencing

The municipality planned to fence 2 cluster cemeteries but the target was not achieved as the municipality faced difficulties in securing the land. The directorate will continue to fence village-based cemeteries according to the priority list in the next financial year until land for cluster cemetery is acquired. However, despite the challenges faced, the directorate managed to fence five (5) cemeteries

in Thabampshe, Madibaneng, Madibong Ga-Seboane, Mokwete and Phokwane villages during the 2022/2023 financial year.

### **3.3.1.2 Environmental Protection**

The priorities of the environmental management services section are to ensure a safe and healthy environment for the community through the following by:

- ensuring compliance with environmental legislation through monitoring and enforcement.
- providing technical environmental inputs during development projects
- providing environmental pollution control
- facilitating pauper's burials
- controlling and monitoring hazardous substances

### **3.3.1.3 Environmental Education and awareness**

The municipality conducted four (4) environmental awareness and clean-up campaigns with an attempt to promote safe and clean environment at the following villages:

- Environmental awareness roadshow held on the 22<sup>nd</sup> September 2022 at Manthlanyane Community Hall
- Environmental education and awareness held on the 27<sup>th</sup> March 2022 at Maila Segolo Community Hall
- Environmental education and awareness held on the 23<sup>rd</sup> November 2022 at Eensaam PCF Church
- Clean up, environmental education and awareness held on the 15<sup>th</sup> May 2023 at Hlalanikahle Sports Ground

### **3.3.1.4 Waste collection and disposal**

Waste is collected at various villages across the municipality and disposed-off at the registered landfill side

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According to the landfill license conditions both internal and external audits should be conducted by the municipality on quarterly basis, and the external auditor on annual basis. The municipality has managed to conduct four (4) internal audits and no external audit was conducted during the 2022/2023 financial year.

### **3.4. SECURITY AND SAFETY**

Safety is the responsibility of all residents of Makhuduthamaga and all citizens of South Africa. The socio-economic challenges of inequality, poverty and unemployment is a major contributor to unsafe situations. With awareness campaigns on safety and security held, the residents commit themselves to maintain and promote a zero tolerance approach to crime and to ensure safety of the residents.

Safety needs to be approached from different angles, as no entity on its own will be able to successfully ensure the safety of the communities of Makhuduthamaga Local Municipality. Therefore, instead of working in silos, a combined strategy has been implemented to increase the capacity of manpower in order to assist Makhuduthamaga Safety Forum in combatting crime, insecurity and unsafe environment.

#### **3.4.1. Road Traffic Law Enforcement**

The purpose of this sub-division is to render a road traffic law enforcement services. The main function are to provide and manage road traffic law enforcement field services as well as to provide road traffic law endorsement administrative services. Traffic law enforcement services were previously rendered by the Department of Transport and Community Safety, but due to devolutions, these functions are now the responsibility of the municipality. These services are carried out in concurrence and jointly with the provincial and national departments of transport. The traffic services offered in Makhuduthamaga Local Municipality is a culmination of discussions and subsequent agreement between the Municipality and the Limpopo Department of Transport and Community Safety.

The municipality has developed and implemented standing orders for the traffic officers to ensure effective and efficient traffic management. Additionally, the municipality has an approved 'rooster' system for traffic officers, that was approved by the municipal council. The municipality used to experience huge convoy during Easter and Festive Seasons, and the approved system is assisting with tackling the traffic challenges experienced. Other attempts were also made to tackle the traffic challenges experienced, which includes, for motorists to use other by-pass routes. However, the attempt to ensure that other by-pass routes are used has not been maximally achieved. There are two main by-pass routes in Jane Furse that are meant to reduce congestions at Jane Furse Plaza entrances and Jane Furse Crossing Mall fourways stop. These by-pass routes are at entrance to SAPS Jane Furse from Nebo and the other at first robot near main municipal office via Vergelegen C to R579 to Mamone

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Village.

### **3.4.2 Registering Authority**

The purpose is to provide registering authority services. The function is to provide:

- a motor vehicle registration and licensing services
- road worthy testing services
- driving license testing

Makhuduthamaga Licensing and Testing Services carry out the licensing and testing function in terms of the Service Level Agreement (SLA) entered into between Makhuduthamaga Local Municipality and Limpopo Provincial Department of Transport. Makhuduthamaga has two DLTCs at Nebo and Sekhukhune.

With regard to licensing services, the municipality has other devolved functions i.e., Nebo and Sekhukhune Driving License Testing Centres (DLTCs) and Vehicle Testing Stations (VTS), respectively. The licensing services of vehicles at both Nebo and Sekhukhune Traffic Stations assist in generating revenue for the municipality. Although there are some few challenges relating to the standard of services that these stations are providing, the municipality has a plan to establish another testing station at Ga-Masemola that will assist to meet all the requirements.

The municipality has 4+1 mini-taxis operating within the prescribed routes. The municipality is experiencing a high volume of this mode of transport which poses a serious challenge, due to high volume of commuters. Therefore, the sub-division has brought in measures to regulate the operation of 6+1 mini taxi type for control purposes

### **3.4.3 Public Safety**

The main function of Traffic Services is to make the roads safe and ensure the free flow of traffic at all times. This is done through visible law enforcement, speed enforcement, road safety campaigns and installation of traffic calming measures. During the year under review, four (4) road safety campaigns conducted.

Selective law enforcement is done at all high accident zones, where different law enforcement duties are conducted. Traffic wardens are deployed at different areas to control the flow of traffic in congested intersections, and to assist scholars to cross busy roads. Road accidents remain a challenge for the

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municipality, however, law enforcement interventions are introduced, including drunken driving operations at high accident prone areas. Additionally, Security Services has been deployed and is responsible for the safeguarding of all municipal properties and personnel.

### **3.5. COMMUNITY AND SOCIAL SERVICES**

The social services functions include library services, disaster management, sports and recreation, and arts and culture.

#### **3.5.1. Library Services**

Library services are regulated by the National Library of South Africa Act, 1998 (Act 92 of 1998), with the intention to collect, preserve and make available a country's history to all of its citizens. The municipality comprises of four (4) community libraries namely, Jane Furse, Phokwane, Ga- Phaahla and Patantswane. Additionally, there is also a blind mini library which is housed at Ga- Phaahla Library. The libraries operate on Mondays to Friday from 08h00 am to 16h00 pm. Jane-Furse and Patantshwane libraries further operate on Saturdays from 08h30 am to 13h00 pm, as per the pilot project that started in May 2023.

The services offered at the libraries include free Wi-Fi, outreach programmes and awareness campaigns, assisting learners with applications for admission and financial assistance at institutions of higher learning, basic computer training and blind library services. In relation to outreach and awareness campaigns, library services sub-directorate conducted the following programs during the 2022/2023 financial year;

- Read aloud Competition held on the 11<sup>th</sup> of February 2023 at Jane Furse Library Spelling Bee Competition held on the 23<sup>rd</sup> May 2023 at Ga-Phaahla Library
  - Library Week Celebration for the handicapped held on the 17<sup>th</sup> February 2023 at Leseding Primary School
  - Marketing of LIS held on 17<sup>th</sup> March 2023 at Patantswane, Kgahlana Morulana Secondary School
  - Career Awareness Program held on the 24<sup>th</sup> April 2023 at Moretsele Village
  - Holiday Programme held on the 27<sup>th</sup> June 2023 at Ga- Phaahla Library in Ga- Phaahla Village
  - Library Orientation held on the 11<sup>th</sup> February 2023 at Jane Furse Library
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- Reading and writing competition held on the 26th November 2023 at Jane –Fure Library

### 3.5.2 Disaster Management

The municipality respond to disaster incidents in terms of Disaster Management Act, 2002 (Act 57 of 2002), as amended. Section 16 of the Act shows that the local municipality has been given full responsibility to deal with disasters within their areas of jurisdiction. The municipality assists in terms of providing relief materials in the form of temporary shelters, sponges and blankets. Eight (8) disaster awareness campaigns and four (4) disaster advisory forums were conducted during the 2022/2023 financial year. Additionally, 60 disaster incidents were reported and relief was provided in various wards within the municipality as shown in table A below.

Table A: Disaster incidents reported and attended to in 2022/2023 financial year

No	Name and surname	Village/Ward	Type of incident	Type of relief provided
1.	Magolego Mashianoke Pretty	Caprivi	Structural Fire	Blankets:10 Sponges: 04 Shelter: 01
2.	Mamonyane Sephutle Brenda	Matlakatle	Structural Fire	Blankets: 06 Sponges: 03 Shelter: 0
3.	Kgabe Patrick	Madibaneng	Structural Fire	Blankets:12 Sponges: 06 Shelter: 0
4.	Shoba Gladys Mogashoa	Madibong	Structural Fire	Blankets:16 Sponges: 08 Shelter: 0
5.	Bapela Deliwe	Vergelegen B	Structural fire	Blankets: 04 Sponges: 0 Shelter: 0
6.	Makola Molefe	Apel cross Masemola	Structural Fire	Blankets: 04 Sponges: 02 Shelter: 01
7.	Makgoba Tjiane Stephen	Mathapisa	Structural Fire	Blankets: 02 Sponges: 01 Shelter: 0
8.	Mokgomogane Ratjatji Elizabeth	Leeukraal	Structural Fire	Blankets: 04

				Sponges: 01 Shelter: 0
9.	Mokadi Sina Taba	Caprivi	Structural fire	Blankets:10 Sponges: 04 Shelter: 01
10.	Mogomane Evelyn	Matelokwaneng	Structural fire	Blankets: 06 Sponges: 03 Shelter: 01
11.	Mmatlou Masemola	Malemeng Ga Marisha	Structural Fire	Blankets: 02 Sponges: 01 Shelter: 01
12.	Masemola Salamina	Malemeng Ga Marisha	Structural Fire	Blankets: 02 Sponges: 01 Shelter: 0
13.	Maduane Mathabathe Eva	Moripane	Structural Fire	Blankets:14 Sponges: 04 Shelter: 01
14.	Monnye Phokwane Rachel	Maila Segolo	Structural Fire	Blankets:10 Sponges: 05 Shelter: 0
15.	Mothogoane Precious Mate	Makorobishane ga Marishane	Structural Fire	Blankets: 04 Sponges: 02 Shelter: 01
16.	Thobane Abel Motau	Madibaneng	Structural Fire	Blankets: 04 Sponges: 01 Shelter: 01
17.	Sekele Mmakabu Elizabeth	Mashite	Structural Fire	Blankets: 02 Sponges: 01 Shelter: 0
18.	Makena Masele Comfort	Phokoane	Structural Collapse	Blankets: 0 Sponges: 0 Shelter: 01
19.	Evans Themane	Phokoane	Structural Fire	Blankets:12 Sponges: 04 Shelter: 01
20.	Silvia Mothupi Hlaole	Mantlhanyane	Structural damage	Blankets: 0

				Sponges: 0 Shelter: 01
21.	Tsibogo Letageng	Dihlabaneng	Structural fire	Blankets: 08 Sponges: 04 Shelter: 0
22.	Rapolai Mamohlake Rachel	Wonderboom Masemo	Structural Damage	Blankets: 04 Sponges: 02 Shelter: 0
23.	Maphutha Ditshipe	Mogaladi	Structural collapse	Blankets: 0 Sponges: 0 Shelter: 01
24.	Ramushu Joyce MaboJane	Wonderboom Masemo	Structural damage	Blankets: 08 Sponges: 04 Shelter: 0
25.	Mokete Sehume Hellen	Wonderboom masemo	Structural Damage	Blankets: 03 Sponges: 01 Shelter: 0
26.	Moswane Mmankatane Lerato	Wonderboom masemo	Structural damage	Blankets: 03 Sponges: 02 Shelter: 0
27.	Mahlare Makamele Leah	Wonderboom masemo	Structural damage	Blankets: 04 Sponges: 02 Shelter: 0
28.	Masemola HildaahMatatanu	Wonderboom masemo	Structural Damage	Blankets: 03 Sponges: 02 Shelter: 01
29.	Charlotte Pontso	Wonderboom masemo	Structural damage	Blankets: 02 Sponges: 01 Shelter: 0
30.	Chidi Hendrick pebane	Wonderboom Masemola	Structural damage	Blankets: 04 Sponges: 04 Shelter: 0
31.	Mokoena Cally Marweshe	Wonderboom masemola	Structural damage	Blankets: 0 Sponges: 02 Shelter: 0
32.	Chidi Nkake Tiny	Wonderboom	Structural damage	Blankets: 04

		Masemola		Sponges: 02 Shelter: 0
33.	Mahlare Mmapholo Francinah	Wonderboom Masemola	Structural damage	Blankets: 05 Sponges: 03 Shelter: 0
34.	Matlou Ivon	Wonderboom Masemola	Structural damage	Blankets: 02 Sponges: 01 Shelter: 0
35.	Madutlela	Diphagane	Structural Fire	Blankets:20 Sponges: 10 Shelter: 02
36.	Masemola Maboe John	Mohloding Masemola	Structural Fire	Blankets: 04 Sponges: 02 Shelter: 0
37.	Maela Phogole Annah	Manare Ga masemola	Structural Fire	Blankets: 08 Sponges: 04 Shelter: 0
38.	Gladys Bafedi Mamaile	Manotong	Structural Fire	Blankets:10 Sponges: 04 Shelter: 01
39.	Moretsele Matshekga	Moela Kgopane	Structural Fire	Blankets: 08 Sponges: 04 Shelter: 0
40.	Chewe Katlego	Riverside b	Structural Fire	Blankets: 04 Sponges: 02 Shelter: 0
41.	Motabo Nomsa	Marikana Ga Moretsele	Structural damage	Blankets: 03 Sponges: 02 Shelter: 01
42.	Selala Andronicca	Ga moretsele	Structural Damage	Blankets: 03 Sponges: 02 Shelter: 01
43.	Magane Chibogo Dorcas	Ga seopela	Structural Collapse	Blankets: 0 Sponges: 0 Shelter: 01
44.	Mabitsela Pontsho Molefe	Mamone Ga	Structural collapse	Blankets: 0

		mohlala		Sponges: 0 Shelter: 01
45.	Maepa Piet	Leeukraal	Structural damage	Blankets: 0 Sponges: 0 Shelter: 01
46.	Zulu Molefe	Leeukraal	Structural Collapse	Blankets: 0 Sponges: 0 Shelter: 01
47.	Tala Magale Lazarus	Leeukraal	Structural Collapse	Blankets: 0 Sponges: 0 Shelter: 0
48.	Tsolo Patrick	Leeukraal	Structural collapse	Blankets: 0 Sponges: 0 Shelter: 01
49.	Rantobeng Selina	Leeukraal	Structural Damage	Blankets: 0 Sponges: 0 Shelter: 01
50.	Sarel Moruleng Matime	Mamone Ntswele	Structural damage	Blankets: 05 Sponges: 04 Shelter: 01
51.	Maroga Moiti Rebecca	Malegale Sebitse	Structural fire	Blankets: 08 Sponges: 04 Shelter: 0
52.	Tebele Molemi Johannes	Leolo Moela Kgopane	Structural Collapse	Blankets: 0 Sponges: 0 Shelter: 01
53.	Tshesane Segopotse Anna	Leolo Moela Kgopane	Structural collapse	Blankets: 0 Sponges: 0 Shelter: 01
54.	Selala Peter	Tjatane	Structural fire	Blankets:14 Sponges: 06 Shelter: 01
55.	Magopa Manapo Linna	Riverside b	Structural Fire	Blankets:10 Sponges: 0 Shelter: 01
56.	Motau William	Moripane	Structural fire	Blankets:12

				Sponges: 0 Shelter: 01
57.	Sfikile Shantel	Skoti phola phokoane	Structural fire	Blankets: 04 Sponges: 0 Shelter: 0
58.	Ramogohlo Khutso	Ga mashabela	Structural damage	Blankets: 0 Sponges: 0 Shelter: 01
59.	Chewe Katlego	Riverside B	Structural Fire	Blankets: 04 Sponges: 02 Shelter: 0
60.	Motabo Nomsa	Marikana Ga Moretsele	Structural Damage	Blankets: 03 Sponges: 02 Shelter: 01

### 3.6 SPORTS AND RECREATION

Another social service offered under the Community Services Department is the administration of sports and recreational facilities and the maintenance of parks and recreational facilities.

The service delivery priorities are to provide and maintain sports facilities, parks and public open spaces and municipal halls. These priorities were met through maintaining all facilities by cutting grass, removing weeds, and planting trees, among others, through utilising the cleaning services staff and EPWP workers. EPWP projects were introduced to ensure job creation and to ensure a safe environment.

#### 3.6.1. Sports Promotion

Community Services Department through its Sports Sub-directorate held a series of diverse sports promotion activities as part of developing the athletes and practitioners in the sports sector. It is the mandate of this department to do planning, facilitation, co- ordination, monitoring and evaluation of sport development throughout Makhuduthamaga Municipality. The focus was on the following activities:

- **Golden Games**, which are national games meant for the elderly citizens.
  - **Boxing Tournament** was held at Peter Nchabeleng in partnership with department of Sports Arts culture to encourage club development.
  - **Soccer Tournament** which was intended to promote sports development and healthy lifestyle habit in the community.
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- **Hockey Tournament** which was held on the 18<sup>th</sup> of February 2023 at Tups sports ground Marulaneng ward 23 with the aim to grow workforce by attracting and inspiring the next generations within Makhuduthamaga
- The annual **Cross Country marathon** which is held in support of Ben Choeu Athletics club was held successfully. About 120 young emerging athletes from various schools participated in this program.
- **Mini Cricket enter school tournament** which held in partnership with Limpopo Impala Cricket held mini cricket enter school tournament on the 23<sup>rd</sup> of march 2023 at Ga- Moretsele ward 12 with the aim to equip our local school coaches with skill and training to develop cricket within Makhuduthamaga with the correct technique that fall in line with the Cricket South Africa coaches' academy guideline and regulation.
- **Long tennis tournament** which was held long tennis tournament on the 25<sup>th</sup> of February 2023 at Clen Cowie sports facility to promote grass-roots level and development of tennis around Makhuduthamaga.

### 3.6.2. Arts and Culture Promotion

It is the mandate of Sports, Arts and Culture unit to support and promote cultural activities, heritage practitioners and the sector at large. The following programmes we executed successfully:

- Heritage preservation and research was done in July at Hlako Tisane in partnership with Multi-Talent Agency. Participants explored cultural diversity, learned indigenous knowledge systems and the inherited poetry as well as traditional music adaptation.
  - The local Arts and Culture Council was established in August following the lapse of term of office of the previous committee. The members were selected in the form of elections by artists from various genres.
  - Cultural Traditional Music promotion was held at RDP Park in September in the form of competition for junior and senior groups. The activity accommodated Kiba and Makgakgasa music to preserve and promote indigenous artistry.
  - The Heritage awareness activity was held at Tshehlwaneng Sports Ground in support of the local community which initiated the program of sharing information with the public. The project focused on heritage education, managing available resources project music, traditional foods, poetry and contemporary popular culture.
  - The Arts and Culture Capacity building workshop was held, specifically to empower artiste community with compliance skills. Artists were taken on board to be able to register their music, films, books and designs with relevant authorities. Organisations such as SARS and Leda were also to share skills on tax return filling, interpreting publishing contracts, as well as procedures to
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be followed when they apply for funding, acquiring ISBN, ISRC codes and other compliance requirements.

- Language Promotion: The Rhythm and Poetry session was held at Lengama Primary School as part of language promotion. Poets and artists were given platform to express their artwork in mother tongue. The second activity was held at Glen Cowie in March to give local writers opportunity to launch books written in their mother tongue.
- The children story books writing workshop was held at Jane Furse library with primary focus of encouraging writers to write for children. Currently there is lack of children literature, written in African languages.
- The emerging technology resulted in mushrooming of mobile recording devices. The municipality organised practical workshop at Lahlamlenze Recording studios to teach emerging musicians on how to record quality voices and compose quality songs at low-budget.
- Music Talent Expo was held at Kgwaana Community Centre to give all artists who participated on sound and voice recording workshop platform to showcase their improved music to the people.

### **3.7 CORPORATE POLICIES AND OTHERS**

#### **3.7.1 Property valuation:**

The department is responsible for providing an updated basis for the levying of property rates. During the 2015/2016 financial year, the 4th supplementary valuation roll for the 2013 to 2018 general valuation roll was compiled and submitted in January 2016. The department is also responsible for the alienation of Council's properties as per the prescripts of the relevant legislation.

#### **3.7.2 Legal and Administration Services:**

The Legal unit is responsible for the provision of legal advice, ensuring legal compliance, and providing support services to Council. It also has the responsibility of developing the contracts and to provide legal opinion. The unit maintains litigation register of all cases. It is represented by legal firm which takes litigation matters to court to ensure that all cases are treated with utmost care and due diligence is applied in the management of this cases.

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### **3.7.3 Risk Management Services:**

The primary responsibility of the unit is to bring specialist expertise to assist the Municipality to embed risk management and leverage its benefits to enhance performance by assisting management to identify potential events that may affect the municipality, manage risk to be within the municipality's risk appetite, and to provide reasonable assurance regarding the achievement of the set objectives.

### **3.7.4 Procurement Services:**

This unit is responsible for the acquisition of supplies and services in support of the municipality's business. It ensures that all procurement processes are fair, equitable, competitive and cost effective and that it complies with the regulatory framework and consistent with all applicable legislation.

### **3.7.5 Summary of Municipal Service Provider's Performance during the year 2022-2023.**

The Municipality's Vision will be achieved by growing the economy and meeting people's needs so that all citizens enjoy a high quality of life with equal opportunities. Service providers play a vital role in the performance of the organization. Some of our municipal services are outsourced through service providers. The Municipality is responsible for ensuring effective and efficient service delivery to the community. Therefore, there is a need to monitor the performance of service providers. The objective of performance monitoring of service providers is to obtain a measure of the service provider's performance under the contract. Performance assessments during the course of a contract help both the Municipality and the service provider to reach a common understanding of the requirements of both parties about the work to be done. A rigorous reporting system is an excellent tool to provide feedback to a service provider on its performance on each project. It helps to identify areas that the Service Provider is excelling in and any areas that need improvement. Performance reports can be used in the assessment of a service provider for pre-qualification, selective tender list, registration, tender evaluation and—in the event of termination—for unsatisfactory performance under a contract. Further, business support strategies and interventions can be appropriately tailored to achieve Municipal developmental objectives which is to ensure:

- a high quality of service is maintained,
  - detect underperformance early,
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- thereby reducing the risks to projects,
- create mechanisms to improve performance where targets are not being achieved,
- provide data to municipal officials so that informed decisions can be made
- assess the suitability of a service provider for pre-qualification, selective tender lists or expressions of interest.

Municipal services are being provided by the Municipality by entering into Service Level Agreement in terms of Section 76(b) of the Municipal Systems Act 32 of 2000 with an external service provider. The Municipality is responsible for monitoring and assessing the Implementation of the agreement, including the performance of the service provider in accordance with section 41 of the Municipal Systems Act 32 of 2000.

The performance of service providers that have been selected to provide assistance in the provision of a municipal services is required by Section 116 of the Municipal Finance Management Act, to be monitored and reported on. While departments have mechanisms in place to monitor the work done by service providers,

**B) The following Service providers' performance as at the end of financial year 2022/2023**

Municipal Manager

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/Service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure to Date
CorpMD Consulting (Pty) Ltd	3 Years	09/10/2020	08/10/2023	N/A	Applicable Rates	Provision of internal auditing for a period of three (03) years	Good	Good	N/A	R4 095 069
Multichoice DStv	Pay per	22/02/	Conti	N/A	Pay per	Subscription to	Good	Good	N/A	R28 800

	view	2018	nuous		view	active internal television screen				
Re Basadi (Pty) Ltd	3 Years	16/12/ 2020	15/12/ 2023	N/A	Applic able Rates	Provision of SMS Line	Good	Good	N/A	R778 267

### Corporate Services

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>	<b>Expenditure to Date</b>
Telkom SA	3 Years	01/07/ 2021	30/06/ /24	N/A	Applic able Rates	Provision of Telephon e Services	Good	Good	N/A	R5 732 278
Nonke C Travels	3 Years	09/10/ 2020	08/10/ /2023	N/A	Applic able Rates	Provision for travel agency for a period of three(03) years	Good	Good	N/A	R3 15 0 898
Maphorisa Initiatives Security and Projects	3 Years	30/11/ 2020	29/11/ /2023	N/A	Applic able Rates	Provision of Microsoft Licensing	Good	Good	N/A	R7 59 4 998
Open Kingdom	3 Years	11/09/ 2020	10/09/ /2023	N/A	Applic able	Supply and	Good	Good	N/A	R2 44 2 233

Technology Consulting					Rates	delivery of ICT equipment for a period of three (03) years				
Rousing Consulting & Communication	3 Years	17/03/2020	16/03/2023	N/A	Applicable Rates	Provision of Municipal Intranet	Good	Good	N/A	R537 790
LCK Technologies	3 Years	16/10/2020	15/10/2023	N/A	Applicable Rates	Provision of maintenance and ICT systems and infrastructure for a period of three (03) years	Good	Good	N/A	R4 596 899
Regen Institute of Leadership JV U and Projects	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of Budget and treasury trainings for the period of 3 years.	Good	Good	N/A	Not Applicable
Dirane Trading (Pty) Ltd	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of corporate	Good	Good	N/A	R667 826

						governance and admin trainings for the period of 3 (three) years.				
Black Sky Investment and Holdings	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of community services training for the period of 3 years.	Good	Good	N/A	R2 311 594
White Rock 75 Investment and Holdings	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of infrastructural services training for the period of 3years.	Good	Good	N/A	R3 404 920
Mahayi HRD Services	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of planning and LED training for the period of 3 years	Good	Good	N/A	R197 000
Deunice Trading	3 Years	31/08/2021	30/08/2024	N/A	Applicable	Provision of	Good	Good	N/A	R6 199 540

(Pty) Ltd					Rates	Printing and publication for a period of 3 years				
DR LG Nemukongwe	3 Years	17/05/2023	16/05/2026	N/A	Applicable Rates	Provision of occupational medical practitioner for period of three years	Good	Good	N/A	R44 745
LCK Technologies	3 Years	21/04/2023	20/04/2026	N/A	Applicable Rates	Repair and maintenance for access control and time management	Good	Good	N/A	R820 800

### Budget and Treasury

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<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective Measure</b>	<b>Expenditure to date</b>
ABSA Bank	5 Years	01/07/2019	30/06/2023	N/A	Applicable Rates	Provision of Banking services	Good	Good	N/A	R496 196
Pheladichu ene Maintenance and General Supplier	3 Years	01/09/2020	31/08/2023	N/A	Applicable Rates	Provision of cleaning services	Good	Good	N/A	R11 724 173
Jane Furse Tyre (Pty) Ltd	3 Years	01/02/2020	31/01/2023 EXPIRED	N/A	Applicable Rates	Supply and delivery of Tyres	Good	Good	N/A	R2 237 822
Camelsa Consulting Group	3 Years	01/07/2021	30/06/2024	N/A	Applicable Rates	Provision of Mscoa System	Good	Good	N/A	R3 315 902
Mod Hope Properties CC	3 Years	01/07/2023	30/06/2026	N/A	Applicable Rates	Development and maintaining of Property Valuation Roll	Good	Good	N/A	R1 071 593
Onkutlwile Security Services	3 Years	01/04/2022	31/03/2025	N/A	Applicable Rates	Provision of Security Services and	Good	Good	N/A	R26 424 000



Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
						access control services for a period of three (03) years				
Fidelity Cash solutions	3 Years	06/11/2020	05/11/2023	N/A	Applicable Rates	Provision of cash collection services for a period of three (03) years	Good	Good	N/A	R143 826
Matladi Thabang Projects	3 Years	06/11/2020	05/11/2023	N/A	Applicable Rates	Provision of service, maintenance & repairs of yellow fleet for a period of three (03) years	Fair	Fair	N/A	R6 551 055
Procurement 911	3 Years	15/12/2020	14/12/2023	N/A	Applicable Rates	Provision of Vetting System for a period of	Good	Good	N/A	R373 500

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective Measure</b>	<b>Expenditure to date</b>
						Three (03) years				
Kunene Makopo Risk Solutions	3 Years	23/06/2021	22/06/2024	N/A	Applicable Rates	Provision of Short Term Comprehensive Insurance	Good	Good	N/A	R1 719 555
Environmental and sustainability Solution	3 Years	23/06/2023	22/06/2026	N/A	Applicable Rates	Provision for this final rehabilitation and disclosure costs for Madibong Landfill site for the period of 3 years	Good	Good	N/A	R137 951
Fleet Horizon Solutions (Pty) Ltd	3 Years	01/09/2022	31/08/2025	N/A	Applicable Rates	Provision of tacking devices on all municipal vehicles for a	Good	Good	N/A	R95 160

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective Measure</b>	<b>Expenditure to date</b>
						period of three (03) years				
PK Financial Consultants CC	3 Years	01/05/2022	30/04/2025	N/A	Applicable Rates	Provision of VAT recovery for a period of three (03) years	Good	Good	N/A	R3 942 219
Phutitau Investment	3 Years	05/03/2020	04/03/2023	N/A	Applicable Rates	Supply and delivery of stationery	Good	Good	N/A	R2 865 542
Omega OS Segaswane Holdings (Pty) Ltd	3 Years	15/12/2022	14/12/2025	N/A	Applicable Rates	Provision of advertising agency	Good	Good	N/A	R1 600 373
McDon Valor Group	3 Years	11/06/2023	10/06/2026	N/A	Applicable Rates	Supply and delivery of Stationery for the period of three years	Good	Good	N/A	R1 857 130
Five Star Trading Enterprise	3 Years	02/06/2023	01/06/2026	N/A	Applicable	Professional Auctione	Good	Good	N/A	R245 463

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective Measure</b>	<b>Expenditure to date</b>
T/A Auction 24					Rates	er for period of 3 years				
Pontsee Holdings (Pty) Ltd	3 Years	02/06/2023	01/06/2026	N/A	Applicable Rates	Supply and delivery of Tyres on all Municipal Fleet, Graders, TLB, and Heavy Duty Trucks for a period of three (03) years.	Good	Good	N/A	R7 021 570

### Community Services

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Appointed amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>	<b>Expenditure to date</b>
Phasima Trading and	3 Years	16/01/2021	15/01/2024	N/A	Applicable Rates	Supply and delivery	Good	Good	N/A	R8 955 000

Projects						of waste collection bags for a period of 03 Years				
LL Civil and Construction	3 Year	15/11/2020	14/11/2023	N/A	Applicable Rates	Supply and delivery of Blankets for a period of three (03) years	Good	Good	N/A	R2 142 222
Stonefound Engineering Solutions	3 Year	01/05/2022	30/04/2025	N/A	Applicable Rates	Maintenance of Landfill Site for a period of three(03) years	Good	Good	N/A	R16 950 173
4 Interconnect Project Developers	3 Year	02/11/2022	01/11/2025	N/A	Applicable Rates	Distribution of water services for a period of three (03) years	Good	Good	N/A	R1 027 500
Truvelo Africa Electronics Division (Pty) Ltd	3 Year	23/06/2023	22/06/2026	N/A	Applicable Rates	Supply of licenced K78 Trailer with maintena	Good	Good	N/A	R249 750

						nce and support for the period of 36 Months				
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### Infrastructure Services

Descripti on of service provider	Ter m Of Contract	Contra ct Start Date	Contr act End Date	Exte nsion	App ointed amount	Perform ance Areas/se rvice rendered	Perfor mance Rating	Perf ormance comment	Corre ctive measure	Expen diture to date
Tshwane Engineering	3 Years	20/03/2020	19/03/2023	N/A	Appli cable Rates	Repairs and Maintenance of Municipal facilities for a period of Three (03) years.	Good	Good	N/A	R1 798 863
Mwelase Thops Construction & Projects	3 Years	29/10/2021	28/10/2024	N/A	Appli cable Rates	Repairs and Maintenance of All Municipal Electrical Infrastructure: Including Highmast , Traffic	Good	Good	N/A	R36 847 200

						Lights, Streets Lights, and Lights on All Municipal Facilities for a period of three (03) years				
Kgwadi Ya Madiba General Trading & Projects	3 Year s	29/10/2 021	28/10 /2024	N/A	Appli cabl e Rate s	Maintena nce of roads and storm water within Makhudu thamaga Municipal ity for a period of three years	Good	Goo d	N/A	R2 786 216

### ECONOMIC Development and Planning

Descript ion of service provider	Ter m Of Cont ract	Cont ract Start Date	Contra ct End Date	Exte nsio n	App oint ed amo unt	Perform ance Areas/se rvice rendered	Perfor manc e Ratin g	Perf orm ance com men t	Corre ctive meas ure	Expen diture to date
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N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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### 3.7.6 Human Resource Services

Human Resources Management unit priorities to define and align organizational purpose, create organizational alignment and building a successful and sustainable organization. The unit focus on the effective workforce planning, change management processes to help the municipality employees to drive individual transitions and organizational change to reach municipal objectives. Human resources capacitation and empowerment where employees can reach their highest potential with value add to the municipality, recruit and attract the best talent, correct skills and knowledge by creating, marketing and selling an employee value proposition fit for purpose employment.

Human resources provide an enabling platform for a learning, transfer of critical skills and knowledge to cultivate a high performance culture. It is also responsible to communicate the municipality's ethics through HR policies and disciplinary codes.

This unit has been able to complete the development of all job descriptions of all the jobs within the approved Municipal organisational structure, which were evaluated by the District Job Evaluation Committee and are waiting for approval by the Provincial Audit Committee of SALGA.

Human Resources Management unit focus on the effective workforce planning, recruitment and attraction of the best talent.

The Human Resources Unit maintained its recruitment strategy during 2022/2023 to recruit qualified and competent staff to fill vacancies. Verification of qualifications, working record/history, possible fraudulent activities, and criminal record are being done for selected positions through an independent service provider.

In addition, a Workplace Skills Plan has been compiled, submitted to the Local Government Sector Education Training Authority (LGSETA) on an annual basis, and implemented accordingly to attend to the most critical skills development needs. The Human Development Committee was also functional to recommend training needs of all stakeholders of the Municipality.

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The Local Labour Forum meetings developed monthly meeting calendar which was adhered to and all the meetings were successfully held.

### **3.7.7 Information and Communication Technology**

Information and Communication Technology Services Unit provides a platform to enable the Municipality to use ICT systems and ICT services to provide the much needed services to the Community of Makhuduthamaga Local Municipality.

ICT Services functions includes setting systems and providing services that enable various departments in the municipality to provide their products and services to the community by hosting such systems on ICT infrastructure.

We have continued to host financial, human resources, electrical, civil engineering, planning, audit, records, communication and traffic systems to enable departments to provide efficient and reliable products and services. We have improved our server infrastructure and networking through the provision of backup and retentions services, introducing new buildings to municipal network infrastructure. We have also improved our wireless network capacity, provided tools of trade to our users, introduced Intranet System to improve communication and continued the use of SMSs to communicate with the community, provision of telecommunication services and data services, and enabling a platform for our users.

### **3.7.8 Contract Management**

#### **SERVICE PROVIDERS STRATEGIC PERFORMANCE AS AT 31 JUNE 2023**

Section 116(2) of the MFMA states that:

The accounting officer of a municipality or municipal entity must -

- a) Take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
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- b) monitor on a monthly basis the performance of the contractor under the contract or agreement
- c) establish capacity in the administration of the municipality or municipal entity
- d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract

The table below indicates service providers utilised according to functional areas:

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## Municipal Manager

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/Service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>	<b>Expenditure to Date</b>
CorpMD Consulting (Pty) Ltd	3 Years	09/10/2020	08/10/2023	N/A	Applicable Rates	Provision of internal auditing for a period of three (03) years	Good	Good	N/A	R4 095 069
Multichoice DStv	Pay per view	22/02/2018	Continuous	N/A	Pay per view	Subscription to active internal television screen	Good	Good	N/A	R28 800
Re Basadi (Pty) Ltd	3 Years	16/12/2020	15/12/2023	N/A	Applicable Rates	Provision of SMS Line	Good	Good	N/A	R778 267

### Corporate Services

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure to Date
Telkom SA	3 Years	01/07/2021	30/06/24	N/A	Applicable Rates	Provision of Telephone Services	Good	Good	N/A	R5 732 278
Nonke C Travels	3 Years	09/10/2020	08/10/2023	N/A	Applicable Rates	Provision for travel agency for a period of three(03) years	Good	Good	N/A	R3 150 898
Maphorisa Initiatives Security and Projects	3 Years	30/11/2020	29/11/2023	N/A	Applicable Rates	Provision of Microsoft Licensing	Good	Good	N/A	R7 594 998
Open Kingdom Technology Consulting	3 Years	11/09/2020	10/09/2023	N/A	Applicable Rates	Supply and delivery of ICT equipment for a period of three (03) years	Good	Good	N/A	R2 442 233
Rousing	3 Years	17/03/20	16/03/20	N/A	Applicable	Provision of Municipal	Good	Good	N/A	R537 790

Consulting & Communication		20	23		Rates	Intranet				
LCK Technologies	3 Years	16/10/2020	15/10/2023	N/A	Applicable Rates	Provision of maintenance and ICT systems and infrastructure for a period of three (03) years	Good	Good	N/A	R4 596 899
Regen Institute of Leadership JV U and Projects	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of Budget and treasury trainings for the period of 3 years.	Good	Good	N/A	Not Applicable
Dirane Trading (Pty) Ltd	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of corporate, governance and admin trainings for the period of 3 (three) years.	Good	Good	N/A	R667 826
Black Sky Investment and Holdings	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of community services training for the period of 3 years.	Good	Good	N/A	R2 311 594
White Rock 75 Investment and Holdings	3 Years	31/10/2022	30/10/2025	N/A	Applicable Rates	Provision of infrastructural services training for the period of 3years.	Good	Good	N/A	R3 404 920
Mahayi HRD	3 Years	31/10/2020	30/10/2020	N/A	Applicable	Provision of planning and	Good	Good	N/A	R197 000

Services		22	25		Rates	LED training for the period of 3 years				
Deunice Trading (Pty) Ltd	3 Years	31/08/2021	30/08/2024	N/A	Applicable Rates	Provision of Printing and publication for a period of 3 years	Good	Good	N/A	R6 199 540
DR LG Nemukongwe	3 Years	17/05/2023	16/05/2026	N/A	Applicable Rates	Provision of occupational medical practitioner for period of three years	Good	Good	N/A	R44 745
LCK Technologies	3 Years	21/04/2023	20/04/2026	N/A	Applicable Rates	Repair and maintenance for access control and time management	Good	Good	N/A	R820 800

### Budget and Treasury

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
ABSA Bank	5 Years	01/07/2019	30/06/2023	N/A	Applicable Rates	Provision of Banking services	Good	Good	N/A	R496 196

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
Pheladichue ne Maintenance and General Supplier	3 Years	01/09/2020	31/08/2023	N/A	Applicable Rates	Provision of cleaning services	Good	Good	N/A	R11 724 173
Jane Furse Tyre (Pty) Ltd	3 Years	01/02/2020	31/01/2023 EXPIRED	N/A	Applicable Rates	Supply and delivery of Tyres	Good	Good	N/A	R2 237 822
Camelsa Consulting Group	3 Years	01/07/2021	30/06/2024	N/A	Applicable Rates	Provision of Mscoa System	Good	Good	N/A	R3 315 902
Mod Hope Properties CC	3 Years	01/07/2023	30/06/2026	N/A	Applicable Rates	Development and maintaining of Property	Good	Good	N/A	R1 071 593

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
						Valuation Roll				
Onkutlwile Security Services	3 Years	01/04/2022	31/03/2025	N/A	Applicable Rates	Provision of Security Services and access control services for a period of three (03) years	Good	Good	N/A	R26 424 000
Fidelity Cash solutions	3 Years	06/11/2020	05/11/2023	N/A	Applicable Rates	Provision of cash collection services for a period of three (03) years	Good	Good	N/A	R143 826
Matladi	3 Years	06/11/20	05/11/2023	N/A	Applicable	Provision of	Fair	Fair	N/A	R6 551



Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
Thabang Projects		20			Rates	service, maintenance & repairs of yellow fleet for a period of three (03) years				055
Procurement 911	3 Years	15/12/2020	14/12/2023	N/A	Applicable Rates	Provision of Vetting System for a period of Three (03) years	Good	Good	N/A	R373 500
Kunene Makopo Risk Solutions	3 Years	23/06/2021	22/06/2024	N/A	Applicable Rates	Provision of Short Term Comprehensive Insurance	Good	Good	N/A	R1 719 555
Environmental and	3 Years	23/06/2023	22/06/2026	N/A	Applicable Rates	Provision for this final	Good	Good	N/A	R137 951

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
sustainability Solution						rehabilitation and disclosure costs for Madibong Landfill site for the period of 3 years				
Fleet Horizon Solutions (Pty) Ltd	3 Years	01/09/2022	31/08/2025	N/A	Applicable Rates	Provision of tacking devices on all municipal vehicles for a period of three (03) years	Good	Good	N/A	R95 160
PK Financial Consultants CC	3 Years	01/05/2022	30/04/2025	N/A	Applicable Rates	Provision of VAT recovery for a period	Good	Good	N/A	R3 942 219

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
						of three (03) years				
Phutitau Investment	3 Years	05/03/2020	04/03/2023	N/A	Applicable Rates	Supply and delivery of stationery	Good	Good	N/A	R2 865 542
Omega OS Segaswane Holdings (Pty) Ltd	3 Years	15/12/2022	14/12/2025	N/A	Applicable Rates	Provision of advertising agency	Good	Good	N/A	R1 600 373
McDon Valor Group	3 Years	11/06/2023	10/06/2026	N/A	Applicable Rates	Supply and delivery of Stationery for the period of three years	Good	Good	N/A	R1 857 130
Five Star Trading Enterprise T/A Auction	3 Years	02/06/2023	01/06/2026	N/A	Applicable Rates	Professional Auctioneer for period of 3 years	Good	Good	N/A	R245 463

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure	Expenditure to date
24										
Pontsee Holdings (Pty) Ltd	3 Years	02/06/2023	01/06/2026	N/A	Applicable Rates	Supply and delivery of Tyres on all Municipal Fleet, Graders, TLB, and Heavy Duty Trucks for a period of three (03) years.	Good	Good	N/A	R7 021 570

### Community Services

Description of service	Term Of Contract	Contract Start	Contract End Date	Extension	Appointed amount	Performance Areas/service rendered	Performance	Performance	Corrective	Expenditure to date
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<b>provider</b>		<b>Date</b>					<b>Rating</b>	<b>comment</b>	<b>measure</b>	
Phasima Trading and Projects	3 Years	16/01/2021	15/01/2024	N/A	Applicable Rates	Supply and delivery of waste collection bags for a period of 03 Years	Good	Good	N/A	R8 955 000
LL Civil and Construction	3 Years	15/11/2020	14/11/2023	N/A	Applicable Rates	Supply and delivery of Blankets for a period of three (03) years	Good	Good	N/A	R2 142 222
Stonefound Engineering Solutions	3 Years	01/05/2022	30/04/2025	N/A	Applicable Rates	Maintenance of Landfill Site for a period of three(03) years	Good	Good	N/A	R16 950 173
4 Interconnect Project Developers	3 Years	02/11/2022	01/11/2025	N/A	Applicable Rates	Distribution of water services for a period of three (03) years	Good	Good	N/A	R1 027 500
Truvelo Africa Electronics Division (Pty) Ltd	3 Years	23/06/2023	22/06/2026	N/A	Applicable Rates	Supply of licenced K78 Trailer with maintenance and support for the period of 36 Months	Good	Good	N/A	R249 750

### Infrastructure Services

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure	Expenditure to date
Tshwane Engineering	3 Years	20/03/2020	19/03/2023	N/A	Applicable Rates	Repairs and Maintenance of Municipal facilities for a period of Three (03) years.	Good	Good	N/A	R1 798 863
Mwelase Thops Construction & Projects	3 Years	29/10/2021	28/10/2024	N/A	Applicable Rates	Repairs and Maintenance of All Municipal Electrical Infrastructure: Including Highmast, Traffic Lights, Streets Lights, and Lights on All Municipal Facilities for a period of three (03) years	Good	Good	N/A	R36 847 200
Kgwadi Ya Madiba General Trading & Projects	3 Years	29/10/2021	28/10/2024	N/A	Applicable Rates	Maintenance of roads and storm water within Makhuduthamaga Municipality for a period of three years	Good	Good	N/A	R2 786 216

**ECONOMIC Development and Planning**

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Appointed amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>	<b>Expenditure to date</b>
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## PERFORMANCE INFORMATION SCORE CARD

## KPA 1: SPATIAL RATIONALE

Strategic Objective: To ensure acquisition and sustainable use of land and promote growth and development

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Targets	Total Number of Annual Targets	Total Number of Achieved Annual Targets	Total Number of Not Achieved Annual Targets	Performance %
11	10	08	08	08	0	100%

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
SR01	EDP	Land acquisition negotiations with land owners	To have Municipal land ownership	No of meetings on land acquisition to be held with identified stakeholders within makhudutha	04 meetings on land acquisition to be held	<b>Achieved.</b> 4 meetings on land acquisition held with identified stakeholders within Makhuduthamaga	4 meetings on land acquisition to be held with identified stakeholders within Makhuduthamaga	4 meetings on land acquisition to be held with identified stakeholders within Makhuduthamaga	4 meetings on land acquisition held with identified	Achieved	None	None	Minutes and attendance register	R200	R200	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022	ANNUAL TARGET	ANNUAL ADJUSTED TARGET	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET	ANNUAL BUDGET ADJUSTED	EXPENDITURES
						YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2022/2023	2022/2023	2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
				maga jurisdiction by 30 June 2023		Jurisdiction	Jurisdiction by 30 June 2023	Jurisdiction by 30 June 2023	stakeholders within Makhuduthamaga Jurisdiction							
		Land Purchase		No of hectares/ square meters of land purchase by 30 June 2023	New indicator	<b>Not achieved.</b> 0 Hectares not surveyed at Portion 3 of the Farm Vergelegen 819 KS	7 256 Sqm (0.7ha) of land purchased by 30 June 2023	7 256 Sqm (0.7ha) of land purchased by 30 June 2023	83 784.4 Sqm (8.3 ha) of land purchased	Achieved	None	None	Offer to purchase /letters or Tribal resolution	R1 300	R 1000	R1 000
SR02	EDP	Spatial planning(sites demarcation)	To have formalized settlements	No. of Settlements formally demarcated within Makhuduthamaga	03 Settlements formally demarcated	<b>Not Achieved</b> Service provider not appointed	01 Settlement formally demarcated within Makhudut	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
				a jurisdiction by 30 June 2023		.	hamaga by 30 June 2023									
SR03	EDP	Implementation of LUM	To improve on land use management	No. of workshop held on LUM by 30 June 2023	4 workshop on LUM held	<b>Achieved</b> 05 monitoring and maintenance of GIS activities implemented	04 workshop held on LUM by 30 June 2023	04 workshop held on LUM by 30 June 2023	04 workshop held on LUM	Achieved	None	None	Attendance Register and minutes	R0.00	R0.00	R0.00
SR04	EDP	Monitoring and implementation of building control bylaw	To promote compliance on structural buildings	No. of building/site inspections conducted by 30 June 2023	100 building/site inspections conducted	<b>Achieved</b> 100 building/site inspections conducted	100 building/site inspections conducted by 30 June 2023	100 building/site inspections conducted by 30 June 2023	100 building/site inspections conducted	Achieved	None	None	Site inspection Reports	R0.00	R0.00	R0.00

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022	ANNUAL TARGET	ANNUAL ADJUSTED TARGET	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET	ANNUAL BUDGET ADJUSTED	EXPENDITURES
						YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2022/2023	2022/2023	2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION		2022/2023	2022/2023	2022/2023
SR05	EDP	Building plan assessment.	To promote compliance on structural buildings	% of building plans received and assessed by 30 June 2023 ( Number of building plans assessed/total number of received building plans)	100% assessed of building plans	<b>Achieved</b> 100% of received building plans assessed	100% of building plans received and assessed by 30 June 2023 ( Number of building plans assessed/total number of received building plans)	100% of building plans received and assessed by 30 June 2023 ( Number of building plans assessed/total number of received building plans)	100% of building plans received and assessed	Achieved	None	None	Building plans Register	R0.00	R0.00	R0.00
SR06	EDP	National Building Standards	To comply with National Building Standards	No of building standards acquired by 30 June 2023	New Indicator.	100 of building inspections conducted within Makhuduthamaga jurisdiction	1 building standards acquired by 30 June 2023.	27 building standards acquired by 30 June 2023.	27 building standards acquired	Achieved	None	None	Building standards report.	R60	R60	R22

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022	ANNUAL TARGET	ANNUAL ADJUSTED TARGET	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET	ANNUAL BUDGET ADJUSTED	EXPENDITURES
						YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2022/2023	2022/2023	2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
						Target Achieved										
SR07	EDP	Township establishment	To have formally established townships	No of township establishment done within makhuduthamaga jurisdiction by 30 June 2023	New indicator	Project discontinued	01 township establishment done within makhuduthamaga jurisdiction by 30 June 2023	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SR08	EDP	Formalisation of Jane Furse	To have general plan for Jane Furse	No of settlements formalized by 30 June 2023	Feasibility Study	0 service provider not appointed <b>target Not</b>	01 settlement formalized by 30 June 2023(Jane furse – Vergelege	01 settlement formalized by 30 June 2023(Jane furse – Vergelege	01 settlement formalized	Achieved	None	None	Draft Layout plan	R1500	R800	R687

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
						Achieved	n C)	n C)								
SR09	EDP	Municipal buildings survey	To comply with OHS regulation	No of survey conducted on municipal building for fire equipment installation by 30 June 2023	OHS Report	New indicator	01 of survey conducted on municipal building for fire equipment installation by 30 June 2023	01 of survey conducted on municipal building for fire equipment installation by 30 June 2023	01 of survey conducted on municipal building for fire equipment installation	Achieved	None	None	Building Survey Report	R500	R950	R950
Total													R3 560	R3 010	R2 659	

## KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

**Strategic Objective: 1.** To reduce infrastructure and service backlogs in order to improve quality of life of the community by providing them with roads & storm water, bridges electricity and housing

**2.** To promote social cohesion, safety, environmental welfare and disaster management for the municipality.

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Targets	Total Number of Annual Targets	Total Number of Achieved Annual Targets	Total Number of Not Achieved Annual Targets	Performance %
45	45	49	49	49	0	100%

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
BSO 1	Infrastructure Services	Construction of road from Mashabela Tribal	To improve accessibility of villages within Makhudutha	No. of km road from Mashabela Tribal office to	4.5km of access road from Mashabela Tribal office	4.5km of access road from Mashabela Tribal office	5.5km of access road from Mashabela Tribal office	4,6km of access road from Mashabela Tribal office	4,6km of access road from Mashabela Tribal	Achieved	None	None	Progress Report	R 20 500	R26 500	R25 909

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEA NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
		office to Machacha (5.5km) PH2	maga	Machacha to be constructed up to Sub- base layer by 30 June 2023	to Machacha constructed	to Machacha Constructed phase 1 <b>Target achieved</b>	to Machacha constructed by 30 June 2023	to Machacha constructed up to base layer by 30 June 2023	office to Machacha constructed up to base layer							
BS0 2	Infrastru cture Services	Constructio n of road from Mokwete to Molepane /Ntoane(1 0km)	To improve accessibility of villages within Makhudutha maga	No of km road from Mokwete to Molepane /Ntoane to be constructed up to sub- sub-base layer by 30 June 2023	1 km road from Mokwete to Molepane /Ntoane constructed up to road bed.	0 of 3.5 km access road from Mokwete to Molepane/ Ntoane not constructed up to roadbed <b>Target Not Achieved</b>	3.5 km of access road from Mokwete to Molepane /Ntoane constructed by 30 June 2023	5 km of access road from Mokwete to Molepane /Ntoane constructed up to sub- base layer by 30 June 2023	5 km of access road from Mokwete to Molepane /Ntoane constructed up to sub- base layer	Achieved	None	None	Progre ss Report	R18 000	R16 000	R16 000

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEA NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
BS0 3	Infrastr ucture Service s	Constructio n of access road from Maila Mapitsane to Magolego Tribal Office(7,5 km)	To improve accessibility of villages within Makhudutha maga	No of km Road from Maila Mapitsane to Magolego Tribal Office constructed up to site establishmen t and setting layout by 30 June 2023	1 Design developed for access road from Maila Mapitsane to Magolego Tribal Office(7.5k m)	Project discontinued	7.5km of road from Maila Mapitsane to Magolego Tribal Office constructed up to site establishmen t and setting layout by 30 June 2023	4 km of road from Maila Mapitsane to Magolego Tribal Office constructed up to site establishmen t and setting layout by 30 June 2023	4 km of road from Maila Mapitsane to Magolego Tribal Office constructed up to site establishme nt and setting layout	Achieved	None	None	Progre ss Report	R5 000	R1 000	R1 000
BS0 4	Infrastru cture Services	Constructio n of access road from Glen Cowie Old Post	To improve accessibility of villages within Makhudutha maga	No km road from Glen Cowie Old Post office to Phokwane constructed	1 Design developed for access road from Glen Cowie Old Post	Project discontinued	7Km of road from Glen Cowie Old Post to Phokwane constructed	3.5Km of road from Glen Cowie Old Post office to Phokwane	3.5Km of road from Glen Cowie Old Post office to	Achieved	None	None	Progre ss Report	R15 000	R11 000	R7 302



NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS OF VERI FICATIO N	ANNU AL BUDG ET 2022/2 023 ('R000' )	ANNU AL BUDG ET ADJUS TED 2022/2 023 ('R000' )	EXPE NDIT URES 2022/ 2023 ('R00 0')
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
		Office to Phokwane (7km)		up to roadbed by 30 June 2023	Office to Phokwane (7km)		up to roadbed (7km) by 30 June 2023	constructed up to roadbed by 30 June 2023	Phokwane constructed up to roadbed							
BS0 5	Infrastru cture Services	Constructio n of access road from Lobethal to Tisane(4.2 km)	To improve accessibility of villages within Makhudutha maga	No of km road from Lobethal to Tisane constructed up to subbase layer by 30 June 2023	4.2 km of access road from Lobethal to Tisane constructed up to site Establishmen t and layout setting-out	4.2 km of access road from Lobethal to Tisane constructed up to site Establishmen t and layout setting-out <b>Target achieved</b>	4.2km of access road from Lobethal to Tisane constructed by 30 June 2023	4.2km of road from Lobethal to Tisane conctructed up to sub base layer by 30 June 2023	4.2km of access road from Lobethal to Tisane conctructed up to subbase layer	Achieved	None	None	Progre ss Report	R15 000	R15 000	R17 000
BS0 6	Infrastru cture Services	Constructio n of Mamone Internal	To improve accessibility of villages within Makhudutha	No of Detailed Design developed for	New Indicator	New project	01 Detailed Design developed for Mamone	01 Detailed Design developed for Mamone	01 Detailed Design developed for	Achieved	None	None	Detail ed Design s	R10 000	R1000	R1000

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
		Road	maga	Mamone Internal road by 30 June 2023			Internal road by 30 June 2023	Internal road by 30 June 2023	Mamone Internal road				Report			
BS07	Infrastructure Services	Repair and Maintenance of roads, bridges and storm water	To improve accessibility of villages within Makhudutha maga	No of Existing roads, bridges and storm water maintained within MLM by 30 June 2023	30 Existing roads, Bridges and storm water maintained	44 Existing roads, Bridges and storm water maintained within MLM <b>Target achieved</b>	40 Existing roads, Bridges and storm water maintained within MLM by 30 June 2023	30 Existing roads, Bridges and storm water maintained within MLM by 30 June 2023	35 Existing roads, Bridges and storm water maintained with MLM	Achieved	None	None	Maintenance report	R21 900	R36 900	R36 541

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
BS08	Infrastructure Services	Repairs and Maintenance of electricity Infrastructure.	To improve the lifespan of service delivery infrastructure	No of electricity infrastructure maintained within MLM by 30 June 2023	07 Existing electricity infrastructure maintained	15 electricity infrastructure maintained within MLM  <b>Target achieved</b>	15 Existing electricity infrastructure maintained within MLM by 30 June 2023	15 Existing electricity infrastructure maintained within MLM by 30 June 2023	17 Existing electricity infrastructure maintained within MLM	Achieved	None	None	Maintenance report	R2 305	R2 855	R2 855
BS09	Infrastructure Services	Repairs and Maintenance for other assets	To improve the lifespan of service delivery infrastructure	No of Municipal facilities maintained by 30 June 2023	10 Municipal facilities/other assets maintained	13 Existing Municipal facilities/other assets maintained	10 Existing Municipal facilities/other assets maintained by 30 June 2023	10 Existing Municipal facilities maintained by 30 June 2023	13 Existing Municipal facilities maintained	Achieved	None	None	Maintenance report	R2 500	R4 000	R3 974

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
BS10	Infrastructure Services	Upgrading of sports facility phase 2 (Marishane sports facility)	To improve welfare of community in sports activities	No of sports facility upgraded by 30 June 2023 (Marishane sports facility-phase 2)	Marishane sports facility phase 1 upgraded	Project discontinued	1 Sports facility upgraded by 30 June 2023 (Marishane sports facility-phase 2)	1 Sports facility upgraded by 30 June 2023 (Marishane sports facility-phase 2)	1 Sports facility upgraded (Marishane sports facility-phase 2)	Achieved	None	None	Progress report /completion certificates	R5000	R6 400	R6 400
BS11	Infrastructure Services	Free Basic Electricity	To improve lives of indigents	No of reports compiled on provision of FBE to registered indigents by 30 June 2023	indigents register	12 reports compiled on provision of FBE to registered indigents <b>Target achieved</b>	04 reports compiled on provision of FBE to registered indigents by 30 June 2023	04 reports compiled on provision of FBE to registered indigents by 30 June 2023	04 reports compiled on provision of FBE to registered indigents	Achieved	None	None	FBE Reports	R3 144	R2 144	R2 144

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEA NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
BS1 2	Infrastru cture Services	Constructio n of Malegase to Mapulane access road and bridge (3,5Km)	To improve accessibility within Makhudutha maga	No of km road from Malegase to Mapulane constructed by 30 June 2023	3.5 km access road constructed up to roadbed	3.5 km access road constructed up to roadbed and <b>Target achieved</b>	3.5 km road from Malegase to Mapulane constructed by 30 June 2023.	3.5 km road from Malegase to Mapulane constructed by 30 June 2023.	3.5 km road from Malegase to Mapulane constructed	Achieved	None	None	progr ess report /comp letion certific ate	R11 976	R8 556	R6 804
				To construct access bridge for Malegase- Mapulane Road by 30 June 2023	Bridge constructed up to foundation level	Malegase- Mapulane Bridge constructed up to foundation level  <b>Target achieved</b>	0	To construct access bridge for Malegase- Mapulane Road by 30 June 2023	Access bridge for Malegase Mapulane Road constructed	Achieved	None	None				
BS1 3	Infrastru cture	Constructio n of Mochadi	To improve accessibility within	No of km road constructed	Detail design	01 Detailed Designs	2.9 km of Mochadi road	2.8 km road to be constructed	2.8 km road constructed	Achieved	None	None	progr ess report	R21 470	R28 760	R28 760

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
	Services	road and bridge (2.9km)	Makhudutha maga	for Mochadi vilage by 30 June 2023	completed	developed for access road and bridge at Mochadi (2.8km)  <b>Target achieved</b>	constructed by 30 June 2023	for Mochadi road by 30 June 2023	for Mochadi road				/completion certificate			
				To Construct Access Bridge for Mochadi Road by 30 June 2023	Detail design completed	Detailed Designs developed for access road and bridge at Mochadi (2.8km)  <b>Target achieved</b>	To Construct Access Bridge for Mochadi Road 30 June 2023	To Construct access bridge for Mochadi road by 30 June 2023	Access Bridge for Mochadi Road Constructed	Achieved	None	None	progress report /completion certificate			

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
BS14	Infrastructure Services	Construction of access road and bridge from Mathousand to Maraganeng (10km)	To improve accessibility within Makhudutha maga	No of Detailed Design developed for construction of access road and bridge from Mathousand to Maraganeng by 30 June 2023	New indicator	New Project	01 Detailed Design developed for construction of access road and bridge from Mathousand to Maraganeng (10km) by 30 June 2023	01 Detailed Design developed for construction of access road and bridge from Mathousand to Maraganeng by 30 June 2023	01 Detailed Design developed for construction of access road and bridge from Mathousand to Maraganeng	Achieved	None	None	Detailed design report	R500	R500	R500
BS15	Infrastructure Services	Construction of Rietfontein (Ngwaritsi) sports facility	To improve accessibility within Makhudutha maga	Development of detailed design for sport facility at Rietfontein (Ngwaritsi) by 30 June	New indicator	New Project	Sport facility at Rietfontein (Ngwaritsi) constructed up to setting out and layer works by 30 June	Detailed Design for sport facility at Rietfontein (Ngwaritsi) developed 30 June	Detailed Design for sport facility at Rietfontein (Ngwaritsi) developed	Achieved	None	None	Detailed Design report	R0.00	R1 536	R922

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEA NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
				2023			2023	2023								
BS1 6	Infrastru cture Services	Constructio n of access road from Jane Furse RDP to Mogorwa ne (5.8Km)	To improve accessibility within Makhudutha maga	No of km road from Jane Furse RDP to Mogorwane constructed up to roadbed by 30 June 2023	New indicator	New Project	01 detailed design developed for construction of access road from Jane Furse RDP to Mogorwane (5.8 km) by 30 June 2023	5.8 km of road from Jane Furse RDP to Mogorwane constructed up to roadbed by 30 June 2023	5.8 km of road from Jane Furse RDP to Mogorwan e constructed up to selected layer	Achieved	None	None	Progre ss Report	R550	R17 595	R21 703



NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
BS1 7	Infrastru cture Services	Constructio n of Access road and bridge from Makgeru Moshate to Mantime Primary School(0.8 5Km)	To improve accessibility within Makhudutha maga	No of km road from Makgeru Moshate to Mantime Primary school constructed by 30 June 2023	New indicator	New Project	0.85 KM access road and bridge access bridge from Makgeru Moshate to Mantime Primary  School constructed by 30 June 2023	0.85 KM road from Makgeru Moshate to Mantime Primary  School constructed by 30 June 2023.	0.85 km road from Makgeru Moshate to Mantime Primary  School constructed	Achieved	None	None	Report s/ compl etion certific ate	R11 088	R10 940	R10 940
				To construct Access bridge for Makgeru Moshate to Mantime Primary school road by 30 June	New indicator	New Project	0.85 KM access road and bridge from Makgeru Moshate to Mantime Primary  School	To construct Access bridge for Makgeru Moshate to Mantime Primary school road by 30 June	Access bridge for Makgeru Moshate to Mantime Primary school road Constructe d	Achieved	None	None				

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
							constructed by 30 June 2023	2023.								
BS 18	Infrastru cture Services	Constructio n of Access road from Mathapisa to Soetveld (6kM)	To improve accessibility within Makhudutha maga	No of Detailed Design developed for 6Km access road from Mathapisa to Soetveld by 30 June 2023	New indicator	New Project	01 Detailed Design for 6Km access road from Mathapisa to Soetveld developed by 30 June 2023 (6kM)	01 Detailed Design developed for 6Km access road from Mathapisa to Soetveld by 30 June 2023	01 Detailed Design developed for 6Km access road from Mathapisa to Soetveld	Achieved	None	None	Detail ed Design Report	R500	R2 000	R1 163
BS 19	Infrastru cture Services	Constructio n of Manyeleti to Mamone central access	To improve accessibility within Makhudutha maga	No of km road from Manyeleti to Mamone central constructed by 30 June	01 Detailed Designs developed for access road from Manyeleti to Mamone	01 Detailed Designs developed for access road from Manyeleti to Mamone central	2.6 of km access road from Manyeleti to Mamone central constructed by 30 June	2.6 Km road from Manyeleti to Mamone central constructed by June	2.6 Km road from Manyeleti to Mamone central constructed	achieved	None	None	Progre ss Report / Compl etion Certifi cate	R15 949	R25 412	R25 567

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERI FICATIO N	ANNU AL BUDG ET 2022/2 023 ('R000' )	ANNU AL BUDG ET ADJUS TED 2022/2 023 ('R000' )	EXPE NDIT URES 2022/ 2023 ('R00 0')
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
		road(2.6Km)		2023	central	(2.6km)  <b>Target achieved</b>	2023	2023					report			
BS 20	Infrastru cture Services	Constructio n of Access road from Mohlala Mamone to R579 (1.2km)	To improve accessibility within Makhudutha maga	No. of KM road from Mohlala Mamone to R579 constructed up to site establishmen t and layout setting out by 30 June 2023	New indicator	New Project	0	1.2 KM road from Mohlala Mamone to R579 constructed up to site establishmen t and layout setting out by 30 June 2023	1.2 KM road from Mohlala Mamone to R579 constructed up to site establishme nt and layout setting out	Achieved	None	None	Progre ss report	R0.00	R7439	R3 429
BS 21	Infrastru cture Services	Constructio n of access road from Masemola Moshate to	To improve accessibilit y within Makhuduth amaga	No of Detailed Design developed for access road from	New indicator	New Project	01Detailed Design for access road from	01Detailed Design developed for access road from Masemola	01Detailed Design developed for access road from Masemola	Achieved	None	None	Detail ed Design s Report	R 500	R1 950	R2 400

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEA NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
		Mohloding /Mamatje kele (10km)		Masemola Moshate to Mohloding/ Mamatjekel e			Mohloding/ Mamatjekel e (10km) developed by 30 June 2023	Moshate to Mohloding/ Mamatjekel e	Moshate to Mohloding /Mamatjek ele							
BS 22	Infrastru cture Services	Constructio n of Access Road from Motor- gate Wonderb oom to R579 (10km)	To improve accessibilit y within Makhuduth amaga	No of Detailed design developed for Access Road from Motor-gate Wonderboo m to R579 by 30 June 2023	New indicator	New Project	01 Detailed design developed for Access Road from Motor-gate Wonderboo m to R579 (10km) by 30 June 2023	01 Detailed design developed for Access Road from Motor-gate Wonderboo m to R579 by 30 June 2023	01Detailed Design developed for access road from Motor-gate Wonderbo om to R579	Achieved	None	None	Detail ed Design s Report	R 500	R1 200	R1 200
BS 23	Infrastru cture Services	Rehabilitat ion of access road at Hlalanikah	To improve accessibilit y within Makhuduth	No of km road rehabilitate d at Hlalanikahle	2.2Km of dilapidated access road at	New project	01 km of access road at Hlalanikahle rehabilitate	2.2 km road rehabilitate d at Hlalanikahle by 30 June	2.2 km road rehabilitat ed at Hlalanikahl	Achieved	None	None	Progre ss Report / Compl	R5000	R9 000	R9 000

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									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
		le	amaga	by 30 June 2023	Hlalanikahle		d by 30 June 2023	2023	e				etion Certificate report			
BS24	Infrastructure Services	Construction of Kome internal street PH2	To improve accessibility within Makhuduthamaga	No of Detailed Design developed for 3.2 km Kome Internal street Ph2 By 30 June 2023	New indicator	New Project	01 Detailed Design developed for 4.2 km Kome Internal street Ph2 By 30 June 2023	01 Detailed Design developed for 3.2 km Kome Internal street Ph2 By 30 June 2023	01 Detailed Design developed for 3.2km Kome Internal street Ph2	Archived	None	None	1 detailed Design report	R 550	R550	R0.00

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS NS OF VERI FICATIO N	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
BS2 5	Infrastru cture Services	Constructio n of Phaahla Mamatjek ele to Masehlane ng access road (10km)	To improve accessibility within Makhudutha maga	No of Detailed Design developed for Construction of Phaahla Mamatjekel e to Masehlanen g access road (10km)	New Indicator	New project	01 Detailed Design developed for Construction of Phaahla Mamatjekel e to Masehlanen g access road (10km)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BS2 6	Infrastru cture Services	Electrificat ion of Dihlabane ng (Ngwanak wena and Malatjane )  300 H/H	To improve Access to electric energy for households	No of H/H provided with access to electrical infrastructur e at Dihlabaneng (Ngwanakw ena and Malatjane) 30 June	Detail design report	0  Electrical infrastructur e installed for 600 households at Dihlabaneng (Ngwanakw ena and	300 H/H provided with access to electrical infrastructur e at Dihlabaneng (Ngwanakw ena and Malatjane) 30 June	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
		PH2		2023		Malatjane) Not done,  <b>Target not Achieved</b>	2023									
				No of H/H provided with access to electrical infrastructure at Setlaboswane and Mohwelere 30 June 2023	Detail design report	0  Electrical infrastructure installed for 600 households at Dihlabaneng (Ngwanakwena and Malatjane) Not done,	300 stands provided with access to electrical infrastructure at Setlaboswane and Mohwelere by 30 June 2023	300 H/H provided with access to electrical infrastructure at Setlaboswane and Mohwelere by 30 June 2023	300 H/H provided with access to electrical infrastructure at Setlaboswane and Mohwelere	achieved	None	None	Progress Report / Completion Certificate report	R 6 000	R6 000	R6 000

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS NS OF VERI FICATI ON	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
						Target not Achieved										
BS2 7	Infrastru cture Services	Installation of High mast lights	To improve visibility within Makhudutha maga	No of High mast lights installed at Mamone (Kgoshi Mampuru), Setlaboswan e, Marishane)  By 30 June 2023	New indicator	New Project	03 High mast light installed at Mamone(Kg oshi Mampuru by 30 June 2023	03 High mast lights installed at Mamone (Kgoshi Mampuru Setlaboswan e, Marishane)  by 30 June 2023	03 High mast lights installed at Mamome(K goshi Mampuru Setlabosw ane, Marishane)	Achieved	None	None	Progre ss Report / Compl etion Certifi cate report	R3 500	R3 500	R3 500
BS2 8	Infrastru cture services	Constructio n of guard rooms and boom gates in municipal	To safeguard municipal Assets	No of guardrooms constructed at municipal buildings by 30 June	New indicator	New Project	05 guardrooms and Boom gates installed at municipal	05 guardrooms constructed at municipal buildings by 30 June	06 guardroom s constructed at municipal	Achieved	None	None	Compl etion certific ate	R5 000	R5 000	R5 000



NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)	
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N					
		facilities		2023			buildings by 30 June 2023	2023	buildings								
				No of Boom gates installed at municipal buildings by 30 June 2023	New indicator	New Project	0	04 Boom gates installed at municipal buildings by 30 June 2023	04 Boom gates installed at municipal buildings	Achieved	None	None					
BS 29	Infrastru cture services	Constructio n of Clear Vu fence at municipal facilities		No of Clear Vu fence installed at Phaahla library, Jane Furse library and Nebo DLTC by 30 June 2023	New indicator	New Project	03 Clear Vu fence at Phaahla library, Jane Furse Library and Nebo DLTC by 30 June 2023	03 Clear Vu fence at Phaahla library, Jane Furse Library and Nebo DLTC installed by 30 June 2023	03 Clear Vu fence installed at Phaahla library, Jane Furse Library and Nebo DLTC	Achieved	None	None	Compl etion certific ate				

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
BS 30	Community Services.	Solid waste Collection	To promote a healthy and a clean environment	No of H/H provided with access to Solid Waste removal services at Marishane, Glen Cowie newstand and glen Cowie mathausand by 30 June 2023	700 H/H Solid Waste collected	700 H/H Solid Waste collected once on weekly basis at Marishane, Glen Cowie newstand and glen Cowie mathausand	700 H/H with access to Solid Waste removal services at Marishane, Glen Cowie newsstand and glen Cowie mathausand by 30 June 2023	700 H/H provided with access to Solid Waste removal services at Marishane, Glen Cowie newsstand and glen Cowie mathausand by 30 June 2023	700 H/H with access to Solid Waste removal services at Marishane, Glen Cowie newsstand and glen Cowie mathausand	Achieved	None	None	Q1 & Q2 Data Collection register  Q3 & Q4 Collection register	R24 200	R26 200	R25 905
				No of Collection of skips done at 35 villages by 30 June 2023	50 skips collected	50 skips collected at 19 villages on weekly basis	50 skips collected at 19 villages on weekly basis by 30 June 2023	3 380 Collection of skips done at 35 villages on by 30 June 2023	4686 Collection of skips done at 35 villages on	Achieved	None	None				

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEA NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
BS 31	Communi ty Services.	Landfill Site Operation	To enhance landfill operation	No of Community consultation program on waste collection conducted within Makhudutha maga by 30 June 2023	01 of Community consultation program on waste collection	Project discontinue	01 of Community consultation program on waste collection conducted within Makhudutha maga by 30 June 2023	01 Community consultation program on waste collection conducted within Makhudutha maga by 30 June 2023	01 Community consultation program on waste collection conducted within Makhuduth amaga	Achieved	None	None	Attend ance Regist ers.			
				No of landfill site audit reports compiled by 30 June 2023	04 Landfill audit done	04 landfill site audit reports compiled <b>Target not Achieved</b>	04 landfill site audit reports compiled by 30 June 2023	04 landfill site audit reports compiled by 30 June 2023	04 landfill site audit reports compiled	Achieved	None	None				

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
BS3 2	Community Services.	Fencing of cemeteries	To protect gravestones from wandering animals	No of Cemeteries fenced within Makhudutha maga Jurisdiction by 30 June 2023.	04 Cemeteries fenced	0 Cemeteries not fenced at Makhudutha maga jurisdiction <b>Target Not Achieved</b>	6 Cemeteries fenced within Makhudutha maga Jurisdiction by 30 June 2023.	5 Cemeteries fenced within Makhudutha maga Jurisdiction by 30 June 2023.	5 Cemeteries fenced within Makhudutha maga Jurisdiction	Achieved	None	None	Completion certificate	R800	R1 457	R956
BS3 3	Community Services.	Environmental care awareness to communities	To promote sustainable environmental system and improve community awareness	No of Environmental awareness and clean up campaigns held within the Jurisdiction of Makhudutha maga by	4 Environmental awareness and clean up campaigns	4 Environmental awareness and clean up campaigns held <b>Target not Achieved</b>	4 Environmental awareness and clean up campaigns held at ward (07,06, 26, 30,) by 30 June 2023	4 Environmental awareness and clean up campaigns held within the Jurisdiction of Makhudutha maga by	4 Environmental awareness and clean up campaigns held within the Jurisdiction of Makhudutha maga	Achieved	None	None	Reports and attendance register	R65	R165	R126

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
				30 June 2023				30 June 2023								
BS 34	Community Services.	Library promotions	To promote the culture of reading and learning	No of Library Awareness Campaign held (Jane Furse, Phokoane, Patantshwane & Ga Phaahla library) by 30 June 2023.	8 Library Awareness Campaign	8 Library Awareness Campaign held at Jane Furse ,Phokoane, Patantshwane & Ga Phaahla library <b>Target Achieved</b>	8 Library Awareness Campaign held (Jane Furse ,Phokoane, Patantshwane & Ga Phaahla library) by 30 June 2023	16 Library Awareness Campaign held within the jurisdiction of Makhuduthamaga by 30 June 2023	24 Library Awareness Campaign held within the jurisdiction of Makhuduthamaga	Achieved	None	None	Attendance registers & reports	R 0.00	R0.00	R0.00

NO.	DIREC TORATE	PROJEC T	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
BS 35	Community Services.	Disaster relief	To provide relieve to disaster affected H/H	Percentage (%) of Disaster relief provided ( total number of disaster cases attended /total number of reported disaster cases )by 30 June 2023	100 % Disaster relief provided	100 % Disaster relief provided.( number of Disaster cases attended /total number of reported disaster cases)	100% Disaster relief provided.( Disaster cases attended /total number of reported disaster cases)by June 2023	100% Disaster relief provided. ( total number of disaster cases attended /total number of reported disaster cases )by June 2023	100% Disaster relief provided.	Achieved	None	None	Completed assessment forms	R2 200	R2 000	R2 183

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
BS3 6	communi ty services	Disaster Relief	To improve awareness, secure planet and protect the future	To Develop climate managemen t strategy by 30 June 2023	New indicator	New project	01 of climate managemen t strategy developed by 30 June 2023	To develop climate managemen t strategy by 30 June 2023	Climate managemen t strategy developed	Achieved	None	None	Climat e mana gemen t strate gy	R 0.00	R0.00	R0.00
BS 37	Communi ty Services.	Disaster managemen t	To educate communities to respond adequately to disaster events	No of Disaster awareness campaigns conducted within jurisdiction of Makhudutha maga by 30June 2023	4 Disaster awareness campaigns conducted	4 Disaster awareness campaigns conducted within jurisdiction of Makhudutha maga  <b>Target Achieved</b>	8 Disaster awareness campaigns conducted within jurisdiction of Makhudutha maga by 30 June 2023	8 Disaster awareness campaigns conducted within jurisdiction of Makhudutha maga by 30 June 2023	9 Disaster awareness campaigns conducted within jurisdiction of Makhuduth amaga	Achieved	None	None	Attend ance registe r	R100	R100	R78

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
					No of advisory forums on disaster held by 30 June 2023	3 advisory forums on disaster  <b>Target Achieved</b>	3 advisory forums on disaster held by 30 June 2023	3 advisory forums on disaster held by 30 June 2023	3 advisory forums on disaster held	Achieved	None	None	Attend ance registe r			
BS 38	Commun ity Services.	Sports promotion.	To promote healthy lifestyle and social cohesion	No of Sports promotion activities held by 30 June 2023	07 Sports promotion activities	07 Sports promotion activities held  <b>Target Achieved</b>	8 Sports promotion activities held by 30 June 2023	8 Sports promotion activities held by 30 June 2023	8 Sports promotion activities held	Achieved	None	None	Attend ance registe r	R1 100	R1 600	R1 025
BS3 9	Commun ity Services.	Arts and culture promotions	To promote and sustain cultural heritage	No of Arts and culture promotion activities held with Makhudutha maga	8 Arts and culture promotion activities	8 Arts and culture promotion activities held  <b>Target</b>	8 Arts and culture promotion activities held with Makhudutha maga	8 Arts and culture promotion activities held with Makhudutha maga	11 Arts and culture promotion activities held with Makhuduth amaga	Achieved	None	None	Attend ance registe r			



NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS URES OF VERI FICATIO N	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
				community by 30 June 2023		<b>Achieved</b>	community by 30 June 2023	community by 30 June 2023	community							
BS4 0	Communi ty Services.	Constructio n of ablution facilities at Community halls	To provide sanitation	No of ablution facilities constructed in community halls by 30 June 2023	New Indicator	New project	4 ablution facilities constructed in community halls by 30 June 2023	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BS4 1	Communi ty Services.	Road safety Managem ent	To promote road safety	No of Road safety campaigns held within the jurisdiction of Makhudutha maga by 30 June 2023	4 Road safety campaigns	4 Road safety campaigns held  <b>Target Achieved</b>	4 Road safety campaigns held at ward 18 by 30 June 2023	4 Road safety campaigns held within the jurisdiction of Makhudutha maga by 30 June 2023	4 Road safety campaigns held within the jurisdiction of Makhuduth amaga	Achieved	None	None	Attend ance registe r	R 100	R130	R276

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS NS OF VERI FICA TION	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGE S	REME DIAL ACTIO N				
BS4 2	Commun ity Services.	Traffic equipment	To enhance law enforcement and revenue collection	No of Traffic equipment's purchased by 30 June 2023	New Indicator.	New project	2 Traffic equipment purchased by 30 June 2023	2 Traffic equipment purchased by 30 June 2023	2 Traffic equipment purchased	Achieved	None	None	report s and invoic es	R1 000	R500	R343
BS4 3	Commun ity Services.	K78 Trailer	To enhance law enforcement and revenue collection	To Appoint service provider for procurement of K78 Trailer by 30 June 2023	New Indicator.	New project	1 K78 Trailer purchased 30 June 2023	To Appoint service provider for procurement of K78 Trailer by 30 June 2023	Appointme nt of service provider for procureme nt of K78 Trailer done	Achieved	None	None	Appoi ntment letter.	R500	R800	R0.00

NO.	DIREC TORAT E	PROJEC T	MEASURA BLE OBJECTI VE	KEY PERFORM ANCE INDICATO R.	BASELIN E	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	ANNUAL TARGET  2022/2023	ANNUAL ADJUSTE D TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEAS NS OF VERI FICATIO N	ANNU AL BUDG ET  2022/2 023  (‘R000’ )	ANNU AL BUDG ET ADJUS TED  2022/2 023  (‘R000’ )	EXPE NDIT URES 2022/ 2023  (‘R00 0’)
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALL ENGES	REME DIAL ACTIO N				
BS4 4	Communi ty Services.	Fire Arms	To enforce law and to enhance revenue collection	No of fire arms purchased by 30 June 2023	New Indicator	New project	13 fire arms purchased by 30 June 2023	13 fire arms purchased by 30 June 2023	13 fire arms purchased	Achieved	None	None	Purcha se order and invoice	R200	R350	R193
BS4 5	Communi ty Services.	Developm ent of Integrated Transport plan	To enhance mode of transport for the community	Developmen t of integrated transport plan by 30 June 2023	New Indicator	New project	01 integrated transport plan developed by 30 June 2023	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total													R231 697	R286 039	R278 098	

**KPA 3: LOCAL ECONOMIC DEVELOPMENT (LED)****Strategic Objective: To ensure acquisition and sustainable use of land and promote economic growth and spatial development**

Total Number of Indicators	Total Number of Annual Targets	Total number of Annual Adjusted Targets	Total Number of Annual Targets	Total Number of Achieved Annual Targets	Total Number of Not Achieved Annual Targets	Performance %
12	12	11	11	11	0	100%

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
LED 01	EDP	LED forum	To monitor impact and progress on implementation of LED projects	No. of LED forum held by 30 June 2023	02 LED forum held	2 LED forum held <b>Target Achieved</b>	2 LED forums to be held by 30 June 2023	2 LED forums to be held by 30 June 2023	2 LED forums held	Achieved	None	None	Attendance register and Minutes	R0.00	R0.00	R0.00

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
LED 02	EDP	SMME financial support	To create conducive environment for SMMEs to survive	No of SMMEs financially supported by 30 June 2023	06 SMMEs financially supported	5 SMMEs financial supports  <b>Target Achieved</b>	8 SMMEs to be financially supported by 30 June 2023	02 SMMEs financially supported by 30 June 2023	02 SMMEs financially supported	Achieved	None	None	SMMEs Report	R3 000	R1 800	R1 480
		Monitoring of previously financially supported SMME	To monitor previously financially supported SMMEs	No of Previously funded SMMEs monitored by 30 June 2023	10 previously supported SMMEs monitored.	10 previously supported SMMEs monitoring done  <b>Target Achieved</b>	15 monitoring of Previously financially supported SMMEs done by 30 June 2023	15 Previously funded SMMEs monitored by 30 June 2023	15 Previously funded SMMEs monitored	Achieved	None	None	SMMEs monitoring Report	R 0.00	R0.00	R0.00
LED 03	EDP	SMMEs capacity building/tr	To upgrade SMME skill	No of capacity building workshop	04 capacity building workshop	4 SMMEs capacity building	4 SMMEs capacity building workshops	4 SMMEs capacity building workshops	4 SMMEs capacity building workshops	Achieved	None	None	attendance register	R500	R500	R73

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
		aining	capacity	conducted by 30 June 2023	ps to be conducted	workshops conducted	to be conducted by 30 June 2023	conducted by 30 June 2023	conducted							
LED 04	EDP	LED strategy review	To provide direction prioritisation of LED projects	Review LED strategy by 30 June 2023	1 LED strategy	0 LED strategy not reviewed	1 LED strategy to be reviewed by 30 June 2023	LED strategy reviewed by 30 June 2023	LED strategy reviewed	Achieved	None	None	Reviewed LED strategy	R50	R50	R12
LED 05	EDP	Business plan for Apel Cross Agriculture	To create job opportunities in Agriculture	Development of Business plan for Apel Cross Agricultural	1 Business plan for Apel Cross	Project discontinued	1 Business plan for Apel Cross Agricultural scheme	Business plan for Apel Cross Agricultural scheme	Business plan for Apel Cross Agricultural scheme	Achieved	None	None	Business plan	R1300	R1 000	R850

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
		al scheme	sector	scheme by 30 June 2023	Agricultural scheme		developed by 30 June 2023	developed by 30 June 2023	developed							
LED 06	EDP	Feasibility study on manufacturing	To implement strategic intervention on local manufacturing industry	No. of feasibility study conducted by 30 June 2023	New Indicator .	New project	1 feasibility study conducted by 30 June 2023	1 feasibility study conducted by 30 June 2023	1 feasibility study conducted	Achieved	None	None	Study on manufacturing report.	R 800	R800	R600
LED 08	EDP	Tourism development strategy	To unlock tourism potential of in the Municipal area	Development of tourism strategy by 30 June 2023	1 tourism development strategy	01 tourism development strategy not developed	1 tourism development strategy to be developed by June 2023	Tourism strategy developed by June 2023	Tourism strategy developed	Achieved	None	None	tourism development strategy and council resolution	R50	R50	R11

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
						d										
		Tourism forum		No. of Tourism forums held by 30 June 2023	02 Tourism forums held	02 Tourism forums held  <b>Target achieved</b>	2 Tourism forums to be held \by 30 June 2023	2 Tourism forums to be held \by 30 June 2023	2 Tourism forums held	Achieved	None	None	Attendance register and Minutes	R0.00	R0.00	R0.00
		Tourism Promotion	To revive Hlako Tisane	No of meetings held to revive Hlako Tisane by 30 June 2023	New Indicator	New Project	4 meetings to be held to revive Hlako Tisane by 30 June 2023	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LED 09	EDP	Hawkers Audit	To ensure proper management of hawkers stalls in Jane furse	No of municipal hawkers stalls audited by 30 June 2023	New Indicator	New Project	1 stationary hawkers audits conducted by 30 June 2023	1 municipal hawkers stall audits conducted by 30 June 2023	1 municipal hawkers stall audits conducted	Achieved	None	None	Stationary hawkers audits report.	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
LED 10	Infrastructure Services	EPWP	To alleviate unemployment and poverty	No of jobs opportunities created through EPWP by 30 June 2023	142	142 jobs opportunities created through EPWP <b>Target Achieved</b>	142 jobs opportunities created through EPWP by 30 June 2023	142 jobs opportunities created through EPWP by 30 June 2023	147 jobs opportunities created through EPWP	Achieved	None	None	Contracts of Employment	R4 759	R4 759	R4 759
Total													R10 459	R8 959	R7 785	

**KPA 4: FINANCIAL VIABILITY**

**Strategic objective: To provide sound and sustainable management of the financial affairs of Makhuduthamaga Local Municipality.**

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Annual Targets	Total Number of Achieved Annual Targets	Total Number of Not Achieved Annual Targets	Performance %
20	20	20	19	01	95%

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
BT 01	BTO	Implementation mSCOA	To enhance reporting.	No. of mSCOA financial system modules running live monthly by 30 June 2023	9 mSCOA financial system modules running live	9 models running live monthly <b>Target Achieved</b>	9 models running live monthly by 30 June 2023	9 models running live monthly by 30 June 2023	9 models running live monthly	Achieved	None	None	Approved Trial Balance	R3 457	R2 457	R3 174
BT 02	BTO	Revenue management	To increase own revenue and reduced dependency on grants.	Implementation of Revenue Enhancement Strategy by 30 June 2023	36 Approved Revenue enhancement strategies	Enhancement Revenue Strategy implemented Monthly <b>Target Achieved</b>	To implement Revenue Enhancement Strategy Monthly by 30 June 2023.	Revenue Enhancement Strategy Implemented by 30 June 2023	Revenue Enhancement Strategy Implemented	Achieved	None	None	Revenue report	R 0.00	R0.00	R0.00

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
				Development of Supplementary valuation roll by 30 June 2023.	1 of Supplementary valuation roll developed and implemented	1 of Supplementary valuation roll developed and implemented done  <b>Target Achieved</b>	1 Supplementary valuation roll developed and implemented by 30 June 2023.	Supplementary valuation roll developed by 30 June 2023	Supplementary valuation roll developed	Achieved	None	None	Supplementary valuation roll	R 1 800	R1 000	R2 075
BT 03	BTO	Own Revenue collection.	To increase own revenue and reduced dependency on grants	% of billed revenue collected ( revenue amount collected vs	95% of billed revenue collected ( revenue amount collected vs amount billed)	64% of billed revenue collected (revenue amount collected vs	95% of billed revenue collected (revenue amount collected vs	95% of billed revenue collected (revenue amount collected vs amount billed) by	53% of billed revenue collected (revenue amount collected vs amount	Not Achieved	i) DPWRT paid 50% of the billed properties as at March 2023 and no additional payment	i) Agreement was reached with DPWRT that the department will pay the municipality based on the new values	Approved revenue reports	R0.00	R0.00	R0.00

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
				amount billed) by 30 June 2023		amount billed) Target Achieved	amount billed) by 30 June 2023	30 June 2023	billed)		was received thereafter.  ii) Major businesses are currently not paying their property rates to the municipality as they alleges that they are currently paying the rate to Magoshi.	determined by the municipal valuer.  ii) The municipality will meet with Magoshi , business owners and coghta to try and clarify the matter in relation to property rates act				
BT 04	BTO	Procurement management activities .	To facilitate effective and efficient implementation of	To Develop and approve Procurement	1 Develop and implement approved	Approved Procurement plan develop	To Develop and implement approve	Procurement plan Developed approved by 30	Procurement plan Developed and approved	Achieved	None	None	Signed procurement plan	R0.00	R0.00	R0.00

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
			SDBIP.	plan by 30 June 2023	procurement plan	ed and implemented	d procurement plan by 30 June 2023.	June 2023								
BT 05	BTO	Financial Management capacity building.	To enhance human resource competency.	% of FMG spend by 30 June 2023	100% spend on FMG	100% FMG spend <b>Target Achieved</b>	100% FMG spend by 30 June 2023	100% FMG spend by 30 June 2023	100% FMG spend	Achieved	None	None	Expenditure report	R1 720	R1 720	R1 720
BT 06	BTO	Budget and reporting.	To ensure Credible and compliant municipal budgeting and reporting.	No. of Draft Annual Budgets prepared and table in council by 30 June 2023	1 Draft Annual Budgets prepared and adopted by council	1 Draft Annual Budgets prepared and adopted <b>Target Achieved</b>	1 Draft Annual Budgets prepared and table in council by 30 June 2023	1 Draft Annual Budgets prepared and table in council by 30 June 2023	1 Draft Annual Budgets prepared and table in council	Achieved	None	None	Council resolution	R0.00	R0.00	R0.00

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')		
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION						
						No. approved Annual budget adopted by council by 31 May 2023.	1 approved Annual budgets prepared and adopted by council	1 Annual budgets prepared and adopted by council by 31 May 2023	1 Annual budgets adopted by council by 31 May 2023	1 Annual budgets adopted by council	Achieved	None	None	Council resolution	R0.00	R0.00	R0.00	
						No. of annual adjusted budget approved by 28 February 2023	1 annual adjusted budget approved	1 of annual adjusted budget approved	1 annual adjusted budget approved by 28 February 2023	1 annual adjusted budget approved by 28 February 2023	1 annual adjusted budget approved	Achieved	None	None	Council Resolution	R0.00	R0.00	R0.00
						No. of section 71 reports submitted within	12 section 71 reports submitted	12 section 71 reports submitted within	12 section 71 reports submitted within first 10 working	12 section 71 reports submitted within first 10 working days of	Achieved	None	None	Acknowledgement of receipt	R0.00	R0.00	R0.00	

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')	
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION					
						first 10 working days of every month by 30 June 2023	first 10 working days of every month by 30 June 2023 <b>Target Achieved</b>	first 10 working days of every month by 30 June 2023	days of every month by 30 June 2023	every month							
						No. of AFS submitted to AGSA by 31 August 2023	1 AFS submitted to AGSA <b>Target Achieved</b>	1 AFS submitted to AGSA by 31 August 2023	1 AFS submitted to AGSA by 31 August 2023	1 AFS submitted to AGSA by 31 August	Achieved	None	None	Acknowledgement of receipt	R0.00	R0.00	R0.00
BT 07	BTO	Expenditure Monitoring activities	To ensure authorized expenditure and timeous payment of obligations.	% of creditors paid within 30 days period by 30	30 days	100% of creditors paid within 30 days period	100% of creditors paid within 30 days period	100% of creditors paid within 30 days period by 30 June	100% of creditors paid within 30 days period	Achieved	None	None	Payables aging analysis	R0.00	R0.00	R0.00	



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
				June 2023		<b>Target Achieved</b>	by 30 June 2023	2023								
				No. of creditors reconciliations report prepared and signed within first 10 working days of every month by June 2023	12 creditors reconciliations report prepared	12 creditors reconciliations report prepared and signed within first 10 working days of every month	12 creditors reconciliations report prepared and signed within first 10 working days of every month by 30 June 2023	12 creditors reconciliations report prepared and signed within first 10 working days of every month by 30 June 2023	12 creditors reconciliations report prepared and signed within first 10 working days of every month	Achieved	None	None	Creditors reconciliations report	R0.00	R0.00	R0.00
BT 08	BTO	Asset management	To adequately manage all	No. of assets verification	8 assets verification activities	8 assets verification	8 assets verification	8 assets verification activities	8 assets verification activities	Achieved	None	None	Signed asset verification	R0.00	R0.00	R0.00

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
			municipal assets.	on activities conducted and reporting done by 30 June 2023.	conducted and reporting done	activities conducted and reporting done <b>Target Achieved</b>	activities conducted and reporting done by 30 June 2023.	conducted and reporting done	conducted and reporting done				n report			
				No. of reports compiled on municipal assets repaired or maintained by 30 June 2023.	126 municipal assets repaired or maintained	145 municipal assets repaired or maintained <b>Target Achieved</b>	04 reports compiled on municipal assets repaired or maintained by 30 June 2023.	04 reports compiled on municipal assets repaired or maintained by 30 June 2023.	04 reports compiled on municipal assets repaired or maintained	Achieved	None	None	Repairs and maintenance reports	R2 900	R9 900	R10 350

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')		
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION						
						No of asset registers prepared by 30 June 2023	12 asset registers prepared	149 furniture purchased	12 asset registers prepared by 30 June 2023	12 asset registers prepared	12 asset registers prepared	Achieved	None	None	Asset Register	R0.00	R0.00	R0.00
						No. of assets insured by 30 June 2023	2014 Assets insured	2478 Assets insured	2404 Assets insured by 30 June 2023	2866 Assets insured	2866 Assets insured	Achieved	None	None	Insurance register	R 1 742	R1 842	R1 733
						No of municipal vehicle purchased by 30 June 2023	01	01 vehicle procured	03 municipal vehicle purchased by 30 June 2023 (Mayor's car, Speaker	05 municipal vehicle purchased by 30 June 2023 (Mayor's car, Speaker's car and 1	05 municipal vehicle purchased by 30 June 2023 (Mayor's car, Speaker's car and 1	Achieved	None	None	Delivery note and invoice	R 3 000	R2 107	R3 089

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGETS 2022/2023	ANNUAL ADJUSTED TARGETS 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 R'000'	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES 2022/2023 ('R000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
							's car and 1 traffic officer car)	traffic officer car)	traffic officer car)							
			No of office equipments for all municipal building purchased by 30 June 2023	New indicator	New Project	18 of Air conditioners for new municipal building installed by 30 June 2023	04 office equipments for all municipal building purchased by 30 June 2023	04 office equipments for all municipal building purchased	Achieved	None	None	Invoice	R 5 000	R6 000	R7 762	
BT 09	BTO	Unqualified AGSA audit opinion.	To improve AGSA audit opinion.	To obtain Unqualified audit opinion by 30 June 2023	Unqualified audit opinion.	Improved Unqualified audit opinion	Obtain Unqualified audit opinion by 30 June	Obtain Unqualified audit opinion by 30 June 2023.	Obtained Unqualified audit opinion	Achieved	None	None	Audit Report	R5 000	R5 000	R4 818

NO.	DIRE CTO RATE	PROJE CT	MEASU RABLE OBJECT IVE	KEY PERFO RMAN CE INDIC ATOR	BASEL INE	2021/2 022  YEAR ACTU AL ACHIE VED OR NOT ACHIE VED	ANNU AL TARG ETS 2022/2 023	ANNUA L ADJUST ED TARG ETS 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFIC ATION	ANNUA L BUDGE T 2022/20 23 R'000'	ANNUAL BUDGET ADJUST ED 2022/2023 (R'000')	EXPEND ITURES 2022/20 23 (R'000')
									2022 / 2023 YEAR ACTUAL	TARGET S ACHIEV ED / NOT ACHIEV ED.	CHALLENGES	REMEDIAL ACTION				
						Target Achieve d	2023.									
Total												R18 259	R23 804	R34 721		

**5: Good governance and public participation**

**Strategic objective: To promote good governance, public participation, accountability, transparency, effectiveness and efficiency.**

Total Number of Indicators	Total Number of Annual Targets	Total Number of annual Adjusted Targets	Total Number of Annual Targets	Total Number of Achieved Annual	Total Number of Not Achieved Annual	Performance %

				Targets	Targets	
26	26	25	25	25	0	100%

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
GG 01	Municipal Manager's Office	Risk Assessments	To assess, identify manage risk and uncertainty in order to safeguard assets, enhance productivity and build resilience in to operations .	No of Strategic Risk assessment and Operational Risk reviewed by 30 June 2023	4 strategic and operational Risk Assessments conducted	4 strategic and operational Risk Assessments Conducted <b>Target Achieved</b>	5 Strategic Risk assessment conducted and Operational Risk Assessments reviewed by 30 June 2023	5 Strategic Risk assessment conducted and Operational Risk Assessments reviewed by 30 June 2023	5 Strategic Risk assessment conducted and Operational Risk Assessments reviewed	Achieved	None	None	Assessment Reports	R 217	R 172	172
GG 02	Municipal Manager's	Facilitate the establishment of an		No of Anti-Fraud and Corruption	Anti-fraud and corruption system in	Project continued	1 Municipal Anti-Fraud & Corruption	0	N/A	N/A	N/A	N/A	N/A			

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
	Office	Municipal-Fraud & Corruption hotline		Hotline established by 30 June 2023	place		hotline established by 30 June 2023									
GG03	Municipal Manager's Office	Provision and Conduct Security Operational Sites Assessments	To assess, identify manage risk and uncertainty in order to safeguard assets, enhance productivity and build resilience in to operations	No of Physical Security monitoring conducted by 30 June 2023	New Indicator	New project	12 of Physical Security monitoring conducted by 30 June 2023	12 of Physical Security monitoring conducted by 30 June 2023	12 of Physical Security monitoring conducted	Achieved	None	None	Security monitoring reports			
				No of security systems installed at municipal buildings by 30 June 2023	New indicator	New project	02 security systems installed at municipal building by 30 June 2023 (CCTV cameras system & Finger	02 security systems installed at municipal building by 30 June 2023 (CCTV cameras	02 security systems installed at municipal building	Achieved	None	None	Completion certificate			

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
							print access control system)	system & Finger print access control system)								
GG 04	Municipal Manager's Office	Facilitate Implementation of Business Continuity plan		No of Phases of Business Continuity plan implemented by 30 June 2023	New Indicator	New project	2 Phase of Business continuity plan implemented by 30 June 2023	2 Phase of Business continuity plan implemented by 30 June 2023	2 Phase of Business continuity plan implemented	Achieved	None	None	Business continuity implementation reports			
GG 05	Municipal Manager's Office	Facilitate Risk Management Committee (RMC) meetings	To assist the Accounting Officer/A authority in addressing its oversight requirements	No of Risk Management Committee (RMC) meetings held by 30 June	4 Risk Management Committee (RMC) meetings	4 Risk Management Committee (RMC) meetings <b>Target Achieved</b>	4 Risk Management Committee (RMC) meetings by 30 June 2023	4 Risk Management Committee (RMC) meetings by 30 June	4 Risk Management Committee (RMC) meetings	Achieved	None	None	Approved risk management committee report			



IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
			nts of risk management.	2023				2023								
GG 06	Municipal Manager's Office	Internal Audit projects and programs	To ensure the effectiveness of internal controls and governance processes.	No of Risk-based Internal audit reports conducted by 30 June 2023.	16 Risk-based Internal audit reports	16 risk-based Internal audits performed and completed <b>Target Achieved</b>	16 Risk-based Internal audit reports conducted by 30 June 2023	16 Risk-based Internal audit reports conducted by 30 June 2023	16 Risk-based Internal audits conducted and reported	Achieved	None	None	Risk Based Audit reports	R 2 500	R1 900	R1 796
				No of performance information audit projects performed (AOPO) by 30	4 performance information audits projects	4 performance information audit projects performed and completed <b>Target Achieved</b>	04 performance information audit projects performed (AOPO) by 30	04 performance information audit projects performed (AOPO) by 30	04 performance information audit projects performed	Achieved	None	None	Performance information audit report			

IDP RE F NO.	DIRE CTO RATE	PROJEC T	MEASU RABLE OBJECT IVE	KEY PERFO RMANC E INDICA TOR.	BASELI NE	2021/20 22	ANNUA L TARGET	ANNU AL ADJUS TED	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICA TION	ANNUA L BUDGET  2022/20 23  (‘R000’)	ANNU AL BUDG ET ADJU STED 2022/2 023 (‘R000’ )	EXPEN DITUR ES
						YEAR ACTUAL ACHIEV ED OR NOT ACHIEV ED	2022/20 23	TARGE T  2022/2 023	2022 / 2023 YEAR ACTUAL	TARGE TS ACHIE VED / NOT ACHIE VED.	CHALLE NGES	REMEDI AL ACTION				
						June 2023	June 2023	June 2023								
				No of professional development training, workshop and forum for internal audit personnel attended by 30 June 2023	4 professional development training, workshop and forum for internal audit personnel attended	4 professional development training, workshop and forum for internal audit personnel attended <b>Target Achieved</b>	04 professional development training, workshop and forum for internal audit personnel attended by 30 June 2023	04 professional development training, workshop and forum for internal audit personnel attended by 30 June 2023	04 professional development training, workshop and forum for internal audit personnel attended	Achieved	None	None	Attendance registers / Attendance registers.			

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
GG07	Municipal Manager's Office	Audit and performance Committee oversight.	To ensure effectiveness of sound financial management	No. of Audit and Performance Committee Oversight reports presented to municipal council by 30 June 2023	4 Audit and Performance Committee's oversight reports presented to Municipal Council	4 Audit and Performance Committee's oversight reports presented to Municipal Council <b>Target Achieved</b>	04 Audit and Performance Committee Oversight reports presented to municipal council by 30 June 2023	04 Audit and Performance Committee Oversight reports presented to municipal council by 30 June 2023	04 Audit and Performance Committee Oversight reports presented to municipal council	Achieved	None	None	Audit and performance committee oversight reports and council resolution	R545	R545	R402
GG08	Corporate Services	Develop customer care implementation plan	To improve service delivery through customer engagements platforms	No. of customer care projects implemented in line with the approved customer care plan by 30	12 customer care implementation plan	12 customer care projects implemented in line with the approved customer care plan <b>Target</b>	12 customer care projects implemented in line with the approved customer care plan by 30	12 customer care projects implemented in line with the approved customer care	12 customer care projects implemented in line with the approved customer care plan	Achieved	None	None	customer care projects implementation plan	R500	R400	R378

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
				June 2022		Achieved	June 2022	plan by 30 June 2022								
GG 09	Municipal Manager's Office	Multi - media channel	To enhance public participation in the affairs of the municipality	No. of sms send by 30 June 2023	50 610 SMS communication send	50 610 SMS sent to council and staff <b>Target Achieved</b>	40 000 SMS send by 30 June 2023	40 000 SMS send by 30 June 2023	51870 SMS send	Achieved	None	None	SMS usage report	R415	R815	R 853
GG 10	Municipal Manager's Office	Publications	To ensure effective involvement and participation of all stakeholders.	No. of documents published done by 30 June 2023.	6 documents published done	6 documents published <b>Target Achieved</b>	6 documents published by 30 June 2023.	6 documents published by 30 June 2023.	6 Documents published: Rules and Order of Council and SOMA Speech	Achieved	None	None	Hardcopies of documents published	R4 000	R7 800	R8 953

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
GG 11	Mayor's Office	Branding of municipal assets.	To profile and promote Makhudut hamaga brand.	No of municipal services and goods branded by 30 June 2023	New Indicator.	New Project	4 municipal services and goods branded by 30 June 2023	4 municipal services and goods branded by 30 June 2023	10 Signboards installed in the second quarter	Achieved	None	None	branding municipal services and goods	R300	R900	R191
GG 12	Speaker's Office	Capacity building of councilors	To ensure effective and efficient good governance.	No of trainings provided to councilors by 30 June 2023	06 training	6 Trainings conducted  <b>Target Achieved</b>	8 trainings conducted by 30 June 2023.	8 trainings provided to councilors by 30 June 2023.	8 trainings provided to councilors	Achieved	None	None	Attendance register and time tables	R1 200	R2 000	R1 548
GG 13	Speaker's Office	Speaker's Outreach events	To fulfill public participation and deepening participation	No of Speakers outreach events conducted by 30	07 Speakers outreach events held	7 Speakers outreach events conducted	4 Speakers outreach events conducted by 30	4 Speakers outreach events conducted	8 Speakers outreach events conducted	Achieved	None	None	Report and Attendance Register	R 835	R975	R288

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
			ory democracy.	June 2023		<b>Target Achieved</b>	June 2023.	d by 30 June 2023.								
GG 14	Speaker's Office	Council meetings	To fulfill legislative mandate	No of ordinary Council meetings held by 30 June 2023.	03 ordinary council meetings held	3 ordinary Council meetings held <b>Target Achieved</b>	4 ordinary Council meetings held by 30 June 2023.	4 ordinary Council meetings held by 30 June 2023.	4 ordinary Council meetings held	Achieved	None	None	Report and Attendance Register	R 480	R200	R192
				No of special council meetings held by 30 June	11 special council meeting held	11 special council meetings held <b>Target Achieved</b>	8 special council meeting held by 30 June 2023	8 special council meeting held by 30 June 2023	13 special council meeting held	Achieved	None	None				

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
GG 15	MM's office	Assessment of Council Standing Oversight Committees	To improve municipal performance and service delivery.	No. of project visits conducted by 30 June 2023	4 project visit conducted	4 project visit conducted	4 project visits conducted by 30 June 2023	4 project visits conducted by 30 June 2023	8 project visits conducted	Achieved	None	None	Attendance Register	R 600	R200	R82
				% of cases referred to MPAC from council (total number of cases referred/total number cases investigated) by 30 June 2023	89% of cases referred to MPAC from council investigated	89% cases referred to MPAC from council investigated	100% cases referred to MPAC from council (total number of cases referred/total number cases investigated) by 30 June 2023	100% cases referred to MPAC from council (total number of cases referred/total number cases investigated) by 30 June 2023	1 cases referred to MPAC	Achieved	None	None	Investigation Reports			

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES	
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION					
						No. of MPAC meeting held by 30 June 2023	12 MPAC meeting held	12 of MPAC meeting held	4 of MPAC meeting held by 30 June 2023	4 of MPAC meeting held by 30 June 2023	10 of MPAC meeting held	Achieved	None	None	Minutes and attendance register		
						No of Oversight report compiled and presented to Council by 30 June 2023	01 Oversight report compiled and presented to Council	01 Oversight report compiled and presented to Council	1 Oversight report compiled and presented to Council by 30 June 2023	1 Oversight report compiled and presented to Council by 30 June 2023	1 Oversight report compiled	Achieved	None	None	Oversight report and council resolution		
GG 16	Chief Whip's Office	Whippery support	To enhance public participation	No of Whippery meetings held by 30 June 2023	9 whippery meetings	<b>9 whippery meetings held</b> <b>Target</b>	12 Whippery meetings held by 30 June 2023	08 Whippery meetings held by 30 June	11 Whippery meetings held	Achieved	None	None	Report and Attendance Register	R200	R50	R6	



IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
						Achieved		2023								
				No. of whippery report generated and submitted to council by 30 June 2023	4 Whippery reports generated	4 Whippery report generated and submitted to council <b>Target Achieved</b>	04 whippery report generated and submitted to council by 30 June 2023	04 whippery report generated and submitted to council by 30 June 2023	04 whippery report generated	Achieved	None	None	Reports			
GG 17	Mayor's Office	Mayor Outreach programmes	To fulfill public participation and deepening democracy	No of Outreach events held by 30 June 2023.	16 outreach event held conducted	16 Outreach events held <b>Target Achieved</b>	16 Outreach events held by 30 June 2023.	16 Outreach events held by 30 June 2023.	17 outreach events held	Achieved	None	None	Report and Attendance Register	R2 089	R1 019	R1 208

IDP REF NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	ANNUAL TARGET 2022/2023	ANNUAL ADJUSTED TARGET 2022/2023	2022/2023 ANNUAL PERFORMANCE.				MEANS OF VERIFICATION	ANNUAL BUDGET 2022/2023 ('R000')	ANNUAL BUDGET ADJUSTED 2022/2023 ('R000')	EXPENDITURES
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVED / NOT ACHIEVED.	CHALLENGES	REMEDIAL ACTION				
GG 18	Mayor's Office	Special Programmes	To enhance public participation for special programmes	No of special programmes conducted by 30 June 2023.	26 Special programme activities held in the previous financial year.	26 of special programmes conducted <b>Target Achieved</b>	25 of special programmes conducted by 30 June 2023.	25 of special programmes conducted by 30 June 2023.	36 Special programmes conducted	Achieved	None	None	Report and Attendance register	R4 378	R6 828	R7 284
Total													R18 259	R23 632	R23 353	

**KPA 6: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

**Strategic objective: Improve Internal and External operation of the municipality and its stakeholders**

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Targets	Total Number of Annual Targets	Total Number of Achieved Annual Targets	Total Number of Not Achieved Annual Targets	Performance %
31	31	30	30	29	01	97%

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
MT ODO 1	EDP	2023/ 2024 IDP review Activiti es.	To improve governan ce and deepen communi ty involvem ent in the affairs of the municipa lity.	No of 2023/2024 IDP process plan compiled and approved by 30 June 2023	01 Approved 2022/20 23IDP/Bu dget	1 IDP 2021/2022 process plans compiled and approved Target achieved	1 IDP process plans compiled and approved by 30 June 2023	1 2023/20 24 IDP process plans compiled and approved by 30 June 2023	1 2023/20 24 IDP process plans compiled and approved	Achieved	None	None	Process plan, and council resolutio ns	R0.00	R0.00	R0.00
				No of IDP process plan implementati on reports	12 IDP process plan implement	12 IDP process plan implementati on reports	12 IDP process plan implementati on reports	12 IDP process plan implement	12 IDP process plan implement	Achieved	None	None	IDP process plan	R0.00	R0.00	R0.00

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
				done by 30 June 2023.	ation reports done	done <b>Target achieved</b>	done by 30 June 2023.	ation reports done by 30 June 2023.	ation reports done			reports				
				No of draft 2023/2024 IDP tabled to council by 31 March 2023	1 2022/2023 draft IDP	1 draft 2022/2023 IDP tabled to council <b>Target achieved</b>	1 draft 2023/2024 IDP tabled to council by 31 March 2023	1 draft 2023/2024 IDP tabled to council by 31 March 2023	1 draft 2023/2024 IDP tabled to council	Achieved	None	None	Draft IDP 2023/2024 and council resolution	R0.00	R0.00	R0.00
				No of 2023/2024 IDP approved by 31 May 2023	1 of 2022/2023 IDP approved	1 2022/2023 IDP approved <b>Target achieved</b>	1 2023/2024 IDP approved by 31 May 2023	1 2023/2024 IDP approved by 31 May 2023	1 2023/2024 IDP approved	Achieved	None	None	IDP 2023/2024 and council resolution	R0.00	R0.00	R0.00
MT ODO 2	EDP	Perfor mance Mana gemen t	To Improve municipa l perform	No of SDBIPs approved by 30 June 2023	2 SDBIPs approved	2 SDBIPs approved <b>Target achieved</b>	2 SDBIPs approved by 30 June 2023	2 SDBIPs approved by 30 June 2023	3 SDBIPs approved	Achieved	None	None	Approve d SDBIP and council resolutio	R0.00	R0.00	R0.00

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
			ance and service delivery.									n				
				No of PMS quarterly reports compiled and approved by 30 June 2023	4 PMS quarterly reports compiled and approved	4 PMS quarterly reports compiled and approved <b>Target achieved</b>	4 PMS quarterly reports compiled and approved by 30 June 2023	4 PMS quarterly reports compiled and approved by 30 June 2023	4 PMS quarterly reports compiled and approved	Achieved	None	None	PMS Quarterl y reports	R0.00	R0.00	R0.00
				% of Signed Appointed Senior Managers performance agreements by 30 June 2023	6 appointed Senior Managers performan ce agreement s signed	6 appointed Senior Managers performance agreements signed <b>Target achieved</b>	6 appointed Senior Managers performance agreements signed by 30 June 2023	100% of appointed Senior Managers performan ce agreement s signed by 30 June 2023	100% of appointed Senior Managers performan ce agreement s signed	Achieved	None	None	Signed Agreement s	R0.00	R0.00	R0.00
				No of Mid- Year Performance report compiled by 30 June	1 Mid- Year performan ce compiled	1 Mid-Year Performance reports compiled <b>Target achieved</b>	1 Mid-Year Performance reports compiled \by 30 June 2023	1 Mid- Year Performan ce reports compiled by 30	1 Mid- Year Performan ce reports	Achieved	None	None	Mid – Year perform ance	R0.00	R0.00	R0.00

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
				2023				June 2023	compiled				report			
				No of quarterly Back to Basics Reports Compiled and submitted to CoGHSTA by 30 June 2023	4 quarterly Back to Basics reports Compiled	4 quarterly Back to Basics reports Compiled and submitted to CoGHSTA Target achieved	4 quarterly Back to Basics reports Compiled and submitted to CoGHSTA by 30 June 2023	4 quarterly Back to Basics reports Compiled and submitted to CoGHSTA by 30 June 2023	4 quarterly Back to Basics reports Compiled and submitted to CoGHSTA	Achieved	None	None	Back to basics quarterly reports	R0.00	R0.00	R0.00
				Number of Performance Management Framework reviewed and approved by 30 June 2023	1 Performance management Frameworks reviewed and approved	1 Performance management Frameworks reviewed and approved Target achieved	1 Performance management Framework reviewed and approved by 30 June 2023	1 Performance management Framework reviewed and approved by 30 June 2023	1 Performance management Framework reviewed and approved	Achieved	None	None	council resolution, reviewed and approved PMF	R0.00	R0.00	R0.00

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
				Number of Senior Managers performance assessments conducted by 30 June 2023 (2021/2022 2 Annual and 2022/2023 Mid -Year)	2 (Midyear and Annual) Senior Managers performance assessments conducted	2 Senior Managers performance assessments conducted <b>Target achieved</b>	2 (Midyear and Annual) Senior Managers performance assessments conducted by 30 June 2023	2 (Midyear and Annual) Senior Managers performance assessments conducted by 30 June 2023	2 (Midyear and Annual) Senior Managers performance assessments conducted by 30 June 2023	Achieved	None	None	Assessments reports	R0.00	R0.00	R0.00
				No of 2021/2022 Annual reports compiled by 30 June 2023	1 2021/2022 Annual report	1 2020/2021 annual reports compiled <b>Target achieved</b>	1 2021/2022 annual reports compiled by 30 June 2023	1 2021/2022 annual reports compiled by 30 June 2023	1 2021/2022 annual reports compiled	Achieved	None	None	Annual Reports	R0.00	R0.00	R0.00
MT ODO 3	Cor pora te Ser vices	Condu ct Medic al surveill ance for emplo yees.	To provide occupational health and safety (medical surveillance) to	No. of Medical surveillance report generated by 30 June 2023	3 Medical surveillance report generated	1 Medical surveillance report generated <b>Target achieved</b>	1 Medical surveillance report generated by 30 June 2023	1 Medical surveillance report generated by 30 June 2023	1 Medical surveillance report generated	Achieved	None	None	Medical surveillance report	R1 000	R1 100	R1 347

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023 ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23 (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23 (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
			all deservin g municipa l employe es each year.													
MT ODO 4	Cor pora te Serv ices	Condu ct Health Risk Assess ment	To provide occupati onal health and safety (health risk assessm ents) in all municipa l buildings each year.	No. of Health risk assessments conducted by 30 June 2023	4 Health risk assessment conducted	4 Health risk assessments conducted <b>Target achieved</b>	4 Health risk assessments conducted by 30 June 2023	4 Health risk assessment s conducted by 30 June 2023	4 Health risk assessment s conducted	Achieved	None	None	Health risk assessm ents reports			
MT ODO 5	Cor pora te Serv	Monito r Compl iance of	To Ensure Complia nce with Construc	No of compliance reports generated on municipal	2 complian ce reports generated on	1 compliance reports generated	4 compliance reports generated on municipal	4 complian ce reports generated on	5 complian ce reports generated on	Achieved	None	None	complia nce reports			



NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
	ices	municipal construction projects in line with OHS ACT	Regulations for all municipal construction projects /contracts done each year.	construction project by 30 June 2023	municipal construction project	on municipal construction project  <b>Target achieved</b>	construction project by 30 June 2023	municipal construction project by 30 June 2023	municipal construction project							
MT ODO 6	Corporate services	Provide protective equipment (PPE) (Employee & EPWP)	To provide PPE for all deserving employees & EPWP personnel on request each year	No of employees/EPWP provided with protective equipment by 30 June 2023	200 of employees/EPWP	0 employees/EPWP not provided with protective equipment <b>Target not achieved</b>	200 employees /EPWP provided with protective equipment by 30 June 2023	66 employees /EPWP provided with protective equipment by 30 June 2023	66 employees /EPWP provided with protective equipment	Achieved	None	None	Updated PPE Register	R1 000	R1 000	R1 619

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023 ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23 (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23 (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
MT OD 07	Cor pora te Serv ices	Revie w and Imple ment WSP and ATR	To provide capacity building to all identifie d training projects in line with the WSP each year.	No of WSP and ATR reviewed and submitted to LGSETA by 30 June 2023	1 WSP and ATR reviewed	1 WSP and ATR reviewed <b>Target achieved</b>	12 training projects conducted in line with the WSP by 30 June 2023	1 WSP and ATR reviewed and submitted to LGSETA by 30 June 2023	1 WSP and ATR reviewed and submitted to LGSETA	Achieved	None	None	WSP and ATR Report and Acknowl edgeme nt letter	R1 650	R2 150	R2 406
			To provide skilled and capable workforc e to	No of Training Reports generated by 30 June 2023	04 training report generated	4 trainings reports generated <b>Target achieved</b>	8 Training Reports generated by 30 June 2023	8 Training Reports generated by 30 June 2023	8 Training Reports generated	Achieved	None	None	Training Reports			

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023 ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23 (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23 (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
			support service delivery													
MT OD 08	Cor pora te Serv ices	Award and mange extern al bursar y fund	To provide academi c support to needy student for higher educatio n	No of Bursary fund reports generated by 30 June 2023	04 of Bursary fund reports	4 of Bursary fund reports generated <b>Target achieved</b>	04 of Bursary fund reports generated by 30 June 2023	04 of Bursary fund reports generated by 30 June 2023	04 of Bursary fund reports generated	Achieved	None	None	Bursary report	R3 500	R700	R2 135
MT OD0 9	Cor pora te Serv ices	Revie w of Organ isation al structu re	To provide support to IDP targets for service delivery by reducing the vacancy rate each	% of positions filled in line with the approved organization al structure by 30 June 2023	Approved Organisati onal structure	75% of vacant positions as at the beginning of the financial year filled in line with the approved organization	60% of positions filled in line with the approved Organisatio nal structure by 30 June 2023.	60% of positions filled in line with the approved Organisati onal structure by 30 June	70,7% positions filled in line with the approved Organisati onal structure	Achieved	None	None	Recruitm ent report	R0.00	R0.00	R0.00

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023 ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23 (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23 (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
			year.			al structure  <b>Target achieved</b>		2023.								
MT OD1 0	Cor pora te Serv ices	Revie w of HR policie s	To update HR policies with all recently approve d legislati on each year.	No. of HR policies reviewed by 30 June 2023	10 HR policies reviewed	10 HR policies reviewed <b>Target achieved</b>	15 HR policies reviewed by 30 June 2023	15 HR policies reviewed by 30 June 2023	15 HR policies reviewed	Achieved	None	None	Reviewe d HR policy	R0.00	R0.00	R0.00
MT OD1 1	Cor pora te Serv ices	Local Labou r forum /Provi de	To ensure complia nce with SALGBC collectiv e agreem	No. of LLF ordinary meetings held by 30 June 2023	09. of LLF resolution reports created	9 Ordinary meetings held  <b>Target achieved</b>	12 Ordinary LLF meetings held each year by 30 June 2023	12 Ordinary LLF meetings held each year by 30 June	11 Ordinary LLF meetings held each year	Not Achieved	Unavail ability of LLF member and non- adheren ce to	Adhere to master plan	Resolutio n reports	R0.00	R0.00	R0.00

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
		emplo yee relatio ns service s	ent through function al LLF each year.					2023			master plan					
MT OD1 2	Cor pora te Serv ices	Moni toring of municipal by laws	To provide support for the imple mentation of by- laws.	No. of By- Laws meetings held by June 2023.	4 By- Laws resolution meetings/ reports generated by 30 June 2023	4 of Legislative compliance database register developed <b>Target achieved</b>	4 By- Laws resolution meetings/ reports generated by 30 June 2023	4 By- Laws meeting held by 30 June 2023	4 By- Laws meeting held	Achieved	None	None	Reports and attenda nce register	R0.00	R0.00	R0.00
MT OD1 3	Cor pora te Serv ices	Mana ge municipal Litigati ons cases	To receive proper legal outcome for all municipal legal cases each year	No. of municipal legal reports generated by 30 June 2023	4 municipal Litigations reports	4 By-Laws resolution meetings/ reports generated <b>Target achieved</b>	12 municipal Litigations reports created by 30 June 2023	12 municipal Litigations reports created by 30 June 2023	12 municipal Litigations reports created	Achieved	None	None	Municipal Litigation report	R1 775	R3 375	R4 490

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
MT OD 14	Cor pora te Serv ices	Perfor mance Mana gemen t Syste m (PMS)	To improve perform ance managem ent and service delivery	No of performance agreements signed on corporate services employees by 30 June 2023	0	4 municipal Litigations reports created  <b>Target achieved</b>	2 middle Managers performance assessments conducted by 30 June 2023	21 performan ce agreemen ts signed on corporativ e services employees	21 performan ce agreemen ts signed on corporativ e services employees	Achieved	None	None	Assessm ent Reports	R0.00	R0.00	R0.00
MT OD1 5	Cor pora te Serv ices	ICT Gover nance	To strength en municipa l IT governan ce.	No. of ICT steering committee Resolution Register Developed by 30 June 2023	04 ICT Steering Committee Resolution register	4 of ICT steering committee Resolution Registers Developed and Implemented  <b>Target achieved</b>	4 ICT steering committee Resolution Registers Developed and Implemented by 30 June 2023	4 ICT steering committee Resolution Register Developed by 30 June 2023	4 ICT Steering Committee Resolutions Developed	Achieved	None	None	Committ ee Resolutio n Registers	R0.00	R0.00	R0.00
MT OD1 6	Cor pora te Serv ices	Devel op ICT Maste r Plan	To impleme nt a planned ICT projects	No of ICT Master Plan Developed by 30 June 2023	New Indicator.	New Project	1 ICT Master Plan Developed by 30 June 2023	1 ICT Master Plan Developed by 30	1 ICT Master Plan Developed	Achieved	None	None	ICT Master Plan report	R 1 000	R1 500	R1 312

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
								June 2023								
MT OD1 7	Cor pora te Serv ices	Devel op ICT Securit y Plan	To manage and Control ICT Security	No of ICT Security Plan Developed by 30 June 2023	New Indicator.	New Project	1 ICT Security Plan Developed by 30 June 2023	1 ICT Security Plan Developed by 30 June 2023	1 ICT Security Plan Developed	Achieved	None	None	ICT Security Plan report	R 0.00	R0.00	R0.00
MT OD1 8	Cor pora te Serv ices	ICT system s suppor t	To Maintain All ICT Systems through ICT mainten ance Plan each year.	No. of reports for IT Systems Supported by 30 June 2023	New Indicator	9 IT Systems Supported  <b>Target Not Achieved</b>	12 reports for IT Systems Supported by 30 June 2023	12 reports for IT Systems Supported by 30 June 2023	12 reports for IT Systems support developed	Achieved	None	None	reports for IT Systems Support ed	R 11 890	R16 890	R16 659

NO.	DIR EC TO RA TE	PRO JECT	MEAS URABL E OBJEC TIVE	KEY PERFORM ANCE INDICATO R.	BASELI NE	2021/2022  YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2022/2023  ANNUAL TARGETS	ANNUA L ADJUST ED TARGET S 2022/20 23	2022/2023 ANNUAL PERFORMANCE.				MEAN S OF VERIFI CATIO N	ANNUA L BUDGET 2022/20 23  (R '000')	ANNUA L BUDGET ADJUST ED 2022/20 23  (R000')	EXPEND ITURES 2022/20 23 (R '000')
									2022 / 2023 YEAR ACTUAL	TARGETS ACHIEVE D / NOT ACHIEVE D.	CHALL ENGE S	REME DIAL ACTIO N				
MT OD 19	Cor pora te Serv ices	Revie w File plan	To improve records manage ment systems by all users each year.	No. of records management reports compiled by 30 June 2023	12 records managem ent	12 records managem ent  <b>Target Achieved</b>	07 of records managem ent projects implemented by 30 June 2023	12 of records managem ent reports compiled by 30 June 2023	12 of records managem ent reports compiled	Achieved	None	None	Records Manage ment Reports	R0.00	R0.00	R0.00
Total													R21 815	R26 715	R29 968	



## **CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE**

### **4 INTRODUCTION**

This chapter addresses information pertaining to the information of an effective performance management system. Organisational development and performance of the municipality. It is classified into four components, namely:

- Component A (Introduction to Municipal Workforce),
- Component B (Managing Municipal Workforce),
- Component C (Capacitating Municipal Workforce) and
- Component D (Managing Municipal Workforce Expenditure)

#### **4.1 COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE**

To ensure that the organization's effectiveness is increased, the municipality conducts personnel needs analysis and makes the necessary provision in the Municipal Budget on an annual basis. To ensure effectiveness and efficiency within the organisation, the municipality annually develops a Workplace Skills Plan, after conducting a training needs analysis. The necessary training is then provided depending on available financial resources. Employees are also provided with all the necessary tools including, but not limited to, ICT tools, furniture, and machinery.

Necessary policies, systems, procedures, and mechanisms are put in place to ensure organizational development. These include, but are not limited to, recruitment, selection, training, discipline, and the retention of staff. Employees are developed as far as possible to assist them to function effectively as human beings and to reach their full potential. Changes in business process and changing environment requires the organization to review its organizational structure on a regular basis.

##### **4.1 .1 Organisational Structure**

Name of Department	Number of personnel	M	F
Office of the Mayor	11	07	04
Office of the Speaker	10	06	04
Office of the Municipal Manager	12	04	08
Budget and Treasury	43	21	22
Community Services	68	41	27
Corporate Services	22	11	11
Economic Development and Planning	11	07	04
Infrastructure Development Services	20	11	09
<b>TOTAL</b>	197	108	89

<b>Employee Totals Turnover and vacancies</b>				
04				
<b>Employees: Human Resource Services</b>				
<b>Job Level</b>	<b>2022/23</b>			
	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 – 3	0 – 3	16	6	27
4 – 6	4 – 6	44	5	10

7 – 9	7 – 9	51	4	7
10 – 12	10 – 12	49	4	8
13 – 15	13 – 15	15	0	0
16 – 18	16 – 18	20	2	9
19 – 20	19 – 20	0	0	0
<b>Total</b>	<b>Total</b>	<b>195</b>	<b>21</b>	<b>10%</b>

**NB: The 196<sup>th</sup> and 197<sup>th</sup> posts are the Deputy CFO which is in the process of being job evaluated and the Assistant Examiner which could not be job evaluated.**

**Financial Performance 2022/23: Human Resource Services**

<b>Details</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>		<b>Committments</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue (excluding tariffs)</b>	0	0	0	0		0
Expenditure:						
Employees	0	0	0	0		0
Repairs and Maintenance	R 2 614 600.18	R 3 114 600.18	R 4 173 166	-		(R 1 058 566)
Other	-	-	-	-		-
	R1 310 000.00	R1 310 000.00	R 2 314 177	-		(R 1 004 177)

<b>Total Operational Expenditure</b>	<b>R 3 924 600.18</b>	<b>R 4 424 600.18</b>	<b>R 6 487 343</b>	<b>-</b>	<b>(R 2 062 743)</b>
<b>Capital Expenditure 2022/23: Human Resource Services</b>					
<b>Capital Projects</b>	<b>2022/23</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Commitments</b>	<b>Variance to Budget</b>
Total All	0	0	0	0	0

#### 4.1. 2 Information and Communication Technology (ICT) Services

##### Introduction to Information and Communication Technology (ICT) Services

Information Communication Technology (ICT) services is best positioned to promote effective administration in order to achieve service delivery targets and ultimately have an impact on socio economic development. It is therefore intergral to the fuctionality and efficiency of the Municipality. The target for the reporting period was to achieve improved ICT systems processes compliant infrastructure and Strategies.

Service delivery priorities for ICT are to ensure that the Municipality has effecient and effective ICT Systems and Infrastructure. The Municipality has adopted and implemented Corporate Gornanace of ICT Policy Framework and Related policies as per Department of Public Service and Administration.

The Municipality has during the year under review developed and Approved ICT Strategy and Disater Recovery Plan aimed at addressing the following:

- To manage municipal information and communitation technology resources and
- To have proper proseses to follow should disaster happen.

Service Objective :	
Installation of Service Desk System	For Management of ICT Service requests.

Procurement of ICT Infrastructure	To procure ICT equipment's as and when required.
Maintenance of ICT Systems and Infrastructure	For routine maintenance of ICT Systems and Infrastructure
Renewal of Software Licenses	To renew software licenses on annual basis.

**Employees: ICT Services**

Job Level	Job Level			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	0	0	0	0
4 – 6	0	0	0	0
7 – 9	0	0	0	0
10 – 12	0	0	0	0
13 – 15	0	0	0	0
16 – 18	0	0	0	0
19 – 20	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0 %</b>

**NB: The information was totalled as the Municipality does not have salary levels.**

**Financial Performance 2022/23: ICT Services**

Details	2022/23			
	Original Budget	Adjustment Budget	Actual	Variance to Budget

Expenditure:				
Employees	R 2 529 719.8 4	R 2 529 719.84	R 2 549 110	(R19 390)
Repairs and Maintenance	R 3 000 000	R 11 890 455.8 9	R 12 848 632	(R958 176)
Other	R 1 000 000	R 1 000 000	R 2 607 993	(R1 607 993)
<b>Total Operational Expenditure</b>	R 6 529 719.8 4	R 15 420 175.7 3	R 18 005 735	(R2 585 559)
<b>Capital Projects</b>	R 1 000 000	R 1 000 000	R 2 607 993	(R1 607 993)
<b>Total Expenditure</b>	R 6 529 719.8 4	R 15 420 175.7 3	R 18 005 735	(R2 585 559)

## 4.2 COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE LEVELS

### 4.2.1 Municipal workforce management

Makhuduthamaga Municipality has established policies and procedures for the management of the workforce.

The municipal workforce is structured as follows:

- The Municipal Manager as head of administration

- The Municipality had five (5) Senior Managers (who all meet minimum qualification NQF level 6 and competency requirements) and no vacancy existed for section 57 employee.
- Twenty (26) middle managers in various departments who all meet NQF level 6 Qualification.
- The Municipality has other 144 employees comprised of senior officers, officers, traffic officers, clerks, operators and general workers.

<b>Employees</b>				
<b>Description</b>	<b>2022/2022</b>			
	<b>Employees (Filled)</b>	<b>Approved posts</b>	<b>Variance</b>	<b>Variance</b>
	<b>No.</b>		<b>No.</b>	<b>%</b>
<b>Water</b>	<b>No.</b>		<b>No.</b>	<b>%</b>
<b>Waste Water (Sanitation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Electricity and Electricity</b>	<b>1</b>	<b>1</b>	<b>0</b>	0%
<b>Waste Management</b>	<b>09</b>	<b>10</b>	<b>01</b>	10%
<b>Roads Waste Water and Storm water Drainage</b>	<b>10</b>	<b>14</b>	<b>04</b>	28.6%
<b>Transport</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Local Economic Development and Planning</b>	<b>12</b>	<b>14</b>	<b>02</b>	14.3%
<b>Community &amp; Social Services</b>	<b>51</b>	<b>60</b>	<b>09</b>	15%
<b>Environmental Protection</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Health</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Security and Safety</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Corporate Policy Offices and Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Vacancy Rate 2022/23</b>				
<b>Designations</b>	<b>*Total Approved</b>	<b>*Variances (Total time that</b>	<b>*Variances (as a proportion of</b>	

	<b>Posts</b>	<b>vacancies exist using fulltime equivalents)</b>	<b>total posts in each category)</b>
	<b>No.</b>	<b>No.</b>	<b>%</b>
Municipal Manager	1	0	0 %
CFO	1	1	100 %
Other S57 Managers (excluding Finance Posts)	4	1	25%
Other S57 Managers (Finance posts)	0	0	0 %
Municipal Police	0	0	0 %
Fire fighters	0	0	0 %
Senior management: Levels 13-15 (excluding Finance Posts)	0	0	0 %
Senior management: Levels 13-15 (Finance posts)	0	0	0 %
Highly skilled supervision: levels 9-12 (excluding Finance posts)	0	0	0 %
Highly skilled supervision: levels 9-12 (Finance posts)	0	0	0 %
<b>Total</b>	<b>06</b>	<b>2</b>	<b>33%</b>

#### **Comment on vacancies and turnover.**

Eleven (11) officials left the Municipality. Most these of these terminations were as a result of employees employed in political offices whom their contracts were linked to political incumbents and natural occurrence such as death.

#### **4.2.2 Policies**



The Municipality reviewed seven (7) HR Policies and developed 04 New Human Resource policies during the year under review.

#### 4.2.3 Injuries, sickness and suspensions

<b>Number and Cost of Injuries on Duty</b>						
<b>Type of injury</b>	<b>Injury Leave Taken</b>	<b>Employees using injury leave</b>	<b>Average injury leave taken per employee</b>	<b>Average Injury Leave per employee</b>	<b>Total Estimated Cost</b>	
	<b>Days</b>	<b>No.</b>	<b>%</b>	<b>Days</b>		
Required basic medical attention only	37	0	06	0		0
Temporary total disablement	0	0	0	0		0
Permanent disablement	0	0	0	0		0
Fatal	0	0	0	0		0
<b>Total</b>	<b>37</b>	<b>0</b>	<b>06</b>	<b>0</b>		<b>0</b>
<b>Number of days and Cost of Sick Leave (excluding injuries on duty)</b>						
<b>Salary band</b>	<b>Total sick leave</b>	<b>Proportion of sick leave without</b>	<b>Employees using sick leave</b>	<b>Total employees in post*</b>	<b>*Average sick leave per</b>	<b>Estimated cost</b>

		medical certification			Employees	
	Days	%	No.	No.	Days	
Lower skilled (Levels 1-2)	0	0	0	0	0	
Skilled (Levels 3-5)	0	0	0	0	0	
Highly skilled production (levels 6-8)	56	2	13	126	3 days	
Highly skilled supervision (levels 9-12)	77	4	14	15	3 days	
Senior management (Levels 13-15)	7	0	2	26	3 days	
MM and S57	0	0	0	6	0	
<b>Total</b>	<b>140</b>	<b>06</b>	<b>138</b>	<b>161</b>	<b>09 days</b>	
* - Number of employees in post at the beginning of the year						

No cases for injury on duty were reported in the year under review. 1 injury on duty

### 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

1. Senior building inspector	Fraud	06 February 20223	Disciplinary process still underway	Cases not finalised
2. Traffic Officer	Misconduct Absenteeism	29 December 2022	Disciplinary process finalised	Final warning on the 08/05/2023
<b>Disciplinary Action Taken on Cases of Financial Misconduct</b>				
<b>Position</b>	<b>Nature of Alleged Misconduct and Rand value of any loss to the Municipality</b>	<b>Disciplinary action taken</b>	<b>Date Finalised</b>	
None	None	None	None	

**NB.** No financial case of misconduct was experienced during the 2022/23 financial year

**Comment on suspensions and cases of financial misconduct:**

One (1) case was received for financial misconduct, employee was suspended, disciplinary hearing was conducted and employee pleaded guilty. Employee was dismissed.

### 4.3 COMPONENT C : CAPACITATING THE MUNICIPAL WORKFORCE

#### 4.3.1 Skills Development and Training

Makhuduthamaga Municipality has in terms of MSA 2000 S 68(1) has endeavoured to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical effective efficient and accountable way by identifying training focused to improve service delivery and also trained 42 officials (of which training for 5 of the 42 officials was on CPMD) during this financial year. Challenges experienced are repeating the same people for more training and training that deviate from their skills audit. This has been addressed by the appointment of Section 57 Managers whose responsibility is to ensure that training is service focused.

#### **Skills Development and related expenditure and on the financial competency regulations:**

The Municipality was able to prepare and submit Workplace Skills Plan for 2021/2022 to LGSETA on time. The Municipality has an appointed Skills Development Facilitator who ensures that the WSP is adhered to. The following milestones were achieved to build capacity within the structures of the Municipality.

All section 57 and finance officials have acquired the MFMA competency requirements by completing MFMP/CPMD.

### 4.4 COMPONENT D : MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

#### 4.4.1 Employee related costs

The municipality has spent **R 102 010 352** as salaries for **208** officials. The expenditure is summarised as follows:

Basic	: R 57 989 149
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Bonus	: R 4 679 968
Medical Aid-company contribution	: R 5 482 746
UIF	: R 400 947
SDL	: R 836 421
Leave pay provision charge	: R 22 151
Pension Contribution	: R 10 842 753
Overtime payments	: R 2 145 837
Post-employment benefits costs	: R 1 182 000
Car allowance	: R 12 847 585
Housing benefits and allowances	: R 3 144 013
Bargaining Council	: R 24 689
Clothing allowance	: R 32 248
Cell phone allowance	: R 2 379 845

#### **4.4.2 Remuneration and allowances of councillors outstanding**

The municipality has spent **R 24 227 652** as remuneration for 62 councillors. The remuneration and allowances of political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution of the Republic of South Africa Act 108 of 1996. The expenditure is summarised as follows:

Mayor	: R 935 138
Council Speaker	: R 756 405
Executive Committee members	: R 4 759 880
Other councillors' basic salary	: R 9 879 285
Councillors pension contribution	: R 1 743 733
Travel allowances	: R 3 879 966

Travel claims	: R 56 316
Cell phone allowance	: R 2 077 400
Skill Development Levy (SDL)	: R 139 529
Data cards (62 councillors)	: R 0

#### 4.4.3 Disclosure of financial interest

All municipal officials and councillors have disclosed their financial interests in compliance with Municipal Systems Act, 32 of 2000

## CHAPTER 5 : FINANCIAL PERFORMANCE

### 5. INTRODUCTION

This Chapter contains four components, namely:

- Component A (Statement of Financial Performance),
- Component B (Spending against Capital Budget),
- Component C (Cash flow Management and Investments) and
- Component D (Other Financial Matters).

#### 5.1 COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Municipality's total original budgeted revenue for the 2022/23 financial year to the amount of R 474 520 901 was adjusted to R 501 678 473 which consists of R 74 629 248 from own sources of revenue and R 428 760 004 from government grants during the first adjustment period in February.

The total actual revenue to date is R 521 844 004 which makes about 104% of the total budgeted annual revenue to the amount of R 501 678 473.

The Municipality's total budgeted expenditure for the 2022/23 financial year to the amounts of R 563 520 909 which is made of operational expenditure to the amount of R 374 951 659 and capital expenditure to the amount of R 188 569 250, was adjusted to R 619 678 475 which is made of operational expenditure to the amount of R 406 581 843 and capital expenditure to the amount of R 213 096 632.

The to-date actual expenditure amounts to R 642 687 384 for the 2022/23 financial year, reflecting an unauthorized expenditure of R 23 008 909 as a result of the debt impairment expenditure, Depreciation and other expenditure recognized in the annual financial statement for the 2022/23 financial year as compared to the year to-date budget of R 619 678 475.

The municipality's bank balance as at 30 June 2023 was R 6 644 381.

The municipality's total actual revenue as at the end of 30 June 2023 amounts to R 521 844 004 and total actual operational expenditure of R 424 363 997 translating in to a net surplus of R 97 480 007. Capital expenditure transfers and grants as at the end of 30 June 2023 amounted to R 94 915 000 (vat inclusive) for MIG and R6 000 000 (vat inclusive) for electrification .

The following table summarises the overall revenue and expenditure performance as at the end of the 4rd quarter:

N.B. Amounts are in "R000"

Description	2021/22 Audited Outcome	2022/23 YTD Budget	2022/23 YTD Actual	2022/23 YTD Variance
Total Operational revenue	848 534	406 763	426 929	20 166
Total operational expenditure	(356 554)	(406 581)	(429 451)	(22 869)
Operating Surplus/Deficit	491 980	182	(2 521)	(2 704)
Operating Capital transfers and grants	61 777	94 915	94 915	-

Net Surplus/Deficit after capital transfers	178 993	95 097	92 393	2 704
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### 5.1.2 Budgeted Revenue and Actual Revenue to date

The municipality's total actual revenue as at the end of 2022/23 is R 521 844 004 which amounts to 104% of the total budgeted annual revenue to the amount of R 501 678 473.

From the total actual revenue recorded as at the end of 2022/23, R 428 858 636 is from government grants and transfers and the remaining balance of R 92 985 368 comes from the own revenue sources.

The municipality's overall collection rate is 57% as at the end of 2022/23 when comparing the actual cash received from the different sources of our revenue to the billed revenue to date. The municipality's collection rate was 79% in the prior year ended 30 June 2022. Collection on property rates and interests on outstanding debts are the highest contributors to the poor collection rate and the National Treasury was requested to intervene on the Government properties debts as they contribute the highest percentage to the municipality's debt book.

### 5.1.3 Budgeted Expenditure and Actual Expenditure to date

- a. The municipality incurred a total actual expenditure amounts of **R 638 368 610** as at the end of 2022/2023 ending 30 June 2023. This amounts to **103%** of the total annual budgeted expenditure the amount of **R 619 678 475**.

### 5.1.4 ASSET MANAGEMENT

The municipality has approved Assets management policy which govern the utilisation of the municipal assets to ensure that they effectively and efficiently contribute to the service delivery to the communities. The municipality maintains an Asset Register which is updated monthly and quarterly. Assets physical verifications are conducted by the Assets management unit within the Budget and Treasury Office.

The assets verification reports are used to update the repairs and maintenance plan which the main purpose is to ensure that the municipal assets are always in good conditions for service delivery and to prolong the life span of the assets. All assets of the municipality except the roads and infrastructure assets are insured and all vehicles of the municipality are monitored through reputable tracking devices.



The Assets management division is within the Budget and Treasury Office and have two accountants, two officers and led by Manager – Assets. All Assets management staff have completed the minimum competency assessment successfully and are capacitated through regular trainings.

#### 5.1.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Calculation and analysis of the municipality's financial ratios.

The municipality considered the following ratios as part of assessing the going concern status of the municipality as at 30 June 2023 in terms of GRAP1; 27-30:

Going concern and Liquidity ratios.

Going concern

After the assessment of the key factors to the going concern of the municipality, it is assumed and concluded that the municipality shall continue operating as a Going Concern and the 2022/23 financial report and the Annual Financial Statements for the year ending 30 June 2023 shall be prepared and presented on a going concern basis.

Liquidity ratios

Current ratio

Current Assets/Current Liabilities (Norm is 2:1)

<b>2023</b>	<b>2022</b>
<b>R'000</b>	<b>R'000</b>
R 58 240: R 46 630	R 133 065: R 45 933
<b>1.25: 1</b>	<b>2.90: 1</b>

This ratio measures the Municipality's ability to pay its short-term debt with liquid assets which are assets easily converted in to cash. The above ratio indicates a current ratio of 1.25:1 that suggest that the municipality's liquid assets are currently easy to be converted into cash to can cover the current liabilities as and when they become due.

Debt ratio

Total Liabilities/Total Assets

<b>2023</b>	<b>2022</b>
<b>R'000</b>	<b>R'000</b>
R 63 815 / R 481 195 X 100%	R 73 099 / R 484 490 X 100%
<b>=13.26%</b>	<b>=15.09%</b>

This ratio measure how much the municipality's total liabilities are covered by the total assets the results of which measures the solvency of the municipality. The results above show that the municipality is solvent as the total liabilities are covered by the total assets.

Collection rate.

NORM: 95%

Formula

= Actual Revenue Received / Billed Revenue x 100

<b>2023</b>	<b>2022</b>
<b>R'000</b>	<b>R'000</b>
R 42 067/ R 73 711 x 100%	R 161 474 / R 204 397 x 100%
<b>= 57%</b>	<b>= 79%</b>

The Ratio indicates the collection rate; i.e. level of payments. It measures increases or decreases in Debtors relative to annual billed revenue.

Over and above, the municipality receives government grants on annual basis and thus there are no indications that the municipality will not receive grants in the foreseeable future.

## 5.2 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.2.1 Source of Finance

#### The municipal finance was sourced from:

Local Government Equitable Shares

Finance Management Grant

Expanded Public Works Program

Municipal Infrastructure Grant

Municipal Disaster Management Grant

### 5.2.2 Capital Spending on 5 Largest Projects

PROJECT NAME	EXPENDITURE (R'000)
Mochadi access road and bridge 2.9km	R 27 086
Mashabela Machacha access road 5.5km	R 25 978
Malegase to Mapulane access road and bridge 3.5km	R 24 426
Manyelethi to Mamone Central 2.6km	R 23 953
Mokwete molepane/ntwane access road 3.5km(10km overall)	R 19 444

## 5.3 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality will have to cut expenditures to ensure that, the approved budget is within the available resources and reliably estimated cash flows going forward to avoid a net decrease in cash.

### 5.3.1 Cash Flow

Analysis of Future cash flow projections and cash flow assumptions.

The following table indicates the cash flow forecasts for the next three financial years in terms of MBRR and MFMA which shows a favourable closing cash balances for each financial year:

LIM473 Makhuduthamaga - Table C7 Monthly Budget Statement - Cash Flow - 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								%	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		145,837	41,263	46,765	684	23,724	46,766	(23,041)	-49%	46,765
Service charges		102	99	99	14	256	99	157	160%	99
Other revenue		5,675	35,930	67,617	478	15,650	67,617	(51,967)	-77%	67,617
Transfers and Subsidies - Operational		320,035	333,845	333,845	-	333,845	333,845	(0)	0%	333,845
Transfers and Subsidies - Capital		61,777	76,915	70,915	-	94,915	70,915	24,000	34%	70,915
Interest		2,693	1,800	6,800	-	1,517	6,800	(5,283)	-78%	6,800
Dividends			-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(396,923)	(200,649)	(325,702)	(64,086)	(460,369)	(325,702)	134,667	-41%	(325,702)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>139,197</b>	<b>289,203</b>	<b>200,338</b>	<b>(62,911)</b>	<b>9,538</b>	<b>200,338</b>	<b>190,800</b>	<b>95%</b>	<b>200,338</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
<b>Payments</b>										
Capital assets		(139,844)	(188,569)	(213,097)	60,713	(107,865)	(213,097)	(105,232)	49%	(188,569)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(139,844)</b>	<b>(188,569)</b>	<b>(213,097)</b>	<b>60,713</b>	<b>(107,865)</b>	<b>(213,097)</b>	<b>(105,232)</b>	<b>49%</b>	<b>(188,569)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
<b>Payments</b>										
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(647)</b>	<b>100,634</b>	<b>(12,758)</b>	<b>(2,198)</b>	<b>(98,327)</b>	<b>(12,758)</b>			<b>11,769</b>
Cash/cash equivalents at beginning:		14,360	16,046	104,948	181,339	104,971	104,948			104,971
Cash/cash equivalents at month/year end:		13,713	116,680	92,189		6,644	92,189			116,740

LIM473 Makhuduthamaga - Table B7 Adjustments Budget Cash Flows - 28 February 2023

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2023/24	+2 2024/25
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		41,263						5,502	5,502	46,765	47,350	49,481
Service charges		99						-	-	99	99	99
Other revenue		35,930						31,687	31,687	67,617	39,095	40,854
Transfers and Subsidies - Operational	1	333,845						-	-	333,845	344,967	365,870
Transfers and Subsidies - Capital	1	76,915						(6,000)	(6,000)	70,915	74,072	77,430
Interest		1,800						5,000	5,000	6,800	1,910	1,996
Dividends		-						-	-	-	-	-
<b>Payments</b>												
Suppliers and employees		(200,649)						(125,054)	(125,054)	(325,702)	(400,134)	(406,402)
Finance charges		-						-	-	-	-	-
Transfers and Grants	1	-						-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>289,203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(88,865)</b>	<b>(88,865)</b>	<b>200,338</b>	<b>107,358</b>	<b>129,327</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		-						-	-	-	-	-
Decrease (increase) in non-current receivables		-						-	-	-	-	-
Decrease (increase) in non-current investments		-						-	-	-	-	-
<b>Payments</b>												
Capital assets		(188,569)						(28,892)	(28,892)	(217,461)	(129,433)	(146,095)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(188,569)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,892)</b>	<b>(28,892)</b>	<b>(217,461)</b>	<b>(129,433)</b>	<b>(146,095)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		-						-	-	-	-	-
Borrowing long term/refinancing		-						-	-	-	-	-
Increase (decrease) in consumer deposits		-						-	-	-	-	-
<b>Payments</b>												
Repayment of borrowing		-						-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>100,634</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(117,757)</b>	<b>(117,757)</b>	<b>(17,123)</b>	<b>(22,075)</b>	<b>(16,767)</b>
Cash/cash equivalents at the year begin:	2	104,325						623	623	104,948	58,308	64,424
Cash/cash equivalents at the year end:	2	204,959						(117,134)	(117,134)	87,825	36,233	47,657

The 2021/22 MTREF provide for a net decrease in cash of R 17 million for the 2022/23 financial year, net increase of R 22 million in 2023/24 and net increase in cash R 17 million in 2024/25.

## Cash flow assumptions

Assumption for projected revenue

Property rates - R 47.4 million will be received in 2023/24 financial year and increases to R 49.5 million by 2024/25 financial year. The municipality collected R 28.3 million in the current year ended 30 June 2023. The projections for the MTREF are realistic based on the current collection rate on Property rates.

Other Income - R 36.2 million will be received from other income which consists mainly of VAT recovery for capital expenditure and other contracted services for operational purposes. VAT recovery collection is R 35.8 million as at 30 June 2023.

Transfers from National government - Projected to be received at 100%. There has not been any indication that National Treasury will withdraw any of the gazetted grants allocated for the municipality for the 2022/23 MTREF.

Trade and other payables – Projected to be paid within 30 days of receiving the invoice in the ordinary course of business.

Capital and Operational expenditure – Projected to be spent above 95% taking in to account commitments and payables as at 30 June 2023.

Basis for the assumptions and management future plans on cash flow management.

The cash flow projections for Property rates were calculated based on the historical trends on property rates collection rate. The municipality has signed payment agreements with certain local business and are currently paying on a monthly basis. A debt collector has also been contracted to assist the municipality in enforcing the credit control policy of the municipality to improve collection on property rates.

The municipality always strive to comply with all reporting requirements by National Treasury and other transferring departments for grants and therefore, it is not expected that any part of the grants allocated to the municipality as per the DoRA published in 2022 will be withheld. Therefore, the grants are expected to be received at 100% as budgeted for in the 2022/23 MTREF.

Management of the municipality has resolved to procure goods and services for operational expenses using termed contracts to solve the challenges of delays in Supply Chain Processes which affects service

delivery and budgeted expenditure negatively. Therefore, it is assumed that the municipality will be able to spend over 95% of its operational expenditure by year end.

The consultants for capital projects are appointed a year before construction is expected to start to complete the designs for the projects on time. Contractors for all capital projects implemented during 2022/23 financial year, have been appointed already, which allows them enough time to complete the projects targets within the planned financial year. Other factors such as Natural factors and strikes were considered in making the assumption that, the projects will be completed by the end of the 2022/23 financial year. It is therefore assumed that the capital expenditure as per the budget will be spent above 95% by year end.

### **5.3.2 BORROWING AND INVESTMENTS**

The municipality did not have any borrowings for the year ended 30 June 2023. The municipality did not make any investment during the year ended 30 June 2023. The interests earned was for the positive bank balance throughout the year.

### **5.3.3 PUBLIC PRIVATE PARTNERSHIPS**

The municipality did not enter into any Public Private Partnership agreements during and before the year ended 30 June 2023.

## **5.4 COMPONENT D: OTHER FINANCIAL MATTERS**

### **5.4.1 SUPPLY CHAIN MANAGEMENT**

Section 6.3 of the Supply chain management Policy” The Accounting Officer must, within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the executive committee”

Section 6.4 of the Supply Chain Management Policy” The reports must be made public in accordance with section 21A of the Municipal Systems Act”.

#### Adoption of SCM Policy

The Council has adopted an SCM policy in terms of SCM regulation 3

#### Staff Employed in SCM unit

The unit comprise of Seven filled posts and no vacant post. SCM Baseline survey completed and sent to National Treasury.

#### Job descriptions

The posts have job descriptions

#### Implementation Plan for SCM

Detailed Procurement Plan has been developed and approved by the municipal manager. The plan is implemented.

#### Performance of Vendors

Performance of vendors performed regularly by the Contract management officer in consultation with the user department.

#### Monitoring of SCM Policy



SCM processes are independently monitored to ensure the SCM policy is followed and desired objectives are achieved

#### Threshold values

Threshold values contained in the SCM Policy are aligned with the values stipulated in regulation 12.

#### Municipal bid documents

Municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees. The documents made available for at least three days before the compulsory briefing date (if applicable).

#### Code of Conduct

All SCM Officials and Bid committee members have signed a Code of Conduct.

#### Invitations for bids.

All invitations for bids above R30 000 are advertised for at least 7 days on the website and official notice board (reg. 18(a)).

In addition, all invitations for competitive bids are publically advertised

All invitations for competitive bids are publically advertised in newspapers commonly circulating locally (reg. 22(1))

#### Training strategy for SCM practitioners

Training strategy for SCM practitioners has been developed through corporate Services.

SCM officials have completed a minimum requirement level (MFMP).

Bid Specification Committee.

Bid Specification Committee membership comply with regulation 27.

Bid Evaluation Committee

Bid Evaluation Committee membership comply with regulation 28.

Bid Adjudication Committee membership comply with regulation 29

Bid Adjudication Committee membership comply with regulation 29

Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor may not be a member of a bid adjudication committee

Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor may not be a member of a bid adjudication committee, has never been breached.

Circular 82 approved by council and implemented.

Municipal Cost containment policy developed and awaiting council approval.

#### 5.4.2 GRAP COMPLIANCE

The municipality is currently implementing the Municipal Standard Chart of Account which is aligned to both the requirements of the MBRR and the GRAP Standards to ensure fair presentation of the municipality's financial information in the Annual Financial Statements and to ensure accountability by those charged with the responsibilities to manage and govern the municipality.

The municipality's Annual Financial Statements for the year ended 30 June 2023 are GRAP compliant and the municipality has received an Unqualified Audit Opinion from The Auditor General of South Africa for the said financial year.

The Budget and Treasury Office has the CFO and managers who possess the minimum competency requirements for financial management officials and are regularly capacitated on GRAP compliance through annual trainings at institutions of higher learning and those offered by SALGA and CIGFARO.

## CHAPTER 6 – AUDITOR GENERAL OF SOUTH AFRICA AUDIT FINDINGS

### 6.1 AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

#### 6.1.1 Auditor General of South Africa summary of findings for prior Year 2021/2022

##### **Operational Expenditure.**

The total operational expenditure as at the end of 2022/23 amounts to R 424 363 997 which equates to 104% of the total annual operational budget of R 406 581 843.

The following table indicates the operational expenditure per standard classification:

**LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June**

Description	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
<b>R thousands</b>								%	
<b>Expenditure By Type</b>									
Employee related costs	90,238	113,662	102,150	8,762	102,010	102,150	(140)	0%	102,150
Remuneration of councillors	24,322	23,597	24,218	1,964	24,228	24,218	9	0%	24,218
Debt impairment	374,764	7,340	9,506	–	26,175	9,506	16,669	175%	9,506
Depreciation & asset impairment	32,339	37,189	27,615	2,568	28,387	27,615	772	3%	27,615
Finance charges	2,035	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	4,195	2,620	2,620	418	3,269	2,620	649	25%	2,620
Contracted services	219,643	127,224	165,523	100,236	63,343	165,523	(102,180)	-62%	165,523
Transfers and subsidies	6,781	9,200	2,027	1,628	2,027	2,027	–	–	2,027
Other expenditure	49,114	54,120	72,922	6,909	174,925	72,922	107,090	147%	72,922
Losses	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>803,430</b>	<b>374,952</b>	<b>406,581</b>	<b>122,485</b>	<b>424,364</b>	<b>406,581</b>	<b>22,869</b>	<b>6%</b>	<b>406,581</b>

### Capital Expenditure

The total capital expenditure as at the end of 2022/23 amounts to R 116 134 285 which equates to 54% of to date budget of R 213 096 632. The total capital expenditure includes R 100 915 000 from conditional grants and R 15 219 285 from own revenue source.

The following table indicates the operational expenditure per vote and function classification:

**LIM473 Makhuduthamaga - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June**

Vote 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
<b>R thousands</b>	1								%	
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		32,369	14,000	14,607	2,725	26,109	14,607	11,502	79%	14,607
Finance and administration		32,369	14,000	14,607	2,725	26,109	14,607	11,502	79%	14,607
<b>Community and public safety</b>		–	1,700	9,586	–	538	9,586	(9,049)	-94%	9,586
Sport and recreation		–	–	7,936	–	–	7,936	(7,936)	-100%	7,936
Public safety		–	1,700	1,650	–	538	1,650	(1,112)	-67%	1,650
<b>Economic and environmental services</b>		88,305	169,369	185,404	62,824	87,459	185,404	(97,945)	-53%	185,404
Planning and development		–	1,300	1,000	–	1,000	1,000	0	0%	1,000
Road transport		88,305	168,069	184,404	62,824	86,459	184,404	(97,945)	-53%	184,404
<b>Trading services</b>		–	3,500	3,500	614	2,029	3,500	(1,471)	-42%	3,500
Energy sources		–	3,500	3,500	614	2,029	3,500	(1,471)	-42%	3,500
<b>Total Capital Expenditure - Functional Clas</b>	3	<b>120,674</b>	<b>188,569</b>	<b>213,097</b>	<b>66,164</b>	<b>116,134</b>	<b>213,097</b>	<b>(96,962)</b>	<b>54%</b>	<b>213,097</b>
<b>Funded by:</b>										
National Government		120,674	188,569	213,097	66,164	116,134	213,097	(96,962)	54%	213,097
Transfers recognised - capital		120,674	188,569	213,097	66,164	116,134	213,097	(96,962)	54%	213,097
<b>Borrowing</b>	6	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	–
<b>Total Capital Funding</b>		<b>120,674</b>	<b>188,569</b>	<b>213,097</b>	<b>66,164</b>	<b>116,134</b>	<b>213,097</b>	<b>(96,962)</b>	<b>54%</b>	<b>213,097</b>

### 5.1.3 Grants expenditure.

a. The following table shows the expenditure as at the end of 2022/23 per grant:

## LIM473 Makhuduthamaga - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant 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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		-	3,645	3,645	210	3,645	3,645	0	0.0%	3,645
Expanded Public Works Programme Integrated Grant	-	-	1,925	1,925	-	1,925	1,925	(0)	0.0%	1,925
Local Government Financial Management Grant	-	-	1,720	1,720	210	1,720	1,720	0	0.0%	1,720
Other grant providers:		-	170	170	-	99	170	(71)	-42.0%	170
National Departmental Agencies-Construction, Education and Training	-	-	170	170	-	99	170	(71)	-42.0%	170
<b>Total operating expenditure of Transfers and Grants:</b>		-	<b>3,815</b>	<b>3,815</b>	<b>210</b>	<b>3,744</b>	<b>3,815</b>	<b>(71)</b>	<b>-1.9%</b>	<b>3,815</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	82,915	100,915	15,382	100,915	100,915	-		100,915
Integrated National Electrification Programme Grant	-	-	6,000	6,000	1,340	6,000	6,000	-		6,000
Municipal Infrastructure Grant	-	-	76,915	94,915	14,042	94,915	94,915	-		94,915
<b>Total capital expenditure of Transfers and Grants</b>		-	<b>82,915</b>	<b>100,915</b>	<b>15,382</b>	<b>100,915</b>	<b>100,915</b>	<b>-</b>		<b>100,915</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	<b>86,730</b>	<b>104,730</b>	<b>15,592</b>	<b>104,659</b>	<b>104,730</b>	<b>(71)</b>	<b>-0.1%</b>	<b>104,730</b>

The municipality's spending per conditional grant is as follows as at the end of the financial year:

Conditional Grant details	Received %	Spending %
FMG	100%	100%
EPWP	100%	100%
MIG	100%	100%
INEP	100%	100%

### 1.2.1 AUDITOR GENERAL's Findings

<b>Auditor-General Report on Service Delivery Performance: Year -2021/22</b>	
<b>Audit Report Status:</b>	<b>Unqualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Material Misstatement were identified on Bad debts written off, Debt impairment, Provision for impairment, Revenue from non-exchanged transactions, Irregular expenditure, unauthorised expenditure, Prior period errors, Statement of comparison of budget and actual amounts and Property, plant and equipment.	<p>Review the compliance checklist for all procurements and the implementation of the SCM regulations to ensure non-occurrence of the finding.</p> <p>Recalculate the debt impairment using the accurate information and prepare monthly reconciliations for impairment.</p> <p>Report the Irregular expenditure to council for investigations and implement the council resolutions regarding the investigated irregular expenditure.</p> <p>To review AFS disclosure notes to ensure completeness of the disclosure notes.</p>

<b>Auditor-General Report on Service Delivery Performance: Year 2021/2022</b>	
<b>Status of audit report**:</b>	Qualified
<b>Non Compliance Issues</b>	<b>Remedial Action taken</b>
AGSA identified material misstatements in the annual performance report: these material misstatement were on the reported performance information on KPA 2:Basic service delivery and infrastructure development	Review the measuring indicators in the SDBIP to ensure they clearly address the objective we want to achieve.

## 6.2 FINDINGS AND ACTION PLAN

### AUDITOR GENERAL's Findings

Auditor-General Report on Financial Performance: Year – 2022/2023	
Audit Report Status:	Unqualified
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Material Misstatement were identified on Commitments, Accumulated surplus and Prior period errors.	Review the operational commitments register against all the orders issued as at year- end, where goods and services were not delivered.  Review the presentation of statement of changes in equity against all the prior period error note.
Steps to prevent unauthorised expenditure were not taken	Insure that the budget module is locked on the system to prevent the overspending of the respective line item.

Auditor-General Report on Service Delivery Performance: Year 2022/2023	
Status of audit report**:	Unqualified
Non Compliance Issues	Remedial Action taken
AGSA identified material misstatements in the annual performance report: these material misstatement were on the reported performance information on KPA 2:Basic service delivery and infrastructure development	To review the reported performance against means of verification thereby insuring that accurate and complete records.

Auditor-General Report on Service Delivery Performance: Year 2022/2023	
Status of audit report**:	Unqualified

### 6.2.2 Audit Action Plan

See Attachment

### **APPENDICES DESCRIPTIONS**

See attachments





**MAKHUDUTHAMAGA**  
LOCAL MUNICIPALITY

Annual Financial Statements  
for the year ended June 30, 2023

These annual financial statements were prepared by:  
Acting Chief Financial Officer  
Makhuduthamaga Local Municipality

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

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<b>Legal form of entity</b>	Municipality in terms of section 1 of the Local Government: Municipal Structures Act 117 of 1998 read with section 155 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996)
<b>Nature of business and principal activities</b>	The provision of services to communities in a sustainable manner, to promote social and economic development, and to promote a safe and healthy environment.
<b>Executive committee</b>	
Municipal Mayor	ClIr Maitula B.M
Councillors	ClIr Mahlase N.E (Deputy Head of BTO Portfolio Committee) ClIr Malaka M.S (Head of EDP Portfolio Committee) ClIr Matjomane N.M (Head of Corporate Services Portfolio Committee) ClIr Moretsele LP (Deputy Head of Corporate services Portfolio Committee) ClIr Mohlala M.J (Head of Infrastructure Development Portfolio Committee) ClIr Machaba M.G. (Deputy Head of EDP Portfolio Committee) ClIr Mahlase M.M (Deputy Head of Infrastructure Development Portfolio Committee) ClIr Phala M (Head of BTO Portfolio Committee) ClIr Rankoe T.P (Head of Community Services Portfolio Committee)
<b>Council Speaker</b>	ClIr Mphelane M.J
<b>Council Chief Whip</b>	ClIr Thamaga M.M
<b>Accounting Officer</b>	Mr Moganedi R.M
<b>Grading of local Authority</b>	Grade 3
<b>Acting Chief Financial Officer</b>	Mr Mathabathe CS
<b>Registered office</b>	Makhuduthamaga Municipality LIM473 No 1 Groblersdal Road Next to Jane Furse Plaza 1085
<b>Business address</b>	No 1 Grobersdal Road Next to Jane Furse Plaza Jane Furse 1085 <a href="http://www.makhuduthamaga.gov.za">www.makhuduthamaga.gov.za</a>
<b>Postal address</b>	Private Bag x 434 Jane Furse 1085 Tel:013 265 8600 Fax:013 265 1975
<b>Bankers</b>	ABSA Bank Limited
<b>Auditors</b>	Auditor General South Africa
<b>Attorneys</b>	Marweshe attorneys

# **Makhuduthamaga Local Municipality**

Annual Financial Statements for the year ended June 30, 2023

## **General Information**

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Kwena Mahlakoana attorneys

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

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# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

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### Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
ME's	Municipal Entities
MEC	Member of the Executive Council
mSCOA	Municipal Standard Chart of Accounts
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GAMAP	Generally Recognised Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Standards
MIG	Municipal Infrastructure Grant (Previously CMIP)
CRR	Capital Replacement Reserve
ANC	African National Congress
EFF	Economic Freedom Fighters
EDP	Economic Development Planning
EPWP	Expanded Public Works Programme
SMME	Small, Medium and Macro Enterprises
BTO	Budget and Treasury Office
MM	Municipal Manager
CFO	Chief Financial Officer
SALGA	South African Local Government Association
CPI	Consumer Price Index
UIF	Unemployment Insurance Fund
SDL	Skills Development Levy
SALGBC	South African Local Government Bargaining Council

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

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LGSETA	Local Government Sector Education and Training Authority
VAT	Value Added Tax
DLTC	Driving License and Testing Centre

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Accounting Officer's Report

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

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

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

The municipality has a Council of 62 Councillors with ANC as the majority party, EFF as the official opposition and four (4) other opposition parties. The mayor of the municipality is Cllr Maitula M and the Council has elected (9) executive committee members to assist the mayor in the execution of her full time responsibilities as the political head of the municipality. All departments of the municipality have portfolio committees that meet on a monthly basis to review the reports on implementation of the approved IDP, Budget and SDBIP and for the year ended 30 June 2023, all portfolio committees were functional and managed to meet monthly. Council has appointed an Audit and performance Committee and Municipal Public Accounts Committee to assist the council on effective, efficient and high level of governance in the municipality and the committees were functional during the year ended 30 June 2023. It is further important to report that the term of the Audit committee came to and end on the 30th June 2023 and a new committee was appointed by council to serve with effect from 01 August 2023 and their term will end on the 31 July 2026.

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

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

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

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

I certify that the salaries, allowances and benefits of councillors disclosed in note 28 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

I further certify that the salaries, allowances and benefits of the Municipal Manager and Manager directly accountable to the Municipal Manager as disclosed in note 27 of these annual financial statements are within the upper limits as set out in the Upper Limits of total remuneration packages payable to Municipal Manager and Manager directly accountable to the Municipal Manager as issued by the Minister for Cooperative Governance and Traditional Affairs in November 2022.

The Auditor General of South Africa are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements will be examined by the municipality's external auditors and their report shall be presented to council when finalised and signed.

# **Makhuduthamaga Local Municipality**

Annual Financial Statements for the year ended June 30, 2023

## **Accounting Officer's Report**

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The annual financial statements set out on page 10 to 79 and appendixes as set out on pages 80 to 88, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2023 and were signed on its behalf by:

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**Accounting Officer**  
**Mr Moganedi R.M**



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Audit and Performance Committee Report

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

### Audit and performance committee members and attendance

The audit and performance committee consists of the members listed hereunder and should meet four times per annum as per its approved terms of reference. During the current year six (06) meetings were held.

Name of member	Number of meetings attended
<b>Old Audit and performance committee contract lapsed on the 30th June 2023</b>	
Mpjane J.N CA(SA)(Chairperson)	6
Ngoetjana M.S CA(SA)(Member)	6
Maeyane A.K (Member)	6
<b>New Audit and performance committee appointed for the term from 1st August 2023 to 31st July 2026</b>	
Chuene V.K(Chairperson)	0
Ramotsheli M.P(Member)	0
Mabula R.A(Member)	0
Majuta M.S(CA)SA(Member)	0
Komane T.R(Member)	0

### Audit and performance committee responsibility

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

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

### The effectiveness of internal control

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

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

### Evaluation of annual financial statements, Risk Management & Performance Management

The audit and performance committee has:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the Auditor-General for external audit and the accounting officer and senior management of the municipality;
- reviewed the Auditor-General of South Africa's management report and management's response thereto; and discussed the progress on implementation of the management's remedial action plans on a quarterly basis for the year ended June 30, 2023
- reviewed the risk management registers and progress report for implementation of the action plans for all four quarters of the financial year ended June 30, 2023 and is satisfied with the functionality of the risk management committee and the risk management committee and the risk management unit of the municipality.;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed the quarterly performance management reports and annual performance reports for the year ended June 30, 2023 and discussed the reports with management on a quarterly basis.

The audit and performance committee concur with and accept the annual financial statements of the municipality presented for external audit and are of the opinion that the unaudited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa after completion of the external audit.

# **Makhuduthamaga Local Municipality**

Annual Financial Statements for the year ended June 30, 2023

## **Audit and Performance Committee Report**

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### **Internal audit**

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

### **Auditor-General of South Africa**

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

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**Chairperson of the Audit and performance Committee**

**Date:** \_\_\_\_\_

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**Makhuduthamaga Local Municipality**  
Annual Financial Statements for the year ended June 30, 2023

**Statement of Financial Position as at June 30, 2023**

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	4	707,345	986,807
Receivables from exchange transactions	6	2,726,706	1,758,570
VAT receivable	7	24,034,529	20,828,011
Receivables from non-exchange transactions	5	24,126,619	4,519,553
Cash and cash equivalents	3	6,644,381	104,971,637
		<b>58,239,580</b>	<b>133,064,578</b>
<b>Non-Current Assets</b>			
Investment property	9	513,500	209,500
Property, plant and equipment	10	422,441,678	351,138,897
Intangible assets	8	-	76,552
		<b>422,955,178</b>	<b>351,424,949</b>
<b>Total Assets</b>		<b>481,194,758</b>	<b>484,489,527</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	11	45,460,150	45,872,564
Unspent conditional grants and receipts	13	71,404	-
Long service awards	12	813,000	60,000
		<b>46,344,554</b>	<b>45,932,564</b>
<b>Non-Current Liabilities</b>			
Post employment medical aid benefit	12	5,387,000	5,167,000
Long service awards	12	3,760,001	4,332,000
Provision - Rehabilitation of landfill site	14	8,037,416	17,667,406
		<b>17,184,417</b>	<b>27,166,406</b>
<b>Total Liabilities</b>		<b>63,528,971</b>	<b>73,098,970</b>
<b>Net Assets</b>		<b>417,665,787</b>	<b>411,390,557</b>
Accumulated surplus		417,665,786	411,390,557
<b>Total Net Assets</b>		<b>417,665,786</b>	<b>411,390,557</b>

\* See Note 49

**Makhuduthamaga Local Municipality**  
Annual Financial Statements for the year ended June 30, 2023

**Statement of Financial Performance**

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Refuse removal	19	175,122	150,252
Rental of facilities and equipment	15	159,924	106,779
Licences & permits	21	5,669,320	5,376,306
Other income	16	428,176	313,085
Interest received - investment	20	7,216,512	3,024,286
Gain on disposal of assets and liabilities	24	23,977	11,006
Actuarial gains	23	1,362,059	465,129
Leave Gain	55	452,262	-
<b>Total revenue from exchange transactions</b>		<b>15,487,352</b>	<b>9,446,843</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	25	46,454,278	44,418,356
Interest on outstanding debtors	17	13,535,209	38,354,991
Reversal of debt impairment loss	51	13,018,144	435,961,805
Traffic fines	18	1,092,620	215,000
<b>Transfer revenue</b>			
Government grants & subsidies	26	428,858,636	381,812,602
Public contributions and donations	58	3,093,765	-
Fair value adjustment-Investment property	57	304,000	-
<b>Total revenue from non-exchange transactions</b>		<b>506,356,652</b>	<b>900,762,754</b>
<b>Total revenue</b>	22	<b>521,844,004</b>	<b>910,209,597</b>
<b>Expenditure</b>			
Employee related costs	27	(102,010,352)	(90,238,056)
Remuneration of councillors	28	(24,227,652)	(24,322,441)
Administration	31	(15,995,321)	(9,414,080)
Depreciation and amortisation	29	(28,386,915)	(27,313,169)
Finance costs	30	(2,685,404)	(2,034,557)
Bad debts written off	52	(26,174,865)	(374,764,157)
Contracted services	32	(63,342,748)	(54,904,211)
Transfers and Subsidies	33	(2,027,497)	(1,955,378)
General Expenses	34	(82,395,135)	(64,546,316)
Auditors remuneration	35	(4,818,095)	(4,283,087)
Repairs and maintenance	36	(72,300,013)	(72,517,236)
Capital expenditure write-off (D-Roads)	37	(85,876,873)	(52,942,675)
Transfer to Eskom ( Electrification)	38	(5,217,391)	(19,169,721)
<b>Total expenditure</b>		<b>(515,458,261)</b>	<b>(798,405,084)</b>
<b>Surplus for the year</b>		<b>6,385,743</b>	<b>111,788,433</b>

\* See Note 49

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	285,332,433	285,332,433
Adjustments		
Prior period error (Income - Gain on disposal of assets and liabilities)	(20,434)	(20,434)
Prior period error (Accumulated depreciation - Landfil site)	6,243,820	6,243,820
Prior period error (Accumulated depreciation - Review of useful lives) 49	7,935,791	7,935,791
<b>Balance at July 1, 2021 as restated*</b>	<b>299,491,610</b>	<b>299,491,610</b>
Changes in net assets		
Surplus/(Deficit) for the year as previously reported	106,880,926	106,880,926
Prior period error (Accumulated depreciation - Review of useful lives)	3,086,382	3,086,382
Prior period error (Accumulated depreciation - Landfil site)	1,922,919	1,922,919
Prior period error (Income - Gain on disposal of assets and liabilities)	(29,344)	(29,344)
Decrease on Revenue from non exchange transactions	(72,450)	(72,450)
Restated* Surplus/(Deficit) for the year	111,788,433	111,788,433
<b>Restated* Balance at July 1, 2022</b>	<b>411,280,043</b>	<b>411,280,043</b>
Changes in net assets		
Surplus (deficit) for the year	6,385,743	6,385,743
Total changes	6,385,743	6,385,743
<b>Balance at June 30, 2023</b>	<b>417,665,786</b>	<b>417,665,786</b>
Note(s)		

\* See Note 49

**Makhuduthamaga Local Municipality**  
Annual Financial Statements for the year ended June 30, 2023

**Cash Flow Statement**

Figures in Rand	Note(s)	2023	2022 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Property rates, VAT and traffic fines		28,296,284	145,938,870
Cash received from consumers and other sources of revenue		4,876,306	5,674,653
Grants		428,930,040	381,699,252
Interest income		7,216,512	2,693,462
Other receipts		588,100	-
		<u>469,907,242</u>	<u>536,006,237</u>
<b>Payments</b>			
Employee costs		(100,978,352)	(89,048,264)
Suppliers		(244,068,279)	(211,439,530)
Capital expenditure written-off (D Roads)		(91,094,264)	(72,112,396)
Councillors' allowances	51	(24,227,652)	(24,322,441)
		<u>(460,368,547)</u>	<u>(396,922,631)</u>
<b>Net cash flows from operating activities</b>	<b>39</b>	<b><u>9,538,695</u></b>	<b><u>139,083,606</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(107,920,408)	(48,562,076)
Proceeds from sale of property, plant and equipment	10	54,457	89,797
<b>Net cash flows from investing activities</b>		<b><u>(107,865,951)</u></b>	<b><u>(48,472,279)</u></b>
<b>Cash flows from financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(98,327,256)</u></b>	<b><u>90,611,327</u></b>
Cash and cash equivalents at the beginning of the year		104,971,637	14,360,310
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b><u>6,644,381</u></b>	<b><u>104,971,637</u></b>

\* See Note 49

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Statement of comparison of Budget and actual amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds Virement (i.t.o. s31 of the MFMA)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>2023</b>										
<b>Financial Performance</b>										
Property rates	54,329,301	4,127,572	58,456,873	-	58,456,873	59,989,487		1,532,614	103 %	110 %
Service charges	161,500	-	161,500	-	161,500	175,122		13,622	108 %	108 %
Investment revenue	1,800,000	5,000,000	6,800,000	-	6,800,000	7,216,512		416,512	106 %	401 %
Transfers recognised - operational	333,845,000	-	333,845,000	-	333,845,000	333,845,000		-	100 %	100 %
Other own revenue	7,470,100	30,000	7,500,100	-	7,500,100	25,702,883		18,202,783	343 %	344 %
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>397,605,901</b>	<b>9,157,572</b>	<b>406,763,473</b>	<b>-</b>	<b>406,763,473</b>	<b>426,929,004</b>		<b>20,165,531</b>	<b>105 %</b>	<b>107 %</b>
Employee costs	(113,662,293)	11,512,116	(102,150,177)	-	(102,150,177)	(102,010,352)		139,825	100 %	90 %
Remuneration of councillors	(23,596,632)	(621,658)	(24,218,290)	-	(24,218,290)	(24,227,652)		(9,362)	100 %	103 %
Debt debts written off	(7,340,231)	(2,165,496)	(9,505,727)		(9,505,727)	(26,174,865)		(16,669,138)	275 %	357 %
Depreciation and asset impairment	(37,189,191)	9,574,387	(27,614,804)		(27,614,804)	(28,386,915)		(772,111)	103 %	76 %
Transfers and grants	(3,144,000)	1,116,503	(2,027,497)	-	(2,027,497)	(2,027,497)		-	100 %	64 %
Other expenditure	(190,019,312)	(51,046,036)	(241,065,348)	-	(241,065,348)	(246,623,646)		(5,558,298)	102 %	130 %
<b>Total expenditure</b>	<b>(374,951,659)</b>	<b>(31,630,184)</b>	<b>(406,581,843)</b>	<b>-</b>	<b>(406,581,843)</b>	<b>(429,450,927)</b>		<b>(22,869,084)</b>	<b>106 %</b>	<b>115 %</b>
<b>Surplus/(Deficit)</b>	<b>22,654,242</b>	<b>(22,472,612)</b>	<b>181,630</b>	<b>-</b>	<b>181,630</b>	<b>(2,521,923)</b>		<b>(2,703,553)</b>	<b>(1,388)%</b>	<b>(11)%</b>
Transfers recognised - capital	76,915,000	18,000,000	94,915,000	-	94,915,000	94,915,000		-	100 %	123 %
<b>Surplus (Deficit) after capital transfers and contributions</b>	<b>99,569,242</b>	<b>(4,472,612)</b>	<b>95,096,630</b>	<b>-</b>	<b>95,096,630</b>	<b>92,393,077</b>		<b>(2,703,553)</b>	<b>97 %</b>	<b>93 %</b>
<b>Surplus/(Deficit) for the year</b>	<b>99,569,242</b>	<b>(4,472,612)</b>	<b>95,096,630</b>	<b>-</b>	<b>95,096,630</b>	<b>92,393,077</b>		<b>(2,703,553)</b>	<b>97 %</b>	<b>93 %</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Statement of comparison of Budget and actual amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>Capital expenditure and funds sources</b>											
Total capital expenditure	188,569,250	24,527,382	213,096,632	-		213,096,632	208,917,683		(4,178,949)	98 %	111 %
<b>Sources of capital funds</b>											
Transfers recognised - capital	188,569,250	24,527,382	213,096,632	-		213,096,632	208,917,683		(4,178,949)	98 %	111 %



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Statement of comparison of Budget and actual amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds Virement (i.t.o. s31 of the council MFMA)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>Cash flows</b>										
Net cash from (used) operating	291,003,428	(83,865,141)	207,138,287	-	207,138,287	9,538,695		(197,599,592)	5 %	3 %
Net cash from (used) investing	(188,569,250)	(28,891,877)	(217,461,127)	-	(217,461,127)	(107,865,951)		109,595,176	50 %	57 %
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>102,434,178</b>	<b>(112,757,018)</b>	<b>(10,322,840)</b>	-	<b>(10,322,840)</b>	<b>(98,327,256)</b>		<b>(88,004,416)</b>	<b>953 %</b>	<b>(96)%</b>
Cash and cash equivalents at the beginning of the year	104,324,847	622,762	104,947,609	-	104,947,609	104,816,799		(130,810)	100 %	100 %
<b>Cash and cash equivalents at year end</b>	<b>206,759,025</b>	<b>(112,134,256)</b>	<b>94,624,769</b>	-	<b>94,624,769</b>	<b>6,489,543</b>		<b>88,135,226</b>	<b>7 %</b>	<b>3 %</b>

*Materiality percentage is set to be 10% of the difference against final budget*

### Explanation for material differences

#### Other own revenue

The significant fluctuation of the other own revenue figure was caused by the under budgeting for the reversal of the debt impairment, Interest on investment and the donation income received .

#### Bad debts written off

The bad debts written off was under budgeted by an amount of R 16 669 138 caused by a difference between the final budget of an amount of R 9 505 727 against the actual expenditure of an amount of R 26 614 927.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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

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

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

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

These accounting policies are consistent with the previous period.

#### 1.1 Presentation currency

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

#### 1.2 Going concern assumption

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

#### 1.3 Materiality

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

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

#### 1.4 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdraft are carried at amortised cost

For the purpose of the cashflow statement, cash and cash equivalents comprise of cash on hand, deposits held on call with banks, net of bank overdrafts.

#### 1.5 Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position only when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 1.6 Investment property

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

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

## Summary of Significant Accounting Policies

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### 1.6 Investment property (continued)

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

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

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

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

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

#### Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

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

### 1.7 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

## Summary of Significant Accounting Policies

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### 1.7 Property, plant and equipment (continued)

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

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

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

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

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	25 years
Plant and machinery	Straight-line	5-10 years
Furniture and fixtures	Straight-line	5-10 years
Motor vehicles	Straight-line	12 years
Office equipment	Straight-line	8 years
IT equipment	Straight-line	5-8 years
Prime coat	Straight-line	15 years
Pavement layers	Straight-line	15 years
Double seal	Straight-line	15 years
Pitching, stonework and protection	Straight-line	15 years
Gabions	Straight-line	25 years
Guardrails	Straight-line	25 years

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.7 Property, plant and equipment (continued)

Road signs	Straight-line	15 years
Road markings	Straight-line	12 months
Concrete block paving for roads	Straight-line	15 years
Concrete for structures	Straight-line	15 years
Street lighting	Straight-line	15 years
High mast lights	Straight-line	15 years
capital work in progress	Straight-line	Not depreciated
Alphalt surface	Straight-line	15 years
Landfill Assets	Straight-line	19 years
Concrete kerbing, channeking, chutes and downpipes	Straight-line	40 years
Mass earthworks	Straight-line	80 years
Prefabrigated culverts	Straight-line	15 years
Loose tools	Straight-line	5-10 years
Bridges	Straight-line	15 years

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

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

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

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

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

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

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

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

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

### 1.8 Site restoration and dismantling cost

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

## Summary of Significant Accounting Policies

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### 1.8 Site restoration and dismantling cost (continued)

If the related asset is measured using the cost model:

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

### 1.9 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

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

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

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

## Summary of Significant Accounting Policies

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### 1.9 Intangible assets (continued)

Internally generated goodwill is not recognised as an intangible asset.

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

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Item	Depreciation method	Average useful life
Computer software	Straight-line	3 years

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The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### 1.10 Comparative of actual information to budgeted information

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations, 2009. A comparative of actual to budgeted amounts are reported in a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the notes to the Statement giving motivations for over- or under spending on line items where it is found to be material. The budgeted figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is prepared and approved on an accrual basis by nature classification. The approved budget covers the period from 1 July 2022 to 30 June 2023.

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the financial statements in determining whether a difference between the budgeted and actual amount is material.

### 1.11 Segment reporting

The municipality is organised and reports to management and council on the basis of six (06) major functional areas: Executive Support, Corporate Services, Budget and Treasury Office, Community Services, Infrastructure Development services and Economic Development and Planning.

The departments are centralised to provide service delivery function to all the geographical areas namely Ward 1 to Ward 31 on implementation of infrastructure requirements of the municipality. Based on how the budget of the municipality is determined, annually the communities from all wards are consulted on their needs through the Integrated Development Plan processes. This information is then used to allocate resources available to implement these needs. Resources are not allocated based on how the unit has performed or the activity within the unit has performed, but based on the needs priorities and the available funds at the time that the municipality holds.

Municipal revenue, expenditure and assets are not reviewed as per geographical area, these are the same services across all wards and presented as a consolidated figure. The service provided to communities are the same for all wards, therefore the level of information of each ward within the municipal jurisdiction may not be relevant for decision making purposes, as such reporting of segments is deemed not applicable.

### 1.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The Municipality determines the classification of its financial instruments at initial recognition.

#### Initial recognition and measurement.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.12 Financial instruments (continued)

A financial instrument is recognised, when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added or deducted from the fair value, as appropriate on initial recognition.

#### Subsequent measurement – financial assets.

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of Financial Performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of Financial Performance.

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably are subsequently measured at cost less any impairment. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Any calculated impairment is recognised in the Statement of Financial Performance.

#### Subsequent measurement – financial liabilities.

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of Financial Performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

#### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Municipality establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

### 1.13 Current year comparatives

#### Current year comparatives

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and /or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. The presentation and classification of items in the current year is consistent with prior periods.

### 1.14 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

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



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.14 Leases (continued)

#### Municipality as Lessee

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on the straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### Operating leases - lessee

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

### 1.15 Inventories

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

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

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

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

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

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

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

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

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

### 1.16 Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

#### Recognition and measurement

The Municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.16 Revenue (continued)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

### 1.17 Grants

#### Unconditional Grants

Equitable share allocations are recognised in revenue at the start of the financial year.

#### Conditional Grants

Conditional grants recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

### 1.18 Related parties and related party transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

### 1.19 Accumulated Surplus

When the presentation or classification of items in the annual financial statements are amended, prior period comparative amounts are restated, the nature and reasons for the reclassification is disclosed, where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in the accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparative are restated accordingly.

### 1.20 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.20 Employee benefits (continued)

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

#### Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

#### Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

### 1.21 Provisions and contingencies

Provisions are recognised when:

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

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

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

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.21 Provisions and contingencies (continued)

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

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

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

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

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

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

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

A constructive obligation to restructure arises only when an entity:

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 41.

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

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

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

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.21 Provisions and contingencies (continued)

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

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

### 1.22 Commitments

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

Commitments are not recognized in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- a) Approved and contracted commitments.
- b) Where the expenditure has been approved and the contract has been awarded at the reporting date, and
- c) Where disclosure is required by a specific standard of GRAP.

### 1.23 Revenue from exchange transactions

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

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

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

#### Measurement

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

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

#### Sale of goods

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

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

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.23 Revenue from exchange transactions (continued)

#### Rendering of services

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

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

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

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

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

#### Interest, royalties and dividends

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

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

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

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

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

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

### 1.24 Revenue from non-exchange transactions

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

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.24 Revenue from non-exchange transactions (continued)

#### Measurement

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

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

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

A government grant is recognised only when there is reasonable assurance that the municipality will comply with any conditions if any attached to the grant and the grant will be received.

The grant is recognised as income over the period necessary to match it with related costs, for which they are intended to compensate on a systematic basis.

A grant received from conditional grant is recorded as a liability as unspent grant and grant recognised when expenditure is incurred.

#### Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the Municipality is entitled to collect.

Subsequent to initial recognition and measurement, the Municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

### 1.25 Value Added Tax (VAT)

#### Initial recognition and measurement.

Value added Tax is accounted for on an invoice basis and a liability is recognised in the statement of Financial Position when VAT output is more than the VAT input. An asset is recognised in the statement of Financial Position when VAT input exceeds the VAT output. In terms of paragraph 5 of GRAP 108. Statutory receivables are receivables that arise from legislation, supporting regulations or, similar means; and require settlement by another entity in cash or another financial asset.

#### Subsequent measurement .

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

### 1.26 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Summary of Significant Accounting Policies

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### 1.27 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.28 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.29 Unauthorised expenditure

Unauthorised expenditure means:

- any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No. 56 of 2003), and includes:
- overspending of the total amount appropriated in the municipality's approved budget.
- Expenditure from a vote unrelated to the department or functional area covered by the vote.
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose.
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the Municipal Finance Management Act.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

A note with details of the incidences that resulted in the unauthorised expenditure is disclosed in the notes to the financial statements of the municipality.

### 1.30 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.31 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.



# **Makhuduthamaga Local Municipality**

Annual Financial Statements for the year ended June 30, 2023

## **Summary of Significant Accounting Policies**

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### **1.32 Events after reporting date (continued)**

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand 2023 2022

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 1, 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	April 1, 2024	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	April 1, 2024	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	April 1, 2024	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	Unlikely there will be a material impact
• GRAP 21: The Effect of Past Decisions on Materiality	April 1, 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	April 1, 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	April 1, 2023	Unlikely there will be a material impact

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	52	52
Bank balances	6,644,329	104,971,585
	<b>6,644,381</b>	<b>104,971,637</b>

Balance of cash and cash equivalent did not include any amount pledged as security. - -

#### The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
ABSA BANK-4050384145 ( Primary Cheque Account)	5,412,875	103,782,111	5,495,235	103,834,153
ABSA BANK-4076690079 (Salaries)	500	36,903	500	36,903
ABSA BANK-2078073033 (Term Deposit Investment)	945,046	895,949	945,046	895,949
Municipal Covid 19 Solidarity fund	203,548	204,632	203,548	204,632
<b>Total</b>	<b>6,561,969</b>	<b>104,919,595</b>	<b>6,644,329</b>	<b>104,971,637</b>

### 4. Inventories

Consumable stores	707,345	986,807
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#### 4.1 Reconciliation of Inventory

Opening balance	986,807	1,114,718
Add: Receipts	2,989,240	4,142,165
Less: Issues	(3,268,702)	(4,270,076)
	<b>707,345</b>	<b>986,807</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>5. Receivables from non-exchange transactions</b>		
<b>Gross balances</b>		
Rates	116,526,538	110,434,728
Traffic fines	1,868,850	1,371,750
	<b>118,395,388</b>	<b>111,806,478</b>
<b>Less: Allowance for impairment</b>		
Rates	(92,400,669)	(105,927,598)
Traffic fines	(1,868,100)	(1,359,326)
	<b>(94,268,769)</b>	<b>(107,286,924)</b>
<b>Net balance</b>		
Rates	24,125,869	4,507,129
Traffic fines	750	12,424
	<b>24,126,619</b>	<b>4,519,553</b>
<b>Summary of debtors by customer classification</b>		
<b>Traffic Fines</b>		
Current (0 -30 days)	51,750	45,250
31 - 60 days	71,800	4,800
61 - 90 days	64,800	18,850
91 - 120 days	23,250	13,700
121 - 365 days	1,657,250	1,288,850
	1,868,850	1,371,450
Less: Allowance for impairment	(1,868,100)	(1,359,326)
	<b>750</b>	<b>12,124</b>
<b>Property rates - commercial</b>		
Current (0 -30 days)	1,399,606	1,374,331
31 - 60 days	1,215,901	1,225,177
61 - 90 days	2,367,743	775,624
91 - 120 days	1,009,597	838,451
> 365 days	66,617,342	57,877,890
	72,610,189	62,091,473
Less: Allowance for impairment	(70,199,667)	(61,250,490)
	<b>2,410,522</b>	<b>840,983</b>
<b>National and provincial government</b>		
Current (0 -30 days)	2,555,580	2,675,161
31 - 60 days	1,998,041	2,929,806
61 - 90 days	1,898,215	4,348,019
91 - 120 days	1,856,648	3,224,374
> 365 days	35,607,866	35,165,895
	43,916,350	48,343,255
Less: Allowance for impairment	(22,201,003)	(44,677,109)
	<b>21,715,347</b>	<b>3,666,146</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>5. Receivables from non-exchange transactions (continued)</b>		
<b>Total</b>		
Current (0 -30 days)	4,029,286	4,105,142
31 - 60 days	3,239,842	4,165,533
61 - 90 days	4,362,540	5,164,443
91 - 120 days	3,162,610	4,086,625
> 365 days	103,624,158	94,285,735
	<u>118,418,436</u>	<u>111,807,478</u>
Less: Allowance for impairment	(94,268,769)	(107,286,924)
	<u><b>24,126,619</b></u>	<u><b>4,519,553</b></u>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(107,286,924)	(543,248,802)
Reversal of allowance	13,018,144	435,961,878
	<u><b>(94,268,780)</b></u>	<u><b>(107,286,924)</b></u>

### Property rates

Property rates are levied in accordance with section 2 of the local Government: Municipal Property Rates, 2004 (Act No. 6 of 2004). All properties that are within the jurisdiction of the municipality are required to be charged a property rates levy. The value of all properties are recorded in the municipal valuation roll. The municipality calculates the property rates levy by using the value of the property as well as the relevant tariff obtained from the council approved property rates policy. The tariff used in the calculation is based on the nature of the property ( residential, commercial, state, businesses and farms ).The property rates are charged to the owner of the property on a monthly basis. At the end of the reporting period, the municipality assesses the collectability of the outstanding debts owing from customers in respect of property rates. The assessment includes a trend analysis per customer account in order to estimate the recoverability of the outstanding debt at the financial year end. The uncollectable portion is considered to be impaired and is included in an allowances for impairment account. The effects of discounting estimated future cash flows are considered immaterial as property rates are short term receivables and the initial credit period granted is consistent with the terms used in the public sector.

### Traffic fines.

Traffic fines are levied in accordance with the Administrative Adjudication of Road Traffic Offences, 1998 (Act No. 46 of 1998) (AARTO). The charge per traffic fine is based on schedule 3 of the AARTO Regulations, 2008. Interest is not charged on outstanding traffic fines. In certain circumstances, traffic fines are contested in court by the offender and the court determines the final amount payable by the offender. The provision for impairment is based on the uncollectable portion of the fine as determined by the court.

### 6. Receivables from exchange transactions

Accrued Income ( Interest on investment and Primedia)	321,881	431,311
SALGA Levy	1,393,934	1,305,495
Other debtors - Employee	63,273	21,764
Other debtors-ABSA BANK	947,618	-
	<u><b>2,726,706</b></u>	<u><b>1,758,570</b></u>

Included in the Accrued income, R 13 560 relates to Primedia accrual and R 308 320 relates to Interest on investment accrual.

SALGA levy relates to prepayment of annual membership fee

### 7. VAT receivable

VAT	<u>24,034,529</u>	<u>20,828,011</u>
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# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>7. VAT receivable (continued)</b>		
<b>Reconciliation</b>		
Balance at the beginning of the year	20,828,011	16,075,778
Add: Net refunds as per VAT receivable	51,183,888	39,806,005
Add: current year VAT suspense - retention amount	5,473,330	4,717,517
Less: Prior year suspense- retention amount	(4,717,517)	(4,413,338)
Less: VAT Payments by SARS- Current year	(35,764,841)	(26,852,382)
Less: VAT payment by SARS - Previous year	(12,968,342)	(8,505,569)
	<b>24,034,529</b>	<b>20,828,011</b>

The municipality account for VAT on an invoice basis and the VAT receivable or VAT payable is accounted for on accrual basis as required by GRAP.

Statutory VAT receivable	18,561,199	16,110,494
VAT accrual receivable	5,473,330	4,717,517
	<b>24,034,529</b>	<b>20,828,011</b>

Statutory VAT receivable relates to receivables that arise from the legislation. i.e "VAT act" and are confirmed by SARS.

VAT accrual receivable represent the accrual VAT that is still to be collected from SARS and it is not yet confirmed.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 8. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	8,215,070	(8,215,070)	-	8,215,070	(8,138,518)	76,552

#### Reconciliation of intangible assets - 2023

Computer software	Opening balance	Amortisation	Total
	76,552	(76,552)	-

#### Reconciliation of intangible assets - 2022

Computer software	Opening balance	Amortisation	Total
	582,796	(506,244)	76,552

### 9. Investment property

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	513,500	-	513,500	209,500	-	209,500

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 9. Investment property (continued)

#### Reconciliation of investment property - 2023

	Opening balance	Fair value adjustments	Total
Investment property	209,500	304,000	513,500
	<b>209,500</b>	<b>304,000</b>	<b>513,500</b>

#### Reconciliation of investment property - 2022

	Opening balance	Total
Investment property	209,500	209,500
	<b>209,500</b>	<b>209,500</b>

#### Pledged as security

No investment was pledged as a security for liabilities

Investment property was valued by Modhope valours, an independent professional valuer with registration number 1988/001677/07. The municipal valuer has experience in property within the jurisdiction of Makhuduthamaga Local Municipality. The valuation was based on an open market for existing use.

A register containing the information required by section 63 of the municipal Finance Management Act is available for inspection at the registered office of the Municipality. No revenue was earned from the investment property as the property is vacant land held for the long term capital appreciation.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1,265,000	-	1,265,000	265,000	-	265,000
Buildings	63,975,084	(19,588,911)	44,386,173	58,339,619	(17,157,036)	41,182,583
Land (Landfill assets)	2,706,613	(1,513,466)	1,193,147	13,990,007	(1,258,842)	12,731,165
Motor vehicles	44,121,712	(25,743,432)	18,378,280	38,032,702	(23,215,089)	14,817,613
Office equipment	10,510,221	(6,914,586)	3,595,635	9,577,611	(6,268,747)	3,308,864
IT equipment	33,436,215	(18,741,089)	14,695,126	27,051,146	(16,442,560)	10,608,586
Infrastructure	405,426,924	(164,273,078)	241,153,846	371,468,635	(145,092,205)	226,376,430
Loose tools	5,565,016	(3,079,943)	2,485,073	4,437,816	(2,809,707)	1,628,109
Community assets	24,181,075	(4,105,128)	20,075,947	14,402,779	(3,415,208)	10,987,571
Capital work in progress	75,213,451	-	75,213,451	29,232,976	-	29,232,976
<b>Total</b>	<b>666,401,311</b>	<b>(243,959,633)</b>	<b>422,441,678</b>	<b>566,798,291</b>	<b>(215,659,394)</b>	<b>351,138,897</b>



## Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 10. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Disposal Accumulated depreciation	Other changes, movements	Depreciation	Total
Land	265,000	1,000,000	-	-	-	-	-	1,265,000
Buildings	41,182,583	1,432,195	-	4,203,270	-	-	(2,431,875)	44,386,173
Land (Landfill Asset)	12,731,165	-	-	-	-	(11,283,395)	(254,623)	1,193,147
Motor vehicles	14,817,613	6,089,010	-	-	-	-	(2,528,343)	18,378,280
Office equipment	3,308,864	932,610	-	-	-	-	(645,839)	3,595,635
IT equipment	10,608,586	6,415,549	(30,480)	-	10,123	-	(2,308,652)	14,695,126
Infrastructure	226,376,430	-	-	33,958,289	-	-	(19,180,873)	241,153,846
Loose tools	1,628,109	1,127,200	-	-	-	-	(270,236)	2,485,073
Community Assets	10,987,571	94,120	-	9,684,176	-	-	(689,920)	20,075,947
Capital work in progress	29,232,976	93,826,210	-	(47,845,735)	-	-	-	75,213,451
Capital Work in progress - Electricity infrastructure	-	5,217,391	-	(5,217,391)	-	-	-	-
	<b>351,138,897</b>	<b>116,134,285</b>	<b>(30,480)</b>	<b>(5,217,391)</b>	<b>10,123</b>	<b>(11,283,395)</b>	<b>(28,310,361)</b>	<b>422,441,678</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Prior period error	Disposals	Transfers	Foreign exchange movements	Other changes, movements	Depreciation	Total
Land	265,000	-	-	-	-	-	-	-	265,000
Buildings	37,260,048	-	-	-	6,053,127	-	-	(2,130,592)	41,182,583
Land (Landfill Asset)	9,633,432	-	6,040,416	-	-	-	(2,481,688)	(460,995)	12,731,165
Motor vehicles	10,526,548	2,368,021	4,089,832	-	-	-	-	(2,166,788)	14,817,613
Office equipment	3,031,829	230,900	621,979	(49,900)	-	49,900	-	(575,844)	3,308,864
IT equipment	6,395,860	3,407,907	3,048,997	(98,557)	-	49,110	-	(2,194,731)	10,608,586
Infrastructure	225,163,487	-	-	-	19,631,351	-	-	(18,418,408)	226,376,430
Loose tools	586,565	825,855	388,089	-	-	-	-	(172,400)	1,628,109
Community Assets	11,674,741	-	-	-	-	-	-	(687,170)	10,987,571
Capital work in progress	13,188,061	41,729,393	-	-	(25,684,478)	-	-	-	29,232,976
Capital Work in progress - Electricity infrastructure	-	19,169,721	-	-	(19,169,721)	-	-	-	-
	<b>317,725,571</b>	<b>67,731,797</b>	<b>14,189,313</b>	<b>(148,457)</b>	<b>(19,169,721)</b>	<b>99,010</b>	<b>(2,481,688)</b>	<b>(26,806,928)</b>	<b>351,138,897</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>10. Property, plant and equipment (continued)</b>		
<b>Property, plant and equipment under development/construction or halted(WIP)</b>		
Building Plan Included in WIP, there is a buiding plan that has been halted for longer period due to Budget re-prioritisation: The municipality bought the land next to the main office building to continue with the project for additional space for administrative offices.	1,127,383 -	1,127,383 -
	<b>1,127,383</b>	<b>1,127,383</b>
Construction of Thusong centre Included in WIP there is an expenditure amount for the design and fencing of the Thusong centre. Due to budget constraints the municipality decided to make the project a multi year project and as a result is taking longer to complete than expected.	2,257,493 -	2,257,493 -
	<b>2,257,493</b>	<b>2,257,493</b>
Mohlala/Ngwanatshwane access bridge Scope of work extended to a dual carriage bridge as such this resulted in the project taking longer to complete.	499,110 -	499,110 -
	<b>499,110</b>	<b>499,110</b>
Installation of High mast at various villages The project is halted due to insufficient capacity on the existing Eskom network.	3,565,320 -	3,565,320 -
	<b>3,565,320</b>	<b>3,565,320</b>
<b>11. Payables from exchange transactions</b>		
Trade payables	2,411,870	5,539,911
Income received in advance	991,212	3,932,090
Creditor: Ward committee	13,201	13,201
Accrued: SDL	2,734	23,514
Accrued: Party levies	-	17,351
Leave provision	11,404,563	12,482,505
Accrued: PAYE	-	200,733
Accrued: Pension Fund	5,324	91,031
Accrued: Salary	298,616	647,399
Accrued Medical Aid	12,063	-
Bonus provision	3,254,982	2,914,752
Unknown Deposits	305,675	274,463
Retentions	26,759,910	19,735,614
	<b>45,460,150</b>	<b>45,872,564</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand 2023                      2022

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### 12. Defined benefit obligations

#### Post employment medical aid benefits liability

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	5,167,000	5,008,000
Current year service cost	575,000	467,000
Interest charges	645,000	252,000
Acturial (Gain) loss	(1,000,000)	(560,000)
	<b>5,387,000</b>	<b>5,167,000</b>

#### Net expense recognised in the statement of financial performance

Current year service cost	575,000	467,000
Interest cost	645,000	252,000
Acturial gain (loss)	(1,000,000)	(560,000)
	<b>220,000</b>	<b>159,000</b>

The amounts recognised in the statement of financial position are as follows:

#### Carrying value

Present value of the defined benefit obligation-wholly unfunded	(5,387,000)	(5,167,000)
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#### Key assumptions used

Assumptions used at the reporting date:

	2023	2022
Expected retirement age	63	63

The nominal and real zero curves were used as at June 30, 2023 supplied by the JSE to determine the disclosed rates and CPI assumptions at each relevant prime period.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022		
<b>12. Defined benefit obligations (continued)</b>				
<b>Long service awards</b>				
<b>Long-service awards liability</b>				
Long-service awards - current liability	813,000	60,000		
Long-service awards - Non-current liability	3,760,001	4,332,000		
	<b>4,573,001</b>	<b>4,392,000</b>		
<b>Movements in the long service awards liability</b>				
Opening balance	4,392,000	3,693,000		
Current year service cost	457,000	395,000		
Interest cost	537,000	364,000		
Benefits paid	(450,941)	(154,871)		
Acturial (gain)/loss	(362,059)	94,871		
	<b>4,573,000</b>	<b>4,392,000</b>		
<b>Expense and income recognition in surplus for the year</b>				
Current year service cost	457,000	395,000		
Interest cost	537,000	364,000		
Acturial (gain)/loss	(362,059)	94,871		
	<b>631,941</b>	<b>853,871</b>		
<b>Other assumptions</b>				
A percentage point change in the normal salary inflation assumption would have the following effects:				
	<b>+1% Normal salary inflation</b>	<b>-1% Normal salary inflation</b>		
Effect on the current service cost	422,000	364,000		
Effect on the interest cost	499,000	337,000		
Effect on the defined benefit obligation	4,094,000	3,427,000		
Amounts for the current and previous four years are as follows:				
	2023	2022	2021	2020
Long service awards	4,573,000	4,392,000	3,693,000	2,984,000
<b>13. Unspent conditional grants and receipts</b>				
<b>Unspent conditional grants and receipts comprises of:</b>				
<b>Unspent conditional grants and receipts</b>				
LG SETA Discretionary Grant			71,404	-
<b>Movement during the year</b>				
Balance at the beginning of the year			-	113,350
Additions during the year			170,041	114,963
Income recognition during the year			(98,637)	(228,313)
			<b>71,404</b>	<b>-</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand 2023                      2022

### 13. Unspent conditional grants and receipts (continued)

The municipality received a grant from LG SETA for their implementation of the learnership programme. Learners were deployed to the municipality under the learnership programme and the grant was utilized to pay their monthly stipend.

### 14. Provision - Rehabilitation of landfill site

The Cost of rehabilitating the Landfill Site was determined to be R8,037,416 as at the June 30, 2023 and was recognised as property, plant & equipment in the financial statement of the financial position of the municipality and a non-current liability of R8,037,416 was also recognised in the statement of the financial position for the year ended June 30, 2023.

#### Reconciliation - Landfill Site Provision

Opening balance	17,667,406	18,730,537
Interest charge	1,653,404	1,418,557
Change in Landfill closure provision	(11,283,394)	(2,481,688)
	<b>8,037,416</b>	<b>17,667,406</b>

### 15. Rental of facilities and equipment

Site rental -Premises	144,654	83,910
Venue hire	15,270	22,869
	<b>159,924</b>	<b>106,779</b>

The amount of site rentals is for the advertising billboards from Primedia around Makhuduthamaga municipal area.

### 16. Other income

Tender Documents	69,635	74,992
Sale of goods and rendering of services	358,541	238,093
	<b>428,176</b>	<b>313,085</b>

In the total amount for sale of goods and rendering of services is the amount for approval of building plans, clearance certificates, LG SETA and approvals of Permission to occupy.

### 17. Interest on outstanding debtors

Interest charged on trade and other receivables - Property rates	13,535,209	38,354,991
	<b>13,535,209</b>	<b>38,354,991</b>

Receivables are recorded when invoices are issued out to the customers for the services rendered or for non exchange transactions and must be settled within 60 days from the date of the invoice. Interests are charged on outstanding receivables at prime rate + 1 when they fall over due and are accounted for as revenue as required by GRAP.

### 18. Traffic Fines

Traffic fines	1,092,620	215,000
	<b>1,092,620</b>	<b>215,000</b>

Traffic fines are levied in accordance with the Administrative Adjudication of Road Traffic Offences, 1998 (Act No. 46 of 1998) (AARTO). The charge per traffic fine is based on schedule 3 of the AARTO Regulations, 2008.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand 2023 2022

### 18. Traffic Fines (continued)

Interest is not charged on outstanding traffic fines.

In certain circumstances, traffic fines are contested in court by the offender and the court determines the final amount payable by the offender. The provision for impairment is based on the uncollectable portion of the fine as determined by the court.

### 19. Refuse removal

Refuse removal	175,122	150,252
	<b>175,122</b>	<b>150,252</b>

### 20. Interest received (Investment revenue)

#### Interest revenue

Bank and investments	7,216,512	3,024,286
	<b>7,216,512</b>	<b>3,024,286</b>

### 21. Licenses and permits

Agency fee for Sekhukhune and Nebo DLTCs	5,669,320	5,376,306
	<b>5,669,320</b>	<b>5,376,306</b>

The municipality is rendering service of licenses and permits on behalf of the department of transport and community safety and is retaining an agency fees in terms of the signed service level agreement with the department.

### 22. Revenue

Refuse removal	175,122	150,252
Rental of facilities and equipment	159,924	106,779
Licences & permits	5,669,320	5,376,306
Actuarial Gain	1,362,059	465,129
Other income	428,176	313,085
Interest received - investment	7,216,512	3,024,286
Property rates	46,454,278	44,418,356
Interest on outstanding debtors	13,535,209	38,354,991
Traffic fines	1,092,620	215,000
Government grants & subsidies	428,858,636	381,812,602
Gain on disposal of assets	23,977	11,006
Reversal of debt impairment allowance	13,018,144	435,961,805
Leave Gain	452,262	-
Fair value adjustment-Investment property	304,000	-
Public contributions and donations	3,093,765	-
	<b>521,844,004</b>	<b>910,209,597</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>22. Revenue (continued)</b>		
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Refuse removal	175,122	150,252
Rental of facilities and equipment	159,924	106,779
Licences & permits	5,669,320	5,376,306
Gain on disposal of assets	23,977	11,006
Other income	428,176	313,085
Actuarial gains/losses	1,362,059	465,129
Interest received - investment	7,216,512	3,024,286
Leave Gain	452,262	-
	<b>15,487,352</b>	<b>9,446,843</b>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Taxation revenue</b>		
Property rates	46,454,278	44,418,356
Property rates - Interest on outstanding debtors	13,535,209	38,354,991
Traffic fines	1,092,620	215,000
<b>Transfer revenue</b>		
Government grants & subsidies	428,858,636	381,812,602
Reversal of debt impairment allowance	13,018,144	435,961,805
Fair value adjustment-Investment property	304,000	-
Public contributions and donations	3,093,765	-
	<b>506,356,652</b>	<b>900,762,754</b>
<b>23. Actuarial (Gain)/loss</b>		
Long service awards - Actuarial (Gain)/loss	(362,059)	94,871
Post employment medical aid - Actuarial (Gain)/loss	(1,000,000)	(560,000)
	<b>(1,362,059)</b>	<b>(465,129)</b>
<b>24. Gain on disposal of assets and liabilities</b>		
Gain on the disposal of the stolen desktops and laptops. The desktops and laptops were derecognised from the municipality's asset register and insurance claim for these assets was approved	23,977	11,006



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>25. Property rates</b>		
<b>Rates received</b>		
Commercial	13,047,469	11,243,950
State	30,987,692	30,383,837
Agricultural	2,419,117	2,790,569
	<b>46,454,278</b>	<b>44,418,356</b>
<b>Valuations</b>		
Residential	145,166,000	145,166,000
Commercial	1,250,324,000	1,250,324,000
State	1,881,798,000	1,881,798,000
Municipal	71,332,000	71,332,000
Social	29,600,000	29,600,000
	<b>3,378,220,000</b>	<b>3,378,220,000</b>

Valuations on land and buildings are performed every 5 years. The first general valuation came into effect on 1 July 2009. Interim valuations are processed on an annual basis to consider changes in individual property values due to alterations and subdivisions.

The valuation roll used in the current year was implemented from 01 July 2021 and it ends on the 30th June 2026.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>26. Government grants &amp; subsidies</b>		
<b>Operating grants</b>		
Equitable share	324,200,000	296,332,000
Municipal Infrastructure Grant (MIG)	94,915,000	61,777,288
Finance Management Grant (FMG)	1,720,000	1,650,000
Integrated National Electrification (DOE Grant)	6,000,000	20,000,000
EPWP Grant	1,925,000	1,825,000
LG-SETA - Discretionary Grant	98,636	228,314
	<b>428,858,636</b>	<b>381,812,602</b>
<b>LG-SETA - Discretionary Grant</b>		
Balance unspent at beginning of year	-	113,350
Current-year receipts	170,041	114,963
Conditions met - transferred to revenue	(98,637)	(228,313)
	<b>71,404</b>	<b>-</b>
The municipality received a grant from LG SETA to be used for training of learners identified within Makhuduthamaga Municipality jurisdictions.		
All conditions were met and the grant was recognized as revenue. As at 30 June 2023 an amount of R 71 404 was not yet spent and a liability was disclosed as per note 13.		
<b>Finance Management Grant</b>		
Current-year receipts	1,720,000	1,650,000
Conditions met - transferred to revenue	(1,720,000)	(1,650,000)
	<b>-</b>	<b>-</b>
All conditions as per the DoRA were met and the grant was transferred to revenue.		
<b>Municipal Infrastructure Grant</b>		
Current-year receipts	94,915,000	61,777,288
Conditions met - transferred to revenue	(94,915,000)	(61,777,288)
	<b>-</b>	<b>-</b>
All conditions as per DoRA were met and the grant was transferred to Revenue.		
The Municipal Infrastructure Grant was used to fund the construction of access roads approved by Cogta and the municipal council under the Infrastructure Development Vote.		
<b>EPWP Grant</b>		
Current-year receipts	1,925,000	1,825,000
Conditions met - transferred to revenue	(1,925,000)	(1,825,000)
	<b>-</b>	<b>-</b>
<b>INEP Grant</b>		
Current-year receipts	6,000,000	20,000,000
Conditions met - transferred to revenue	(6,000,000)	(20,000,000)

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

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Figures in Rand	2023	2022
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**26. Government grants & subsidies (continued)**

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All conditions as per DoRA were met and the grant was transferred to Revenue.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>27. Employee related costs</b>		
Basic salary	57,989,149	50,135,343
Bonus	4,679,968	4,238,546
Medical aid - company contributions	5,482,746	5,146,365
UIF	400,947	357,489
SDL	836,421	732,440
Leave pay provision charge	22,151	1,325,300
Pension contributions	10,842,753	9,774,544
Overtime payments	2,145,837	1,237,979
Long-service awards - Current service cost(Post employment benefits)	1,182,000	862,000
Car allowance	12,847,585	11,378,300
Housing benefits and allowances	3,144,013	2,880,904
Bargaining council	24,689	20,909
Clothing allowance	32,248	38,575
Cellphone allowance	2,379,845	2,109,362
	<b>102,010,352</b>	<b>90,238,056</b>

### Remuneration of municipal manager ( Ms Rampedi M.N )

Basic salary	-	640,552
Car Allowance	-	261,687
Medical aid Contribution	-	85,447
UIF contribution	199	2,148
SALGBE	-	124
SDL	1,044	12,623
Retirement Annuity Contribution	-	78,003
Remote Allowance	1,804	41,540
Travel claims	-	14,121
Leave payout	-	204,381
Performance bonus	-	53,379
Backpay Basic salary	9,608	-
Non Pension fund contribution	20,340	-
Backpay Travel allowance	8,013	-
Backpay cellphone allowance	289	-
	<b>41,297</b>	<b>1,394,005</b>

### Remuneration of Chief Financial Officer ( Mr Moganedi R.M )

Basic Salary	223,612	498,335
Travel Allowance	111,806	239,529
Cellphone Allowance	18,634	39,083
Housing Allowance	-	5,711
Travel Claim	3,164	3,406
Contribution Medical Aid	18,634	46,760
Contribution UIF	1,112	1,948
SDL	5,592	9,882
SALGBBE	65	113
Remote Allowance	13,963	22,489
Long service Award	-	20,638
Leave Payout	-	171,357
Performance Bonus	-	44,722
Acting allowance	25,971	-
Backpay Acting allowance-MM	17,314	-
Backpay Basic Salary	21,547	-

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>27. Employee related costs (continued)</b>		
Non Pension Fund	40,680	-
Backpay Travel Allowance	8,771	-
Backpay Cellphone Allowance	1,462	-
Backpay Medical Aid	1,462	-
Backpay Remote Allowance	12,393	-
	<b>526,182</b>	<b>1,103,973</b>
<b>Acting Chief Financial Officer Mr Makgalemane T.M ( from 1st January 2023 to 31st March 2023)</b>		
Acting allowance	11,924	12,796
Backpay acting allowance	10,047	-
Remote allowance	6,052	-
Backpay Remote allowance	3,299	-
Graduity	5,085	-
SDL	94	-
	<b>36,501</b>	<b>12,796</b>
<b>Acting Chief Financial Officer Mr Mothapo KT ( from 1st July 2022 to 31st December 2022)</b>		
Acting allowance	15,874	-
Backpay acting allowance	28,069	-
Remote allowance	5,367	-
Backpay Remote allowance	14,979	-
Graduity	10,170	-
SDL	189	-
	<b>74,648</b>	-
<b>Acting Chief Financial Officer Mr Mathabathe CS ( from 1st April 2023 to 30th June 2023)</b>		
Remote allowance	6,052	-
Backpay Remote allowance	3,299	-
Graduity	5,085	-
SDL	13	-
	<b>14,449</b>	-
<b>Senior manager: Corporate services ( Ms Mahlare M.A )</b>		
Basic Salary	540,022	536,668
Travel Allowance	232,512	231,286
Medical Aid Contribution	126,396	124,596
Contribution to UIF	2,125	2,125
SDL	11,341	124
SALGBE	130	8,251
Travel Claim	38,615	18,084
Remote Allowance	37,277	35,778
Long service award	-	41,276
Performance Bonus	-	53,667
Leave payout	174,283	-
Acting allowance	6,392	-
Backpay Basic Salary	29,088	-
Non Pension Fund	40,680	-
Backpay Travel Allowance	12,392	-
Backpay Medical Aid	22,154	-
Backpay Remote	1,090	-

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>27. Employee related costs (continued)</b>	<b>1,274,497</b>	<b>1,051,855</b>
<b>Acting Senior manager: Corporate services (Mr Marodi M.L)</b>		
Acting allowance	-	15,103
	-	<b>15,103</b>
<b>Senior manager: Community services ( Ms Marishane M.E )</b>		
Basic salary	494,629	536,668
Travel Allowance	181,468	196,956
Cellphone allowance	24,446	26,343
Housing Allowance	-	71,560
Contribution to Pension	60,783	61,022
Contribution to UIF	1,961	2,125
SALGBE	119	124
SDL	10,473	8,094
Remote Allowance	33,825	35,778
Long service Award	-	20,638
Travel Claim	21,048	6,857
Performance Bonus	-	53,667
Leave payout	174,283	-
Backpay Basic Salary	27,727	-
Backpay Travel Allowance	9,884	-
Backpay Cellphone Allowance	2,162	-
Backpay Housing Allowance	3,690	-
Non Pension fund contribution	38,985	-
Housing Allowance	65,953	-
Backpay Remote	999	-
Backpay pension	1,748	-
	<b>1,154,183</b>	<b>1,019,832</b>
<b>Acting Senior manager: community services ( Mrs Makola B.C )</b>		
Acting allowance	-	31,118
	-	<b>31,118</b>
<b>Senior manager: Infrastructure Development ( Mr Segale M.A )</b>		
Basic Salary	540,022	536,668
Travel Allowance	196,175	194,493
Long service award	-	20,638
Contributions to Medical Aid	134,873	133,939
Contribution of UIF	2,125	2,125
SALGBE	130	124
SDL	10,321	9,101
Remote Allowance	36,851	35,778
Cellphone Allowance	27,861	27,450
Performance Allowance	-	44,722
Backpay Basic Salary	29,088	-
Non Pension Fund	40,680	-
Backpay Travel Allowance	12,348	-
Backpay Cellphone Allowance	2,414	-
Backpay Medical Aid	7,633	-
Backpay Remote	1,089	-

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>27. Employee related costs (continued)</b>	<b>1,041,610</b>	<b>1,005,038</b>
<b>Senior manager Economic Development and planning ( Mr Thabela A.P )</b>		
Basic Salary	540,022	536,668
Travel Allowance	135,006	134,167
Cellphone Allowance	19,251	19,119
Contributions to Pension Funds	120,378	118,067
Contribution to Medical Aid	86,104	84,529
Contribution to UIF	2,125	2,125
SALGBE	130	124
SDL	10,548	9,015
Travel claim	24,696	-
Remote Allowance	36,851	35,778
Performance Bonus	-	44,722
Non Pension Fund contribution	40,680	-
Backpay Medical Aid	8,632	-
Backpay Travel Allowance	7,272	-
Backpay Cellphone Allowance	1,085	-
Backpay Basic Salary	29,088	-
Backpay Remote	1,089	-
Backpay Pension	3,577	-
	<b>1,066,534</b>	<b>984,314</b>
<b>Acting Senior manager: community services ( Mrs Make M.M for December 2022)</b>		
Acting allowance	4,883	-
Backpay Acting allowance	1,257	-
Remore allowance	2,752	-
Backpay Remore allowance	84	-
	<b>8,976</b>	<b>-</b>
<b>Remuneration of municipal manager ( Mr Moganedi RM )</b>		
Basic Salary	377,659	-
Travel Allowance Allowance	188,830	-
Cellphone Allowance	31,472	-
Contributions to Medical Aid	31,472	-
SALGBE	76	-
SDL	6,247	-
Travel Claim	11,081	-
Remote Allowance	25,684	-
UIF	1,240	-
Backpay Basic Salary	12,979	-
Backpay Cellphone Allowance	1,082	-
Backpay Travel Allowance	6,490	-
Backpay Medical Aid	1,082	-
Backpay remote allowance	759	-
	<b>696,153</b>	<b>-</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>28. Remuneration of councillors</b>		
Mayor	935,138	936,109
Council speakers	756,405	759,878
Executive Committee Members	4,759,880	4,699,833
Other councillors basic salary	9,879,285	9,883,297
Councillors pension contribution	1,743,733	1,735,152
Travel allowance	3,879,966	3,873,340
Travel claims	56,316	27,123
Cellphone allowance	2,077,400	2,091,650
Skills development levy	139,529	134,062
Data cards ( 62 councillors )	-	181,997
	<b>24,227,652</b>	<b>24,322,441</b>

The remuneration and allowances of the political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the constitution.

The municipal council consists of 62 councillors and none of the councillors owe the municipality any amounts in a form of unpaid rates and taxes or any other services.

### Remuneration and allowances of selected members of the council

#### Mayor- Cllr Maitula B.M

Basic Salary	565,269	565,262
Cellphone allowance	40,800	40,800
Contributions to pension fund	320,098	320,076
SDL and Data cards	8,971	9,968
	<b>935,138</b>	<b>936,106</b>

#### Former Council speaker - Cllr Tala M.A

Basic Salary	-	161,612
Cellphone allowance	-	14,507
Contributions to pension fund	-	88,879
SDL and Data cards	-	2,703
	-	<b>267,701</b>

#### Council speaker - Cllr Mphelane MJ

Basic Salary	462,210	291,424
Cellphone allowance	40,800	26,293
Contributions to pension fund	246,286	165,712
SDL and Data cards	7,109	6,748
	<b>756,405</b>	<b>490,177</b>

#### Members of the Executive Committee

Basic Salary	2,659,048	2,693,759
Travel allowance	1,079,090	1,055,260
Cellphone allowance	388,000	370,827
Contributions to pension fund	504,090	461,775
Travel Claims, SDL and Data cards	129,652	118,212
	<b>4,759,880</b>	<b>4,699,833</b>



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>28. Remuneration of councillors (continued)</b>		
<b>In-kind benefits</b>		
The Mayor, speaker of council, chief whip of council, Head of corporate service portfolio committee, Head of Budget and Treasury Office Portfolio, Head of Infrastructure Development Portfolio and MPAC chairperson are full-time. Each is provided with an office and secretarial support at the cost of the council.		
The Mayor and the Speaker of council each have the use of separate Council owned vehicles for official duties.		
The Mayor has one full-time Chauffeur. The Speaker of council have one full-time Chauffeur.		
The Mayor have personal security at the cost of council.		
The speaker have personal security at the cost of council.		
<b>29. Depreciation and amortisation</b>		
Property, plant and equipment	28,310,363	26,806,925
Intangible assets	76,552	506,244
	<b>28,386,915</b>	<b>27,313,169</b>
<b>30. Finance costs</b>		
Interest cost: Employee benefit obligations	1,032,000	616,000
Interest cost: Landfill site provision	1,653,404	1,418,557
	<b>2,685,404</b>	<b>2,034,557</b>
<b>31. Administrative expenditure</b>		
Ward committee incentives	5,701,100	2,124,000
Administration and management fees	10,294,221	7,290,080
	<b>15,995,321</b>	<b>9,414,080</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>32. Contracted services</b>		
Cash collection services	138,426	290,316
Financial system support	88,357	13,720
Operating Leases	5,054,514	2,799,679
Cleaning Services	5,732,278	5,508,733
Security services	26,424,000	18,321,946
Solid waste collection	25,905,173	27,969,817
	<b>63,342,748</b>	<b>54,904,211</b>

### Reclassification of contracted services

In the prior year 2021/2022 contracted services was combined in to the following categories :

Operating Leases and cash Collection Services - R 3 103 715

Development of Valuation roll - R 0.00

Cleaning and Security Services - R 51 800 497

In the current year contracted services was separated into their respective line items in order to achieve fair presentation.

### 33. Transfer and subsidies

Indigent grants (Free Basic Electricity)	2,027,497	1,955,378
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The municipality subsidises the indigent households that are on the eskom FBE beneficiary list with the allocation of the free basic electricity at 50kwh per household on a monthly basis.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>34. General expenses</b>		
Advertising	2,697,759	854,768
Bank charges	279,445	204,289
Consulting and professional fees	11,563,209	4,486,051
Consumables	3,268,702	4,270,096
Entertainment	-	24,164
Insurance	1,732,790	1,337,155
IT operational expenses	-	1,000,000
Marketing	1,043,685	767,236
Promotions and sponsorships	5,235,971	4,789,107
Fleet Management & system	54,609	141,088
Fuel and oil	6,232,489	4,894,084
Promotions	2,142,222	2,182,185
Protective clothing	1,619,180	-
Staff welfare	-	72,900
Telephone and fax	1,751,831	1,439,421
Training	5,371,862	6,070,684
Travel and Accommodation	5,943,468	1,574,764
Spatial planning-Demarcation of sites	688,600	314,783
Water and Electricity	3,990,779	2,670,263
SMME support	10,650	222,640
Sitting Allowance Ex-officio	-	68,000
Publications	8,952,840	7,659,490
Audit committee support	428,600	420,463
Bursary fund	2,434,824	3,170,585
Legal costs and Development of by-laws	4,489,822	2,913,439
Customer care	378,315	58,399
Financial system support (Implementation of mSCOA)	3,942,220	6,018,935
Vehicle tracking	95,156	96,615
Disaster Relief Fund	2,291,546	2,030,522
EPWP	5,754,561	4,794,190
	<b>82,395,135</b>	<b>64,546,316</b>
<b>35. Auditors' remuneration</b>		
Current Year Audit fees	4,818,095	4,283,087
	<b>4,818,095</b>	<b>4,283,087</b>
<b>36. Repairs and maintenance</b>		
Repairs and maintenance: Infrastructure	40,589,950	47,915,515
Repairs and maintenance: Municipal facilities	31,710,063	24,601,721
	<b>72,300,013</b>	<b>72,517,236</b>
<b>37. Capital expenditure write-off (D-Roads)</b>		
Capital expenditure write-off (D-Roads)	85,876,873	52,942,675
	<b>85,876,873</b>	<b>52,942,675</b>

The capital expenditure write-off (D-Roads) amount of R 85 876 873 relates to the D-roads projects which are completed and transferred to RAL ( Road agency Limpopo ).

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>38. Transfer to Eskom ( Electrification)</b>		
Transfer to Eskom ( Electrification)	5,217,391	19,169,721
	<b>5,217,391</b>	<b>19,169,721</b>

Department of Energy transferred an amount of R 6 000 000 to the municipality to construct electrification projects at various villages around Makhuduthamaga local municipality for the year 2022/2023 and the municipality spent R 6 000 000 on the capital electrification projects and transferred the assets to Eskom at year end as per the conditions of the INEP grant.

### 39. Cash generated from operations

Surplus	6,385,743	111,788,433
<b>Adjustments for:</b>		
Depreciation and amortisation	28,386,915	27,313,169
(Gain)/Loss on disposal of assets	(23,977)	(11,006)
Fair value adjustments	(304,000)	-
Leave Gain	(452,262)	-
Current service cost - Post employment benefits & Long service awards	1,032,000	862,000
Interest costs - Post employment benefits & Long service awards	1,182,000	2,034,557
Actuarial ( Gain/Loss-Post employment medical aid benefits & Long service awards	(1,362,059)	(465,129)
Interest costs- Landfill site	1,653,404	-
Non-cash donations and other in-kind benefits	(3,093,765)	-
Other non-cash items	-	184
Long service awards paid	-	(154,872)
Reversal of debt impairment allowance	(13,018,144)	(435,961,804)
<b>Changes in working capital:</b>		
Inventories	279,462	127,911
Receivables from exchange transactions	(968,136)	(514,064)
Receivables from non exchange transactions	(6,610,958)	434,636,551
Payables from exchange transactions	(412,414)	4,293,259
VAT	(3,206,518)	(4,752,233)
Unspent conditional grants and receipts	71,404	(113,350)
	<b>9,538,695</b>	<b>139,083,606</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>40. Commitments</b>		
<b>Authorised operating and capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Operational commitment	115,037,528	164,500,716
	<b>115,037,528</b>	<b>164,500,716</b>
<b>Already contracted for but not provided for</b>		
• Capital commitment	171,362,750	104,373,846
	<b>171,362,750</b>	<b>104,373,846</b>
<b>Total capital commitments</b>		
Operational commitment	115,037,528	164,500,716
Capital Commitment	171,362,750	104,373,846
	<b>286,400,278</b>	<b>268,874,562</b>
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital and operational expenditure	286,400,278	268,874,562

The municipality still has future commitments to service providers for services still to be rendered. The minimum payments still due to the service providers as at June 30, 2023 amount to R 171 362 750 for capital commitments and R 115 037 528 for Operational commitments. Contracts of which the amount disclosed is for more than on financial year.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>41. Contingent Liabilities</b>		
Masenya Construction vs Makhuduthamaga Local Municipality	175,551	175,551
Alfred Malekane vs Makhuduthamaga Local Municipality	4,627,790	3,638,141
Ratale Mashifane attorneys vs Makhuduthamaga Local Municipality	65,519	65,519
Onnica Sehlola vs Makhuduthamaga Local Municipality	81,459	81,459
City Patrick vs Makhuduthamaga Local Municipality	2,400,000	-
	<b>7,350,319</b>	<b>3,960,670</b>

### Masenya Construction vs Makhuduthamaga Local Municipality

The municipality penalised Masenya construction for an amount of R 175 551 the reason for the penalties was that Masenya construction failed to complete its work on time as per the contract it entered into with the municipality. The company has challenged the municipality in court, the power of attorney was filed and served at Nebo Magistrate Court on the 12th of November 2019 by the municipality's legal representatives. Judgement was granted in favour of the applicant (Masenya Construction) in respect of costs but the main application was postponed to an unknown date. The municipality's attorneys filed a review application to the high court of Polokwane in respect of the cost judgement and for now we are still waiting for response on the review application; and as at year end the case was not yet finalised

### Mr Alfred Malekane vs Makhuthamaga Local Municipality

Mr Alfred Malekane was dismissed as an employee of the municipality on grounds of financial misconduct following the conclusion of the disciplinary processes by the municipality. Mr Malekane has since challenged his dismissal arguing that he was unfairly dismissed by the municipality. As at year end the case was not yet finalised as we are still waiting for the allocation of a new date. The estimated expenditure on this matter to date is R 4 627 790.

### Ratale Mashifane Attorneys vs Makhuduthamaga Municipality

Ratale Mashifane Attorneys has issued the summons against municipality wherein he demanded to be paid an amount of R 65 519 from services which were not rendered. The plaintiff obtained a default judgement - which we have filed an application to rescind it. The rescission application shall be enrolled on Oposed roll. As at year end the case was not yet finalised.

### Onicca mathabathe sehlola VS Makhuduthamaga Municipality

Onica Mathabathe Sehlola has sued the municipality an amount of R 81 549 for the damage caused by pothole. The plaintiff has not served the municipality with a notice of bar, Marweshe Attorneys had prepared a notice of exception to the summons, had been served filed at Nebo court. The exception is unopposed the matter shall be set down on unopposed roll for hearing.

### City Patrick Maphutha Vs Makhuduthamaga municipality

City Patrick Maphutha issued summons against the municipality demanding that he be appointed in the position of senior manager community services which was re-advertised in 2018. The municipality opposed the application in court of law and as year end the matter was still on. The amount of R 2 400 000 contingent liability was informed by Mr Maphutha CP's settlement request amount that was sent to the municipality. In the prior year the probability of the case was to remote hence it was not disclosed.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>42. Related parties</b>		
<b>Related party transactions</b>		
<b>Section 57 Employees</b>		
Municipal Manager (Ms Rampedi M.N)	41,297	1,394,005
Municipal Manager (Mr Moganedi RM)	696,153	-
Senior Manager: Corporate Services (Ms Mahlare M.A)	1,274,497	1,051,855
Senior Manager: Community Services (Ms Marishane)	1,154,182	1,019,832
Senior Manager: Budget & Treasury (CFO) (Mr Moganedi R.M)	526,182	1,103,973
Senior Manager: Economic Development & Planning (Mr Thabela A.P)	1,066,534	984,314
Senior Manager: Infrastructure Development (Mr Segale M.A)	1,041,610	1,005,038
<b>South African Local Government Association</b>		
Annual membership fee	1,393,934	1,305,496
<b>South African Local Government Association</b>		
An amount of R 1 393 934 was paid to the South African Local Government Association as an annual membership fee. The cost of the membership fee amounts to 1% of the total annual employee related cost of the municipality as approved by council for any new financial year.		
<b>Sekhukhune District Municipality</b>		
The municipality has seconded the Deputy CFO ( Mr Nkadimeng H.L ) to serve as an acting CFO of Sekhukhune District Municipality from July 2021. The municipality has paid him a salary to a total of R 1 058 667 for the year ended 30 June 2022 and R 528 774 for the year ended 30 June 2023 while he serves as acting Chief Financial Officer at Sekhukhune District Municipality.		
<b>Limpopo Department of Transport and Community Safety.</b>		
The municipality has signed a memorandum of agreement with Limpopo Department of Transport and Public Safety for the administration of learners, drivers licenses and vehicle registrations; and the municipality earns Agency fees.		
<b>Limpopo Department of Transport and Community Safety</b>		
Amount collected on behalf of the department	10,498,389	10,680,045

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 42. Related parties (continued)

#### Remuneration of councillors

##### Councillors

##### 2023

Name	Basic salary	Cellphone Allowance	Car Allowance	Pension, SDL, data cards and travel claims	Total
Cllr Thamaga MM(Chief whip)	423,947	40,800	166,254	81,232	712,233
Cllr Maitula B.M (Mayor)	565,269	40,800	-	329,076	935,145
Cllr Mahlase NE	236,512	40,800	92,750	48,762	418,824
Cllr Mogide LS	178,884	40,800	70,151	34,119	323,954
Cllr Mphelane MJ(Speaker)	452,210	40,800	-	263,395	756,405
Cllr Aphane M.N	178,884	40,800	70,151	37,392	327,227
Cllr Mohlala M.J	423,947	40,800	166,254	80,302	711,303
Cllr Diketane S.P (MPAC Chairperson)	415,429	40,800	162,914	82,492	701,635
Cllr Masemola M.E	178,884	40,800	70,151	34,119	323,954
Cllr Mapheto M.T	178,884	40,800	70,151	34,119	323,954
Cllr Mokalapa S.B	29,814	6,800	11,692	5,679	53,985
Cllr Phala M	423,947	40,800	166,254	99,728	730,729
Cllr Mokomane M.L	229,568	40,800	90,027	43,671	404,066
Cllr Matjomane N.M	423,947	40,800	166,254	135,492	766,493
Cllr Rankoe T.P	236,512	40,800	92,750	50,434	420,496
Cllr Thokwane K.Z	229,568	40,800	90,027	43,671	404,066
Cllr Mosoane E.M	229,568	40,800	90,027	50,747	411,142
Cllr Mahlase M.M	236,512	40,800	92,750	53,565	423,627
Cllr Morodi P.E	178,884	40,800	70,151	34,119	323,954
Cllr Makobe P.A	178,884	40,800	70,151	34,119	323,954
Cllr Makua S.S	178,884	40,800	70,151	35,683	325,518
Cllr Lethuba M.P	178,884	40,800	70,151	36,586	326,421
Cllr Masemola P.T	178,884	40,800	70,151	37,619	327,454



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 42. Related parties (continued)

Cllr Mmotong M.L	178,884	40,800	70,151	34,119	323,954
Cllr Tshehla M.B	178,884	40,800	70,151	34,119	323,954
Cllr Kgatuke L.D	178,884	40,800	70,151	34,119	323,954
Cllr Machai M.J	178,884	40,800	70,151	34,119	323,954
Cllr Malatjie B.T	178,884	40,800	70,151	35,052	324,887
Cllr Maepa K.J	178,884	40,800	70,151	37,584	327,419
Cllr Matsomane E.M	178,884	40,800	70,151	34,119	323,954
Cllr Mashegoana M.C	178,884	40,800	70,151	35,697	325,532
Cllr Tshehla M.Z	178,884	40,800	70,151	34,904	324,739
Cllr Moretsele L.P	236,518	40,800	92,750	46,148	416,216
Cllr Morwamakoti M	229,568	40,800	90,027	43,671	404,066
Cllr Kgaphola R.K	178,884	40,800	70,151	34,119	323,954
Cllr Ngwanatsoba M.G	178,884	40,800	70,151	34,119	323,954
Cllr Sebowane SH	178,884	40,800	70,151	34,119	323,954
Cllr Nkadimeng K.T	178,884	40,800	70,151	34,125	323,960
Cllr Hleko K	178,884	40,800	70,151	36,659	326,494
Cllr Moshabane D	178,884	40,800	70,151	35,111	324,946
Cllr Thokwane G.A	178,884	40,800	70,151	34,119	323,954
Cllr Mothupi S.M	178,884	40,800	70,151	34,128	323,963
Cllr Selala P.T	178,884	40,800	70,151	34,119	323,954
Cllr Vilakazi S.M	178,884	40,800	70,151	34,119	323,954
Cllr Rantho P.K	178,884	40,800	70,151	34,119	323,954
Cllr Mokalapa M.S	134,169	30,600	52,613	25,599	242,981
Cllr Boshielo M.P	178,884	40,800	70,151	34,119	323,954
Cllr Piitjo M.H	229,568	40,800	90,027	45,291	405,686
Cllr Maduana H.D	178,884	40,800	70,151	34,119	323,954
Cllr Mampana M.A	229,568	40,800	90,027	43,660	404,055
Cllr Ntobeng M.L	178,884	40,800	70,151	34,119	323,954
Cllr Tsatsi M.D	178,884	40,800	70,151	34,119	323,954
Cllr Mogashoa K.J	178,884	40,800	70,151	34,635	324,470
Cllr Lekoana M.D	178,884	40,800	70,151	34,119	323,954
Cllr Machaba M.G	236,512	40,800	92,750	46,322	416,384
Cllr Moretsele M.A	178,884	40,800	70,151	36,210	326,045
Cllr Mohlakwane S.S	178,884	40,800	70,151	36,293	326,128

## Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 42. Related parties (continued)

Cllr Maapea R.S	178,884	40,800	70,151	44,968	334,803
Cllr Malaka M.S	236,512	40,800	92,750	87,245	457,307
Cllr Tau T.T	178,884	40,800	70,151	36,744	326,579
Cllr Ngwato O.M	178,884	40,800	70,151	34,119	323,954
Cllr Lerobane M.M	164,257	40,800	70,151	34,119	309,327
Cllr Monakedi M.J	178,884	40,800	70,151	34,119	323,954
	<b>13,587,666</b>	<b>2,526,200</b>	<b>4,935,239</b>	<b>3,178,547</b>	<b>24,227,652</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 42. Related parties (continued)

2022

Name	Basic salary	Cellphone allowance	Car allowance	Pension, SDL, data cards and travel claims	Total
Cllr Maitula B.M (Mayor)	565,262	40,800	-	330,047	936,109
Cllr Tala M.A (Former Speaker)	161,612	14,507	-	91,582	267,701
Cllr Mphelane MJ (Current Speaker)	291,424	26,293	-	172,460	490,177
Cllr Chego D.K (Former Chief Whip)	151,512	14,507	59,112	27,620	252,751
Cllr Thamaga MM (Current Chief Whip)	273,210	26,293	107,141	54,483	461,127
Cllr Mankge H.N	151,512	14,507	59,112	26,711	251,842
Cllr Mohlala M.J	423,947	40,800	166,254	81,954	712,955
Cllr Diketane S.P (MPAC Chairperson)	393,369	40,800	154,263	76,236	664,668
Cllr Monakedi M.J	84,525	15,413	32,978	15,550	148,466
Cllr Maloma P.T	84,525	14,507	32,978	15,550	147,560
Cllr Mapheto M.T	199,374	41,707	78,186	40,489	359,756
Cllr Maisela K.R	151,512	14,507	59,112	26,711	251,842
Cllr Mamahlako P.M	63,930	14,507	24,943	12,104	115,484
Cllr Motseni N.L	63,930	14,507	24,943	12,104	115,484
Cllr Mapitsing T.J	63,930	14,507	24,943	12,104	115,484
Cllr Mabatane M.C	82,044	14,507	32,010	15,127	143,688
Cllr Dolamo M.F	63,930	14,507	24,943	12,104	115,484
Cllr Madihlaba M.G	63,930	14,507	24,943	12,104	115,484
Cllr Diale M.H	63,930	14,507	24,943	12,104	115,484
Cllr Thokwane M.J	48,133	11,740	18,756	9,077	87,671
Cllr Shikoane M.L	63,930	14,507	24,943	12,104	115,484
Cllr Mokomane M.L	224,842	41,707	88,173	45,452	400,174
Cllr Daile K.E	82,044	15,413	32,010	15,217	144,684
Cllr Seboane T.M	63,930	14,507	24,943	12,194	115,574
Cllr Leshalabe M.M	82,044	15,413	31,010	15,217	143,684
Cllr Matjomane N.M	354,835	41,706	139,151	96,639	632,331
Cllr Mathume R.D	63,930	14,507	24,943	12,104	115,484

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 42. Related parties (continued)

Cllr Lerobane M.P	84,525	15,413	32,978	15,631	148,547
Cllr Rankoe T.P	236,512	41,706	92,750	56,848	427,816
Cllr Thokoane K.Z	206,821	41,707	81,106	44,263	373,897
Cllr Mosoane E.M	206,821	41,707	81,107	54,403	384,038
Cllr Maleka K.J	63,930	15,413	24,943	12,114	116,400
Cllr Mahlase M.M	234,043	41,706	91,782	51,875	419,406
Cllr Nkadimeng L.R	63,930	15,413	24,943	12,104	116,390
Cllr Thamaga M.R	63,930	15,413	24,943	12,114	116,400
Cllr Morodi P.E	178,884	40,800	70,151	36,941	326,776
Cllr Maredi H.M	63,930	14,507	24,943	12,104	115,484
Cllr Marabele K.O	63,930	14,507	24,943	12,104	115,484
Cllr Maila M.J	63,930	14,507	24,943	12,104	115,484
Cllr Nkgadima M.R	63,930	14,507	24,943	12,104	115,484
Cllr Masemola M.S	63,930	14,507	24,943	12,104	115,484
Cllr Makobe P.A	179,211	40,800	70,151	36,619	326,781
Cllr Mashifane G.M	63,930	14,507	24,943	12,104	115,484
Cllr Moganedi B.E	63,930	14,507	24,943	12,104	115,484
Cllr Matseding M.L	63,930	14,507	24,943	12,104	115,484
Cllr Sekwati K.D	63,930	14,507	24,943	12,104	115,484
Cllr Mamushi F	63,930	14,507	24,943	12,104	115,484
Cllr Phala M	357,303	40,800	140,199	73,767	612,069
Cllr Matjageng D.B	63,930	14,507	24,943	12,104	115,484
Cllr Maduane K.A	63,930	15,413	24,943	12,104	116,390
Cllr Mothogwane D	63,930	14,507	24,943	12,104	115,484
Cllr Komana M.L	63,930	14,507	24,943	12,104	115,484
Cllr Maloma D.R	63,930	14,507	24,943	12,104	115,484
Cllr Mogashoa N.A	63,930	14,507	24,943	12,104	115,484
Cllr Shongwe B.E	63,930	14,507	24,943	12,104	115,484
Cllr Madutlela K.K	63,930	14,507	24,943	12,104	115,484
Cllr Phasha L.P	63,930	14,507	24,943	12,104	115,484
Cllr Matjie C.D	63,930	14,507	24,943	12,104	115,484
Cllr Sebesho M.S	63,930	14,507	24,943	12,104	115,484
Cllr Ranala S.T	63,930	14,507	24,943	12,104	115,484
Cllr Makua S.S	178,898	40,800	70,151	39,709	329,558

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

### 42. Related parties (continued)

Cllr Magashule M.E	63,930	14,507	24,943	12,104	115,484
Cllr Leshaba T.R	63,930	14,507	24,943	12,104	115,484
Cllr Phala M.M	63,930	14,507	24,943	12,104	115,484
Cllr Malaka MS	152,419	26,293	59,772	46,392	284,876
Cllr Masemola PT	115,281	26,293	45,208	24,515	211,297
Cllr Mmotong ML	115,281	26,293	45,208	24,515	211,297
Cllr Tshehla MB	115,281	26,293	45,208	24,515	211,297
Cllr Kgatuke LD	115,281	26,293	45,208	24,515	211,297
Cllr Machai MJ	115,281	26,293	45,208	26,457	213,239
Cllr Malatjie BT	115,281	26,293	45,208	28,843	215,625
Cllr Maepa KJ	115,281	26,293	45,208	24,515	211,297
Cllr Matsomane EM	115,281	26,293	45,208	24,515	211,297
Cllr Mashegoana MC	115,281	26,293	45,208	25,747	212,529
Cllr Tshehla M.Z	115,281	26,293	45,208	24,515	211,297
Cllr Moretsele LP	152,419	26,293	59,772	34,886	273,370
Cllr Morwamakoti M	143,217	26,293	56,164	29,823	255,497
Cllr Kgaphola RK	115,281	26,293	45,208	27,981	214,763
Cllr Ngwanatsoba MG	115,281	26,293	45,208	24,515	211,297
Cllr Sebowane SH	115,281	26,293	45,208	24,515	211,297
Cllr Nkadimeng KT	115,281	26,293	45,208	27,271	214,053
Cllr Hleko K	115,281	26,293	45,208	24,515	211,297
Cllr Moshabane D	115,281	26,293	45,208	24,515	211,297
Cllr Thokwane GA	115,281	26,293	45,208	24,515	211,297
Cllr Mothupi SM	115,281	26,293	45,208	29,122	215,904
Cllr Selala PT	115,281	26,293	45,208	24,515	211,297
Cllr Vilakazi SM	115,281	26,293	45,208	24,515	211,297
Cllr Rantho PK	115,281	26,293	45,208	24,515	211,297
Cllr Mokalapa MS	115,281	26,293	45,208	24,515	211,297
Cllr Boshielo MP	115,281	26,293	45,208	25,534	212,316
Cllr Pitjo MH	142,266	26,293	55,791	35,207	259,557
Cllr Maduana HD	115,281	26,293	45,208	24,515	211,297
Cllr Mampana MA	142,266	26,293	55,791	29,644	253,994
Cllr Ntobeng ML	115,281	26,293	45,208	24,515	211,297
Cllr Tsatsi MD	115,281	26,293	45,208	24,515	211,297

## Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

### Notes to the Annual Financial Statements

Figures in Rand

#### 42. Related parties (continued)

Cllr Mogashoa KJ	115,281	26,293	45,208	27,152	213,934
Cllr Mahlase NE	152,419	26,293	59,763	31,586	270,061
Cllr Modige MS	110,781	26,293	45,208	24,515	206,797
Cllr Lekoana MD	115,281	26,293	45,208	24,515	211,297
Cllr Masemola ME	115,281	26,293	45,208	25,747	212,529
Cllr Aphane MN	115,281	26,293	45,208	24,515	211,297
Cllr Moretsele MA	115,281	26,293	45,208	24,515	211,297
Cllr Lethuba MP	115,281	26,293	45,208	32,015	218,797
Cllr Mohlakwane SS	115,281	26,293	45,208	25,977	212,759
Cllr Maapea RS	115,281	26,293	45,208	26,557	213,339
Cllr Machaba MG	152,419	26,293	59,772	34,031	272,515
Cllr Tau TT	115,281	26,293	45,208	29,029	215,811
Cllr Ngwato OM	115,281	26,293	45,208	24,515	211,297
Cllr Lerobane MM	125,374	26,293	52,952	27,792	232,411
Cllr Monakedi MJ	115,281	26,293	45,208	24,515	211,297
Cllr Matjeding MJ	22,222	3,649	7,407	643	33,921
	<b>13,595,353</b>	<b>2,544,076</b>	<b>4,928,600</b>	<b>3,254,447</b>	<b>24,322,441</b>

#### 43. Risk management

##### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

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### 43. Risk management (continued)

#### Credit risk

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2023	2022
Receivables from non-exchange transactions	24,126,619	4,519,553
Receivables from exchange transactions	2,726,706	1,758,570
Cash & cash equivalents	6,644,381	104,971,637
VAT Receivable	24,034,529	20,828,011
Maximum Risk Exposure	57,532,235	132,077,771

### 44. Unauthorised expenditure

Opening balance as previously reported	7,049,638	86,261,879
Add: Unauthorised expenditure - current	23,008,909	7,049,638
Add: Unauthorised expenditure - prior period	-	(86,261,879)
Less: Amount written off - current	(7,049,638)	-
<b>Closing balance</b>	<b>23,008,909</b>	<b>7,049,638</b>

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	22,999,547	22,928,440
Cash	9,362	-
	<b>23,008,909</b>	<b>22,928,440</b>

#### Analysed as follows: non-cash

Depreciation and amortisation	772,111	-
Finance charges	5,558,298	-
Debt impairment write off	16,669,138	-
	<b>22,999,547</b>	<b>-</b>

#### Analysed as follows: cash

General expenditure	-	7,049,638
Remuneration of councillors	9,362	-
	<b>9,362</b>	<b>7,049,638</b>

#### Unauthorised expenditure: Budget overspending – per municipal department:

Executive support	9,362	1,778,949
Community services	-	4,503,837
Corporate services	-	766,852
Budget and treasury Office	22,999,547	-
	<b>23,008,909</b>	<b>7,049,638</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

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### 44. Unauthorised expenditure (continued)

#### Council Approval on unauthorised expenditure

During the current year ended June 30, 2023, MPAC investigated all historic Unauthorised expenditure and discovered that there are council resolutions from the previous financial years in which council has written off the unauthorised expenditure as irrecoverable. The amount of R 7 049 638 was approved by council to be written off as irrecoverable. A prior period error is disclosed for the unauthorised expenditure that was written in the prior years.

### 45. Fruitless and wasteful expenditure

Opening balance as previously reported	64,753	463,183
Less: Amount written off - prior period	-	(398,430)
<b>Closing balance</b>	<b>64,753</b>	<b>64,753</b>

The amount of R 64 753 is the balance of Fruitless and wasteful expenditure of the previous years starting from 2014/2015 financial year, the municipality did not incur any fruitless and wasteful expenditure in the current year of 2022/2023 financial year.

The municipal council took the resolution to recover the fruitless and wasteful expenditure incurred to an amount of R 64 753 from the responsible official and the matter has been referred to the Financial misconduct board and waiting a verdict. As at year end the matter was not yet finalised.



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>46. Irregular expenditure</b>		
Opening balance as previously reported	60,372,864	26,401,491
Add: Irregular expenditure - current	6,661,732	65,727,853
Add: Irregular expenditure - prior period	-	(27,221,540)
Less: Amount recovered - current	-	(4,534,940)
Less: Amount written off - current	(66,969,496)	-
<b>Closing balance</b>	<b>65,100</b>	<b>60,372,864</b>

As per MFMA circular no 68 municipalities are advised to record their irregular expenditure in the irregular expenditure register and consequently disclose it in the annual financial statements inclusive of VAT the circular became into existence in October 2021. The latter is due to the amount of the transgression from the provisions of the applicable legislation as contained in the definition of the irregular expenditure is the full value of the transaction involved and not just a portion of the transaction and the adjustment is effected from the financial year 2022/23. The irregular expenditure disclosed above is VAT inclusive.

The council of the municipality took a decision to recover the balance of R 65 100 of the irregular expenditure and matter is being referred to the Financial misconduct board for a verdict.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

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### 46. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

	<b>Status of Irregular Expenditure</b>		
The service provider was awarded the bid in contravention of section 112 of the MFMA as the bid document of the service provider submitted for audit did not have certain pages and it also looked like a copy to the auditors. The irregular expenditure was discovered by the AGSA during the external audit for the year 2017/18 financial year. The reported expenditure relates to the 2019/20 financial year of the 36 months contract.	The irregular expenditure was approved by council to be written off as irregular	-	17,329,422
The bid was advertised for a period of less than 60 days as required by the SCM regulations and the SCM policy. The irregular expenditure was discovered by the AGSA during the external audit of the 2017/18 financial year. The reported expenditure relates to the 2019/20 financial year of the five year contract.	The irregular expenditure was approved by council to be written off as irregular	330,282	237,259
The appointed service provider did not comply with the responsive criteria as stated in the tender document by not initializing some of the pages in the tender document. The reported expenditure relates to the 2019/20 financial year of the 36 months contract.	The irregular expenditure was approved by council to be written off as irregular	-	13,668,563
Bidder did not initialize one page	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	3,204,148	1,724,749
Appointment of the highest quote without justification	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	28,750
Award to person in service of the state	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	34,600
The awarded and the competing supplier are using the same address	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	29,250
The supplier did not complete the local content declaration fully	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	14,528,359

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

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### 46. Irregular expenditure (continued)

The supplier did not complete the local content declaration fully	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	5,718,145
The supplier did not complete the local content declaration fully	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	1,035,690
The supplier did not complete the local content declaration fully	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	3,985,005
The supplier did not complete the local content declaration fully	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	199,716
Deliberate split of services	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	3,127,302	6,487,177
Award to person in service of the state	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	691,098
Award to person in service of the state	The irregular expenditure was identified by the Auditor General during the previous year Audit and was approved by council to be written off as irregular	-	30,070
		<b>6,661,732</b>	<b>65,727,853</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>47. Reconciliation between budget and statement of financial performance</b>		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance :		
Net surplus per the statement of financial performance	6,385,743	111,788,433
<b>Adjusted for:</b>		
Investment revenue-Under collection/(over collection)	(416,512)	(1,374,286)
Other own revenue-under collection/over collection	17,916,848	9,507,553
Depreciation-over spending/ (Under spending )	772,111	3,147,530
Employee related costs-over spending/ (over spending)	-	9,825,087
Remuneration of councillors-over spending/ (under spending)	-	(402,219)
Reversal of debt impairment provision allowance	(13,018,144)	(435,961,804)
Debt impairment -over spending/under spending	(16,669,138)	6,872,873
Other expenditure over spending/under spending	(5,558,298)	15,633,145
Transfers and grants	2,027,497	1,244,622
Bad debt write off	26,174,865	374,764,157
Property rates -under collection/(over collection)	(1,532,614)	5,658,636
Interest expense-Non -current provisions & overdue accounts	(2,685,404)	(2,034,557)
Interest on outstanding debtors	(13,535,301)	(11,482,115)
<b>Net (deficit) surplus per approved budget</b>	<b>(138,347)</b>	<b>87,187,055</b>
<b>48. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Audit fees</b>		
Amount paid - current year	(4,818,095)	(4,283,087)
<b>PAYE and UIF</b>		
Opening balance	202,858	-
Current year subscription / fee	21,366,990	18,734,269
Amount paid - current year	(21,569,848)	(18,531,411)
<b>Outstanding balance as at year end</b>	<b>-</b>	<b>202,858</b>
<b>Pension and Medical Aid Deductions</b>		
Opening balance	91,031	-
Current year subscription / fee	27,001,457	24,279,495
Amount paid - current year	(27,075,101)	(24,188,464)
<b>Outstanding balance as at year end</b>	<b>17,387</b>	<b>91,031</b>
<b>VAT</b>		
VAT receivable	24,034,529	20,830,011

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

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### 48. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Supply chain management regulations

In terms of regulation 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager/her delegate and noted by Council. The expenses incurred as listed hereunder have been condoned by council

#### Incident

Deviation as per section 36(1)(a)(i) of the SCM regulations (Emergency)	-	912,864
Deviation as per section 36(1)(a)(ii) of the SCM regulations (Single provider)	1,748,177	496,454
Deviation as per section 36(1)(v) of the SCM regulations (Impractical to follow SMC processes)	10,000,675	7,288,081
	<b>11,748,852</b>	<b>8,697,399</b>

#### Award to person related to a Councillor.

Award to business associate of a councillor	-	39,142
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### 49. Prior period errors

#### Receivables from exchange transactions.

During the 2022/2023 financial year the municipality's management realised that Receivables from exchange transactions was erroneously over stated in the financial year 2020/2021 by R 20 435 and again in the financial year 2021/2022 by R 29 344 and was retrospectively adjusted.

#### Gain on disposal of Assets and liabilities.

During the 2022/2023 financial year the municipality's management realised that Gain on disposal of Assets and liabilities was erroneously over stated in the financial year 2021 by R 20 435 and again in the financial year 2022 by R 29 344 and was retrospectively corrected.

#### Receivables from non exchange transactions (Traffic fines.)

In the prior year there were traffic officers who used the incorrect charge sheet to issue traffic fines. This fines subsequently withdrawn as they were regarded invalid by the magistrate. The total amount of these traffic fines amounts to R 72 450.

#### Unauthorised expenditure

In the prior year there council of the municipality erroneously written off an amount of R 89 261 879 relating to the unauthorised expenditure instead of R 86 261 879 which resulted in an over write off and under stated unauthorised expenditure in the closing balance by an amount of R 3000 000 and during August the council resolved to reverse the error when approving the write off amounting to R 7 049 638 which included the R 3000 000 over write off.

#### Property, Plant and Equipment

##### Review of Useful lives

In the previous financial periods the municipality erroneously omitted to revise the useful lives of the certain classes of assets and consequently some of the assets were sitting at zero in the municipality's fixed assets register while still in use. In the current financial period, management decided to revise the useful lives of these classes of assets with effect from 2019/2020 financial period in order to fairly present the correct opening balances. The results of this omission constitute an error, which resulted in the decrease of accumulated depreciation at amount of R 11 251 402. Had management previously revised the useful lives of this classes of assets, the municipality would not be having assets still in use and sitting at zero in the municipality's fixed asset register.

#### Provision for landfill site asset

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022	
<b>49. Prior period errors (continued)</b>			
<p>In the previous financial periods the municipality erroneously depreciated the landfill site asset at a useful life of 5 years without taking into account the life span of 30 years for post-closure monitoring and maintenance. The use of incorrect useful life constitute an error as the landfill site asset was over depreciated since the inception. The cumulative effect of this error decreases accumulated depreciation by R 963 336.</p>			
<b>Statement of financial position</b>			
<b>2021</b>			
	Note	Correction of error	Restated
Decrease in Receivables from exchange transactions		(20,434)	(20,434)
Property, plant and equipment (accumulated depreciation)		(8,148,941)	(8,148,941)
Landfill site (accumulated depreciation)		(6,040,416)	(6,040,416)
		<b>(14,209,791)</b>	<b>(14,209,791)</b>
<b>2022</b>			
	Note	Correction of error	Restated
Decrease on Receivables from exchange transactions		(29,344)	(29,344)
Decrease in receivable from non exchange		(72,450)	(72,450)
Property, plant and equipment (accumulated depreciation)		(3,102,460)	(3,102,460)
Landfill site (accumulated depreciation)		(1,922,919)	(1,922,919)
		<b>(5,127,173)</b>	<b>(5,127,173)</b>
<b>Statement of financial performance</b>			
<b>2021</b>			
	Note	Correction of error	Restated
Decrease in Gain on disposal of Assets and liabilities		(20,434)	(20,434)
Decrease in depreciation		(8,148,941)	(8,148,941)
Decrease in Landfill site depreciation		(6,040,416)	(6,040,416)
<b>Surplus for the year</b>		<b>(14,209,791)</b>	<b>(14,209,791)</b>
<b>2022</b>			
	Note	Correction of error	Restated
Decrease in depreciation		(3,102,460)	(3,102,460)
Decrease in Landfill site depreciation		(1,922,919)	(1,922,919)
Decrease in Gain on disposal of Assets and liabilities		(29,344)	(29,344)
Decrease in revenue from exchange transaction		(72,450)	(72,450)
<b>Surplus for the year</b>		<b>(5,127,173)</b>	<b>(5,127,173)</b>

## 50. Events after the reporting date

Disclose for each material category of adjusting and non-adjusting events after the reporting date:

### Appointment of the Audit and performance committee

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

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### 50. Events after the reporting date (continued)

The council of Makhuduthamaga local municipality appointed a new Audit and performance committee on the 1st of August 2023 after the elapsement of the contract of the previous Audit and performance committee on the 30th of June 2023 and the new Audit and performance committee is as follows:

- Chuene V.K (Chairperson)
- Ramotsheli M.P(Member)
- Mabula R.A(Member)
- Majuta M.S(CA)SA(Member)
- Komane T.R(Member)

#### Irregular expenditure

The municipality incurred irregular expenditure during the current year and prior year which was referred to MPAC for investigations by Council during the year. The mpac investigation report and recommendation for an amount of R 66 969 496 write-off was approved by council after year end but before the Financial statements could be finalised for reporting. The transaction constitute an adjusting event after the reporting date and the Annual financial statements for the year ended 30 June 2023 were adjusted with this amount.

#### Debtors debt write-off

The municipality took a resolution to write-off the debt for debtors to an amount of R 26 174 865 which was approved by council after year end but before the Financial statements could be finalised for reporting. The transaction constitute an adjusting event after the reporting date and the Annual financial statements for the year ended 30 June 2023 were adjusted with this amount.

#### Unauthorised expenditure

The municipality took a resolution to write-off the unauthorised expenditure relating to the prior year to an amount of R 7 049 638 which was approved by council after year end but before the Financial statements could be finalised for reporting. The transaction constitute an adjusting event after reporting date and the Annual financial statements for the year ended 30 June 2023 were adjusted with this amount.

Furthermore the council of the municipality resolved to reverse the prior year write off by R 3000 000 which was erroneously written off and resolved to readjust the prior year figure by the mistatement.

#### Appointment of the senior managers

The council of Makhuduthamaga local municipality appointed new senior managers on the 30th of August 2023 after the elapsement of the contracts of the previous senior managers and the new senior managers appointed are as follows:

- Senior manager community services - Ms Mashao Audrey Mashianyane
- Senior manager corporate services - Mr Matsetse Pakeng Eras
- Senior manager Budget and treasury (CFO) - Mr Choene Mphiwa Victor

#### Re-deployment of the Municipal Mayor

The Mayor of Makhuduthamaga local municipality was re-deployed by her party ANC to serve as the Executive Mayor of Sekhukhune district municipality effective from 10 November 2023.

### 51. Reversal of debt impairment loss

Opening balance - Provision for debt impairment	107,286,924	543,248,728
Closing balance - Provision for debt impairment	(94,268,780)	(107,286,924)
	<b>13,018,144</b>	<b>435,961,804</b>

The municipality reached a settlement agreement with the Department of Public Works during the financial year ended June 30, 2022 to settle the long outstanding debt for Property rates. Public works paid a portion of the debt and council wrote off the other part of the balance of the debt that the municipality has provided impairment for in the prior financial years. The transaction resulted in a net reversal of provision for impairment allowance recognised to the amount of R435 961 878 for the year ended 30 June 2022 and R 13 018 144 for the year ended 30 June 2023.

**Makhuduthamaga Local Municipality**  
Annual Financial Statements for the year ended June 30, 2023

**Notes to the Annual Financial Statements**

Figures in Rand	2023	2022
<b>52. Bad debts written off</b>		
Bad debts written off	26,174,865	374,764,157
<p>The municipality has written off the debt for the businesses and department of public works in the current year to an amount of <b>R26,174,865</b> and therefore the impairment was reversed as per GRAP 104 paragraph 63. This was as a result of the collectability assessment, settlement agreements and the revaluation of public works properties.</p>		
<b>53. Contingent assets</b>		
Agency fee	-	81,770
<b>54. Operating lease-as lessee (expense)</b>		
-within one year of the reporting date	709,419	2,061,962
More than one year but less than five years of the reporting year	-	515,491
	<b>709,419</b>	<b>2,577,453</b>
<b>55. Leave Gain</b>		
Leave (Gain)/Loss	(452,262)	-
	-	-
	<b>(452,262)</b>	-
<p>As at the current year the municipality's leave provision has decreased from <b>2022</b> (R 12 482 505) to <b>2023</b> (R 11 404 563) with leave payouts to an amount of R 625 679 which caused a Leave gain to an amount of R 452 262.</p>		
<b>56. Principal agent- Limpopo Department of transport and public safety</b>		
<p>The municipality has signed a binding memorandum of agreement with Limpopo Department of transport and public safety for the administration of learners, drivers licenses and vehicle registrations, and the municipality earns Agency fees. The amount collected on behalf of the Limpopo Department of transport and public safety is ( <b>R 10 498 389</b> ) for the current year and ( <b>R 10 680 045</b> ) for the prior year.</p>		
<b>Limpopo Department of transport and public safety</b>		
Revenue recognised for transactions carried out on behalf of the principal	5,669,320	5,376,306
Revenue received on behalf of the principal	10,498,389	10,680,045
	<b>16,167,709</b>	<b>16,056,351</b>
<b>Receivables on behalf of the principal</b>		
Addition	10,498,389	10,680,045
Cash paid	(10,498,389)	(10,680,045)
	-	-
<b>57. Fair value adjustment- Investment property</b>		
Change during the year	304,000	-



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2023

## Notes to the Annual Financial Statements

Figures in Rand

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### 58. Public contributions and donations

Donation Income	3,093,765	-
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The Municipality has received a donation in kind of a Taxi rank from Sekhukhune district municipality to the value of R 94 120, a skip loader from the Department of Forestry and Fisheries to the of R 1 950 000 and Tractors from the Department of Rural development to the value of R 1 049 546.

### 59. Change in estimate

#### Property, plant and equipment

The useful lives of certain classes of assets were adjusted during 2022/2023 financial period to more accurately reflect the period of economic benefits or service potential derived from these assets. Refer to note 10. The effect of changing the remaining useful life of assets for the Municipality during 2022/2023 has decreased the depreciation and accumulated depreciation charge by R 19 214 738. Please note the following changes to existing useful lives:

Motor vehicles - 12 years straight line method

Office Equipment - 8 years straight line method

IT Equipment - 5 to 8 years straight line method

Furniture and fixtures - 5 to 10 years straight line method

Loose tools - 5 to 10 years straight line method

Landfill site Asset- 19 years straight line method

#### Debt impairment provision

The methodology of Debt impairment was reviewed in the current year under review and changed from impairing all the remaining balance for property rates debtors to align with the GRAP review standard to impair all the none paying customers and exclude those that are paying so is to assess the credit risk and also those that have an agreement with the municipality to commit to pay for their accounts.

**Makhuduthamaga Local Municipality**  
**Makhuduthamaga Local Municipality**  
**Appendix B**

**Analysis of property, plant and equipment as at June 30, 2023**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Closing Balance	Opening Balance	Disposal Accumulated depreciation	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Land and buildings</b>														
Land (Separate for AFS purposes)	265,000	1,000,000	-	-	-	-	1,265,000	-	-	-	-	-	-	1,265,000
Landfill Sites (Separate for AFS purposes)	13,990,007	-	-	-	-	(11,283,394)	2,706,613	1,258,843	-	-	254,623	-	1,513,466	1,193,147
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	58,339,619	1,432,195	-	4,203,270	-	-	63,975,084	17,157,036	-	-	2,366,022	-	19,523,058	44,452,026
	<b>72,594,626</b>	<b>2,432,195</b>	<b>-</b>	<b>4,203,270</b>	<b>-</b>	<b>(11,283,394)</b>	<b>67,946,697</b>	<b>18,415,879</b>	<b>-</b>	<b>-</b>	<b>2,620,645</b>	<b>-</b>	<b>21,036,524</b>	<b>46,910,173</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	371,468,635	-	-	33,958,289	-	66,043	405,492,967	145,092,205	-	-	19,070,811	-	164,163,016	241,329,951
WIP Infrastructure	29,232,976	93,826,210	-	(47,845,735)	-	-	75,213,451	-	-	-	-	-	-	75,213,451
WIP Electricity infrastructure	-	5,217,391	-	(5,217,391)	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>400,701,611</b>	<b>99,043,601</b>	<b>-</b>	<b>(19,104,837)</b>	<b>-</b>	<b>66,043</b>	<b>480,706,418</b>	<b>145,092,205</b>	<b>-</b>	<b>-</b>	<b>19,070,811</b>	<b>-</b>	<b>164,163,016</b>	<b>316,543,402</b>
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Makhuduthamaga Local Municipality**  
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**Appendix B**

**Analysis of property, plant and equipment as at June 30, 2023**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Closing Balance	Opening Balance	Disposal Accumulated depreciation	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>														
General vehicles	38,032,702	6,089,019	-	-	-	-	44,121,721	28,826,978	-	-	3,402,229	-	32,229,207	11,892,514
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	27,051,146	6,415,548	(30,480)	-	-	-	33,436,214	20,727,000	10,123	-	3,067,092	-	23,804,215	9,652,245
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	9,577,611	932,610	-	-	-	-	10,510,221	-	7,111,285	-	805,958	-	7,917,243	2,592,978
Community assets	14,402,779	94,120	-	9,684,176	-	-	24,181,075	3,415,208	-	-	690,233	-	4,105,441	20,075,635
Loose tools	4,437,816	937,300	-	-	-	-	5,375,116	3,322,241	-	-	291,338	-	3,613,579	1,761,537
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>93,502,054</b>	<b>14,468,597</b>	<b>(30,480)</b>	<b>9,684,176</b>	<b>-</b>	<b>-</b>	<b>117,624,347</b>	<b>56,291,427</b>	<b>7,121,408</b>	<b>-</b>	<b>8,256,850</b>	<b>-</b>	<b>71,669,685</b>	<b>45,974,909</b>

**Makhuduthamaga Local Municipality**  
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**Appendix B**

**Analysis of property, plant and equipment as at June 30, 2023**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Closing Balance	Opening Balance	Disposal Accumulated depreciation	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Total property plant and equipment</b>														
Land and buildings	72,594,626	2,432,195	-	4,203,270	-	(11,283,394)	67,946,697	18,415,879	-	-	2,620,645	-	21,036,524	46,910,173
Infrastructure	400,701,611	99,043,601	-	(19,104,837)	-	66,043	480,706,418	145,092,205	-	-	19,070,811	-	164,163,016	316,543,402
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	93,502,054	14,468,597	(30,480)	9,684,176	-	-	117,624,347	56,291,427	7,121,408	-	8,256,850	-	71,669,685	45,974,909
	<b>566,798,291</b>	<b>115,944,393</b>	<b>(30,480)</b>	<b>(5,217,391)</b>	<b>-</b>	<b>(11,217,351)</b>	<b>666,277,462</b>	<b>219,799,511</b>	<b>7,121,408</b>	<b>-</b>	<b>29,948,306</b>	<b>-</b>	<b>256,869,225</b>	<b>409,428,484</b>
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Intangible assets</b>														
Computers - software & programming	8,215,070	-	-	-	-	-	8,215,070	8,138,518	-	-	76,552	-	8,215,070	8,215,070
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>8,215,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,215,070</b>	<b>8,138,518</b>	<b>-</b>	<b>-</b>	<b>76,552</b>	<b>-</b>	<b>8,215,070</b>	<b>8,215,070</b>
<b>Investment properties</b>														
Investment property	209,500	-	-	-	304,000	-	513,500	-	-	-	-	-	-	513,500
	<b>209,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>304,000</b>	<b>-</b>	<b>513,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>513,500</b>
<b>Total</b>														
Land and buildings	72,594,626	2,432,195	-	4,203,270	-	(11,283,394)	67,946,697	18,415,879	-	-	2,620,645	-	21,036,524	46,910,173
Infrastructure	400,701,611	99,043,601	-	(19,104,837)	-	66,043	480,706,418	145,092,205	-	-	19,070,811	-	164,163,016	316,543,402
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	93,502,054	14,468,597	(30,480)	9,684,176	-	-	117,624,347	56,291,427	7,121,408	-	8,256,850	-	71,669,685	45,974,909
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	8,215,070	-	-	-	-	-	8,215,070	8,138,518	-	-	76,552	-	8,215,070	8,215,070
Investment properties	209,500	-	-	-	304,000	-	513,500	-	-	-	-	-	-	513,500
	<b>575,222,861</b>	<b>115,944,393</b>	<b>(30,480)</b>	<b>(5,217,391)</b>	<b>304,000</b>	<b>(11,217,351)</b>	<b>675,006,032</b>	<b>227,938,029</b>	<b>7,121,408</b>	<b>-</b>	<b>30,024,858</b>	<b>-</b>	<b>265,084,295</b>	<b>418,157,054</b>

**Makhuduthamaga Local Municipality**  
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**Appendix B**

**Analysis of property, plant and equipment as at 30 June 2021**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Land and buildings</b>														
Land (Separate for AFS purposes)	265,000	-	-	-	-	-	265,000	-	-	-	-	-	-	265,000
Landfill Sites (Separate for AFS purposes)	16,471,695	-	-	-	-	(2,481,688)	13,990,007	6,838,263	-	-	2,383,915	-	9,222,178	4,767,829
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	52,286,492	-	-	6,053,127	-	-	58,339,619	15,026,444	-	-	2,130,592	-	17,157,036	41,182,584
	<b>69,023,187</b>	<b>-</b>	<b>-</b>	<b>6,053,127</b>	<b>-</b>	<b>(2,481,688)</b>	<b>72,594,626</b>	<b>21,864,707</b>	<b>-</b>	<b>-</b>	<b>4,514,507</b>	<b>-</b>	<b>26,379,214</b>	<b>46,215,413</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	344,359,889	-	-	19,631,350	-	-	363,991,239	121,855,635	-	-	18,418,408	-	140,274,043	223,717,196
WIP (Infrastructure)	13,188,061	41,729,393	-	(25,684,477)	-	-	29,232,977	-	-	-	-	-	-	29,232,977
WIP Electricity infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>357,547,950</b>	<b>41,729,393</b>	<b>-</b>	<b>(6,053,127)</b>	<b>-</b>	<b>-</b>	<b>393,224,216</b>	<b>121,855,635</b>	<b>-</b>	<b>-</b>	<b>18,418,408</b>	<b>-</b>	<b>140,274,043</b>	<b>252,950,173</b>
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Makhuduthamaga Local Municipality**  
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**Appendix B**

**Analysis of property, plant and equipment as at 30 June 2021**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Heritage assets</b>														
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Specialised vehicles</b>														
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>														
General vehicles	38,032,702	6,089,010	-	-	-	5,547,988	49,669,700	28,826,978	-	-	2,270,479	-	31,097,457	18,572,243
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	27,051,146	6,415,549	30,480	-	-	4,244,858	37,742,033	20,727,000	10,123	-	2,069,797	-	22,806,920	14,905,870
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	9,577,611	932,610	-	-	-	767,395	11,277,616	7,111,285	-	-	579,705	-	7,690,990	3,586,626
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	14,402,779	94,120	-	9,684,176	-	-	24,181,075	3,415,208	-	-	684,634	-	4,099,842	20,081,233
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loose tools	4,437,816	1,127,200	-	-	-	529,925	6,094,941	3,322,241	-	-	248,179	-	3,570,420	2,524,521
	<b>93,502,054</b>	<b>14,658,489</b>	<b>30,480</b>	<b>9,684,176</b>	-	<b>11,090,166</b>	<b>128,965,365</b>	<b>63,402,712</b>	<b>10,123</b>	-	<b>5,852,794</b>	-	<b>69,265,629</b>	<b>59,670,493</b>

**Makhuduthamaga Local Municipality**  
**Makhuduthamaga Local Municipality**  
**Appendix B**

**Analysis of property, plant and equipment as at 30 June 2021**  
**Cost/Revaluation** **Accumulated depreciation**

	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Revaluations</b>	<b>Other changes, movements</b>	<b>Closing Balance</b>	<b>Opening Balance</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Depreciation</b>	<b>Impairment loss</b>	<b>Closing Balance</b>	<b>Carrying value</b>
	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>	<b>Rand</b>
<b>Total property plant and equipment</b>														
Land and buildings	69,023,187	-	-	6,053,127	-	(2,481,688)	72,594,626	21,864,707	-	-	4,514,507	-	26,379,214	46,215,413
Infrastructure	357,547,950	41,729,393	-	(6,053,127)	-	-	393,224,216	121,855,635	-	-	18,418,408	-	140,274,043	252,950,173
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	93,502,054	14,658,489	30,480	9,684,176	-	11,090,166	128,965,365	63,402,712	10,123	-	5,852,794	-	69,265,629	59,670,493
	<b>520,073,191</b>	<b>56,387,882</b>	<b>30,480</b>	<b>9,684,176</b>	<b>-</b>	<b>8,608,478</b>	<b>594,784,207</b>	<b>207,123,054</b>	<b>10,123</b>	<b>-</b>	<b>28,785,709</b>	<b>-</b>	<b>235,918,886</b>	<b>358,836,079</b>
<b>Agricultural/Biological assets</b>														
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Intangible assets</b>														
Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>														
Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>														
Land and buildings	69,023,187	-	-	6,053,127	-	(2,481,688)	72,594,626	21,864,707	-	-	4,514,507	-	26,379,214	46,215,413
Infrastructure	357,547,950	41,729,393	-	(6,053,127)	-	-	393,224,216	121,855,635	-	-	18,418,408	-	140,274,043	252,950,173
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	93,502,054	14,658,489	30,480	9,684,176	-	11,090,166	128,965,365	63,402,712	10,123	-	5,852,794	-	69,265,629	59,670,493
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>520,073,191</b>	<b>56,387,882</b>	<b>30,480</b>	<b>9,684,176</b>	<b>-</b>	<b>8,608,478</b>	<b>594,784,207</b>	<b>207,123,054</b>	<b>10,123</b>	<b>-</b>	<b>28,785,709</b>	<b>-</b>	<b>235,918,886</b>	<b>358,836,079</b>

**Makhuduthamaga Local Municipality**  
**Appendix G3**  
**Budgeted Financial Performance (revenue and expenditure)**  
**for the year ended June 30, 2023**

**2023/2022**

**2022/2021**

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Revenue By Source</b>												
Property rates	51,579,301	(5,652,194)	45,927,107	46,458,165		531,058	101 %	90 %				41,315,231
Service charges - electricity revenue	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Service charges - water revenue	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Service charges - sanitation revenue	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Service charges - refuse revenue	161,500	-	161,500	175,122		13,622	108 %	108 %				134,867
Actuarial gains	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Rental of facilities and equipment	140,100	10,000	150,100	159,924		9,824	107 %	114 %				114,166
Interest earned - external investments	1,800,000	5,000,000	6,800,000	7,216,512		416,512	106 %	401 %				1,652,967
Interest earned - outstanding debtors	2,750,000	9,779,766	12,529,766	13,535,301		1,005,535	108 %	492 %				40,171,417
Dividends received	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Fines, penalties and forfeits	170,000	800,000	970,000	809,250		(160,750)	83 %	476 %				-
Reversal of debt impairment loss	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Agency services	7,000,000	(1,000,000)	6,000,000	5,661,427		(338,573)	94 %	81 %				5,480,633
Transfers and subsidies	333,845,000	-	333,845,000	333,845,000		-	100 %	100 %				344,951,097
Other revenue	160,000	220,000	380,000	18,758,391		18,378,391	4,936 %	11,724 %				326,148
Gains on disposal of PPE	-	-	-	23,977		23,977	DIV/0 %	DIV/0 %				27,600
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>397,605,901</b>	<b>9,157,572</b>	<b>406,763,473</b>	<b>426,643,069</b>		<b>19,879,596</b>	<b>105 %</b>	<b>107 %</b>				<b>434,174,126</b>



**Makhuduthamaga Local Municipality**  
**Appendix G3**  
**Budgeted Financial Performance (revenue and expenditure)**  
**for the year ended June 30, 2023**

	2023/2022						2022/2021					
Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome	
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
<b>Expenditure By Type</b>												
Employee related costs	113,662,293	(11,512,116)	102,150,177	102,010,352	-	(139,825)	100 %	90 %	-	-	85,736,030	
Remuneration of councillors	23,596,632	621,658	24,218,290	24,227,652	-	9,362	100 %	103 %	-	-	23,596,632	
Debt impairment	7,340,231	2,165,496	9,505,727	26,174,865	-	16,669,138	275 %	357 %	-	-	71,808,037	
Depreciation & asset impairment	37,189,190	(9,574,386)	27,614,804	28,386,915	-	772,111	103 %	76 %	-	-	33,688,066	
Finance charges	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	1,516,943	
Bad debt written off	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	
Inventory consumed	2,620,000	369,240	2,989,240	2,989,240	-	-	100 %	114 %	-	-	2,587,294	
Contracted services	127,223,610	(63,880,861)	63,342,749	63,342,749	-	-	100 %	50 %	-	-	122,653,551	
Transfers and subsidies	3,144,000	(1,116,503)	2,027,497	2,027,497	-	-	100 %	64 %	-	-	2,895,169	
Other expenditure	60,175,703	114,557,657	174,733,360	180,291,658	-	5,558,298	103 %	300 %	-	-	59,101,922	
Loss on disposal of PPE	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	
<b>Total Expenditure</b>	<b>374,951,659</b>	<b>31,630,185</b>	<b>406,581,844</b>	<b>429,450,928</b>	<b>-</b>	<b>22,869,084</b>	<b>106 %</b>	<b>115 %</b>	<b>-</b>	<b>-</b>	<b>403,583,644</b>	
<b>Surplus/(Deficit)</b>	<b>22,654,242</b>	<b>(22,472,613)</b>	<b>181,629</b>	<b>(2,807,859)</b>		<b>(2,989,488)</b>	<b>(1,546)%</b>	<b>(12)%</b>			<b>30,590,482</b>	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	76,915,000	18,000,000	94,915,000	94,915,000		-	100 %	123 %			70,953,000	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-		-	DIV/0 %	DIV/0 %			-	
Transfers and subsidies - capital (in-kind - all)	-	-	-	-		-	DIV/0 %	DIV/0 %			-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>99,569,242</b>	<b>(4,472,613)</b>	<b>95,096,629</b>	<b>92,107,141</b>		<b>(2,989,488)</b>	<b>97 %</b>	<b>93 %</b>			<b>101,543,482</b>	
Taxation	-	-	-	-		-	DIV/0 %	DIV/0 %			-	
<b>Surplus/(Deficit) after taxation</b>	<b>99,569,242</b>	<b>(4,472,613)</b>	<b>95,096,629</b>	<b>92,107,141</b>		<b>(2,989,488)</b>	<b>97 %</b>	<b>93 %</b>			<b>101,543,482</b>	
Attributable to minorities	-	-	-	-		-	DIV/0 %	DIV/0 %			-	
<b>Surplus/(Deficit) attributable to municipality</b>	<b>99,569,242</b>	<b>(4,472,613)</b>	<b>95,096,629</b>	<b>92,107,141</b>		<b>(2,989,488)</b>	<b>97 %</b>	<b>93 %</b>			<b>101,543,482</b>	
Share of surplus/ (deficit) of associate	-	-	-	-		-	DIV/0 %	DIV/0 %			-	
<b>Surplus/(Deficit) for the year</b>	<b>99,569,242</b>	<b>(4,472,613)</b>	<b>95,096,629</b>	<b>92,107,141</b>		<b>(2,989,488)</b>	<b>97 %</b>	<b>93 %</b>			<b>101,543,482</b>	



AUDITOR - GENERAL  
SOUTH AFRICA

The accounting officer  
Private Bag x434a  
Jane Furse  
1085

30 November 2023

Reference: 60058REG22/23

Dear Sir

**Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Makhuduthamaga Local Municipality for the year ended 30 June 2023**

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa and section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our audit report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) you are required to include the audit report in the municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
  - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.

6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), the AGSA, or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party unless this is to a legislature or internal committee of a legislature or a court in a criminal matter and the disclosure has been approved by the auditee and the Auditor-General.
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



.....  
Senior Manager: Limpopo

Enquiries : Baby Mathew  
Telephone : (015) 283 9300  
Fax : (015) 283 9402  
Email : [babym@agsa.co.za](mailto:babym@agsa.co.za)

# Report of the auditor-general to Limpopo Provincial Legislature and council on Makhuduthamaga Local Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Makhuduthamaga Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Makhuduthamaga Local Municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (DoRA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

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

### **Material impairments/loss- receivables**

7. As disclosed in note 5 to the financial statements, provision for impairment of R94 268 769 was recorded relating to receivables from non-exchange transactions due to under-collection of revenue.
8. As stated in note 52 to the financial statements, a material loss of R26 174 865 was incurred as a result of a write off of irrecoverable debts.

### **Other matters**

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

### **Unaudited disclosure notes**

10. In terms of section 125(2) (e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon

### **Unaudited supplementary schedules**

11. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion thereon

### **Responsibilities of the accounting officer for the financial statements**

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected development priorities presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
17. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected development priorities that measures the municipality's performance on its primary mandated functions and that is of significant community or public interest.

Development priority	Page numbers	Strategic objective
<b>Basic service delivery and infrastructure development</b>	XX	To reduce infrastructure and service backlogs in order to improve quality of life of the community by providing them with roads and storm water, bridges, electricity and housing
<b>Local economic development</b>	XX	To ensure acquisition and sustainable use of land and promote economic growth and spatial development

18. I evaluated the reported performance information for the selected development priorities against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.
19. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be

delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner
  - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.
20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
21. I did not identify any material findings on the reported performance information for the development priorities
- Basic service delivery and infrastructure development
  - Local economic development.

### **Other matters**

22. I draw attention to the matters below.

### **Material misstatements**

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure development. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

## **Report on compliance with legislation**

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

#### **Financial statements, performance and annual reports**

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

#### **Expenditure management**

29. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R23 008 909, as disclosed in note 44 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA.

#### **Other information in the annual report**

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

#### **Internal control deficiencies**

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



35. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
36. The accounting officer did not adequately review the annual financial statements and the annual performance report before submitting them for auditing.

*Auditor-General*

Polokwane

30 November 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

## **Communication with those charged with governance**

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 Section 11(1) Section 13(2) Section 14(1) Section 14(2)(a) Section 14(2)(b) Section 15 Section 17(4)(a) Section 24(2)(c)(iv) Section 29(1) Section 29(2)(b) Section 32(2) Section 32(2)(a) Section 32(2)(a)(i) Section 32(2)(a)(ii) Section 32(2)(b) Section 32(6)(a) Section 32(7) Section 53(1)(c)(ii) Section 54(1)(c) Section 62(1)(d) Section 62(1)(f)(i) Section 62(1)(f)(ii) Section 62(1)(f)(iii) Section 63(2)(a) Section 63 (2)(c) Section 64(2)(e) Section 64(2)(c) Section 64(2)(f) Section 64(2)(g) Section 65(2)(a) Section 65(2)(b) Section 65(2)(e) Section 72(1)(a)(ii) Section 122(1)

Legislation	Sections or regulations
	Section 126(1)(a) Section 127(2) Section 127(5)(a)(i) Section 127(5)(a)(ii) Section 129(1) Section 129(3) Section 133(1)(a) Section 133(1)(c)(i) Section 133(1)(c)(ii) Section 170 Section 171(4)(a) Section 171(4)(b)
Municipal Investment Regulations	Section 3(1)(a) Section 3(3) Section 6 Section 7 Section 12(2) Section 12(3)
Municipal budgeting and reporting regulation	Section 7(1) Section 7(2)
Municipal system Act	Section 4(1)(a) Section 4(1)(b) Section 25(1) Section 26(a) Section 26(c) Section 26(h) Section 26(i) Section 29(1)(b)(iii) Section 29(3)(b) Section 34(a) and 4(1)(c)(ii) Section 34(b) Section 38(a) Section 42 Section 56(a) Section 57(2)(a) Section 57(4B) Section 57(6)(a)

Legislation	Sections or regulations
	Section 66(1)(a) Section 66(1)(b) Section 67(1)(d) Section 74(1) Section 96(b)
Municipal Planning and Performance Management Reg.	Section 2(1)(e) Section 2(3)(a) Section 3(3) Section 3(5)(a) Section 3(6)(b) Section 7(1) Section 8 Section 9(1)(a) Section 10(a) Section 12(1) Section 15(1)(a)(i)
Division of Revenue Act 5 of 2022 (DoRA)	Section 12(5) Section 16(1)
Municipal Property Rates Act	Section 3(1)
Disciplinary Regulations for Senior Managers	Section 5(2) Section 5(3) Section 5(6) Section 8(4)
Financial Misconduct Regulation	Section 5(4) Section 6(8)(a) Section 10(1)
PRECCA	Section 34(1)
Municipal performance regulations for municipal managers and directly accountable to municipal managers	Section 2(3)(a) Section 4(4)(b) Section 8(1) Section 8(2) Section 8(3)

Legislation	Sections or regulations
Regulations on appointments and conditions of employment of senior managers	Section 36(1)(a) Section 17(2)