

Rustenburg
Local Municipality



ANNUAL REPORT

2023/ 24

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ACRONYMS

ACRONYM	DETAIL
AG	Auditor General
BTO	Budget and Treasury Office
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
COGTA	Department of Co-operative Governance and Traditional Affairs
CPI	Consumer Price Index
DCD	Directorate Community Development
DCSS	Directorate Corporate Support Services
DPHS	Directorate Planning and Human Settlement
DPLG	Department of Provincial and Local Government
DPS	Directorate Public Safety
DTI	Department of Trade and Industry
DTIS	Directorate Technical and Infrastructure Services
EEP	Employment Equity Plan
EIA	Environmental Impact Assessment
GDP	Gross Domestic Product
GIS	Geographic information system
HH	Households
HIV/AIDS	Human Immunodeficiency Virus Infection/Acquired Immunodeficiency Syndrome
HR	Human Resources
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IRPTN	Integrated Rapid Public Transport Network
IT	Information Technology
KPA	Key Performance Area
KPI	Key performance Indicator
LAN	Local Area Network
LED	Local Economic Development
MFMA	Local Government: Municipal Finance Management Act 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Local Government: Municipal Property Rates Act 6 of 2004
MSA	Local Government: Municipal Systems Act 32 of 2000
MTREF	Medium- term Revenue and Expenditure Framework
NDP	National Development Plan
NGO	Non-Government Organisation
PMS	Performance Management System
PMU	Project Management Unit
POE	Portfolio of Evidence
PR	Proportional Representation
RWST	Rustenburg Water Services Trust
R&T	Roads and Transport
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency

CHAPTER ONE: EXECUTIVE MAYOR'S FOREWORD

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



On behalf of the Rustenburg Local Municipality Council and officials, I hereby present this Annual Report for the financial Year 2023/2024. This report will outline our performance on the targets we set ourselves to achieve over this period. The report will give our stakeholders and communities an insight into the performance and achievements of the municipality.

This 2023/24 Annual report of the Rustenburg Local Municipality, which in many ways reflects our service delivery and developmental achievements and challenges, is presented in recognition of our legislative obligation to be an accountable and transparent organisation. This annual report which also outlines the implementation and achievement of these objectives conform to the various pieces of legislation such as the section 46 of the Local Government: Municipal Systems Act No.32 of 2000 and sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003. The Municipality progressed significantly in achieving objectives with regard to the five key performance areas applicable to local government and which is outlined in this Annual Report:

1. Basic Service delivery and infrastructure development
2. Municipal transformation and development
3. Local Economic Development
4. Municipal Financial viability and management
5. Good Governance and Public Participation

It is a lawmaking authorization that as a Local Municipality, we are obligated to prepare an Annual Report which its main objective is to reflect on the performance of the Municipality for each financial year. This report is prepared in terms of the provisions of section 121(1) of the Municipal Finance Management Act as well as section 46(1) of the Municipal Systems Act of 2000.

The qualified audit outcome that we got from the auditor general simply indicates that more needs to be done. This will be done through enforcement by the Audit Committee to assist and advise Council on audit matters and ensure that things change and improve. We have also developed an Action Plan which its objective is to detect and address any shortfall regarding the finances of our Municipality. This plan will enable us to identify all the risks so as to deal with them head-on and so that we are in a better position to improve and become a Municipality who is financially viable and to work towards getting a Clean Audit.

We will continue to work closely with our communities through the Mayoral Imbizo programme that goes to each and every ward so that they know exactly what is happening within their elected Council. This will also provide us with an opportunity to know their daily challenges and be in a position to make the necessary planning to overcome those challenges timeously.

As our vision states “***An environmentally friendly city where all communities a high quality of life and diversity***” we can only achieve this through the following:

- **Key Policy Developments**

Policy formulation in Rustenburg should be more collaborative and inclusive and involve all key stakeholders in a transparent manner. The policy focus should be more reflective of contemporary good practice and in particular for diversification. In terms of the Municipal Systems section 25 (1) each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality which-

(a) links, integrates and co-ordinates plans and considers proposals for the development of the municipality:

(b) aligns the resources and capacity of the municipality with the implementation of the plan:

The Municipal System Act further indicates in section 28 (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.

- **Key Service Delivery Improvements**

The Service Delivery Budget Implementation Plan (SDBIP) of the Municipality is the cornerstone to determine the key Service Delivery objectives and targets of the Municipality based on the Integrated Development Plan (IDP). The SDBIP directly informs the Annual Budget of the Municipality and the Performance Agreements and Performance Plans of the Municipal Manager and Section 57 Managers. The Performance Plans of the Section 57 Managers at the same time informs the Performance Scorecards of the various operating sections within each department. Reporting should therefore escalate from the bottom (Sections) to the top (Departments) to enable compilation of Quarter- and Annual Performance Reports.

- **Public Participation**

Section 24 of the Municipal Systems Act (1) states that the planning undertaken by a municipality must be aligned with and complement the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the Constitution. The IDP Steering

Committee Meetings were held to comply with the above act whereby sector departments were invited to form part of some of IDP/Budget meetings.

- **Future Actions**

The performance report for the Municipality reflects a stable financial institution despite a low payment rate for services, albeit a relatively good collection rate compared to other municipalities, however, should be improved. The financial position of the municipality can be vastly improved if the payment rate improves as it will allow the municipality to fill all their critical staff vacancies, increase spending on the maintenance of infrastructure and improve the condition of their vehicle fleet and equipment. At operational level the municipality is able to maintain the level of services, but more attention is required to improve the customer care focus and to increase the general standard of service delivery. Procedures are implemented to ensure that information is recorded and reviewed on a more frequent basis to measure the attainment of targets as set in the IDP, SDBIP and Performance Plans of the senior managers.

- **Agreements/Partnerships**

Agreements / Partnerships Rustenburg Local Municipality have agreements with two water boards Magalies Water and Rand Water in order to provide and rendering of water services in an efficient, equitable, cost effective and sustainable manner which encompasses the need to ensure access of all domestic consumers to at least basic services

In conclusion While we celebrate these achievements, we are mindful of the challenges that the AG highlighted which include irregular expenditure. We are currently implementing the audit turnaround strategy to address the matters that have been raised by the AG with a view to achieving a clean audit as it is our responsibility as politicians, to ensure that our Municipality does indeed perform to the best of its ability in addressing the backlogs of all services. We will do this because this is a mandate as enshrined in our Constitution. We are compelled to do the above irrespective of the limited resources at our disposal.

I thank you.



CLLR SHIELA MABALE HUMA
EXECUTIVE MAYOR

DATE : 20/01/2025

B: MUNICIPAL MANAGER'S OVERVIEW AND EXECUTIVE SUMMARY

1.1 STATEMENT BY THE MUNICIPAL MANAGER



Rustenburg Local Municipality's Annual Report for the 2023/2024 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, No. 32 of 2000 (as amended), Section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars, templates and guidelines. In particular, MFMA Circular No. 63, issued in September 2012, added guidance to the preparation of this annual report, requiring all municipalities to report within the established framework and for such reports to be submitted to the Auditor General South Africa at the same time as the Annual Financial Statements in August each year.

The year 2023/2024 serves as a valuable instrument for all our stakeholders in assessing the performance of the municipality and understanding the real challenges that the municipality was faced with during the year under review. This report records the performance and progress made by Rustenburg Local Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the financial year 2023/2024.

As we present this 2023/2024 Annual Report, it is important to emphasise that we are aware of the fact that legislation gives effect to the local government systems that place greater service delivery responsibilities on managers and also holds them accountable for their performance and for the management of public funds.

The overall audit outcome of the municipality is qualified with findings the same as the previous year's audit outcome. This depicts a stable contribution towards management of the municipality's affairs despite the challenges the municipality is facing.

The 2023/2024 financial year has been a challenging year for Rustenburg. The strain that factors like the load shedding and water challenges have had a significant impact on projected deliverables.

It is also important to note and emphasise that, for the period under review, Rustenburg Local Municipality operated with acting Senior Managers. This reality affected the stability and the seamless implementation of key Council resolutions.

As an administration that is expected to perform its duties in an increasingly demanding environment, the municipality had to take tough decisions that still have an impact on the lives of the people we serve.

I am, however, thankful to the employees and management for their commitment, passion and hard work during the year under review. We still managed to deliver on a number of service delivery commitments under the said conditions.

We continue to encourage management to consistently monitor compliance with the SCM policy, laws, and regulations, as both internal and external auditors identified material risks and, in some instances, non-compliance with legislation impacting on the audit report.

We endeavour to streamline institutional and individual performance management systems to ensure alignment to service delivery initiatives throughout the organisation. The streamlining of these processes should include timely performance appraisals at all levels to identify non/under performance and implementation of measures to improve performance.


We also note that management should exercise adequate oversight responsibility to ensure that all the critical indicators must form the base in our planning documents.

Management commits to monitor the implementation of policies and procedures to ensure all officials adhere to laws and regulations.

I would like to take this opportunity to thank our Executive Mayor, Speaker of Council, Single Whip, Municipal Public Accounts Committee, Senior Managers, Essential Services workers and all Municipal workers for the commitment that has been shown in ensuring that this municipality carries out its legislative mandate.

Lastly, the people of Rustenburg for the meaningful participation in the affairs of the Municipality.

Thank you.


ADV. ASHMAR KHUDUGE
MUNICIPAL MANAGER
DATE: 20/01/2025

1.2 EXECUTIVE SUMMARY

Legislative Requirements for the Preparation of the Annual Report:

Concerted efforts were made during the compilation of the annual report to comply with Section 121(1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) which stipulates that: “Every municipality and a municipal entity must for each financial year prepare an annual report in accordance with its guidelines”. It further states that “The Executive Mayor must within seven months after the end of the financial year table the municipality’s Annual Report in council.”

Section 46(1) of the Local Government: Municipal Systems Act, 32 of 2000 (MSA) prescribes that a municipality must prepare for each financial year a performance report reflecting:-

The performance of the municipality and of each external service provider during the financial year;

A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and

Measures taken to improve performance.

(2) An Annual Performance Report must form part of the municipality’s Annual Report in terms of chapter 12 of the MFMA.

The Rustenburg Local Municipality had a functional and knowledgeable Performance Audit Committee (PAC). The work of the PAC was enhanced by a functional Internal Audit Unit.

A Risk Committee was established and was fully functional, with the assistance of a functional Risk Management Unit. All systems regarding implementation of risk management were in place i.e.

Risk Management Policy (reviewed annually)

Risk Management Strategy (reviewed annually)

Risk and Fraud Assessments conducted regularly.

Much time was allocated to focus on internal controls to address cases of irregular, unauthorised, fruitless and wasteful expenditure. Existing contracts were reviewed as well as contracts entered into for the period under review for compliance with the MFMA and in some cases, contracts were suspended with an intention to terminate. This resulted in a litany of litigations.

For the financial year 2023/2024 the municipality obtained a qualified audit opinion.

1.3. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The Rustenburg Local Municipality is a category B municipal council consisting of 45 wards. It is located in the eastern parts of the North-West Province and is accessible to a number of major South African urban centres. These centres include Johannesburg and Tshwane, which are located approximately 120km from Rustenburg. Smaller centres surrounding Rustenburg are Madibeng, Mogale City and

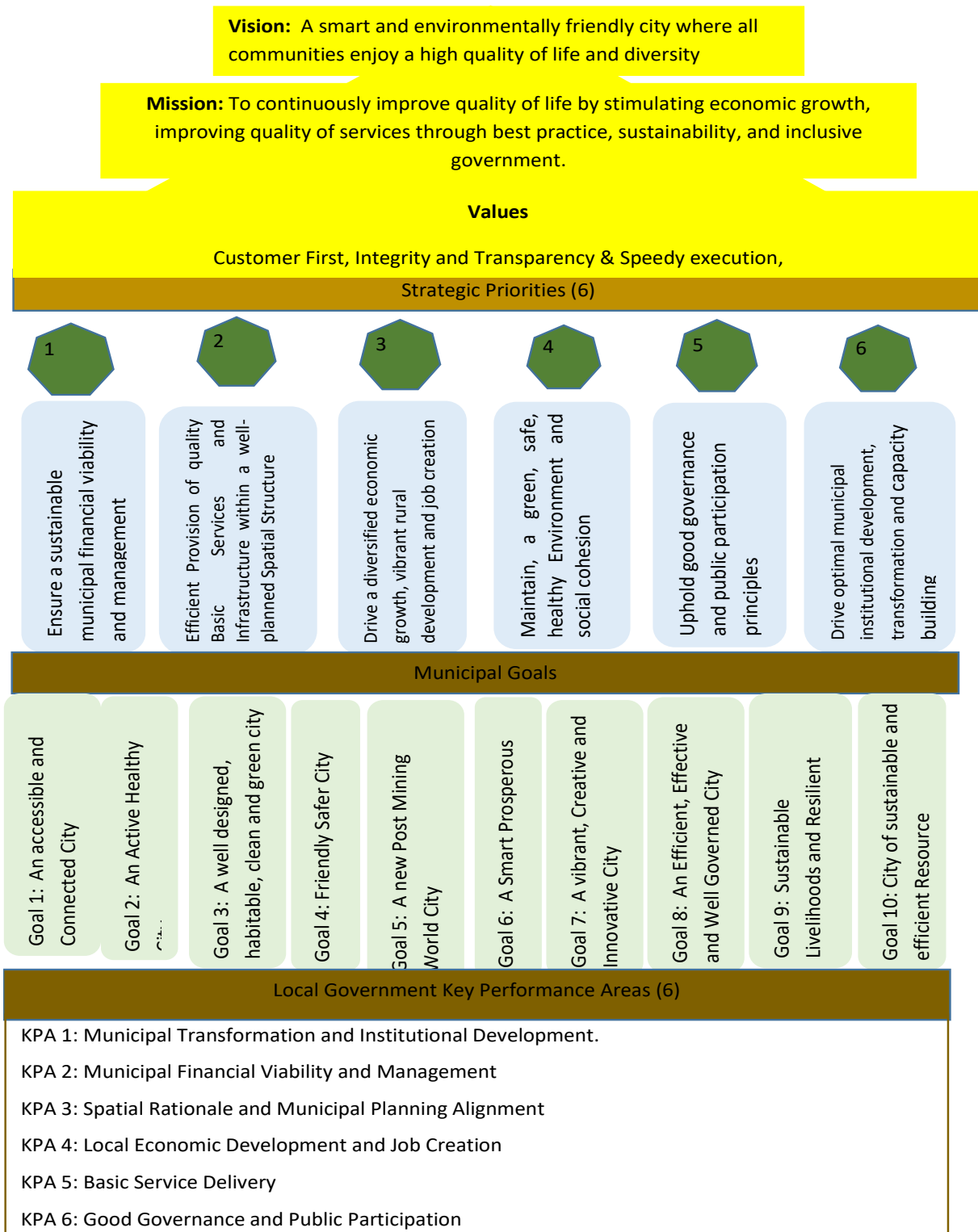
Zeerust in the Ramotshere Moilwa Local Municipality. Rustenburg is linked to the above urban centres through an extensive regional road network. The most notable of these is the N4 freeway or Platinum Corridor, which links Rustenburg to Tshwane in the east and Zeerust to the west. The R24 links Rustenburg to Johannesburg in the south and the Pilanesberg to the north.

Rustenburg Local Municipality (RLM) is one of five municipalities within the Bojanala District Municipality in the North-West Province and is divided into 45 wards. The total population is 719 000 people, comprising of 60% males and 40% females. The significant growth in Rustenburg is attributed to the impact of the world's largest mines in the immediate vicinity of the town, namely, Impala Platinum, Anglo American, Sibanye Stillwater/Gold, Bakubung Platinum, Lonmin, Royal Bafokeng Platinum, Tharisa Minerals, Glencore, and Ilitha Mining. Approximately 97% of the total platinum production occurs in Rustenburg, with the mining sector providing around 50% of all formal employment.

1.4 MUNICIPAL STRATEGIC AGENDA

In line with the above national and provincial Vision directives, the Rustenburg Local Municipality Strategic Agenda which includes a Vision, Mission, Municipal Values, Strategic Priorities/ Thrusts and Municipal Goals are reflected in **Diagram 1** below and are graphically summarised on the next few pages:

The Vision, Mission and Strategic Priorities, including Municipal Values are:



The above RLM Strategic Agenda should be implemented in pursuance of the following six Key Performance Areas for Local Government as contained in the Municipal Planning and Performance Management Regulations (2006) as promulgated by National Government:

KPA1: Municipal Transformation and Institutional Development

To have a representative and motivated municipal work force with high ethical standards empowered to render optimal services.

KPA2: Good Governance and Public Participation

To ensure service delivery in accordance with “Batho-Pele” principles and legislative requirements and through extensive consultative processes with local stakeholders/ communities.

KPA3: Municipal Financial Viability and Management

To manage the Municipality’s finances to ensure a financially viable Municipality able to meet all financial obligations.

KPA4: Local Economic Development and Job Creation

To facilitate and implement local economic development initiatives and processes to promote sustainable economic growth for the municipal area.

KPA5: Basic Service Delivery

To render cost effective and sustainable services to the entire community with diligence and empathy.

KPA6: Spatial Rationale and Municipal Planning Alignment

To ensure that all development within the municipality is based on a coherent Spatial Rationale as defined in the Municipal Spatial Development Framework and that all sector plans are aligned to this rationale.

1.5 SERVICE DELIVERY OVERVIEW

The municipality is providing basic services to all residents within its area of jurisdiction as expected despite the challenge of having to cater for the unplanned population explosion. According to Census 2021 (StatsSA), the residents of Rustenburg have reported to having access to the following basic services:

Table 1: Basic Services provided to households in the Rustenburg Local Municipality

No	Type of Service Provided	Percentage %
1	Solid Waste	100% of formal settlements 80% of informal settlements
2	Access to electricity	92%
3	Access to sanitation (VIP/ Sewer System)	86%
4	Access to water (Water tanking, Communal Standpipe, House connections)	99%

1.6 FINANCIAL HEALTH OVERVIEW

Rustenburg Local Municipality has been under financial constraints because of the global economic outlook which has been weaker than anticipated. Domestic inflation is higher, largely because of increasing oil prices. However, the depreciation of the Rand and the current drought gripping many parts of the country, pose some risk to the inflation outlook. The Mining sector contributes more than 50% of the local economy. The mining sector is the largest employer within Rustenburg. Most mines around Rustenburg resorted to retrenching employees because of the current economic situation and this resulted in our debtor's book growing. Furthermore, the electricity and water supply shortages pose the largest domestic risk to growth.

Persistently high unemployment remains one of South Africa's most pressing challenges and most of the people come to Rustenburg to seek employment in mines. These economic challenges will continue to pressurize municipal revenue generation and Collection.

1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW AND PERFORMANCE

The organisational performance can be measured against the performance of the Section 56 Managers, which includes the performance of the Municipal Manager and that of the Directors respectively.

1.8 AUDITOR GENERAL REPORT: 2023/2024

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor General is to express an opinion on the municipality's financial statements while conducting an audit in accordance with International Standards on Auditing.

1.9 STATUTORY ANNUAL REPORT PROCESS

According to the Municipal Finance Management Act, 2003, the Executive Mayor must within seven months after the end of the financial year table the municipality's Annual Report in the Council. Thereafter the accounting officer must make the annual report public; and invite local communities to submit representations to the Municipal Public Accounts Committee (MPAC). The Municipal Council must consider the oversight report from the MPAC on the annual report during an open meeting. The oversight report should include all submissions made by the local communities and other stakeholders like sector departments.

Section 121 (1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that: "Every municipality and municipal entity must for each financial year prepare an annual report in accordance with Chapter 12 of the same Act.

This Annual Report was compiled according to the requirements of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended and MFMA Circular No 63 dated September 2012. The main objective or purpose of this report is:

- (a) Provide a record of the activities of the Rustenburg Local Municipality and Rustenburg Water Services Trust during the financial year 2023/2024
- (b) Provide a report on performance against the budget of the Rustenburg Local Municipality and its entity for the financial year 2023/2024; and
- (c) Promote accountability to the local community for the decisions made during the financial year ended June 2024 by the municipality and the Rustenburg Water Services Trust.

According to the MFMA, this Report should include:

- (a) The annual financial statements of the Municipality, and consolidated annual financial statements, submitted to the Auditor-General for audit in terms of section 126 (1) of the MFMA
- (b) The Auditor-General's audit report in terms of section 126 (3) of the MFMA and in accordance with s45 (b) of the MSA; on the financial statements in (a) above.
- (c) The annual performance report of the Municipality as prepared by the Rustenburg Local Municipality in terms of section 45 (b) of the Local Government: Municipal Systems Act 32 of 2000 (MSA).
- (d) An assessment of the arrears on municipal taxes and service charges.
- (e) An assessment of the Municipality's performance against the measurable performance objectives referred to in Section 17 (3) (b) of the MFMA for revenue collection from each

revenue source and for each vote in the Municipality's approved budget for the financial year 2023/2024.

- (f) Corrective action taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d); and
- (g) Recommendations of the Municipality's Performance Audit Committee.

CHAPTER TWO: GOVERNANCE

2.1 INTRODUCTION TO GOVERNANCE

This chapter presents governance mechanisms, structures and systems that were put in place to ensure that the municipality complies with legal requirements. These include community participation, oversight, monitoring and evaluation and how the municipality communicates with and accounts to the community. To ensure that accountability and governance arrangements are in place, Section 18(1)(d) of the Municipal Systems Act, 2000 (Act no 32 of 2000), read with Section 121(2)(c) of the Municipal Finance Management Act, 2003 (Act no 56 of 2003) prescribes that information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA, be undertaken through the compilation and publication 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.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.2 INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Rustenburg Local Municipality is implementing an Executive Mayoral and Ward Participatory System of local governance, which ensures that the municipality involves the community and that all citizens within the area of jurisdiction of the municipality are represented in decision making processes. This practice has increased residents' sense of belonging and pride, accountability and empowerment and actively involves them in all issues dealt with by the municipality.

Administrative governance ensures transparent administration, regular feedback to the community and compliance with the rules, processes, and laws by which the Council operates and is regulated and controlled.

2.3 POLITICAL GOVERNANCE

The council of Rustenburg Local Municipality is constituted by 90 Councilors, with 45 wards and 45 proportional representative Councilors. The Mayoral Committee consists of ten (10) members. Ward Councilors chair ward committees whose responsibility is to discuss issues of local concern.

Table 2.1 The party-political representation of Councilors

Political Party	Number Councilors	Gender Distribution	
		Male	Female
African Christian Democratic Party	1	1	-
African Independent Congress	1	1	-
African National Congress	43	31	12
Arona	1	1	-
Botho Community Movement	1	1	-
Democratic Alliance	13	8	5
Economic Freedom Fighters	17	8	9
Forum 4 Service Delivery	1	1	-
Independent	1	1	-
Tsongang	7	4	3
Freedom Front+	3	2	1
United Democratic Movement	1	-	1
TOTAL	90	59	31

The Council elected the Speaker, Clr L J Pule in terms of section 36 of the Municipal Structures Act, 1998 (Act No. 117 of 1998), to chair Council meetings per item 125 (5) of 27 June 2023, after resignation of the Speaker, Clr K Mogomotsi. She is also responsible for capacitating Councilors and Ward Committees to better carry out their mandate as per Local Government: Municipal Structure Act, Act 117 of 1998. 25 (5).

The Municipality operates within an Executive Mayoral System under the leadership of Her Worship, the Honourable Executive Mayor Cllr S.S.K. Mabale-Huma who was appointed as per section 55 of Municipal Structures Act, 1998 (Act No. 117 of 1998), per item 269 of 22 November 2021

Clr. L. L. Mabe was elected as the Single Whip of the Council as per item 270 on 22 November 2021.

SPEAKER & SINGLE WHIP



Speaker: Cllr L.J Pule



Single Whip: Cllr. LL Mabe

The Rustenburg Local Municipality established a Mayoral Committee and Portfolio Committees in terms of Section 80 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) to assist the Executive Mayor in executing her functions. According to the provision of the quoted piece of legislation, Executive Mayor is the chairperson of the Mayoral Committee while members of her Mayoral Committee are chairpersons of Portfolio Committees.

Table 2.2 Mayoral Committee Members

NO.	Portfolio	Member of the Mayoral Committee
1	Public Safety	MMC Cllr Mputle V
2	Budget and Treasury	MMC Cllr Nke HSRR
3	IDP, PMS and Legal	MMC Cllr Pule EST
4	Local Economic Development	MMC Cllr Phutu KK
5	Technical and Infrastructure Services	MMC Cllr Rampou DT
6	Community Development	MMC Cllr Xatasi N
7	Roads and Transport	MMC Cllr Pule EST (Acting)
8	Corporate Support Services	MMC Cllr Gaonakala MI
9	Planning and Human Settlements	MMC Cllr Marekoa BB
10	Special Projects	MMC Cllr Khoeli L

MEMBERS OF THE MAYORAL COMMITTEE & THEIR PORTFOLIOS



**Cllr Mputle V. :
MMC Public Safety**



**Cllr Nke HHSR (Till February 2024)
MMC Budget & Treasury Office**



**Cllr. Kombe OJ (from 06 March 2024)
MMC Budget & Treasury Office**



**Cllr. Pule S.T
MMC IDP**



**Cllr. Phutu K.:
MMC Local Economic Development**



**Cllr. Rampou T.:
MMC Technical and Infrastructure Services**



**Cllr. Xatasi:
MMC Community Development**



Cllr. Khoeli L.
MMC Special Projects



Cllr. Gaonakala MI
MMC Corporate Support Services



Cllr. Marekoa B.
MMC Planning & Human Settlement

2.4 OTHER COMMITTEES

The council further established the following committees in terms of Section 79 of the same Act of 1998 to provide special advice on specific technical issues:

- Municipal Planning Tribunal
- Local Labour Forum (LLF)
- Municipal Public Accounts Committee (MPAC)
- Rules of Order
- IDP/ Budget Steering Committee.

2.5 PERFORMANCE AUDIT COMMITTEE (PAC)

The Performance Audit Committee was established in terms of section 166 of Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The members of the Performance Audit Committee were appointed by the council of the municipality. It consists of minimum of three (3) members and maximum of five (5) members with appropriate experience and who are not in the employment of the municipality or municipal entity. They meet as often as required to perform the committee's functions, but at least a minimum of four (4) times a year. The composition and meeting intervals are as prescribed by the MFMA section 166.

The Performance Audit Committee is an independent advisory body that must advise the municipal council, the political office bearers, the accounting officer, management and staff of the municipality and the municipal entity, on matters relating to:

- Internal financial control and internal audits.
- Risk management.
- Accounting policies.
- The adequacy, reliability and accuracy of financial reporting, records and information.
- Performance management.
- Effective governance.
- Compliance with the Municipal Finance Management Act, the annual Division of Revenue Act and any other applicable legislation.
- Performance evaluation; and
- Any other matter referred to it by the Municipality or its entity.

The Performance Audit Committee should be safeguarded from undue influence in exercising its responsibilities in an objective manner.

The Committee does not perform any management functions or any management responsibilities, as this could prejudice the objectivity of the Committee.

2.6 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE (PAC)

The committee's terms of reference require a maximum of five (5) members and consists of the members listed below.

Table 2.3 Members of the Performance Audit Committee

No.	MEMBER	TERM	POSITION	STATUS
1.	S Ngobeni	Appointed Chairperson 15 July 2022 (month-to-month basis while the process of filling the PAC vacancies unfold) 3 years (Appointed 03 November 2023)	Chairperson	Current
2.	L Moyo	Appointed 15 July 2022 (month-to-month basis while the process of filling the PAC vacancies unfold) Contract ended (03 November 2023)	Member	Terminated
3.	L Lesolang	3 years (Appointed 26 January 2021) Appointed 18 January 2024 (month-to-month basis while the process of filling the PAC vacancies unfold)	Member	Current
4.	G Mokoana	3 years (Appointed 03 November 2023)	Member	Current
5.	M Matolong	3 years (Appointed 03 November 2023)	Member	Current

Attendance

During the year under review, eleven (11) Performance Audit Committee meetings were held (including induction of new members), for the parent municipality and the municipal entity (Rustenburg Water Services Trust). External stakeholders such as the Auditor General of South Africa (AGSA), National Treasury were invited to these meetings.

Table 2.4 Attendance of meetings

RUSTENBURG LOCAL MUNICIPALITY

No.	MEMBER	ROLE	MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
1.	S. Ngobeni	Chairperson	21 July 2023 (4 th Quarter – 2022/23)	7	7
2.	L Moyo	Member	24 August 2023 (AFS)	7	3
3.	J Lesolang	Member	30 August 2023 (AFS & APR)	7	5
4.	G Mokoana	Member	26 October 2023 (AGSA – Audit Strategy for RLM & RWST)	7	3
5.	M Matolong	Member	12 December 2023 (AGSA – Draft Audit Report & Final Management Report) 08 March 2024 (1 st & 2 nd Quarter - 2023/24) 24 May 2024 (3 rd Quarter - 2023/24)	7	3

RUSTENBURG WATER SERVICES TRUST

No.	MEMBER	ROLE	MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
1.	S. Ngobeni	Chairperson	25 August 2023 (4 th Quarter – 2022/23 & AFS) 01 March 2024 (Induction – New PAC member for RLM & RWST) 15 March 2024 (1 st & 2 nd Quarter - 2023/24) 06 June 2024 (3 rd Quarter - 2023/24)	4	4
2.	L Moyo	Member		4	1
3.	J Lesolang	Member		4	3
4.	G Mokoana	Member		4	3
5.	M Matolong	Member		4	2

2.7 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Council appointed the management team to ensure that the municipality provides services to the communities as captured in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). The Municipal Manager is the link between the Municipal Council and the administration and therefore accounts to the Council through the Executive Mayor. The day-to-day management of the affairs of the municipality is carried out by the Municipal Manager and he is assisted by a team of senior managers. The following are Senior Managers:

Table 2.5 Senior Managers

2023/2024	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
POSITION	NAME	NAME	NAME	NAME
Municipal Manager	Boikanyo K I (Acting)	Khuduge A.R	Khuduge A.R	Khuduge A.R.
Chief Financial Officer	Mdhluli V (Acting)	Mdhluli V (Acting)	Mdhluli V (Acting)	Mdhluli V (Acting)
Director Planning & Human Settlement	Matshego D (Acting)	Mongale M (Acting)	Maema I M (Acting)	Maema I M (Acting)
Public Safety	Ramothwala M (Acting)	Ramothwala M (Acting)	Ramothwala M (Acting)	Ramothwala M (Acting)
Director Technical and Infrastructure Service	Mahlangu G (Acting)	Mahlangu G (Acting)	Mahlangu G (Acting)	Ndzukula W (Acting)
Community Development	Jele L (Acting)	Jele L (Acting)	Jele L (Acting)	Jele L (Acting)
Roads and Transport	Moleele MO	Moleele MO	Moleele MO	Mahlangu G (Acting)
Corporate Support Services	Mahapela P (Acting)	Mahapela P (Acting)	Mahapela P (Acting)	Mahapela P (Acting)
Local Economic Development	Sehloho T (Acting)	Mantswe P (Acting)	Sehloho T (Acting)	Mantswe P (Acting)
Manager Office of the Executive Mayor	Mfuloane D	Mfuloane D	Bele S	Bele S
Chief Audit Executive	Mabe CS	Mabe CS	Mabe CS	Mabe CS
Manager Office of the Municipal Manager	Pilane V	Pilane V	Pilane V	Pilane V
Manager Office of the Speaker	Tebeli M	Tebeli M	Tebeli M	Tebeli M
Manager Strategy & Planning	Dire MM	Dire MM	Dire MM	Dire MM
Manager office of the Single Whip	Molokoe G	Molokoe G	Molokoe G	Molokoe G
Chief Risk Officer	Khiba B	Khiba B	Khiba B	Khiba B

The Municipal Manager has established the following administrative committees to assist him to perform his duties in accordance with the principles of good governance and legislative stipulations and statutory frameworks:

- The Management Committee (MANCO) consists of the Municipal Manager and Section 56 managers and meet on a weekly basis.
- Supply Chain Management Committees: Bid Specification, Bid Evaluation and Bid Adjudication Committees – these bid committees meet on a weekly basis.
- Audit Steering Committee – meet on a weekly basis.
- Revenue Protection Team
- Service Delivery Committee

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.8. CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Proactive cooperation between all spheres of government is critical for efficient and effective service delivery if the municipality is to succeed in its developmental role. Each sphere of government has a role in development planning, prioritization and resource allocation and management. The Intergovernmental Relations Framework Act (IGRFA) was passed in 2005. The Act provides a framework for the cooperation among the three spheres of government as distinctive, interdependent and interrelated, and it defines the responsibilities and institutional structures to support closer cooperation.

2.9. INTERGOVERNMENTAL RELATIONS

2.9.1 DISTRICT INTERGOVERNMENTAL STRUCTURES

Rustenburg Local Municipality is an active participant in the Bojanala Platinum District Municipality's Intergovernmental Relations (IGR) Forum through the following structures:

Political IGR: where mayors and other politicians discuss local and district service delivery issues of common interest and challenges are resolved.

Technical IGR: Accounting officers and other senior managers meet on a quarterly basis to discuss progress on service delivery, barriers to policy implementation and how these could be escalated to the political forum for resolution.

IDP Managers Forum: These managers also meet on a quarterly basis to discuss progress in the implementation of each municipality's IDP and Time Schedules and make recommendations to the Technical IGR for further processing.

2.9.2 RELATIONSHIP WITH MUNICIPAL ENTITIES

The municipality established Rustenburg Water Services Trust to manage wastewater purification on its behalf. The Local Government: Municipal Finance Management Act, 2003 read with the Local Government: Municipal Systems Act, 2000 prescribes that Municipal Entities must fully account and report to the parent municipality. The law further requires that budgets and annual financial statements should be consolidated, which in essence requires full interaction between the parent municipality (Rustenburg Local Municipality) and the municipal entity (Rustenburg Water Services Trust).

2.9.3 Mayoral Stakeholder Engagement Committee (MASECO)

Through the Mayoral Stakeholder Engagement Committee (MASECO) the municipality managed to engage in dialogue with most mining companies and other stakeholders who had interest or were affected by the mining operations in the area through this committee.

Table 2.6 MASECO and Other Meetings 2023/2024

NO.	MASECO MEETINGS	MINIING HOUSES	DATE OF THE MEETING
1.	MASECO	Impala Platinum Mine	06 November 2023
2.	MASECO	Rhovan Mine	13 November 2023
3.	MASECO	Tharisa Minerals	15 November 2023
4.	MASECO	Rustenburg Chrome Mine	15 November 2023
5	MASECO	Vizirama Mine	21 November 2023

NO.	MASECO MEETINGS	MINIING HOUSES	DATE OF THE MEETING
6.	MASECO	Sibanye Stillwater	23 November 2023
7.	MASECO	Vizirama Mine	21 February 2024
8.	MASECO	Impala Platinum Mine	12 March 2024
9.	MASECO	Impala Bafokeng Mine	20 March 2024
10.	MASECO	Glencore Alloys	17 April 2024
11.	Other	Meeting with Department of Home Affairs	07 May 2024
12.	Other	Follow up meeting with Dept. of Home Affairs	10 May 2024
13.	Other	Meeting with Glencore, IDP, LED, and IGR	16 May 2024
14.	MASECO	BAUBA Mine	04 July 2024
15.	Other	Meeting with Department of Human Rights	06 June 2024
16.	Other	Meeting with Kgosana (Ward 26)	24 June 2024
17.	Other	Meeting with Impala Platinum Mine	24 June 2024

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.10. PUBLIC ACCOUNTABILITY AND PARTICIPATION



**CLLR J. MELANZI
MPAC CHAIRPERSON**

Clr J Melanzi was appointed on the 22nd of November 2021, per Council Resolution No. 271, as the MPAC Chairperson.

The Municipal Public Accounts Committee (MPAC) was established in terms of section 79A of the Municipal Structures Act, 1998 (Act No 117 of 1998). The committee was established for the effective and efficient oversight function on behalf of the Council. Membership excluded the Executive Mayor, Speaker, Chief Whip, or a Member of Mayoral Committee (MMC) and was comprised of the following councillors:

MEMBERS OF MPAC	
1.	Cllr Melanzi J
2.	Cllr De Beer J M
3.	Cllr Phiri K B
4.	Cllr Kombe O J
5.	Cllr Letlape M S
6.	Cllr Mokgatle O
7.	Cllr Nhacuangue N
8.	Cllr Serunye C
9.	Cllr Snyders L
10.	Cllr Phalole N

2.11. MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The committee had the following meetings during the period under review including special meetings and further investigated other matters referred by council in accordance with the approved annual work plan.

Table 2.7 Meetings of the Public Accounts Committee

No	Details of the Meeting	Total number of meetings held.	Date
1	Scheduled as per central diary (Ordinary meeting)	2	25 October 2023 15 May 2024
2	Special meeting	3	06 November 2023 15 March 2024 19 June 2024
3	Meeting with the Senior Management	1	20 February 2024
4	Meeting with the Executive Mayor and Mayoral Committee	1	21 February 2024
5	Meeting with the Performance Audit Committee (PAC)	1	16 February 2024
6	Meeting with the Rustenburg Water Trust	1	23 February 2024
7	Auditor-General South Africa	1	16 February 2024
8	Public Participation	9 (Clustered wards as per Notice:04/ 2024)	04 March – 13 March 2024

2.12 REPORT ON ALL MATTERS/ITEMS REFERRED TO MPAC BY COUNCIL (MPAC)

Table 2.8 Matters Referred to MPAC By Council

The MPAC is appointed by the Municipal Council in accordance with the provisions of Section 79A (3) of the **Municipal Structures Act**, No. 117 of 1998 to, amongst others:

- review the Auditor-General’s reports and comments of the management committee and the audit committee and make recommendations to the municipal Council;
- review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal Council.
- **initiate and develop the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act.**
- attend to and make recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of this committee, a councillor and the municipal manager; and
- on its own initiative, subject to the direction of the municipal council, investigate and report to the municipal council on any matter affecting the municipality.

DATE	ITEM NO & RESOLUTION	DESCRIPTION	ACTION/PROGRESS
31/01/2024	Item 4, That an Oversight Report be submitted to Council by the end of March 2024	TABLING OF THE ANNUAL REPORT 2022-2023	Completed Item 39, Council Minutes of 26 March 2024
31/01/2024	Item 1, That the unauthorized expenditure of R167 586 698 which relates to non-cash item under VOTE 1- EXECUTIVE MAYOR (COUNCIL GENERAL), VOTE 3- CORPORATE SUPPORT SERVICES, VOTE 4- BUDGET AND TREASURY and Vote 9- TECHNICAL AND INFRASTRUCTURE be referred to MPAC for further investigation.	Report on unauthorised expenditure for financial year ended 2021-2022	Completed Item 72, Council Minutes of 28 June 2024

DATE	ITEM NO & RESOLUTION	DESCRIPTION	ACTION/PROGRESS
28.03.2023	Item 51, That after the findings by Municipal Public Accounts Committee a report be presented at the next Ordinary Council meeting.	UPDATE: 2021-22 FINANCIAL YEAR AUDIT AND POST AUDIT ACTION PLAN- JANUARY 2023	The MPAC issued RFIs particularly for submission of compliant UIF&We Registers to enable it to investigate and report back to Council with recommendations. Implementation is in progress but there have been submission delays on the management's side. (In progress)
28/03/2023	Item 63, The above procurements be referred to the Municipal Public Accounts Committee ("MPAC") for further determination of whether the said procurements qualify as deviations as defined	SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS FOR OCTOBER 2022	The MPAC issued Deviation Questionnaires to source additional information to enable it to review the deviations and report back to Council with recommendations. Implementation is in progress but there have been submission delays on the management's side. (In progress)
15/09/2023	186, That the unauthorized expenditure of R3 498 989 for VOTE 5 – PUBLIC SAFETY 2015 be referred to Municipal Public Accounts Committee (MPAC) for further investigation	REPORT ON UNAUTHORISED EXPENDITURE FOR FINANCIAL YEARS ENDED 2014-15 AND 2015-16	The MPAC issued RFIs particularly for submission of compliant UIF&We Registers to enable it to investigate and report back to Council with recommendations. Implementation is in progress but there have been submission delays on the management's side. (In progress)

DATE	ITEM NO & RESOLUTION	DESCRIPTION	ACTION/PROGRESS
	<p>Item 186, That the unauthorized expenditure of R1 079 161 for VOTE 5 – PUBLIC SAFETY 2016 be referred to Municipal Public Accounts Committee (MPAC) for further investigation; and</p>		<p>The MPAC issued RFIs particularly for submission of compliant UIF&We Registers to enable it to investigate and report back to Council with recommendations. Implementation is in progress but there have been submission delays on the management's side.</p> <p>(In progress)</p>
	<p>Item 186, That the Municipal Public Accounts Committee (MPAC) presents reports on the outcome of its investigations within ninety (90) days from the date of this resolution.</p>		<p>The MPAC issued RFIs particularly for submission of compliant UIF&We Registers to enable it to investigate and report back to Council with recommendations. Implementation is in progress but there have been submission delays on the management's side.</p> <p>(In progress)</p>
15/09/2023	193, SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS FOR APRIL 2023	The above procurement be referred to the Municipal Public Accounts Committee ("MPAC") for further determination of whether the said procurements qualify as deviations as defined	The MPAC issued Deviation Questionnaires to source additional information to enable it to review the deviations and report back to Council with recommendations. Implementation is in progress but there have been submission delays on the management's side.
15/09/2023	Item 194, The above procurement be referred to the Municipal Public Accounts Committee ("MPAC") for further determination of whether the said procurements qualify as deviations as defined	SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS FOR MAY 2023	The MPAC issued Deviation Questionnaires to source additional information to enable it to review the deviations and report back to Council with recommendations. Implementation is in

DATE	ITEM NO & RESOLUTION	DESCRIPTION	ACTION/PROGRESS
	<p>MPAC to present its report on the aforesaid determination to the municipal Council within ninety (90) days from the date of this resolution</p>		<p>progress but there have been submission delays on the management's side.</p> <p>(In progress)</p>
15/09/2023	<p>Item 195, The above procurement be referred to the Municipal Public Accounts Committee ("MPAC") for further determination of whether the said procurements qualify as deviations as defined</p> <p>MPAC to present its report on the aforesaid determination to the municipal Council within ninety (90) days from the date of this resolution</p>	<p>SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS FOR JUNE 2023</p>	<p>The MPAC issued Deviation Questionnaires to source additional information to enable it to review the deviations and report back to Council with recommendations. Implementation is in progress but there have been submission delays on the management's side.</p> <p>(In progress)</p>
15/09/2023	<p>Item 196, The above procurement be referred to the Municipal Public Accounts Committee ("MPAC") for further determination of whether the said procurements qualify as deviations as defined</p> <p>MPAC to present its report on the aforesaid determination to the municipal Council within ninety (90) days from the date of this resolution</p>	<p>SUPPLY CHAIN MANAGEMENT: APPROVED DEVIATIONS FOR JULY 2023</p>	<p>The MPAC issued Deviation Questionnaires to source additional information to enable it to review the deviations and report back to Council with recommendations. Implementation is in progress but there have been submission delays on the management's side.</p> <p>(In progress)</p>

WARD COMMITTEES

The municipality has established 45 ward committees which convened monthly meetings that served as a platform for interaction, engagement and sharing information between the Ward Councilor and committee members. Ward councilors and their ward committees conduct meetings in their areas to give feedback on the performance of the municipality to the communities on a quarterly basis and assist in addressing developmental needs and challenges.

2.13 IDP PARTICIPATION AND ALIGNMENT

PUBLIC PARTICIPATION/COMMUNITY CONSULTATION PROGRAMME IDP REVIEW; MTREF BUDGET AND RELATED POLICIES

For the development of a 5year IDP, it was important that communities and other major stakeholders were consulted. Below is a schedule of meetings that were conducted to consult with communities at different wards as clustered:

NO	WARD NO/NAME	COUNCILOR	DATE	VENUE	TIME	UNIT ATTENDING	OFFICIAL ATTENDING
1	1 - Phatsima	Cllr Sethonga	09/10	Phatsima RCC	10H00-12H00	Rural Development	Ntsoaki Khiba
2	2 - Chaneng	Cllr Langeni	09/10	Robega Community Hall	16H00-18H00	Enterprise Development	Thato Motsuenyane
3	3,4 - Luka	Cllr Mputle Cllr Vena	10/10	Mogono Community Hall	10H00-12H00	Policy & Research	Nkonono Mantsewe
4	7 - Lefaragatlha	Cllr Pule	10/10	Leragatlha Community Hall	16H00-18H00	Rural Development	Ntsoaki Khiba
5	5,6 - Phokeng	Cllr Moreki Cllr Tause	11/10	Bafokeng Secondary School	10H00-12H00	Enterprise Development	Thato Motsuenyane
6	8- Tlhabane West	Cllr Moduke	11/10	Cnr, Dr Moroka & Hedeira St : (Opposite Old Vending Machine)	16H00-18H00	Policy & Research	Nkonono Mantsewe
7	24,38 – Freedom Park	Cllr Motlhamme Cllr Mosete	12/10	Freedom Park Secondary School	10H00-12H00	Rural Development	Ntsoaki Khiba

NO	WARD NO/NAME	COUNCILOR	DATE	VENUE	TIME	UNIT ATTENDING	OFFICIAL ATTENDING
8	9,10,11 - Tlhabane	ClIr Malinga ClIr Moatshe ClIr Ntshabele-	12/10	Tlhabane Community Hall	16H00-18H00	Enterprise Development	Thato Motsuenyane
9	25 Monakato	ClIr Serongwane	16/10	Monakato Community Hall	10H00-12H00	Policy & Research	Nkonono Mantswe
10	14,15,16,17,18, 42 - CBD	ClIr Du Plessis ClIr Edwards ClIr Cronge ClIr Rothman ClIr Nortjie- ClIr Grove-	16/10	Old Town Hall	17H00-19H00	Rural Development	Ntsoaki Khiba
11	26 - Tlaseng	ClIr Mmapitsa	17/10	Mamerotse Community Hall	10H00-12H00	Enterprise Development	Thato Motsuenyane
12	13 – Tlhabane (Foxlake)	ClIr Sentsho	17/10	Noord Primary School	16H00-18H00	Policy & Research	Nkonono Mantswe
13	29 – Rankelenyane, Makolokwe	ClIr Putu	18/10	Rankelenyane Sassa Paypoint	10H00-12H00	Rural Development	Ntsoaki Khiba
14	43 – Karlienpark Zinniaville	ClIr Snyders	18/10	Karlienpark Sports Ground	16H00-18H00	Enterprise Development	Thato Motsuenyane
15	30 – Bethanie, Modikoe, Barseba	ClIr Mooketsi	19/10	Bethanie Tribal Office	10H00-12H00	Rural Development	Nkonono Mantswe
16	23 - Kanana	ClIr Mokapi	19/10	Makukoma Tribal Office	16H00-18H00	Rural Development	Ntsoaki Khiba
17	27 - Lethabong	ClIr Morei	23/10	B-Tause Community Hall	10H00-12H00	Enterprise Development	Thato Motsuenyane
18	28 - Lethabong	ClIr Fulani	23/10	Lethabong RCC	16H00-18H00	Policy & Research	Nkonono Mantswe
19	31,32 Marikana	ClIr Shomang ClIr Salang	24/10	Marikana Community Hall	10H00-12H00	Rural Development	Ntsoaki Khiba
20	44 - Ikageng	ClIr Macone	24/10	Ikageng RCC	16H00-18H00	Enterprise Development	Thato Motsuenyane

NO	WARD NO/NAME	COUNCILOR	DATE	VENUE	TIME	UNIT ATTENDING	OFFICIAL ATTENDING
21	20,21,40,37 - Boitekong	Cllr Seleke Cllr Rampou Cllr Qobeka	25/10	Boitekong Sports Ground	10H00-12H00	Policy & Research	Nkonono Mantswe
22	41 –Seraleng	Cllr Xhanela	25/10	Seraleng Primary School	16H00-18H00	Enterprise Development	Thato Motsuenyane
23	12,40-Meriting	Cllr Motshwege	26/10	Paardekraal Community Hall	10H00-12H00	Policy & Research	Nkonono Mantswe
24	35 - Kroondal	Cllr Mkholwa	26/10	Ikemeleng Sports Ground	16H00-18H00	Rural Development	Ntsoaki Khiba
25	22,39,19 – Sunrise, Ramochana, Ext 1, Sunrise View	Cllr Makhuto- Cllr Mosito Cllr Mpele	30/10	Open Space Ramochana Next to Taxi Rank	10H00-12H00	Enterprise Development	Thato Motsuenyane
26	33,34,45 Mfidikoe, Photsaneng	Cllr Khoeli Cllr Phiri Cllr Morapedi	31/10	Mfidikwe Sports Ground Next to the Mountain	10H00-12H00	Policy & Research	Nkonono Mantswe
28	36 – Mathopestad, Molote City	Cllr Serunye	01/11	Molote City Community Hall & Mathope Primary School	10H00-12H00 16H00-18H00	Rural Development Enterprise Development	Ntsoaki Khiba Thato Motsuenyane

The IDP Representative forum made up of Ward Committee Members, Ward Councilors and organized groups was utilized as a platform for extension of public participation.

Prioritized and re-ranked community needs were received, properly analysed as required and incorporated into the Integrated Development Plan (IDP). Public notices were issued after adoption of the Drafts IDP, MTREF and budget related policies inviting comments and inputs on the drafts. A notice was advertised in the local newspaper for inspection of the approved IDP 2022/2027 and the Budget during June 2022. The budget adopted by the council was informed by the IDP mainly of community needs and different sector plans.

INTRODUCTION TO GOVERNANCE

The Rustenburg Local Municipality (RLM) is a Category B Municipality in South Africa as defined in the Municipal Structures Act, No. 117 of 1998 as amended. The Municipality has a well-defined political and administrative governance system supported by implementation of principles of King III on Corporate Governance.

GOVERNANCE BODIES, GOVERNANCE FUNCTIONS AND OVERSIGHT

Council is the decision-making structure of the Municipality. It is composed of both legislative and executive functions. The Administration is responsible for service delivery, policymaking and regulation.

The separation of functions between legislative and executive arms of Council is a governance innovation implemented to enhance oversight and public participation in Council programmes. This is achieved through the delegation of legislative and executive functions of Council to the legislative and executive arms respectively. Service delivery implementation and policy issues such as Integrated Development Planning and tariffs are delegated to the Executive (led by the Executive Mayor). Legislative functions are delegated to Council and its committees, and these include oversight and public participation. The latter is fundamental to successful delivery of services, accountability, and public consultation in local government.

The Municipality established an independent oversight committee. This arrangement enables improved political and administrative oversight, as well as greater scrutiny and increased accountability within the Council and its entity. This improved oversight has improved the levels of clean governance in the Municipality as well as the levels and intensity of citizen engagement through processes of consultation and communication. The Municipality's governance and institutional arrangements are critical to achieving its vision of a world class city.

For the 2023-2024 financial year, Council had 90 Councilors split equally between 45 ward Councilors and proportional representation Councilors. Councilors were allocated to various committees established in terms of Section 79 and 80 of the Municipal Structures Act. The committees exercise functions delegated to them by Council, primarily oversight and public participation.

2.14 POLITICAL GOVERNANCE STRUCTURE

2.14.1 Political Leadership – Legislative

The political leadership of the Municipality is organized based on legislative and executive functions, i.e., the legislative function of Council is implemented by Council and its committees, led by the Council Speaker, supported by the Single Whip of Council. The Speaker of Council is the Chairperson of Council presiding over Council meetings in accordance with Council's Standing Rules. The Speaker has a responsibility for Section 79 oversight committees and for Council Affairs to develop political governance within the Municipality among Councilors. The Single Whip is an official office bearer, who is a member of the majority party and Single Whip of the Majority Party. The single Whip ensures proportional distribution of Councilors to various Committees of Council. The Single whip maintains sound relations among the various political parties by attending disputes among political parties. The mandate of the Legislative Arm of Council focused on; accountability, oversight, and scrutiny; strengthening the capability and Legislative Arm of Council; public participation to safeguard local democratic processes; and sound financial management.

2.14.2 Political Leadership – Executive

The Executive Mayor appointed a Mayoral Committee from among elected Councilors in terms of Section 79 of the Municipal Structure’s Act as amended. The Municipality’s Mayoral Committee performs those elements of the Executive Mayor’s powers and functions as may be designated by the Municipal Council, exercising and performing them in support of the Executive Mayor. The Municipality’s Mayoral Committee ensures that service delivery takes place, including but not limited to improving efficiency, credit controls and revenue, and administration of the municipality.

2.14.3 COUNCIL OVERSIGHT

Political oversight functions of Council are exercised primarily through Section 79 Committees. Clear guidelines on how these committees address oversight responsibilities are outlined in the delegated powers. Councilors also physically visit sites where projects are implemented – especially service delivery projects – to fulfil their oversight roles. Other oversight tools include the use of questions by individual Councilors to hold the Executive to account, as well as motions to ensure debate, on Council issues.

To promote oversight and accountability, committees determine priority areas for oversight in respect of each portfolio, which are guided by the priorities of the Municipality as contained in its IDP. In addition, committee visits to projects and service delivery sites assist and complement the Committees’ oversight function.

2.14.4. Administrative Governance Structure

Municipal Entity (ME)

The Municipality established a municipal entity (The Rustenburg Water Services Trust) under the Companies’ Act of 2008. It exists purely as a service delivery agent for the Municipality, who in this case is the principal or shareholder. The entity is governed through a Service Level Agreement (SLA) signed between the Municipality and the entity. Although the entity has an individual corporate identity, it remains fully controlled by the Council.

2.14.5 CLEAN ACCOUNTABLE GOVERNANCE

The Rustenburg Local Municipality prioritises values of clean governance and in line with best practice, the Municipality has independent structures that serve the objective of giving an unbiased opinion and advice to Council. These include:

- Performance Audit Committee (PAC)
- Risk Committee
- Municipal Entity (RWST) Board of -Trustees
- Municipal Public Accounts Committee (MPAC)

These Committees are capacitated by individuals who are not employees of the Municipality with wide skills sets, including, fields of strategy, institutional performance, finance, accounting, legal, risk management, etc.

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The scope of corporate governance includes political, administrative, inter-governmental governance and public accountability and participation to ensure that the municipality is managed to the desired requirements of the community and within the rules, processes and laws by which the municipality operates and is regulated and controlled.

2.15 RISK MANAGEMENT

The Municipal Finance Management Act, 2003, section 62 (1) I (i) states that: *“the accounting Officer of the municipality is responsible for managing the financial administration of the municipality, and for this purpose take all responsible steps to ensure- that the municipality maintains an effective, efficient and transparent systems of financial and risk management and control”* for the achievement of the objectives of the municipality as contained in the IDP.

During the 2023/2024 financial year the municipality implemented the compliance of risk management by ensuring that all systems are in place. The municipality has ensured that:

The Risk Management Implementation Plan has been reviewed and approved by the Risk Committee and PAC. Risk Management Committee meetings were held quarterly as per the Risk Management Implementation Plan for the 2023/2024 financial year.

The Risk Management Policy, Strategy and Risk Committee Charter was reviewed and approved by the RMC, PAC, MM and Council.

A Fraud Prevention Plan and Strategy for 2023/2024 financial year has been reviewed and recommended for approval by the RMC, PAC and approved by Council. Risk Management Unit through the support of NW Department of Corporative Governance Implements Local Government Anti-Corruption Strategy.

Combined Risk Assurance was reviewed by RMC and PAC and approved by Council for the 2023/2024 financial year

The following table presents the municipality’s risks and aligns them to the strategic objectives. The treatment and controls in the table are a high-level summary of the top nine (9) risks.

High Level Summary of the Top (09) Risks for 2023/2024 Financial Year

Risk No	Risk description at Strategic Objective level	Cause (Risk at Business unit level)	Consequence (Effect)	Inherent Risk Rating
1.	Growing outstanding debtors' books.	1. Nonpayment by Councilors, employees and community members. 2. (Lack of political will to drive revenue collection programs) 3. Lack of performance monitoring of debt collectors.	Loss of revenue	25
2.	Recurring water losses	Aged infrastructure, Bypassing of meters, Illegal connections, Un-metered supply, Estimations of readings. Formalization of informal settlements is the long-term plan	Municipality is incurring huge financial losses	25
3.	General lack of consequence Management.	Lack of decisive leadership/ inability to enforce accountability	Decline in service delivery performance	25
4.	Too many third-party systems (Assets – Market Demand and Payroll)	Not integrating with the main financial system.	AG audit findings	25
5.	The Sage system does not block a refund to be done twice to a client	Lack of system security checks	Over payments can be done Fraud might happen	25

Risk No	Risk description at Strategic Objective level	Cause (Risk at Business unit level)	Consequence (Effect)	Inherent Risk Rating
6.	Lack of proper server capacity for the financial system	IT was not involved when the financial system was procured	Lack of server capacity causes the system to be slow	25
7.	Vandalism of municipal assets (electric sub-stations, reservoirs, cemeteries fencing)	<ul style="list-style-type: none"> The performance of appointed security companies is not being monitored properly by the department responsible (Public Safety) Not enforcing any penalties on the security when the municipality has experienced any vandalism or break-ins 	Municipality is incurring huge financial losses	25
8.	Electricity losses	Aged infrastructure, Bypassing of meters, Illegal connections, Un-metered supply, Estimations of readings. Formalization of informal settlements is the long-term plan	Municipality is incurring huge financial losses	25
9.	Illegal water and electricity connections	<ul style="list-style-type: none"> Illegal connections Aged infrastructure 	<ul style="list-style-type: none"> Water and electricity losses Decreased revenue collection 	25

2.16 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipal Council approved the policy on fraud and corruption per item 37 dated 14 November 2007 and the same policy remained relevant for the financial year under review. This policy is based on the Code of Conduct for Councilors and Municipal Staff Members (Schedule 1 and 2 of the Municipal Systems Act, 2000) and the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).

The policy covers among others:

Zero-tolerance on fraud and corruption.

Using the full might of the law to investigate all incidents of fraud and corruption.

Reporting all incidents of fraud and corruption to the South African Police Services for criminal investigation; and

Recovering losses or damages suffered by the municipality from employees or councilors who are found liable by the court of law.

2.17 BY-LAWS

The following By-laws were approved by Council, promulgated and still in force in the area of jurisdiction of the municipality:

To be updated by all Directorates

Table 2.10 Rustenburg Local Municipality's By-Laws

NAME OF THE BY-LAW	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Community Development By-laws	
By-laws relating to the prevention of nuisance.	6 September 2005 GAZETTE NR 6205
By-law relating to the disposal of contaminated and /infection waste	6 September 2005 GAZETTE NR 6205
By-law relating to the keeping of animals and poultry	6 September 2005 GAZETTE NR 6205
By-law relating to children's services	6 September 2005 GAZETTE NR 6205
By-law relating to the preparation of food at registered private kitchens	6 September 2005 GAZETTE NR 6205
By-law pertaining to public hazards and nuisance	6 September 2005 GAZETTE NR 6205
By-law relating to accommodation establishment	6 September 2005 GAZETTE NR 6205
By-law relating to public cemeteries	7 June 2016 Gazette NR 7653 Reviewed 31 st August 2021
By-law for the hire of community, arts and culture facilities	6 September 2005 GAZETTE NR 6205 Reviewed 31 st August 2021
By-law relating to swimming pools and spa bath	7 June 2016 Gazette NR 7653

NAME OF THE BY-LAW	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
	Reviewed 31 st August 2021
By law relating to open space, park, sidewalks and gardens	7 June 2016 Gazette NR 7653
Public amenities by-law	6 September 2005 GAZETTE NR 6205
By law relating to caravan parks and mobile homes	6 September 2005 GAZETTE NR 6205
Air pollution by-law	12 December 2014 GAZETTE NR 7383 The process of reviewing is underway, public participation completed and Item to be submitted to Council in September 2024.
Waste management by-law	7 June 2016 Gazette NR 7653, Under review. Public participation completed and Item to be submitted to Council in September 2024.
LOCAL ECONOMIC DEVELOPMENT	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Informal Trading by Law	22 February 2022 GAZETTE NR 8325
Outdoor Advertising by-law	11 October 2019 Gazette NR 8016
DIRECTORATE INFRASTRUCTURE AND SERVICES	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Electricity By-law (adopted by Council, still awaiting to be promulgated)	4 SEPTEMBER 2006 GAZETTE NR 6313 Please note that there are very serious interventions with regards to Electricity Distribution, SSEG's and IPP's etc. NOTE: the above is still applicable although the new Bylaw was approved in 2017 by Council, but new initiatives were imposed before any Promulgation.
Water supply and waste management	September 2020 GAZETTE NR 8057
BUDGET AND TREASURY OFFICE	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Credit control and debt collection by-law	10 April 2014 GAZETTE NR 7265
Rates by-law	10 April 2014 GAZETTE NR 7265
Tariff by-law	10 April 2014 GAZETTE NR 7265
Public Safety	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Management and Control of Informal Settlement within the Jurisdiction of the Municipality.	4 April 2008 Gazette Nr
Noise Control by-law	May 2004 Reviewed by law referred to DCD portfolio by Council sitting of 27 July 2021. The by law is waiting to be gazetted.
Fire Brigade Services by-law	11 June 2019 GAZETTE NR 8016
Public Passenger and goods by-law	19 February 2004 Gazette Nr
Problem Building By-law	11 June 2019 Gazette Nr 8016
PLANNING AND HUMAN SETTLEMENT	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Spatial planning and land use management by-law (Reviewed)	29 January 2019, Gazette Nr
Spatial planning and land use management by-law (Reviewed)	20 November 2018, Gazette Nr 7955
OFFICE OF THE SPEAKER	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Public participation by-law	1 October 2019 GAZETTE NR 8062
Rules of order by-law (reviewed)	8 August 2017 GAZETTE NR 7788

2.18 WEBSITE

The Rustenburg Local Municipality website has been running on the domain www.rustenburg.gov.za. It was developed using the latest content management system in the IT environment called WordPress. The Rustenburg Local Municipality is among the most visited sites on the google search engine which makes it easier for the users to access the website, and this also confirms that the municipality's Search Engine Optimization (SEO) is up to standard. The most visited pages on the website since it was developed are as follows:

Home page

Vacancies

Tenders

Customer care

Notices

Documents

Table 2.11 Documents available on the Website

No.	Document	Available on the Website
1	Current annual and adjustment Budgets and all budget related documents.	Yes
2	All current budget related policies	Yes
3	Previous financial year's annual report 2022/2023	Yes
4	Current annual report: 2023/2024	No
5	All Performance agreements (2023/2024) required in terms of Section 57(1)(b) of the Local Government: Municipal Systems Act, 2000	No
6	The Top Layer SDBIP 2023/2024	Yes
7	Performance Management System Framework 2022/2023	No
8	Integrated Development Plan (IDP) 2023/2024	Yes
9	IDP, Budget and PMS Process Plan 2023/2024	Yes
10	Supply Chain Management contracts and / or Service Level Agreements: 2023/2024	Yes
11	All long-term borrowing contracts	Yes
12	Quarterly reports in terms of Section 52(d) of the Local Government: Municipal Finance Management Act, 2003	Yes
13	An information statement containing a list of assets over a prescribed value that has been disposed of in terms of section 14(2) or (4) of the Local Government: Municipal Finance Management Act, 2003 during the period under review.	Yes
14	Supply Chain Management contracts above R200 000 for the 2023/2024 financial year	Yes
15	Contracts having future budgetary implications entered in terms of Section 33 of the Local Government: Municipal Finance Management Act, 2003.	Yes
16	Public – Private Partnership (PPP) agreements referred to in Section 120 of the Local Government: Municipal Finance Management Act, 2003.	None

2.19 COMMUNITY SATISFACTION SURVEY

No Community Satisfaction Survey was conducted for the year under review.

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE (PERFORMANCE PART I)

INTRODUCTION

This chapter presents the annual performance results of the municipality during the 2023/2024 financial year. It will provide reasons where there was underperformance and measures that are being taken to remedy the situation.

COMPONENT A: BASIC SERVICES

The Rustenburg Local Municipality is responsible for the following functions in terms of basic service delivery:

Electricity: provided in conjunction with Eskom in certain areas.

Roads and Storm water.

Waste Management; and

Water and Sanitation Services.

Table 3.1 Introduction to Basic Services (Households)

Basic Service	Actual Performance (As of 30 June 2022)	Actual Performance (As of 30 June 2023)	Actual Performance (As of 30 June 2024)
Water	64 017	64 017	292 726
Sanitation	84 751	84 751	84 751
Refuse Removal	101 157	101 157	101 444
Electricity Including Eskom	190 368	190 700	190 907
Roads (Construction and Maintenance: resealing, regravelling and road markings)	13.107km	10.050 km	16km

3.1 WATER PROVISION

Table 3.2 Water Provision

Table 3.2

	2022/23 Actuals	2023/24 Actuals	2023/24 Budget	Variance
	R'000	R'000	R'000	Amount
Total Operating Revenue	1 185 593	1 191 604	1 138 619	52 985
Employee Costs	-81 455	- 89 100	- 99 437	10 337
Bulk Purchases	-357 265	- 481 461	- 526 435	44 974
Other Expenses	-282 062	- 1 074 401	- 489 573	- 584 828
Total Operating Expenditure	-720 782	- 1 644 962	- 1 115 445	- 529 517
Nett Operating Profit/ (Loss)	464 811	- 453 358	23 174	- 476 532

Table 3.3 Water Objectives Per IDP

WATER OBJECTIVES AS PER IDP: 2023/24 FINANCIAL YEAR4						
Strategic Objectives	Key Performance Indicators	2022/23		2023/24		
		Target	Actual	Original Target	Adjusted Target	Actual Performance
Accelerated delivery and maintenance of quality basic and essential services to all communities	% of drinking water samples complying to SANS241 by June 2024	90%	90%	90%	95%	95%
Accelerated delivery and maintenance of quality basic and essential services to all Communities	% Reduction of Non-Revenue Water Losses by 30 June 2024	5%	5%	5%	-	7%

3.2 WASTEWATER (SANITATION) PROVISION

Table 3.5 Wastewater Provision

	2022/23 Actuals	2023/24 Actuals	2023/24 Budget	Variance	
	R'000	R'000	R'000	Amount	
Total Operating Revenue	280 814	314 957	527 930	-	212 973
Employee Costs	- 10 130	- 10 506	- 10 424	-	82
Other Expenses	- 139 974	- 145 840	- 338 600		192 760
Total Operating Expenditure	- 150 104	- 156 346	- 349 024		192 678
Nett Operating Profit/(Loss)	130 710	158 611	178 906	-	20 295

Table 3.6 Sanitation Capital Expenditure

MSC	Account Description	Full Year Budget	Year to Date Actual	Variance	YTD %
345	Boitekong Pump Station	25 484 000,00	13 521 871,88	7 264 128,12	65%
345	Marikana West Sewer Reticulation	16 912 000,00	13 521 871,88	7 264 128,12	65%
345A	Ramotshana Sewer Network	8 912 000,00	10 987 602,89	14 496 397,11	43%
345	Monakato Wastewater Treatment Works (WWTW)	15 868 000,00	-	16 912 000,00	0%
345	Phatsima Wastewater Treatment Works (WWTW) Upgrade	9 824 000,00	12 632 789,86	- 3 720 789,86	142%
345	Emergency replacement of collapsed sewer system in Boven Crescent Street	8 000 000,00	14 027 540,97	1 840 459,03	88%
	TOTAL	85 000 000,00	59 967 841.65	25 032 158.35	71%

Table 3.8 WASTEWATER SERVICES POLICY OBJECTIVES AS PER IDP

WATER SERVICES POLICY OBJECTIVES AS PER IDP: 2021/2022 FINANCIAL YEAR						
Strategic Objectives	Key Performance Indicators	2022/2023		2023/2024		
		Target	Actual	Original Target	Adjusted Target	Actual Performance
Accelerated delivery and maintenance of quality basic and essential services to all Communities	Number of permits issued for effluent monitoring compliance by 30 June 2024	50	45	35	-	35

3.3 ELECTRICITY PROVISION

Table 3.9 Electricity Provision

	2022/23 Actuals	2023/24 Budget	2023/24 Actuals	Variance
	'000	'000	'000	Amount
Total Operating Revenue	3 445 122	-4 087 629 606	-2 040 810 601.26	-2 046 819 004.74
Employee Costs	-53 244	53 608 943	55 287 280.18	-1 678 337.18
Bulk Purchases	-3 141 314	2 956 722 596	1 635 290 879	1 321 431 717
Other expenditure	-1 118 949	193 003 183	165 140 346	27 862 836.94
Total Operating Expenditure	4 313 507	3 208 575 367	1 856 362 770.57	1 352 212 596.43
Nett Operating Profit/(Loss)	-868 385	879 054 239	184 447 830.7	694 606 518.3

Table 3.9 Access to Basic Levels of Electricity

Strategic Objectives	Key Performance Indicators	2022/23		2023/2024		
		Target	Actual	Original Target	Adjusted Target	Actual Performance
Accelerated delivery and maintenance of quality basic and essential services to all communities	Percentage completion of civil works, earth works and procurement of long lead material for the construction of Boitekong Substation by 30 June 2024	Civil Construction and procurement of long lead	Civil Construction and procurement of long lead	Delivered and installation of 2 X 20 MVA transformers Commissioning and handover complete substation	-	Delayed due to change in supplier of transformers. The supplier changed the agreements when they had to do manufacturing and it fell out of the anticipated delivery period. Secondary supplier was appointed, Factory Acceptance Test was done mid-June. Anticipated delivery end of July or Mid-August 2024.

Table 3.10 Capital Electricity

MSC	Account Description	Funding Source	Full Year Budget	Year to Date Actual	Variance	YTD %
310	INEP	INEP GRANT	31 000 000	31 489 543	489 543,50	102%
310	Energy Efficiency and Demand Side Management	Energy Efficiency and Demand Side Management Grant	5 000 000	4 999 999,68	0	100%
Total Capex - Electrical Engineering Services			R36 000 000	R36 489 542.68	R489 543,50	101%

COMMENTS ON ELECTRICAL SERVICES

The following were achieved during the period under review in terms of electricity:

Table 3.11 ELECTRICITY OVERVIEW

No	Service Provided	Performance		
		Annual Target	Actual	Variance
	RLM			
1	Boitekong Substation (2 X 20 MVA)	Progress	In Financial Year -Successful	N/A
2	Modderfontein Substation	Finalised	Handed over	N/A
3	Arnoldstad Substation	Finalised	Handed over	N/A
4	House Connections (RLM)	As received	Handed over	207
	ESKOM			
5	House Connections (ESKOM)	Dora Report	Handed over	163

3.4 WASTE MANAGEMENT

Table 3.12 Waste Management (MIG)

Details	2022-23 Actuals	2023-24 Budget	2023 -24 Actuals	Variance
Capital project				
Marikana-Construction of Transfer Station	R0.00	R10 000 000	R0.00	R10 000 000
Total Capital Expenditure	R0.00	R10 000 000	R0.00	R10 000 000

Table 3.13 Waste Management Objectives

WASTE MANAGEMENT OBJECTIVES AS PER IDP: 2022/23 FINANCIAL YEAR						
Strategic Objectives	Key Performance Indicators	2022/2023		2023/2024		
		Target	Actual	Target	Adjusted Target	Actual
Accelerated delivery and maintenance of quality basic and essential services to all communities	Percentage of formal households on the valuation roll provided with a weekly solid waste removal service by 30 June 2022	100% households in formal areas with access to refuse removal service	98% households on the valuation roll provided with a weekly refuse removal service – (101 157 households except farm households are provided with a weekly refuse removal service.	100% households on the valuation roll provided with a weekly refuse removal service	80%	100% households on the valuation roll provided with a weekly refuse removal service – (101 444) households except farm households are provided with a weekly refuse removal service.
	Number of recognized informal settlements with a waste service by 30 June 2022	30 x recognized informal settlements with a waste service	22 x recognized informal settlements with a waste service	26 x informal settlements with a waste service	N/A	22 x informal settlements with a waste service
	Number of recycling drop off facilities supported	2 existing recycling initiatives	4 Recycling initiatives supported by RLM	2 existing recycling initiatives	N/A	4 Recycling initiatives supported by RLM

WASTE MANAGEMENT OBJECTIVES AS PER IDP: 2022/23 FINANCIAL YEAR						
Strategic Objectives	Key Performance Indicators	2022/2023		2023/2024		
		Target	Actual	Target	Adjusted Target	Actual
	within RLM by 30 June 2022	supported by RLM.		supported by RLM.		

3.4.1 COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT

3.4.1.1. Waste Collection Services and Street Cleaning

The waste collection service commenced on a three-year contract from May 1, 2021, to April 30, 2024. Sethanye Trading and Projects (Pty) Ltd was tasked with skip removal within the municipal area, and Katlego Baphiring Trading Enterprise CC handled kerbside collection using compactor trucks. An extension until the end of July 2024 has been granted due to the ongoing SCM process for selecting new bids for waste collection and landfill operations. The internal staff, limited by fleet resources, are focusing on collections for businesses and the CBD. Specialized teams are in place for illegal dumping and street cleaning services. Basic waste collection services are provided to 101,444 residences on the valuation roll. In addition, 3,343 agricultural households do not receive garbage collection services from the Municipality. There have been occasional disruptions in waste collection services, but these issues have been resolved.

3.4.1.2. Landfill Management and Compliance

Mphele Engineers and Project Management is appointed to maintain the Waterval Landfill site for three years, from May 1, 2021, to April 30, 2024. An extension has been granted until the end of July 2024. As part of its rehabilitation, basic utilities and essential infrastructure have been reinstated. The weighbridge system is now functional, the site has been partially enclosed, and electricity has been partially restored to the used office buildings. Gate fees have been collected since April 9, 2018. The implementation of Standard Operating Procedures (SOPs) ensures the facility's safe and compliant operation and management. Additionally, the Integrated Environmental Management Unit performs quarterly internal audits to ensure the Municipality complies with its licensing terms. In accordance with the license requirements, the Municipality has conducted its first external audit, revealing that the Waterval Landfill Site had 71% compliance rate. The compliance dropped to 51% in the 2022/23 Financial year as compliance audit happened during heavy rain in February 2023. The areas of non-compliance, mainly concerning gas and water monitoring, have shown improvement, rising from 51% in the 2022/23 to 71% period. The inaugural series of surface and groundwater tests were carried out in the 2021–2022 period, with results now available. Gas probes have been installed at the landfill site, providing accessible monitoring data. From July 2022 to June 2023, the Waterval Landfill site processed a total of 82,347,300 kilograms, equivalent to 82,347.3 tonnages.

3.4.1.3. Informal Recycling activities

Throughout the financial year, reclaimers on-site manage various categories of recyclable materials collected from the premises, representing a significant portion of informal recycling activities. By employing this method, recyclers collecting materials on-site managed to divert approximately 79 tons monthly. Leshao Trading oversees the Waterval Landfill Site Recycling Facility, as appointed by Mphele Engineers, while the Moreover, the Municipality supports recycling initiatives by collecting data, conducting educational and awareness

campaigns, and establishing market linkages for reclaimers. RLM is in the process of finalizing the appointment of the local SMME to undertake the diversion of garden/organic waste within the Municipal jurisdiction.

3.4.1.4. Marikana Transfer Station

The Municipality started with the construction of the Marikana Transfer Station in 2013. The construction of the Marikana Waste Transfer Station is near completion (over 70%) completion. This is one of the sites identified as a drop-off facility for green and recyclable waste. The Project is anticipated to be completed in the 2022/23 financial year as per the discussion with the Provincial Department of Cooperative Governance and Traditional Affairs.

3.4.1.5. Disposal facilities: Communal Sites, Townlands Landfill Site and Strumosa Garden Site

Communal sites:

The Rustenburg Local Municipality managed five communal sites within the Rustenburg region: Lethabong, Marikana, Phatsima, Monakato, and Bethanie. All these sites have been closed, with the authorizing body (DEDECT) issuing closure licenses for them. Initially, the Municipality planned to follow a variation process in line with section 54 of the National Environmental Management Waste Act (Act 59 of 2008). This is the process that will still happen irrespective of any process that RLM may take to have the sites rehabilitated as some conditions in the license are difficult to comply with. In line with Section 57 of the National Environmental Management Waste Act (Act 59 of 2008), the Municipality reviewed the costs related to the formal closure of these sites within the fiscal year and engaged with the Authority to discuss the possibility of license surrender.

The Municipality and DEDECT conducted inspections at Lethabong, Monakato, Phatsima, Marikana, and Bethanie. The Municipality has been advised by an inspection report to formally close Monakato, Lethabong, and Marikana. Consequently, a surrender procedure is to be initiated in Bethanie and Phatsima. Previously, in June 2012, Kremetart and Zinniaville, two mini dumps, were officially decommissioned with minor rehabilitation efforts undertaken. The Bethlehem Drive mini dump was cleaned but not fully restored. Following these actions, the Municipality must secure funding to refurbish public spaces as recommended by the Authorities.

Townlands Landfill site:

The Municipality has issued multiple requests for proposals for the rehabilitation of Townlands. Mine Rehabilitation and Green Economy Holdings was selected to manage the economic benefits of Townlands solely in the 2022–2023 fiscal year. The National Treasury has given feedback, and the Council has approved the appointment of Mine Rehabilitation and Green Economy Holdings, albeit with acknowledged risks. An external legal opinion on the appointment is also received. The appointed service provider has yet to secure the project's funding.

Strumosa Garden Waste Facility:

The facility was initially opened on weekends for the disposal of garden waste only. Since February 2020, the facility started operating from Monday to Sunday only for the disposal of garden waste and it only accommodates residents disposing of garden waste from their households. Residents and companies collecting garden waste for commercial purposes are not allowed to use the facility, however, they can access Waterval Landfill site during operating hours.

3.4.1.6. Expanded Public Works Programme (EPWP)

The Municipality managed to recruit 170 EPWP beneficiaries in 2023/24. These beneficiaries are based on the CBD, supplementing the current human resources the Unit has. The Municipality has received 11 EPWP beneficiaries contracted by the Provincial Department of Cooperative Governance and Traditional Affairs.

3.4.1.7. Licensing of Private Waste Collectors

The Municipality has started the process of registering private waste collectors in 2019/20 in line with section 24 (a) (b) of the National Environmental Management: Waste Act (Act No.59 of 2008) read with section 45 of the Rustenburg Local Municipality Integrated Waste By-law, promulgated on the 7th of June 2016. The process involves enforcement and registration of all private waste collectors within the jurisdiction of RLM. The tariffs in line for registering private waste collectors were approved by the Council for implementation.

3.4.1.8. Illegal Dumping Management

Illegal dumping of waste is a serious concern within the municipal jurisdiction. Mushrooming informal settlements are the main contributors to illegal dumping as there are no waste services provided by the Municipality in some of these informal settlements. Even those that are provided with the service, access is a challenge, resulting in the Municipality providing waste services to limited streets. The other biggest challenge in informal settlements is illegal connection of electricity, disabling the Municipality to clear illegal dumping areas. The Municipality has since identified hotspots within its area of jurisdiction and those hotspots are attended to bi-monthly. In its commitment to addressing illegal dumping, the Municipality procured an additional two tipper trucks and one Front End Loader to address the challenge and planned to procure an additional yellow fleet for these activities. In managing illegal dumping, the Municipality further uses the services of Producer Responsibility Organisation in ensuring that recycling is promoted within the municipal jurisdiction. There is a need for capacity in the enforcement of the Waste By-law as well as education and awareness programmes.

3.5 LIBRARIES AND INFORMATION SERVICES

3.5.1 INTRODUCTION

The Unit Library and Information strives to provide Library and Information Services through achieving the outlined objectives below: -

- 3.5.1.1. To determine the needs of the community by public participation processes such as the collecting and analysing of data relating to the needs of individuals and groups (e g children, young adults, students, adults, professional people, etc) in the community.
- 3.5.1.2. To extend library services by establishing branch or satellite libraries in unserved areas with funding from the Provincial Government, the Local Municipality and donors.
- 3.5.1.3. To obtain external funds for the establishment of an information and educational network and rendering of excellent Library and Information services in the jurisdiction area of the local municipality
- 3.5.1.4. To build and maintain a community information database and disseminate information to the community.
- 3.5.1.5. To promote library services and instill a reading culture, improve literacy levels and provide free and open access to community and survival information.
- 3.5.1.6. To present programmes such as story hours, talks, life skills training courses, literacy training, etc to promote reading and literature and to contribute to the upliftment of the community.

3.5.2. CONSTITUTIONAL OBLIGATIONS

The MEC for the Department of Arts, Culture, Sports and Recreation has in her budget speech of 23 May 2023 on page 12, committed to addressing the unfunded mandate which will be a phased in approach of multi years where Executive Functions will be assigned, or the service provincialized completely by the Department. Various consultative processes will be followed with Rustenburg Local Municipality, SALGA as will be the case with other Local Municipalities within the Province.

There has not been much progress with regards to this commitment, but the commitment still stands with timelines to be reviewed following appointment of the 7th administration at provincial level which is also expected to provide way forward regarding the un-mandate matter.

3.5.3. LIBRARY USAGE

In this financial year, the municipality managed to provide Library service to not more than 27 of the 45 wards.

3.5.3.1. Information Communication Technology.

Libraries have since 2016 struggled with providing Internet Access to the communities. The Department of Arts, Culture, Sports and Recreation has through SITA appointed service providers to provide internet access to the 14 libraries but with a lot of teething problems such as delays & no clear communication or strategy by service providers appointed by the provincial government to rollout internet access at libraries: limited allocated data, bandwidth and limited coverage.

Engagements are continuous with the provincial department to ensure that in bridging the digital divide Rustenburg Communities have access to internet services being at the dawn of the Industrial Revolution 5.0 (which relates to transformation of the modern manufacturing process to enable man and machine to work hand in hand).

3.5.4. OUTREACH PROGRAMMES

Table 3.5.4.1 Outreach Programmes

Programme	Key Focus Area	Library
International mother tongue and read aloud	Under the theme: <i>“monate le maatla a go buisa ditshomo ka loleme lwa gomme”</i> . <i>Translated (the joy and strength of reading stories in one’s own mother tongue)</i> Activities including presentations by various community stakeholders, membership drive and awareness on available library and information services	Flagship held at Mamerotse Info-hub on the 21 February 2024 with a combination of the two dates as both are commemorated in February (i.e. World Read Aloud and Mother Tongue).

Programme	Key Focus Area	Library
South African Library Week	Theme: libraries fostering social cohesion Activities such as board games, storytelling, awareness of library and information services were shared.	Flagship programme at Save Our Souls (SOS) childrens' village coordinated by Tlhabane Library in marketing services and reaching out to the vulnerable children at this village located in ward 8, Tlhabane West on 22 March 2024 and the week also being celebrated at other libraries on a smaller scale.
World book and Copyright Day Commemorations	Under the theme "read your way" Activities include presentations by various community stakeholders, library tours, history of the book from cave paintings to kindles.	Flagship programme at Lethabong Library on the 23 rd of April 2024 with other libraries also setting up various displays and other promotional programmes
International worlds play day celebrations	Under the theme "toy libraries grow sustainable cities and communities and communities through play" Activities such as indigenous games, awareness on library and information services were part of the celebrations.	Flagship programme at Rustenburg Child and Youth Care Centre (RCYCC) in Boitekong on the 22 nd of May 2024 for children in conflict with the law and other libraries also setting up displays and other promotional programmes
International Literacy Day	Under the theme " Promoting literacy for a world in transition: building the foundation for sustainable and peaceful societies ". Activities including motivation and value of reading at Karlienpark primary in partnership with New Leaf Organisation and Eppik online and debates, reading competition and drama at Mathopestad.	The flagship programme started on the 8 th of September 2023 at Karlienpark Library and then on the 14 th of September 2023 in commemoration of International Literacy Day as per activities outlined earlier on.

3.6 INTEGRATED ENVIRONMENTAL MANAGEMENT SERVICES

3.6.1. The environmental management and protection service of the Rustenburg Local Municipality's area of jurisdiction is based on the following key performance areas:

Environmental Strategic Planning: the main purpose of this KPA is to align the municipality's spatial planning processes, strategies and agreements of the municipality. Under this KPA, the Unit reviewed an Environmental Management Framework (EMF). An EMF is a decision support tool which ensures that the municipality has sufficient information to guide EIA authorization decisions within a specific geographic area. It also provides a compilation of information and maps that are useful in other planning processes, such as the development of IDPs, SDFs and other open space planning applications.

Although the legal mandate for EMFs is vested with the EIA authorities and not directly with the local municipality responsible for land use management in municipal areas, the SPLUMA requires SDFs to take cognizance of any environmental management instrument adopted by the relevant environmental management authority.

The following EIA applications were evaluated for the financial year 2023/2024

Seventy-one (71) EIA applications were evaluated for the financial year 2023/2024 wherein 40 applications were mainly for outdoor advertising. Mining rights and prospecting applications were also received and evaluated.

3.6.2. Challenges with the mining rights applications

The submission of the mining rights applications to the Integrated Environmental Management Unit, by the Applicant (Environmental Assessment Practitioner) is often done whilst the Environmental Authorisation has been issued by DMRE. The Municipality as the Interested and Affected Party is allowed 30 days' period to comment on the application, also, the delay by the EAP in responding to the request by the Municipality for site inspection and additional information adds to the challenges.

Integrated Environmental Management invited the Department of Mineral Resources and Energy to discuss issues pertaining to mining rights applications, but the Department never responded. This matter needs to be treated as a matter of urgency since the applications are starting to pick up momentum.

The evaluation was based on the Environmental tools such as

- Bojanala District Environmental Management Framework, wherein the revised RLM EMF is infused.
- EIA Regulations of 04 December 2014 as amended (07 April 2017) promulgated under section 24 read with section 44 of the National Environmental Management Act (NEMA), 1998 as amended,
- Integrated Environmental Management Policy

The Environmental tools mentioned above ensure emphatic environmental strategic planning within the municipality. An EMF in the municipality is also integrated into the Municipal Spatial Development Framework (SDF) and provides a basis for the integration of environmental factors in municipal plans such as land use schemes (LUS) and Integrated Development Plans (IDP).

The Legislative Compliance activities of the Unit guide the municipality in terms of environmental legislation to ensure that the constitutional rights of all citizens are protected. The enforcement of legal stipulations and regulatory frameworks within the municipal area is of utmost importance for the municipality. The Environmental tools used for legislative compliance are:

JOINT COMPLIANCE AND INSPECTIONS WITH DIFFERENT STAKEHOLDERS

1. 20 x Joint compliance and inspections with Bojanala Platinum District Municipality in the mines for applications and variations of atmosphere emission licenses (AELS) and to check compliance with environmental legislation and authorizations.
2. 10 x Joint compliance and inspections with the Department of Economic Development, Environment, Conservation, and Tourism (DEDECT) to check compliance with environmental legislation and authorizations in different facilities.

AMBIENT AIR QUALITY MONITORING STATIONS REPORTS

Rustenburg Local Municipality is monitoring ambient Air Quality through the Ambient Air Quality Network, namely Marikana and Boitekong Stations. Tlhabane Station was not operational and in the process of recommissioning. Integrated Environmental Management Unit, over and above the report drawn from the 2 Operational Rustenburg Local Municipality Stations, requested ambient air quality reports from the Mines: Anglo. A comparison is made every month between the results of Anglo and RLM Stations to check exceedances. The compared results are discussed with the Mines where exceedances were recorded.

- 8 X Rustenburg Local Municipality Ambient Air Quality Reports for the year 2023/2024
- 8 X Anglo Platinum Ambient Air Quality Monitoring Reports for the year 2023/2024

Environmental Education and Awareness Programmes

Environmental Education and Awareness, the sharing of knowledge, skills and experience and other appropriate means”.

The 2023/24 Environmental Education and Awareness programmes were conducted in an integrated approach which considered Environmental, Waste and Air Quality Education and Awareness.

It is against this approach that a 100% of Education and Awareness Programmes were conducted for the first and second quarters of financial year 2023/24. The Scorecard of the Directorate was amended, and a total of 32 Education and awareness programmes were conducted for the third and fourth quarters of the financial year 2023/2024.

Education and Awareness programmes are derived from the principles of the National Environmental Management Act (Act NO 107 of 1998) (NEMA). The principle that states” Community wellbeing and empowerment must be promoted through environmental education, and the raising of awareness.

3.7 COMPONENT B: COMMUNITY FACILITIES

INTRODUCTION

Community Facilities include Parks, Cemeteries & Horticultural Services, Sports & Recreation and Civic Centre and Community Halls. A Unit Head who oversees all three sections (Parks, Cemeteries & Horticultural Services, Sports & Recreation and Civic Centre & Community Halls), leads the Unit Community Facilities. The Unit Head is supported by an Administrative Assistant in the running of the Unit. The Sections are as follows:

3.7.1. SPORTS AND RECREATION

There are five (5) public swimming pools managed by the municipality. These are Marais Street swimming pool, Middle Street swimming pool, Zinniaville swimming pool, Karlienpark swimming pool and Monakato swimming pool. The total number of patrons utilizing municipal swimming pools during the Operational Season has decreased due to failure to attract additional external part-time Lifeguards to augment our existing number, and as well as failure to procure relevant swimming pools pumps, all this which led the municipality in opening only two (2) swimming pools during the 23/24 financial year.

The municipality has well developed sports facilities under its assets register namely: Olympia Park Stadium, Lethabong Sports Facility, Impala Rugby Club, Impala Bowling Club, Rustenburg Tennis Club, Protea Park Tennis Club. The following sports facilities have downgraded their status due vandalism, mostly caused by the lack of physical security and due to lack of maintenance, eg: Zinniaville Sports Facility, Boitekong Stadium, Monakato Sports Facility, Lethabong Sports Facility, East End Sports Facility. The Impala Cricket Club (facility) has been vandalized during 2021/2022 financial year).

The following facilities have also been severely vandalized: Rankelenyane sports ground, Meriting Sports ground, Meriting swimming pool, Tlhabane swimming pool, Karlienpark sports complex, Mathopestad sports ground, Paardekraal X1 sports ground and Robega sports ground, Tennis clubhouse and courts, six mabone sports ground and hockey club houses at Olympia Park Stadium, Tlhabane sports ground ablution facility and Bester sports ground.

In addition, the municipality is also attending to approximately 70 rudimentary sports grounds that are maintained through a quarterly maintenance programme which includes grass cutting, litter picking and grading (mostly provided through Road's assistance). Some of these facilities are not municipal property but in efforts to ensure that all communities are serviced by the municipality, they are part of the maintenance programme through grass cutting and grading of the sports grounds.

New lease agreements were entered into during April 2024 between the Municipality and the Impala Rugby Club and the Bowling Club respectively. Mmabana Arts Culture and Sports Foundation is another client occupying the Sports Hall by means of a lease agreement. The lease agreement is due for renewal as it expired on the 31st of May 2024.

3.7.1.1. Number of paid bookings for use of sports facilities the period 1 July 2023 to 30 June 2024

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
02	02	00	00	02	03	00	02	00	01	00	00	12

3.7.1.2 Free Use Bookings for the use of sports facilities for the period 1 July 2023 to 30 June 2024

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
15	09	02	01	03	03	08	07	02	00	00	00	50

The number of free usages at sports facilities were 50 amounting to a loss of R99 540.00 for the financial year 2023/24

The number of paid bookings totals 12 with an income amount of R28,000 for the financial year 2023/24

Total income received from long-term rentals during the financial year = R290 400.00

Impala Rugby Club payment of R1500 per month for the period (July 2023 to June 2024) amounts to R19 500.

Impala Bowling Club payment of R1500 per month for the period (July 2023 to June 2024) amounts to R28 500

Mmabana Sports Hall payment of R20,200 for the period (July 2023 to June 2024) amounts to R242 400

3.7.2 Staff Component

Position	Gender and Number	
Section Manager		F x 1
Admin Assistant		F x 1
Sports Liaison Officer	M x 1	
Marketing Officer	M x 1	
Assistant Horticulturist	M x 1	
Caretaker	Vacant x 1	
Swimming Pool Superintendent	M x 1	
Team Leader (Pools)	M x 1	
Swimming Pool Instructors	M x 5	
Generalist Workers (Sports)	M x 4	F x 5
Generalist Workers (Sports) Temporary	None	
Generalist Workers (Pools)	M x 7	F x 5
Machine Operators (Sports)	M x 5	F x 1
Machine Operators (Pools)	M x 1	
Tractor Drivers	M x 1	
Total	26	13
		39

3.7.3 CHALLENGES

Lack of physical security at most facilities including Olympia Stadium, Boitekong Stadium, Monakato Sports Grounds

Lack of maintenance on buildings

Vandalism and theft

Shortage of qualified lifeguards at pools

Lack of machinery and equipment (due to theft)

Shortage of fleet (vehicles, grab truck, cherry picker)

3.8 CIVIC CENTRE AND COMMUNITY HALLS

3.8.1 Section 13 of the Local Government Municipal Systems Act, 2000 [Act 32 of 2000] read with Section 162 of the Constitution of the Republic of South Africa Act 1996 [Act 108 of 1996] enables the municipality to prepare and present the By-Laws for the Hire and Use of Community, Arts and Culture Facilities which regulates the hire and use of these facilities below:

Table 3.8.2 Areas where halls are located

No.	Location / Area	Ward
1	Tlhabane	9
2	Monakato	25
3	Phatsima	1
4	Marikana	31
5	Sunrisepark (vandalized)	22
6	B Tause (Lethabong)	27
7	Rustenburg Old town hall	42
8	Meriting	12
9	Ben Marais	13
10	Zinniaville	43
11	WA van Zyl	16
12	Makolokwe (handed over by District Municipality)	29 Not yet in the Municipality asset register
13	Paardekraal Extension 23	40
14	Banquet Hall	15
15	City Hall	15
16	Atrium	15
17	Boitekong	21
18	Auditorium	15
19	Robega (handed over by District Municipality)	2 Not yet in the Municipality asset register
20	Molote City (handed over by District Municipality)	36 Not yet in the Municipality asset register
21	Mamerotse (handed over by District Municipality)	28 Not yet in the Municipality asset register

3.8.3 Paid up bookings for use of community halls record for the period 1 July 2023 to 30 June 2024

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
23	33	23	71	45	10	16	14	22	14	25	18	314
R101 883	R229 636	R47115.40	R314008.40	R143553.80	R38049	R39833.40	R38252	R103169.80	R41468	R94721.60	R39278	R1'230'968.40

3.8.4 Free use bookings for use of community halls for the period 1 July 2023 to 30 June 2024

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
42	35	22	40	49	7	49	4	8	18	31	27	332
R110149	R19864 8	R88472	R15419 6	R206427	R19806	R23219	R11967	R20613	R112110	R131364	R98387	R1'175'358

3.8.5 CHALLENGES

The following challenges were encountered during the financial year under review:

3.8.5.1 Chiller Plant at Rustenburg Civic Centre remains un-operational, with no back-up power supply

3.8.5.2 The current generator is not sufficient to power the entire building. Sections powered are basement parking, Banguet hall foyer and Council Chamber foyer only.

3.8.5.3 Vandalism and theft

3.8.5.4 Shortage of staff due to retirement, resignation and death, positions are not filled.

3.8.6 Staff

Position	Gender	Number
Section Manager	Vacant	
Admin Assistant	F	2
Sound & Light Technician	M	1
	F	1
Caretaker	M	4
Regional Caretaker	F	2
Generalist Worker	M	06
Generalist Worker	F	20
Total		36

3.9. PARKS AND CEMETERIES

3.9.1. EXECUTIVE SUMMARY

The Constitution of RSA provides a far overarching legislative framework within which all natural and juristic persons must comply. In terms of Section 155 and 156 of the Constitution of RSA, the establishment, management and administration of cemeteries are functions of the Municipality while Provinces simply have a monitoring role in respect of such functions.

3.9.2. BACKGROUND

Rustenburg Local Municipality has fifteen (15) municipal cemeteries under its management. Most are active while some are inactive. The table below indicates a list of Municipal cemeteries:

3.9.3. STATUS OF MUNICIPAL CEMETERIES

NO.	WARD	CEMETERY NAME	START YEAR OF OPERATION	SIZE	STATUS AND BURIAL SPACE LEFT	COMMENTS
01	01	Phatsima	1985	06Ha	1½ Ha. Needs new fencing and upgrading of	Full fencing of about 1000m required for 23/24 FY. About R 800 000 is required for this.

NO.	WARD	CEMETERY NAME	START YEAR OF OPERATION	SIZE	STATUS AND BURIAL SPACE LEFT	COMMENTS
					ablution facilities	This burial site also needs to be extended. Fencing was not done due to limited budget. Land identification by DPHS in progress for Burial site
02	07	Tlhabane – Motsatsi	1964	05Ha	Closed. Reached capacity	Full wall fencing is required. Only reopenings and unveilings of tombstones were allowed. Application has been made to Glencore for construction of the wall. Awaiting a formal response from Glencore.
03	10	Tlhabane-Moraka	Early 1940's	01Ha	Closed. Reached capacity	Full wall fencing is required. Limited budget hindering full wall fencing
04	14	Donkerhoek	1903	12 Ha	Reached capacity in 2011. Only reserved and re-openings are allowed	Kremetart extension with 2 hectares in progress. EIA processes were finalized on 19/20 and fencing envisaged to be finalized in 21/22 and ablution facilities, water and electrical connections of about R1m required for 21/22 financial years. Demarcation on the expansion site was done. Razor wire fence was installed during 23/24 financial year.
05	16	Rietvlei - Developed area	2011	30Ha	Active.	The cemetery is active. MIG Funding was approved in 2021/22 financial year. The cemetery fence was vandalized during 23/24 financial year including ablution buildings within the cemetery.
		Undeveloped area	Not yet developed but was fenced during 2022-23 financial year.	20Ha	20Ha	R15 m budgeted for development during 2023-24 financial year utilizing MIG grant.
06	42	Pioneer	Mid 1800's	1½Ha	Closed due high-water table	Rietvlei cemetery is used as an alternative burial site. The Muslim area has been prepared for additional burial during 23/24 financial year.

NO.	WARD	CEMETERY NAME	START YEAR OF OPERATION	SIZE	STATUS AND BURIAL SPACE LEFT	COMMENTS
07	21	Boitekong	1995	01Ha	Closed due to the high-water table	A new cemetery was to be developed for the greater Boitekong area. Challenges with suitable land for cemetery by DPHS. Rietvlei cemetery is an alternative burial area.
08	22	Sunrise	1998	03Ha	None. Reached its capacity	A new cemetery was to be developed for the greater Boitekong area including Sunrisepark. Needs full fencing. Rietvlei cemetery is an alternative burial area.
09	25	Monakato (02)	1972	08Ha	Active	Active. Fencing and ablution facilities need upgrading. Not yet upgraded due to limited budget
10	25	Monakato (01)	1968	01Ha	Closed due to high water table	Closed due to high underground water level. Fencing needs upgrading.
11	27	Lethabong (01)	1984	10Ha	Active	Active. Fencing needs upgrading. Not yet upgraded due to limited budget
12	28	Lethabong (02)	2000	06Ha	Closed. Reached capacity.	Closed.
13	28	Lethabong (03)	2000	20Ha	18 Hectares. Active	Active. Fencing needed. Ablution facilities need upgrading. Not yet upgraded due to limited budget
14	32	Marikana	2011	20Ha	Active	Full fencing and upgrading of ablution facilities are needed. Not yet upgraded due to limited budget
15	43	Zinniaville Karlienpark	August 1976	02Ha	Active	Christian burial site is left with few grave sites. Rietvlei cemetery will be used as an alternative burial site. Negotiations with Muslim committee to utilize Pioneer cemetery was concluded during 23/24.

3.9.4. BUDGET REQUIREMENTS FOR FENCING MUNICIPAL CEMETERIES

Cemetery name	Size	Required budget	Type of fencing
Fencing and roads in Kremetart Street (Donkerhoek cemetery)	02 hectares	Fencing done during 2022-23 R1 000 000 – Development of internal roads.	Treated poles and razor mesh used to fence off the area.
Perimeter Wall of Marikana Cemetery	20 hectares	R2 000 000	Perimeter Wall fencing – Brick wall
Fencing of Tlhabane- Motsatsi Cemetery	5 hectares	R2 500 000	Perimeter Wall fencing – Brick wall
Fencing of Tlhabane - Moraka cemetery	1 hectare	R1000 000	Perimeter Wall fencing – Brick wall
Upgrade fencing - Monakato cemetery	1 hectare	R800 000	Treated wooden poles and razor mesh wire
Upgrade fencing & Additional Ablution - Phatsima cemetery	6 hectares	R1 600 000	Treated wooden poles and razor mesh wire, wall at the back.
Upgrade fencing- Lethabong cemetery 01	10 hectares	R1000 0000	Treated wooden poles and razor mesh wire
Upgrade fencing- Lethabong cemetery 02	6 hectares	R1000 000	Treated wooden poles and razor mesh wire
Upgrade fencing- Lethabong cemetery 03			Treated wooden poles and razor mesh wire
Upgrade fencing - Donkerhoek cemetery	12 hectares	-----	Fencing done during 2022-23 & 23/24 financial year
Fencing of Sunrise cemetery	3 hectares	R400 000	Treated wooden poles and razor mesh wire

3.9.5 CONSOLIDATED BURIAL REPORT JULY 2023 – JUNE 2024

3.9.5.1 BURIALS

MONTH	TOTAL NO OF BURIALS	AMOUNT
June 2023	91	R104 028.00
July 2023	104	R132 197.00
August 2023	86	R110 016.00
September 2023	98	R129 214.00
October 2023	129	R61 793.00
November 2023	69	R115 156.00
December 2023	137	R145 640.00
January 2024	106	R99 105.00
February 2024	85	R101 611.00
March 2024	108	R137 932.00
April 2024	87	R107 426.00
May 2024	101	R111 421.00
June 2024	142	R155 682.00
GRAND TOTAL	1343	R1 511 221.00

3.9.5.2 TOMBSTONES

MONTH	AMOUNT
June 2023	R3 843.00
July 2023	R6 588.00
August 2023	R3 820.00
September 2023	R3 438.00
October 2023	R4 584.00
November 2023	R2 483.00
December 2023	R2 101.00
January 2024	R4 011.00
February 2024	R2 483.00
March 2024	R5 921.00
April 2024	R2 483.00
May 2024	R2 865.00
June 2024	R3 247.00
TOTAL	R47 867.00

3.9.6. PARKS AND OPEN SPACES

3.9.6.1. Status of Parks and Open Spaces in the Municipality

Ward	Description	Status
07	Tlhabane park GG (Pule Street)	Needs overall development i.e., irrigation lawn, planting of new trees, Fencing, ablution block renovations new playing and gymnasium equipment, waste bins
11	Tlhabane park (new)	Vandalized. Needs proper fencing, repair of ablution facilities, upgrading, repair of irrigation system (pressure pumps, water tanks 10 000 lt x 4 renovations (install windows, full plumbing and electrification and replacing of all playing and gymnasium equipment, repair of braai area, waste bins
09	Bester Park	Partly developed. No fencing, playing equipments, fencing, ablution facilities, waste bins, bollards, irrigation system, planting of new trees and braai area(s)
13	Noord / Kloofspruit park	Vandalized. Needs repair of fence, ablution facilities, Repair of kiosk, installation of play equipment, new trees, waste bins and electrical components.
15	Paul Bodenstein Park	Vandalized. Needs fencing, repair of ablution facilities, dams, irrigation system, electricity, replacing play equipment and water feature, repair of mass lights and waste bins. Upgrading by business community in partnership with RLM started during 21/22 financial year
14	Joubert / Burgers Ford Park	Fenced with bollards. Irrigation system needs to be repaired, new trees, waste bins and ablution blocks
18	Dawes Park	Needs to be fenced with bollards. Needs play equipment, mass lights, ablution block, new trees and waste bins. New trees planted during 2021/22 financial year
16	Kruisbessie park	Well fenced. Needs development
01	Phatsima hall and fire station surroundings	Both need garden development

Ward	Description	Status
14	Main Library Garden	Well-developed
15	Civic centre	Well-developed but irrigation system needs upgrading
14	Fire department	Well-developed
08	Traffic department	Well-developed. Needs repair of irrigation system
15	Visitors Information centre garden	Needs upgrading of irrigation system
42	Mpheni house and surroundings garden	Irrigation system is operational, and development of garden in progress
16	Kremetart old age home garden	Well developed
31	Marikana RCC	Well maintained. Needs garden development
32	Kruger Park	Fencing, irrigation system, waste bins, ablution blocks, 3 mass lights, new trees, walkways and playing equipment
33	Old Library RTB North	Garden development
34	Phatsima Fire dept	Garden development

3.9.6.2. Staffing: Parks and Open Spaces

Position	Gender	Number
Section Manager	M	01
Admin Assistant	M	01
Regional Supervisors	M	03 (vacant x 1)
Assistant horticulturists	M	01
Horticulturist	M	02
Senior horticulturist	----	01 (vacant)
Generalist Worker	F	17
Generalist workers	M	12
Field ranger	M	01
Tractor drivers	M	06
Truck driver	M	01
Machine Operators	M	20
Team Leaders	M	01 (vacant)
	Total	62

3.9.6.3. Staffing: Cemeteries

Position	Gender	Number
Section Manager (same as Parks)	M	-----
Admin Assistant	F	01
Aid clerk	M	01
Caretaker	M	01
Team leader	M	01 (vacant)
Generalist Worker	M	16
Generalist Worker	F	02
TLB Operators	M	02
	Total	23

3.9.7 . KEY FUNCTIONS CARRIED BY THE SECTION 2023/2024: PARKS AND CEMETERIES

Grass cutting on municipal premises, sidewalks, open spaces including cemeteries.

Removal of Alien Invaders species at municipal buildings, pathways, road reserves and open spaces

Tree pruning and branches collection.

Garden maintenance.

Digging and shaping of graves.

Allocation of grave numbers and monitoring funerals.

Partnership with Day EPWP beneficiaries.

Adopt a park initiative

3.9.8. CHALLENGES FACED BY PARKS AND CEMETERIES SECTION

Unavailability of suitable land for cemetery development. The population is growing at a rapid pace, therefore there is huge residential and industrial demand for land to respond to the population growth.

Graves with high mounds should be stopped – Maintenance is also an issue if mound remains as you cannot use ordinary grass mowing machines.

High rate of theft and vandalism in cemeteries and parks.

Lack of security personnel and reaction forces in cemeteries and parks.

Poor turnaround time for repairs of fleet and equipment.

Lack of equipment and machinery for both Parks and Cemeteries

Shortage of staff due to retirement and resignations and positions not filled.

3.9.9. CIVIL & FACILITIES MANAGEMENT UNIT

INTRODUCTION

The objective of the Civil & Facilities Management Unit is to ensure that the physical environment and infrastructure of a facility or building support the council's core business operations and the well-being of its occupants. The Unit encompasses a wide range of tasks and responsibilities aimed at optimizing the functionality, safety, efficiency, and overall performance of the workplace.

Some of the key objectives of the Civil & Facilities Management Unit in the workplace include:

Maintenance and Asset Management: Ensuring that the facility's assets, including buildings, equipment, and systems, are well-maintained, efficient, and reliable. Regular maintenance and proactive asset management help prevent breakdowns, extend the life of assets, and minimize disruptions to business operations.

Health and Safety: Prioritizing the health, safety, and well-being of the occupants by creating and maintaining a safe and healthy work environment. This includes adherence to building codes, safety regulations, fire safety measures, emergency planning, and ergonomic considerations.

Space Utilization and Optimization: Maximizing the effective use of available space within the workplace. The Head of Civil & Facilities Management analyzes space requirements, plan layouts, and optimizes office configurations to enhance productivity and accommodate the changing needs of the organization.

Cost Efficiency: Managing facilities in a cost-effective manner by optimizing energy consumption, implementing sustainable practices, and identifying cost-saving opportunities without compromising on quality and safety.

Environmental Sustainability: Incorporating environmentally sustainable practices to reduce the facility's ecological footprint. This may include energy-efficient lighting, waste management, water conservation, and promoting eco-friendly initiatives throughout the workplace.

Workplace Experience: Fostering a positive workplace experience for employees, visitors, and clients by providing a clean, comfortable, and well-maintained environment. This can contribute to employee satisfaction, productivity, and overall organizational success.

Compliance and Regulatory Adherence: Ensuring compliance with relevant laws, regulations, and industry standards related to facility management, workplace safety, accessibility, and environmental impact.

Emergency Preparedness: Working together with Disaster and Emergency Unit in developing and implementing emergency response plans to handle various crises, such as natural disasters, security incidents, and medical emergencies, ensuring the safety and well-being of occupants.

Overall, Civil & Facilities Management in the workplace aims to create a conducive and efficient work environment that supports the organization's objectives, enhances productivity, promotes employee well-being, and aligns with sustainable and ethical practices.

BACKGROUND

The Civil & Facilities Management Unit is responsible for providing building maintenance to all buildings under the custodianship of the Rustenburg Local Municipality. There are more than 90 facilities that the Unit is responsible for, and these facilities comprise of 14 Libraries, 14 Office Buildings, 3 Traffic Departments, 16 Halls, 22 Sport Facilities, 3 Fire Fighting Stations, 6 Parks, 9 Cemeteries, 9 Regional Community Centre (RCC).

MAINTENANCE TEAM

The Building Maintenance Team which is responsible for all the buildings consist of the Foreman, Special-workman, Artisan Electrician, Artisan Plumber and two Generalist Workers. The recorded maintenance request received and addressed per quarter were as follows:

QUARTER	COMPLAINT RECEIVED	JOBS COMPLETED	% ACHIEVED
Q1 (July – September)	300	259	86%
Q2 (October – December)	237	205	86.5%
Q3 (January – March)	257	230	88%
Q4 (April – June)	130	125	96%

MAINTENANCE BUDGET

The Unit needs more budget to accommodate all facilities, but due to financial constraint only a few facilities can be prioritized. The allocated budget for maintenance is tabled below:

TYPE	VOTE NUMBER	DESCRIPTION	ALLOCATED BUDGET
OPEX	O0001/IE00649/F2496/X055/R0332/001/305	Maintenance of Buildings	13 380 830
CAPEX	C0306-2/IA00032/F0002/X057/R0333/001/305	Revamp of Mpheni	1 000 000
CAPEX	C0327-3/IA00092/F0002/X006/R0333/001/305	Installation of fencing at various municipal facilities	1 060 000
CAPEX	C0306-2/IA00032/F0002/X006/R0332/001/305	Renovation of East End Sport Facility Buildings	600 000
CAPEX	C0306-1/IA00032/F0002/X057/R0333/001/305	Refurbishment of the Civic Centre	950 000
CAPEX	C0245-3/IA06473/F0002/X006/R0333/001/305	Backup Water Supply	800 000

ACHIEVEMENTS

NO:	PROJECTS DESCRIPTION	STATUS
1	Servicing firefighting equipment for a period of 36 months - RLM Facilities	The project is ongoing. The project will be completed in January 2025
2	Appointment of a service provider to repair and maintain Waste Staff Ablution Facilities	The project was completed in March 2024.
3	Appointment of a service provider to repair and maintain the basement staff restroom and showers	The project was completed in June 2024
4	Appointment of the service provider to supply and install pumps at Mpheni Flood Tunnels and Basement	The project was completed in May 2024
5	Installation of new windows at Mpheni Building	The project is ongoing. The project will be completed in November 2025

CHALLENGES

The Civil & Facilities Management Unit faces a range of challenges, particularly as buildings become more complex, organizations demand higher efficiency, and expectations for employee experience and sustainability increase. Some of the key challenges experienced by the Unit are, but not limited to:

- *Bid Committee Delays:* Bidder could not be appointed due to delays at Supply Chain Management leading to validity period expiring. These delays had serious consequences for the organization as projects for 2023/24 will need to be funded under the 2024/25 financial year.

- *Cost Management:* Balancing the need to maintain and improve facility performance while operating within budget constraints can be challenging. Rising operating costs, fluctuating energy prices, and maintenance expenses make it crucial for the Head of Civil & Facilities Management Unit to find cost-effective solutions without compromising on service quality.
- *Aging Infrastructure:* Many facilities and buildings have aging infrastructure, which requires constant maintenance and upgrades. Dealing with older systems can be challenging, as it may involve managing obsolete equipment, sourcing spare parts, and making retrofitting decisions.
- *Understaffed:* Maintenance of buildings is a day-to-day activity which needs personnel who are well equipped with vast experience in the construction industry to deliver services expected by the clients. The Unit, through engagement with the Corporate Support Services, will review the current structure to ensure that it is aligned with the status quo.
- *Sustainability and Environmental Compliance:* Civil & Facilities Management Unit must address increasing expectations for sustainable practices and environmental compliance. This includes reducing energy consumption, implementing green building practices, waste management, and meeting regulatory requirements for environmental protection.
- *Safety and Security:* Most buildings/facilities lack access control as it is easy to visit anyone without an appointment, which poses the risk of officials being attacked. Ensuring the safety and security of employees and clients is a top priority for the Rustenburg Local Municipality. This involves implementing robust safety measures, emergency planning, and addressing security threats.
- *Workplace Experience:* As workplaces become more focused on employee well-being and productivity, the Head of the Civil & Facilities Management Unit must create spaces that provide positive user experience. This involves considering elements such as office layout, lighting, acoustics, temperature, and amenities that contribute to a conducive work environment.
- *Talent and Skills Gap:* The industry faces a shortage of skilled professionals, especially with the growing complexity of buildings and the integration of technology. Attracting and retaining qualified talent becomes a challenge, requiring investments in training and development programs.
- *Regulatory Compliance:* Compliance with building codes, safety standards, environmental regulations, and other legal requirements is essential. Keeping track of ever-changing regulations and ensuring adherence can be time-consuming and complex.

Addressing these challenges requires strategic planning, consequence management, adequate funding, collaboration with stakeholders, continuous learning, vacant positions being filled and a proactive approach to Facilities Management.

COMPONENT C: PLANNING AND HUMAN SETTLEMENT

3.10 PLANNING AND HUMAN SETTLEMENT (DPHS)

3.10.1 INTRODUCTION PLANNING AND HUMAN SETTLEMENT

The Directorate Planning and Human Settlement consists of four Units: Estate Administration and Land Sales; Building Control and Regulations, Development Planning and Housing Provision. The directorate's main function is to ensure that development occurs in line with the Spatial Development Framework, Land Use Management Scheme and Rustenburg Land Disposal Policy. Further it contributes to ensuring that there is a conducive environment for the creation of sustainable human settlements.

3.11 ESTATE ADMINISTRATION AND LAND SALES

UNIT PURPOSE

The purpose of the Unit Estates Administration and Land Sales is to ensure success in all administration of land transactions by providing precise information and understanding of the physical characteristics of the capital assets including applications management and analysis, land specific data compilation, facilitation of land surveys, report writing, and most importantly, compliance with all legislative prescripts.

FUNCTIONS

The Unit's primary function is to initiate, manage and co-ordinate the administration of real estate and land management within the municipal area; to provide strategic advisory role relating to activities of land capital investment, disposal of single asset and /or entire portfolios and identification of possible scenarios for the positioning of municipal land portfolio in the open property market.

This function involves obtaining and maintaining value from the property portfolio by effectively administering and leasing, acquiring and selling, and ensuring maintenance of the property register. Ensure continued success in all asset management operations by providing precise information and understanding of the physical characteristics of the portfolio or the assets.

3. LAND DISPOSAL

The council may alienate land or rights on land by means of direct sale, public tender, auction, or donation once it is satisfied that such property or right is not required to provide the minimum level of basic Municipal service.

The Land Disposal section is tasked with the following responsibilities (but not limited to):-

Manage all Council owned land

Manage the lease of land to private parties, the mines, telecommunications, government, and other organisations

Issue rights to use land for servitudes and wayleaves; and regulate the use of the land

Make sure that all land is sold for development purposes and not to third party

Ensure that conditions of sale are being complied with

Keep and maintain the asset register

Manage availing land to government institutions and NGOs for social amenities

Consult with conveyancing attorneys to administer land sale transfers

Meet development planners and interested parties for land availability discussions

Analyse the development proposals and direct development when land is sold for development purposes.

Legislative Framework

The following legislative framework is what informs the disposal of land:

Municipal Finance Management Act (Act 56 of 2003)

Sections 14 read with 90 of the Local Government: Municipal Finance Management Act No 56 of 2003 (“the MFMA”) provide that the Municipality may not dispose of any of its capital assets needed to provide a minimum level of basic municipal services, unless in a meeting open to the public, has decided on reasonable grounds that the asset is not needed to provide such minimum level of basic municipal services. The fair market value of the asset and the economic and community value to be received in exchange for the asset must be considered. The transfer of ownership must be fair, equitable, transparent, competitive, and consistent with the Municipality Supply Chain Management Policy.

Rustenburg Land Disposal Policy

The objective of this policy is to provide a framework for the disposal or transfer of immovable assets or rights thereof and the management and use of Council’s immovable property in the event that the property is not subject to disposal, in a manner that would support the strategic objective of the municipality contained in its Integrated Development Plan and the needs and aspirations of the community that it serves.

Municipal Asset Transfer Regulations

The regulation would apply to all municipalities and municipal entities, transfers, and disposals of all municipal capital assets, as well as hiring out arrangements. The legislation would also provide clarity on the governing principles, the definition of assets, the issue surrounding functions and service, the transfer or disposal of non-exempt capital assets, and a listing of the capital assets that were not exempted.

Alienation of Land Act (Act No. 68 of 1981)

Broad Based Black Economic Empowerment Act (Act No. 53 of 2003).

Development Facilitation Act (Act No. 67 of 1995).

Extension of Security of Tenure Act (Act No. 62 of 1997).

Land Use Management Bill.

Local Government: Municipal Finance Management Act (Act No. 56 of 2003) and its regulation no. 31346 of 22 August 2008, the Municipal Asset Transfer Regulations.

Municipal Supply Chain Management Policy Regulations (Act No. No. 27636).

Property Rates Act (Act No. 6 of 2004).

The Constitution of the Republic of South Africa (Act. No. 108 of 1996).

Spatial Planning and Land Use Management Act (Act16 of 2013

3.9.3 Disposal Projects/Programmes

3.9.3.1 Rapid Land Release Programme

The programme plans for the municipality's intended Program of residential, mixed use, community land releases with particular emphasis on the previously disadvantaged communities, within a well-planned environment. The programme is indicative and subject to change as forecasts population changes, demand for land and the capacity to cost effectively deliver key infrastructure and services.

The programme seeks to assist effective communication of the municipality's intentions or actions, thereby avoiding the pitfalls of desperate people who would be vulnerable to exploitation and encourage people to be wary of land grabbers.

Through the land release strategy, legitimate beneficiaries would be able to get legal access to the property through transfer. The programme seeks to verify and quantify the total number of properties owned by the municipality. The process would provide economic incentives to invest in strategic parcels of land and thereby identify specific precincts that stimulate economic and social development.

The following is the number of stands that have been issued regarding the rapid land release programme in the following townships:

Lethabong: A total of 1871 beneficiaries have been allocated. The total number of stands was 2000.

Monnakato: There are 500 stands identified for allocation; 485 beneficiaries have been identified.

Phatsima: There are a total of 291 unserviced stands that are to be allocated. A list of beneficiaries for Phatsima Extension 3 has already been finalised and to date, a total of 123 stands have been allocated to qualifying beneficiaries.

Plot 50: a total of 367 beneficiaries have been allocated the stands to date.

3.9.4. LAND ACQUISITION

The Rustenburg Local Municipality requires land for Integrated Human Settlement. Economic expansion in the city, because of mining in the area resulted in high population growth and in turn the sprawl of informal settlements. There were 40 profiled informal settlements in the Municipality and various requests for assistance have been sent to Government entities such as HDA.

Land availability is a big challenge within the Rustenburg Local Municipality, with land ownership being vested in the hands of Traditional Authorities, Mines, Private owners, and Government. Another issue is that of the concentration of mining rights within the jurisdiction, preventing any form of development on that land. These aspects impact on housing development activities within the jurisdiction. Portion 8 of the farm Boschoek 103 JQ in the extent of 34 hectares was acquired by the Rustenburg Local Municipality.

Acquisitions have been initiated as a means of securing tenure and creating sustainable human settlements in the Rietvly, Marikana, Boitekong Cluster, Tlhabane (Yizo-yizo), Ikemeleng and Kroondal areas.

Portions 26 and 109 and of the farm Paardekraal 279 JQ was donated to the Rustenburg Local Municipality and is registered in the Council's name.

Acquisitions have been initiated as a means of securing tenure and creating sustainable human settlements in the Rietvlei, Marikana, Boitekong Cluster, Tlhabane (Yizo-yizo), Ikemeleng and Kroondal areas and are illustrated as follows:

Acquisition of Portions 5,7, 9, 28, (unregistered portions 289-294), 66, 67, 69, 70, 74 ,80, 81, 82, 83, 269, 273, 274, 275, 344 and 345 of the farm Rooikoppies 297 JQ by NW COGHSTA for Rustenburg Local Municipality. Transfer documents to be signed after the Council has accepted the land parcels. The transfer of these portions is to allow for the development of a township Marikana Extension 13 and the Greater Marikana, which will contribute to the formalization of informal settlements in the Marikana

Acquisition of Portion 9 of the farm Boschoek 103 JQ by NW COGHSTA for Rustenburg Local Municipality. Transfer documents to be signed after the Council has accepted the land parcels. The transfer of these portions is to allow for the upliftment of Boschoek and to accommodate land invaders.

Agreements signed regarding Portions 15, 39, 112 and 148 of the farm Paardekraal 279 JQ. These properties are for the upgrading of Popo Molefi/Mbeki Sun

The council signed contracts regarding a donation on Portion 16, Portion 194 – 196, Portions 198 – 207, Portion 57, Portion 58 and Portion 135 of the farm Rooikoppies 297. These properties will be used for the upgrading of the informal settlements within Marikana.

Contracts signed on Portions 53, 99, 129, 157, Remaining extent of Portion 164, a portion of Portion 185 of the farm Kroondal 304 JQ. These properties are for the proclamation of Ikemeleng.

Expropriation of land:

The council is in the process with the following expropriations:

The council is in the process of new negotiations with private landowners concerning the location of a servitude to provide water and electricity to Waterkloof East Extension 31.

Council with the assistance of HDA in progress regarding the expropriation of Portion 45 of the farm Paardekraal 279 JQ.

Expropriation of Portion 55 and Portion 184 of the Farm Rooikoppies 297 JQ 4 was registered at the Deeds Office on the 2nd of November 2023. These properties are for the establishment of Marikana Extension 13.

Payments regarding the Service Level Agreements on the provision of Roads:

During the Service Level Agreement certain costs are written off against the total bulk contribution that usually entertain the construction of roads for the cost of the developer and not for the council.

Two such applications were in the process:

Waterkloof East Extension 43: Portion 363 of the farm Waterkloof 305 JQ: Waterval East x 40

ADMINISTRATION OF MUNICIPAL FACILITIES

The Unit Estates Administration and Land Sales has recently taken over the functions of contract management for the following municipal facilities: Kloof Resort, Rustenburg Aerodrome, Rustenburg Golf Course and Bojanala District Municipality Offices. This entails checking for compliance in terms of the lease for the municipal facilities, this includes adherence to clauses in the lease agreement as well as timely payment of the rental amount. These facilities are assets of the Municipality and through effective contract management can generate considerable revenue for the Municipality.

BUILDING CONTROL AND REGULATIONS

All work must be executed in accordance with the provisions of the National Building Regulations and the Building Standards Act 1977 (Act 103 of 1977), the Town Planning scheme and/or any other applicable

legislation. Under the rule no person may erect, alter add to, or convert any building without the prior approval of the Local Authority.

Amendment on the Regulation came into effect on 11 November 2011 to incorporate the eco or green building standard such as energy efficiency in buildings.

Core functions

Provide client orientation (establish innovative operational methods).

Consideration and approval of site development plans for erection of buildings. Evaluation of building plans to ensure compliance with the policy.

Conducting site inspections to regularly monitor processes and compliance (Building & drainage inspections).

Law Enforcement serving contravention notices and fines. (ensure public awareness).

Evaluate and approve demolition applications. Building plans were received and circulated to another technical department measured as follows:

Table 3.15 Building Plans

Financial Year	2023/2024
	Number of Plans Received
1 st Quarter	178
2 nd Quarter	123
3 rd Quarter	148
4 th Quarter	150
Total no. of Plans received per year	599

Income-generating activities:

Building plan fees and legal fines issued to contraveners.

Monitoring and evaluating trends in income generated and operating expenditure.

Reviewing tariff increase annually.

Ensuring that annual income targets are achieved.

Rand value for building plans application submitted by 30 June 2024.

Table 3.16 Rand Value for Building Plans

Vote Number	Vote description	Original budget	Income generated
165 017 1032	Building Plan fees	R116 0429	R1 240 369 (as at end June 2024)

3.12 DEVELOPMENT PLANNING

Unit Purpose

The purpose of the Unit Development Planning is to provide strategic guidance in respect of the location and nature of development within the Municipality and guide the objective of creation and management of sustainable human settlements within a well-planned spatial structure. The Unit Development Planning is an umbrella that amalgamates the three sections which are Urban Renewal and Future Planning, Law Enforcement and Tribunal and Land Use Management.

Functions of the Unit

Ensure that spatial planning, land development and land use management adheres to the development principles as stipulated in Section 7 of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013).

Ensuring access to accurate and reliable strategies and spatial information to inform development and decision-making through effective and efficient Geographic Information System (GIS).

Provide town planning information and developmental advice to municipal stakeholders (internal and external).

Section: Urban Renewal and Future Planning

Facilitate future planning to the advantage of the entire population of the area.

Manage all aspects relating to spatial forward planning within the area of jurisdiction such as identifying forward planning projects.

Provide short, medium and long-term spatial direction to municipal development through coordinating, developing and monitoring spatial development frameworks, policies, precinct plans, local area plans, etc.

Establishment of sound Municipal Spatial Development Framework, precinct plans, urban renewal strategies and development guidelines.

Section: Land Use Management

Determines and regulates the use of land within the municipality.

Responsible for the evaluation and processing of land use and land development applications.

Responsible for the evaluation and assessment of building plans and site development plans (SDP)

To ensure an effective, efficient and integrated Geographic Information Management System

Facilitation of land development through more active participation of the municipality in the land development process, especially through public-private partnerships

Section: Law Enforcement and Tribunal

Ensures land use compliance with the land use scheme and municipal planning policies.

Investigates and monitors the alleged contraventions of the land use scheme.

Manage the promotion of law enforcement in the municipal area.

Enforce all legal requirements in line with Section 32 of the Spatial Planning and Land Use Management Act 16 of 2013.

Facilitate the Municipal Planning Tribunals to ensure effective and efficient proceedings.

Municipal Planning Tribunal

A committee established by Council in line with Section 35 of the Spatial Planning and Land Use Management Act 16 of 2013. Members were appointed by the Council on 29 September 2020 for a period of 5 years. Responsible for considering and taking decision on Category 1 application in terms of Section 16(2) of the Rustenburg Local Municipality Spatial Planning and Land Use Management By-law,2018. Members:

Chairperson: Mr. Mocketla Mamabolo

Deputy Chairperson: Mr. Peter Hoffmann

Mr. Phuti Mokobane

Mr. Thato Molwantwa

MS Kelebogile Mekgoe

Mr. Pierre Bergh

Director Planning and Human Settlement

Legal Advisor from the Office of the Municipal Manager

Legislative Framework

Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA)

The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) is a national law that was passed by Parliament in 2013. The objectives of the Act are to:

provide for a uniform, effective and comprehensive system of spatial planning and land use management for the Republic.

(Ensure that the system of spatial planning and land use management promotes social and economic inclusion.

provide for development principles and norms and standards.

provide for the sustainable and efficient use of land.

provide for cooperative government and intergovernmental relations amongst the national, provincial, and local spheres of government; and

redress the imbalances of the past and ensure that there is equity in the application of spatial development planning and land use management systems.

Rustenburg Local Municipality Spatial Planning and Land Use Management By-law.2018 (SPLUM By-law)

The Rustenburg Local Municipality approved its Spatial Planning and Land Use Management By-law in 2015, the By-law was reviewed in 2018. In line with Section 35(3) of the Spatial Planning and Land Use Management Act,2013 (Act 16 of 2013) the SPLUM By-law categories land use and land developments applications into 2 (two) categories, Category 1 being land use and land development applications referred to the Municipal Planning Tribunal and Category 2 being land use and land development applications referred to the Authorized Official/Land Development Officer. The Rustenburg Municipal Council has authorized the amendment of the Rustenburg Local Municipality Spatial Planning and Land Use Management By-law, 2018 as per Council resolutions on Item 251, Council meeting of the 30th of November 2022.

Spatial Development Framework, 2010

The current Spatial Development Framework,2010 is outdated, the Rustenburg Local Municipality has appointed a service provider in June 2023 for a period of 12 months to develop a Municipal Spatial Development Framework in line with the provisions of the Spatial Planning and Land Use Management Act,2013 (Act 16 of 2013)

Rustenburg Land Use Scheme 2021

The Rustenburg Local Municipality compiled with the provisions of the Spatial Planning and Land Use Management Act,2013 (Act 16 of 2013) by approving the Rustenburg Land Use Scheme 2021. The Rustenburg Land Use Scheme 2021 was proclaimed on the 20th of July 2021.

SERVICE STATISTICS: TOWN PLANNING

The table below illustrate land use and land developments applications in terms of rezoning and township establishment that were approved or finalised during the financial year:

CATEGORY	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL
Rezoning	12	09	15	21	57
Township Establishment	00	00	02	00	00
TOTAL	12	09	17	21	59

HUMAN SETTLEMENT

Housing Provision

The Unit Housing Provision has four sections, namely:

Subsidy Programme and Beneficiary Administration

Planning Implementation and Research

Urban Renewal and Human Settlement Redevelopment, and

Monitoring and Control of Informal Settlement Housing

The key functions of the Unit are the administration of Municipal Housing rental stock, facilitation of the development of government sponsored housing, housing research & planning, and monitoring and upgrading of Informal Settlements.

Progress of the existing Housing Development Projects

Table 3.18 Housing Development Projects

Project	Programme	Units	Progress	
Rustenburg Rural Housing	Rural Housing Project	1040	Foundation	575
			Wall Plate	554
			Completion	534
Lethabong	Project Linked	1000	Foundation	444
			Wall Plate	443
			Completion	389
Bokamoso	Greenfield	1600	Foundation	1360
			Wall Plate	1280
			Completion	899

COMPONENT G: ROAD TRANSPORT

This component includes Roads and Storm Water, and Public Transport.

3.13 ROADS AND STORMWATER

The roads strategy of the municipality generally focuses on the following:

- The upgrading of gravel to paved/tarred roads, focusing on specific areas where there is greater need to improve mobility and quality of life in those areas.
- The maintenance of gravel roads in formal and informal settlements to enhance access to these areas.
- The execution of the patching strategy, rehabilitation and resurfacing of paved/tarred roads to prevent the deterioration of the existing infrastructure; and
- The improvement or construction of major roads to reduce traffic congestion and facilitate economic development.
- Implementation of an integrated public transport network
- Regulation and management of public transport services

Table 3.20 Roads and Stormwater Objectives

ROADS AND STORMWATER OBJECTIVES AS PER IDP: 2023/24 FINANCIAL YEAR						
Strategic Objectives	Key Performance Indicators	2022/23		2023/24		
		Target	Actual	Original Target	Adjusted Target	Actual Performance
Accelerated delivery and maintenance of quality basic and essential services to all Communities	Kilometers of municipal roads built	30km	22Km	30km	30km	10,050 km under construction by 30 June 2024
The municipality implemented roads and stormwater projects through the Municipal Infrastructure Grant in various wards						

COMMENTS ON THE PERFORMANCE OF ROADS AND STORMWATER

ROADS AND STORMWATER

RLM has a total road network distance of **1,911.732 km** of which **1052.598 km** are tarred (paved) and **859.134 km** are gravel (unpaved). The road network distance excludes the Provincial and National roads.

Most of the paved roads range from good to fair surface conditions implying that these roads have fair motorable condition. The gravel or earth roads range from fair to poor gravel quality and quantity implying that these roads have poor motorable condition. The need for Re-gravelling is therefore found to be very high. Roads with poor profiles are without Camber and this results in water ponding.

MAINTENANCE

The Unit is divided into Four Main focal activities:

- 1-Tar Patching & Resealing of Roads (Surface maintenance)
- 2-Regravelling & Blading of roads (Rural roads)
- 3-Stormwater Maintenance
- 4-Road Markings and Road Signage

Staffing: Roads and Stormwater

Position	Gender	Number
Section Manager	M & F	02
Admin Assistant	M	01
Superintendent	----	04 (vacant)
Technicians	----	02 (vacant)
Special Worksmen	----	28
Depot Clerk	----	01 (vacant)
Clerk	M	01
Generalist Worker	M & F	150 (42 vacant)
Admin Officer		01
Foreman	M	11(7 vacant)
Senior Operators	M	08
Storeman	M	02 (vacant X1)
Operators	M	12
Receptionist	M	01
	Total	224

MAINTENANCE BUDGET

The allocated budget for maintenance table below:

TYPE	VOTE NUMBER	DESCRIPTION	ALLOCATED BUDGET
OPEX	O0001/IE00670/F0041/X116/R0333/001/335	Contr : Contrac > Traffic & Street Lights	476,089
OPEX	O0001/IE00534/F0041/X116/R0333/001/335.	Road Paint	524,500
OPEX	O0001/IE00594/F0041/X116/R0333/001/335	Op Cost : Signage	1,034,996
OPEX	O0001/IE00813/F2496/X116/R0333/001/335	Expansion of Urban Mobility	3,380,624
OPEX	O0001/IE00631/F0041/X045/R0333/001/335,	Stormwater	5,344,303
OPEX	O1765-1/IE00651/F0041/X116/R0333/001/335	Streets	4,396,500
OPEX	O1765-2/IE00651/F2496/X116/R0333/001/335	Road Marking Services	4,184,000
OPEX	O1765-1/IE00651/F0041/X115/R0333/001/335	Road Patching	3,000,000
CAPEX	O0001/IE00835/F0041/X116/R0333/001/335	Development Roads Masterplan	4,380,624
CAPEX	O0001/IE00835/F0041/X116/R0333/001/335E	Development Stormwater MasterPlan	4,380,624

ACHIEVEMENTS

NO:	PROJECTS DESCRIPTION	STATUS
1	Rehabilitation and Resealing of road surfaces as and when required for a period of 3 years	This is a maintenance project and is for as and when required. The project is ongoing and will be completed in January 2025 The current financial year – only intersections were resurfaced and added up to 2,5 km

CHALLENGES

#	MAJOR CHALLENGES	ROOT CAUSES (NOT MORE THAN 2)	EFFECTS	PRACTICAL INTERVENTION OR SOLUTIONS
1	Budget/ Cost to maintain	Rising costs, fluctuating energy prices, and maintenance expenses make it challenging for Unit Roads & Stormwater to find cost-effective solutions without compromising on service quality.	Balancing the increasing cost to maintain and improve the infrastructure performance while operating within budget constraints is a major challenge.	Increase the budget to sufficient as our budget keeps going down yearly while more roads are being built every financial year.
2	Aging Infrastructure	Using older techniques/ systems can be challenging, as it may involve	Most roads infrastructure has aged, which requires constant	Allocate more funds into maintenance projects to refurbish/ rehabilitate the infrastructure and extend the life expectancy of some

#	MAJOR CHALLENGES	ROOT CAUSES (NOT MORE THAN 2)	EFFECTS	PRACTICAL INTERVENTION OR SOLUTIONS
		maintaining small portions with old or aged machinery, plant and equipment, and does not yield much results.	maintenance and upgrades.	while we rebuild others that need reconstruction.
3	Skills/ Personnel	Maintenance operations are day-to-day activities which require skills as well as personnel with vast experience in the construction industry to deliver services expected by the communities.	The Unit, through engagement with the Corporate Support Services, will review the current structure to ensure that it is aligned with the status quo.	Skills development be prioritised with necessary training offered to interested workers
4	Ageing of resources	Municipal plant and fleet need to be replaced as old or aged machinery, plant and equipment, and does not yield much results.	Most machinery is constantly experiencing breakdowns, which often leaves the workers, and the communities stranded	Hire plant from service providers (finance give orders in time) and transport be serviced by the mechanical workshop
5	Compliance	Compliance with labor laws, safety standards, environmental regulations, and other building requirements is essential.	Keeping track of ever-changing regulations and ensuring adherence can be complex and	Unit Civil & Facilities Management to intervene with the structural issues of Asbestos at the Roads Depot and all environmental concerns of the workers conditions

3.14 PUBLIC TRANSPORT SYSTEM

The Rustenburg Rapid Transport (RRT) project also locally known as “Yarona™” is a flagship national public transport initiative being implemented by Rustenburg Local Municipality. Over the past financial year, the Municipality was constructing 6 Stations on the Tlhabane corridor and daily commuter numbers increased to 5 000 passengers per day. In August 2022, operations of Phase 1A started in Tlhabane corridor. The RRT has been operating Phase 1A since the launch with 10 buses and 35 Yarona branded mini-bus taxis running on 10 routes. The RRT further achieved the successful rollout of an Automated Fare Collection system, delivery of Yarona Cards, roll-out of and completion of the vehicle depot at the Rustenburg showgrounds. About 258 taxi vehicles have been removed and compensation was paid to operators who have surrendered their vehicles and permits. The plan is to launch part of Phase 1C by December 2024 followed by partial implementation of Phase 1B. Over the next 3 years, services would cover 50% of commuters in Rustenburg, with full Phase 1 and 2 rolled out.

The funding of the **Public Transport Network Grant (PTNG) for the Project remains critical**. The RLM remains committed to achieving the objective of providing a quality municipal wide public transport system while transforming the spatial development of the Municipality. Through the grant and Project, the RLM strives to make an impact in the local economy, through the provision of employment opportunities, involvement of small, micro and medium enterprises (SMMEs) or any other spin-off it may create.

The intention is to implement Phase 1 and 2 within the medium term and to ensure the system components of a **quality public transport system**, based on the current amounts allocated, even though preliminary projections over the coming number of years proved to be much less than originally anticipated and designed for during the platinum mining boom in Rustenburg in 2008.

The Municipality approved that the phasing needs to be packaged per area in the sense that it can be **implemented in autonomy** whilst making an impact but also serve as building blocks towards the implementation of the RLM IPTN. The phases of the system need to have services that are attractive to users. The system must have the basic elements that are characteristic of a quality public transport system. Therefore, even for the minimum scenario the following will apply:

- ✓ buses on segregated lanes in certain designated areas of high traffic volumes;
- ✓ combination of open and closed stations;
- ✓ ABT/AFC System;
- ✓ APTMS-lite solution is implemented which includes the tracking of vehicles, basic passenger information display in vehicles
- ✓ Vehicle Control Centre and Depot.
- ✓ When using the system, passengers should find, amongst others: clean vehicles; and a reliable service (fixed frequencies and headways).
- ✓ Universal accessibility of vehicles and infrastructure is considered as part of each phase.

Furthermore, with regards to *industry transition and the buyout of current operators*, the phasing needs to be packaged in cost-effective contracts. The implementation of the system has been designed according to an adequate number of users, short-distance operation, fleet optimisation, and a high Index Passenger-Kilometre. The distributions of future contracts for the Integrated Public Transport Operator (IPTOC) have been taken into count.

Infrastructure that supports each phase or sub-phase needs to be ready when implementing operations for that particular phase without compromising subsequent phases' operation and/or construction.

The RLM has been able to delay non-critical elements of the project to consider the availability of Grant funding without significant disruption to packages already under construction or exposing the RLM to negative consequences resulting from contractual delays beyond RLM's control.

Summary of Project Expenditure for 2023/24 Financial Year

Table 3.20 Roads and Transport Capital Expenditure

Capital expenditure 2023/24 Financial Year			
ROADS TRANSPORT			
Details	2023/24 Budget	2023/24 Actuals	Variance
	R'000	R'000	R'000
Capital project			
Infrastructure Municipal Infrastructure Grant Funded Roads	R90 398	R90 398	R0
Rustenburg Rapid transport – Public Transport Network Grant (PTNG)	R568 603	R568 603	R0

Table 3.21 Roads and Transport Objectives

RUSTENBURG ROADS AND TRANSPORT OBJECTIVES AS PER IDP: 2023/24 FINANCIAL YEAR						
Strategic Objectives	Key Performance Indicators	2023/24		2023/2024		
		Target	Actual	Original Target	Adjusted Target	Actual Performance
Improved public transport infrastructure and services	Number of stations completed for the IPTN	New	New	4	4	12% construction progress on 6 stations
	Number of Buses operating through the IPTOC	New	New	12	10	10
	KMs of roads constructed within the Financial year	New	New	30km	30km	10,050 km Under construction by 30 June 2023

Table 3.22 PTNG Funds

FINANCIAL ACCOUNTING FOR PTNG FUNDS RECEIVED AND EXPENDED			
NO.1	Details	2022/23	2023/24
		R'000	R'000
1	PTNG FUNDS - APPROVED ROLLOVER	R39 788	R0
2	PTNG FUNDS - APPROVED ALLOCATION	R238 720	R257 603
3	ADDITIONAL FUNDS	R100 000	R311 000
4	TOTAL FUNDS RECEIVED	R378 508	R568 603
5	TOTAL PTNG FUNDS SPENT	R378 508	R568 603
6	PERCENTAGE FUNDS SPENT	100%	100%

COMMENT ON THE PERFORMANCE OF ROADS AND TRANSPORT

The RLM remains committed to the transformation of our public transport infrastructure through the implementation of the integrated public transport system, Yarona. Initial operations started in first quarter of the previous financial year 2023/24. Key components completed include the Showground depot, buses, Automated Fare Collection System, and compensation of affected operators, which have been completed for Phase 1A.

COMPONENT E: PUBLIC SAFETY AND SECURITY

This component includes Law Enforcement, Traffic, Security, Fire and Disaster Management

3.15 LICENSING AND TESTING SERVICES

STEPS TAKEN TOWARDS THE IMPLEMENTATION OF THE STRATEGY, THE MAJOR SUCCESSES ACHIEVED AND CHALLENGES FACED

Background

The Rustenburg Local Municipality has entered into a Service Level Agreement with the Northwest Provincial Department of Community Safety and Transport Management with services rendered at a Registering Authority (Agency of 80/20).

The Unit is having two sections, namely Registering Authority and Testing Services.

Registration and Licensing is rendering the following basic services; not limited to the following,

Register and license motor vehicle as sanctioned by National Road Traffic Act '93 of '96, National Road Regulations 2000, eNatis Security Policy, Registration manual.

- Renewal of Motor vehicles license – registration.
- Scraping and issuing of Vehicle clearance.
- Update details of motor vehicle.
- Introduce built-up vehicles and trailers.
- Introducing Natural persons, register bodies and companies.
- Issuing Traffic Register certificate to foreign nationals.
- Issuing of Temporary /Special permits to vehicles and Car dealership.
- Driving License Testing Centre (DLTC) and Vehicles Testing Stations (VTS) renders basic services; not limited to the following:
 - Examination of Vehicles for Roadworthiness and certificate of fitness (both Light & Heavy Motor vehicles); as the station is a Grade A).
 - Renewal of Professional Driving Permits (for Dangerous Goods & Passengers) and Card Type Driving Licenses.
 - Test of Applicants for Learners and Driving Licenses (Categories; codes A, A1, B, EB, C1, C, EC1 & EC).

Successes

- Marikana Registering Authority was finally launched and operationalised on the 12 April 2019 by the Honourable M.E.C of Community Safety & Transport Management, Mpho Motlhabane & Executive Mayor Mpho Khunou.
- The station rendered services with four Licensing Clerks/Cashiers appointed late 2019 under supervision of Acting Supervisor from Rustenburg Registering Authority. One Examiner & one Management Representative and one (1) filing clerk were also permanently employed. One eye-testing officer was appointed to assist applicants for learner's license class.
- Learners License Appointment (class) finally resumed from the 07 June 2021 at Marikana Driving License Testing Centre (DLTC) testing two classes per day ,10 per class.
- RTMC installed 20X computerized tablets on the 14-15 March 2022 replacing manual learner's license testing method for both Marikana & Charora during this financial year. This was to improve service efficiency and prevent any corrupt activities.
- Two Live Capturing Unit (LCU) and 26 X tablets backup batteries were supplied to Charora & Marikana stations to improve service efficiency, but the network delayed the implementation of renewal of driving licenses during this period.
- The old fragile Computerised Learners Licenses Class computer equipments were also replaced with 20X tablets at Rustenburg station by Road Traffic Management Corporations (RTMC) at the end of June 2022 to accommodate more clients and resolve persisting problems.
- eNatis training was conducted for 3X management Representative and cashiers by the Administrator, Northwest Department of Community Safety.
- An additional Supervisor (Licensing Clerk/Cashier) was appointed to Rustenburg Registering Authority.
- RTMC supplied and installed new 33X mini-CPU's and monitors,

Challenges Faced

- Filing space in all stations to secure the processed documents for auditing.
- Vandalism of network infrastructure (Telkom & Vodacom) is a major challenge which negatively affects eNatis system frequently and sometimes for a week or even more.
- Load-shedding, water shortages and network error impact negatively on revenue collection and service delivery in general, due to forced downtime and temporary closures.
- Robega Station is constantly experiencing water shedding which hampers smooth service delivery.
- An estimated amount of R750 000.00 is needed for the construction of Public Toilets and Parking Shelter at the Marikana Registering Authority. This will be placed for consideration in the 2023/24 budget.
- Two more examiners are yet to be appointed for Marikana DLTC to handle applicants for the renewal of the driver's license cards.

- The replacement of Weigh bridge was successful after Bafokeng Rasimone Platinum Mine sponsored the entire project. It was operationalized mid-April 2023 and was handed over to Traffic Services as Law Enforcement equipment.
- Appointment of Two (2) Supervisors for Marikana Station are yet to be advertised by Corporate Support Services within the Licensing and Testing Unit.
- Construction of shelter for clients waiting area for both Marikana and Robega.
- Two standby generators for Marikana and Robega stations to be acquired for 2023/2024 financial year.
- The Life Enrollment Unit (LCU, eye-test machine) at the Rustenburg DLTC is constantly losing network which affects service delivery negatively. Site Technician to be placed full permanently for speedy assistance.

The following presents statistics for operations at the Rustenburg Registering Authority, which includes:

Table 3.23 Operations at the Registering Authority

No	Details	2022/2023	2023/2024		2023/2024	
		Actual	Target	Actual	Target	Actual
1	Number of vehicle licenses issued	181 501	161 651	155 390	R113 080 506.50	R 115 234 254.30
2	Number of vehicles tested	390	229	289	R 39 960.00	R 60 690.00
3.	No of License Penalties	47 816	36 149	38 892	R10 231 737.60	R 9 134 037.08
4.	Number of vehicles registered	37 164	37 024	46 437	R5 254 188.00	R 5 437 132.00
5.	Number of registration penalties	1 286	3 480	1 352	R126 761.20	R 72 352.80
6.	Number of Driving License Renewals	24 953	25 181	26 871	R5 377 728.00	R 5 743 806.00
7.	Number of Driving License tests	5 208	4 293	3 411	R1 024 983.00	R 838 512.00
8.	Number of learners tested	5 893	4 672	5 845	R249 676.00	R 736 470.00
9.	Number of PrDPs issued	7 953	6 631	1 744	R810 306.00	R 948 654.00
10.	Number of Permits issued	2 347	1 004		R990 043.00	
11.	Number of MV License Arrears	105 266	27 935	35 423	R5 927 397.29	R 6 594 781.39
12.	Number of duplicate deregistration cert	1 649	1 709	1 870	R409 146.00	R 414 578.80
13.	Number of vehicles scrapped	1 147	457	1 516	R30 694.34	0
14.	No of Traffic Register (form used by Foreigners to buy vehicles)	92	536	397	R0.00	0
15.	Number of learner's license test issued	2 703	1 974	2 352	R242 676.00	R 296 352.00
16.	Duplicate of Learners License	271	217	130	R25 326.00	R 14 238.00
17.	Temporary Driving License	115 248	17 801	20 506	R1 311 156.00	R 1 531 824.00
18.	Application for Roadworthy	679	334	360	R53 724.00	R 77 208.00
19.	Vehicles brought for Weighbridge	0	0	0	R0.00	0
20.	Confirmation of Driving License	19	15	16	R1 134.00	R1 008.00
21.	Transaction Fees –RTMC	187 107	132 303	127 162	R10 540 104.00	R 6 954 265.82
22.	Other License Fees		127	114	R17 538.00	R 89 426.80
TOTAL REVENUE					R155 744 784.93	

Table 3.24 Financial Performance: Expenditure 23/24

Actual This Period	Actual YTD	Annual Budget	Variance
(8 073 707)	146 118 114	138 044 407	(8 073 707)

Issuing of the occupancy certificate and notices to any person acting contrary to the requirements of the legislation. Serving contravention notices and fines. Evaluate and approve demolition applications.

2023/2024 Financial Year Financial Performance:

OPERATIONAL BUDGET	YEAR TO DATE	
Full Year Budget	Actual	Variance
138 044 407	146 118 114	(8 073 708)

CAPITAL BUDGET	YEAR TO DATE	
Full Year Budget	Actual	Variance
1 100 000.00	26 607.00	1 703 393.00

REVENUE	YEAR TO DATE	
Full Year Budget	Actual	Variance
11 011 336.00	104 246.61	10 907 089.39

3.16. LAW ENFORCEMENT AND SECURITY SERVICES, TRAFFIC SERVICES EMERGENCY AND DISASTER MANAGEMENT AND MUNICIPAL COURT

One of the main pillars for the realization of the municipality's vision of "A smart and environmentally friendly city where all communities enjoy a high quality of life and diversity" is the creation of a safe environment. Collaboration and cooperation with all law enforcement agencies in the municipal area is critical for the success of the directorate. Success depends largely on joint operations, which bring together expertise and resources for fighting and combating crime. Key collaborators in these joint operations are the Immigration Officers from the Department Home Affairs, members of the South African Police Services and the Provincial Department of Community Safety and Liaison.

Table 3.26 Financial Performance: Expenditure 2023/2024

No	Details	2022/2023	2023/2024 Actual Performance		2023/2024 Revenue Generated	
		Actual	Target	Actual	Target	Actual
1.	Number of by-law infringements notices for the year	934	900	1 031	850	753
2.	Number of illegal dumping fines issued during the year	33	800	1 027	50	20
3.	Number of law enforcement officers on duty on an average day	28	28	28	30	29
4.	Number of general complaints attended	472	472	500	300	310
5.	Number of protests and events attended	54	54	70	50	32
6.	Number of awareness campaigns conducted	47	50	40	100	205

2023/2024 Financial Year Financial Performance:

OPERATIONAL BUDGET	YEAR TO DATE	
Full Year Budget	Actual	Variance
69 068 339	56 900 247	12 168 092

CAPITAL BUDGET	YEAR TO DATE	
Full Year Budget	Actual	Variance
2 650 000	869 332	1 780 668

REVENUE	YEAR TO DATE	
Full Year Budget	Actual	Variance
400,000	1,442,610.00	1,042,610.00

RUSTENBURG MUNICIPAL TRAFFIC DEPARTMENT

MANDATE:

To promote community and road safety through road safety education, positively influencing road user behaviour through road safety awareness, traffic law enforcement and promote the rule of law through tracing and arresting offenders with warrants of arrest.

3.14.1 Traffic Services statistical data

No	Details	2022/2023	2023/2024		2023/2024	
		Actual	Actual Performance		Revenue Generated	
			Target	Actual	Target	Actual
1	Number of traffic accidents for the year (minor)	556	392	3486	0	3558
2	Number of fatalities for the year	3	11	14	0	9
3	Number of vehicles stopped for the year	20 333	30 473	38 312	38 312	31 623
4	Number of traffic fines issued during the year	16 118	19 999	27 816	27 816	18 505
5	Number of traffic officers on duty on an average day	20	18	21	21	20
6	Number of escorts attended to	38	160	196	196	166
7.	Number of warrants operations	465	470	547	547	425
8.	Number of road safety awareness campaigns	47	40	50	50	62

3.13.3 Municipal Court statistical data

No	Details	2022/2023	2023/2024		2023/2024	
		Actual	Actual Performance		Revenue Generated	
			Target	Actual	Target	Actual
1	Number of Court rolls	213	187	252	252	239
2	Number of Cases on the roll	14 476	14 579	17 247	17 247	14 985

No	Details	2022/2023	2023/2024		2023/2024	
		Actual	Target	Actual	Target	Actual
3	Number of Cases withdrawn	3 713	4 506	3 329	0	2851
4	Number of Cases struck off the roll	3 934	3 806	724	0	547
5	Number of Warrants of arrest authorized	10 542	6 267	13194	13194	11 587
6	Number of Drunk and driving cases recorded	447	0	179	0	22
7.	Number of Reckless and negligence driving cases	643	0	125	0	0
8.	Number of admissions of guilty cases	593	0	8	0	0

Financial Performance

Table 3.27 Financial Performance:

Full Year Budget 23/24	Year to Date Actual	Variance
71 55 162	57 514 001	14 045 161

2023/2024 Financial Year Financial Performance:

OPERATIONAL BUDGET	YEAR TO DATE	
Full Year Budget	Actual	Variance
69 129 162	57 340 523	11 788 639

CAPITAL BUDGET	YEAR TO DATE	
Full Year Budget	Actual	Variance
2 430 000	173 478	2 256 522

REVENUE	YEAR TO DATE	
Full Year Budget	Actual	Variance
(8 659 358)	(2 065 333)	(6 594,025)

3.17 FIREFIGHTING SERVICES

The objectives of the Firefighting Services (Operations) as contained in the Fire Brigade Services Act, 99 of 1987, as amended are to:

Prevent the outbreak or spread of fire.

Fight or extinguish a fire.

Protect life or property from a fire or other threatening danger.

Rescue of life or property from a fire or other threatening danger; and

Perform any other function connected with any of the matters referred to above.

Table 3.29 Financial Performance:

2023 /2024 Financial Year Financial Performance:

OPERATIONAL BUDGET	YEAR TO DATE	
Full Year Budget	Actual	Variance
61 841 133.00	53 497 043.27	8 344 089.73

CAPITAL BUDGET	YEAR TO DATE	
Full Year Budget	Actual	Variance
650 000	223 674.50	426 325.50

REVENUE	YEAR TO DATE	
Full Year Budget	Actual	Variance
1 097 195.00	(328 646.59)	1 425 841.59

NUMBER FIRE SAFETY COMPLAINECE INSPECTIONS CONDUCTED DURING 2023/24

Fire safety inspections are conducted in business premises to prevent the phenomenon of fires and disasters within the jurisdiction of Rustenburg LM. Inspections are conducted in the following categories: Building Plans, Flammables Permits, Transport Permits, Hydrant Inspections, Inspections on request, Information release and Fire by-law enforcement.

CATEGORY	NUMBER
Fire by-laws	38
General Fire Inspections	837
Transport Permit	200
Fire Plans	88
Fire Hydrants	91
Information Release	02
Flammable Registrations	192
TOTAL	1 448

Fire safety inspections conducted during 2023-2024 financial year are calculated at one thousand four hundred and forty-eight (1448).

Enforcement of compliance through inspections plays a significant role in the reduction of the phenomenon of fires, that may escalate to disaster situation.

REVENUE FOR JULY 2023- JUNE 2024

Fire safety revenue for the following: Building Plans, Flammables Permits, Transport Permits, , Inspections on request, Information release and Fire by-law enforcement.

CATEGORY	NUMBER
Fire by-laws	R167 500.00
Transport Permit	R212 175.00
Fire Plans	R201 623.50
Information Release	R750.00
Flammable Registrations	R202 860.00
Fire Fighting Courses	R197 717.00
Rental of Lecture Hall	R37 760.00
TOTAL	R1 020 385.50

		1st QUARTER SUMMARY			
		JULY	AUG	SEPT	TOTAL REVENUE
FIRE SAFETY BY-LAWS		R2 500,00	R10 000,00	R5 000,00	R17 500,00
FIRE PLANS		R9 315,00	R20 175,00	R960,00	R 30 450,00
TRANSPORT PERMIT		R80 730,00	R6 210,00	R7 245,00	R 94 185,00
FLAMMABLE REG		R14 214,00	R13 455,00	R10 350,00	R 38 019,00
INSPECTION REQUEST		R4 440,00	R8 140,00	R11 100,00	R 23 680,00
INFORMATION RELEASE					R -
TRAINING COURSES					R -
HALL BOOKINGS E&D					R -
GRAND TOTAL		R 111 199,00	R 57 980,00	R 34 655,00	R 203 834,00
R	203 834,00				

		2ND QUARTER SUMMARY			
		OCT	NOV	DEC	TOTAL REVENUE
FIRE SAFETY BY-LAWS		R25 000,00	R22 500,00	R7 500,00	R55 000,00
FIRE PLANS		R18 482,00	R18 952,00	R3 560,00	R 40 994,00
TRANSPORT PERMIT		R13 455,00	R3 105,00	R2 070,00	R 18 630,00
FLAMMABLE REG		R19 655,00	R14 490,00	R32 085,00	R 66 230,00
INSPECTION REQUEST		R7 380,00	R8 140,00	R4 810,00	R 20 330,00
INFORMATION RELEASE					R -
TRAINING COURSES					R -
HALL BOOKINGS E&D					R -
GRAND TOTAL		R 83 972,00	R 67 187,00	R 50 025,00	R 201 184,00

		3RD QUARTER SUMMARY			
		JAN	FEB	MAR	TOTAL REVENUE
FIRE SAFETY BY-LAWS		R15 000,00	R7 500,00	R10 000,00	R32 500,00
FIRE PLANS		R3 660,00	R3 360,00	R44 595,00	R 51 615,00
TRANSPORT PERMIT		R12 420,00	R8 280,00	R34 155,00	R 54 855,00
FLAMMABLE REG		R34 155,00	R17 595,00	R22 770,00	R 74 520,00
INSPECTION REQUEST		R10 360,00	R2 590,00	R9 620,00	R 22 570,00
GRAND TOTAL		R 75 595,00	R 39 325,00	R 121 140,00	R 236 060,00

4TH QUARTER SUMMARY				
	APR	MAY	JUN	TOTAL REVENUE
FIRE SAFETY BY-LAWS	R35 000,00	R17 500,00	R22 500,00	R75 000,00
FIRE PLANS	R18 408,50	R7 876,50	R47 380,00	R 73 665,00
TRANSPORT PERMIT	R18 630,00	R21 735,00	R4 140,00	R 44 505,00
FLAMMABLE REG	R12 420,00	R8 280,00	R16 560,00	R 37 260,00
INSPECTION REQUEST	R11 470,00	R12 580,00	R10 360,00	R 34 410,00
INFORMATION RELEASE	R600,00		R300,00	R 900,00
GRAND TOTAL	R 96 528,50	R 67 971,50	R 101 240,00	R 265 740,00

MONTH 2023		AMOUNT		AMOUNT
1. JULY	HALL	R 4 360.00	COURSES	R 8 774.00
2. AUGUST	HALL	R 5 004.00	COURSES	R 27 842.00
3. SEPTEMBER	HALL	R 1 668.00	COURSES	R 0.00
4. OCTOBER	HALL	R 2 502.00	COURSES	R 48 834.00
5. NOVEMBER	HALL	R 3 336.00	COURSES	R 24 500.00
6. DECEMBER	HALL	R 1 668.00	COURSES	R 17 000.00
MONTH 2024		AMOUNT		AMOUNT
1. JANUARY	HALL	R 3 376.00	COURSES	R 25 974.00
2. FEBRUARY	HALL	R 3 336.00	COURSES	R 7 745.00
3. MARCH	HALL	R 4 170.00	COURSES	R 6 571.00
4. APRIL	HALL	R 4 170.00	COURSES	R 2 198.00
5. MAY	HALL	R 2 502.00	COURSES	R 6 023.00
6. JUNE	HALL	R 1 668.00	COURSE	R 22 259.00
TOTAL	HALL	R37 760.00	COURSES	R 197 717.00
TOTAL REVENUE TRAINING AND HALL BOOKING				R 235 477.00

Emergency and Disaster Management Services has attached a portfolio of evidence.

PERIOD	SET TARGET	Month	Number
July -Sept 2023	Fire safety compliance inspections	July	145
		Aug	79
		Sept	115
Total Compliance Inspections			339
PERIOD	SET TARGET	Month	Number
Oct -Dec 2023	Fire safety compliance inspections	Oct	124
		Nov	142
		Dec	52
Total Compliance Inspections			318

PERIOD	SET TARGET	Month	Number
January– March 2024	Fire safety compliance inspections	January	124
		February	39
		March	150
Total Compliance Inspections			313

PERIOD	SET TARGET	Month	Number
April -June 2024	Fire safety compliance inspections	April	226
		May	132
		June	203
Total Compliance Inspections			561

TOTAL COMPLIANCE INSPECTIONS PER YEAR	1531
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3.18 DISASTER MANAGEMENT

The disaster management function is regulated by the Disaster Management Act, 2002 (Act No. 57 of 2002). The municipality has a Disaster Management Plan that was reviewed and included in the IDP, in terms of Section 26(g) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

Objectives of the Disaster Management Services

Disaster Management Act provides a platform from which all spheres of government and communities can work together to prevent or reduce the risks of disasters including steps which are aimed at–

Preventing or reducing the risk of disasters.

Taking measures to reduce the impact or consequences of a disaster.

Emergency preparedness.

Rapid and effective responses to disasters; and

Post-disaster recovery and rehabilitation.

Disaster Management Services Data

Performed the following activities during Disaster Management Services activities undertaken during the period under review (2023/2024):

ACTIVITIES PERFORMED DURING DISASTER MANAGEMENT SERVICES DURING THE PERIOD OF (2023/2024):

Number of Risk Assessments Conducted	32
Rapid Incidents Assessment	208
Education & Awareness Campaigns	51
Evacuation Drills	10
Advisory Forums & Ad-Hoc Meetings	40

Emergency and Disaster Management attend all categories of fire and rescue calls in its jurisdiction. Call statistics are recorded in the Control Centre that operates 24 hours and information released upon request.

STATISTICS OF FIRE AND RESCUE CALLS ATTENDED TO, DURING JULY 2023-JUNE 2024.

Type of Incidents	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Total
Shack on Fire/informal settlement	06	03	10	10	05	03	06	03	03	01	00	06	56
Road Cleaning	05	04	02	02	01	01	05	02	05	02	03	05	37
Strike/ Riots	01	02	02	02	04	00	00	00	00	00	03	00	14
Electrical Fire	03	05	01	01	00	01	00	02	01	01	01	00	16
Commercial/ Business Structure	04	04	02	02	01	03	03	00	02	04	05	03	33
Special Service	01	01	05	05	02	03	04	04	00	02	03	04	30
Transport On Fire	06	10	08	08	03	03	05	01	02	01	05	05	57
Body Recovery/ Rescue	00	04	03	03	03	00	02	01	01	01	00	02	20
Motor Vehicle Accidents	06	09	11	10	04	08	09	07	06	06	03	09	88
House Fire/ Formal Settlement	06	11	09	09	10	07	04	03	02	05	04	04	74
Vegetation Fires	59	58	47	47	11	01	19	03	26	13	18	19	321
Fire Detector Alarm	00	00	00	00	00	00	00	00	00	00	00	00	00
No Service/ False Alarm	01	03	01	00	06	08	17	05	01	11	13	17	83
Total	98	114	101	99	53	38	74	31	49	47	58	74	836

Emergency and disaster management attend all categories of fire and disaster calls within the jurisdiction of Rustenburg LM. The total number of calls attended to, during July – June 2023/24 financial years are calculated at eight hundred and thirty-six (836) as compared to six hundred and forty-seven (672) of 2022/23 financial year.

The statistics reveal that a high number of calls were experienced during June, July, August, September and October months of each financial year with a huge count of one hundred and fourteen (114) during August 2023, followed by one hundred and one (101) of September 2023. The phenomenon and a pattern of high rate of call can be associated with an increase in vegetation fires during winter season. The least of calls were experienced during the month of February at thirty-one (31). High rate of vegetation fires necessitates a need to procure additional grass units, mounted with specialised fire equipment.

The following are five main service delivery key performance areas for disaster management:

Service Delivery Key Performance Areas

Table 3.31 Financial Performance

No	Key Performance Area	Details	Progress Made
1.	Integrated Institutional Capacity for Disaster Risk Management	Arrangements required for stakeholder participation and engagement of technical advice in disaster management planning and operations were adhered to.	Ad hoc section 7(2) (e) of Disaster Management Framework of 2005) Response Task Team and Risk Assessment Technical Advisory Team were established (Sub Advisory Team, Mine, Education, Faith Organizations, SASSA and Department of Health were established.
		The Disaster Management and Fire Risk Management plans approved by the council were implemented during 2021 -2022 financial year.	The Disaster Risk Management and Fire Risk Management Plans were approved by Council 2016 and 2018 respectively.
2	Disaster Risk Assessment and Enabler 1	Community and schools' risk assessments were conducted with the schools and communities that were deemed to be at high risk. Dept of Education, Dept of Health, Dept of Public Works, Eskom, Fire Safety, Social Development and OEM – Special Projects Unit were part of the Risk Assessment Technical Advisory Team.	Thirty-two (32) Community Based Risk Assessment were conducted within the jurisdiction of Rustenburg LM during 2023/24 financial year
3.	Disaster risk Reduction, Enabler 1 and 2	Disaster risk reduction measures were implemented during the period under review. Public education and awareness sessions were conducted in various places	Fifty-one (51) Awareness Campaigns were conducted.

No	Key Performance Area	Details	Progress Made
		<p>of the Rustenburg municipal jurisdiction.</p> <p>All relevant stakeholders such as: SAPS, Fire Department, Work on Fire Community Development, Community Policing Forum, NGO's, Ward Committee members and community members attended the sessions.</p>	
4.	Response and recover & Enabler 1	Local communities who experienced emergencies like floods and shack fires were also assisted during the period under review through the provision of emergency accommodation, food parcels and blankets, while waiting for their damaged homes to be repaired	Communities who were affected by the Disasters e.g., Fire, storms and floods were assisted and referred to the relevant stakeholders for further assistance. E.g., Home Affairs, SASSA and Traffic and Licensing.
5.	Safety at Sports and Recreational Events	Disaster Management Services monitor and measure performance and evaluate disaster management plans for prevention, mitigation and response activities at the events according to Section 47 (1) & (2) and 48 of Disaster Management Act (Act 57 of 2002).	The following types of events are catered for sports, music, festivals, political rallies etc

COMMENTS ON THE PERFORMANCE OF LAW ENFORCEMENT, TRAFFIC & SECURITY SERVICES, FIRE & DISASTER MANAGEMENT

Table 3.33 Performance of Law Enforcement

OPERATION	ACHIEVEMENTS
Community Policing Forums	Forty-four (44) community policing forums were evaluated by 30 June 2024.
Road Safety campaigns	Road safety campaigns are conducted to promote the safety of road users. Fifty-seven (57) road safety campaigns were conducted during 2023/24.

OPERATION	ACHIEVEMENTS
Stop and register	Over 12 000 prosecutions for both traffic and law enforcement contraventions have been made
Fire Fighting Services	Decentralization of the firefighting service where fire stations were established at Marikana and Phatsima. Achieve golden hour response time.
By-laws, campaigns and projects	<p>Crime Prevention through Environmental Design / Safe and Clean City campaign:</p> <p>Multi-disciplinary Operations</p> <p>Execution of illegal trading in the CBD and Taxi Rank on daily basis:</p> <p>Enforcement of Impoundment By-Law</p> <p>Execution on non-compliance on Fire by-laws</p> <p>Regulation of point duties on R510 and R24 roads daily</p> <p>Issuing parking offences in the CBD</p> <p>Removal of illegal advertising on municipal land.</p> <p>Rendering of security and escorts during mayoral outreach visits and VIP'S, International, National and Local events</p> <p>Enforcement of illegal connection of water and electricity.</p> <p>Enforcement of illegal dumping by-law</p> <p>Mine Crime Combating Forum (MCCF)</p> <p>Municipal Intervention Scheme and Patrols (MISAP) and Community Safety Patrollers Programme</p> <p>Enforcement of Public Gathering's Act</p> <p>Inspectors of Licenses at motor vehicle dealerships</p> <p>Conflict Resolution Committee</p> <p>Land use by-law enforcement</p> <p>Establishment of Community Policing Forum</p> <p>Joint Crime Prevention/ Multi-disciplinary operations</p> <p>Serving in various Joint Operating Coordinating Committee, Cluster Joint Operating Coordinating Committee and Priority Committees for Special events.</p>

OPERATION	ACHIEVEMENTS
Valuation Services	<p>Valuation in this instance may take two forms, i.e., Ad hoc and Valuation in terms of the Municipal Property Act. The purpose for the former valuation is to determine the market value of the municipal property to be disposed of or leased.</p> <p>In this regard the Unit: Legal and Valuation assists Directorates in the facilitation of the appointment of professional valuers as well as providing all the information to the Valuer.</p> <p>Regarding valuation in terms of the Municipal Property Act, the Municipality has already appointed a municipal valuer who is responsible for the compilation of the valuation roll as well as the supplementary roll.</p> <p>In terms of the case law on Macssand matter that was before the Supreme Court of Appeal, the Unit Legal and valuation has advised the Valuer to conduct valuation on all the mining properties to enhance our revenue. Previously the mines were evaluated on the value of agricultural land and not on the type of business that they are running.</p>
By Law Services	<p>The Unit: Legal and Valuation is also assisting the Municipality in discharging its legislative obligation. In this regard, the unit has been developing and reviewing by-laws for the purpose of enforcement by the Law Enforcement Unit as well as other Units.</p> <p>During the period under review, the unit managed to introduce new bylaws (4) of which one was approved and promulgated, and the three by-laws are to be approved by the Council. A total number of 6 bylaws (water supply by-law, electricity by-law, waste management by-law, cemetery by-law, Parks and Open Space by-law and Swimming Pool by-laws have been reviewed and four of these by-laws have been approved and promulgated.</p>
Safe and Clean City	<p>The Vision of the municipality says, “A world class city where all communities enjoy a high quality of life”. The aim of the programme is to achieve the above mission.</p> <p>IGR has been engaging with different stakeholders such as Taxi Associations, Business Forums, Government Departments, NGO’s CBO’s Church Organisations etc. to discuss roles and responsibilities of each stakeholder to achieve the mission.</p>
Community Outreach	<p>IGR has embarked on many community outreaches for Government departments to bring services closer to the people.</p>

3.19 EXECUTIVE AND COUNCIL

This component includes the executive offices (Office of the Speaker, Office of the Executive Mayor, Office of the Single Whip, Office of MPAC and Municipal Manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of chapter 7, section 151 (2) of the Constitution of the Republic of South Africa, of 1996, the executive and legislative authority is vested in its municipal council.

The municipal council of the Rustenburg Local Municipality is established as a municipality with a mayoral executive system which is combined with a ward participatory system in terms of Chapter 12 of the Municipal Structures Act, 117 of 1998. Section 152 of the Constitution categorically and clearly spells out the objectives of local government, and the powers and functions of municipalities are determined in section 156 of the Constitution.

Table 3.38 Council Meetings

DETAIL	2022/2023	
	Ordinary Meetings	Special Meetings
Council	8	18

Council Committees

The Municipal Council established the following committees in terms of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) for the effective and efficient performance of the Municipal Council's powers and functions:

Table 3.39 Council Committees

Section 79 and other Committees	Section 80 Committees
Municipal Planning Tribunal	Budget and Treasury Office;
Municipal Public Accounts Committee	Community Development;
Rules of Order Committee;	Corporate Support Services;
IDP/Budget Steering Committee	Planning and Human Settlements
Local Labour Forum	IDP/PMS, Legal and Valuations;
performance Audit Committee	Intergovernmental Relations and Traditional Affairs;
Risk Management Committee	Local Economic Development;
	Roads and Transport;
	Public Safety;
	Technical and Infrastructure Services

3.20 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The directorate provides human capital strategies, advisory and support services to the municipality. It is composed of the following sections for it to be effective:

Organisational Development

Employee Relations

Training and Development

Table 3.42 Core Functions of Corporate Support Services

Section	Core Function
Section 1: Recruitment	<p>The core function of this section is to ensure optimal human resources management value chain, through effective strategic planning, implementation and alignment of organizational strategy and individual employee performance agreements.</p> <p>It is also responsible for the facilitation and coordination of the recruitment and placement processes, management of the HR information system as well as employee benefits administration.</p> <p>To develop and maintain organizational structures.</p> <p>Provide organizational development and work-study services for the entire municipality.</p>
Section 2: Employee Relations	<p>The section manages matters of disciplinary nature, disputes and grievances within the municipality. One of the key functional areas of the section is to facilitate or coordinate the speedy and amicable resolution of disputes or grievances and disciplinary matters. It is also responsible for collective bargaining, conflict management, and cordial interpersonal relations.</p>
Section 3: Training and Development	<p>The section provides the following employee capability management services:</p> <p>Identification of training needs.</p> <p>Development and implementation of the workplace skills plan; and</p> <p>The management of financial assistance programme for capacity building and training purposes/study aid assistance.</p>
Section 4: Occupational Health and Safety	<ul style="list-style-type: none"> •The section ensures the maintenance of a healthy and safe work environment. •It provides employee wellness services, such as employee assistance, medical surveillance, compensation for occupational injuries and diseases (COID) and wellness education (i.e., healthy lifestyle).
Section 5: Information Technology	<p>To provide reliable, secure, innovative, and cost-efficient ICT systems to RLM Directorates in support of business operations and service delivery programs and ensuring secured access to new technology, efficient storage of data, and a high level of cyber security and information controls.</p> <p><u>ICT Governance</u></p>

	<p>To define and set ICT standards, norms, and policies around all ICT operational domains of RLM to maintain best practice standards, implementation of policies, and maximize the utilization of ICTs to reduce duplication of effort and improve operational inefficiencies</p> <p><u>ICT Financial Systems Management</u></p> <p>To maintain and manage the data and information resources of the RLM to ensure reliable and up to date information is available for strategic management and operations. To manage the information systems of the municipality and ensure the reliability and integrity of information across all departments. To plan and execute the integration of all business systems and applications in the municipality to improve and increase the efficient use of systems in the municipality.</p> <p><u>ICT Infrastructure Management</u></p> <p>To manage all converged ICT Infrastructure and operations daily to ensure the availability of systems to support the RLM's services delivery objectives</p>
Section 6: Administrative Support Services	<p>To provide secretariat function to Council and its committees.</p> <p>To provide Administrative support to the Municipality through: Management of Municipal cell phones Development and management of the policy register</p>
Section 7: Records Management	To ensure proper records keeping in compliance with Records Management Legislation.

The following support services were rendered to municipal employees:

Employee Assistance Interventions: **42** cases.

Occupational Health Services: 45 cases.

COIDA: **47** cases.

Wellness Educational Programmes: Chronic illnesses **20** sessions

Wellness Information Sharing Sessions: Financial Literacy **12 sessions**.

Employee Wellness Days: Attendance **2334**

Table 3.44 Statistical Information

No	Detail	Total Number
		2023/2024
1	Disciplinary cases: Handled	16
	Disciplinary cases: Finalized	12
	Disciplinary cases: Outstanding	04
2	Suspensions	10
3	Dismissals	5
4	Grievances: Handled	28
	Grievances: Finalized	15
	Grievances: Outstanding	13

Table 3.45 Number and Period of Suspensions

Name	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action Taken or Status of Case and Reasons if matter not finalized	Date Matter Settled
Official 1	Contravention of Disciplinary Code of Conduct	15/03/2023	The employee was suspended from work on the 15 March 2023. The hearing proceeded on different dates and finalized on the 12/11/2023. The employees are issued with a final written warning and are directed to reimburse the undue benefits in excess of what they were due. Therefore, the matter is finalized.	12/11/2023
Official 2	Contravention of Disciplinary Code of Conduct	15/03/2023	The employee was suspended from work on the 15 March 2023. The hearing proceeded on different dates and finalized on the 12/11/2023. The employee was issued with a final written warning and was directed to reimburse the undue benefits in excess of what they were due. Therefore, the matter is finalized.	12/11/2023
Official 3	Sexual Harassment	15/03/2023-12/10/2023	The employee was suspended on the 15 March 2023 and the hearing proceeded on several dates and finalized on the 04/09/2023. The employee is acquitted of all charges. Therefore, the matter is finalized.	04/09/2023
Official 4	Loss of firearm	15/03/2023-12/10/2023	The employee was suspended on the 15 March 2023 and the hearing proceeded on different dates and finalized on the 30/06/2023. The employee was sanctioned to suspension without pay for a period of days.	30/06/2023
Official 5	Covering of lost firearm	15/03/2023-12/10/2023	The employee was suspended on the 15 March 2023 and the hearing proceeded on different dates and finalized on the	07/07/2023

Name	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action Taken or Status of Case and Reasons if matter not finalized	Date Matter Settled
			30/06/2023. The employee is sanctioned to suspension without pay for a period of days.	
Official 6	Soliciting bribe	11/04/2023-14/07/2023 & 31/08/2023-12/10/2023	The employee was suspended from the workplace on the 11/04/2023. The employee reported back on duty on the 14/07/2023 after the award against the municipality that the employee should report on duty with immediate effect. The disciplinary hearing is still pending. The employee is re-suspended on the 31/08/2023.	The matter is still pending.
Official 7	Portrayal of rude, abusive and provocative conduct by uttering unwanted and unwelcomed words against fellow employee	12/01/2023-05/10/2023	The employee suspended on the 12/01/2023 and extended further for three months. The disciplinary hearing proceeded on several dates and concluded on the 05/10/2023 and sanctioned with final written warning.	05/10/2023
Official 8	No charges formulated	12/01/2023-date	The employee suspended on the 12/01/2023 and extended further for three months. The disciplinary hearing is still pending and not finalized.	The disciplinary hearing hasn't commenced since the employee was placed on suspension.

3.21 INTERNAL AUDIT UNIT

The purpose of the Internal Audit Activity (IAA) is to provide independent, objective assurance and consulting services designed to add value and improve the municipality's operations. The IAA performs internal audit reviews to evaluate the adequacy and effectiveness of the controls put in place by management, based on the strategic operational plan that is risk-based and approved by the Performance Audit Committee (PAC), as well as internal audit reviews of the results of performance measures of the municipality.

The unit also advises and performs ad-hoc assignments from the Municipal Council, PAC and or Management.

The IAA of the municipality renders the following services:

- (a) Prepare a risk-based audit plan and an internal audit program for each financial year.
- (b) Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to-
 - (i) internal auditing.
 - (ii) internal controls.
 - (iii) accounting procedures and practices.
 - (iv) risk & risk management.
 - (v) performance management.
 - (vi) loss control; and
 - (vii) compliance with this Act, the Annual Division of Revenue Act and any other applicable legislation;and

The following services, due to their nature, are outsourced:

- ✓ Forensic and investigations
- ✓ Information System Auditing
- ✓ Three E's audit – Efficiency, Effective, Economical

The scope of work of the IAA is to determine whether the municipality's network of risk management, general controls, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure amongst others that:

- ✓ Risks are appropriately identified and managed.
- ✓ Significant financial, managerial and operating information is accurate, reliable and timely.
- ✓ Resources are acquired economically, used efficiently, and adequately protected; and
- ✓ Municipal priorities, plans and objectives are achieved.

Internal Audit Activity (IAA) conducted audits in accordance with the approved Annual Operational Plan for the year 2023/24 as per the Risk-based Three (3) Year Rolling Strategic Operational 2021-2024. The audits conducted were for Rustenburg Local Municipality (RLM) and Rustenburg Water Services Trust (RWST), including advisories and consulting services.

Table 3.41 Internal Audits Conducted**RUSTENBURG LOCAL MUNICIPALITY (RLM)**

No:	Audit description:	Type of audit:
1	Year-end processes <ul style="list-style-type: none"> • Annual stock count 2022/23 • Water levels verification 	Assurance
2	Supply Chain Management (Compliance testing) <ul style="list-style-type: none"> • Appointment of a Contractor for the Upgrading of Western Bulk Sewer Lines (Phase A) 	Assurance
3	High Level Review of the Annual Financial Statements (AFS) 2022/23.	Assurance
4	Audit of the Annual Performance Report (APR) 2022/23	Assurance
5	Audit of Performance Information 4 th Quarter & Annual 2022/23 (8 reports): <ul style="list-style-type: none"> (a) Budget and Treasury Office (b) Directorate Community Development (c) Directorate Corporate Support Services (d) Directorate Local & Economic Development (e) Directorate Planning & Human Settlement (f) Directorate Public Safety (g) Directorate Roads & Transport (h) Directorate Technical & Infrastructure Services 	Assurance
6	Audit of Performance Information 4 th Quarter / Annual (Top Layer Service Delivery Budget Implementation Plan) 2022/23.	Assurance
7	Assisting Auditor General South Africa with physical verification: <ul style="list-style-type: none"> • Employee Verification • Councilors Verification 	Combined Assurance
8	Risk Management Functionality	Assurance
9	Material Irregularity progress verification (Q1,Q2,Q3,Q4) <ul style="list-style-type: none"> • Fleet management services did not procure part of the original tender. • Payments made for fleet management service items above market value. • Payment made in excess of the re-measured final account upon termination of first contractor on the RRT project. • Payment made in excess of re-measured final account upon termination of second contractor on the RRT project. 	Assurance

No:	Audit description:	Type of audit:
10	Leave balance reports (Resignations / Terminations / Dismissals) (Q1, Q2, Q3,Q4)	Assurance
11	Audit for Performance Information 1st Quarter 2023/24 (8 reports) <ul style="list-style-type: none"> (a) Budget and Treasury Office (b) Directorate Community Development (c) Directorate Corporate Support Services (d) Directorate Local & Economic Development (e) Directorate Planning & Human Settlement (f) Directorate Public Safety (g) Directorate Roads & Transport (h) Directorate Technical & Infrastructure Services 	Assurance
12	Audit for Performance Information 2nd Quarter & Mid-year 2023/24 (8 reports) <ul style="list-style-type: none"> (a) Budget and Treasury Office (b) Directorate Community Development (c) Directorate Corporate Support Services (d) Directorate Local & Economic Development (e) Directorate Planning & Human Settlement (f) Directorate Public Safety (g) Directorate Roads & Transport (h) Directorate Technical & Infrastructure Services 	Assurance
13	Deviations: <ul style="list-style-type: none"> (a) MSCoA financial system (01 July – 30 Sep 2023). (b) Accommodation for Revenue Master Class training for Municipal employees in Mahikeng. (c) Construction of roads and storm water in Chaneng phase B. (d) Service provider for the repair of light commercial vehicles, heavy duty trucks & yellow fleet. (e) Service provider for back-office software contravention system for the Traffic department for a period of three (3) years. (f) Removal of invaders species. (g) mSCOA Compliant Financial System (01 Oct – 31 Dec 2023). (h) Appointment of contractor for the completion of the construction of Chaneng roads & stormwater drainage Phase B. 	Assurance

No:	Audit description:	Type of audit:
14	Internal Audit Action Plan Monitoring -Quarterly	Follow-up
15	AGSA Action plan (Q3, Q4) - Continuous	Assurance
16	Muni Monitor (Q3, Q4) - Continuous	Assurance
17	<p>Advisories/Consulting:</p> <p>(a) Performance agreement & scorecard – Planning & Human Settlement</p> <p>(b) Overtime Compliance & Basic Conditions of Employment Act (75/1997): Determination: Earnings Threshold (effective 1 April 2024)</p> <p>(i) Standby & overtime policy.</p> <p>(ii) (Ministerial threshold) Basic Conditions of Employment Act (75/1997): Determination: Earnings Threshold (effective 1 April 2024).</p> <p>(c) Community Development – Waste services KPI analysis</p> <p>(d) Community Development – Environmental management KPI analysis</p> <p>(e) Contracts having future budgetary implications (MFMA S33)</p> <p>(i) Valuation Roll</p> <p>(ii) MsCOA Financial System</p> <p>(f) Review appendix to letter of appointment of employees</p> <p>(g) SDBIP 2024/25 Review</p> <p>(h) Bid Specifications compliance with Supply Chain Management Regulations (Ad hoc - Consulting)</p>	Advisory

NB: No assurance was provided for the Audit of Performance Information 3rd Quarter (Top Layer SDBIP) 2023/24 as files were taken back and corrected files were not returned.

RUSTENBURG WATER SERVICES TRUST (RWST)

NO:	Audit description:	Type of audit:
1	Annual Financial Statement 2022/23 High Level Review	Assurance
2	Annual Performance Report 2022/23 Review	Assurance
3	Audit of performance information (4 th Quarter - 2022/23)	Assurance
4	Quarterly Financial Statements Review (4 th Quarter - 2022/23)	Assurance
5	Audit of performance information (1 st Quarter - 2023/24)	Assurance
6	Audit of performance information (2 nd Quarter - 2023/24)	Assurance
7	Audit of performance information (3 rd Quarter - 2023/24)	Assurance

NO:	Audit description:	Type of audit:
8	Quarterly Financial Statements Review (1 st Quarter - 2023/24)	Assurance
9	Quarterly Financial Statements Review (2 nd Quarter - 2023/24)	Assurance
10	Quarterly Financial Statements Review (3 rd Quarter - 2023/24)	Assurance
11	Analysis AGSA action plan 2022/23 (Continuous)	Assurance

COMPONENT F: LOCAL ECONOMIC DEVELOPMENT

3.22 LOCAL ECONOMIC DEVELOPMENT

INTRODUCTION TO ECONOMIC DEVELOPMENT.

Platinum Group Metals mining forms the backbone of the economic activities and output of Rustenburg Local Municipality. This creates opportunities as well as threats for the long-term economic sustainability of the area. Over-reliance on mining creates complacency that may negatively impact on the future economic prospects of the city. It is on these grounds that the municipality has envisaged “A Rustenburg beyond mining” with a primary objective to “drive diversified economic development and job creation”. To succeed in the effort in diversification; economic sectors like Tourism, Agriculture, Manufacturing, Green Economy; and Education and Skills Development have been identified and targeted for growth.

Unit: Rural Development

The Unit Rural Development is responsible for the coordination of specialized economic development support in rural communities of the Municipality. The unit is responsible for Agricultural and Agro-processing Development, Tourism promotion and development, and promotion of Arts, Culture and Heritage.

These focus areas have been supported through the following projects:

Agriculture Development Support Programme

The first season of the Agricultural Development Support Programme that was approved by Council in 2018/2019 financial year was a clear demonstration of the principles of cooperative governance where a consolidation of support available through the Municipality’s own resources, including those by other Government Departments and Private Sector stakeholders in agriculture, ensured implementation of agricultural support initiatives in Rustenburg.

The following projects were identified as flagships to support local farmers in developing the agricultural sector:

Sunflower Production

Farmers received support for feed to improve the condition of the livestock which were affected due to the veld fires farmers experienced. Twenty (20) Grain farmers were supported with seeds through partnership with Department: Agriculture, Land Reform and Rural Development. Local farmers were also supported with transport to attend the Provincial Market /Farmers Day. Resources (equipment, inputs and implements) – 10 dorpers, 20 grain seeds, 1 container, 1 saffron, 19 diesel.

In addition to the technical skill transfer to ensure precision farming, the following production inputs and assistance were provided support:

- Strengthening Horticulture Education and Training
- Business Development (precision farming training, business linkages and market development) – 10 dorpers, 36 SU/Orbit/RLM, 40 NAMPO
- Trainee Dorpers breeders were not handed certificates at the time of completion because there were errors in the copies of the certificates
- University of Stellenbosch and Orbit TVET College provided agriculture training (Crop Strategy and Crop Rotation)

Ten (10) farmers were provided with specialist training on breeding of Dorpers (sheep) by Plenty Dorpers (PTY) LTD. Mining Stakeholder (RCM) still awaiting confirmation of the date from the DMRE for the handover ceremony for the certificates and other resources, to the farmer beneficiaries. Market Linkages and Financial compliance interventions provided to twenty-nine (29) Farmers. DLED facilitated the hosting of the Farmers Market at the Farmer Production Support Unit. Fourty (**40**) local farmers were supported with transport to attend the annual Nampo Agricultural Show in Bothaville.

Distribution list for diesel:

A total of 40 000 litres Diesel procurement finalized. The first batch of 20 000 litres was delivered on 11 June 2024 and the second batch on 24 June 2024.

Nineteen (19) crop farmers were supported with diesel through the Agricultural Development Support Programme.

Farmer Production Support Unit (FPSU)

The Rustenburg Local Municipality Council approved the establishment of the Rustenburg Farmers Production Support Unit at the Rustenburg show grounds. The Department of Rural Development through the Agri-Parks programme is the driver of the FPSU and funding is sourced from various stakeholders within government and the private sector. The FPSU seeks to resuscitate agricultural activities and create a One stop shop for farmers. The farming community has been able to benefit from the FPSU in many ways through attending agricultural events such as monthly Farmers Market days, livestock shows, training, and study groups and information sessions on different aspects of farming. Farmers markets held from November 2023 to June 2024. Market and Information access to local farmers attending the events.

Tourism Promotion and Development

The Tourism Sector Development has identified numerous activities supporting the Municipality's vision of developing Tourism as one of the key sectors to diversify the local economy. The key areas of focus in developing tourism included the following:

- Operationalisation of the Visitors Information Centre (VIC), Tourism Information Development (TIDC) Centre
- Resuscitation of relationships with the Tourism facilities owners and tourist tour operators
- Rebuilding the crafters database to enable ease of access to support offered by the Municipality and key stakeholders
- Promoting Rustenburg as a host city for different types of events and programmes for both government and private sector

To this end, consultative meetings have been held with the various players in the tourism space and including the Rustenburg Adventure Tourism and Accommodation association and Tour operators' association. These engagements have been very instrumental in ensuring that Rustenburg becomes a tourist destination of choice. Through various partnerships and collaborations, the following events were supported by the RLM in 2023/24 financial year: Below is a list of events supported by the directorate through the unity Rural Development in 2023/24 financial year.

Rustenburg Film Festival-September 2023

Rustenburg Film Festival is an annual film festival implemented by Rustenburg Film Festival (NPC), a registered Non-Profit Company which has entered into a partnership with the Municipality to promote and develop the film and create the arts sector.

- The main objective of the organization is to run the Rustenburg Film Festival and other film related events close to its mandate.
- Develop and promote filmmakers in the Northwest through practical interventions
- Audience development through evoking appetite for local movies
- Foster networks amongst key stakeholders in film
- Promoting the Northwest as a film destination (film tourism)

RUSTENBURG Platinum Pride Festival December 2023

The Rustenburg Platinum Pride is about embracing diversity, celebrating true liberation and acknowledging the rights and lives of the concerned community. It's about freely expressing your true self, educating and empowering society at large. The RLM supported this event held at the Rustenburg Visitors Information Centre. The event was deemed a huge success as it had increased in the numbers of patrons, exhibitors, crafters, speakers, DJs, local artists etc. its motorcade was well coordinated with colour, music and dancing, the city was abuzz with entertainment.

Rustenburg Unplugged Sessions-May 2024

Rustenburg Unplugged Session was held at a theme park, Ten Flags, located in Rustenburg. It was sold out and filled to capacity. A resounding success was for national and local artists, crafters, exhibitors and patrons as they all got exposure, networked with like-minded people and fully enjoyed the entertainment and the environment. The crafters whom the RLM had supported at this event also reported that they derived great value from their participation as the business was good.

COMFESA- February 2024

A Music Federation, Choral Orchestra and Opera Music Federation of South Africa (COMFESA) in hosting the City of Rustenburg COMFESA International Choral Symposium as an Artist Development programme and a premium Tourist event. This event is much more than a choral music event as it is also a vehicle for social impact and economic recovery of the Tourism industry.

All White Party Annual Public Workers Party December 2024

It is in this view that we have selected to partner with NS Productions in hosting the Rustenburg White Party as an annual Tourism Musical attraction event. This event is much more than a Musical event as it is also a vehicle for social impact and economic recovery of the Tourism industry

Farmers Market Days -September 2023 to June 2024

In promoting Agri Tourism, RLM, through its partnership with Plenty Dorpers, has been hosting Farmers Market Days monthly since September 2022 to date. In excess of 30 stalls with various local products have been booked monthly including e.g., fresh vegetables local baristas, local craft beer, eggs etc etc. Kids have been entertained with kids play area and local sweet and toy manufacturers, Jumping Castle, Face painting and Pony rides are very popular.

Investment Promotions: Catalytic Projects Programme

The Municipality continues to promote and facilitate catalytic projects aimed at supporting the development and diversification of the local economy. During the reporting period, the Directorate Local Economic Development received numerous enquiries on various catalytic projects, namely the Rustenburg ICC and Hotel, University Development, Fresh Produce, Housing development (Boitekong Ext. 35 and Geelhoutpark Extension 10), aerodrome, Solar farm project and Industrial Area development (SEZ). The Municipality prioritized the University precinct as a key catalytic project that will enable diversification of the economy in the education sector. The letter of intent was received from the Northwest University (NWU) requesting allocation of land for the purpose of establishing the School of Sustainable Mining in Rustenburg, as Council has resolved on the land to donate to NWU for the development of the school of Mining facility.

The Council had allocated land for the establishment of the NWU School of Mining in Rustenburg per item 231 of 17 November 2023. There was an objection registered after the Council resolution was taken. That objection was tabled at Council per item 29 of 26 March 2024. The Municipality then submitted the objection to the Office of the Premier on 2 April 2024; for his consideration. The decision on the matter is awaited.

In terms of core local economic development functions, there are four (4) Units within the directorate that are tasked with implementation of the local economic development diversification strategy, focusing on Enterprise Development; Policy and Research; Industrial Development & Investment Facilitation and Rural Development. The four units work in collaboration to provide cohesive project implementation for the Directorate with support from other Directorates.

Unit: Enterprise Development

The Unit is responsible for the development and support of enterprises (small medium and micro enterprises, co-operatives and informal traders) operating within the Rustenburg Local Municipality in all business sectors. The unit focuses on Business Development Support, Informal Trading Support, Co-operative Development and Job Creation.

In facilitating access to employment opportunities for local residents, a number of job opportunities were created through various Municipal and private sector programmes, these included job opportunities for general workers appointed through the different Infrastructure Projects which include general construction work and EPWP job opportunities, cleaning Municipal facilities, sidewalks, grass cutting and pruning of trees. The private sector fiber infrastructure rollout programme has created at work opportunities during construction; other jobs opportunities have been created by tourism promotion and events that have been hosted in collaboration with RLM and different sector stakeholders.

Under Business Development Support, local SMMEs have been assisted with market development and linkages for sub-contracting through the Municipal and Private Sector capital projects. The unit is continuously engaging with internal departments and private development investors to sub-contract and develop SMMEs and co-operatives in the construction sector. The unit has succeeded in the implementation of the sub-contracting allocation for the upgrading of Tlhabane Outfall Sewer Roads & Stormwater project in ward 11. The Municipality has recruited learner contractors for development in partnership with the Department of Public Works and Infrastructure. The Unit continues to assist SMMEs with compliance readiness to access opportunities, the support provided include facilitation of SARS appointments, CSD registration, CIDB registration, bank account referrals and the registrations of companies and co-operatives.

The unit continues to ensure that it supports the informal sector with various business interventions which include training and development; business equipment purchasing and even ensuring that they operate in an environment that is conducive. During the financial year SMMEs have enjoyed support from the private sector; the NYDA Young Entrepreneurs Business Pitch funding.

The Enterprise Development programme, local enterprises have also been offered other business support services which include compliance registration, business advisory, capacity building and networking platforms. The interventions for the Co-operatives, SMMEs and informal traders were in collaboration with multiple stakeholders including South African Revenue Services (SARS); Small Enterprise Development Agency (SEDA); Construction Industry Development Board (CIDB); ABSA; Northwest Development Corporation (NWDC) ; SALGA, National Home Builders Registration Council (NHRBC), Department of Small Business Development, Small Enterprise Development Agency, Nation Youth Development Agency (NYDA), Lepharo, Department of Public Works and Infrastructure, Plenty Dopers, Department of Agriculture, Land Reform and Rural Development and DEDECT amongst others. The Directorate relies highly on the collaboration with other stakeholders to support the emerging local enterprises. Collaborating on enterprise development initiatives allows the directorate to leverage on professional, technical and capital resources that the Municipality does not have, in order to achieve the set goals of developing sustainable business and create work opportunities.

The unit has also been organizing and facilitating Enterprise Days in various Municipal Wards.

Unit: Policy and Research

The unit is responsible for two overall functions, i.e., the implementation of legislation and development of strategies, research concepts, economic sector programmes and initiatives.

Development, implementation and monitoring of policies, by-laws and other regulations

National and provincial government craft legislation that regulates governance, financial and economic related activities of the Republic. In response, local government must develop policies, programmes and strategies in alignment with these acts. The function of the unit is to ensure that these pieces of legislation are implemented and in turn must develop municipal economic related policies, by-laws, strategies and programmes that align with these government priorities, to ensure seamless implementation and monitoring.

Policies, By-Laws and other regulations

Formulation of economic related municipal policies and by-laws

Investment attraction, retention and expansion of local businesses to diversify the local economy and enhance job creation is a challenge that requires policy interventions at the municipal level. Therefore, the unit developed the following:

- RLM Investment Incentives Policy of 2018
- RLM Outdoor Advertising By-Law, No. 1 of 2019, was under review. The review By-Law will be subjected to new public participation processes before tabling at Council for adoption.
- Informal Trading By-Law of 2022

As indicated above, the unit is responsible for the implementation of the above municipal policies, by-laws and regulations including national and provincial Acts that affect the Directorate. In this instance, the Northwest Business Licensing Act, No.3 of 2019 directly impacts on the operations of the Municipality by repealing the status of the Municipality as a business licensing authority. Authority to issue business licenses was based on the NW Business Act, No. 6 of 1997 and accorded by the NW Provincial Gazette No. 6581 of 2009.

Implementation and monitoring of economic related policies

However, before the repeal of the latter Act, the Accounting Officer had established the Business Regulations Committee (BRC) in terms of section 55(1)(p) of the Municipal Systems Act, No. 32 of 2000; comprising of members from various Municipal units and a representative from the Bojanala Platinum District Municipality in 2018, as policy implementation and good governance demanded collaboration and full participation of each member to enhance successful outcomes.

The Accounting Officer delegated Director: Local Economic Development to chair the BRC on his behalf to ensure that the affected Municipal (RLM Outdoor Advertising By-Law), provincial (NW Business Licensing Act) and any other national legislation are implemented and monitored effectively. In the BRC, each participating unit ensures that its functions, regulations and by-laws operate in sync with the objectives of respective regulations, provides advice on each application and contributes to the drafting of recommendations for approval by the Accounting Officer. Each component of affected regulations is considered and applied to ensure that there is governance, good record-keeping and accountability.

Implementation of the Business Licensing Policy

Background

The North-West Business Act No. 6 of 1997 was transferred to municipalities on September 3, 2010, authorizing them to issue business licenses. However, a Memorandum of Understanding (MOU) was not signed at the time of delegation, resulting in most municipalities failing to issue licenses, except for Mahikeng, Matlosana, and Dr. Ruth. Consequently, the new Business Licensing Act No. 3 of 2019 is set to repeal the Business Act No. 6 of 1997. In response, the MEC is revoking the powers granted to municipalities and consolidating business licensing authority at the provincial level

Delegation as a Licensing Authority

When the Municipality is ready to assume business licensing authority, they can submit a request to the Department. Considering previous experiences, a Memorandum of Agreement (MOA) will be mandatory to establish clear terms and responsibilities. Once the MOA is signed, the Municipality will assume full responsibility for business licensing, transitioning the authority from the province to the local level

Business Licensing Authority

The designated municipality is mandated to establish and support a Business Licensing Authority, as outlined in Section 6 of the North-West Business Licensing Act No. 3 of 2019. The Authority will be responsible for reviewing and adjudicating business license applications, as well as providing expert advice to the responsible member on related matters arising from the implementation of the Act and in this regard, unfortunately we haven't started the Business Licensing Authority, but we have the Business Regulations Committee in place.

Licensing Issuing System

We have allocated a budget for software that will enhance our business licensing process, enabling us to efficiently issue legitimate licenses while reducing the risk of fraudulent licenses being issued. An Electronic Information Management System (EIMS) for regulation of business licensing and other regulatory services is a digital platform that streamlines and automates the process of managing business licenses, permits, and other regulatory requirements. Our goal is to:

Goals:

1. Simplify and Streamline Regulatory Processes
2. Improve Regulatory Compliance
3. Enhance Customer Experience

4. Increase Transparency and Accountability
5. Support Data-Driven Decision Making

Here are some key features & benefits:

Key Features:

1. Online Application and Submission
2. Automated Workflow and Approval Processes
3. Digital Storage and Management of Documents
4. Real-time Tracking and Monitoring
5. Reporting and Analytics
6. Integration with Payment Gateways
7. Secure Access and User Authentication

Benefits:

1. Improved Efficiency and Reduced Processing Time
2. Enhanced Transparency and Accountability
3. Better Compliance and Enforcement
4. Increased Accessibility and Convenience for Businesses
5. Data-Driven Decision Making
6. Reduced Costs and Improved Resource Allocation
7. Enhanced Customer Service and Support

Modules:

1. Business Licensing
2. Permitting and Approvals
3. Compliance Monitoring
4. Enforcement and Inspections
5. Reporting and Analytics
6. Customer Relationship Management

Business Licensing Authority Checklist: ANNEXURE A (ATTACHED)

Business Licensing Policy

Effective business licensing is vital for the Municipality's revenue generation and regulatory functions, ensuring that businesses operate within established parameters. Yet, despite its importance, the Municipality was unable to issue licenses, as indicated by the North West Provincial Government (Department: Economic Development, Environment, Conservation and Tourism) . To overcome this obstacle and achieve South Africa's national objectives of economic expansion, employment generation, and poverty alleviation, a comprehensive Business Licensing Policy was established, guiding us towards readiness and compliance.

The objectives of the policy are:

- i. To provide a uniform approach to the issuing of business licenses, having regard to the principles set out in the The Business Licensing Act, no. 3 of 2019 and in The Constitution of the Republic of South Africa Act, no. 108 of 1996 (The Constitution).
- ii. To provide preferential business licensing for SMMEs thus increasing their opportunities to participate in the economy and contribute to economic growth.
- iii. To affirm the guaranteed rights of citizens as per section 22 of The Constitution, that states that every citizen has the right to choose trade freely and that practice of trade may be regulated by law.
- iv. To provide for fair, transparent, and ethical allocations of business operating licenses in a particular jurisdiction, in a manner that enables the citizens to actively participate in the economic life in that jurisdiction and ensure the protection of the environment. The health and safety of all other citizens is critical in ensuring social and economic growth in all local communities.
- v. To provide for measures to mitigate (reduce/alleviate) the effects emanating from economic shocks, crises, or disasters through the easing and emergency adjustments of business licensing regulations, procedures, and requirements as well as any other financial and non-financial relief.

Research, strategies, programmes and initiatives

Research is crucial in understanding the local economy's dynamics, identifying opportunities, and addressing challenges. However, the ever-changing economic landscape can impact research, making it essential to stay up to date with the latest trends, data, and insight.

Some potential research areas to explore for Rustenburg's economic growth and development could include:

1. Industry analysis (e.g., mining, agriculture, tourism)
2. Labor market trends and skills development
3. Infrastructure development and investment opportunities
4. Entrepreneurship and small business support
5. Innovation and technology adoption
6. Regional and international trade opportunities
7. Socio-economic impact assessments
8. Best practices from similar municipalities

As we understand that the landscape of the economy changes, we as the Department makes sure that we stay ahead of the changing economy, by making sure that we:

1. Regularly review relevant literature and reports
2. Engage with local stakeholders, businesses, and experts
3. Monitor economic indicators and data
4. Participate in conferences, workshops, and training
5. Collaborate with other departments and organizations

But as we all know, mining and quarrying dominate the economic activities in the municipality. It is a recurring challenge for the Municipality because any event in the sector directly affects the Municipality. To mitigate this risk, the Municipality mandated the Directorate to develop interventions to diversify the local economy and enhance job creation. Supporting the municipal strategic goal of economic diversification and job creation requires careful analysis of the existing economic sectors like Manufacturing, Agriculture, Tourism and related services. The unit was tasked with the responsibility of analysing these existing sectors to find ways of incorporating new perspectives and trends in the economic environment to augment the economic output. In response, the unit proposed through research concepts to investigate additional potential/new economic sectors to assist the local enterprises and job seekers to participate in the economy.

New programmes for local economic diversification and job creation included the Green Economy Development and the enhancement of the Education and Skills Development. The Green Economy Development Programme aims to develop sustainable and commercial enterprises that use engineering processes to generate energy from renewable sources and/or various waste products as inputs into manufacturing new consumer products. The role of the Directorate will be to stimulate government and private stakeholders to support Green Economy projects in Rustenburg. The programme requires specific collaboration with the Directorate: Community Development to ensure that entrepreneurs access Municipal and other industry/corporates waste products. Directorates: Planning and Human Settlements, Technical and Infrastructure Services, Budget and Treasury Office shall be approached for technical support and advice when needed. The Directorate has established a Green Economy Development Technical Committee in collaboration with Directorate: Community Development, to receive, analyse the size/scope/feasibility of proposals and prioritise project proposals prior to implementation or submission to the Catalytic Projects Fast Tracking Committee.

Council approved the concept as item 127 of 29 May 2018. An information brochure was developed to inform and attract interested registered enterprises to participate in the programme. The role of the Directorate will be to stimulate government and private stakeholders to support Green Economy projects in Rustenburg. The programme requires specific collaboration with the Directorate: Community Development to ensure that entrepreneurs access municipal and other industry/corporates waste products. Directorates: Planning and Human Settlements, Technical and Infrastructure Services, Budget and Treasury Office shall be approached for technical support and advice when needed. The Directorate has established a Green Economy Development Technical Committee in collaboration with Directorate: Community Development, to receive, analyse the size/scope/feasibility of proposals and prioritise project proposals prior to implementation or submission to the Catalytic Projects Fast Tracking Committee.

Strategies might include:

1. Incentivizing green businesses and investments
2. Developing green infrastructure (e.g., green buildings, parks)
3. Supporting research and development in green technologies
4. Creating training programs for green jobs
5. Encouraging sustainable practices in existing industries

Green Economy SMME Support: DDE Trading

On March 23, 2023, we facilitated a meet-and-greet between Mr. Molefe and Mr. Mtsweni from the DTIC (Department of Trade, Industry, and Competition) and our Green Economy SMMEs, including DDE Trading, for a pitching session. Site visits were arranged to explore funding opportunities for equipment and application support. Although most SMMEs were unprepared, DDE Trading stood out as a women-led group excelling in Lethabong.

To enhance their readiness, The Unit facilitated training with Lepharo in January 2024, focusing on business management and paperwork. This led to a successful IDC funding application, resulting in a grant award in April 2024.

The achievements of DDE Trading between April 2024 and June 2024 include:

- Constructing a new manufacturing facility for plastic products, boosting efficiency
- Procuring raw materials in bulk, expanding client reach
- Acquiring new equipment, increasing production capacity
- Enhancing product competitiveness through revamped packaging
- Utilizing the IDC grant to expand staff, hiring youth and increasing personnel to 6 members and 3 directors

Successful projects include re-engaging with old customers, delivering product presentations to local schools, and receiving interest from additional schools.

Operations and improvements include promoting young individuals to administrative roles, acquiring office equipment, and demonstrating remarkable progress in customer growth, financial growth, and product reintroduce

Skills Development

The DLED considers education and skills commodities as people need these to access opportunities in the economy. As a result, the directorate aims to facilitate the establishment of new academic, vocational, and technical educational facilities to provide accessible and affordable services for the local stakeholders including businesses as many of the opportunities for local enterprises and job seekers rely on the availability of relevant skills. Facilities identified are the establishment of the University of Technology, additional vocational schools to offer practical skills that can be converted into sustainable income generating activities like innovative and value-adding into agricultural, mining, artefacts, waste, and other products to create manufactured products to provide services to local mines, businesses, and consumers. Agro-processing, engineering, manufacturing,

and other additional value-adding activities are enablers of SMME growth and sustainable job creation in the local economy. Emerging local enterprises were identified and assisted with the drafting of business profiles. These enterprises participated in virtual workshops on the Black Industrialists Programme. The Unit further invited officials from the Industrial Financing; and the Innovation and Technology branches, to provide one-on-one consultations with the six identified enterprises on how to access funding for manufacturing and innovation enterprises. Three of the SMMEs were enrolled in the Lepharo Incubator.

The monitoring component of the unit requires collection of SMME and job creation activities from LED programmes and initiatives. Monitoring and research interventions rely on the collaboration within the units of the DLED and cooperation received from other municipal directorates. Each project implemented within the directorate must keep records of the enterprises involved and the job opportunities created through that event using the tool created by the unit. That information is analysed and reported on to ensure that the interventions of the directorate are effective and developments in each economic sector are measured progressively over periods.

With this program the Directorate has managed to Focus on:

1. Upskilling and reskilling the local workforce
2. Addressing skills gaps in emerging industries (e.g., green economy, tech)
3. Improving education quality and relevance
4. Enhancing vocational training and apprenticeships
5. Promoting lifelong learning and professional development

The Unit managed to implement strategies like:

1. Collaborating with educational institutions and industry partners
2. Developing tailored training programs for in-demand skills
3. Establishing mentorship and internship initiatives
4. Encouraging entrepreneurship and innovation training
5. Fostering a culture of continuous learning and skill acquisition

Studies indicate that by continuing and integrating these initiatives, our local government can achieve the following benefits:

1. Foster a thriving and sustainable economy

2. Generate employment opportunities in cutting-edge industries
3. Elevate the skills and competitiveness of our local workforce
4. Advance environmental stewardship and conservation
5. Enhance the overall well-being and quality of life for our citizens

By combining these programs, we can create a synergistic effect that amplifies their impact and drives meaningful progress in our community

Business Retention and Expansion

Business Retention and Expansion (BR&E) is an economic development strategy that focuses on supporting and growing existing businesses within a community, rather than solely pursuing new business attraction. The goal is to:

1. Retain: Keep existing businesses operating and thriving in the area.
2. Expand: Encourage businesses to grow and expand their operations, leading to increased investment, job creation, and economic activity.

Implementation of the Business Retention & Expansion Survey

The Council already approved the Business Retention and Expansion Survey, which seeks to gather insights on the local business environment and regulatory landscape. The purpose of this survey is to:

- Understand our experiences and perspectives on local conditions and regulations impacting businesses
- Identify policies and practices that may be hindering business growth and development
- Uncover key opportunities and challenges facing local businesses

By participating in this survey, we will be able to help inform initiatives that support business success, drive economic growth, and enhance the overall business climate in our community.

Upcoming Activities: Business Retention and Expansion Survey

The survey will be conducted in two phases:

Phase 1: Business Listing and Data Collection which STATSA has already been identified to assist

- Collecting and recording basic business information (addresses, particulars) of which we already have in our database

Phase 2: Survey and Interviews

Following our discussion with STATSA, we decided to adopt a more collaborative approach. Instead of hiring fieldworkers, we will invite local businesses and stakeholders to meet with us at our local halls. This will provide a platform for them to share their concerns, challenges, and suggestions on how the Municipality can better support them. By listening to their needs, we can tailor our assistance to make stakeholders to meet with us at our local halls. This will provide a platform for them to share their concerns, challenges, and suggestions on how the Municipality can better support them.

3.23 LEGAL AND VALUATION UNIT

INTRODUCTION

The Unit: Legal and Valuation Services is situated within the Office of the Municipal Manager to enable the smooth workflow of information and timeous response to all legal matters and or labour disputes

The primary objectives for the existence of this Unit is inter alia to render and provide an efficient and effective legal advisory service to the municipality including the municipal council for the purpose of enhancing compliance with the prevailing legislation.

In giving effect to the above objectives, the Unit plays a supportive , complementary and advisory role to strengthen the capacity of the municipality departments to fulfil Constitutional mandate. This is done by providing on regular basis legal advice, settling documents, and rendering legal support to committees of the council and the council as well as supporting the Office of the Executive Mayor, Office of the Speaker and Office of the Single Whip.

In pursuit to the realization of its Constitutional mandate, the Legal and Valuation Unit is providing the following legal support services as required by Legislation:

Litigation including case Management.

Legal advisory services.(legal opinions , legal comments , legal reports)

Labour Law.(Disciplinary hearings and Appeals , Bargaining Council disputes and CCMA disputes and Labour Court cases)

Compilation of By-law and Policies for enforcement after being approved by Municipal Council.

Drafting of service level agreements or Agreement; and

Facilitating obtaining of Valuation Report from the appointed Municipal Valuer .

Due to the reason that the municipality is a creature of statute, it was important that there should be a culture of legal compliance with the prevailing legislation for the purpose of protecting the municipality interest.

Compliance	<p>The Municipality was reviewing Manual on Promotion of Access to Information (PAIA) for purpose of compliance with POPIA. The same applies to the introduction of POPIA (protection of personal information) and Draft Management Policy Framework for Litigation.</p> <p>Municipality was aligning its Delegation of Powers Framework with the new legislation or amended legislation.</p> <p>As an ongoing exercise the Unit is providing directorates with assistance in reviewing existing By-laws and Policies as well as new By-laws including the promulgation.</p>					
Contract Management	<p>Legal Unit provides support and advice regarding the drafting, negotiation and settling of service level agreements as required by MFMA.</p> <p>Unit Legal and Valuation is also providing support and advice on amendment of contracts in terms of the requirements of section 116 of Municipal Finance Management Act, 2003 as well as termination of contracts as a result of breach.</p>					
Litigation	<p>The Unit: Legal and Valuation is responsible for instituting litigation on behalf of the municipality as well as defending claims or actions taken against the municipality. These claims and litigious matters are taking place before the Magistrate Court, Regional Court, High Court, Supreme Court of Appeal, Constitutional Court. In addition, there are labour matters that are handled in terms of the Bargaining Council Collective Agreement (Arbitration and Labour Court). In rendering the above services, the municipality is engaging in the services of panel of external legal advisors to represent the municipality. The Unit also assists the Directorate Corporate Support in the prosecution and chairing of serious disciplinary matters.</p> <p>In the area of Town planning, the Unit is providing support in the form of providing legal support or advice on appeals that have been lodged in terms of SPLUMA legislation.</p> <p>In the domain of Housing, the Unit represents the municipality in the Housing Tribunal especially where there are disputes between the lessor and the lessee.</p> <p>Externally the Municipality has appointed a Panel of Attorneys to represent the Municipality in litigation matters. During the period 2023/24 and 2024/2025 the unit dealt with the following number of pending cases including the dormant cases .</p>					
	Litigation	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
	Cases instituted against Municipality	94	88	76	79	80

3.24 SPECIAL PROJECTS

Table 3.48 Achievements for the financial year under review

DATE	DESK	VENUE	ACTIVITY	OUTCOME
15 August 2023	Elderly	Olympia Park Stadium	Golden Games	The office of the Executive Mayor in collaboration with the Department of Social Development held the Golden Games at Olympia Park that encourages the elderly to stay in health. The participants participated in kick the ball, relay, passing the ball and many more activities
28 September 2023	Elderly	Mafikeng	Older Persons Legislature	The office of the Executive Mayor and older persons forum attended the older persons legislature, where issues of older persons were raised.
20 November 2023	Elderly	Mogwase	Older Persons Bill (Amendment)	The office of the Executive Mayor and the older persons forum attended the older persons amendment bill session at Mogwase, where all older persons could participate in raising their views on the Older Persons Act.
28 February 2024	Elderly	Van Zyl Hall	Older Persons Forum Induction	The Office of the Executive Mayor planned an induction for the Rustenburg Older Persons Forum that was launched on the 1 st of March 2023. However, the induction could not be implemented due to the request from the South African Older

DATE	DESK	VENUE	ACTIVITY	OUTCOME
				Persons Forum (SAOPF) (please see attached memo). The SAOPF were invited to conduct the induction and train the forum.
18 July 2023	Disabled	Tsholetsa Disability Centre	Mandela Day	The Office of the Executive Mayor, in partnership with Glencore celebrated Mandela Day with the disability centre in Tlhabane.
12 September 2023	Disabled	RRT	Universal Access workshop	The office of the Executive Mayor and the Rustenburg Disability Forum in partnership with RRT held a universal access workshop, to educate people about the accessibility of people with disabilities in all spaces.
8 December 2023	Disabled	Seraleng Sports Grounds	AWIMSA	The office of the Executive Mayor in partnership with AWIMSA held community session against abuse-addressing that not abuse does not only affect women but also the elderly and people with disabilities.
18-19 January 2024	Disabled	Kings Gate	Sign language training	The office of the Executive Mayor in partnership with Tshirologo held a sign language workshop at Kings Gate for the community of Rustenburg, to sensitize them about sign language.

DATE	DESK	VENUE	ACTIVITY	OUTCOME
23 April 2024	Disabled	Lethabong Community Hall	World Book and Copyright Day	The Office of the Executive Mayor in partnership with the Department of Arts, Culture, Sports and Recreation (ACSR) and Rustenburg Library. The programme was to indulge in the legacy of reading, the history of books, and copyright acts.
19 June 2024	Disabled	Ben Marais Hall	Disability Forum Launch	The office of the Executive Mayor, in partnership with the Office of the Premier launched the disability forum, whereby the Chairperson, Deputy Chairperson, Secretary and Deputy Secretary were elected. The additional members were also elected.
18 July 2023	Gender	Kroondal Clinic	Mandela Day celebration	The office in partnership with Glencore celebrated Mandela Day by donating 13 wheelchairs and 2 walking stick at Kroondal Clinic.
16-17 August 2023	Gender	RLM Waste Management Hall	Women Economic Empowerment	Office in partnership with the Department of Social Development had two days' workshop on empowering women in business. The following departments were invited NYDA, SEFA, SARS, and NDA to do presentation.

DATE	DESK	VENUE	ACTIVITY	OUTCOME
18 August 2023	Gender	Meriting 4&5	Women's Month- outreach Program	Office in partnership with women in Law Enforcement had outreach program at Meriting. The following department did presentations on their services: SAPS, IEC, and DSD. Through this initiative 15 disadvantage families got food parcels; the families were identified by Motsadi Foundation.
15-16 Nov 2023	Gender	Sparkling Waters	Gender Summit	The office was invited by the Department of Social Development (District Office) to attend two days Gender Summit at Sparkling Hotel. The aim of summit was to call for the prevention and elimination of violence against women and girls, from the South African Older Persons Forum (SAOPF) (please see attached memo). The SAOPF were invited to conduct the induction and train the forum.
30 Nov 2023	Gender	Ben Marais Hall	Women's Prayer	Office in partnership with Greater Rustenburg Pastors Wives and Lady pastors had a prayer at Ben Marais Hall. The purpose of prayer was to pray for to pray for the following: 1. Gender based Violence and Femicide

DATE	DESK	VENUE	ACTIVITY	OUTCOME
				<p>2. Government and Leadership</p> <p>3. Crime, Rapes, and substance abuse</p>
05 Dec 2023	Gender	Tlhabane Clinic	16 days of activism against women and children	<p>Office in partnership with Maboloka HIV and Aids Awareness Organization held awareness campaign at Tlhabane. The organization is a non-profit organization funded by Northwest Department of Social Development (DSD) to implement Social Behaviour Change Programme in Bojanala District. As part of the Programme the Organisation is expected to do Awareness of Gender Based Violence. The purpose was to raise awareness of the negative impact that violence and abuse have on women and children and to rid society of abuse permanently.</p>
16/12/2023	Gender	Visitor Information Centre	Rustenburg Pride	<p>Office in partnership with the Colour Me Foundation hosted Rustenburg Platinum Pride at Rustenburg Information Centre. The Executive Mayor in her address spoke heavily against hate and discrimination in the LGBTIQ+ community. She emphasized equal treatment</p>

DATE	DESK	VENUE	ACTIVITY	OUTCOME
				amongst all gender groups. She assured the LGBTIQ+ community of their protection to exercise their constitution rights in Rustenburg and everywhere in the country.
10/02/2024	Gender	Van Zyl Hall	Miss Queen of Rustenburg Workshop	The Office of the Executive Mayor under Special Project Unit partnered with Miss Queen of Rustenburg on a one-day workshop. The aim was to empower participants about expectations of competitions.
22-23/02/2024	Gender	Old Town Hall	Economic Empowerment Workshop	The office in partnership with Tshisimologo Foundation invited First National Bank (FNB) and National Youth Development Agency (NYDA) to have two days Economic Empowerment workshop, the aim was to encourage and support young people to start their own business, and those who are entering into business about the importance of budgeting and investing in their business. First, National Bank funds are open for youth and elderly individuals who want funding. It's not restricted; NYDA funds 35 years of age and their funding scale depends on the years of your business registration.

DATE	DESK	VENUE	ACTIVITY	OUTCOME
16/03/2024	Gender	Olympia Park Stadium- North West Hall	Early childhood Development Centres Workshop	Office in partnership with Hope Academy and Skill Centre held Early Childhood Developments workshop to discuss the following items: <ol style="list-style-type: none"> 1. Lesson Plan 2. Observation plan 3. Assessment Plan and 4. Year Plan The workshop was held at Olympia Park Stadium Northwest Hall.
19/03/2024	Gender	Civic Centre- Banquet Hall	Easter Prayer	Office in partnership with governments departments and NGOs held Easter Prayer at Rustenburg Civic Centre (Banquet Hall. The service was to call upon churches and attendees to stand in prayer for Gods care and protection over our communities, loved ones and law Enforcement officers during Easter session. The prayer was based on Gender based Violence and Femicide, fair elections and
17/05/2024	Gender	Tlhabane Stadium	International day against Homophobia, Biphobia, and Transphobia (LGBTQI)	Office of the Executive Mayor in partnership with District Aids Council and different NGOs hosted International Day Against Homophobia, Biphobia, and transphobia event at Tlhabane Stadium. The event started with

DATE	DESK	VENUE	ACTIVITY	OUTCOME
				walk from Olympia Park to Tlhabane Stadium, the purpose of the walk was to break the silence that has shrouded the LGBTQ community for too long and raise their voice to be heard. To show the world that they refuse to be invisible and demand to be seen, heard and respected. The formal program was started at 12pm where MMC for Community Development (Cllr Nombulelo Xatasi) welcome everyone and encourage love towards LGBTQ and community at large.
12/03/2024	Children	Old Town Hall	Launch of Children's Athletic	The launch was to inform all ECDs about the rules and what is expected during the tournament. The launch was held at Old Town Hall whereby 50-+ ECDS centres attended.
14/04/2024	Children	Olympia Park Stadium	Children's Athletics Event	Office in partnership with Department of Sport, Arts, Culture, and Reaction hosted Children's Athletic with Early Childhood development centre in Rustenburg jurisdiction. The purpose of the tournament was to <ul style="list-style-type: none"> - give children a chance to play with other children.

DATE	DESK	VENUE	ACTIVITY	OUTCOME
				<ul style="list-style-type: none"> - promote good health and relieve stress and - Sports improve academic performance, and it also contribute to the character of development of kids. <p>The event was held at Olympia Park Stadium.</p>
10/05/2024	Children	Council Chamber- Civic Centre	Children's Council	<p>The Office of the Executive Mayor under Special Project Unit in partnership with Department of Education hosted a two-day Children's Council Debate at Rustenburg Civic Centre (Council Chamber). Children's debate is an annual event and a platform for young people from 14 to 18 years of age, and it represents schools from rural and urban areas in Rustenburg jurisdiction. Through this platform they identify, discuss, and raise their collective concern and challenges regarding the issue pertaining to social ills.</p>
07/06/2024	Children	Ben Marais Hall	Children's Music Competition	<p>The office of the Executive Mayor (Special Project) hosts Children Music Competition for Early Childhood Development centres in Rustenburg jurisdiction, and this is an annual event. Children through</p>

DATE	DESK	VENUE	ACTIVITY	OUTCOME
				music they learn to work as a team, to share, and how to be creative in a group environment. Music improves children's ability to learn and to memories, cognitive development, learning skills and expressive ability
02/08/2023	Youth	Teach Foundation	Financial Management Training	Teach foundation in partnership with special projects facilitated financial management training for 20 young people through Fanatswa Consulting
24/11/2023	Youth	Sibanye Offices	Mayoral Cup Tournament 2024	We had a meeting with Sibanye on the said day to engage about the coming mayoral cup tournament 2024. Sibanye has always said we don't communicate in time in the meeting. The agreement was special projects to send them concept document which was sent. Sibanye then initiated netball in primary schools around Sibanye mine.
27/11/2023	Youth	Rustenburg Mall Offices	Rustenburg Mall engagement	Special Projects, Municipal Sports met with Rustenburg Mall Management to engage mainly in safety around Rustenburg Mall and Olympia Park Premises. It was suggested that the Public Safety and Waste Directorate to be part of the

DATE	DESK	VENUE	ACTIVITY	OUTCOME
				meetings. Mall management emphasized that they would like to partner with us on some of the programs.
30/11/2023	Youth	Old town Hall	Artist's workshop	JOM Foundation in partnership with special projects convened artists workshop facilitated by the legend Selaelo Selota. The objective is to provide local arts stakeholders with knowledge, tools and instruments they can use to develop artists.
16/02/2024	Youth	Boitekong Sports Ground	Youth Outreach / information Session	The Office of the executive Mayor, Office of the speaker and Local Economic Development Unit held a youth outreach at Boitekong cluster ward 20,21 and 40. Government departments were invited, though not all departments managed to attend but they mostly did. The challenge we identified is young people did not want to listen to any other information that might be of good use to them, they only wanted to be hired by the municipality.
22/02/2024	Youth	Popo Molefe	Career Exhibition	The department of Labour and unemployment captured the job seekers on their database. The NYDA, the department of social development and other

DATE	DESK	VENUE	ACTIVITY	OUTCOME
				Stakeholder provided information about the services that they are rendering on that they.
22-23/02/2024	Youth	Cyferbult sports ground	Service Delivery Outreach	Office of the Premiere, BPDM, RLM, Home Affairs, SASSA, CoGTA, Health, Community Safety, SAPS, Social Development, IEC and other Stakeholders rendered their services to the Community of Cyferbult.
02/04/2024	Youth	Social Media Advert	Mayoral cup Tournament 2024 - Registrations	<p>Mayoral cup tournament registration was opened on 03/04/2024 – 10/05/2024. Teams register with:</p> <ul style="list-style-type: none"> • Pair of Black school shoes • 2x 100ml Black School polish • 2x Toothbrush • 2x 175g Bath Soap • 2x Toothpaste <p>2x Face Cloth</p>
31/05/2024	Youth	Ben- Marais Hall	Mayoral Cup Tournament Launch 2024	Mayoral cup Tournament 2024 was launched with 24 soccer teams and 6 netball teams.
22/06/2024	Youth	Olympia Park Stadium	Top 6 Games	6 teams left for this week therefore games this week will win on point system. We will be left with four teams for finals in which they will play semi-finals and finals.

DATE	DESK	VENUE	ACTIVITY	OUTCOME
29/06/2024	Youth	Barseba Sports Ground	Mayoral Cup Tournament – Netball and Football	4 Netball Teams to finals and semi-finals and 4 soccer teams to semi-finals and finals. Pim-ville Kicks won the tournament (soccer), and Luka Ball Controllers won the game (Netball)

3.25 ORGANISATIONAL STRATEGY & PLANNING

INTRODUCTION

The Strategy and Planning Unit is responsible for the following key performance areas:
Integrated Development Planning and Organisational Performance Management

Integrated Development Planning

The process of reviewing the IDP was followed in terms of the requirements of section 34 of the Local Government: Municipal Systems Act, 2000. It is coordinated and facilitated with all directorates and stakeholders to ensure that the Reviewed IDP is approved on time by the council. The municipality was using the review process to ensure that the IDP moves beyond focusing on outputs and becomes more outcomes and results oriented. The change in focus will assist the directorates to begin to measure the impact of their programmes and change the implementation of their respective plans to deliver better services to local communities.

Organisational Performance Management

The role of the Organisational Performance Management Unit is outlined in Chapter Six of the Local Government: Municipal Systems Act, 2000. The unit coordinates the process of performance reporting on Service Delivery and Budget Implementation Plan (SDBIP). It further coordinates the quarterly, mid-year reviews and compilation of the annual report.

3.26 ANNUAL PERFORMANCE REPORT (SECTION 46 REPORT: 2023/2024)

3.26.1 INTRODUCTION

The Annual Performance Report is hereby submitted to the Rustenburg Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 63 on annual reporting. This report covers the performance information from 01 July 2023 to 30 June 2024 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP) as amended following the approval of the adjustment budget on the 29 February 2024.

This Report reflects the actual performance of the Municipality as measured against the performance indicators and targets in its 2023/2024 Service Delivery and Budget Implementation Plan (SDBIP).

This part of the report endeavours to provide accounts to the Municipal Council in line with the following six (6) National Government's Strategic Key Performance Areas for local government, which are:

- (1) Municipal Institutional Transformation and Development.
- (2) Good Governance and Public Participation
- (3) Municipal Financial Viability and Management
- (4) Local Economic Development and Job Creation
- (5) Basic Service Delivery; and
- (6) Spatial Rationale and Municipal Planning Alignment

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area.

3.26.2. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000, which stipulates as follows:

- (1) *(1) A municipality must prepare for each financial year a performance report reflecting—*
 - (a) the performance of the Municipality and each external service provider during that financial year.*
 - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and*
 - (c) measures taken to improve performance.*

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation, but also to the individuals employed within the organization, external service providers and the Municipal Entities. This

framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP, individual and service providers' performance.

3.26.3 PERFORMANCE MANAGEMENT OVERVIEW AND PROCESS

To improve performance planning, implementation, reporting and measurement, the institution implemented the following actions:

At the beginning of the 2023/2024 financial year, there were 46 KPIs in the SDBIP. During the adjustment period, KPI's remained the same.

The scorecards table in the SDBIP provides for Portfolio of Evidence which must accompany the report to ensure each KPI is supported by relevant proof of achievement.

The Municipality endeavoured during the development of the Top Layer to adhere to the "SMART" principle in setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making them measurable.

3.26.4 COMPARATIVE ANALYSIS OF THE 2022/2023 AND 2023/2024 PERFORMANCE

The municipality's performance by the end of June 2023 was at **50%**. Based on confirmation through the internal audit process and confirmation by the assessment panel, Performance for the financial year under review overall performance was **57%**.

Key Performance Areas (KPA's)	Organisational Performance 2022/2023				Organisational Performance 2023/2024			
	TOTAL Number of KPI's	KPI's Achieved	KPI's not achieved	Performance in Percentages	TOTAL Number of KPI's	KPI's Achieved	KPI's not achieved	Performance in Percentages
Municipal Institutional Development and Transformation	5	3	2	60%	4	1	3	25%
Good Governance and Public Participation	4	2	2	50%	1	0	1	0%
Municipal Financial Viability and Management	13	6	7	46%	12	6	6	50%
Local Economic Development and Job Creation	5	4	1	80%	4	2	2	50%
Basic Service Delivery and Infrastructure Development	14	8	6	57%	20	15	5	75%
Spatial Rationale and Municipal Planning Alignment	5	0	5	0%	5	2	3	40%
Total	46	23	23	50%	46	26	20	57%

3.26.5 PERFORMANCE PER KEY PERFORMANCE AREA (KPA)

3.26.5.1 Key Performance Area (KPA 1): Municipal Transformation and Institutional Development

MUNICIPAL STRATEGIC PRIORITY: Drive optimal municipal institutional development, transformation and capacity building

STRATEGIC PRIORITY: Drive optimal municipal institutional development , transformation and capacity building

KPI 1	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Actual Performance	Portfolio of Evidence	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of Policies submitted to Council by June 2024	10	No Revision	16	Agenda of Council, Minutes and Revised Policies	Achieved	10	15	Draft Policies LLF Minutes PFC Minutes Mayoral Agenda Council Agenda	7	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

The following policies were reviewed during the financial year 2023/2024.

Draft Agricultural Development Support policy – item 137 of 08 September 2023
 Draft Integrated Environmental Management Policy – Item 160 of 08 September 2023

Information Technology Policies were submitted to Portfolio Committee in April 2024 and proceeded to Mayoral Committee in May 2025

1. ICT Change Management Policy
2. ICT Helpdesk and Incident Management Policy
3. Cyber Security Policy
4. ICT Governance Framework
5. Group Information Technology

The below mentioned Occupational Health and Safety Policies were reviewed, and a workshop was held with Labour Unions on 30th January – 01st February 2024.

1. Personal Protective Equipment,

- 2. Occupational Health and Safety Policy,
- 3. Danger Allowance Policy and
- 4. Workplace HIV and AIDS Policy.

Ref : DCS 13

KPI 2	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of ICT Disaster Recovery Back-up and replication conducted by June 2024	4	-	Recovery Test Certificate	12	Achieved	12	No Revision	Recovery Test Certificate Monthly back-up and Replication Reports	12	Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

For the year under review 12 disaster recovery site tests were conducted. Tests were conducted to ensure the data of the municipality is protected. The test includes backup of the information which was processed and replicated to remote and cloud servers' servers. Considering the sensitivity and volume of financial data, the PAC recommended that tests be conducted monthly hence reported achievement has exceeded the target.

Ref : DCS 2

Municipal Strategic Objective: Develop and implement internal capability model (institutional core and critical competencies, scarce skills, maintenance skills) that enhance institutional and external stakeholders' development communities and institutional capability

KPI 3: Percentage of the municipality's allocated training budget spent on personnel (workplace skills plan) by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	95%	-	Training Expenditure Report signed off by CFO	99.54%	Achieved	95%	No Revision	Training Expenditure Report signed off by CFO	17.3%	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>The actual annual budget for training of personnel was R 3 394 076.00. An expenditure of R 586 502.00 was incurred against the budget which translates to 17.3% spending.</p> <p>Reasons for Non achievement.</p> <p>The tender served before the Bid Specification Committee for the appointment of the panel of service providers on the 23 November 2023. An advertisement was published on 08 December and the closing date was set for 06 February 2024. The report served before the Bid Evaluation Committee (BEC) for the first time on 26 March 2024 and could not be finalized. During the subsequent meeting of the BEC, the bid was recommended for readvertisement.</p> <p>Remedial Measures</p> <p>Since there was a challenge of finding one training provider with accreditation on all required modules. Quotations were requested. Thirteen (13) were advertised on a Seven (7) days quotation and only two programmes were implemented due to time constraints.</p> <p>Ref : DCS 11</p>										

KPI 4 Percentage of budgeted vacant positions filled within 3 months of a position being vacant in 2023/2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	25% of budgeted vacant positions filled	No Revision	Quarterly Recruitment Report signed off by Director	23.1%	Not Achieved	120	50%	Advert signed off by MM Quarterly implementation report on recruitment plan signed off by Director Recruitment Plan Appointment Letter	5%	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

Out of a total of 120 vacant and budgeted positions, 6 were filled during the financial year 2023/2024 translating to 5%.

Ref : DCS 7

3.26.5.2 Key Performance Area (KPA 2): Good Governance and Public Participation

MUNICIPAL STRATEGIC PRIORITY: UPHOLD GOOD GOVERNANCE AND PUBLIC PARTICIPATION PRINCIPLES

Municipal Strategic Objective: Drive Good Governance and Legislative compliance in all Municipal processes

KPI 5 Percentage of Council resolutions implemented by June 2023	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	4	100%	Spreadsheet with actual performance	50.58%	Not Achieved	100%	98%	4 x Agenda of Council Resolutions Spreadsheet with actual performance	76%	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance
A total number of 1062 Council Resolutions were registered within 2023/2024 financial year. Nine (9) Council Resolutions were withdrawn which decreased the number to 1053 .
802 were implemented which translate to 76%
109 are in progress and 11 were referred.
132 Council resolutions have not been addressed yet.

Number of Council resolutions implemented: 802 x 100.
Number of Council resolution taken : 1053 1 = 76%

Reasons for non-achievement
Non implementation of resolutions and non-submissions of reports or progress thereof to the Council by directorates.

Remedial plan
Develop and implement an intensive monitoring tool on implementation of Council Resolutions.

3.26.5.3 Key Performance Area (KPA 3): Municipal Financial Viability and Management

MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management

Municipal Strategic Objective: Implement integrated capital funding model

KPI 6: Percentage of the municipality's capital budget spent by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	95%	No Revision	Certified BTO Spreadsheet	50%	Not Achieved	100%	No Revision	Certified BTO Spreadsheet	57%	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

Funding Source	Sum of Full Year Budget	Sum of Year to Date Actual	% Spent	Grant withheld (Portion of the total allocation)	Closing Balance (Portion of the total allocation)
CATA (DSCAC Library)	687 286	207 700	30%	0	316 711
CRR	127 011 429	44 989 480	35%	0	0
INEP	20 786 000	27 382 212	132%	12 850	0
MIG	253 835 300	182 040 370	72%	0	54 749 445
NDPG	5 000 000	716 311	14%		
PTNG	149 409 829	37 558 141	25%	0	0
WSIG	65 000 000	62 492 789	96%	36 326 804	0
Grand Total	621 729 844	355 387 003	57%	36 339 654	59 797 327

KPI 7 Appointment of service provider for the mSCOA financial system by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	100% of all modules as per the SLA signed off as fully operational by the municipality and service provider	No Revision	Service Provider Sign-off Certificate Signed Service Level Agreement	0	Not Achieved	Appointment of service provider for the mSCOA financial system by 30 June 2024	No Revision	Service Provider Sign-off Certificate Signed Service Level Agreement	Service provider appointed	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance The bid for the MSCOA system was re- advertised and closed. The scheduled closing date was the 31 January 2024. As at the end of the financial year under review, the system vendor was not yet appointed. The delay in finalization of the process was due to a court interdict by one of the previous bidders. The process was paused for two months. As of 30 June 2024, the system for mSCOA financial system was not appointed.</p> <p>Reason for non achievement. The court order by the previous bidder held the process in abeyance.</p> <p>Remedial Measure The lifting of the interdict by the court.</p> <p>BTO 1</p>										

Municipal Strategic Objective: Implement revenue management strategy to enhance municipal financial viability and sustainability

KPI 8: Percentage collection of revenue billed	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence`	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	90%	-	Signed CFO Calculation from 3 months C Schedules. C Schedule Extract from the financial system	74%	Not Achieved	85%	No Revision	Signed CFO Calculation from Schedule C Schedule Extract from the financial system	68%	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Comparing the budget and actual after the budget adjustment.

Original budget inclusive of grants: R 8 287 072 000

Minus Transfers and Subsidies: R 2 013 959 000

Targeted revenue: R 6 273 113 000

Year to date actual revenue: R 6 140 573 000

Minus Grants received: R 1 880 814 000

Internally generated revenue: R 4 259 859 000

$4\,259\,859\,000 \times 100 = 68\%$

6 273 113 000

Reason for variance

Year to date the budget for electricity was 4 049 322 000 and the year-to-date actual was 2 054 300 000 as per AFS 2024. The big variance in electricity revenue has negatively influenced the performance for the period under review.

Remedial Measure

To tap on the DBSA intervention to implement prepaid smart water and electricity meters in areas not metered to enhance collection.

Develop and implement reduction strategy on expenditure management.

KPI 9: Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	95% within 30 days	No Revision	Signed CFO Calculation from C Schedule Extract from the financial system.	33 Days	Not Achieved	95% within 30 of municipal payments made to service provider who submitted complete forms within 30 days of invoice submission by June 2024	No Revision	Signed CFO Calculation from C Schedule Extract from the financial system.	36 days	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Performance: Not-Achieved</p> <p>The Cumulative creditors payment for the period up to 30 June 2024 was 36 days.</p> <p>Reasons for non-achievement</p> <p>The invoice submission system had internal control deficiencies.</p> <p>Remedial Measures</p> <p>Internal control systems were assessed. A monitoring system will be put in place in the 2024/25 financial year.</p> <p>An official will be identified and assigned to perform the monitoring of the controls in payments of service providers.</p>										

KPI 10: Achieved Improved financial current ratio	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	1.8:1	No Revision	Signed CFO Calculation from 3 months C Schedules. C Schedule Extract from the financial system	1.12: 1	Not Achieved	1.8:1	1.5:1	Signed CFO Calculation from 3 months C Schedules. C Schedule Extract from the financial system	0.48:1	Not achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).

Formula: Current Assets/Current Liabilities

Current Assets : R910 731 000

Current Liabilities: R1 901 339 000

Current Ratio : 0.48:1 against the target of 1:1.5

Reason for non-achievement

Inadequate cash reserves and lower payment levels.

Remedial Measures

Debt collectors appointed

Implementation of debt collection plan.

Continue to intensify credit control measures and resolved all the impediments.

KPI 11 Percentage of the municipality's allocated budget spent on indigent relief for free basic services by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	100%	-	Indigent Register 1 x approved indigent application form.	58%	Not Achieved	100%	No Revision	Indigent Register 1 x approved indigent application form.	70%	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

FREE BASIC SERVICES (INCL REVENUE FORGONE) - 2023/24

MSC	Account Description	2023/24	TOTAL	Available	% of spent
310	FREE ELECTRICITY SUPPLY	5 444 139	4 425 464	1 018 676	81%
360	FREE WASTE	4 571 236	772 003	3 799 233	17%
345	FREE SANITATION	4 493 746	938 676	3 555 070	21%
076	FREE PROPERETY RATES SERVICES	4 222 010	5 207 864	- 985 853	123%
340	FREE WATER SUPPLY	1 947 420	3 058 848	- 1 111 428	157%
		20 678 551	14 402 854	6 275 697	70%

KPI 12 Number of Section 71 reports submitted to the Executive Mayor within 10 days after the end of the month	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence`	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	12	No Revision	12 Section 71 Reports	12	Achieved	12	No Revision	12 Section 71 Reports	12	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>Twelve (12) Section 71 Reports were submitted to the Executive Mayor as follows:</p> <p>July 2023 - 15 August 2023 August 2023 – 14 September 2023 September 2023 – 16 October 2023 October 2023 – 14 November 2023 November 2023 – 14 December 2023 December 2023 - 12 January 2024 January 2024 – 14 February 2024 February 2024 - 14 March 2024 March 2024 – 15 April 2024 April 2024 – 15 May 2024 May 2024 - 11 June 2024 June 2024 – 12 July 2024</p>										

KPI 13 Number of section 72 reports submitted within legislated timeframe to the Executive Mayor	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	1	No Revision	Council Agenda	31 January 2023	Achieved	1	No Revision	Council Agenda	1	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance										
The Section 72 Report (Mid-Year Assessment) was submitted to Council on the 31st January 2024 per item 10.										

KPI 14 Number of section 52 reports submitted after every quarter to council	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	4	No Revision	Council Agenda	4	Achieved	4	No Revision	Council Agenda	4	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance										
Four (4) Section 52 reports were submitted as follows: Quarter 1 – 16 October 2023 Quarter 2 – 12 January 2024 Quarter 3 - 15 April 2024 Quarter 4 – 26 July 2024										

KPI 15 Annual Financial Statements (AFS) of RLM and Consolidated AFS of 2022/2023 submitted to AGSA for audit by 31 August 2023 and 30 September 2023 respectively	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence`	Actual Performance	Achieved / Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved / Not Achieved
	2x set of Annual financial statements of submitted to AGSA	No Revision	Acknowledgement of Receipt by AGSA	31 August 2022 30 September 2022	Achieved	2x set of Annual financial statements of RLM and consolidated AFS for 2022/2023 submitted to AGSA by 31 August 2023.	No Revision	Acknowledgement of Receipt by AGSA	2x set of Annual financial statements of RLM and consolidated AFS for 2022/2023 submitted to AGSA by 31 August 2023.	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance										
The 2022/2023 Annual Financial Statements (AFS) of the Rustenburg local Municipality were submitted to the office of the Auditor General on the 31 August 2023. The consolidated AFS of 2022/2023 was submitted on the 30th of September 2023. Submission was made both in soft and printed copies.										

KPI 16 MTREF budget prepared and submitted to Council by 31 May 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved / Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	31 May 2023	No Revision	Council Agenda	31 May 2023	Achieved	MTREF submitted to Council by 31 May 2024	No Revision	Council Agenda	22 May 2024	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>Medium Terms Revenue Expenditure Framework (MTREF) was first tabled in Council in March 2024, underwent the process of public participation, including benchmarking session with national Treasury. The MTREF was tabled before Council on the 22 May 2024 per item 49 and approved by Council.</p>										

KPI 17 Adjustment budget submitted to Council by end of February 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	February 2023	No Revision	Council Agenda	28 February 2023	Achieved	End of February 2024	No Revision		29 February 2024	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>The budget adjustment was tabled and adopted by Council per item 22 on the 29 February 2024.</p>										

3.26.5.4 Key Performance Area (KPA 4): Local Economic Development and Job Creation

MUNICIPAL STRATEGIC PRIORITY: Drive a vibrant diversified economic growth and job creation

Municipal Strategic Objective: Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing, transportation services and products

Municipal Strategic Objective: Stimulate and facilitate sustainable tourism development and marketing of Rustenburg City as a world-class destination

KPI 18 Number of preliminary feasibility studies conducted for construction of the School of Mining by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	1	-	Confirmation Letter from Investor / Developer or Catalytic Projects Committee Report	4	Achieved		1 preliminary feasibility study	Investor Confirmation Letter Resolution of council confirming land availability	1	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>A letter of intent received from the North-West University requesting allocation of land for the purpose of establishing the School of Sustainable Mining in Rustenburg.</p> <p>The Council has resolved to donate land to NW university for the development of the Mining and Engineering Facility RLM has identified that project as part of its integrated Masterplan and has made land(erf 2263 Geelhoutpark ext. 6) available for such as development. The land donation resolution was passed by Council. The challenge was an objection to land donation which was later resolved through item 29 of the 26 March 2024.</p> <p>A preliminary feasibility study was concluded and found the idea was viable and implementable.</p>										

KPI 19 Number of SMMEs and Cooperatives events supported by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	-	5	Attendance Registers Report on Events Hosted	6	Achieved

Comment on Achievement of the KPI and Remedial Measures

The events which were held and supported during the period under review were:

1. Digital Marketing Training: 4 - 8 March 2024
2. Assessment of SMMEs and Cooperatives: 18 March 2024
3. Farmers Day/Boeredag 30 March 2024
4. Nampo Harvest Day : 14-17 May 2024
5. Mapukamo Secondary Co-Operatives Limited – Diesel Supply – 06/06/2024
6. Crop Strategy and Crop Rotation- Horticulture Education and Training in Rustenburg – 19-21 June 2024

Reasons for Over-Achievement

The budget was permitting additional programmes to be supported.

Remedial Measures

An integrated plan of events between the municipality and external stakeholders will be considered for future use to link the target to the plan.

KPI 20 Number of work opportunities created through Public Employment Programmes (inclu. EPWP and other related employment programmes) by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	1 500	-	List of people employed with ID numbers and projects reports on number of jobs created	2502	Achieved	1500	No Revision	List of people employed Projects reports on number of jobs created.	927	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

A total of 927 jobs were created during the financial year under review.

Project	Number of Jobs
EPWP – Phunyeletso	206
Farmers Market	141
PMU (Cleaning of Taxi Rank, Roads, Parks)	131
Community Facilities	67
Civil Facilities	85
Waste Management	297
TOTAL	927

Reasons for Non-Achievement

Overstatement of the target due to not determining the number of projects and jobs required per project.

Remedial Measures

Listing of the projects and targeting according to the estimated number of jobs required per project.

Municipal Strategic Objective: Drive diversified and sustainable rural development

KPI 21 Percentage completion of Phase II of Farmers Production Support Unit (FPSU) by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	1	No	Report on the FPSU	1	Achieved		100%	Projects Plan. Report on milestone.	0%	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance Phase II of Farmers Production Support Unit (FPSU) could not be finalized by June 2024</p> <p>Reason for Non-achievement Certain aspects of the specifications required benchmarking studies on best practices and could not be finalized.</p> <p>Remedial Measure</p> <p>Implementation of the project was budgeted for again and included in the 2024/2025 SDBIP as KPI 25.</p>										

3.26.5.5 Key Performance Area (KPA 5): Basic Services and Infrastructure Development

Municipal Strategic Objective: Efficient provision of quality basic services and infrastructure within a well-planned spatial structure

KPI 22 Percentage of drinking water samples complying to SANS241 by June 2024	2022/2023					2023/2024														
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved										
	98%	-	Laboratory reports	98%	Achieved	95%		Lab test results	96.25%	Achieved										
Comment on Achievement of the KPI and Remedial Measures																				
<p>Status of Performance</p> <p>Aggregate performance as at the end of the financial year was at 98%.</p> <table border="1"> <tr> <td>Quarter 1</td> <td>98.7%</td> </tr> <tr> <td>Quarter 2</td> <td>97.5%</td> </tr> <tr> <td>Quarter 3</td> <td>93.8%</td> </tr> <tr> <td>Quarter 4</td> <td>95.0</td> </tr> <tr> <td>Average</td> <td>96.25%</td> </tr> </table>											Quarter 1	98.7%	Quarter 2	97.5%	Quarter 3	93.8%	Quarter 4	95.0	Average	96.25%
Quarter 1	98.7%																			
Quarter 2	97.5%																			
Quarter 3	93.8%																			
Quarter 4	95.0																			
Average	96.25%																			

KPI 23 Percentage reduction of real water losses per IWA standards by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	5%	No Revision	IWA Balance report	5% increase	Not Achieved	5%	No Revision	IWA balance report	7%	Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

The non-revenue water is calculated by subtracting the system input (46 520 509 units or 100%) which is the amount of water purchased from the bulk supply minus the billed authorised consumption (22 529 142 units or 52%). The difference between the two is the water losses (23 991 367 units or 48%) for 2022/2023 financial year.

Non-revenue water or water losses is the distributed volume of water that is not reflected in customer billing which is the sum of unbilled authorised consumption for example water that is lost from the hydrant when flushing or filling water tankers, plus apparent losses which are caused by customer inaccuracies when their meters are not functioning well plus real losses which are caused by pipe bursts and pipe leaks or storage tanks overflows. The non-revenue water is calculated by subtracting the system input (44 608 047 units or 100%) which is the amount of water purchased from the bulk supply minus the billed authorised consumption (20 824 734 units or 59%), the difference between the two is the water losses (23 783 313 units or 41%) for 2023/2024 financial year.

The difference between the two financial years 2022/2023 (48%) and 2023/2024 (41%) is = 7% water losses.

KPI 24 Number of households with access to water by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	100	New	List of Connections	22	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>The anticipated connection was based on estimated individual applications. There were no direct projects with budget that were linked to the target. 22 houses connected with water within the Rustenburg jurisdiction.</p> <p>Reason for non-achievement</p> <p>This is an extension of service to premises that were not developed. The projection was based on the anticipated applications.</p> <p>Remedial Measure</p> <p>The KPI to be categorized into formal, informal and new connections in the 2024/25 financial year. Included in the SDBIP as KPI 29, 30 and 31.</p>										

KPI 25 Number of households with access to sewer by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	1000	New	Completion Certificates	958	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>Out of 1000 household connections, 958 households were connected with sewer.</p> <p>Boitekong -235 households. – 100% Tlhabane- 588 households. 100% Ramochana-209 households – 80%</p>										

KPI 26 Number of households with access to Electricity by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	100	New	List of Connections	194	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>The anticipated connection was based on estimated individual applications. There was no direct project with budget that was linked to the target. 194 households connected with electricity (businesses and houses)</p>										

KPI 27 Percentage completion of the Boitekong Substation construction by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	100%	No Revision	Service Provider Completion Certificate	100%	Achieved	100%	No Revision	Appointment Letter Completion Certificate	85%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance Boitekong Electrical substation has registered 85 % progress. The following items were completed. Substation Building First Phase Primary Plant Engineering Designs for the Primary and Secondary Plant The budgeted amount for the projects was R31m and an expenditure of R31m was incurred towards the project translating to 100% spending on the allocation for the 2023/2024. The remaining items, as at the end of the financial year, were, Supply and Installation of 20MVA Transformers and MV Switchgears. Factory Acceptance Test was conducted towards the end of June 2024. As at the end of the financial year 2024, The shipment was released, and delivery was anticipated.</p>										

KPI 28 Percentage completion of the civil works and erection of high mast lights by end of June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	1	3	Service Provider Completion Certificate	2	Not Achieved	100%		Appointment Letters. Completion Certificate	40%	Not Achievement

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

Project	Number of lights	Actual lights	% completion	Budget	Actual spending	%
Kanana Phase B	16	16	100%	R 8 578 147.16	R 6 606 943.17	77%
Mosenthal Ikageng Highmast lights	6	6	100%	R 4 000 524.55	R 3 301 737.93	82%
Kanana A Highmast lights	11	0	0%	R 1 000 000	R 0	0%
Kanana C Highmast lights	11	0	0%	R 1 000 000	R 0	0%
Robega Highmast lights	11	0	0%	R 1 000 000	R 0	0%
	55	22	40%	R 15 578 671.71	R 9 908 681.10	64%

The 3 high mast lights projects for Kanana A & C and Robega were evaluated and adjudicated. The bids were recommended for readvertisement.

Reasons for non-achievement
Non responsiveness of bidders

Remedial Measures

Readvertisement of the bid, the specification committee has reprocessed the bid, and advert will be placed in the new financial year.

KPI 29 Number of sewer projects implemented by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	Appointment of service provider	-	Signed Site Handover Minutes	0	Not achieved	4 sewer projects implemented by June 2024	No Revision	Advert Appointment Letters	5	Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

Project	Project phases	Budget	Actual spending	Expenditure %	Progress %
Lethabong Sewer Reticulation, Toilet Structures and upgrading of wastewater treatment works.	Phase A (sewer reticulations)	R10 000 000	R 8 733 663.20	87%	40%
	Phase B (sewer reticulations)	R17 000 000 revised to R20 000 000 due to variation)	R 17 400 000	86%	95%
	Phase C (refurbishment of inlet works)	R1 000 000	R 0	On advert	0%
	Phase D (upgrading of the plant)	R30 000 000	R29 800 000	99%	38%
Tlhabane Sewer AC replacement	Phase A	20 000 000	R6 952 000	35%	38%
Emergency Replacement of Collapsed Sewer System in Bovan		R24 921 021.53	R24 207328.87	97%	100%

Crescent (Deviation) 16 – 2023/2024					
Ramochana Sewer upgrade and House Connections (Emergency Project		R22 368 843.60	R12 988 480.57	57%	85%
Boitekong Pumpstation		R13 278 098.69	R12 309 506.15	93%	100%
Tlhabane outfall sewer		R21 838 238.95	R18 277 278.15	83%	100%
Zendeling sewer	Phase A	R13 347 053.00	R10 596 315.89	79%	100%
Western Bulk	Phase B	R8 267 871.50	R2 922 686.36	35%	85%

Phase A & B were appointed, construction is in progress. Based on project duration, it is projected that by end of June the project will still be in progress.

KPI 30 Number of water projects implemented by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	1 water project implemented by June 2024	No Revision	Advert Appointment Letters	0	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

Project	Project phases	Budget	Actual spending	%
Tlhabane water AC replacement.	Phase A	R 34 000 000	R6 300 000	6.8%

The contractor has been appointed and was on site for the implementation of the multiyear project.

Reasons for Non-Achievement

Procurement was delayed and the service provider was appointed late into the financial year.

Remedial Measures

Implementation of the project continues in the financial year 2024-2025.

KPI 31 Number of air quality monitoring operations undertaken by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence`	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	12	None	Smoke meter report x4 Report from Mines (Anglo & Tharisa) x4 Air Quality Monitoring Station Report x 4	36	Achieved	16	No Revision	Smoke meter report x4 Report from Mines (Anglo & Tharisa) x4 Air Quality Monitoring Station Report x 4	28	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance										
There was a target of 16 air quality monitoring operations to be taken by June 2024 and a total of 28 operations were conducted.										

KPI 32 Number of informal settlements with a waste service by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence`	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	83%	16x	DPHS Database of informal settlements Waste Management Service Reports National Waste Management Standards	26	Achieved	65% recognised informal settlements with a waste service (26 out of 40 informal settlements	26	Dated Pictures Sample Satisfactory questionnaire on waste collection services Vehicle tracking reports	11	Not achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

11 informal settlements received waste collection and 10 informal settlements received Illegal dumping clearance services

Reason for non-achievement

Access to informal settlements was a challenge due to the shortage of low beds, as a result, this impacted service delivery, especially at the Informal settlements. In addition to the Plan, RLM Tipper Trucks and FEL are at the Service Provider appointed by WESBANK for repairs. Skips are stolen in some informal settlements.

The Directorate struggled to get two of the Front End Loader's services repaired for a longer period, which resulted in illegal dumping activities not being executed properly. In addition to these informal settlements, 11 hotspots including Strumosa Waste Drop-Off Facility were serviced.

Remedial Action: Speed up the repairs of yellow fleet and inclusion of all informal settlements into the Waste collection system (Communal collection or drop off).

KPI 33 Percentage of formal households on the valuation roll with a weekly solid waste removal service by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	100%	80%	Valuation roll Consolidated Weekly Schedule Vehicle tracking report	100%	100%	80%	No Revision	Dated Pictures Sample Satisfactory questionnaire on waste collection services Vehicle tracking reports	100%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>The Municipality directly serviced a total of 104837 (total number on the valuation roll) – 3393 (farms unserviceable) = 101 444 (serviced)/ 101 444 (serviceable)=100%</p> <p>Across all the quarters, the municipality directly serviced 100% of all households in formal areas providing access to the refusal removal service.</p>										

KPI 34 Percentage completion of upgrading of Rietvlei Cemetery Phase 2 by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	100% completion of upgrading of Rietvlei Cemetery Phase 2 by June 2024	No Revision	Completion Certificate	100%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>Deliverables for the projects were: Construction of new paved roads 3.2km with v-drains, refurbishment of four buildings (3 x ablutions and a guardhouse), installation of razor wire fence 2,8km and 800m clearvu fencing. Fencing at Donkerhoek cemetery 1.5km. R2 006 130.03 was spent against the budgeted amount of R3 000 000 translating to 67% expenditure on the project. Due to Vandalism that took place consensus was reached with the service providers that the situation was outside of control of both parties. Completion certificate was issued.</p>										

KPI 35 Percentage completion of construction of Tlhabane West Sports Facility by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	100% completion of construction of Tlhabane West Sports Facility by 23 June 2024	No Revision	Completion Certificate	94%	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

As at the end of June 2024, the project had registered 94% progress and spending on the project was at R16 002 463.80 against the Budget of R19 000 000 translating into 84% expenditure.

Construction of 2 combination courts 100% completed.

Construction of 6 aside soccer court 100%

Construction of pavilion with change house 84%

Installation of 780m Clearview fence. 95% (gates to be installed last when movement of construction vehicles ends)

Construction of Guard House 95%

Construction of standard soccer pitch 90%

Aggregated deliverable was at 94% and the contractor was on site at the end of June 2024.

Reason for Non achievement

Under performance of the service provider led to projects not being completed by June 2024.

Remedial Measure

The contractor has since been put on terms and was on penalties.

KPI 36 Number of integrated Transport Network Stations constructed by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	50%	-	Completion Certificate	12%	Not Achieved	4 Integrated Transport Networks stations Constructed by June 2024	2 Integrated Transport Networks stations Constructed by June 2024	Completion Certificate	2	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance										
Two (2) stations were completed. (Noord and Olympia Station, R104 Corridor). Expenditure up to June 2024 was R 19 053 247.87.										

KPI 37 Number of new additional buses procured through the Bus Operating Company by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	35 branded taxis 15 buses	15 buses 35 branded taxis	Monthly Vehicle KMs report	35 branded taxis 10 buses	Not Achieved	22 buses operating through the Bus Operating Company by 30 June 2024	10 buses operating through the Bus Operating Company by 30 June 2024	Contract Management Report	31	Achieved
Comment on Achievement of the KPI and Remedial Measures Status of Performance A total of 31 buses were procured during the fourth quarter, 10 from GBCC, 21 Siga , Expenditure as of 30 June 2024 was R 17 802 000.										

KPI 38 Kilometers of new municipal roads built by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Corrected Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	30km	No Revision	Service Provider Progress Report and Completion Certificate	10,050km	Not Achieved	10km	No Revision	Progress reports and Completion Certificate	16km	Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

A total of 15,909 km on construction of various roads around Rustenburg was achieved during this financial year under review.

Project	Planned KMs	KM Completed	Progress	Budget	Expenditure	% Spent
Construction of Roads and Stormwater in Tlaseng Phase B	1,579KM	1,579KM	-	8 000 000	2 974 502	37,18
Construction of Roads and Stormwater in Robega Phase B	1.5 KM.	1.5 KM.	-	9 863 716. 36	9 562 237.70	97
Construction of Roads and Stormwater in Marikana Phase A	0,978km	0,978km	-	9 863 716. 36	9 562 237.70	97
Construction of Roads and Stormwater in Marikana Phase C	2.422km	2.422km	-	16 005 254.41	16 064 250.16	100
Total KM	6.479KM	6.479KM				

Construction of Roads and Stormwater in Robega Phase C	1.5 Km	1.5 Km	-	4 000 000	3 127 459	78,18
Construction of Roads and Stormwater in Chaneng Phase C	1,518 Km	1,518 Km		R 12 213 903 .17	R 12 213 903	100
Freedom Park Roads and Storm Water Phase A	3.3Km	3.3Km	-	6000 000	3 298 022	54,96
Construction of Marikana Storm water drainage, Phase D Modikwe	1, 43km	1, 43km	-	R 11 999 716 ,72	R 10 128 410.38	96%
Total	7.748km	7.748 km				
Construction of Tlaseng Roads and Storm water drainage – Phase A	1.2km	-	28%	R 10 692 642. 89	R 3 569 163,47	5.5%
Construction of Chaneng Roads and Storm water in Phase B	1,682km	1,682km		R 8 949 596,36	R 8 681 108, 12	97%
Construction of Phatsima roads and storm water drainage	1.802 km	-	32%	R 13 609 506.33	R 441 272.25	3%

Total	4.684km	1,682 km				
Grand Tota		15.909km				

KPI 39 Percentage of compliance with the required attendance time for structural firefighting incidents by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	98%	No Revision	Register of fire incidents and quarterly report signed by Director	98%	Achieved	98% compliance with the required attendance time for structural firefighting incidents by June 2024	No Revision	Register of fire incidents and quarterly report signed by Director	98%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>According to South African National Standard 10090 community protection against fires, provides for a maximum call receipt and turnaround time of 3 hours as maximum across all the 5 categories. All fire incidents reported were attended to within the prescribed time.</p> <p>A total of 789 firefighting incidents were reported and 781 were attended to for the financial year under review. Response to incidents was at 98%.</p> <p>Structural firefighting incidents were attended as follows during the financial year:</p>										
PERIOD	SET TARGET	QUARTER	NUMBER	PERCENTAGE	COMMENTS					

July - June 2023-2024	98% of Emergency (Fire and Rescue Calls attended to)	1st Quarter	226	100%	98% of reported emergency calls were attended to.
		2nd Quarter	171	100%	
		3rd Quarter	226	98%	
		4th Quarter	158	98%	
Total			781	98%	

KPI 40 Number of road safety campaigns conducted by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	40	None	Road Safety Report	52	Achieved	40	N/A	Quarterly report on road safety campaigns conducted	49	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance										
<p>Cumulatively, 49 x road safety education campaigns were conducted out of a target of 40.</p> <p>11x road safety education campaigns were conducted during quarter 1 11x road safety education campaigns were conducted during quarter 2 12x road safety education campaigns were conducted during quarter 3 15x road safety education campaigns were conducted during quarter 4</p>										

KPI 41 Number of crime prevention operations conducted by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	20	No Revision	Notices on crime prevention operations conducted Report on crime prevention operation conducted	55	Achieved	20	No revision	Notices of crime prevention operations conducted. Report on crime prevention operations conducted	34	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>Cumulatively thirty-four (34) crime prevention operations were conducted in the 2023/2024 Financial year. 9x crime prevention operations were conducted in quarter 1. 9x crime prevention operations were conducted in quarter 2. 8x crime prevention operations were conducted in quarter 3. 8x crime prevention operations were conducted in quarter 4.</p>										

3.26.5.6 Key Performance Area (KPA 6): Spatial Rationale and Municipal Planning Alignment

Develop and Sustain a Spatial, Natural and Built Environment

MUNICIPAL STRATEGIC PRIORITY: Develop and sustain spatial, natural and built environment

Municipal Strategic Objective: Improved service delivery through provision of high quality, reliable and cost-effective infrastructure based on integrated spatial planning

KPI 42: Number of privately owned portions of land acquired for human settlement by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	1	No Revision	Signed deed of donation/ Deed of sale	0	Not Achieved	1	No revision	Signed deed of donation/ Deed of sale	0	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance										
<p>The Municipality was in a process of acquiring Portion 45 (a Portion of Portion 26) of the farm Paardekraal 279 JQ. for the purpose of human settlement (Informal settlement upgrading). The property is owned by private individuals. Anglo Platinum assisted with the finalization of the subdivision application. The was to be subdivided into 2 portions of which Portion A (37hectares) was already invaded. Portion B was approximately 6 hectares.</p> <p>With standards stands of 250m2 it was estimated that the property would provide 180 stands. A letter dated 30/1/2024 was received from the Department of Agriculture, land reform and rural development indicating that the property was not subject to the provisions of the Subdivision of Agricultural Land Act, Act 70 of 1970.</p> <p>The Deed of Donation was requested on 22 May 2024 by the Housing Development Agency and forwarded to F Grobler, the attorney of the seller, for his signature on the 26th of June 2024 by the HDA. The seller changed conditions, and the acquisition could not be finalized as anticipated. Annual Budget was R1 500 00 additional funding was supposed to be donated by Northwest DEPARTMENT OF Human settlements/ HDA, there was no expenditure incurred.</p>										
Reason for non-achievement:										

The seller came up with new conditions which were not agreed upon during the negotiation process and refused to sign. The new conditions require RLM to construct a boundary wall between this portion and the one that the municipality intended to acquire. The conditions were found unreasonable and unaffordable/

Remedial Action:

The meeting has been arranged with HDA to conduct a feasibility study to determine whether to continue with acquisition since the land was already invaded.

KPI 43 Number of townships established by 30 June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	2	No Revision	Township establishment application	1	Not Achieved	2	No Revision	Township Establishment Application	0	Not Achieved

Comment on Achievement of the KPI and Remedial Measures

Status of Performance

Mbeki Sun township establishment application kept in abeyance due to outstanding information regarding the revised power of attorney and configuration of township layout.

Popo Molefe township establishment application kept in abeyance due to the incomplete power of attorney and reconfiguration of township layout

Remjoe (PTY) Ltd has been appointed for the Design and installation of internal services 484 and 1849 units in Popo Molefe and Mbeki Sun

Annual Budget: R4 227 994 Expenditure: R0

Reason for non-achievement

Applicant not submitting outstanding information

Remedial action:

Meeting arranged to iron pending issues and map way forward.

KPI 44	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of reviewed SDF submitted to Council by June 2024	1	No Revision	Council Minutes SDF	0	Not Achieved	1	No Revision	Council Minutes SDF.	0	Not achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>The Spatial Development Framework for the Rustenburg Local Municipality served before Council on 28 November 2023. The council has resolved per item 235 of the Ordinary Council meeting that: the draft reviewed Rustenburg Municipal Spatial Development Framework review be made available for public participation. The call for comments and/or inputs for the revision of the Rustenburg Municipal Spatial Development Framework was published in the Provincial Gazette of 30 January 2024. The Public participation period commenced from 24 January 2024 to 25 March 2024 (period of 60 days). The project was not completed, and an extension of time was granted.</p> <p>Reason for Non- Achievement:</p> <p>Draft SDF was approved by Council on 28/11/2023 and had to be circulated and published for public inputs for 60 days period from second week of December onwards. But due to the closure of local newspapers and requests to move the advertisement to the period outside of the festive season the first date that the advertisement could be published was 23/01/24, which resulted in the delay planned schedule.</p> <p>Remedial Action:</p> <p>Extension of project end date.</p>										

KPI 45 Percentage of rezoning applications processed within prescribed timeframe of 15 Months June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	75%	No Revision	List of applications	29%	Not Achieved	75%	No Revision	List of applications	100%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance										
<p>A total of 63 of rezoning applications were received and Processed during the financial year 2023/2024.</p> <p>27 applications were received during the first quarter and 27 were processed translating to 100%</p> <p>15 applications were received during the second quarter and 15 were processed translating to 100%</p> <p>21 applications were received during the third quarter and all 21 were processed translating to 100%</p> <p>42 applications were received during the fourth quarter and 42 were processed translating to 100%</p>										

KPI 46 Percentage of building applications processed within the prescribed period of 30 days by June 2024	2022/2023					2023/2024				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	75%	-	List of applications	66%	Not Achieved	75% of building applications processed within prescribed period of 15 months by June 2024	No Revision	Building plan register (indicating submission)	100%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance</p> <p>A total of 599 building plans were received and processed during the financial year under review. Broken down as follows:</p> <p>First quarter, 138 building applications were received and processed within a period of 30 days translating to 100%</p> <p>Second quarter, 163 building applications were received and processed within a period of 30 days translating to 100%</p> <p>Third quarter, 148 building applications were received and processed within a period of 30 days translating to 100%</p> <p>Fourth quarter, 150 building applications were received and processed within a period of 30 days translating to 100%</p>										

3.26.6 ASSESSMENT OF PERFORMANCE OF SERVICE PROVIDERS 2023-2024

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMEN-CEMENT DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
1	RLM/DTIS/0017/2020 /21	MT&A ENGINEERING (PTY) LTD	Appointment of Services for Supply and Delivery of Substation Chargers and Batteries to RLM	R112 903.87	R112 903.87	27/07/2021	27/07/2024	Yes		Yes		Still On Going
2	RLM/DTIS/0018/2020 /21	PDT IRONMONGER Y SUPPLIERS CC	Appointment of Services for Supply and Delivery of Electrical Padlocks to Stores	R174 800.00	R174 800.00	12/07/2021	12/07/2024	Yes		Yes		Still On Going
3	RLM/DTIS/0028/2020 /21	RIG HOLDINGS JV	Appointment of a Services Provider for The Provision of Water Quality Monitoring Programme	-	-	09/02/2021	09/02/2024	Yes		Yes		Still On Going

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
4	RLM/DTIS/0016/2021/22	Adams Construction	Provider for MV and LV Joints and Termination	As and when required	No value	15 July 2022	15 July 2025	YES		YES		In progress
5	RLM/DTIS/0016/2021/22	Tocasa Group Pty (Ltd)	Provider for MV and LV Joints and Termination	As and when required	No value	15 July 2022	15 July 2025	YES		YES		In progress
6	RLM/DTIS/0025/2021/22	CIGI Cell Pty (Ltd)	Proposal for funding, design, supply, installation and maintenance of a smart revenue collection system including customer payment options	As and when required	No value	14 July 2022	14 July 2025	YES		YES		In progress
7	RLM/DTIS/0020/2020/21	CDR Electrical Pty (Ltd)	Provision, supply and delivery of labour on	As and when required	No value	10 February 2022	10 February 2025	YES		YES		In progress

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
			electrical maintenance									
8	RLM/DTIS/0020/2020/21	Lermat construction and projects	Provision, supply and delivery of labour on electrical maintenance	As and when required	No value	14 February 2022	14 February 2025	YES		YES		In progress
9	RLM/DTIS/0020/2020/21	Mill board trading and nghilazi JV	Provision, supply and delivery of labour on electrical maintenance	As and when required	No value	10 February 2022	10 February 2025	YES		YES		In progress
10	RLM/DTIS/0102/2021/22	Rebaone Electrical and construction Pty (LTD)	Provision, supply and delivery of labour on electrical maintenance	R1 538 061.75	No value	15 July 2022	15 July 2025	YES		YES		In progress
11	RLM/DTIS/0014/2021/22	L & B Procuring and services	Design, install and test substation earthing at	As and when required	No value	14 July 2022	14 July 2025	YES		YES		In progress

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
			MUNIC and Park substations									
12	RLM/DTIS/0013/2021/22	Musenga Investment	Distribution and street light poles	As and when required	No value	14 July 2022	14 July 2025	YES		YES		In progress
13	RLM/DTIS/0012/2021/22	Esbar Holding	Miniature substation, ring main unit, metering unit, distribution of transformers, plinths and TRF oil	As and when required	No value	14 July 2022	14 July 2025	YES		YES		In progress
14	RLM/DTIS/0012/2021/22	Jusben Engineering services	Miniature substation, ring main unit, metering unit, distribution of transformers, plinths and TRF oil	As and when required				YES		YES		In progress
15	RLM/DTIS/0012/2021/22	Musenga Investment	Miniature substation, ring main unit, metering unit,	As and when required	No value	14 July 2022	14 July 2025	YES		YES		In progress

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
			distribution of transformers, plinths and TRF oil									
16	RLM/DTIS/0014/2021/22	Esbar Holding	Supply and delivery of Crimping lugs and ferrules	As and when required	No value	14 July 2022	14 July 2025	YES		YES		In progress
17	RLM/DTIS/0014/2021/22	L & B Procuring and services	Supply and delivery of Crimping lugs and ferrules	As and when required	No value	14 July 2022	14 July 2025	YES		YES		In progress
18	RLM/DCD/0039/2020/21	KATLEGO BAPHIRING	Wet Refuse (Solid household Waste) Collection	R70 348 000	R210 000 000.00	01 MAY 2021	30 April 2024	Yes		Yes		The service provider is on a 3-year contract with the municipality to render waste collection service. Contract lapsed on the 30th of April 2024 and was on a month to month as SCM processes are yet to be concluded

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
19	RLM/DCD/0039/2020/21	SETHANYE TRADING & PROJECTS (PTY) LTD	Wet Refuse (Solid household Waste) Collection			01 MAY 2021	30 April 2024	Yes		Yes		The service provider is on a 3-year contract with the municipality to render waste collection service. The contract lapsed on the 30th April 2024 and was on a month to month as SCM processes are yet to be concluded.
20	RLM/DCD/0015/2019/20	Mphele Engineers and Project Management (Pty) Ltd	Landfill operation and management	R12 667 547	R42 600 000.00	01 MAY 2021	30 April 2024	Yes		Yes		Management and maintenance of Waterval landfill site for a period of 3 years. Contracts lapsed on the 30th April 2024 and were on a month to month as SCM processes are yet to be concluded.
21	RLM/DCD/0024/2022/23	C&M CONSULTING	Appointment of service provider for the Data	R 458 027.00	R-801 086.56	01 January 2023	29 January 2026	Yes		Yes		The service provider is on a 3-year contract

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
		ENGINEERS (PTY) LTD	Management and Maintenance of Rustenburg Air Quality Monitoring Network for 3years	.								with the municipality to render Air Quality Management and Maintenance services.
22.	MOU	Schindler (SA) PTY LTD	Repairs and maintenance of lifts/elevators at Mpheni and Waste for 36 months	RATE	R1,293,844.98	01 July 2022	30 June 2025	X		X		The service provider is appointed on a 3-year contract for which the price will increase every year as guided by CPI.
23	RLM/DCD/0005/2021/22	Prime Safety Solutions	Appointment of service provider for servicing all firefighting equipment in the Municipal Buildings	RATE	R570,865.79	12 April 2022	11 April 2025	X		X		The service provider is appointed on a 3-years contract as and when needed.
24	RLM/DCD/0041/2021/22	Kabelo Mong Trading and Projects (Pty) Ltd	Appointment of a service provider to replace the windows at Mpheni for a period of 36 months as and when required.	RATE	R2,589,690.00	07 November 2022	06 November 2025	X		X		The project is ongoing

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
25	RLM/DCD/0075/2021/2 2	Thuto Multi Holding	Appointment of the service provider for the supply and delivery of electrical, plumbing, carpentry and material for the Rustenburg Local Municipality facilities for the period of 3 years	RATE	R180,859.92	01 October 2022	30 November 2025	Yes		Yes		The project is ongoing
26	RLM/DCD/0075/2021/2 2	NTGR Engineering	Appointment of the service provider for the supply and delivery of electrical, plumbing, carpentry and material for the Rustenburg Local Municipality facilities for the period of 3 years	RATE	R599,879.95	01 October 2022	30 November 2025	Yes		Yes		The project is ongoing

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
27	RLM/DCD/0075/2021/22	Imperior Enterprises	Appointment of the service provider for the supply and delivery of electrical, plumbing, carpentry and material for the Rustenburg Local Municipality facilities for the period of 3 years	RATE	R159,939.00	01 October 2022	30 November 2025	Yes		Yes		The project is ongoing

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
29	RLM/DCS/0113/2020/21	SECINC (PTY) LTD	Disaster Recovery and Information Security Solution.	R 3 500 000	R 9 984 541.55 for a period of 36 months	10/11/2021	11/11/2024	Yes		Yes		Functional
30	RLM/DCS/0050/2020/2021	Motswako Office Solutions	Leasing and Maintenance of Printers and Equipment for the period of 36 Months	R 1 800 000	Rates based	02/06/2021	01/06/2024	Yes		Yes		Functional
31	RLM/DCS/0113/2020/21	SECINC(PTY) LTD	Disaster Recovery and Information Security Solution.	R 3 500 000	R 9 984 541.55 for a period of 36 months	10/11/2021	11/11/2024	Yes		Yes		Functional
32	N/A	Telkom	Leasing of PABX and Telephone Management System		Rates based	01/04/2021	31/03/2026	Yes		Yes		Functional

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
33	RLM/DCS/0073/2022 /23	Mashcorp 2008 (PTY) LTD	Provide IT Network Services and Maintenance Support	R5 491 020	R16 473 060 for a period of 36 months	01/06/2023	31/05/206	Yes		Yes		Functional
34	RLM/LED/DPWI MOA	Department of Public Works & Infrastructure (DPWI)	Implementation of the Rustenburg Vukuphile Learnership Programme	Not applicable	No value	November 2023	November 2028		NO			Awaiting allocation of projects by the Municipality
35	Deviation 2023/2024/0021	Adapt IT (PTY) LTD	Provide Licensing services for CaseWare financial reporting programme	R1 000 000	R261 097 (Year 1) and Priced Schedule of Quantities for (Year 2 & 3)	25/06/2024	24/06/2027		No (Only license renewals)	Yes		Functional
36	RLM/BTO/0027/2020 /21	NTIYISO CONSULTING	Appointment of Service Provider for Operational Management of Credit Control, Meter reading and Indigent Management			1 Feb 2021	31 Jan 2024	YES		YES		Contract on a deviation for 1- subject to

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT-DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	
			for a period of three years									
37	DEVIATION 2023/2024/0016	MONTANI PROPERTY VALUERS (PTY) LTD	MAINTAINANCE OF THE GENERAL VALUATION ROLL	R 5 118 325	R 800 000.00 + RATES	01/05/ 2024	Month to month	Yes		Yes		Still On Going
38	RLM/BTO/0027/2020 /21	NTIYISO CONSULTING	Appointment of Service Provider for Operational Management of Credit Control, Meter reading and Indigent Management for a period of three years			1 Feb 2021	31 Jan 2024	YES		YES		Contract on a 1-year deviation. Functional
39	DEVIATION	CCG Systems	Appointment of a service provider for the implementation of MSCOA financial system.	N/A	Monthly support – 550 000 until appointment of the advertised tender.	01 January 2024	Until appointment of the advertised tender	YES		YES		Still On Going

NO.	BID NUMBER	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMEN-CEMENT DATE	EXPIRY/ COMPLETION DATE	SLA SIGNED		SPECS MET		STATUS/ ACTUAL PERFORMANCE
								YES	NO	YES	NO	

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

TABLE 4.1 WORKFORCE TOTALS 2024/06/30

Directorate	Division	No of posts	No Employees	Vacancies	Budgeted Vacancies
Community Development	Director & Admin Support	7	2	5	3
	Community Facilities	603	178	425	73
	Libraries & Information Serv.	94	47	47	9
	Waste Management	305	143	162	33
	Integrated Environmental Mang	5	4	1	0
	Civil Facilities & Maintenance	40	23	17	9
	Sub-Total	1054	397	657	127
Corporate Support Services	Director & Admin Support	4	1	3	2
	Human Resources	37	20	17	10
	Information Technology	19	9	10	3
	Admin Support Services	37	24	13	6
	Occupational Health & Safety	19	10	9	2
	Corporate Pool	6	6	0	0
	Sub-Total	122	70	52	23
Technical and Infrastructure Services	Director & Admin Support	8	5	3	2
	Electrical Engineering	235	118	117	44
	Mechanical Engineering	77	35	42	19
	Water Services	317	220	97	46
	Sanitation Services	303	25	278	22
	Sub-Total	940	403	537	133
Planning and Human Settlement	Director & Admin Support	9	4	5	1
	Building Control & Regulations	15	13	2	2
	Development Planning	31	22	9	8
	Unit Housing	40	29	11	4
	Estate Admin & Land Sales	15	7	8	4
	Sub-Total	110	75	35	19
Public Safety	Director & Admin Support	11	7	4	5
	Emergency & Disaster Mang.	363	80	283	27
	Licensing & Testing	178	68	110	25
	Traffic Services	505	95	410	57
	Law Enforcement	524	90	434	64

	Sub-Total	1581	340	1241	178
Budget and Treasury	CFO & Admin Sup	5	4	1	2
	Revenue & collection	86	32	54	19
	Billing	61	38	23	15
	Financial Management	59	28	31	9
	Financial Control	22	15	7	9
	Supply Chain Management	29	20	9	11
	Sub-Total	262	137	125	65
Local Economic Development	Director & Admin Support	4	3	1	1
	Trade & Invest/Rural Dev	11	4	7	4
	Economic Research & Policy	10	5	5	0
	Enterprise Development	16	6	10	4
	Sub-Total	41	18	23	9
Office of the Municipal Manager	MM & Admin Support	7	7	0	2
	Strategy & Planning	9	4	5	0
	Project Management	26	12	14	1
	Legal & Valuation	11	8	3	1
	Auditing	8	7	1	0
	Risk Management	4	2	2	0
	RCC Offices	38	21	17	4
	Customer Care	53	34	19	16
	Sub-Total	156	95	61	24
Roads and Transport	Director & Admin Support	12	0	12	10
	Roads & Stormwater	228	127	101	70
	Sub-Total	240	127	113	80
Office of the Executive Mayor	Admin Support Services	16	9	7	4
	Mayoral Admin Officer	10	7	3	2
	Communication	7	3	4	0
	Intergovernmental Relations	3	2	1	0
	Special Projects	7	6	1	0
	VIP Protection Services	4	2	2	2
	Monitoring & Evaluation	6	2	4	0
	Sub-Total	53	31	22	8
Office of Chief Whip	Admin Support Services	5	1	4	5
Office of the Speaker	Admin Support Services	17	0	17	11
	MPAC	7	6	1	1
	Sub-Total	29	7	22	17
	TOTAL	4588	1700	2888	683

Table 4.2 Vacancy Rate

Vacancy Rate: 2023/2024				
No	Designations	No. of approved posts	No. of vacancies	Vacancy Rate (%)
1	Municipal Manager	1	0	0%
2	Chief Financial Officer	1	1	0%
3	Other section 56 Managers	7	7	0%
5	Senior Management	42	3	7%
6	Professionals	400	268	67%
7	Skilled people	1904	1557	81.8%
8	Semi-skilled people	967	676	70%
9	Unskilled	1252	383	30.6%
TOTALS		4574	2895	63.3%

Table 4.3 Turn-over Rate

Turn-over Rate			
Period	No. of Employees as at the beginning of the financial year	No of terminations during the financial year	Turnover Rate*
2019/2020	1 742	40	2.30%
2020/2021	1702	108	6.49%
2021/2022	1594	144	9%
2022/2023	1729	144	8%
2023/2024	1700	46	2.7%

4.4 MINIMUM COMPETENCIES**Table 4.4.1 Minimum Competencies**

No.	Detail	Number of Employees
1	The total number of financial officials employed	118
2	The total number of financial officials whose competency assessments have been completed	20
3	The total number of supply chain management officials employed	25
4	The total number of supply chain management officials whose competency assessments have been completed	3
5	The total number of financial officials and supply chain management officials that meet the prescribed competency levels	3
6	The total number of financial officials and supply chain management officials whose performance agreements comply with regulation 16.	2

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

INTRODUCTION

The finalisation of the organisational review process will assist the municipality in identifying critical skills and competencies required for effective service delivery. The implementation of the organisational review results (organisational restructuring) will affect the workforce expenditure trends, which should be provided for in the operating budget in the medium term.

The most important asset of the municipality is the workforce, i.e., employees who are directly or indirectly responsible for service delivery. The acquisition, maintenance and management of employees have a direct correlation with the cost and quality of service delivery in the municipality.

In determining the municipality's actual workforce capacity, an attempt is made to ensure that talented people with the right competencies and skills are correctly placed. The table below, therefore, presents the trend of total personnel expenditure over the past five years:

Number of Employees whose Salaries were increased:

Table 4.9 Salary Increases

Number of Employees whose Salaries were increased due to the Upgrading of their positions				
No	Beneficiaries	Male	Female	Total No.
1	Lower skilled	0	0	0
2	Semi-skilled	0	0	0
3	Skilled	0	0	0
4	Middle management	0	0	0
5	Senior Management	0	0	0
6	Municipal Manager & Section 56 Managers	0	0	0

4.7 COURSE ATTENDANCE: 1 JULY 2023 UNTIL 30 JUNE 2024

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Coloured	Asian		White			
				BTO	LED	PHS	PS	CD	TIS	RRT	DCS	MM	EXC	M	F	M	F	M	F	M	F	
Renewal of Operators	2024-06-26	Diamond T H	Roads						1						1							
Licenses - Excavator		Ngcobo N H	Roads						1							1						
		Matlawe S	Roads						1						1							
Sello Modiba		J Kgasu	Roads						1						1							
		A K April	Roads						1						1							
Ramotshakan e Consulting & Projects		D V T Kapong	Roads						1						1							
		S L Gumede	Roads						1						1							
		L K Rakoma	Roads						1						1							
		P T Stemmer	Roads						1							1						
		S P Mthombeni	Roads						1						1							
		M P Seleke	Roads						1						1							
		K C Mohutsiwa	Roads						1							1						
		E S Motlhake	Roads						1						1							
		I Kaposhe	Roads						1						1							
		T V Phirichwane	Roads						1							1						
Renewal of Operators	2024-06-27	Nkoe	Parks					1							1							
Licenses-Excavator		Lebese	Sanitation Services						1						1							
		L Mathe	Parks					1							1							
Sello Modiba		T Legodi	Parks					1							1							
		G J Wessel	Waste					1							1							
		S Ramela	Sanitation Services						1						1							

		S Lebala	Sanitation Services						1						1										
		T Matshaba	Roads						1							1									
		L S Modise	Waste					1							1										
Renewal of Operators	2024-06-28	D V T Kapari	Roads						1						1										
Licenses - Front-End Loader		M J E Kgasu	Roads						1						1										
		L K Rakoma	Roads						1						1										
I K Y Seduma		T H Diamond	Roads						1						1										
		S L Gumede	Roads						1						1										
		K C Mohutsiwa	Roads						1							1									
COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Coloured		Asian		White					
				BT	LE	PH	P	C	TIS	RR	DC	M	EX	M	F	M	F	M	F	M	F	M	F		
Renewal of Operators	2024-06-28	S M Matlawe	Roads						1						1										
Licenses - Front-End Loader		S P Mthombeni	Roads						1						1										
		E S Motlhake	Roads						1						1										
I K Y Seduma		A K April	Roads						1						1										
Ramotshakan e Consulting & Projects		N H Ngcubo	Roads						1							1									
		T Matshaba	Roads						1							1									
		M P Seleke	Roads						1						1										
		S Podile	Roads						1						1										
Renewal of Operators	2024-07-01	J R Pile	Waste					1							1										

Siyabulela Mawela		LL Rakoma	Roads						1					1									
COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Coloured	Asian		White				
				BT O	LE D	PH S	P S	C D	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F	M	F		
Renewal of Operators	2024-07-03	S A Nyathi	Waste					1						1									
Licenses-Truck Mounted		S T Podile	Roads						1					1									
Crane		S Z Phetheni	Electrical						1					1									
Ramotshakane Consulting & Projects		T O Legodi	Parks					1						1									
		L M Nokwane	Parks					1						1									
Siyabulela Mawela		E S Motlhake	Roads						1					1									
		T H Diamond	Roads						1					1									
		P Majoro	Electrical						1					1									
		S Matlawe	Roads						1					1									
		P N Majoro	Waste					1							1								
		M K Molosi	Waste					1						1									
		H M Kgosiemang	Waste					1						1									
Renewal of Operators	2024-07-04	T O Legodi	Parks					1						1									
Licenses-Grader		S Ramela	Sanitation						1					1									
		J Lebesse	Sanitation						1					1									
		S Matlawe	Roads						1					1									

Siyabulela Mawela		J A Badenmors t	Roads						1													1		
		T H Diamond	Roads						1					1										
		S P Mthombeni	Roads						1					1										
		I Kaposhe	Roads						1					1										
		J Kgabu	Roads						1					1										
		L K Rakoma	Roads						1					1										
		N H Ngcobo	Roads						1						1									
		T Matsheba	Roads						1						1									
		S L Gumede	Roads						1					1										
		M P Seleke	Roads						1					1										
		S T Podile	Roads						1					1										
		D V T Kapari	Roads						1					1										
		A K April	Roads						1					1										
		P T Stemmer	Roads						1					1										
COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Coloured		Asian		White				
				BT	LE	PH	P	C	TIS	RR	DC	M	EX	M	F	M	F	M	F	M	F			
Renewal of Operators	2024-07-05	S P Mthombeni	Roads						1					1										
Licenses- TLB		T O Legodi	Parks					1						1										
		M P Seleke	Roads						1					1										
		T H Diamond	Roads						1					1										

Sello Modiba		S L Gumede	Roads						1					1						
Ramotshakane Consulting & Projects		A K April	Roads						1					1						
		J Kgasu	Roads						1					1						
		S Matlawe	Roads						1					1						
		T Matshaba	Roads						1						1					
		D V T Kapari	Roads						1					1						
		N H Ngcoba	Roads						1						1					
		L K Rakoma	Roads						1					1						
		E S Motlhake	Roads						1					1						
Basic Electricity	2024/07/03-09	Motang H K	Housing				1							1						
		Sejake T E	Electrical						1					1						
Mr. IKY Seduma		Hlabadira M	Civic Centre					1							1					
		Ngewu-Ndlovu A	Civic Centre					1							1					
Ramotshakane Consulting & Projects		Motlhanke D	Civic Centre					1						1						
		Moiloa I	Community Hall					1						1						
		Kgampe V B	Civic Centre					1							1					
		Sebego O M	Community Hall					1							1					
		Phetheni S	Electrical						1					1						
		Chirwa L P	Civil Management					1						1						
		Lekorwe K	Civil Facility					1						1						
		Motlogelwa A	Civil Facility					1						1						

		Masiki LL	Electrical						1						1								
		Mataboge H N	Electrical						1						1								
		Dail M V	Electrical						1						1								
		Motlou E B	Electrical						1						1								
		Ntlane S S	Electrical						1						1								
		Matshaba L	Electrical						1						1								
		Phiri H	Electrical						1						1								
		Kanduwa J G	Community Hall					1								1							
		Kelehe M P	Community Hall					1								1							
COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Coloured		Asian		White			
				BT O	LE D	PH S	P S	C D	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F	M	F		
Basic Electricity	2024/07/03-09	Modutwane D M	Electrical						1							1							
		Vilanculos M G	Electrical						1							1							
Mr IKY Seduma		Raditladi E S	Electrical						1							1							
		Khunou F	Electrical						1							1							
Ramotshakane Consulting & Projects		Ndlovu T I	Community Hall					1							1								
		Makgale B P	Community Hall					1								1							
Renewal of Operators	2024-07-08	Pile J R	Waste Management					1							1								
Licenses - TLB		Wessel G J	Waste Management					1							1								

		Modise L S	Waste Management					1						1						
		Nokwane L M	Parks					1						1						
Mr Siyabulela		Lebese J	Sanitation Services					1						1						
		Tserema T J	Sanitation Services					1						1						
Ramotshakane Consulting & Projects		Magadla D T	Parks					1						1						
		Lebala S	Sanitation Services					1						1						
		Kgosiemang H	Waste Management					1						1						
		Majoro P N	Waste Management					1							1					
		April A K	Roads					1						1						
		Nyathi S A	Waste Management					1						1						
		Molosi M K	Waste Management					1						1						
Renewal of Operators	2024-07-09	Kgosiemang H	Waste Management					1						1						
Licenses - TLB		Masigo P	Electrical					1						1						
		Ramela S	Sanitation Services					1						1						

		Ngobeza M I	Water Services						1						1								
Mr Siyabulela		Mathe L L	Parks						1						1								
		Molosi M K	Waste Management						1						1								
Ramotshakane Consulting & Projects		Marumale D D	Water Services						1						1								
		Mokgatlhane N P	Electrical						1						1								
		Majoro P N	Waste Management						1							1							
		Molemane T	Law Enforcement						1						1								
COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Coloured		Asian		White			
				BT O	LE D	PH S	P S	C D	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F	M	F		
Renewal of Operators	2024-07-09	Kgosiemang H	Waste Management					1						1									
Licenses - Bobcat/Skid Steel Loader.		Majoro L D P	Electrical						1					1									
		Ramela S	Sanitation Services					1						1									

		Molosi M	Waste Management					1						1						
Siyabulela		Pile J R	Waste Management					1						1						
Renewal of Operators	2024-07-09	Wessel G J	Waste Management					1						1						
Licenses - Bobcat/Skid		Modise L S	Waste Management					1						1						
Steel Loader		Rakoma L K	Storm Water						1					1						
		Gumede S L	Storm Water						1					1						
Mr Siyabulela		Mokgatlane N P	Electrical						1					1						
Ramotshakane Consulting & Projects		Majoro P N	Waste Management					1							1					
		Nyathi S A	Waste Management					1						1						
Renewal of Operators	2024-07-10	Nokwane L M	Parks					1						1						
Licenses - Cherry Picker		Magadla D T	Parks					1						1						
Siyabulela		Mesesa S	Electrical						1					1						
Renewal of Operators	2024-07-10	Makgalemele K R	Stores	1										1						
Licenses - ForkLift		Gasealalwe J	Electrical						1					1						
		Mesesa A S	Electrical						1					1						

COMPONENT C: HEALTH

3.27 OCCUPATIONAL HEALTH AND SAFETY

In terms of the Occupational Health and Safety Act, 85 of 1993, employers are required to take all reasonable measures to ensure that the requirements of the Act are complied with. This includes the provision of training, inspections and risk assessments to their employees to ensure their health and safety and those of visitors. Below are the services that were provided regarding occupational health and safety during the 2023/2024 financial year:

Table 3.38 Number of Services Provided

No	Service Provided	No: Cases/Programmes	Total
1.	Employee Wellness Management Program	Employee Assistance Interventions: 131 cases	131 Cases
	Employees Wellness Days (4X Annual)	Total Number of employees who attended wellness days (1314)	4 (sessions)
2.	Number of employees who attended Wellness Information Sharing Sessions and Wellness Days.	Wellness Information Sharing Sessions; - 1. Wellness Educational Programmes Sessions conducted. (Chronic illnesses session): 718 2. Wellness Information Sharing Sessions conducted (Financial Literacy sessions):374 3. Policy Awareness sessions conducted: (478 Employees attended)	31 25 21
3.	OHS inspections conducted	Inspections conducted:	90
4.	Risk Assessments conducted within directorates	Risk Assessments conducted:	08
5.	OHS Information Sharing Sessions	OHS Information Sharing Sessions:	21
6.	OHS Audits conducted within directorates	Audits conducted within directorates:	5
7.	Injury on duty cases received and processed (COIDA)	COIDA received and processed cases :	100

3.28 EXECUTIVE AND COUNCIL

This component includes the executive offices (Office of the Speaker, Office of the Executive Mayor, Office of the Single Whip, Office of MPAC and Municipal Manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of chapter 7, section 151 (2) of the Constitution of the Republic of South Africa, of 1996, the executive and legislative authority is vested in its municipal council.

The municipal council of the Rustenburg Local Municipality is established as a municipality with a mayoral executive system which is combined with a ward participatory system in terms of Chapter 12 of the Municipal Structures Act, 117 of 1998. Section 152 of the Constitution categorically and clearly spells out the objectives of local government, and the powers and functions of municipalities are determined in section 156 of the Constitution.

Table 3.38 Council Meetings

DETAIL	2023/2024	
	Ordinary Meetings	Special Meetings
Council	4	11

Council Committees

The Municipal Council established the following committees in terms of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) for the effective and efficient performance of the Municipal Council’s powers and functions:

Table 3.39 Council Committees

Section 79 and other Committees	Section 80 Committees
Municipal Planning Tribunal	Budget and Treasury Office;
Municipal Public Accounts Committee	Community Development;
Rules of Order Committee;	Corporate Support Services;
IDP/Budget Steering Committee	Planning and Human Settlements
Local Labour Forum	IDP/PMS, Legal and Valuations;
Performance Audit Committee	Intergovernmental Relations and Traditional Affairs;
Risk Management Committee	Local Economic Development;
	Roads and Transport;
	Public Safety;
	Technical and Infrastructure Services

3.29 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The directorate provides human capital strategies, advisory and support services to the municipality. It is composed of the following sections for it to be effective:

- Recruitment and Selection
- Employee Relations
- Training and Development

Employment Statistics:

Employees appointed from 01/07/2023-30/06/2024 through the normal recruitment process.

Fixed Term Employee = **4**

Permanent Employee = **3**

Promotions = **14**

Performance:

There were no performance bonuses paid as there were no Senior Managers who achieved the minimum performance score of 130%.

Leave days:

Annual leave total from 01/07/2023 – 30/06/2024: The leave register indicates that a total number of

42 080 working days were taken by municipal employees.

Annual Leave = **25 767**

Sick Leave = **8 888**

Maternity Leave = **1519**

Study Leave = **875**

Family responsibility = **742**

Long Service = **3 450**

Special leave = **116**

Unpaid leave = **209**

Injury-on-duty = 514

Table 3.43

Workplace Skills Plan

The tender served before the BID Specification Committee for the appointment of the panel of service providers on the 23 November 2023. The advert was published on the 08 December and the closing date is 06 February 2024. 16 Service providers submitted their tender documents. The Bid Evaluation Committee meeting took place on 26 March 2024 and 30 April 2024. Service providers were not appointed. The item was referred back for re advertisement by the Bid Adjudication Committee.

A memo was written to the Municipal Manager requesting that programmes be advertised on a Seven Day quotation. The Municipal Manger approved, and 13 programmes were advertised. Only two programmes were implemented due to time constraints.

- The actual annual budget for training of personnel is R 3 394 076.00. Expenditure to date is R 586 502.00 which translates to 17.3% spending.

Table 3.44 Statistical Information

No	Detail	Total Number
		2023/2024
1	Disciplinary cases: Handled	8
	Disciplinary cases: Finalized	0
	Disciplinary cases: Outstanding	8
2	Suspensions	5
3	Dismissals	1
4	Grievances: Handled	
	Grievances: Finalized	
	Grievances: Outstanding	

COMMENTS ON THE OVERALL PERFORMANCE OF HUMAN RESOURCES

Council managed to appoint 21 new employees during 2023/24 financial Year.

CHAPTER FIVE: STATEMENT OF FINANCIAL PERFORMANCE (BTO)

COMPONENT A: FINANCIAL PERFORMANCE

Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque financial management practices and reports result in misdirected and under-utilization of resources. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernize municipal financial management. Effective municipal financial management has interrelated components:

- planning and budgeting
- asset and liability management
- revenue and expenditure management
- supply chain management
- other financial management
- accounting and reporting, and
- oversight & operational continuity

Each of these components contribute to ensuring that government financial expenditure is developmental, effective and efficient and that municipalities / municipal entities are held accountable for the effective management of their funds.

The aim of this chapter is to provide an overview of the financial performance of the municipality thorough measuring of results. It further provides an opportunity for planning, to ensure that future budgetary allocations are brought in line with IDP and functional area activities and outputs.

Total Revenue (including Gains and Fair Value Adjustments) decreased by R923 177 000 in 2023/24 compared to 2022/23 financial year. The expenditure for 2023/24 has decreased by R625 366 000 in 2023/24 compared to 2022/23 financial year. The decrease in revenue and expenditure was mostly due to a decrease in electricity consumption from Glencore as mine furnaces have not been operational. The net operations resulted in a deficit of R202 920 000 in 2023/24.

STATEMENT OF FINANCIAL PERFORMANCE

Table 5.1 Financial Performance

Description	Controlling entity	
	2024	2023 Restated
Year		

Description	Controlling entity	
	R'000	R'000
Total revenue	6 230 150	7 153 327
Total expenditure	(6 433 070)	(7 058 436)
Surplus (deficit) for the year	(202 920)	94 891

Overall Operating Results

Operating Revenue

The following graph gives a breakdown of the largest categories of revenue.

Table 5.2.1 Breakdown of the Largest Categories of Revenue Economic Entity

Revenue	2024	2023
	R'000	R'000
Revenue from exchange transactions		
Sale of bus tickets	11 342	4 166
Service Charges	2 976 487	4 354 896
Rental of Facilities and Equipment	11 720	9 596
Interest Received from Trading Activities	673 321	481 957
Agency Services	17 713	18 100
Licenses and permits	14 463	6 707
Other Income	21 300	20 383
Interest Received (Other)	89 759	55 368
Property Rates	521 602	492 850
Government Grants & Subsidies	1 964 528	1 596 572
Public contributions and donations	19 270	154 247
Fines, Penalties and Forfeits	15 927	19 312
Gains on disposal of asset	23	4
Fair Value Adjustments	-	-
Actuarial profit / Loss	5 763	35 957
Grand Total Revenue	6 343 236	7 250 570

Figure 5.1.1 Revenue

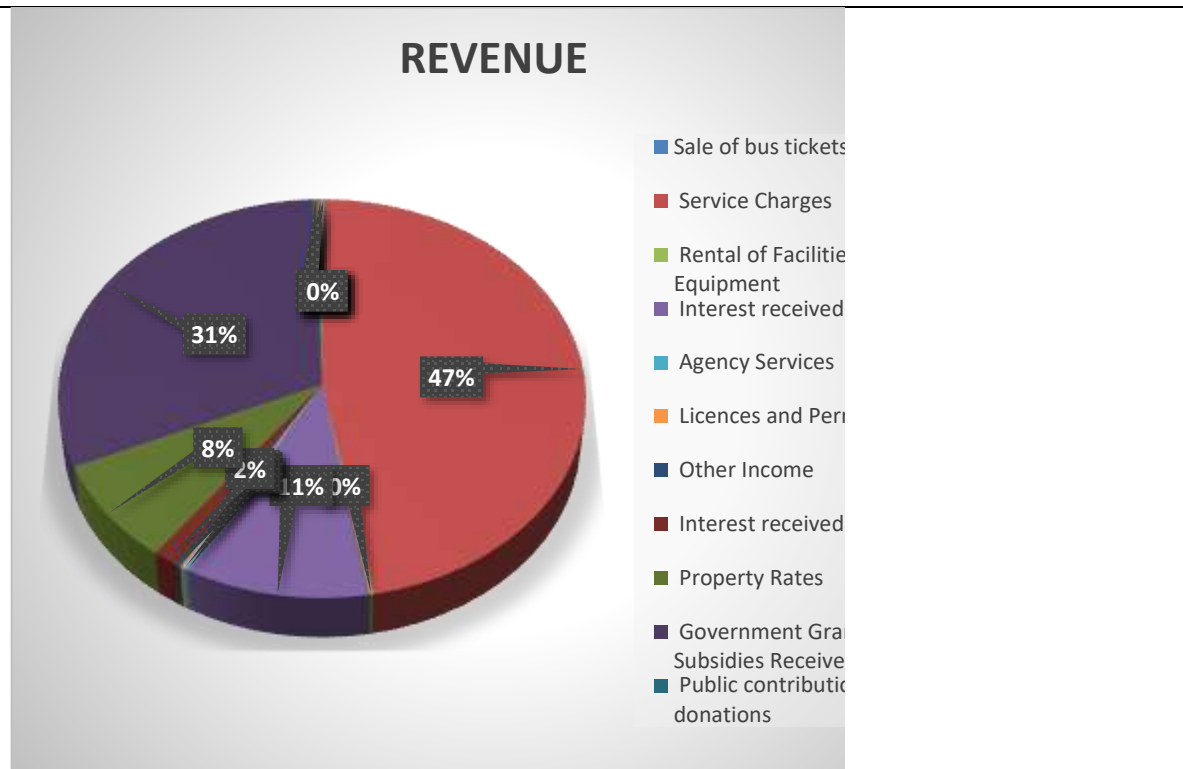
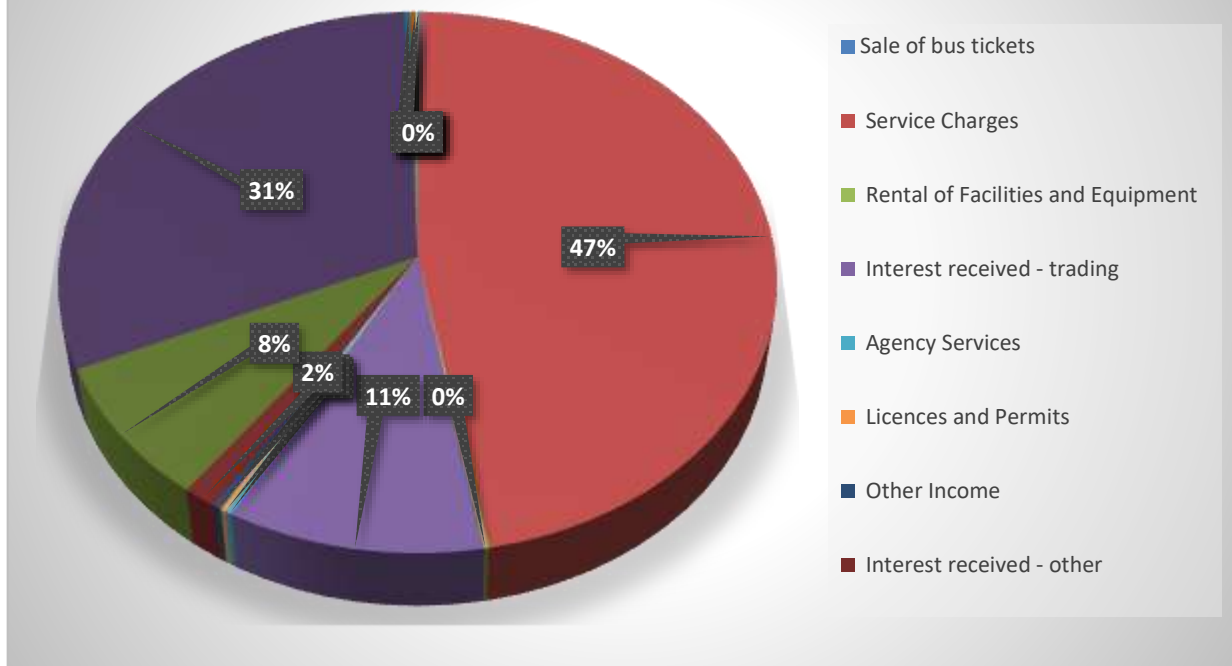


Table 5.2.2 Breakdown of the Largest Categories of Revenue Controlling entity

Revenue	2024	2023
	R'000	R'000
Revenue from exchange transactions		
Sale of bus tickets	11 342	4 166
Service Charges	2 899 245	4 277 139
Rental of Facilities and Equipment	11 720	9 596
Interest Received from Trading Activities	673 321	481 957
Agency Services	17 731	18 100
Licenses and permits	14 463	6 707
Other Income	21 300	20 838
Interest Received (Other)	53 938	35 886
Property Rates	521 602	492 850
Government Grants & Subsidies	1 964 528	1 596 572
Public contributions and donations	19 270	154 247
Fines, Penalties and Forfeits	15 927	19 312
Fair Value Adjustments	-	-
Actuarial profit / Loss	5 763	35 957
Grand Total Revenue	6 230 150	7 153 327

Figure 5.1 Revenue

REVENUE



ASSESSMENT BY THE ACCOUNTING OFFICER OF THE MUNICIPALITY'S PERFORMANCE FOR REVENUE COLLECTION PER REVENUE SOURCE

REVENUE SOURCE	30/06/2024	30/06/2023	30/06/2022
Sale of bus tickets	11 342	4 166	-
Service Charges	2 976 487	4 354 896	4 018 522
Rental of Facilities and Equipment	11 720	9 596	11 447
Interest received - trading	673 321	481 957	404 002
Agency Services	17 731	18 100	33 406
Licences and Permits	14 463	6 707	23 931
Other Income	21 300	20 838	16 039
Interest received - other	89 759	55 368	23 071
Property Rates	521 602	492 850	501 206
Government Grants and Subsidies Received	1 964 528	1 596 572	1 166 982
Public contributions and donations	19 270	154 247	-
Fines, Penalties and Forfeits	15 927	19 312	19 427
Gains on disposal of asset	23	4	-
Fair value adjustments	-	-	11
Actuarial gains	5 763	35 957	13 052
TOTAL REVENUE (INCLUDING GAINS & FAIR VALUE ADJUSTME	6 343 236	7 250 570	6 231 096
REVENUE COLLECTION	5 125 685	6 012 345	5 222 544
PERFORMANCE FOR REVENUE COLLECTION PER SOURCE	81%	83%	84%

The municipality’s performance for revenue collection is 81%, which has decreased from the previous financial year by only 2%, it is far below the benchmark of 95% by 14%. The municipality will continue to intensify credit control measures with the objective of improving long-term sustainability.

REVENUE PER VOTE	30 June 2024
Vote 1 - EXECUTIVE MAYOR	18 103
Vote 2 - MUNICIPAL MANAGER	665 848
Vote 3 - CORPORATE SUPPORT SERVICES	12 975
Vote 4 - BUDGET AND TREASURY	659 090
Vote 5 - PUBLIC SAFETY	61 671
Vote 6 - PLANNING AND HUMAN SETTLEMENT	12 340
Vote 7 - LOCAL ECONOMIC DEVELOPMENT	12 340
Vote 8 - COMMUNITY DEVELOPMENT	102 273
Vote 9 - TECHNICAL AND INFRASTRUCTURE	4 187 255
Vote 10 - ROADS AND TRANSPORT	611 342
TOTAL REVENUE (INCLUDING GAINS AND FAIR VALUE ADJUSTMENTS)	<u>6 343 236</u>

ASSESSMENT BY THE ACCOUNTING OFFICER OF ANY ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES

	30 June 2024	30 June 2023	30 June 2022
	R'000	R'000	R'000
Gross balances			
Consumer debtors - Rates	651 016	567 316	572 839
Consumer debtors - Electricity	671 857	539 015	884 716
Consumer debtors - Water	1 742 344	1 520 841	2 310 825
Consumer debtors - Sewerage	495 916	399 379	567 273
Consumer debtors - Refuse	566 934	477 774	604 167
Consumer debtors - Other	3 633 172	2 861 796	467 326
	7 761 239	6 366 121	5 407 146
Less: Impairment of debtors			
Consumer debtors - Rates	- 615 937	- 546 859	- 530 107
Consumer debtors - Electricity	- 560 834	- 483 534	- 801 081
Consumer debtors - Water	- 1 692 167	- 1 488 943	- 2 264 703
Consumer debtors - Sewerage	- 485 070	- 392 263	- 563 366
Consumer debtors - Refuse	- 557 218	- 471 721	- 597 642
Consumer debtors - Other	- 3 553 518	- 2 827 206	- 368 662
	- 7 464 744	- 6 210 526	- 5 125 561
Net balances			
Consumer debtors - Rates	35 079	20 457	42 732
Consumer debtors - Electricity	111 023	55 481	83 635
Consumer debtors - Water	50 177	31 898	46 122
Consumer debtors - Sewerage	10 846	7 116	3 907
Consumer debtors - Refuse	9 716	6 053	6 525
Consumer debtors - Other	79 654	34 590	98 664
	296 495	155 595	281 585

Percentage Decrease Net balance 2022 to 2023	-45%
Percentage Decrease Net balance 2023 to 2024	91%

Operating Expenditure

The graph below gives the breakdown per main expenditure group

Table 5.3.1 Breakdown per main expenditure group (Economic Entity)

Expenditure	2024	2023
	R'000	R'000
Employee Related Costs	-859 630	-843 619
Remuneration of Councillors	-65 283	-62 043

Depreciation and Amortisation	-368 240	-430 065
Impairment loss	-1 127 089	-974 009
Finance Costs	-79 047	-97 384
Bulk Purchases	-2 325 725	-3 617 809
Contracted Services	-357 123	-410 676
Transfers and Subsidies	-160 133	-147 327
General Expenses	-1 135 297	-498 893
Total expenditure	-6 477 567	-7 081 825

Table 5.3.2 Breakdown per main expenditure (Controlling Entity)

Expenditure	2024	2023
	R'000	R'000
Employee Related Costs	-855 309	-838 812
Remuneration of Councillors	-65 283	-62 043
Depreciation and Amortisation	-339 691	-397 333
Impairment loss	-1 126 295	-972 197
Finance Costs	-79 047	-97 384
Bulk Purchases	-2 472 287	-3 782 064
Contracted Services	-357 123	-410 676
Transfers and Subsidies	-160 133	-147 327
General Expenses	-977 902	-350 600
Total expenditure	-6 433 070	-7 058 436

Figure 5.2.1 Analysis of financial position of Economic entity as at the 30 June 2024

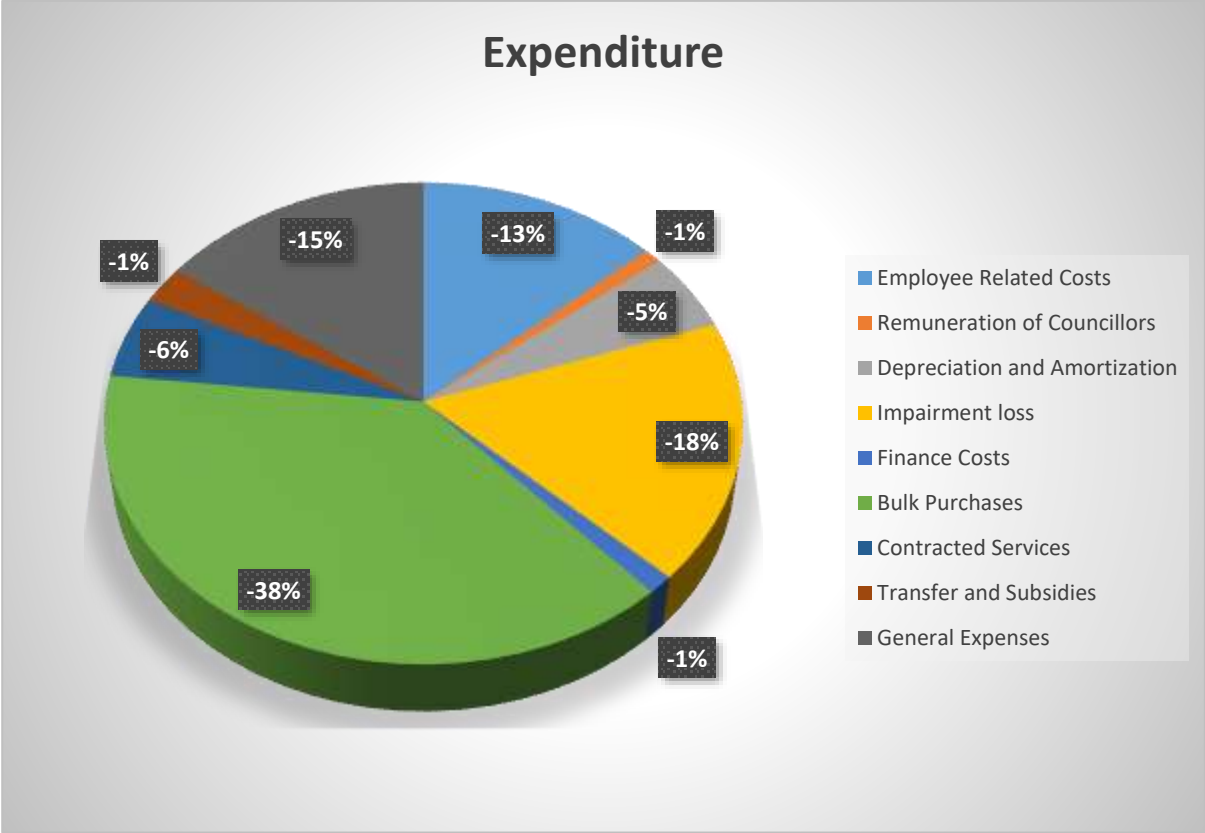


Figure 5.2.2 Analysis of financial position of Controlling entity as at the 30 June 2024

Expenditure

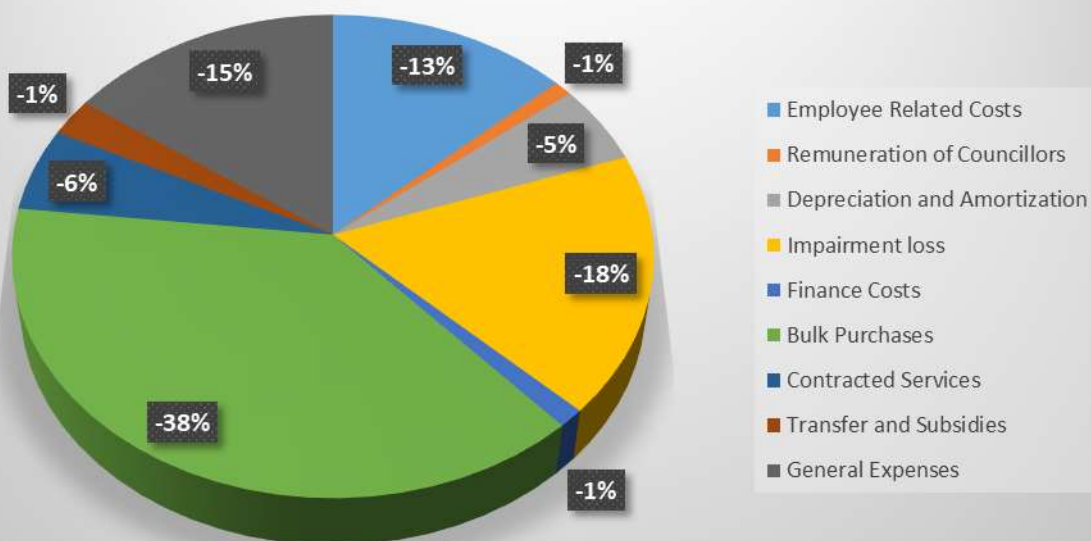


Table 5.4 Asset Management

	Economic entity	
	2024	2023
Current Assets	1 593 515	1 203 664
Non-Current Assets	9 178 981	9 769 543
Total Assets	10 772 496	10 973 207
Current Liabilities	-1 912 980	-2 074 806
Non-Current Liabilities	-444 618	-469 664
Total Liabilities	-2 357 598	-2 423 204

	Controlling entity	
	2024	2023
Current Assets	1 055 556	805 311
Non-Current Assets	8 668 792	9 244 532
Total Assets	9 724 348	10 049 843
Current Liabilities	-1 977 276	-1 961 190
Non-Current Liabilities	-444 618	-469 664
Total Liabilities	2 421 894	2 544 470

EMPLOYEE RELATED COSTS

The actual expenditure on remuneration expressed as a percentage of the total expenditure has marginally increased from the previous year. The employee related costs including councillors' remuneration in 2023 and 2024 are at 12.79% and 14.28% respectively.

Table 5.5 Employee Related Costs

Description	Economic entity	
	2024	2023
	R'000	R'000
Total revenue (including gains)	6 343 236	7 250 570
Total expenditure (including losses)	(6 477 567)	(7 081 825)
Employee related costs	(859 630)	(843 619)
Remuneration of councillors	(65 283)	(62 043)
Total Employee Related Costs and Councillors Remuneration	(924 913)	(905 662)
Ratio: % of Revenue	14.58	12.49
Ratio: % of Expenditure	14.28	12.79
% growth in remuneration expenses	1.49	9.18

Description	Controlling entity	
	2024	2023
	R'000	R'000
Total revenue (including gains)	6 230 150	7 153 327
Total expenditure (including losses)	(6 433 070)	(7 058 436)
Employee related costs	855 309	838 812

Description	Controlling entity	
	2024	2023
	R'000	R'000
Remuneration of councillors	65 283	62 043
Total Employee Related Costs and Councillors Remuneration	920 592	900 855
Ratio: % of Revenue	14.78	12.59
Ratio: % of Expenditure	14.31	12.76
% growth in remuneration expenses	1.55	9.05

The following is the key financial ratios.

Table 5.6.1 Financial ratios – Economic entity

	2024	2023
Current ratio	0.83	0.62
Solvency Ratio	4.57	4.53
Debt (Total borrowings)/Total Operating Revenue	4%	4%
Total Long-Term debt to total revenue (excluding grants)	5%	5%
Capital cost (Interest paid and redemption) as a % of Total Operating Expenditure	1%	1%
Cash / Cost coverage ratio (Excluding unspent conditional grants)	2 Month	1 Month
Contracted Services % of Total Operating Expenditure	6%	6%
Capital expenditure to Total Operating Expenditure	5%	4%
Net Operating Surplus / (Deficit) Margin	(7) %	7%
Cash and cash equivalent at the end of the year	1 059 249	816 975

Table 5.6 Financial ratios – Controlling entity

	2024	2023
Current ratio	0.53	0.39
Solvency Ratio	4.02	3.95
Debt (Total borrowings)/Total Operating Revenue	4%	4%
Total Long-Term debt to total revenue (excluding grants)	6%	5%
Capital cost (Interest paid and redemption) as a % of Total Operating Expenditure	1%	1%
Cash / Cost coverage ratio (Excluding unspent conditional grants)	1 Month	1 Month
Contracted Services % of Total Operating Expenditure	7%	7%
Capital expenditure to Total Operating Expenditure	5%	5%
Net Operating Surplus / (Deficit) Margin	(4)%	11%
Cash and cash equivalent at the end of the year	542 172	436 700

COMPONENT B: SUPPLY CHAIN MANAGEMENT

Rustenburg Local Municipality established a supply chain management (SCM) Unit under the direct supervision of a unit manager who has been delegated in terms of section 82 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) by the Chief Financial Officer (CFO). The SCM Unit was established in accordance with the requirements of the Municipal Supply Chain Management Regulations, 2005.

The Municipality's SCM Policy, which incorporates the Preferential Procurement Regulations, as well as all other relevant legislation, regulations and circulars, was updated and approved per item no. 92 dated 31st May 2022 by the Municipal Council. It makes provisions for a committee system for competitive bids consisting of the following:

1. Bid Specification Committee.
2. Bid Evaluation Committee; and
3. Bid Adjudication Committee.

Bid Committee Meetings

The following table details the number of meetings held for the **2023/2024** financial year:

Table 5.7 Bid Committee Meetings

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
17	48	22

DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES

Table 5.8 Deviations

Description	2023/24
Deviations approved by Accounting Officer in terms of section 12.22 of SCM policy	25

Deviations from the normal procurement processes have been monitored to mitigate the risk of abuse associated with such appointments. Monthly deviations reports are presented to Council monthly in accordance with the SCM policy and Regulations.

DISPOSAL MANAGEMENT

No disposables were carried out in the **2023/24** financial year.

BIDS AWARDED

Table 5.9 Bids Awarded

Description	2023/2024
Number of bids awarded	9
The total value of bids awarded	371 142 133.29
Number of bids awarded for capital projects	6
The total value of bids awarded for capital projects	367 463 583.29
Number of bids awarded for operational projects	3
Total value of bids awarded for operation projects	3 678 550 + rates
Number of bids awarded locally	6

Value of bids awarded locally	355 866 530.29
Number of bids awarded locally for capital projects	5
Value of bids awarded locally for capital projects	354 116 530.29
Number of bids awarded locally on Operational projects	3
Value of bids awarded locally on Operation projects	1 750 000.00 + rates

QUOTATIONS AWARDED

Table 5.10 Quotations Awarded

Description	2023/2024
Number of quotations awarded	57
The total value of quotation awarded	R10 859 539.61
Number of Quotations awarded locally	41
Value of Quotations awarded locally	7 615 784.61

INVENTORY MANAGEMENT

The stock balance after the annual stock count reflects Consumable stores at an amount of R16 755 000.00 and water at an amount of R574 000.00. The electrical equipment is treated as PPE in line with the Generally Recognized Accounting Practice. Unsold Properties Held for Resale reflects an amount of R28 360 000.00.

CHAPTER SIX: AUDITOR GENERAL'S FINDINGS

6.1 AUDITOR GENERAL'S REPORT 2023/2024



Auditing to build public confidence

AUDITOR - GENERAL
SOUTH AFRICA

Report of the auditor-general to the North West Provincial Legislature and the council on Rustenburg Local Municipality

Report on the audit of the consolidated and separate financial statements

Qualified opinion

1. I have audited the consolidated and separate financial statements of the Rustenburg Local Municipality and its subsidiary set out on pages **259 to 378**, which comprise the consolidated and separate statement of financial position as at 30 June 2024, consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Rustenburg Local Municipality as at 30 June 2024, and the group's financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for qualified opinion

Property, plant and equipment

3. The municipality did not account for the infrastructure assets relating to internal services and bulk infrastructure, constructed as part of housing projects within its jurisdiction, as required by GRAP 17, *Property, plant and equipment*. Consequently, infrastructure assets in the consolidated and separate financial statements were understated by R69 169 602. Additionally, there was an impact on the surplus for the

period and on the accumulated surplus in the consolidated and separate financial statements.

4. GRAP 17, *Property, plant and equipment*, requires the presentation of cumulative expenditure of property, plant and equipment, which is in the process of being constructed or developed to be recognised in the carrying value of property, plant and equipment in aggregate per class of assets. The municipality disclosed the cumulative expenditure as a separate category of asset (work in progress), contrary to the prescribed disclosure requirements. I was unable to quantify the full extent of the incorrect disclosure, in the consolidated and separate financial statements, as it was impracticable to do so.
5. The municipality did not appropriately account for the disposal of land as required by GRAP 3, *Accounting policies, changes in accounting estimates and errors*. The disposal of land was not /recorded at the date of disposal. Consequently, land as disclosed in note 4 of the consolidated and separate financial statements was understated by R573 798 000 and assets written off included in general expenses disclosed in note 39 was overstated by the same amount.
6. The Rustenburg Water Services Trust did not revalue, or review the residual values and useful lives of bulk water assets at each reporting date as required by GRAP 17, *Property plant and equipment*. I was unable to determine the impact on the current and prior year bulk water assets as disclosed in note 4 of the consolidated and separate financial statements as it was impracticable to do so. The trust also did not align its accounting policy to that of the parent to ensure uniform accounting policies within the group, as required by GRAP 35, *Consolidated financial statements*. Consequently, I was unable to determine the full extent of the misstatement on the bulk water assets with the carrying amount of R510 190 000 (2023: R525 514 000) as disclosed in note 4 of the consolidated and separate financial statements, as it was impracticable to do so. Furthermore, there was a resultant impact on the surplus for the period and the accumulated surplus.
7. During 2023, the municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17, *Property, plant and equipment*. In addition, the municipality incorrectly classified completed projects relating to infrastructure assets as work in progress. Consequently, the carrying value of infrastructure assets disclosed in note 4 of the consolidated and separate financial statements was understated by R214 413 733 and revenue from non-exchange (in kind) was understated by R60 612 903.

Consumer debtors

8. The municipality did not appropriately account for consumer debtors amounting to R7 761 239 000 and R7 740 442 000 (2023: R6 366 121 000 and R6 347 748 000) as disclosed in note 16 to the consolidated and separate financial statements in accordance with GRAP 104, *Financial instruments*. Differences were identified between the amount reported and the recalculation performed. Consequently, consumer debtors in the consolidated and separate financial statement were

overstated by R105 449 926 and revenue from exchange transactions overstated by R111 534 3792. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus in the consolidated and separate financial statements.

9. I was unable to obtain sufficient appropriate audit evidence that consumer debtors including indigent debtors had been properly accounted for, due to the status of the accounting records. I was unable to confirm these consumer debtors including indigent debtors by alternative means. Consequently, I was unable to determine whether any adjustments to consumer debtors of R7 761 239 000 and R7 740 442 000 (2023: R6 366 121 000 and R6 347 748 000), as disclosed in note 16 to the consolidated and separate financial statements were necessary.
10. During 2023, I was unable to obtain sufficient appropriate audit evidence to confirm that the allowance for impairment of consumer debtors was done in accordance with the impairment methodology due to the status of the accounting records. I was unable to confirm these consumer debtors by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to consumer debtors stated at R137 222 000 and R155 595 000 in the consolidated and separate financial statements respectively.

Payables from exchange transactions

11. I was unable to obtain sufficient appropriate audit evidence for unallocated deposits included in payables from exchange transactions, due to the state of the underlying records and lack of information to support these amounts. I was unable to confirm these unallocated deposits by alternative means. Consequently, I was unable to determine whether any adjustments to unallocated deposits of R56 095 000 included in payables from exchange transactions as disclosed in note 23 to the consolidated and separate financial statements was necessary.
12. I was unable to obtain sufficient appropriate audit evidence for trade payables included in payables from exchange transactions, due to the state of the underlying records and lack of information to support these amounts. I was unable to confirm these trade payables by alternative means. Consequently, I was unable to determine whether any adjustments to trade payables of R747 714 000 and R676 960 000 included in payables from exchange transactions as disclosed in note 23 to the consolidated and separate financial statements was necessary.

Revenue from exchange transactions

13. The municipality did not appropriately account for revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*. Properties were identified for which service charges were not billed. Furthermore, the municipality did not have adequate systems to estimate the billing of water, which resulted in inaccuracies in the estimated consumption billed. Consequently, service charges as included in note 26 to the consolidated and separate financial statements, was understated by R324 811 670 and consumer debtors as included in note 16 to the

consolidated and separate financial statements, being understated by R325 026 631. In addition, I was unable to obtain sufficient appropriate audit evidence for service charges due to the state of the underlying records and lack of information supporting these amounts. I was unable to confirm this service charges by alternative means. Consequently, I was unable to confirm whether any further adjustments were necessary to service charges of R2 976 487 000 and R2 899 245 000 (2023: R4 354 896 000 and R4 277 139 000) as disclosed in note 26 to the consolidated and separate financial statements.

14. During 2023, the municipality did not appropriately account for revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*. Differences were identified between the billed water and the recalculation performed. Consequently, service charges relating to the sale of water were overstated by R267 277 294. Furthermore, revenue from electricity charges and related consumer debtors were understated by R61 448 297 and R61 448 297 respectively due to lack of internal controls to ensure that all revenue from electricity billed is recorded. There was a resultant impact on the surplus for the period and the accumulated surplus. In addition. I was unable to obtain sufficient appropriate audit evidence for revenue from exchange transactions due to the state of the underlying records and lack of information supporting these amounts. I was unable to confirm these revenue from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to revenue from exchange transactions stated as R4951 628 000 and R4 854 389 000

Consumer deposits

15. During 2023, the municipality did not accurately account for consumer deposits amounting to R64 069 000 as disclosed in note 25 in accordance with GRAP 104, *Financial instruments*. Differences were identified between the consumer deposits recorded and recalculations performed on business accounts. The municipality also did not have adequate systems to perform this calculation, which resulted in consumer deposits and consumer debtors as disclosed in both notes 25 and 16 to the consolidated and separate financial statements, being understated by R81 663 523. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus.

General expenses

16. The municipality did not appropriately account for all its expenditure incurred in the current year in accordance with GRAP 1, *Presentation of financial statements*. The municipality incorrectly classified repairs and maintenance under general expenditure instead of contracted services as these expenditures related to contractual obligations. The municipality also did not have adequate internal controls in place to ensure the correct classification of repairs and maintenance and contracted services, which resulted in repairs and maintenance as disclosed in note 40 to the consolidated and separate financial statements, being overstated by R175 731 407, contracted services as disclosed in note 39 to the consolidated and separate financial statements, being

understated by R133 123 439, and trade payables as disclosed in note 23 to the consolidated and separate financial statements, being understated by R18 141 789. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus.

17. During 2023, the municipality did not account for all its expenditure incurred in the current year in accordance with GRAP 1, *Presentation of financial statements*. The municipality did not have adequate internal controls in place to ensure the completeness of general expenditure, which resulted in general expenses as disclosed in note 40, being understated by R60 120 453 and trade payables as disclosed in note 23 to the consolidated and separate financial statements, being understated by R60 120 453. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus.

Irregular expenditure

18. Section 125(2)(d)(i) of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R85 121 975, in contravention of the supply chain management (SCM) requirements, which were not included in irregular expenditure disclosed. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure as per note 55 to the consolidated and separate financial statements.
19. Furthermore, I was unable to obtain sufficient appropriate audit evidence for the opening balance of irregular expenditure disclosed because the municipality did not maintain a detailed register of irregular expenditure. I was unable to confirm the opening balance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to irregular expenditure of R6 765 017 000 and R6 596 788 000 (2023: R6 279 632 000) as disclosed in note 55 to the consolidated and separate financial statements.

Statement of comparison and actual amounts

20. GRAP 24, *Presentation of budget information in the financial statements* requires an entity to present a comparison of the actual financial statement amounts and the publicly available budget amounts on a comparable basis, together with explanations of material differences between the budget and actual amounts. The budget amounts included in the approved budget relating to the consolidated and separate statement of financial position, cash flow statement and statement of changes in net assets were not disclosed. I was unable to quantify the full extent of the omitted disclosure as it was impracticable to do so.

Context for opinion

21. 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 consolidated and separate financial statements section of my report.

22. I am independent of the group 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.
23. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

24. I draw attention to the matter below. My opinion is not modified in respect of this matter.
25. As disclosed in note 51 to the consolidated and separate financial statements, the group's current liabilities exceed current assets. The ability to collect outstanding debtors is low as the allowance for impairment relating to gross debtors is more than 90%. On average the group takes longer than the prescribed 30-day period to pay creditors. These conditions, together with other matters as set forth in note 51, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

Emphasis of matters

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

Material underspending

27. As disclosed in the consolidated and separate statement of comparison of budget and actual amounts, the municipality underspent its budget by R1 022 559 000. The reason for the under expenditure is mainly due to cost containment initiatives and misalignment of the budget relative to the operational plans of the municipality.

Unauthorised and fruitless and wasteful expenditure

28. As disclosed in note 53 to the consolidated and separate financial statements, unauthorised expenditure of R10 424 000 was incurred in the current year and the unauthorised expenditure of R6 038 000 in respect of prior years was not dealt with in accordance with section 32 of the MFMA.
29. As disclosed in note 54 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R117 000 was incurred in the current year and fruitless

and wasteful expenditure of R38 137 000 from prior years was not dealt with in accordance with section 32 of the MFMA.

Material losses

30. As disclosed in note 16 to the consolidated and separate financial statements, consumer debtors have been significantly impaired. The allowance for impairment amounts to R7 464 744 000 (2023: R6 210 526 000), which represents 96,4% (2023: 96,7%) of the total receivables. In addition, as disclosed in note 36 to the consolidated and separate financial statements, debt impairment of R1 108 909 000 (2023: R956 925 000) was incurred as a result of significant impairment of receivables.
31. As disclosed in note 56 to the consolidated and separate financial statements, material water losses of R287 323 000 (2023: R268 835 000) were incurred as a result of water loss through the distribution process, which represents 53,2% (2023: 51,57%) of total water purchased.
32. As disclosed in note 56 to the consolidated and separate financial statements, material electricity losses of R481 122 000 (2023: R298 448 000) were incurred as a result of electricity loss through the distribution process, which represents 26,33% (2023: 9,34%) of total electricity purchased.

Restatement of corresponding figures

33. As disclosed in note 48 to the consolidated and separate financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements at, and for the year ended 30 June 2024.

Other matters

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

Unaudited disclosure notes

35. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the consolidated and separate annual financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the consolidated and separate financial statements

36. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the Dora and for such internal control

as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

37. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the group’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 group or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the consolidated and separate financial statements

38. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.
39. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor’s report. This description, which is located at pages **255 - 256**, forms part of our auditor’s report.

Report on the audit of the annual performance report

40. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
41. I selected the following key performance areas presented in the annual performance report for the year ended 30 June 2024 for auditing. I key performance areas that measure the municipality’s performance on its primary mandated functions and that are of significant national, community or public interest.

Key performance area	Page numbers	Purpose
KPA 4 – Local economic development	156 - 159	Drive vibrant diversified economic growth and job creation

Key performance area	Page numbers	Purpose
KPA 5 – Basic services and infrastructure development	160 - 180	Efficient provision of quality basic services and infrastructure within a well-planned spatial structure

42. I evaluated the reported performance information for the selected key performance areas 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.

43. I performed procedures to test whether:

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

44. The material findings on the reported performance information for the selected key performance areas are as follows:

KPA 4: Local economic development

Various indicators

45. The reported achievements in the annual performance report were inconsistent with the commitments made in the approved planning documents. These discrepancies highlight misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability.

Indicators	Target	Reported achievement
KPI 18 – Number of preliminary feasibility studies conducted for construction of the School of Mining by June 2024	1 catalytic project facilitated by June 2024	1 feasibility studies conducted for construction of the School of Mining by June 2024
KPI 19 – Number of small, medium and macro enterprises (SMMEs) and Cooperatives events supported by June 2024	150 SMMEs and cooperatives assisted with business development and support by June 2024	5 SMMEs and Cooperatives events supported by June 2024

Various indicators

46. The targets below do not relate directly to their indicators. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievements do not provide useful information on the achievement of the indicators and the irrelevant targets hinder appropriate planning for the achievement of the indicators.

Indicator	Target
KPI 18 – Number of preliminary feasibility studies conducted for construction of the School of Mining by June 2024	1 catalytic project facilitated by June 2024
KPI 19 – Number of SMMEs and Cooperatives events supported by June 2024	150 SMMEs and cooperatives assisted with business development and support by June 2024

KPI 19: Number of SMMEs and cooperatives events supported by June 2024

47. The indicator was not clearly defined during the planning process. It is unclear what constitutes support of SMME's. Consequently, the indicator is not useful for measuring and reporting on progress against planned objectives.

KPI 20: Number of work opportunities created through Public Employment Programmes (incl. EPWP, CWP and other own related employment programmes) by June 2023

48. Adequate processes were not established to consistently measure and reliably report on the achievement of this indicator and its target of 927 work opportunities created through Public Employment Programmes (including the expanded public works programme (EPWP), community work programme (CWP) and other related employment programmes) by June 2023. There are no processes to verify the validity of jobs created by external service providers. No contracts or letters of appointments could be provided for jobs created by external service providers. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target.

KPA 5: Basic services and infrastructure development

KPI 22 - Percentage of drinking water samples complying to SANS241 by June 2024

49. An achievement of 96,25% of drinking water samples complying to South African National Standards (SANS241) by June 2024 was reported against a target of 95% of drinking water samples complying to SANS241 by June 2024. However, the target had not been clearly defined during the planning process because the indicator does not align with the portfolio of evidence provided. The indicator is stated as percentage of drinking water samples complying to SANS241 by June 2024, while the portfolio of evidence indicated the percentage compliance of drinking water quality health-risk determinants as per (SANS 241), measured on a monthly basis through analysis of water samples from designated points. Consequently, the target is not useful for measuring and reporting on progress against the municipality's planned objectives.

Various indicators

50. Various indicators were not clearly defined during the planning process. Consequently, the indicators are not useful for measuring and reporting on progress against the municipality's planned objectives.

Indicator	Target	Detail
KPI 24 – Number of households with access to water by June 2024	100	Neither the indicator nor its target of 100 households with access to water was clearly defined during the planning process. The indicator did not distinguish which category of human settlement was targeted. Consequently, the indicator and its target were not useful for measuring and reporting on progress against the municipality's planned objectives.
KPI 26 – Number of households with access to electricity by June 2024	100	Neither the indicator nor its target of 100 households with access to electricity was clearly defined during the planning process. The indicator did not distinguish which category of human settlement was targeted. Consequently, the indicator and its target were not useful for measuring and reporting on progress against the municipality's planned objectives.
KPI 32 – Number of informal settlements with a waste service by 30 June 2024	26	Neither the indicator nor its target of 26 informal settlements with a waste service by 30 June 2024 was clearly defined during the planning process. The indicator did not indicate the frequency of time waste services would be rendered. Consequently, the indicator and its target were not useful for measuring and

Indicator	Target	Detail
		reporting on progress against the municipality's planned objectives.

KPI 25: Number of households with access to sewer by June 2024

51. An achievement of 958 households with access to sewer by June 2024 was reported against a target of 1 000 households with access to sewer by June 2024. I could not determine whether the reported achievement was correct, as the indicator was not well defined and adequate supporting evidence to clarify the methods and processes for measuring achievement were not provided. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target has been achieved.

KPI 26 - Number of households with access to electricity by June 2024

52. An achievement of 194 households with access to electricity was reported against a target of 100 households with access to electricity but the audit evidence showed the actual achievement to be 121 households with access to electricity. Consequently, the achievement against the target was better than reported.

KPI 28: Percentage completion of the civil works and erection of the high mast lights by end of June 2024.

53. The target in the annual performance report differed from what was committed to in the approved revised planning documents. The reported target was 100% completion of the civil works and erection of the high-mast lights by June 2024, while the planned target was 90% completion of the civil works and erection of the high-mast lights by June 2024. This change was made without obtaining the required council approval, which undermines transparency and accountability.

Various indicators

54. I could not determine if the reported achievements of the following indicators and targets were correct, as adequate supporting evidence was not provided for auditing. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
KPI 22 - Percentage of drinking water samples complying to SANS241 by June 2024	95%	96.25%
KPI 27 – Percentage completion of the Boitekong	100%	85%

Indicator	Target	Reported achievement
Substation construction by 30 June 2024		
KPI 33 – Percentage of formal households on the valuation roll with a weekly solid waste removal service by June2024	80%	100%
KPI 39 – Percentage of compliance with the required attendance time for structural firefighting incidents by June 2024	98%	98%

Various indicators

55. Based on the audit evidence, the actual achievement for three indicators did not agree to the achievements reported. Consequently, the actual achievements were less than reported. Furthermore, the targets were not achieved since the under-achievements on the targets were more than reported and the actual achievements against the target were lower than reported.

Indicator	Target	Report	Actual achievement
KPI 29 – Number of sewer projects implemented by June 2024	4	5	2
KPI 32 – Number of informal settlements with a waste service by 30 June 2024	26	11	7
KPI 37 - Number of new additional buses procured through the Bus Operating Company by 30 June 2024	10	31	0

Other matters

56. I draw attention to the matters below.

Achievement of planned targets

57. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.
58. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages **136 to 185**.

KPA 5: Basic services and infrastructure development

<i>Targets achieved: 65%</i>		
<i>Budget spent: 65%</i>		
Key indicator not achieved	Planned target	Reported achievement
KPI 24 – Number of households with access to water by June 2024	100	22
KPI 25 – Number of households with access to sewer by June 2024	1 000	958
KPI 27 – Percentage completion of the Boitekong Substation construction by 30 June 2024	100% completion of Boitekong Substation	85%
KPI 28 – Percentage completion of the civil works and erection of high mast lights by end of June 2024	100% completion of the civil works and erection of high-mast lights	40%
KPI 30 - Number of water projects implemented by June 2024	1	0
KPI 32 – Number of informal settlements with waste services by 30 June 2024	26 informal settlements with a waste service	11

Material misstatements

59. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for KPA 4: Local economic development and KPA 5: Basic service delivery and infrastructure development. Management did not correct all the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

60. 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.
61. 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.
62. 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.
63. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual reports

64. The consolidated and separate 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 expenditure and disclosure items identified by the auditors in the submitted consolidated and separate financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the consolidated and separate financial statements receiving a qualified audit opinion.

Expenditure management

65. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
66. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by awarding contracts without following normal procurement processes.
67. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R10 424 000, as disclosed in note 53 to the consolidated and separate annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by non-cash related expenditure.

Assets management

68. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Consequence management

69. Some of the unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
70. Irregular expenditure and fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and contract management

71. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).
72. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2). Similar non-compliance was also reported in the prior year.
73. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5.
74. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.
75. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. Similar limitation was also reported in the prior year.

Revenue management

76. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
77. I was unable to obtain sufficient appropriate audit evidence that revenue due to the municipality was calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

Strategic planning and performance management

78. The performance management system and related controls were not adequate as it did not enable useful and reliable performance measurement and reporting as required by municipal planning and performance regulation 7(1).

Other information in the annual report

79. 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 consolidated and separate financial statements, the auditor's report and those selected performance indicators presented in the annual report that have been specifically reported on in this auditor's report.
80. My opinion on the consolidated and separate 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.
81. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected key performance areas presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
82. 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

83. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
84. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
85. Key executive management vacancies were not filled. The lack of effective performance management on the acting officials resulted in the lack of implementation

of post audit action plan to prevent recurrence of the material findings in financial statements, performance report and compliance with legislation.

86. The quarterly financial statements were not prepared for review by the internal audit and audit committee. Furthermore, management did not adequately implement recommendations of the internal audit and audit committee on the review done on the financial statements submitted for audit.
87. The accounting officer did not adequately plan for the performance of the municipality as the SDBIP included indicators and targets that were not SMART to enable efficiency and measurability of performance throughout the financial year. The internal audit and audit committee reviewed the original and revised SDBIP and quarterly performance reports, however, recommendations of the internal audit and audit committee were not adequately implemented, which resulted in discrepancies in the planning and reporting documents remaining uncorrected.
88. The municipality does not have preventative controls in place such as pre-award reviews of tenders to detect non-compliance before awards and payments can be made. This results in year-on-year increase on irregular, unauthorised, fruitless and wasteful expenditure. The control environment is currently accustomed to reactive controls, which detect non-compliance after the decisions are made and commitment to contractual obligations.

Material irregularities

89. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Payment made in excess of the re-measured final account upon termination of first contractor on the RRT project

90. The accounting officer did not diligently review the amounts certified on the payment certificates submitted prior to making payments, resulting in overpayments to the contractor, contrary to section 65(2)(a) of the MFMA. The accounting officer therefore did not take all reasonable steps to ensure that the contractor was only paid for goods and/ or services that were actually delivered on this project. This contravention resulted in a surplus amount of R8 101 284,66 paid to the first contractor who was appointed in relation to phases 1A and 1C of the Rustenburg Rapid Transport (RRT) project.
91. The non-compliance is likely to result in a material financial loss for the municipality if the overpayments are not recovered.

92. The accounting officer was notified of this material irregularity on 12 April 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer and indicated that National Treasury is in the process of conducting a forensic investigation into the appointment of service providers and sub-contractors for the implementation of the RRT Project.
93. National Treasury completed the investigation, and the final investigation report was tabled in Council on Tuesday 28 November 2023.
94. Council approved the extension of the scope for National Treasury to conclude the investigation for the entire RRT project and that progress reports be submitted to Council on a bi-monthly basis.
95. Based on the assessment of the actions taken by the accounting officer, as at 30 October 2024, to address the material irregularity, I determined that the accounting officer has not taken appropriate action to address the matter. I am in the process of making a decision on further actions to be taken.

Payment made in excess of re-measured final account upon termination of second contractor on the RRT project

96. The accounting officer did not diligently review the amounts certified on the payment certificates submitted to them prior to making payments, resulting in overpayments to the second contractor, contrary to section 65(2)(a) of the MFMA. The accounting officer therefore did not take all reasonable steps to ensure that the contractor was only paid for goods and/ or services that were actually delivered on this project. This contravention resulted in a surplus amount of R25 118 381,85 paid to the second contractor who was appointed in relation to phases 1A and 1C of the Rustenburg Rapid Transport (RRT) project.
97. The non-compliance is likely to result in a material financial loss for the municipality if the overpayments are not recovered.
98. The accounting officer was notified on 12 April 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer and indicated that National Treasury is in the process of conducting a forensic investigation into the appointment of service providers and sub-contractors for the implementation of the RRT Project.
99. National Treasury completed the investigation, and the final investigation report was tabled in Council on 28 November 2023. On 18 October 2024 the accounting officer provided progress made in addressing the material irregularity. The accounting officer drafted the standard operating procedures, framework and guidelines for utilisation service providers. A fraud and corruption case was registered with the Hawks. The accounting officer also sent a letter to National Department of Transport on 10 January 2024, for the Department to investigate compliance with grant conditions and

scheduled payments. The accounting officer requested that National Treasury extends the scope of their investigation into the entire RRT project.

100. Based on the assessment of the actions taken by the accounting officer, as at 30 October 2024, to address the material irregularity, I determined that the accounting officer has not taken appropriate action to address the matter. I am in the process of making a decision on further actions to be taken.

Rustenburg Rapid Transport (RRT) project not monitored

101. The municipality did not monitor on a monthly basis the performance of contractors under the RRT contract, contrary to section 116(2)(b) of the MFMA. This included contractual timelines not adhered to and several project delays noted. The inadequate monitoring of contractors resulted in the desired quality of the infrastructure not being achieved as there were structural flaws, which resulted in more delays and subsequent deterioration of incomplete construction work.

102. As a result, this has caused harm to the primary mandated function of the municipality in being unable to provide the integrated public transport network services, as was intended with this national priority transport project, to the extended community of Rustenburg for the past seven years (per planned dates for first phases of the project being operational).

103. The non-compliance of section 116(2)(b) of the MFMA has therefore resulted in substantial harm to the public sector institution and is expected to continue causing harm to the public sector institutions until the completion of the RRT project.

104. The accounting officer was notified of this material irregularity on 12 September 2023 and due to change in accounting officer the notification was re-issued on 6 October 2023. The accounting officer was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer indicated that National Treasury is in the process of conducting a forensic investigation into the appointment of service providers and sub-contractors for the implementation of the RRT Project.

105. National Treasury completed the investigation, and the final investigation report was tabled in Council on Tuesday 28 November 2023.

106. Council approved the extension of the scope for National Treasury to conclude the investigation for the entire RRT project and that progress reports be submitted to Council on a bi-monthly basis.

107. Based on the assessment of the actions taken by the accounting officer, as at 30 October 2024, to address the material irregularity, I determined that the accounting officer has not taken appropriate action to address the matter. I am in the process of making a decision on further actions to be taken.

Fleet management services procured not part of the original tender

108. The municipality entered into a contract for the provision of automated fleet and fuel management solutions during June 2018 as their fleet was in a state of disrepair and most of the vehicles reached its economical lifespan. On 20 July 2018, a “price negotiation” meeting was held between the appointed service provider and the municipality. During this meeting, the original scope of the work was extended, and new services were added to the scope of services that was not part of the original tender process.
109. SCM regulation 19(a) provides that an SCM policy must specify that goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may be procured by the municipality only through a competitive bidding process, subject to regulation 11(2). However, the scope of work was extended beyond the limits of SCM regulations 19(a) during the price negotiation and items that was not part of the competitive bidding process, were included at higher than market related price. The before mentioned resulted in a material financial loss for the Rustenburg Local Municipality.
110. The accounting officer was notified of this material irregularity on 22 November 2021 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer stated in his response of 8 December 2021 that he completed the internal investigation process in line with MFMA section 32 and subsequently disciplinary steps have been taken against the chair of the bid evaluation committee and the deputy chief financial officer. The above-mentioned officials were dismissed or resigned including the accounting officer responsible for concluding the contract. The contract with the service provider was terminated during August 2019 based upon a high court order, to prevent further financial loss. During August 2019, the accounting officer referred the matters to the Directorate for Priority Crime Investigation (DPCI), also know at the Hawks. The investigation and the criminal process is still on going. Despite frequent follow-ups by the accounting officer it is not practicable to determine when the investigation and the criminal process be finalised due to the complex legal nature of the transaction.
111. The municipality’s attorney indicated that a trial date was set for 7 November 2024 to answer the question of who should pay whom. Based on the status update, I concluded that the accounting officer had taken all reasonable steps to deal with the matters raised in this material irregularity as the outcome of the investigation and the trial was not in the control of the accounting officer. Therefore, the material irregularity is resolved.

Payments made for fleet management service items above market value

112. The municipality entered into a contract for the provision of automated fleet and fuel management solutions during June 2018 as their fleet was in a state of disrepair and most of the vehicles reached its economical lifespan. On 20 July 2018, a “price negotiation” meeting was held between appointed service provider and the

municipality. Several items were included in the original tender and were procured at prices above market values.

113. MFMA section 62(1)(a) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically. The municipality did not ensure that the resources of the municipality were used effectively, efficiently and economically during the price negotiations as goods and services were procured at above market related values. Therefore, the municipality did not obtain value for money for the payments made. The non-compliance with MFMA section 62(1)(a) is therefore likely to result in a material financial loss for the municipality as the prices paid for the items that formed part of the original tender process was higher than the market price.
114. The accounting officer was notified of this material irregularity on 8 December 2021 and was invited to make a written submission on the actions that will be taken to address the matter. A response from the accounting officer was received on 11 January 2022. The accounting officer indicated that he completed the investigation process in line with MFMA section 32 and subsequently disciplinary steps have been taken against the chair of the bid evaluation committee and the deputy chief financial officer. The above-mentioned officials were dismissed, or they resigned, including the accounting officer responsible for concluding the contract. The contract with the service provider was terminated during August 2019 based upon a high court order, to prevent further financial loss. The investigation and the criminal process is still on going, despite regular follow-ups by the accounting officer. It is not practicable to determine when the investigation and criminal process will be finalised due to the complex legal nature of the transaction.
115. The municipality's attorney indicated that a trial date was set for 7 November 2024 to answer the question of who should pay whom. Based on the status update, I concluded that the accounting officer had taken all reasonable steps to deal with the matters raised in this material irregularity as the outcome of the investigation and the trial was not in the control of the accounting officer. Therefore, the material irregularity is resolved.

Other reports

116. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
117. The Hawks were investigating various cases of corruption and fraud relating to contracts awarded during the 2017-18 and 2018-19 financial years. Those cases that were concluded were referred to the Director of Public Prosecutions (DPP) while the remainder of the investigations were still in progress at the date of the report.

118. The Hawks were investigating various cases relating to fraud and procurement irregularities which occurred during 2015-16 and 2017-18. Three of the cases were referred to the DPP for prosecution and one case was still under investigation.

119. Three matters relating to alleged procurement irregularities were referred to the Hawks for investigation, and the matter was also referred to the DPP. The forensic investigation done by National Treasury was completed, and the report was presented to the Director of Public Prosecutions (DPP) for their consideration.

120. An allegation of fraud that occurred in the 2016-17 financial year was referred to the DPCI for investigation. This investigation was concluded and referred to the DPP for prosecution.

121. An allegation of fraud committed by officials of the municipality that occurred in 2014 was referred to the Hawks for investigation. The case is finalised whereby one former official was sentenced to jail and two suspects passed away.

Auditor General

Rustenburg

6 December 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected key performance areas and on the group's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 and its subsidiaries 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	Section 1 (a), (b) & (d) of the definition: irregular expenditure Section 1 Definition of SDBIP Sections 11(1); 13(2); 14(1); 14(2)(a); 14(2)(b); 15 Sections 24(2)(c)(iv); 29(1); 29(2)(b); 32(2) Sections 32(2)(a); 32(2)(a)(i); 32(2)(a)(ii); 32(2)(b) Sections 32(6)(a); 32(7); 53(1)(c)(ii); 54(1)(c) Sections 62(1)(d); 62(1)(f)(i); 62(1)(f)(ii); 62(1)(f)(iii) Sections 63(2)(a); 63(2)(c); 64(2)(b); 64(2)(c); 64(2)(e) Sections 64(2)(f); 64(2)(g); 65(2)(a); 65(2)(b); 65(2)(e) Sections 72(1)(a)(ii); 95(a); 112(l)(iii); 112(1)(j) Sections 116(2)(b); 116(2)(c)(ii); 117; 122(1); 122(2) Sections 126(1)(a); 126(1)(b); 127(2); 127(5)(a)(i) Sections 127(5)(a)(ii); 129(1); 129(3); 133(1)(a) Sections 133(1)(c)(i); 133(1)(c)(ii); 170; 171(4)(a); 171(4)(b)
LG: MFMA: Municipal budget and reporting regulations, 2009	Regulations 71(1); 71(2); 72
LG: MFMA: Municipal investment regulations, 2005	Regulations 3(1)(a); 3(3); 6; 7; 12(2); 12(3)
LG: MFMA: Municipal regulations on financial misconduct procedures and criminal proceedings, 2014	Regulations 5(4); 6(8)(a); 6(8)(b); 10(1)
LG: MFMA: Municipal supply chain management (SCM) regulations, 2017	Regulations 5; 12(1)(b); 12(1)(c); 12(3); 13(b); 13(c); 13(c)(i) Regulations 16(a); 17(1)(a); 17(1)(b); 17(1)(c); 19(a) Regulations 21(b); 22(1)(b)(i); 22(2); 27(2)(a); 27(2)(e) Regulations 28(1)(a)(i); 28(1)(a)(ii); 29(1) (a) and (b) Regulations 29(5)(a)(ii); 29(5)(b)(ii); 32; 36(1) Regulations 38(1) (c); 38(1)(d)(ii); 38(1)(e); 38(1)(g)(i) Regulations 38(1)(g)(ii); 38(1)(g)(iii) Regulations 43; 44; 46(2)(e); 46(2)(f)
Municipal Systems Act 32 of 2000 (MSA)	Sections 25(1); 26(a); 26(c); 26(i); 26(h); Sections 29(1)(b)(ii); 29(3)(b); 34(a); 34(b); Sections 38(a); 41(1)(a); 41(1)(b); 41(1)(c)(ii); 42; 43(2) Sections 56(a); 57(2)(a); 57(4B); 57(6)(a) Sections 66(1)(a); 66(1)(b); 67(1)(d); 74(1) Sections 93B(a); 93B(b); 93C(a)(iv); 93C(a)(v); 96(b)
LG: MSA: Municipal planning and performance management regulations, 2001	Regulations 2(1)(e); 2(3)(a); 3(3); 3(4)(b); 3(5)(a); 7(1); 8 Regulations 9(1)(a); 10(a); 12(1); 15(1)(a)(i); 15(1)(a)(ii)

Legislation	Sections or regulations
LG: MSA: Municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006	Regulations 2(3)(a); 4(4)(b); 8(1); 8(2); 8(3)
LG: MSA: Regulations on appointment and conditions of employment of senior managers, 2014	Regulations 17(2); 36(1)(a)
LG: MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2); 5(3); 5(6); 8(4)
Annual Division of Revenue Act (DoRA)	Sections 11(6)(b); 12(5); 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulations 17; 25(7A)
Municipal Property Rates Act 6 of 2004 (MPRA)	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 2(1)(a); 2(1)(f)
Preferential Procurement regulations (PPR), 2017	Regulations 5(1); 5(3); 5(6); 5(7) Regulations 6(1); 6(2); 6(3); 6(5); 6(6); 6(8) Regulations 7(1); 7(2); 7(3); 7(5); 7(6); 7(8) Regulations 8(2); 8(5); 9(1); 10(1); 10(2); 11(1)
Preferential Procurement regulations (PPR), 2022	Regulations 3(1) Regulations 4(1); 4(2); 4(3); 4(4) Regulations 5(1); 5(2); 5(3); 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)

6.2 ANNUAL FINANCIAL STATEMENTS OF THE RUSTENBURG LOCAL MUNICIPALITY



**Rustenburg Local Municipality
Consolidated Annual Financial Statements
for the year ended 30/06/2024**

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

General Information

Nature of business and principal activities	The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.
Legislation governing the municipality's operation	Constitution of the Republic of south Africa (Act 108 of 1998) Local Government: Municipal Finance Management Act (Act no.56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Municipal Property Rates Act (Act 6 of 2004) Division of Revenue Act (Act 1 of 2007)
Mayoral committee	
Executive Mayor	Mabale-Huma, S S K (Executive Mayor) Pule, L (Speaker) Mabe, L L (Single-Whip)
Mayoral Committee Members	Pule, S (MMC: Integrated Development Planning) Libe, K (MMC: Special Projects) Mputle, V (MMC: Public Safety) Phutu, K (MMC: Local Economic Development) Xatasi, N (MMC: Community Development) Gaonakala, M (MMC: Corporate Support Services) Serongoane, H (MMC: Roads and Transport) Rampou, T (MMC: Technical and Infrastructure Services) Marekoa, B (MMC: Planning and Human Settlements) Kombe, O (MMC: Budget and Treasury)
Capacity	High Capacity
Accounting Officer	Khuduge, A Adv
Chief Finance Officer (CFO)	Vacant
Registered office	Missionary Mpheni House Cnr, Nelson Mandela & Beyers Naude Drives Rustenburg 0299
Postal address	P O Box 16 Rustenburg 0300
Bankers	ABSA BANK (Primary Bank) STANDARD BANK
Auditors	Auditor-General of South Africa (AGSA)

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Index

The reports and statements set out below comprise the consolidated annual financial statements presented to the provincial legislature:

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Accounting Officer's Responsibilities and Approval	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts	8 - 11
Accounting Policies	12 - 43
Notes to the Consolidated Annual Financial Statements	44 - 119

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
SALGA	South African Local Government Association
HDF	Housing Development Fund
IAS	International Accounting Standards
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the consolidated 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 consolidated annual financial statements and was given unrestricted access to all financial records and related data.

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

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

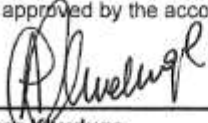
The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system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

The accounting officer has reviewed the economic entity's cash flow forecast for the year to 30/06/2025 and, in the light of this review and the current financial position, he is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the economic entity's consolidated annual financial statements. The consolidated annual financial statements will be examined by the economic entity's external auditors and their report will be presented on the page following this report.

The consolidated annual financial statements set out on pages 4 to 116, which have been prepared on the going concern basis, were approved by the accounting officer on 25 September 2024.



Adv. Ashmar Khuduge
Municipal Manager

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Statement of Financial Position as at 30/06/2024

Figures in Rand Thousand	Note(s)	Economic entity		Controlling entity	
		2024	2023 Restated*	2024	2023 Restated*
Assets					
Current Assets					
Inventories	13	45 689	47 209	45 689	47 209
VAT Receivable	8	159 166	153 314	159 166	153 314
Finance lease receivables	9	-	-	502	427
Operating lease asset	10	-	9	-	9
Receivables from exchange transactions	14&16	283 844	157 111	262 460	138 606
Receivables from non-exchange transactions	15&16	45 567	29 046	45 567	29 046
Cash and cash equivalents	17	1 059 249	816 975	542 172	436 700
		1 593 515	1 203 664	1 055 556	805 311
Non-Current Assets					
Investment property	3	94 598	101 829	94 598	101 829
Property, plant and equipment	4	9 081 935	9 665 543	8 571 745	9 140 029
Intangible assets	5	-	23	-	23
Heritage assets	6	1 374	1 374	1 374	1 374
Investments	7	1 074	774	1 075	775
Finance lease receivables	9	-	-	-	502
		9 178 981	9 769 543	8 668 792	9 244 532
Total Assets		10 772 496	10 973 207	9 724 348	10 049 843
Liabilities					
Current Liabilities					
Other financial liabilities	21	35 696	40 001	35 696	40 001
Finance lease obligation	19	-	12 057	-	12 057
Payables from exchange transactions	23	1 122 481	1 176 732	1 193 235	1 302 691
VAT payable	24	419 441	430 397	418 494	429 512
Consumer deposits	25	67 952	64 069	67 952	64 069
Employee benefit obligation	11	17 286	11 922	17 286	11 922
Unspent conditional grants and receipts	20	59 797	36 801	59 797	36 801
Provisions	22	190 327	181 561	184 816	177 753
		1 912 980	1 953 540	1 977 276	2 074 806
Non-Current Liabilities					
Other financial liabilities	21	201 201	236 897	201 201	236 897
Employee benefit obligation	11	232 643	214 369	232 643	214 369
Provisions	22	10 774	18 398	10 774	18 398
		444 618	469 664	444 618	469 664
Total Liabilities		2 357 598	2 423 204	2 421 894	2 544 470
Net Assets		8 414 898	8 550 003	7 302 454	7 505 373
Reserves					
Revaluation reserve	18	256 919	262 194	-	-
Accumulated surplus		8 157 979	8 287 809	7 302 454	7 505 373
Total Net Assets		8 414 898	8 550 003	7 302 454	7 505 373

* See Note 48

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Statement of Financial Performance

Figures in Rand Thousand	Note(s)	Economic entity		Controlling entity	
		2024	2023 Restated*	2024	2023 Restated*
Revenue					
Revenue from exchange transactions					
Sale of bus tickets		11 342	4 166	11 342	4 166
Service charges	26	2 976 487	4 354 896	2 899 245	4 277 139
Rental of facilities and equipment	27	11 720	9 596	11 720	9 596
Interest received (trading)		673 321	481 957	673 321	481 957
Agency services		17 731	18 100	17 731	18 100
Licences and permits		14 463	6 707	14 463	6 707
Other income	28	21 300	20 838	21 300	20 838
Interest received - investment	29	89 759	55 368	53 938	35 886
Total revenue from exchange transactions		3 816 123	4 951 628	3 703 060	4 854 389
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	30	521 602	492 850	521 602	492 850
Transfer revenue					
Government grants & subsidies	32	1 964 528	1 596 572	1 964 528	1 596 572
Public contributions and donations		19 270	154 247	19 270	154 247
Fines, Penalties and Forfeits		15 927	19 312	15 927	19 312
Total revenue from non-exchange transactions		2 521 327	2 262 981	2 521 327	2 262 981
Total revenue		6 337 450	7 214 609	6 224 387	7 117 370
Expenditure					
Employee related costs	33	(859 630)	(843 619)	(855 309)	(838 812)
Remuneration of councillors	34	(65 283)	(62 043)	(65 283)	(62 043)
Depreciation and amortisation	35	(368 240)	(430 065)	(339 691)	(397 333)
Finance costs	37	(79 047)	(97 384)	(79 047)	(97 384)
Bulk purchases	38	(2 325 725)	(3 617 809)	(2 472 287)	(3 782 064)
Contracted services	39	(357 123)	(410 676)	(357 123)	(410 676)
Transfers and Subsidies	31	(160 133)	(147 327)	(160 133)	(147 327)
General Expenses	40	(1 135 297)	(498 893)	(977 902)	(350 600)
Total expenditure		(5 350 478)	(6 107 816)	(5 306 775)	(6 086 239)
Operating surplus		986 972	1 106 793	917 612	1 031 131
Gain on disposal of assets and liabilities		23	4	-	-
Actuarial gains/losses	11	5 763	35 957	5 763	35 957
Impairment loss	36	(1 127 089)	(974 009)	(1 126 295)	(972 197)
		(1 121 303)	(938 048)	(1 120 532)	(936 240)
(Deficit) surplus for the year		(134 331)	168 745	(202 920)	94 891

* See Note 48

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Statement of Changes in Net Assets

Figures in Rand Thousand	Revaluation reserve	Accumulated surplus	Total net assets
Economic entity			
Opening balance as previously reported	264 590	7 618 224	7 882 814
Adjustments			
Correction of errors	-	500 834	500 834
Balance at 01 July 2022 restated*	264 590	8 119 058	8 383 648
Changes in net assets			
Surplus for the year - Previously reported	-	146 823	146 823
Impairment adjustment for the year	(770)	-	(770)
Revaluation surplus	(1 626)	-	(1 626)
Total changes	(2 396)	146 823	144 427
Restated balance before adjustments	262 194	8 265 881	8 528 075
Adjustments			
Correction of errors	-	26 429	26 429
Balance as at 01 July 2023 restated*	262 194	8 292 310	8 554 504
Changes in net assets			
Surplus / (Deficit) for the year	-	(134 331)	(134 331)
Impairment adjustment for the year	(774)	-	(774)
Revaluation surplus	(4 501)	-	(4 501)
Total changes	(5 275)	(134 331)	(139 606)
Balance as at 30/06/2024	256 919	8 157 979	8 414 898
Note(s)	18		
Controlling entity			
Opening balance as previously reported	-	6 909 645	6 909 645
Adjustments			
Correction of errors	-	500 834	500 834
Balance as at 01 July 2022 restated*	-	7 410 479	7 410 479
Changes in net assets			
Surplus for the year - Previously reported	-	72 969	72 969
Total changes	-	72 969	72 969
Restated balance before adjustments	-	7 483 448	7 483 448
Adjustments			
Correction of errors	-	21 926	21 926
Balance as at 01 July 2023 restated*	-	7 505 374	7 505 374
Changes in net assets			
Surplus / (Deficit) for the year	-	(202 920)	(202 920)
Total changes	-	(202 920)	(202 920)
Balance as at 30/06/2024	-	7 302 454	7 302 454

* See Note 48

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Cash Flow Statement

Figures in Rand Thousand	Note(s)	Economic entity		Controlling entity	
		2024	2023 Restated*	2024	2023 Restated*
Cash flows from operating activities					
Receipts					
Sale of goods and services		2 346 387	3 831 591	2 272 451	3 749 880
Grants		1 964 528	1 596 572	1 964 528	1 596 572
Interest income		763 080	537 325	727 259	517 843
Other receipts		51 690	46 857	51 690	46 857
		5 125 685	6 012 345	5 015 928	5 911 152
Payments					
Employee costs		(911 563)	(889 790)	(908 946)	(888 791)
Suppliers		(3 401 865)	(4 472 860)	(3 446 298)	(4 520 681)
Finance costs		(25 248)	(43 045)	(25 248)	(43 045)
Transfers and subsidies		(160 110)	(147 323)	(160 133)	(147 327)
		(4 498 786)	(5 553 018)	(4 540 625)	(5 599 844)
Net cash flows from operating activities	42	626 899	459 327	475 303	311 308
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(305 183)	(308 205)	(290 389)	(298 610)
Proceeds from sale of property, plant and equipment	4	-	450	-	450
Net cash flows from investing activities		(305 183)	(307 755)	(290 389)	(298 160)
Cash flows from financing activities					
Repayment of other financial liabilities		(40 001)	(32 389)	(40 001)	(32 389)
Interest paid		(27 084)	(31 741)	(27 084)	(31 741)
Finance lease payments		(12 057)	(11 077)	(12 057)	(11 077)
Realisation / (Withdrawal) of non-current investments		(300)	200	(300)	200
Net cash flows from financing activities		(79 442)	(75 007)	(79 442)	(75 007)
Net increase in cash and cash equivalents		242 274	76 565	105 472	(61 859)
Cash and cash equivalents at the beginning of the year		816 975	740 410	436 700	498 559
Cash and cash equivalents at the end of the year	17	1 059 249	816 975	542 172	436 700

* See Note 48

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand Thousand						
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of bus tickets	-	-	-	11 342	11 342	60
Service charges	5 479 767	(219 938)	5 259 829	2 976 487	(2 283 342)	60
Rental of facilities and equipment	15 859	(1 838)	14 021	11 720	(2 301)	60
Interest received (trading)	477 919	50 000	527 919	673 321	145 402	60
Agency services	94 282	14 000	108 282	17 731	(90 551)	60
Licences and permits	12 130	-	12 130	14 463	2 333	60
Other income	20 602	(3)	20 599	21 300	701	60
Interest received - investment	27 383	10 000	37 383	89 759	52 376	60
Total revenue from exchange transactions	6 127 942	(147 779)	5 980 163	3 816 123	(2 164 040)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	549 646	-	549 646	521 602	(28 044)	60
Transfer revenue						
Government grants & subsidies	1 769 257	244 702	2 013 959	1 964 528	(49 431)	60
Public contributions and donations	-	-	-	19 270	19 270	60
Fines, Penalties and Forfeits	9 587	-	9 587	15 927	6 340	60
Total revenue from non-exchange transactions	2 328 490	244 702	2 573 192	2 521 327	(51 865)	
Total revenue	8 456 432	96 923	8 553 355	6 337 450	(2 215 905)	
Expenditure						
Employee Related Costs	(927 082)	(2 013)	(929 095)	(859 630)	69 465	60
Remuneration of councillors	(71 890)	-	(71 890)	(65 283)	6 607	60
Depreciation and amortisation	(497 859)	-	(497 859)	(368 240)	129 619	60
Impairment loss	(881 129)	-	(881 129)	(1 127 089)	(245 960)	60
Finance costs	(62 123)	-	(62 123)	(79 047)	(16 924)	60
Bulk purchases	(3 706 077)	139 486	(3 566 591)	(2 325 725)	1 240 866	60
Contracted Services	(883 503)	(267 708)	(1 151 211)	(357 123)	794 088	60
Transfers and Subsidies	(21 164)	-	(21 164)	(160 133)	(138 969)	60
General Expenses	(299 052)	(20 012)	(319 064)	(1 135 297)	(816 233)	60
Total expenditure	(7 349 879)	(150 247)	(7 500 126)	(6 477 567)	1 022 559	
Operating deficit	1 106 553	(53 324)	1 053 229	(140 117)	(1 193 346)	
Gain on disposal of assets and liabilities	7 088	-	7 088	23	(7 065)	60
Actuarial gains/losses	-	-	-	5 763	5 763	60
	7 088	-	7 088	5 786	(1 302)	
Surplus / (Deficit) before taxation	1 113 641	(53 324)	1 060 317	(134 331)	(1 194 648)	

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	1 113 641	(53 324)	1 060 317	(134 331)	(1 194 648)	

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of bus tickets	-	-	-	11 342	11 342	
Service charges	5 218 007	(219 938)	4 998 069	2 899 245	(2 098 824)	60
Rental of facilities and equipment	15 859	(1 838)	14 021	11 720	(2 301)	60
Interest received (trading)	477 919	50 000	527 919	673 321	145 402	60
Agency services	94 282	14 000	108 282	17 731	(90 551)	60
Licences and permits	12 130	-	12 130	14 463	2 333	60
Other income	20 602	(3)	20 599	21 300	701	60
Interest received - investment	22 860	10 000	32 860	53 938	21 078	60
Total revenue from exchange transactions	5 861 659	(147 779)	5 713 880	3 703 060	(2 010 820)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	549 646	-	549 646	521 602	(28 044)	60
Transfer revenue						
Government grants & subsidies	1 769 257	244 702	2 013 959	1 964 528	(49 431)	60
Public contributions and donations	-	-	-	19 270	19 270	60
Fines, Penalties and Forfeits	9 587	-	9 587	15 927	6 340	60
Total revenue from non-exchange transactions	2 328 490	244 702	2 573 192	2 521 327	(51 865)	
Total revenue	8 190 149	96 923	8 287 072	6 224 387	(2 062 685)	
Expenditure						
Employee related costs	(927 082)	(2 013)	(929 095)	(855 309)	73 786	60
Remuneration of councillors	(71 890)	-	(71 890)	(65 283)	6 607	60
Depreciation and amortisation	(456 790)	-	(456 790)	(339 691)	117 099	60
Impairment loss	(881 129)	-	(881 129)	(1 126 295)	(245 166)	60
Finance costs	(61 885)	-	(61 885)	(79 047)	(17 162)	60
Bulk purchases	(3 706 077)	139 486	(3 566 591)	(2 472 287)	1 094 304	60
Contracted Services	(883 503)	(267 708)	(1 151 211)	(357 123)	794 088	60
Transfers and Subsidies	(21 164)	-	(21 164)	(160 133)	(138 969)	60
General Expenses	(147 451)	(37 989)	(185 440)	(977 902)	(792 462)	60
Total expenditure	(7 156 971)	(168 224)	(7 325 195)	(6 433 070)	892 125	
Operating deficit	1 033 178	(71 301)	961 877	(208 683)	(1 170 560)	
Gain on disposal of assets and liabilities	7 088	-	7 088	-	(7 088)	60
Actuarial gains/losses	-	-	-	5 763	5 763	60
	7 088	-	7 088	5 763	(1 325)	
Surplus / (Deficit) before taxation	1 040 266	(71 301)	968 965	(202 920)	(1 171 885)	

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	1 040 266	(71 301)	968 965	(202 920)	(1 171 885)	

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Policies

1. Presentation of Consolidated Annual Financial Statements

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

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

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

1.1 Presentation currency

These consolidated annual financial statements are presented in South African Rand rounded off to the nearest thousand, which is the functional currency of the economic entity.

1.2 Going concern assumption

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

1.3 Consolidation

Basis of consolidation

consolidated annual financial statements are the consolidated annual financial statements of the economic entity presented as those of a single entity.

The consolidated annual financial statements incorporate the consolidated annual financial statements of the controlling entity and all controlled entity, including special purpose entities, which are controlled by the controlling entity.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The results of controlled entities, are included in the consolidated financial statements from the effective date of acquisition or date when control commences to the effective date of disposal or date when control ceases. The difference between the proceeds from the disposal of the controlled entity and its carrying amount as of the date of disposal is recognised in the consolidated statement of financial performance as the surplus or deficit on the disposal of the controlled entity.

An investment in an entity is accounted for in accordance with the Standards of GRAP on Financial Instruments from the date that it ceases to be a controlled entity, unless it becomes an associate or a jointly controlled entity, in which case it is accounted for as such. The carrying amount of the investment at the date that the entity ceases to be a controlled entity is regarded as the fair value on initial recognition of a financial asset in accordance with the Standards of GRAP on Financial Instruments.

The financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated financial statements are prepared as of the same reporting date.

Adjustments are made when necessary to the financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of the economic entity are identified and recognised separately from the controlling entity's interest therein, and are recognised within net assets. Losses applicable to the minority in a consolidated controlled entity may exceed the minority interest in the controlled entity's net assets. The excess, and any further losses applicable to the minority, are allocated against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make an additional investment to cover the losses. If the controlled entity subsequently reports surpluses, such surpluses are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Policies

Non-controlling interests in the surplus or deficit of the economic entity is separately disclosed.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

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

The impairment for trade receivables is calculated on an assessment of the extent to which trade receivables have been defaulted on payments already due, and an assessment of their ability to make payments based on the history of payments made for municipal services over the last twelve months. This is performed per significant trade receivables first and then for all classes of trade receivables.

Allowance for slow moving, damaged and obsolete stock

An allowance / provision to write down stock to the lower of cost or net realisable value is made. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the statement of financial performance.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 22 - Provisions. Provisions are discounted where the effect of discounting is material using actuarial valuations.

Useful lives

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

Post employment medical benefits

The cost of post - employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future medical fund contributions increases and mortality rates. Due to the long - term nature of these plans, such estimates are subject to significant uncertainty.

1.5 Investment property

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

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

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

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the economic entity, 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.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Policies

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.

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

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

Item	Expected useful life range
Property - land	Indefinite
Property - buildings	7 - 80 years

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

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

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- Land held for a currently undetermined future use. (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation).
- A building owned by the entity (or held by the entity under a finance lease) and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality) and a building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

The following assets do not fall in the ambit of investment property and shall be classified as property, plant and equipment, inventory or non-current assets held for sale, as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale.
- Property being constructed or developed on behalf of third parties.
- Property that is being constructed or developed for future use as investment property.
- Property that is leased to another entity under a finance lease.
- Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income facilities, etc.
- Property held for strategic purposes or service delivery.
- Property being constructed or developed on behalf of third parties.
- Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owneroccupied property awaiting disposal.

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

1.6 Property, plant and equipment

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

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Policies

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 economic entity; 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 whenever it is possible to reliably differentiate between the different components.

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

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

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

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. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets and commences when an asset is ready for its intended use.

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

Item	Depreciation method	Expected useful life range
Infrastructure Roads and Transport	Straight line	5 - 100
Infrastructure Electricity	Straight line	5 - 50
Infrastructure Water	Straight line	5 - 70
Infrastructure Sewerage	Straight line	5 - 70
Buildings	Straight line	7 - 80
Motor Vehicles	Straight line	5 - 15
Office equipment	Straight line	3 - 10
Specialised vehicles	Straight line	7 - 20
Furniture & fixtures	Straight line	5 - 15
Bins & Containers	Straight line	10
Other	Straight line	7 - 8
Landfill sites	Straight line	20 - 25

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Policies

Plant and machinery	Straight line	2 - 15
Emergency equipment	Straight line	3 - 12
Land	Straight line	Indefinite

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

The useful life and residual value of assets are assessed annually to determine the appropriateness of management's initial estimate. If the expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate.

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 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.

Bulk water assets - Rustenburg Water Services Trust.

The Trust maintains and acquires assets to provide a social service to the community, as well as to sell water to the surrounding mines. The useful lives and economic useful lives of these assets are equal. After the loan have been paid up, all assets will revert back to the parent municipality.

The Trust depreciate separately each part of an item of Property, Plant and Equipment that has a cost that is significant in relation to the total cost of the item. Cost of replacing a part are capitalised and the existing parts being replaced are derecognised. The assets were revalued on 30 June 2012 by an independent party. Fair values were determined by obtaining quotations for the different asset types and determining Depreciated Replacement Cost.

Depreciation on Bulk water assets - Rustenburg Service Trust is recorded by a charge to the income statement computed on a straight-line method to write off the cost of the assets over their remaining useful lives or the remaining period of the lease, to their residual values. The expected useful lives are as follows for this group of assets:

Land and Buildings : 5 - 80 years
Plant and Machinery : 5 - 100 years
Movable assets: 5 - 50 years

1.7 Intangible assets

An asset is identifiable if it either:

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

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The economic entity 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.

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.

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

Item	Depreciation method	Expected useful life range
Computer software, other	Straight line	2 - 3 Years

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 is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.8 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. Heritage assets have an indefinite useful life.

Recognition

The economic entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The economic entity assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the economic entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

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Derecognition

The economic entity derecognises heritage asset 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 a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback)

1.9 Investments in controlled entities

Controlling entity consolidated annual financial statements

In the municipality's separate consolidated annual financial statements, investments in controlled entities are carried at costless any accumulated impairment.

The cost of an investment in controlled entity is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the municipality; plus
- any costs directly attributable to the purchase of the controlled entity.

1.10 Financial instruments

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

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

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

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

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

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

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

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

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Accounting Policies

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

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

A financial asset is:

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

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

Guarantees are disclosed in the notes to the financial statements and they are measured at fair value. Companies are granted the option of providing a guarantee instead of a consumer deposit when opening a new consumer account.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Classification

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

Class	Category
Receivables from Exchange Transactions	Financial asset measured at amortised cost
Receivables from Non-exchange Transactions	Financial asset measured at amortised cost
Cash and Cash Equivalents	Financial asset measured at fair value
Investments	Financial asset measured at fair value and cost
Guarantees	Financial asset measured at fair value

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

Class	Category
Consumer Deposits	Financial liability measured at amortised cost
Payables from Exchange Transactions	Financial liability measured at amortised cost
Long-term Liabilities	Financial liability measured at amortised cost
VAT Payable	Financial liability measured at amortised cost
Finance Lease Obligation	Financial liability measured at fair value

Initial recognition

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

The entity recognises financial assets using trade date accounting.

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Accounting Policies

Initial measurement of financial assets and financial liabilities

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

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

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

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Accounting Policies

Subsequent measurement of financial assets and financial liabilities

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

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

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

Fair value measurement considerations

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

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

Reclassification

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

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

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

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

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

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

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

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

Financial liabilities

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

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

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

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Accounting Policies

Presentation

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

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

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

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

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

1.11 VAT

The Municipality is registered with SARS for VAT on the payments basis, in accordance with Section 15 of the Value-Added Tax Act. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position.

1.12 Leases

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

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

Finance leases - lessor

The economic entity recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the economic entity's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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Operating leases - lessor

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

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

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

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

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

Operating leases - lessee

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

1.13 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.

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.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

The cost of inventories (consumable stores, raw materials, work-in-progress and finished goods) is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the economic entity.

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

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Water is regarded as inventory when the municipality purchase water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, and is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the statement of financial position.

The basis of determining the cost of water purchased and not yet sold at statement of financial position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates.

Water are valued by using the weighted average method, at the lowest of purified cost and net realisable value, in so far as it is stored and controlled in reservoirs at year-end.

1.14 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

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Accounting Policies

Identification

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

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

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

Value in use

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

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

Reversal of impairment loss

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

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

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

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

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

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

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

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

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

1.15 Impairment of non-cash-generating assets

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

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

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

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

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

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

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

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

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

Useful life is either:

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

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

[Specify judgements made]

Identification

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

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

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

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Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Reversal of an impairment loss

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

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

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

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

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

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Redesignation

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

1.16 Employee benefits

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

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

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

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

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

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

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

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

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

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Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Post-employment benefits: Defined contribution plans

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

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

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

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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Post-employment benefits: Defined benefit plans

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

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

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

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

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the consolidated annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

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The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

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 entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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Accounting Policies

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

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. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

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Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.17 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

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

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

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The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgement of the management of the entity, supplemented by the experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this is unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45 to enable users to determine the risk involved.

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A Contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

1.18 Capital Commitments

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

Capital commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date.
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.

1.19 Revenue from exchange transactions

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

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

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

Measurement

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

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Sale of goods

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

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity 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 economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Rendering of services

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

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, in surplus or deficit, using the effective interest rate method.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

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.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.20 Revenue from non-exchange transactions

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

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

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Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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

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.

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Taxes

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

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

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

Revenue from property rates is recognised when the legal entitlement to this revenue arises. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Collection charges are recognised when such amounts are legally enforceable (property rates). Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rate revenue already recognised are processed or additional rates revenue is recognised.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

The municipality has two types of fines, spot fines and summonses. The municipality recognise the full amount of revenue at the transaction date. Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognise an impairment loss.

Government Grants and other grants

Equitable share allocation are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are 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.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential based on the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

When government remit grants on a reimbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Policies

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.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.21 Accounting by principals and agents

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

Identifying whether an entity is a principal or an agent

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.23 Other income

Other income represents income from activities other than normal Municipal ordinary operations. These are recognised in surplus when they accrue to the Municipality, that is when the right to receive payment is established. Other income is measured as fair value of the consideration receivable.

1.24 Licenses and permits

Licenses and permits are recognised in surplus when the municipality's right to receive payment has been established. These are measured by applying the relevant gazetted tariff.

1.25 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.26 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003)

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.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Policies

1.27 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.

1.28 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 excludes unauthorised expenditure. 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.

1.29 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report.

1.30 Budget information

Economic Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The budget for the economic entity includes all the entities approved budgets under its control.

The consolidated annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The materiality threshold for variances between budget and actual amounts is 10%. Reasons for variances greater than or equal to 10% are disclosed in the financial statements.

1.31 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Policies

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the economic entity.

The economic entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the economic entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the economic entity is exempt from the disclosures in accordance with the above, the economic entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its consolidated annual financial statements.

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 economic entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The economic entity 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.

1.33 Service concession arrangements: Entity as grantor

Service concession arrangement is a contractual arrangement between a grantor and an operator in which an operator uses the services concession asset to provide a mandated function on behalf of a grantor for a specified period, where the operator is compensated for its services over the period of service concession arrangement.

Recognition of asset and liability

The entity recognises an asset provided by the operator and an upgrade to an existing asset of the entity, as a service concession asset if the entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the entity controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a "whole-of-life" asset).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category, and are clearly identified from owned and/or leased assets.

Where the entity recognises a service concession asset, and the asset is not an existing asset of the entity (grantor), the entity (grantor) also recognises a liability.

The entity does not recognise a liability when an existing asset of the entity is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

Measurement of asset and liability

The entity initially measures the service concession asset as follows:

- Where the asset is not an existing asset of the entity, the asset is measured at its fair value.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Accounting Policies

- Where the asset is an existing asset of the entity and it meets the recognition criteria of a service concession asset, the asset is reclassified as a service concession asset, and the asset is accounted for in accordance with the policy on Investment property, Property, plant and equipment, Intangible assets, or Heritage assets, as appropriate.

The entity initially measures the liability at the same amount as the service concession asset, adjusted by the amount of any other consideration from the entity to the operator, or from the operator to the entity.

1.34 Expenditure

Expenditure includes bulk purchases, contracted services, general expenses and lease rentals. Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

Expenses are recognised in the period in which they are incurred.

1.35 Non living resources

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, are not recognised as assets. Required information are disclosed in the notes to the annual financial statements.

Rustenburg Local Municipality

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Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01/07/2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 103 (amended): Heritage Assets	01/04/2099	Unlikely there will be a material impact
• IGRAP 22 : Foreign Currency Transactions and Advance Consideration	01/04/2025	Unlikely there will be a material impact
• Improvements to Standards of GRAP, 2023	01/04/2099	Unlikely there will be a material impact
• Amendments to GRAP 105, GRAP 106 and GRAP 107: Transfers of Functions and Mergers	01/04/2099	Unlikely there will be a material impact
• GRAP 1 (amended), Presentation of Financial Statements (Going Concern)	01/04/2099	Unlikely there will be a material impact
• GRAP 104 (amended): Financial Instruments	01/04/2025	Unable to reliably estimate the impact

3. Investment property

Economic entity	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	230 037	(135 439)	94 598	230 037	(128 208)	101 829

Controlling entity	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	230 037	(135 439)	94 598	230 037	(128 208)	101 829

Reconciliation of investment property - Economic entity - 2024

	Opening balance	Depreciation	Total
Investment property	101 829	(7 231)	94 598

Reconciliation of investment property - Economic entity - 2023

	Opening balance	Depreciation	Total
Investment property	109 445	(7 616)	101 829

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

3. Investment property (continued)

Reconciliation of investment property - Controlling entity - 2023

	Opening balance	Depreciation	Total
Investment property	101 829	(7 231)	94 598

Reconciliation of investment property - Controlling entity - 2022

	Opening balance	Depreciation	Total
Investment property	109 445	(7 616)	101 829

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.

There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

4. Property, plant and equipment

Economic entity	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 528 855	-	1 528 855	2 094 608	-	2 094 608
Buildings	1 594 289	(1 282 217)	312 072	1 593 629	(1 237 866)	355 763
Plant and machinery	68 830	(57 723)	11 107	68 555	(52 713)	15 842
Furniture and fixtures	57 527	(45 293)	12 234	56 709	(40 966)	15 743
Transport Assets	248 383	(133 211)	115 172	249 303	(126 396)	122 907
Office equipment	56 164	(39 263)	16 901	52 121	(34 297)	17 824
Bins and containers	1 672	(1 510)	162	1 672	(1 419)	253
Other	2 815	(2 606)	209	2 816	(2 482)	334
Electrical Equipment	13 255	-	13 255	11 688	-	11 688
Infrastructure - Sewerage	1 122 263	(719 073)	403 190	1 085 578	(690 629)	394 949
Infrastructure - Electricity	1 413 951	(818 039)	595 912	1 399 547	(777 276)	622 271
Infrastructure - Roads and Transport	6 927 809	(3 166 017)	3 761 792	6 770 956	(2 987 214)	3 783 742
Infrastructure - Water	1 598 167	(1 050 933)	547 234	1 497 134	(1 017 439)	479 695
Infrastructure - Work in progress	1 253 650	-	1 253 650	1 224 410	-	1 224 410
Rustenburg Water Services Trust Bulk Water Assets	1 261 843	(751 653)	510 190	1 262 219	(736 705)	525 514
Total	17 149 473	(8 067 538)	9 081 935	17 370 945	(7 705 402)	9 665 543

Controlling entity	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 528 855	-	1 528 855	2 094 608	-	2 094 608
Buildings	1 594 289	(1 282 217)	312 072	1 593 629	(1 237 866)	355 763
Plant and machinery	68 830	(57 723)	11 107	68 555	(52 713)	15 842
Furniture and fixtures	57 527	(45 293)	12 234	56 709	(40 966)	15 743
Transport Assets	248 383	(133 211)	115 172	249 303	(126 396)	122 907
Office equipment	56 164	(39 263)	16 901	52 121	(34 297)	17 824
Bins and containers	1 672	(1 510)	162	1 672	(1 419)	253
Other	2 815	(2 606)	209	2 816	(2 482)	334
Electrical Equipment	13 255	-	13 255	11 688	-	11 688
Infrastructure - Sewerage	1 122 263	(719 073)	403 190	1 085 578	(690 629)	394 949
Infrastructure - Electricity	1 413 951	(818 039)	595 912	1 399 547	(777 276)	622 271
Infrastructure - Roads and Transport	6 927 809	(3 166 017)	3 761 792	6 770 956	(2 987 214)	3 783 742
Infrastructure - Water	1 598 167	(1 050 933)	547 234	1 497 134	(1 017 439)	479 695
Infrastructure - Work in progress	1 253 650	-	1 253 650	1 224 410	-	1 224 410
Total	15 887 630	(7 315 885)	8 571 745	16 108 726	(6 968 697)	9 140 029

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2024

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	2 094 608	8 045	(573 798)	-	-	-	-	1 528 855
Buildings	355 783	857	-	-	-	(38 571)	(7 777)	312 072
Plant and machinery	15 842	327	(13)	-	-	(5 035)	(14)	11 107
Furniture and fixtures	15 743	840	(14)	-	-	(4 300)	(35)	12 234
Transport assets	122 907	2 796	(1 591)	-	-	(8 940)	-	115 172
Office equipment	17 824	4 555	(225)	-	-	(5 206)	(47)	16 901
Bins and containers	253	-	-	-	-	(90)	(1)	162
Other	334	-	-	-	-	(125)	-	209
Electrical Equipment	11 688	-	-	-	1 567	-	-	13 255
Infrastructure - Sewerage	394 949	36 638	-	-	-	(27 924)	(473)	403 190
Infrastructure - Electricity	622 271	14 404	-	-	-	(37 311)	(3 452)	596 912
Infrastructure - Roads and Transport	3 783 742	156 853	-	-	-	(174 421)	(4 382)	3 761 792
Infrastructure - Water	479 696	101 032	-	-	-	(32 613)	(980)	547 234
Work in progress	1 224 410	332 810	-	(303 570)	-	-	-	1 253 650
Rustenburg Water Trust Bulk Water Assets	525 514	14 792	-	-	-	(28 547)	(1 589)	510 190
	9 665 543	673 749	(575 641)	(303 570)	1 567	(360 983)	(18 730)	9 081 935

Rustenburg Local Municipality

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Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2023

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	2 085 673	9 144	(209)	-	-	-	-	2 094 608
Buildings	390 738	26 874	-	-	-	(61 363)	(486)	355 763
Plant and machinery	18 190	2 552	(8)	-	-	(4 866)	(26)	15 842
Furniture and fixtures	26 813	1 271	(1)	-	-	(12 323)	(17)	15 743
Transport assets	113 311	18 880	(137)	-	-	(9 147)	-	122 907
Office equipment	14 370	8 147	(85)	-	-	(4 569)	(29)	17 824
Bins and containers	524	-	-	-	-	(271)	-	253
Other	461	-	-	-	-	(127)	-	334
Electrical Equipment	11 309	-	-	-	379	-	-	11 688
Infrastructure - Sewerage	422 123	2 055	-	-	-	(29 110)	(119)	394 949
Infrastructure - Electricity	660 929	-	-	-	-	(38 380)	(278)	622 271
Infrastructure - Roads and Transport	3 955 689	39 836	-	-	-	(202 161)	(9 622)	3 783 742
Infrastructure - Water	495 587	12 054	-	-	-	(27 610)	(336)	479 695
Work in progress	885 121	420 026	-	(80 737)	-	-	-	1 224 410
Rustenburg Water Trust Bulk Water Assets	552 856	7 971	-	-	-	(32 732)	(2 581)	525 514
	9 633 694	548 810	(450)	(80 737)	379	(422 659)	(13 494)	9 665 543

Rustenburg Local Municipality

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Figures in Rand Thousand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2024

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	2 064 608	8 045	(573 798)	-	-	-	-	1 528 855
Buildings	355 783	657	-	-	-	(38 571)	(7 777)	312 072
Plant and machinery	16 842	327	(13)	-	-	(5 035)	(14)	11 107
Furniture and fixtures	15 743	840	(14)	-	-	(4 300)	(35)	12 234
Transport assets	122 907	2 796	(1 591)	-	-	(8 940)	-	115 172
Office equipment	17 824	4 555	(225)	-	-	(5 206)	(47)	16 901
Bins and containers	253	-	-	-	-	(90)	(1)	162
Other	334	-	-	-	-	(125)	-	209
Electrical Equipment	11 688	-	-	-	1 567	-	-	13 255
Infrastructure - Sewerage	394 949	36 636	-	-	-	(27 924)	(473)	403 190
Infrastructure - Electricity	622 271	14 404	-	-	-	(37 311)	(3 452)	595 912
Infrastructure - Roads and Transport	3 783 742	156 853	-	-	-	(174 421)	(4 382)	3 761 792
Infrastructure - Water	479 695	101 032	-	-	-	(32 513)	(980)	547 234
Work in progress	1 224 410	332 610	-	(303 570)	-	-	-	1 253 650
	9 140 029	658 957	(575 641)	(303 570)	1 567	(332 436)	(17 161)	8 571 745

Rustenburg Local Municipality

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Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2023

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	2 085 673	9 144	(209)	-	-	-	-	2 094 608
Buildings	390 738	26 874	-	-	-	(61 383)	(486)	355 763
Plant and machinery	18 190	2 552	(8)	-	-	(4 866)	(26)	15 842
Furniture and fixtures	26 813	1 271	(1)	-	-	(12 323)	(17)	15 743
Transport assets	113 311	18 880	(137)	-	-	(8 147)	-	122 907
Office equipment	14 370	8 147	(95)	-	-	(4 569)	(29)	17 824
Bins and containers	524	-	-	-	-	(271)	-	253
Other	461	-	-	-	-	(127)	-	334
Electrical Equipment	11 309	-	-	-	379	-	-	11 688
Infrastructure - Sewerage	422 123	2 055	-	-	-	(29 110)	(119)	394 949
Infrastructure - Electricity	660 929	-	-	-	-	(38 380)	(278)	622 271
Infrastructure - Roads and Transport	3 955 689	39 836	-	-	-	(202 161)	(9 622)	3 783 742
Infrastructure - Water	495 587	12 054	-	-	-	(27 610)	(336)	479 695
Infrastructure - Work in progress	885 121	420 026	-	(80 737)	-	-	-	1 224 410
	9 080 838	540 839	(450)	(80 737)	379	(389 927)	(10 913)	9 140 029

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Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
4. Property, plant and equipment (continued)				
Property, plant and equipment in the process of being constructed or developed				
Cumulative expenditure recognised in the carrying value of property, plant and equipment				
Buildings	391 959	346 419	391 959	346 419
Electricity	185 526	150 782	185 526	150 782
Roads	374 106	438 285	374 106	438 285
Sewerage	235 957	121 790	235 957	121 790
Water	66 102	167 134	66 102	167 134
	1 253 650	1 224 410	1 253 650	1 224 410
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected				
Upgrading of the bulk sewer lines to the WWTW (Western Area) [Project suspended due to non performance by the contractor]	6 992	6 992	6 992	6 992
Boschdal Water Supply (Infra, Water) [Project suspended due to non performance by the contractor]	2 231	2 231	2 231	2 231
Fleet Services [Contract under litigation]	16 745	16 745	16 745	16 745
Marikana Waste Transfer Station - Construction R (Land & Bld, Solid waste fac [Contract terminated due to non performance by the contractor]	39 786	39 786	39 786	39 786
Motor City Substation - Phase 2 (Infr, Elec) [Project delays due to contractual disagreements]	13 137	13 137	13 137	13 137
Rustenburg - (Incl - Extensions) Replacement Of Water Ac Pipes (Infra, Water) [Project delays due to contractual disagreements]	21 470	21 470	21 470	21 470
Rtb & Extensions - Upgrading Of Water Meters And Aged Connections (Infra, Water) [Project delays due to contractual disagreements]	16 057	16 057	16 057	16 057
Waterkloof Substation-Inter Connection To New Eskom Switching Station , (Infra) [Project delays due to contractual disagreements]	48 003	48 003	48 003	48 003
Construction of RRT Station - Contractor A (Land & Bld, Comm) [Project delays due to contractual disagreements]	268 860	258 128	268 860	258 128
Replacement of Thlabane AC sewer bulk line (B) [The contractor was terminated]	28 017	28 017	28 017	28 017
Replacement of Thlanane AC Sewer bulk line (A) [The contractor was terminated]	28 591	28 591	28 591	28 591
Marikana roads and storm waterPhase D [The contractor experienced stoppages due to sub-contracting, rain, and community stoppage]	-	9 637	-	9 637
Meriting Ward 18 Part A There is an MOU between RLM and Impala Mines, but due to financial constrainsImpala Mine will be taking over the remaining portion of the works]	6 034	6 034	6 034	6 034
Boitekong Hawker Stalls [The contractor had stoppages from the business forum]	8 149	8 149	8 149	8 149
Construction of Tlhabane West Sport Facility	19 505	12 444	19 505	12 444

Rustenburg Local Municipality

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
4. Property, plant and equipment (continued)				
[The contractor could not gain access to site due to community unrests and subcontractors]	-	-	-	-
Upgrading and construction of internal access roads in Kanana Phase A	21 180	17 406	21 180	17 406
[The contractor experienced challenges on site of hard rock, local subcontractors and drain]	-	-	-	-
Bospoort Water Treatment Works	62 609	62 609	-	-
[Slow progress on the procurement process of the mechanical and electrical contract]	-	-	-	-
	607 366	595 436	544 757	532 827

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Buildings	20 815	22 520	20 815	22 520
Infrastructure - Electricity	48 663	48 592	48 663	48 592
Infrastructure - Roads	59 244	56 995	59 244	56 995
Infrastructure - Sewerage	13 145	1 449	13 145	1 449
Infrastructure - Water	13 991	1 032	13 991	1 032
Office Equipment	7 075	6 627	7 075	6 627
Furniture and Fixtures	1 970	-	1 970	-
Transport assets	1 279	2 053	1 279	2 053
Other	221	103	221	103
Rustenburg Water Services Trust Bulk Water Assets	22 161	14 499	-	-
	188 564	151 870	166 403	137 371

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.

Work in Progress (WIP) : The Work in Progress (WIP) primarily comprises buildings and infrastructure. The WIP balance increased significantly in the prior year and current year, largely due to the recognition of housing projects undertaken within municipal boundaries by the North West Department of Human Settlements, in accordance with GRAP 1 and GRAP 17. Additionally, several projects have taken significantly longer to complete than initially anticipated, as disclosed in this note, contributing to the elevated WIP balance.

Land De-recognition and Recognition : During the year, a thorough reconciliation between the deeds dataset and the land register was completed, resulting in the de-recognition of R573 798 for owner-occupied land in accordance with iGRAP 18. However, this was offset by the recognition of municipal-owned land on the Fixed Asset Register (FAR) for the first time, leading to a prior year adjustment of R536 487 and a current year adjustment of R8 045. These adjustments significantly impacted the reported surplus or deficit for the period.

5. Intangible assets

Economic entity	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 193	(1 193)	-	1 193	(1 170)	23

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

5. Intangible assets (continued)

Controlling entity	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 193	(1 193)	-	1 193	(1 170)	23

Reconciliation of intangible assets - Economic entity - 2024

	Opening balance	Amortisation	Total
Computer software	23	(23)	-

Reconciliation of intangible assets - Economic entity - 2023

	Opening balance	Amortisation	Total
Computer software	90	(67)	23

Reconciliation of intangible assets - Controlling entity - 2024

	Opening balance	Amortisation	Total
Computer software	23	(23)	-

Reconciliation of intangible assets - Controlling entity - 2023

	Opening balance	Amortisation	Total
Computer software	90	(67)	23

Other information

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance.

All of the municipality's Intangible Assets are held under freehold interest and no intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

Rustenburg Local Municipality

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Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

6. Heritage assets

Economic entity	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Ox Wagon	150	-	150	150	-	150
Historical statue	1 100	-	1 100	1 100	-	1 100
Hand Drawn Field Ambulance	5	-	5	5	-	5
Jewellery	119	-	119	119	-	119
Total	1 374	-	1 374	1 374	-	1 374

Controlling entity	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Ox Wagon	150	-	150	150	-	150
Historical statue	1 100	-	1 100	1 100	-	1 100
Hand Drawn Field Ambulance	5	-	5	5	-	5
Jewellery	119	-	119	119	-	119
Total	1 374	-	1 374	1 374	-	1 374

Reconciliation of heritage assets Economic entity - 2024

	Opening balance	Total
Ox Wagon	150	150
Historical statue	1 100	1 100
Hand Drawn Field Ambulance	5	5
Jewellery	119	119
	1 374	1 374

Reconciliation of heritage assets Economic entity - 2023

	Opening balance	Total
Ox Wagon	150	150
Historical statue	1 100	1 100
Hand Drawn Field Ambulance	5	5
Jewellery	119	119
	1 374	1 374

Reconciliation of heritage assets Controlling entity - 2024

	Opening balance	Total
Ox Wagon	150	150
Historical statue	1 100	1 100
Hand Drawn Field Ambulance	5	5
Jewellery	119	119
	1 374	1 374

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

6. Heritage assets (continued)

Reconciliation of heritage assets Controlling entity - 2023

	Opening balance	Total
Ox Wagon	150	150
Historical statue	1 100	1 100
Hand Drawn Field Ambulance	5	5
Jewellery	119	119
	1 374	1 374

7. Investments

Name of company	Carrying amount 2024	Carrying amount 2023	Carrying amount 2024	Carrying amount 2023
Listed Shares - Sanlam	1 074	774	1 074	774
Unlisted - Municipal Entity	-	-	1	1
	1 074	774	1 075	775

Detail

Market value of listed investment is R1 074 (2023: R774). The municipal entity is the Rustenburg Water Services Trust. The Trusts objective is to procure the design, construction, implementation, operation and maintenance of the Rustenburg, Boitekong, Lethabong and Monnakato Waste Water Treatment Works (WWTW) as well the Boosport and Kloof Water Treatment Plants. The nature of the relationship is that Rustenburg Local Municipality is the sole beneficiary of the trust and has the right to appoint 4 representatives on the board of trustees.

8. VAT Receivable

VAT Accrual	159 166	153 314	159 166	153 314
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The VAT accrual does not represent amounts to be received, but rather amounts that are associated with transactions that are yet to be settled. There is no money to be received from SARS for these amounts as yet.

9. Finance lease receivables

Present value of minimum lease payments due

- within one year	-	-	502	427
- in second to fifth year inclusive	-	-	-	502
	-	-	502	929
Non-current assets	-	-	-	502
Current assets	-	-	502	427
	-	-	502	929

Leasing Arrangements

A finance lease was granted to the entity (RWST) for sewerage plant transferred by the municipality to the RWST. The lease is repayable over twenty years, in half yearly payments at the end of June and December, with the last instalment due on 30 June 2025. The interest rate implicit in the lease is 11%. All leases are denominated in Rand Currency Unit.

Management of the municipality is of the opinion that the carrying value of finance lease receivables recorded at amortised cost in the annual financial statements approximate their fair values.

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
10. Operating lease asset (liability)				
Current assets	-	9	-	9
Operating leases are recognised on the straight-line basis as per the requirements of GRAP 13. In respect of Non-cancellable Operating Leases the following assets have been recognised:				
Balance at beginning of year	9	31	9	31
Operating Lease Revenue recorded	(9)	(22)	(9)	(22)
	-	9	-	9
Up to 1 year	-	9	-	9

Total Operating Lease Arrangements:

The impact of charging the escalations in Operating Leases on a straight-line basis over the lease through the Statement of Financial Performance is an increase in current year income of R9 (2023: R22).

No restrictions have been imposed by the municipality in terms of the operating lease agreements.

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

11. Employee benefit obligations

Defined benefit plan

Post-retirement Health Care Benefits Liability

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2024 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Long Service Awards Liability

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable to employees after 10 years of continuous service, and every 5 years of continuous service from 10 years of service to 45 years of service. The provision is an estimate of the long service based on historical staff turnover. Additional cash/gifts are awarded to employees for levels of past service per the LSA policy.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried at 30 June 2024 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	1 266	1 298	1 266	1 298
In-service Non-members (Employees)	420	434	420	434
Continuation Members (Retirees, widowers and orphans)	121	127	121	127
	1 807	1 859	1 807	1 859

The liability in respect of past

	249 930	226 292	249 930	226 292
In-service Members - Post Retirement Health Care	101 254	90 334	101 254	90 334
In-service: Non members - Post Retirement Health Care	4 251	3 778	4 251	3 778
Continuation Members (Retirees, widows and orphans) - Post Retirement Health Care	62 094	59 148	62 094	59 148
Long Service Awards	82 331	73 032	82 331	73 032

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Keyhealth
- LA Health
- Samwumed

Rustenburg Local Municipality

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Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
11. Employee benefit obligations (continued)				
The amounts recognised in the statement of financial position are as follows:				
Carrying value				
Present value of the defined benefit obligation - Post Retirement Health Care	(167 598)	(153 259)	(167 598)	(153 259)
Present value of the defined benefit obligation - Long Service Awards	(82 331)	(73 032)	(82 331)	(73 032)
	(249 929)	(226 291)	(249 929)	(226 291)
Non-current liabilities	(232 643)	(214 369)	(232 643)	(214 369)
Current liabilities	(17 286)	(11 922)	(17 286)	(11 922)
	(249 929)	(226 291)	(249 929)	(226 291)

Changes in the present value of the defined benefit obligation are as follows:

Post Retirement Health Care	-	-	-	-
Opening balance	153 259	161 848	153 259	161 848
Benefits paid	(6 078)	(5 771)	(6 078)	(5 771)
Net (income) / expense recognised in the statement of financial performance	20 417	(2 818)	20 417	(2 818)
	167 598	153 259	167 598	153 259
Long Service Awards				
Opening balance	73 032	72 050	73 032	72 050
Benefits paid	(4 490)	(5 927)	(4 490)	(5 927)
Net (income) / expense recognised in the statement of financial performance	13 789	6 909	13 789	6 909
	82 331	73 032	82 331	73 032

Net (income)/expense recognised in the statement of financial performance

Post Retirement Health Care	-	-	-	-
Current service cost	6 879	7 451	6 879	7 451
Interest cost	18 769	18 787	18 769	18 787
Actuarial (gains) losses	(5 231)	(29 056)	(5 231)	(29 056)
Post-retirement Benefit included in Profit and Loss	20 417	(2 818)	20 417	(2 818)
Long Service Awards				
Current service cost	6 375	6 321	6 375	6 321
Interest cost	7 946	7 489	7 946	7 489
Actuarial (gains) losses	(532)	(6 901)	(532)	(6 901)
Long Service Award included in Profit and Loss	13 789	6 909	13 789	6 909

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Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

11. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Post Retirement Health Care	-	-	-	-
Discount rate	12,26 %	12,49 %	12,26 %	12,49 %
Health care cost inflation rate	7,74 %	8,10 %	7,74 %	8,10 %
Net-of-health-care-cost-inflation discount rate	4,20 %	4,06 %	4,20 %	4,06 %
Maximum subsidy inflation rate	5,43 %	5,70 %	5,43 %	5,70 %
Net-of-maximum-subsidy-inflation discount rate	6,48 %	6,42 %	6,48 %	6,42 %
Long Service Awards	-	-	-	-
Discount Rate	10,97 %	11,32 %	10,97 %	11,32 %
General Salary Inflation	6,14 %	6,57 %	6,14 %	6,57 %
Net discount rate	4,55 %	4,45 %	4,55 %	4,45 %

The basis on which the discount rate has been determined is as follow:

Post Retirement Health Care

GRAP 25 stipulates that the choice of this rate should be derived from high quality corporate bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the post employment liabilities should be used.

Consequently, a discount rate of 12.26% per annum has been used. The corresponding index-linked yield at this term is 5.20%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 28 June 2024.

These rates are calculated by using a liability-weighted average of the yields for the three components of the liability. Each component's fixed-interest and index-linked yields were taken from the bond yield curve at that component's duration, using an iterative process (because the yield depends on the liability, which in turn depends on the yield).

Long Service Awards

GRAP 25 stipulates that the choice of this rate should be derived from high quality corporate bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the post employment liabilities should be used.

Consequently, a discount rate of 10.97% per annum has been used. The corresponding liability-weighted index-linked yield is 5.08%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 28 June 2024.

Expected Retirement Age

Expected Retirement Age - Female	62	62	62	62
Expected Retirement Age - Male	62	62	62	62
	-	-	-	-

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Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

11. Employee benefit obligations (continued)

Other assumptions

Amounts for the current and previous four years are as follows:

	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024
Accrued liability - Post Retirement Health Care	142 636	154 596	161 849	153 260	167 599
Actuarial Gains / (Losses) - PostRetirement Health Care	(41 157)	3 417	9 751	29 056	5 231
Accrued liability - Long Service Award	76 549	67 255	72 050	73 032	82 331
Actuarial Gains / (Losses) - Long Service Award	(47 139)	16 101	3 302	6 901	532
	-	-	-	-	-

Sensitivity Analysis on Current-service and interest cost for the year ending 30 June 2024	Current-service cost	Interest cost	Total
Post Retirement Health Care	-	-	-
Central Assumptions	6 879	18 769	25 648
Health care inflation (+1%)	7 518	19 991	27 509
Health care inflation (-1%)	6 044	17 237	23 281
Discount rate (+1%)	5 794	17 859	23 653
Discount rate (-1%)	8 254	19 798	28 052
Post-retirement mortality (+1 years)	6 734	18 298	25 032
Post-retirement mortality (-1 years)	7 014	19 232	26 246
Average retirement age (-1 year)	7 422	19 957	27 379
Continuation of membership at retirement (-10%)	5 897	17 062	22 959
Long Service Award	-	-	-
Central assumptions	6 375	7 946	14 321
General salary inflation (+1%)	6 859	8 453	15 312
General salary inflation (-1%)	5 939	7 483	13 422
Discount rate (+1%)	5 992	8 140	14 132
Discount rate (-1%)	6 805	7 717	14 522
Average retirement age (+2yrs)	6 894	8 715	15 609
Average retirement age (-2 yrs)	5 808	7 110	12 918
Withdrawal rates (x2)	4 766	6 319	11 085
Withdrawal rates (x0.5)	7 520	9 034	16 554
	-	-	-

Sensitivity Analysis on the Accrued Liability - Assumptions & Change for the year ending 30 June 2024	In-service	Retired	Total
Post Retirement Health Care	-	-	-
Central Assumptions	105 505	62 094	167 599
Health care inflation (+1%)	114 193	63 794	177 987
Health care inflation (-1%)	94 521	59 897	154 418
Discount rate (+1%)	90 156	57 887	148 043
Discount rate (-1%)	124 765	66 906	191 671
Post-retirement mortality (+1 years)	103 334	60 230	163 564
Post-retirement mortality (-1 years)	107 617	63 943	171 560
Average retirement age (-1 years)	116 212	62 094	178 306
Continuation of membership at retirement (-10%)	90 150	62 094	152 244
Long Service Award	-	-	-

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	2024	2023	2024	2023
11. Employee benefit obligations (continued)				
Central assumptions	-	-	-	82 331
General salary inflation (+1%)	-	-	-	87 029
General salary inflation (-1%)	-	-	-	78 024
Discount rate (+1%)	-	-	-	77 971
Discount rate (-1%)	-	-	-	87 160
Average retirement age (+2 yrs)	-	-	-	90 069
Average retirement age (-2 yrs)	-	-	-	74 255
Withdrawal rates (x2yrs)	-	-	-	67 424
Withdrawal rates (x0.5yrs)	-	-	-	92 189
	-	-	-	-

Expected contributions for the year ending 30 June 2025

Post Retirement Health Care

Opening balance	167 599
Estimate - benefits to be paid	(7 245)
Estimate - Net (income) / expense	27 422
Estimate Balance - 30 June 2025	187 776

Long Service Awards

Opening balance	82 331
Estimate - benefits to be paid	(10 041)
Estimate - Net (income) / expense	15 078
Estimate Balance - 30 June 2025	87 368

12. Multi-Employer Retirement Benefit Information

Some councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds are described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Funds and the Municipal Gratuity Fund are defined contribution plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons: -

- i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13.75%) and Council (15.00%) is sufficient to fund the benefits accruing from the fund in the future.

Municipal Joint Pension Fund:

Municipal Joint Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (minimum of 7.5%) and Council (18.00% and 22.00% for employees appointed before 01 July 2012) is sufficient to fund the benefits accruing from the fund in the future.

National Fund for Municipal Workers - Pension Fund:

National Fund for Municipal Workers operates as a defined contribution scheme. The contribution rate paid by the members (7.50% or 9.00%) and Council (18.00%) is sufficient to fund the benefits accruing from the fund in the future.

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

12. Multi-Employer Retirement Benefit Information (continued)

Municipal Employees Pension Fund:

The Municipal Employees Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (7.5%) and Council (15.00% and 22.00% for employees appointed before 01 July 2012) is sufficient to fund the benefits accruing from the fund in the future.

13. Inventories

Consumable stores	16 755	18 097	16 755	18 097
Water	574	752	574	752
Unsold Properties Held for Resale	28 360	28 360	28 360	28 360
	45 689	47 209	45 689	47 209

Consumables stores consists of maintenance materials and spare parts.

Electrical equipment at stores is of long term nature and has been transferred to PPE. Refer to note 4

14. Receivables from exchange transactions

Prepaid expenses	22 428	21 973	21 841	21 841
Consumer debtors - Electricity	111 023	55 481	111 023	55 481
Consumer debtors - Water	50 177	31 898	29 380	13 525
Consumer debtors - Sewerage	10 846	7 116	10 846	7 116
Consumer debtors - Refuse	9 716	6 053	9 716	6 053
Consumer debtors - Other	79 654	34 590	79 654	34 590
	283 844	157 111	262 460	138 606

Fair value of trade and other receivables

Trade and other receivables	283 844	157 111	262 460	138 606
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Receivables from exchange transactions past due but not impaired

At 30 June 2024, R13 941 (2023: R11 380) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

2 months past due	13 941	11 380	13 941	11 380
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Trade and other receivables impaired

As of 30/06/2024, Receivables from exchange transactions of R6 848 807 (2023: R5 663 667) were impaired and provided for.

15. Receivables from non-exchange transactions

Fines	10 488	8 589	10 488	8 589
Consumer debtors - Rates	35 079	20 457	35 079	20 457
	45 567	29 046	45 567	29 046

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

15. Receivables from non-exchange transactions (continued)

The average credit period for Receivables is 30 days. Interest is charged once a capital balance is outstanding for more than 30 days (1 month) at the time of the billing run. Interest is charged at prime +1% for property rates interest and prime + 2% for services interest rate of the capital balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of Receivables.

The management of the municipality is of the opinion that the carrying value of Receivables approximate their fair values. 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.

The municipality has two classes of receivables that meet the criteria of statutory receivables, being property rates which are levied in terms of the Municipal Property Rates Act and traffic fines imposed in terms of the Criminal Procedure Act. Receivables from traffic fines and property rates are part of this note but are disclosed separately in line with GRAP 108: Statutory receivables.

Gross Balance - Fines	52 783	41 609	52 783	41 609
Allowance for Impairment - Fines	(42 295)	(33 020)	(42 295)	(33 020)
Net Balance - Fines	10 488	8 589	10 488	8 589

Gross Balance - Property Rates	651 016	567 316	651 016	567 316
Allowance for Impairment - Property Rates	(615 937)	(546 859)	(615 937)	(546 859)
Net Balance - Property Rates	35 079	20 457	35 079	20 457

Receivables from non-exchange transactions past due but not impaired

At 30/06/2024, R2 534 (2023: R2 153) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

2 months past due	2 534	2 153	2 534	2 153
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Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
15. Receivables from non-exchange transactions (continued)				
Receivables from non-exchange transactions impaired				
The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.				
The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and by calculating the historical payment ratios for the groupings and by assuming that the future payment ratios would be similar to the historical payment ratios.				
The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.				
In determining the recoverability of a Debtor, the municipality considers any change in the credit quality of the Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.				
In determining the recoverability of a Rates Assessment Debtor and Receivables from Non-exchange Transactions, the municipality considers any change in the credit quality of the Rates Assessment Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.				
Furthermore, no Provision for Impairment was calculated on Receivables other than Assessment Rates debtors and Traffic Fines debtors as the management is of the opinion that all Receivables are recoverable within normal credit terms.				
16. Consumer debtors disclosure				
Gross balances				
Consumer debtors - Rates	651 016	567 316	651 016	567 316
Consumer debtors - Electricity	671 857	539 015	671 857	539 015
Consumer debtors - Water	1 742 344	1 520 841	1 721 547	1 502 468
Consumer debtors - Sewerage	495 916	399 379	495 916	399 379
Consumer debtors - Refuse	566 934	477 774	566 934	477 774
Consumer debtors - Other	3 633 172	2 861 796	3 633 172	2 861 796
	7 761 239	6 366 121	7 740 442	6 347 748
Less: Allowance for impairment				
Consumer debtors - Rates	(615 937)	(546 859)	(615 937)	(546 859)
Consumer debtors - Electricity	(560 834)	(483 534)	(560 834)	(483 534)
Consumer debtors - Water	(1 692 167)	(1 488 943)	(1 692 167)	(1 488 943)
Consumer debtors - Sewerage	(485 070)	(392 263)	(485 070)	(392 263)
Consumer debtors - Refuse	(557 218)	(471 721)	(557 218)	(471 721)
Consumer debtors - Other	(3 553 518)	(2 827 206)	(3 553 518)	(2 827 206)
	(7 464 744)	(6 210 526)	(7 464 744)	(6 210 526)
Net balance				
Consumer debtors - Rates	35 079	20 457	35 079	20 457
Consumer debtors - Electricity	111 023	55 481	111 023	55 481
Consumer debtors - Water	50 177	31 898	29 380	13 525
Consumer debtors - Sewerage	10 846	7 116	10 846	7 116
Consumer debtors - Refuse	9 716	6 053	9 716	6 053
Consumer debtors - Other	79 654	34 590	79 654	34 590
	296 495	155 595	275 698	137 222

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
16. Consumer debtors disclosure (continued)				
Rates				
Current (0 -30 days)	25 831	12 682	25 831	12 682
31 - 60 days	6 714	5 622	6 714	5 622
61 - 90 days	2 534	2 153	2 534	2 153
	35 079	20 457	35 079	20 457
Electricity				
Current (0 -30 days)	92 357	39 209	92 357	39 209
31 - 60 days	12 028	11 102	12 028	11 102
61 - 90 days	6 638	5 170	6 638	5 170
	111 023	55 481	111 023	55 481
Water				
Current (0 -30 days)	40 434	23 015	19 637	4 642
31 - 60 days	7 035	6 402	7 035	6 402
61 - 90 days	2 708	2 481	2 708	2 481
	50 177	31 898	29 380	13 525
Sewerage				
Current (0 -30 days)	7 281	4 018	7 281	4 018
31 - 60 days	2 540	2 180	2 540	2 180
61 - 90 days	1 025	918	1 025	918
	10 846	7 116	10 846	7 116
Refuse				
Current (0 -30 days)	6 623	2 937	6 623	2 937
31 - 60 days	2 211	2 168	2 211	2 168
61 - 90 days	882	948	882	948
	9 716	6 053	9 716	6 053
Other				
Current (0 -30 days)	61 212	28 419	61 212	28 419
31 - 60 days	15 818	4 306	15 818	4 306
61 - 90 days	2 624	1 865	2 624	1 865
	79 654	34 590	79 654	34 590

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
16. Consumer debtors disclosure (continued)				
Summary of debtors by customer classification				
Consumers				
Current (0 -30 days)	240 846	144 316	240 846	144 316
31 - 60 days	196 450	144 070	196 450	144 070
61 - 90 days	174 229	124 890	174 229	124 890
> 90 days	6 420 301	5 327 403	6 420 301	5 327 403
	7 031 826	5 740 679	7 031 826	5 740 679
Less: Allowance for impairment	(6 927 063)	(5 712 598)	(6 927 063)	(5 712 598)
	104 763	28 081	104 763	28 081
Industrial/ commercial				
Current (0 -30 days)	199 150	186 286	178 353	167 913
31 - 60 days	45 885	27 041	45 885	27 041
61 - 90 days	32 731	15 090	32 731	15 090
> 90 days	347 186	318 611	347 186	318 611
	624 952	547 028	604 155	528 655
Less: Allowance for impairment	(444 874)	(428 592)	(444 874)	(428 592)
	180 078	118 436	159 281	100 063
National and provincial government				
Current (0 -30 days)	12 076	9 555	12 076	9 555
31 - 60 days	7 111	6 744	7 111	6 744
61 - 90 days	6 961	2 994	6 961	2 994
> 90 days	78 312	59 121	78 312	59 121
	104 460	78 414	104 460	78 414
Less: Allowance for impairment	(92 806)	(69 336)	(92 806)	(69 336)
	11 654	9 078	11 654	9 078
17. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	13	13	13	13
Bank balances	1 032 745	792 435	515 668	412 160
Short-term deposits	26 491	24 527	26 491	24 527
	1 059 249	816 975	542 172	436 700

The management of the municipality is of the opinion that the carrying value of Current Investment Deposits, Bank Balances and Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity			
	2024	2023	2024	2023		
17. Cash and cash equivalents (continued)						
The economic entity had the following bank accounts						
Account number / description	Bank statement balances			Cash book balances		
	30/06/2024	30/06/2023	30/06/2022	30/06/2024	30/06/2023	30/06/2022
Primary Bank Account - ABSA - Main Branch Rustenburg - Account Number 1220000458	31 795	21 869	36 500	32 853	23 945	36 500
Landfill Bank Account - ABSA - Account Number 4093972008	-	-	2 437	-	-	2 437
Housing Bank Account - ABSA - Main Branch Rustenburg - 4 054617192	-	-	2 356	-	-	2 356
Reserves Bank Account - ABSA - Main Branch Rustenburg- 9330627743	-	-	40 496	-	-	40 094
Deposits Bank Account - A B SA- Main Branch Rustenburg - 9330627793	-	-	2	-	-	2
Conditional Grants Bank Account - ABSA - Main Branch Rustenburg - 9 3 30627858	-	-	348 987	-	-	347 599
Traffic Fines Bank Account - A B SA - Main Branch Rustenburg - 4050672659	-	-	46 317	-	-	45 998
ABSA - Main Branch Rustenburg - 4071196779	-	-	-	-	-	-
Primary Bank Account -STD BANK - BarongwaBranch Rustenburg - AccountNumber 3 3054657	100 740	5 754	-	96 104	(22 452)	-
RRT Bank Account - STD BANK - Barongwa BranchRustenburg - Account Number33054681	15 508	4 166	-	15 508	4 166	-
Landfill Bank Account -STD BANK - BarongwaBranch Rustenburg - AccountNumber 3 3054703	5 476	4 315	-	5 476	4 315	-
Traffic Bank Account - STDBANK - Barongwa BranchRustenburg - Account Number33054789	23 813	11 221	-	23 813	10 878	-
Conditional Grants Bank Account - STD BANK - BarongwaBranch Rustenburg - AccountNumber 3 3054797	80 718	270 671	-	80 718	270 671	-
Services Bank Account -STD BANK - BarongwaBranch Rustenburg - AccountNumber 3 3054851	13 634	6 869	-	13 634	6 869	-
Licensing Bank Account -STD BANK - BarongwaBranch Rustenburg - AccountNumber 3 3061858	69 101	38 625	-	69 101	38 625	-
Housing Bank Account -STD BANK - BarongwaBranch Rustenburg - AccountNumber 3 3061815	2 362	2 362	-	2 362	2 362	-

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity			
	2024	2023	2024	2023		
17. Cash and cash equivalents (continued)						
Call Bank Account - STD BANK - B arongwa Branch Rustenburg - A ccountNumber 3 8440318(001)	113 535	72 327	-	113 535	72 327	-
Reserves Bank Account -STD B ANK - B arongwaBranch Rustenburg - A ccountNumber 3 3061823	62 552	1 000	-	62 552	1 000	-
Distribution Reserve Account - A BSA - Account number4 061024001	27 136	26 038	37 366	27 136	26 038	37 366
Distribution Call Account - ABSA - Account number 4 077517288	489 940	354 237	204 485	489 940	354 237	204 485
Total	1 036 310	819 454	718 946	1 032 732	792 981	716 837

Figures in Rand Thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
Absa	6 749	6 207	6 749	6 207
Standard Bank	653	617	653	617
Kagiso Asset Management	7 850	7 284	7 850	7 284
Sanlam	10 649	9 829	10 649	9 829
Absa Guarantee Deposits	590	590	590	590
Total	26 491	24 527	26 491	24 527

Guarantees

Guarantees reflected above in the Gaurantee deposit of ABSA to the value of R590 (2023:R590) are ceded in favour of third parties.

Financial Guarantee R2 163

Financial Guarantee - (Local Documented Product - Guarantees) R26 782

Facilities

Leases (Full maintenance lease) R200 000

18. Revaluation reserve

Opening balance	262 194	264 590	-	-
Impairment adjustment for the year	(774)	(770)	-	-
Revaluation Surplus	(4 501)	(1 626)	-	-
	256 919	262 194	-	-

19. Finance lease obligation

Minimum lease payments due

- within one year	-	12 057	-	12 057
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Finance Lease Liabilities relates to IT Equipment with lease terms of 36 months. The effective interest rates on Finance Leases is 8.5%. Capitalised Lease Liabilities are secured over the items of IT equipment leased.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
20. Unspent conditional grants and receipts				
Unspent conditional grants and receipts comprises of:				
Unspent conditional grants and receipts				
National Government Grants - Municipal Infrastructure Grant (MIG)	54 749	-	54 749	-
Provincial Government Grants - Department of Sports, Arts and Culture (DSAC Library)	317	252	317	252
Provincial Government Grants - Extended Public Works Programme (EPWP)	151	-	151	-
Other: EEDG	404	-	404	-
National Government Grants - Municipal Water Infrastructure Grant (MWIG)	-	36 327	-	36 327
National Government Grants - Integrated National Electrification Programme (INEP)	-	13	-	13
National Government Grants - Neighbourhood Development Programme (NDP)	4 176	209	4 176	209
	59 797	36 801	59 797	36 801

See note 31 for reconciliation of grants from National / Provincial Government.

21. Other financial liabilities

At amortised cost

INCA	-	7 576	-	7 576
The loan is repayable in equal installments of R4 002 at the end of February and August every year, with final installment payable 29 February 2024. The loan bears interest at 13.82%				
DBSA Loan 61007193	151 383	173 784	151 383	173 784
The loan is repayable in 6 monthly installments in December and June, with the redemption date of 2 July 2029. The loan bears interest at 9.90%.				
DBSA Loan 61007264	85 514	95 538	85 514	95 538
The loan is repayable in 6 monthly installments in December and June, with the redemption date of 28 June 2030. The loan bears interest at 10.07%				
	236 897	276 898	236 897	276 898
Total other financial liabilities	236 897	276 898	236 897	276 898

The management of the municipality is of the opinion that the carrying value of Other financial liabilities recorded at amortised cost in the Consolidated Financial Statements approximate their fair value.

Non-current liabilities

At amortised cost	201 201	236 897	201 201	236 897
Current liabilities				
At amortised cost	35 696	40 001	35 696	40 001

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

22. Provisions

Reconciliation of provisions - Economic entity - 2024

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	196 151	-	(561)	195 590
Rustenburg Water Service Trust	3 808	1 703	-	5 511
	199 959	1 703	(561)	201 101

Reconciliation of provisions - Economic entity - 2023

	Opening Balance	Additions	Total
Environmental rehabilitation	172 039	24 112	196 151
Rustenburg Water Service Trust	-	3 808	3 808
	172 039	27 920	199 959

Reconciliation of provisions - Controlling entity - 2024

	Opening Balance	Utilised during the year	Total
Environmental rehabilitation	196 151	(561)	195 590

Reconciliation of provisions - Controlling entity - 2023

	Opening Balance	Additions	Total
Environmental rehabilitation	172 039	24 112	196 151
Non-current liabilities	10 774	18 398	18 398
Current liabilities	190 327	184 816	177 753
	201 101	199 959	195 590

Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R233 139 to restore the site at the end of its useful life, estimated to be 25 years for the Waterval landfill site. An inflation rate of 5.34% was used in determining the future value. Provision has been made for the net present value of this cost, using the average cost of borrowing interest rate. A discount rate of 13.09% was used in determining the Net Present Value.

Rustenburg Water Services Trust

From October 2023 the Trust encountered low flow volumes in the Rustenburg WWTW. These volumes were lower than what was tendered for by the operator in 2014 when the current tender was awarded. The exact amount of this provision was not known to the Trust as at 30 June 2024 and the provision is an estimated amount.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
23. Payables from exchange transactions				
Trade payables	676 960	811 285	747 714	937 244
Payments received in advance	195 112	161 744	195 112	161 744
Accrued leave pay	109 455	100 383	109 455	100 383
Accrued bonus	17 430	16 980	17 430	16 980
Unallocated Deposits	56 095	27 610	56 095	27 610
Retentions	67 429	58 730	67 429	58 730
	1 122 481	1 176 732	1 193 235	1 302 691

Staff leave accrue to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Payments received in advance are municipal debtors who have credit balances at the reporting date. This is due to various reasons which include clearances paid on properties awaiting transfer at the deeds office.

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA, except when the liability is disputed. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has policies in place to ensure that all payables are paid within the credit timeframe.

The management of the municipality is of the opinion that the carrying value of payables from exchange transactions approximate their fair values.

24. VAT payable

VAT accrual	419 441	430 397	418 494	429 512
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The VAT accrual does not represent amounts to be paid, but rather amounts that are associated with transactions that are yet to be settled. There is no money to be paid to SARS for these amounts as yet.

VAT is payable on the receipt basis. Only once payment is received from debtors, VAT is paid over to SARS. No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

25. Consumer deposits

Electricity and Water	67 952	64 069	67 952	64 069
Guarantees				
Guarantees held in lieu of electricity and water	27 763	28 588	27 763	28 588

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

25. Consumer deposits (continued)

Consumer Deposit Recon	Economic entity		Controlling entity	
Figures in Rand Thousand	2024	2023	2024	2023
Opening Balance Deposits	72 004	68 539	72 004	68 539
Deposits during the year	3 853	3 465	3 853	3 465
Subtotal Deposits	75 857	72 004	75 857	72 004
Sundries and Refunds	(7 905)	(7 935)	(7 905)	(7 935)
Closing Balance	67 952	64 069	67 952	64 069

26. Service charges

Sale of electricity	2 054 300	3 361 358	2 054 300	3 361 358
Sale of water	538 388	652 446	461 146	574 689
Sewerage and sanitation charges	206 869	182 803	206 869	182 803
Refuse removal	176 930	158 289	176 930	158 289
	2 976 487	4 354 896	2 899 245	4 277 139

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

27. Rental of facilities and equipment

Premises				
Rental Revenue from Halls	1 226	1 037	1 226	1 037
Rental Revenue from Buildings	10 276	8 293	10 276	8 293
	11 502	9 330	11 502	9 330
Facilities and equipment				
Rental Revenue from Amenities	34	18	34	18
Rental Revenue from Other Facilities	184	248	184	248
	218	266	218	266
	11 720	9 596	11 720	9 596

28. Other income

Building Plan Fees	1 359	1 270	1 359	1 270
Application for clearance certificate	3	2	3	2
Reconnection fees	1 847	2 329	1 847	2 329
Cemetery Fees	1 091	991	1 091	991
Advertising Signs	721	1 596	721	1 596
Photocopies	24	48	24	48
Surplus cash	355	459	355	459
Sundry Income	15 895	14 142	15 895	14 142
Swimming pool fees	5	1	5	1
	21 300	20 838	21 300	20 838

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
29. Interest received - investment				
Interest revenue				
Investments	89 472	55 368	53 560	35 754
Finance leases	-	-	91	132
Early loan settlement	287	-	287	-
	89 759	55 368	53 938	35 886

30. Property rates

Rates received

Residential	222 904	191 880	222 904	191 880
Commercial	275 057	276 054	275 057	276 054
State	5 474	8 380	5 474	8 380
Agriculture	18 167	16 536	18 167	16 536
	521 602	492 850	521 602	492 850

Valuations

Property Rates are levied on the value of land and improvements, which valuation is performed every four years. The last valuation came into effect on 1 July 2021. Supplementary valuations are processed on a monthly basis to take into account changes to individual property values due to alterations and subdivisions.

Interim valuations are processed on an continuous basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied monthly on property owners and are payable the end of each month. Interest is levied at a rate determined by council on outstanding rates amounts.

31. Grants and subsidies paid

Other subsidies

Community Projects	737	708	737	708
Rustenburg Transit - Bus Operating Company	159 396	146 619	159 396	146 619
	160 133	147 327	160 133	147 327

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
32. Government grants and subsidies				
Operating grants				
Equitable share	1 072 059	941 352	1 072 059	941 352
National: Financial Management Grant	1 700	1 700	1 700	1 700
Provincial: EPWP training	2 045	2 853	2 045	2 853
	1 075 804	945 905	1 075 804	945 905
Capital grants				
National: Municipal Infrastructure Grant (MIG)	216 982	231 189	216 982	231 189
National: Neighbourhood Development Programme (NDP)	824	791	824	791
Grants from private Org - EEDG	4 596	-	4 596	-
National Public Transport Network Grant (PTNG)	568 603	378 509	568 603	378 509
Provincial: Department of Sports, Arts and Culture (DSAC Library)	1 719	1 496	1 719	1 496
National Municipal Water Infrastructure Grant (MWIG)	65 000	12 673	65 000	12 673
National: Integrated National Electrification Program (INEP)	31 000	26 009	31 000	26 009
	888 724	650 667	888 724	650 667
	1 964 528	1 596 572	1 964 528	1 596 572

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

In terms of the Constitution, this grant is used to subsidise the provision of basic services to community members. In terms of the allocation made by DPLG the funds are also utilised to enable the municipality to execute its functions as the local authority.

National: Financial Management Grant (FMG Grant)

Current-year receipts	1 700	1 700	1 700	1 700
Conditions met - transferred to revenue	(1 700)	(1 700)	(1 700)	(1 700)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 20).

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial management reforms required by the Municipal Finance Management Act (MFMA), 2003.

National: Municipal Infrastructure Grant (MIG Funds)

Balance unspent at beginning of year	-	94 824	-	94 824
Current-year receipts	271 731	231 189	271 731	231 189
Conditions met - transferred to revenue	(216 982)	(231 189)	(216 982)	(231 189)
Roll over not allowed	-	(94 824)	-	(94 824)
	54 749	-	54 749	-

Conditions still to be met - remain liabilities (see note 20).

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions, to provide for new, rehabilitation and upgrading of municipal infrastructure.

Rustenburg Local Municipality

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Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
32. Government grants and subsidies (continued)				
Provincial: Department of Sports, Arts and Culture Grant (DSAC Library)				
Balance unspent at beginning of year	252	39	252	39
Current-year receipts	1 784	1 709	1 784	1 709
Conditions met - transferred to revenue	(1 719)	(1 496)	(1 719)	(1 496)
	317	252	317	252

Conditions still to be met - remain liabilities (see note 20).

The grant was received to transform rural and urban community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.

Provincial: Expanded Public Works Programme Integrated Grant (EPWP)

Current-year receipts	2 196	2 853	2 196	2 853
Conditions met - transferred to revenue	(2 045)	(2 853)	(2 045)	(2 853)
	151	-	151	-

Conditions still to be met - remain liabilities (see note 20).

The grant was used to incentivise provincial departments to increase job creation efforts in infrastructure, environment and culture programmes through the use of labour-intensive methods and the expansion of job creation in line with EPWP guidelines.

Other: Energy Efficiency and Demand-Side Management Grant

Balance unspent at beginning of year	-	207	-	207
Current-year receipts	5 000	-	5 000	-
Conditions met - transferred to revenue	(4 596)	-	(4 596)	-
Roll over not allowed	-	(207)	-	(207)
	404	-	404	-

Conditions still to be met - remain liabilities (see note 20).

The grant funds selected municipalities to implement energy-efficiency projects, with a focus on public lighting and energy efficient municipal infrastructure.

National: Public Transport Network Grant (PTNG)

Balance unspent at beginning of year	-	39 788	-	39 788
Current-year receipts	568 603	338 721	568 603	338 721
Conditions met - transferred to revenue	(568 603)	(378 509)	(568 603)	(378 509)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 20).

National: MWIG

Balance unspent at beginning of year	36 327	29 242	36 327	29 242
Current-year receipts	65 000	49 000	65 000	49 000
Conditions met - transferred to revenue	(65 000)	(12 673)	(65 000)	(12 673)
Roll over not allowed	(36 327)	(29 242)	(36 327)	(29 242)
	-	36 327	-	36 327

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
32. Government grants and subsidies (continued)				
Conditions still to be met - remain liabilities (see note 20).				
National: Integrated National Electrification Programme (INEP)				
Balance unspent at beginning of year	13	22	13	22
Current-year receipts	31 000	26 000	31 000	26 000
Conditions met - transferred to revenue	(31 000)	(26 009)	(31 000)	(26 009)
Roll over not allowed	(13)	-	(13)	-
	-	13	-	13

Conditions still to be met - remain liabilities (see note 20).

National: Neighbourhood Development Programme (NDP)

Balance unspent at beginning of year	209	1 277	209	1 277
Current-year receipts	5 000	1 000	5 000	1 000
Conditions met - transferred to revenue	(824)	(791)	(824)	(791)
Roll over not allowed	(209)	(1 277)	(209)	(1 277)
	4 176	209	4 176	209

Conditions still to be met - remain liabilities (see note 20).

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
33. Employee related costs				
Basic	523 659	521 126	519 338	516 319
Bonus	39 884	37 341	39 884	37 341
Medical aid - company contributions	51 815	47 671	51 815	47 671
UIF	3 827	3 857	3 827	3 857
WCA	4 668	12 951	4 668	12 951
SDL	7 570	7 285	7 570	7 285
Pension	95 053	91 486	95 053	91 486
Industrial Council Levy	277	328	277	328
Travel, Motor Car, Accomodation, Subsistence and Other Allowances	57 507	47 110	57 507	47 110
Housing benefits and allowances	2 615	2 488	2 615	2 488
Overtime payment	14 802	10 111	14 802	10 111
Other Employee Cost	51 373	53 003	51 373	53 003
Defined Benefit Plan Expense	2 686	2 074	2 686	2 074
	855 736	836 831	851 415	832 024
Remuneration of Municipal Manager				
Annual Remuneration	1 253	1 364	1 253	1 364
Acting Allowance	63	214	63	214
Contributions to UIF, Medical and Pension Funds	14	55	14	55
	1 330	1 633	1 330	1 633
Remuneration of Chief Financial Officer				
Annual Remuneration	-	642	-	642
Acting Allowance	236	63	236	63
Contributions to UIF, Medical and Pension Funds	-	21	-	21
	236	726	236	726
Remuneration of Director: Community Development				
Annual Remuneration	-	1 029	-	1 029
Car Allowance	-	48	-	48
Acting Allowance	121	49	121	49
Contributions to UIF, Medical and Pension Funds	-	12	-	12
	121	1 138	121	1 138
Remuneration of Director: Corporate Services				
Acting Allowance	132	14	132	14
Remuneration of Director: Local Economic Development				
Annual Remuneration	-	607	-	607
Acting Allowance	126	112	126	112
Contributions to UIF, Medical and Pension Funds	-	7	-	7
	126	726	126	726
Remuneration of Director: Planning and Human Settlements				
Annual Remuneration	-	420	-	420

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
33. Employee related costs (continued)				
Car Allowance	-	30	-	30
Acting Allowance	82	10	82	10
Contributions to UIF, Medical and Pension Funds	-	5	-	5
	82	465	82	465

Remuneration of Director: Technical and Infrastructure Services

Acting Allowance	156	71	156	71
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Remuneration of Director: Public Safety

Annual Remuneration	1 201	1 399	1 201	1 399
Car Allowance	247	329	247	329
Acting Allowance	59	-	59	-
Contributions to UIF, Medical and Pension Funds	74	97	74	97
	1 581	1 825	1 581	1 825

Remuneration of Director: Rust Rapid Transport

Acting Allowance	130	190	130	190
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Total employee related cost	-	859 630	843 619	855 310	838 812
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34. Remuneration of councillors

Executive Major	1 610	1 523	1 610	1 523
Speaker	1 098	1 177	1 098	1 177
Mayoral Committee Members	13 819	12 757	13 819	12 757
Chief Whip	1 262	1 159	1 262	1 159
Councillors	39 780	39 415	39 780	39 415
Company Contributions to UIF, Medical and Pension Funds	7 714	6 012	7 714	6 012
	65 283	62 043	65 283	62 043

In-kind benefits

The Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor, Speaker and Chief Whip has use of a Council owned vehicle for official duties and full-time bodyguards.

The salaries, allowances and benefits of Councillors as disclosed in this note are within the upper limits of the framework envisaged in Section 219 of the Constitution and read with the Remuneration of Public Officer Bearers Act.

35. Depreciation and amortisation

Property, plant and equipment	360 986	422 707	332 437	389 975
Investment property	7 231	7 291	7 231	7 291
Intangible assets	23	67	23	67
	368 240	430 065	339 691	397 333

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
36. Impairment of assets				
Impairments				
Property, plant and equipment With the assessment of the useful life and inspection of the asset conditions impairments were recognised.	17 955	12 726	17 161	10 914
Inventories During the inventory count obsolete stock were identified and provided for.	225	4 358	225	4 358
Consumer Debtors Recoverability of receivables from exchange and non- exchange transactions were assessed and provision for impairment were identified.	1 099 634	945 633	1 099 634	945 633
Receivables from non-exchange revenue Recoverability of IGRAP receivables were assessed and provision for impairment were identified.	9 275	11 292	9 275	11 292
	1 127 089	974 009	1 126 295	972 197
37. Finance costs				
Employee benefits	26 715	26 276	26 715	26 276
Finance leases	562	1 541	562	1 541
Loans and Payables at amortised cost	26 522	30 200	26 522	30 200
Late payment of tax	89	1	89	1
RRT Operators	25 142	39 366	25 142	39 366
Eskom	17	-	17	-
	79 047	97 384	79 047	97 384
38. Bulk purchases				
Electricity	1 844 264	3 141 314	1 844 264	3 141 314
Water	481 461	476 495	628 023	640 750
	2 325 725	3 617 809	2 472 287	3 782 064
39. Contracted services				
Security services	41 492	32 877	41 492	32 877
Valuation services	4 050	5 772	4 050	5 772
Waste Removal	76 129	66 727	76 129	66 727

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
39. Contracted services (continued)				
RRT Operator Compensation	96 866	196 136	96 866	196 136
Accounting and Auditing	422	495	422	495
Agriculture	1 367	92	1 367	92
Air Pollution	549	143	549	143
Audit Committee	686	54	686	54
Bus Rapid Transport	3 837	5 810	3 837	5 810
Business and Financial Management	36 343	26 837	36 343	26 837
Disaster Management	223	897	223	897
Enterprise Development	-	783	-	783
Forensic Investigators	234	422	234	422
Land and Quantity Surveyor	1 899	6	1 899	6
Legal Fees	48 516	36 210	48 516	36 210
Medical Examinations	47	22	47	22
Project Management	6 925	7 406	6 925	7 406
Revenue Enhancement	-	339	-	339
Meter Management	20 086	12 844	20 086	12 844
Water Quality	2 587	6 381	2 587	6 381
Board Member	76	-	76	-
Human Resource Management	1 112	-	1 112	-
Catering	59	-	59	-
Electricity Consumption	6 501	10 423	6 501	10 423
Greening and Grass Cutting	6 755	-	6 755	-
Insects and Weed	188	-	188	-
Occupational Health and Safety	174	-	174	-
	357 123	410 676	357 123	410 676

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
40. General expenses				
Advertising	1 775	3 777	1 775	3 777
Auditors remuneration	16 300	15 198	15 092	14 043
Bank charges	1 408	2 067	1 400	2 060
Commission paid	34 426	24 892	34 426	24 892
Consumables	33 612	20 004	33 612	20 004
Corporate Communication	508	-	508	-
Information Technology	459	-	459	-
Entertainment	76	299	76	299
Legal Costs	221	989	-	-
Hire	16 045	7 947	16 045	7 947
Insurance	18 904	15 726	17 575	14 844
Municipal Services	1 161	-	1 161	-
Marketing	777	612	777	612
Contribution for landfill sites	-	24 112	-	24 112
Printing and stationery	4 450	4 111	4 450	4 111
Protective clothing	1 726	-	1 726	-
Repairs and maintenance	188 565	151 871	166 404	137 372
Subscriptions and membership fees and levies	9 982	10 612	9 982	10 612
Telephone and fax	5 930	6 381	5 930	6 381
Transport and freight	52 855	25 706	52 855	25 706
Training	33	1 284	33	1 284
Travelling Subsistence	1 660	1 483	1 660	1 483
Assets written off	575 641	11 961	575 641	11 961
Water	129 671	129 096	-	-
Consumption expenditure	2 138	102	2 138	102
Strategic Planning	2 215	1 452	-	-
License fees	10 112	7 081	9 655	6 868
Ward committee	7 167	7 367	7 165	7 367
Recruitment Fees	123	-	-	-
Other expenses	17 357	24 763	17 357	24 763
	1 135 297	498 893	977 902	350 600

The amounts disclosed above for Other Expenses are in respect of costs incurred in the general management of the municipality and not direct attributable to a specific service or class of expense.

41. Auditors' remuneration

Fees	16 300	15 198	15 092	14 043
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Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
42. Cash generated from operations				
(Deficit) surplus	(134 331)	168 745	(202 920)	94 891
Adjustments for:				
Depreciation and amortisation	368 240	430 065	339 691	397 333
Gain on disposal of assets	(23)	(4)	-	-
Finance costs	27 084	28 063	27 084	28 063
Impairment loss	1 127 089	974 009	1 126 295	972 197
Movements in operating lease assets	9	22	9	22
Movements in employee benefit obligations	23 638	64 443	23 638	64 443
Movements in provisions	1 142	(44 130)	(561)	(47 938)
Public contributions and donations	(19 270)	(154 247)	(19 270)	(154 247)
Asset Disposals	575 641	-	575 641	-
Changes in working capital:				
Inventory	1 520	6 904	1 520	6 904
Receivables from exchange and non-exchange transactions	(1 258 240)	(988 340)	(1 254 934)	(992 294)
Payables from Exchange transactions and other payables	(85 600)	(26 203)	(140 890)	(58 066)
	626 899	459 327	475 303	311 308

43. Financial instruments disclosure

Categories of financial instruments

Economic entity - 2024

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	283 844	283 844
Receivables from non-exchange transactions	-	45 567	45 567
Cash and cash equivalents	1 059 249	-	1 059 249
Investments	1 074	-	1 074
Guarantees	27 763	-	27 763
VAT Receivable	-	159 166	159 166
	1 088 086	488 577	1 576 663

Financial liabilities

	At amortised cost	Total
Other financial liabilities	236 897	236 897
Payables from exchange transactions	995 596	995 596
Consumer Deposits	67 952	67 952
VAT Payable	419 441	419 441
	1 719 886	1 719 886

Economic entity - 2023

Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	157 111	157 111
Receivables from non-exchange transactions	-	29 046	29 046

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
43. Financial instruments disclosure (continued)				
Cash and cash equivalents		816 975	-	816 975
Investments		774	-	774
Guarantees		28 588	-	28 588
VAT Receivable		-	153 314	153 314
		846 337	339 471	1 185 808

Financial liabilities

	At fair value	At amortised cost	Total
Other financial liabilities	-	276 898	276 898
Payables from exchange transactions	-	1 059 369	1 059 369
Consumer Deposits	-	64 069	64 069
VAT Payable	-	430 397	430 397
Finance Lease Obligation	12 057	-	12 057
	12 057	1 830 733	1 842 790

Controlling Entity - 2024

Financial assets

	At fair value	At amortised cost	At cost	Total
Receivables from exchange transactions	-	262 460	-	262 460
Receivables from non-exchange transactions	-	45 567	-	45 567
Cash and cash equivalents	542 172	-	-	542 172
Investments	1 074	-	1	1 075
Finance lease receivables	-	502	-	502
Guarantees	27 763	-	-	27 763
VAT Receivable	-	159 166	-	159 166
	571 009	467 695	1	1 038 705

Financial liabilities

	At amortised cost	Total
Other financial liabilities	236 897	236 897
Payables from exchange transactions	1 066 351	1 066 351
Consumer Deposits	67 952	67 952
VAT Payable	418 494	418 494
	1 789 694	1 789 694

Controlling Entity - 2023

Financial assets

	At fair value	At amortised cost	At cost	Total
Receivables from exchange transactions	-	138 606	-	138 606
Receivables from non-exchange transactions	-	29 046	-	29 046
Cash and cash equivalents	436 700	-	-	436 700
Investments	774	-	1	775
Finance lease receivables	-	929	-	929
Guarantees	28 588	-	-	28 588
VAT Receivable	-	153 314	-	153 314

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
43. Financial instruments disclosure (continued)	466 062	321 895	1	787 958

Financial liabilities

	At fair value	At amortised cost	Total
Other financial liabilities	-	276 898	276 898
Payables from exchange transactions	-	1 185 328	1 185 328
Consumer Deposits	-	64 069	64 069
VAT Payable	-	429 512	429 512
Finance Lease Obligation	12 057	-	12 057
	12 057	1 955 807	1 967 864

Derivative financial instruments and hedging information

Cash and cash equivalents and investments are measured at quoted prices (unadjusted) in active markets for identical assets or liabilities. (level 1) Guarantees are measured at inputs other than quoted market prices. (level 2)

Financial Liabilities Maturity Analysis

30 June 2024 - Economic entity	< 1 year	1 to 2 years	2 to 5 years	5+ years	Total
Other financial liabilities	35 696	39 385	124 294	37 522	236 897
Payables from exchange transactions	995 596	-	-	-	995 596
Consumer deposits	67 952	-	-	-	67 952
VAT Payable	419 441	-	-	-	419 441
	1 518 685	39 385	124 294	37 522	1 719 886

30 June 2023 - Economic entity	< 1 year	1 to 2 years	2 to 5 years	5+ years	Total
Other financial liabilities	40 001	35 696	130 568	70 634	276 898
Payables from exchange transactions	1 059 369	-	-	-	1 059 369
Consumer deposits	64 069	-	-	-	64 069
Finance lease obligation	12 057	-	-	-	12 057
VAT Payable	430 397	-	-	-	430 397
	1 605 893	35 696	130 568	70 634	1 842 790

30 June 2024 - Controlling entity	< 1 year	1 to 2 years	2 to 5 years	5+ years	Total
Other financial liabilities	35 696	39 385	124 294	37 522	236 897
Payables from exchange transactions	1 066 351	-	-	-	1 066 351
Consumer deposits	67 952	-	-	-	67 952
VAT Payable	418 494	-	-	-	418 494
	1 588 493	39 385	124 294	37 522	1 789 694

30 June 2023 - Controlling entity	< 1 year	1 to 2 years	2 to 5 years	5+ years	Total
Other financial liabilities	40 001	35 696	130 568	70 634	276 898
Payables from exchange transactions	1 185 328	-	-	-	1 185 328
Consumer deposits	64 069	-	-	-	64 069
VAT Payable	429 512	-	-	-	429 512
Finance lease obligation	12 057	-	-	-	12 057
	1 730 967	35 696	130 568	70 634	1 967 864

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
44. Commitments				
Commitments in respect of Capital Expenditure				
Already contracted for but not provided for				
• Approved and contracted for	326 520	215 395	325 409	214 284
Total capital commitments				
Already contracted for but not provided for	326 520	215 395	325 409	214 284

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

45. Contingencies

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
Bonakude Consulting (Pty) Ltd. // RLM Case No. 1053/19. Claim for payment for consulting services which were rendered to RLM per the SLA that was concluded.	11 451	11 651	11 451	11 651
Reonet (Pty) Ltd. T/a Reonet Utility // RLM. Non-payment of services rendered –Automated meter reading water demand management programme	416	416	416	416
Bigen Africa Services (Pty) Ltd // RLM. Claim for non-payment of rendered professional roads and stormwater services rendered.	8 928	8 928	8 928	8 928
Eritha Door and Windows // RLM. Claim against RLM for outstanding amount for Cession agreement concluded with RLM (as subcontractor) of Makgothamishe. The Municipality cancelled the agreement with the main contractor because of poor performance	6 586	6 586	6 586	6 586
Mimela Investment Holdings (Pty) Ltd // RLM. Issued summons for claiming damages based on the grounds of cancellation of their appointment as per the Bid document.	651 958	651 958	651 958	651 958
Ian Phillip Muller / RLM. Claim for personal injuries suffered as a result of motor vehicle accident in which the Applicant alleges failure of legal duty by the municipality to keep proper maintenance of the road at or near Watsonia Avenue, Geelhout Park, Rustenburg.	1 124	1 124	1 124	1 124
Vesta//RLM. Court Application by RLM to review the contract as invalid, unlawful and unconstitutional. Various urgent interlocutory applications brought to restore and keep access to Phoenix accounting system.	24 962	24 962	24 962	24 962
RLM/ Makgotamishe. RLM has been issued with summons for payment.	-	71 763	-	71 763
Frans Lourens Rootman and Another // RLM and Executive Mayor. Claim in respect of the alleged Defamation of Character.	1 307	1 307	1 307	1 307
RLM / Novel Enterprises. Application for payment of the outstanding amounts for the supply of water tankers in various areas in Rustenburg.	1 892	2 515	1 892	2 515
Boffin & Fundi (PTY) LTD / RLM. Claim in respect of services rendered to conduct audit on all properties within the area of jurisdiction of RLM to reconcile with the billings system of RLM.	2 641	2 641	2 641	2 641
Aecom SA (Pty) Ltd / RLM. Claim for payment of professional service rendered –Waste disposal transfer station – R6 818	6 818	8 618	6 818	8 618
Gabtu Project Management and Construction CC / RLM. Review and setting aside of the tender and claim for damages.	1 288	4 815	1 288	4 815
Lesley Molema /RLM. Review Application against the Arbitrator	-	701	-	701

Rustenburg Local Municipality

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Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
45. Contingencies (continued)				
Bogadi Gloria Thekwe and others / Ernst Dinale, RLM and Others. Application for claim of damages in respect of the property known as Erf. 2025 Geelhoutpark Ext 6, which is alleged to have extensive domestic refuse and therefore became unsuitable for residential purposes.	825	825	825	825
Waterlink Warehouse (PTY) LTD // RLM – CASE NO: 106/2016. Waterlink Warehouse (Pty) Ltd had issued Summons against the Defendant (Rustenburg Local Municipality) claiming for outstanding payment for the service rendered. The Plaintiff is therefore now claiming the following from the Defendant:	1 787	1 787	1 787	1 787
Crystal Lagoon Investments 43 CC // RLM. Application for a refund that was paid under protest in order to obtain Clearance Certificate.	384	384	384	384
Geontsi // RLM. A claim in respect of the design, construction and monitoring of low cost housing at Bethanie Phase 2, Mathoepstad Phase 2 and Boitekong Ext 8.	20 174	10 767	20 174	10 767
Ms Mbolekwa - Pupuma. Unfair suspension SAMWU obo (Mfolwe, Mongae, Lephogole)/RLM: Unfair Dismissal	-	6 195	-	6 195
Telkom SA SOC Limited // RLM. Claim for damaged underground electronic communications facilities at various areas	12 230	13 271	12 230	13 271
Nkululeko Nkomo // RLM. Claim for matrimonial loss pursuant to refusal by RLM Security Officer to avail the facility booked for music festival event.	281	281	281	281
JL Mokgatle // RLM. The 2nd Defendant – Mr. Diratsagae – had an accident whilst driving a leased Toyota Hilux Double Cab (bearing registration number HRW 067 NW) around Sun City Pretoria Road. The Plaintiff alleges that the 2nd Defendant was negligent in that he failed to exercise proper care and control of the motor vehicle.	1 100	1 100	1 100	1 100
Thabane Motors / RLM. The plaintiff claims interest and costs against the RLM in respect of unpaid invoices for repairs and maintenance of the Municipality fleet	-	50	-	50
RLM / Vega Turkey Projects. Claim for services rendered.	11 900	11 900	11 900	11 900
Legoa Mokotsoa / minister of Police & Others. Plaintiff claims legal costs for unlawful arrest.	826	1 026	826	1 026
Ntja Paulus Sello / RLM. Member of the public claim for loss of income	580	580	580	580
Johannes Motshwane / RLM & Executive Mayor. Action instituted for alleged defamation against the RLM and the Executive Mayor	86	86	86	86
MMT Projects - Mosia motubatse Rental & Projects CC / RLM. Claim for services rendered.	-	2 600	-	2 600
KSP Group Pty Ltd / RLM. Claim for enforcement of contract and service level agreement.	4 533	4 533	4 533	4 533
RISE NOW TRADING 34 Pty Ltd R 478 / RLM. Claim for enforcement of contract and service level agreement	148 538	328 842	148 538	328 842
UMKHONTO PROFESSIONAL SERVICES PTY LTD R 479 / RLM. Claim for enforcement of contract and service level agreement	59 594	72 250	59 594	72 250
RWA Plant Hire / RLM. Claim against municipality based on alleged payment of truck license.	3 351	64 669	3 351	64 669
	40	40	40	40

Rustenburg Local Municipality

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Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
45. Contingencies (continued)				
Lithadika CC t/a LT Services / RLM. Claim in respect of services rendered.	-	196	-	196
Orlando Ignatuis ntsala / RLM. Claim for unpaid invoices.	1 241	1 623	1 241	1 623
Mabaso ZA / RLM & Minister of Police. Action for unlawful arrest and detention.	400	523	400	523
Sepumo Primary Cooperative / RLM. Plaintiff issued summons against RLM citing nonpayment for services rendered.	545	397	545	397
SMEC South Africa / RLM. Plaintiff issued summons for payment of services rendered.	344	323	344	323
Nthabiseng OBO Minor Child / RLM. Summons issued against RLM for damages suffered by minor child as a result of electric box which was left naked.	2 850	2 850	2 850	2 850
Losaba Services CC / RLM. Claim in respect of services rendered.	1 382	2 373	1 382	2 373
ABINAAR MODIKELE MATHLOKO vs THE RUSTENBURG LOCAL MUNICIPALITY. Legal proceedings launched by Mr Abinaar Modikele Mathloko against the Rustenburg Local Municipality in terms of which Matloko claims that the Rustenburg Local Municipality allegedly published defamatory publications concerning Mr Matloko during or after August 2019.	-	1 205	-	1 205
UMSO CONSTRUCTION PTY LTD VS RUSTENBURG LOCAL MUNICIPALITY. Summons issued in respect of Contract RLM/MM/0063/2015/16 for services for Detail Design and Construction of the RTT Contract A, CBD North Section.	19 244	19 244	19 244	19 244
RLM / MWENZI SERVICE STATION. DAMAGES INTELLIGENCE EVERYWHERE ENTERPRISES PTY LIMITED // RLM Applicant and RLM 1st Respondent MICROSOFT SA PTY LIMITED 2nd Respondent and ELECTRONIC CONNECT PTY LIMITED 3rd Respondent. Application by Intelligence Everywhere to review and set aside the decision of the First Respondent dated October 2020. On review and setting aside of the impugned decision for an order declaring the contractual relationship between the applicant extant and ordering the payment of the sum of R 7 619 253.71 and legal costs other or alternative relief.	14 000	15 500	14 000	15 500
RUSTENBURG LOCAL MUNICIPALITY // REUBEN RINGETHA KUBAYI. 18 November 2019 & NW/RUS/RC469/2019	-	7 619	-	7 619
Bonakude Consulting (Pty) Ltd. // RLM. Bonakude have issued a combined summons for: Payment; Interest thereon; Cost of suit; Other or alternative relief	440	440	440	440
Lele William Kgatshe // Mphoentle Halenyane and RLM case no. 247/22. The plaintiff issued a summons for: Payment; Interest in tempore morae; Costs of suits; Further and/or alternative relief	5 905	5 905	5 905	5 905
DIKGELE DISTRIBUTORS CC V RUSTENBURG LOCAL MUNICIPALITY MAT106644. Summons: Dikgele Distributors instituted action for services rendered to the Municipality for delivery of water tanks at its instance.	6 025	6 025	6 025	6 025
	-	4 317	-	4 317

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
45. Contingencies (continued)				
MAMPEPU CONSTRUCTION AND PROJECTS // RUSTENBURG LOCAL MUNICIPALITY. Mampepu issued summons against RLM for services rendered for delivery of water through water tanks.	31 916	31 916	31 916	31 916
SALBC//RLM .The matter is about agency fees where the bargaining council is accused of failing to deduct agency fees from the employees to the bargaining council.	548	548	548	548
PETER PERCY PHETOANE // RUSTENBURG LOCAL MUNICIPALITY. Summons issued against RLM from motor vehicle accident allegedly caused by employee of RLM during the scope of his employment.	-	108	-	108
KHABOKEDI WASTE MANAGEMENT // RLM. Claim against RLM for monies owed emanating from goods and/or services rendered to RLM	7 020	6 520	7 020	6 520
DROP DOT (PTY) LTD // RLM & 3 OTHERS. Application brought against RLM for payment of outstanding invoices	3 302	3 063	3 302	3 063
ABECO TANKS (PTY) LTD // SEFAKO ENGINEERING & RLM. Amounts due for services rendered.	3 588	3 824	3 588	3 824
SMEC South Africa / RLM. Payment of outstanding invoices	1 505	1 419	1 505	1 419
DAWID MARAIS / RLM. The Plaintiff claims damages to his vehicle as occasioned due to a pothole. Alleges that RLM negligently failed to repair and maintain the road.	-	11	-	11
MADHLOPA & THENGA INC. / RLM. The Plaintiff claims from RLM in terms of a collections agreement concluded between the parties. Plaintiff entitled to a % of what was collected by them on instructions of Plaintiff. Capital was R1,417 But RLM paid a portion after institution of proceedings. Outstanding capital is R448	448	478	448	478
There was a legal matter brought to the high court by one trustee (applicant) against the Trust (respondent). The high court application was referred to arbitration in terms of the Trust Deed, this was finalised during 2021. A cost order was granted in the final arbitration order in favour of the applicant against the Trust in respect of part A of the Arbitration. The remaining step in the matter is for the arbitration award to be made an order of court, following which the applicant's bill of costs can be taxed to determine the due and payable amount. Based on the above outcome, the Trust has a possible obligation that arises from the final arbitration order (past event). The court order is the future event that will confirm the existence of the liability.	450	450	-	-
Luzerne New Bone Holdings T/A Rustenburg Local Municipality & Another. CASE NO:303/2023. Summons issued for professional services rendered.	3 643	3 827	3 643	3 827
Ntiyiso Consulting (Pty) Ltd // RLM. Case Nr:97/2023. Summons issued for professional services rendered.	-	12 159	-	12 159
MAT124670 RUSTENBURG PINE INN LODGE. M303/2020. Notice of Motion received regarding Rates & Taxes	-	189	-	189

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	2024	2023	2024	2023
45. Contingencies (continued)				
ONEROI (PTY) LTD t/a RUSTENBURG SQUARE SPAR. 2818/22. Defamation claim due to a facebook posting	1 000	1 000	1 000	1 000
Telkom SA Soc Limited / RLM-(RUS-090-18). Case No: 8144/18. Civil Litigation-Telkom is claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	108	125	108	125
Telkom SA Soc Limited / RLM (RUS-062/17). Case No: 243/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	29	32	29	32
Telkom SA Soc Limited / RLM-RUS-068/17. Case No.: 101/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	22	244	22	244
Telkom SA Soc Limited / RLM (RUS-063/17). Case No: 223/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	55	60	55	60
Telkom SA SOC Limited / RLM (RUS-064/17). Case No: 223/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	60	66	60	66
Telkom SA SOC Limited / RLM (RUS-065/17). Case No: 102/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	24	26	24	26
Telkom SA Soc Limited / RLM (RUS-066/17). Case No: 103/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	33	36	33	36
Telkom SA Soc Limited / RLM (RUS-067/17). Case No: 231/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	19	21	19	21
MAT130492 GERSON RAMPOLOANE EQUALITY COURT. DISCRIMINATION AND VIOLATION OF RIGHTS TO WATER.	150	-	150	-
Kelly-Jean Shepherd // RLM. Pothole claim	66	-	66	-
Combrink Kgatshe Inc. Plaintiff // RLM Defendant. 18 April 2024 Case No: 1490/24. Summons – Action against the RLM Claim for damages and payment of In the High Court of SA North West Division Mahikeng	19 892	-	19 892	-
AM Consulting (Pty) Ltd // RLM. 20/7/2021 CASE NO: 7 38/2021. Claim for payment of Services rendered.	4 500	-	4 500	-
JST CONSTRUCTION CC V RUSTENBURG LOCAL M UNICIPALITY. RLM received summons for a claim in respect of construction: extension of the CCTV monitoring units per BID No: RLM/0043/2013/14	3 167	-	3 167	-
	1 119 521	1 453 833	1 119 071	1 453 383

It is not practicable to estimate the level of uncertainty for each case. To assign probability levels or scales to matters under litigation is highly impractical due to the nature of litigation. Management exercises a high level of prudence in disclosing the maximum possible outcome of the contingent liabilities. In applying GRAP 19, the municipality considers all cases except where the possibility of an outflow in settlement is extremely remote. The amounts have been based on the attorney's best estimates of the possible amount payable.

Contingent assets

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	2024	2023	2024	2023

45. Contingencies (continued)

Figures in Rand Thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
RLM/ MAKGOTAMISHE. RLM has instituted summons for payment. Plaintiff has counterclaim. Summons issued and served upon Makgotamishe, Awaiting notice of intention to defend and counterclaim. Action to proceed in the ordinary course. Matter will proceed and will be complex with expert evidence required	15 884	15 884	15 884	15 884
MAT121028 KHABOKEDI WASTE // RLM. Claim against RLM for monies owed emanating from goods and/or services rendered to RLM. Summons received regarding Services Rendered and Counterclaim	37 857	-	37 857	-
MAT124670 RUSTENBURG PINE INN LODGE // RLM. M303/2020. Notice of Motion received regarding Rates & Taxes	189	-	189	-
S.O. MATSHIDISO CONSTRUCTION AND PROJECTS C.C. (In Liquidation) // RUSTENBURG LOCAL MUNICIPALITY. 15 March 2016 Master Reference: M320/2019. Case Number: 9 236/2016. Commercial matter. The dispute arose on the 4th of October, 2013 from a service level agreement that was concluded between the RLM and S.O. Matshidiso Construction and Projects C.C, for, inter alia, the procurement, supply storage and transportation of paraffin stoves to the indigents on behalf of the RLM. In March, 2016 S.O Matshidiso issued summons against the RLM. RLM made a counter claim	37 442	-	37 442	-
WATERLINK WAREHOUSE (PTY) LTD // RUSTENBURG LOCAL MUNICIPALITY. CASE NO: 302/2016 Commercial matter. The matter arose when the Plaintiff delivered material to the Defendant from time to time upon the specific instance and request. Waterlink Warehouse (Pty) Ltd is deregistered. This has the consequence that the costs order in the first matter and the continuation of the second matter is effectively now at a standstill.	547	-	547	-
RUSTENBURG LOCAL MUNICIPALITY vs ZELPY 211 CC. Instructions from RLM to collect from Zelpy 211 CC	-	1 636	-	1 636
RUSTENBURG LOCAL MUNICIPALITY VS ODENDAAL WT. The Collections department issues summons on behalf the Rustenburg Local Municipality issued summons against Odendaal claiming payment of R103 164.72 arising from municipal account	112	112	112	112
RLM / KSP Group Pty Ltd. Counter application to review and set aside the tender. RLM pursuing recovery of funds.	87 546	87 546	87 546	87 546
RLM / RISE NOW TRADING 34 Pty Ltd R 478. Counter application to review and set aside the tender. RLM pursuing recovery of funds.	52 645	52 645	52 645	52 645
RLM / UMKHONTO PROFESSIONAL SERVICES PTY LTD R 479. Counter application to review and set aside the tender. RLM pursuing recovery of funds.	52 044	52 044	52 044	52 044

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
45. Contingencies (continued)				
Vesta / RLM. Court Application by RLM to review the contract as invalid, unlawful and unconstitutional. Various urgent interlocutory applications brought to restore and keep access to Phoenix accounting system.	27 053	27 053	27 053	27 053
Sello Moraka / Forum for Service Delivery / RLM. Urgent application to declare and set aside the vacancy of the applicant as a councillor of the municipality	-	20	-	20
CMS WATER ENGINEERING CC, THEUNIS JACOBUS EHLERS N.O.; WILLIAMKGOMOTSO KUMBE N.O.; JACEY KRUGER N.O.; VINESH DILSHOOK N.O.; ANDBOTSHELO ISHMAEL MPETE N.O. "RWST 2017/02 Mechanical and Electrical Works for the Upgrade of the Bospoort Water Treatment Works" by the Rustenburg Local Municipality to CMS Water Engineering CC on the grounds that several mandatory procurement processes were not complied with in terms of section 217 of the Constitution, 1996.	22 689	22 689	22 689	22 689
Luzerne New Bone Holdings T/A Rustenburg Local Municipality & Another. CASENO:303/2023. Summons issued for professional services rendered.	3 643	3 643	3 643	3 643
Court order collection of arrears Mampepu Building Construction & Projects CC. 1375/2020. Claim for services rendered (delivery of water via tankers)	10 000	10 000	10 000	10 000
Subtotal	347 651	273 272	347 651	273 272
	347 651	273 272	347 651	273 272

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
46. Related parties				
Relationships				
Controlled entities	Refer to note 7			
Members of key management	Refer to note 33&34			
Related party balances				
Loan accounts - Owing (to) by related parties				
Rustenburg Water Services Trust			502	929
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Rustenburg Water Services Trust - Water Sales			(85 566)	(138 991)
Rustenburg Water Services Trust - Grant & subsidy			(7 476)	(7 476)
Related party transactions				
Interest paid to (received from) related parties				
Rustenburg Water Services Trust			(91)	(132)
Purchases from (sales to) related parties				
Rustenburg Water Services Trust			146 562	164 256
The transactions between the Rustenburg Local Municipality and the Rustenburg Water Services Trust is classified as related party transactions. The nature of the relationship is that Rustenburg Local Municipality is the sole beneficiary of the trust and has the right to appoint 4 representatives on the board of trustees.				
The internal audit function of the RWST is performed by RLM at no cost to the RWST.				
Transactions between Trustees, Executive Management and RWST				
KG Lebethe - Trustee				274
M Rapoo - Trustee				105
E Scheepers - Trustee				105
P Mayeza - Trustee				105
M Pitsi - CEO				1 166
M Jacobs - CFO				1 050
				2 805

The transactions between the Trustees and The Rustenburg Water Services Trust is classified as related party transactions. The nature of the relationship is that the Trustees are on the board and thereby has an influence on financial and operating policies of the Trust.

Transactions and Balances between ABSA Bank Limited and RWST

Interest received	35 171	19 111	-	-
Bank charges	(8)	(7)	-	-

The transactions between ABSA Bank limited and The Rustenburg Water Services Trust is classified as related party transactions. The nature of the relationship is that ABSA has the right to appoint one representative to the board of Trustees and thereby has an influence on financial and operating policies of the Trust.

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

47. Change in estimate

Property, plant and equipment and Investment Property

Remaining Useful Life Adjustment (2024 Change in Estimate)

During the review of the remaining useful lives (RUL) of assets, we identified 14 404 assets deemed for adjustment. These assets were identified at the beginning of the reporting period and are either in use with a zero RUL or are expected to depreciate to zero within the next 24 months.

The assets meeting this criterion were adjusted to reflect their condition rating as of year-end.

Adjusting the RUL of an asset is considered a subsequent measurement (as it constitutes a change in estimate). In accordance with GRAP 3, paragraphs 38–40, a change in an accounting estimate may affect only the current period's surplus or deficit or the surplus or deficit of both the current period and future periods.

The table below illustrates the depreciation effect per asset class resulting from the adjustments conducted for the 2023/24 financial year.

Asset Class	Asset Count	Depreciation 23/24 (Before Adjustment)	Current year Depreciation and future prospected depreciation based on revised remaining useful life
Investment Property	1	87	6
Property, plant and equipment	14 403	103 121	33 371
Infrastructure assets	7 447	50 449	16 396
Land and Buildings	168	38 341	12 454
Movable Assets	6 788	14 331	4 521
Grand Total	14 404	103 208	33 378

Change in accounting estimate - Rustenburg Water Services Trust Bulk Water Assets

During the 2012 revaluation, the remaining useful life of the assets that the trust leases from the municipality was limited to the end of the leasing period. During the 2016/17 financial year, it became evident that the assets will not revert back to the Municipality after the lease expiry date and as a result the trust could no longer limit the remaining useful life to the end of the lease period.

During the 2017 revaluation, condition assessments were performed, new residual values and estimated useful lives were determined resulting in a lower depreciation charge. The amount of the effect in future periods could not be disclosed, estimating it is impracticable due to the fact that the change in residual values and estimated useful lives were identified as part of the 2017 revaluation and could not be differentiated.

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

48. Prior period errors

Transactions reflected in this note are rounded to thousands.

The following Prior period error corrections were done for the 2022 financial year:

A decrease in Receivables from exchange of R7 940, a decrease in Receivables from non exchange of R7 881, a decrease in Retained Earnings of R14 785 and a decrease in VAT payable of R1 036 occurred due to corrections made after year end to accounts due to various reasons which include over and under billing of customer accounts.

Retained earnings decreased by R7 556 and Receivables from non exchange transactions decreased by R7 556 due to correction of balances that were not supported and showed no movement for at least three years.

A decrease in Retained earnings of R144 028, a decrease in VAT payable of R2 468 and an increase in Paybles from exchange of R146 496 occurred due to raising of invoices including RT/BOC obligation that were previously omitted.

Retained earnings increased by R3 479 and Receivables from exchange transactions increased by R3 479 due to correction of billing on municipal accounts in line with prior year findings.

An increase in PPE of R677 278 and an increase in Retained earnings of R677 278 occurred due to recognition and disposal of assets including Housing projects undertaken on municipal jurisdiction by the North West Department of Human Settlements.

Retained earnings decreased by R14 826 and Cash and cash equivalents decreased by R14 826 due to correction of long outstanding reconciling items in line with prior year findings.

The above prior period errors had an impact on the cash flow statement.

The following Prior period error corrections were done for the 2023 financial year:

A decrease in Receivables from exchange of R12 045 and an increase in Transfers and Subsidies of R12 045 occurred due to reduction of RT/BOC prepayment in line prior year findings.

An increase in Sale of bus tickets and a decrease in unallocated deposits occurred due to recording of bus ticket revenue, which was previously omitted.

A decrease in Receivables from exchange of R46 592, a decrease in Receivables from non exchange of R685, a decrease in Service Charges of R40 515, a decrease in Property Rates of R685 and a decrease in VAT payable of R6 077 occurred due to corrections made after year end to accounts due to various reasons which include over and under billing of customer accounts.

Fruitless and wasteful expenditure increased by R1 due interest and penalties levied for late payments.

Other Income decreased by R237 and Cash and cash equivalents decreased by R237 due to revenue which was previously incorrectly recorded and subsequently corrected.

Public Contributions and donations increased by R2 886 and PPE increased by R2 886 due to donation of weighbridge to the municipality.

An increase in Contracted services of R37 622, an increase in Finance costs of R39 366, an increase in General expenses of R5 525, a decrease in VAT payable of R2 486 and an increase in Payables from exchange of R84 999 occurred due to raising of invoices including RT/BOC obligation that were previously omitted.

An increase in Depreciation of R363, an increase in Public contributions and donations of R151 361, an increase in General expenses of R134 and an increase in PPE of R150 865 occurred due to recognition and disposal of assets including Housing projects undertaken on municipal jurisdiction by the North West Department of Human Settlements.

Commitments decreased by R3 412 due to removal of completed contracts in line with prior year findings.

Irregular expenditure increased by R150 143 due to findings raised in prior years that were investigated and corrected.

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

48. Prior period errors (continued)

An increase in Employee Benefit Obligation (current) of R5 769, an increase in Employee Benefit Obligation (non-current) of R67 263, a decrease in Provisions (current) of R5 769 and a decrease in Provisions (non-current) of R67 263 occurred due to reclassification of long service benefits in line with GRAP 25.

An increase in Provisions (current) of R3 808 and a decrease in Payables from exchange of R3 808 occurred due to reclassification of RWST provision in line with GRAP 19.

VAT receivable increased by R153 314 and VAT payable increased by R153 314 due to reclassification of Input VAT accrual.

The above prior period errors had an impact on the cash flow statement.

The combined effects of the prior period errors are as follows in the AFS - Rounded to R'000:

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	2024	2023	2024	2023
48. Prior period errors (continued)				
		Previously reported	Prior period error	Restated amount
Statement of financial position - extract Current assets				
Receivables from exchange transactions		218 937	(61 826)	157 111
Receivables from non-exchange transactions		45 168	(16 122)	29 046
VAT Receivable		-	153 314	153 314
Cash and cash equivalents		832 039	(15 064)	816 975
Non-current assets				
Property, plant and equipment		8 834 512	831 031	9 665 543
Current liabilities				
Payables from exchange transactions		953 216	223 516	1 176 732
VAT Payable		289 150	141 247	430 397
Employee Benefit Obligation		6 153	5 769	11 922
Provisions		183 522	(1 961)	181 561
Non-current liabilities				
Employee benefit obligation		147 106	67 263	214 369
Provisions		85 661	(67 263)	18 398
Statement of changes in net assets - extract Accumulated Surplus		7 765 047	522 762	8 287 809
Statement of financial performance - extract Revenue				
Sale of Bus Tickets		-	4 166	4 166
Service Charges		4 395 411	(40 515)	4 354 896
Property Rates		493 534	(684)	492 850
Other Income		21 076	(238)	20 838
Public Contributions and Donations		-	154 247	154 247
Expenditure				
Depreciation and Amortization		429 702	363	430 065
Finance cost		58 018	39 366	97 384
Contracted Services		373 054	37 622	410 676
Transfers and subsidies		135 282	12 045	147 327
General expenses		493 235	5 659	498 894
		-	-	-

The following analysis indicates the effect of the prior period errors on the effected line items. The effects are shown in the financial periods ended 30 June 2023 and 30 June 2022 respectively:

Statement of financial position	2023	2022	2023	2022
Decrease in Receivables from Exchange	12 045	-	12 045	-
Decrease in Unallocated Deposits	4 166	-	4 166	-
Decrease in Receivables from Exchange	46 592	7 940	46 592	7 940
Decrease in Receivables from Non Exchange	685	7 881	685	7 881
Decrease in Retained Earnings	-	14 785	-	14 785
Decrease in VAT Payable	6 077	1 036	6 077	1 036
Decrease in Retained Earnings	-	7 556	-	7 556
Decrease in Receivables from Non Exchange	-	7 556	-	7 556
Decrease in Cash and cash equivalents	237	-	237	-
Increase in PPE	2 886	-	2 886	-
Decrease in Retained earnings	-	144 028	-	144 028
Decrease in VAT Payable	2 486	2 468	2 486	2 468
Increase in Payables from Exchange	84 999	146 495	84 999	146 495
Increase in Retained Earnings	-	3 479	-	3 479
Increase in Receivables from Exchange	-	3 479	-	3 479
Increase in PPE	150 865	677 278	150 865	677 278

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
48. Prior period errors (continued)				
Increase in Retained earnings	-	677 278	-	677 278
Decrease in Retained Earnings	-	14 826	-	14 826
Decrease in Cash and cash equivalents	-	14 826	-	14 826
Increase in Employee Benefit Obligation (current)	5 769	-	5 769	-
Increase in Employee Benefit Obligation (non-current)	67 263	-	67 263	-
Decrease in Provisions (current)	5 769	-	5 769	-
Decrease in Provisions (non-current)	67 263	-	67 263	-
Increase in Provisions (current)	3 808	-	-	-
Decrease in Payables from exchange	3 808	-	-	-
Increase in VAT Receivable	153 314	-	153 314	-
Increase in VAT Payable	153 314	-	153 314	-
Statement of financial performance	2023	2022	2023	2022
Increase in Transfers and Subsidies	12 045	-	12 045	-
Increase in Sale of bus tickets	4 166	-	4 166	-
Decrease in Service Charges	40 515	-	40 515	-
Decrease in Property Rates	685	-	685	-
Decrease in Other Income	237	-	237	-
Increase in Public Contributions and Donations	2 886	-	2 886	-
Increase in Contracted Services	37 622	-	37 622	-
Increase in Finance Costs	39 366	-	39 366	-
Increase in General Expenses	5 525	-	5 525	-
Increase in Depreciation	363	-	363	-
Increase in Public Contributions and Donations	151 361	-	151 361	-
Increase in General Expenses	134	-	134	-
Notes to the financial statements	2 023	2 022	2 023	2 022
Increase in Fruitless and wasteful expenditure	1	-	1	-
Decrease in Commitments	3 412	-	3 412	-
Decrease in Irregular Expenditure	-	-	1 095	-
Increase in Irregular Expenditure	150 143	-	-	-

49. Comparative figures

Certain comparative figures have been restated due to prior year errors. Refer to note above.

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

50. Risk management

Financial risk management

Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2011.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 21, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 17 and the Statement of Changes in Net Assets.

Gearing Ratio's

The gearing ratio at the year-end was as follows:

Gearing Ratio's

Debt	(236 897)	(288 955)	(236 897)	(288 955)
Cash and Cash Equivalents	1 059 249	816 975	542 172	436 700
Total	822 352	528 020	305 275	147 745

Debt is defined as Long and Short-term Loans and Finance Lease Obligations.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The municipality's Finance department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the municipality through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

50. Risk management (continued)

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department of Finance monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the municipality's activities, and compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

Liquidity risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

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	2024	2023	2024	2023

50. Risk management (continued)

Credit risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of fixed deposit investments, long-term receivables, other debtors, bank and cash balances.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Investments/Bank, Cash and Cash Equivalents

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	2024	2023	2024	2023

50. Risk management (continued)

Refer to <http://www.fidfund.co.za/banking-options/bank-credit-ratings/> for the most updated ratings.

The municipality limits its counterparty exposures from its short-term investments (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions short term credit rating of BBB and long-term credit rating of AA- and higher at an International accredited credit rating agency. The municipality's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst different types of approved investments and institutions, in accordance with its investment policy. Consequently, the municipality is not exposure to any significant credit risk.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an on-going basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and electricity services rendered to them.

Trade Receivables consist of a large number of customers, spread across diverse industries in the geographical area of the municipality. Periodic credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee is increased accordingly.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. On-going credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:

- The application of section 118(3) of the Municipal Systems Act (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property;
- A new owner is advised, prior to the issue of a revenue clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount;
- The consolidation of rates and service accounts, enabling the disconnecting services for the non-payment of any of the individual debts, in terms of section 102 of the MSA;
- The requirement of a deposit for new service connections, serving as guarantee and are reviewed annually;
- Encouraging residents to install water management devices that control water flow to households, and/or prepaid electricity meters.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade

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	2024	2023	2024	2023

50. Risk management (continued) and other receivables.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	Economic entity - 2024	Economic entity - 2023	Controlling Entity - 2024	Controlling Entity - 2023
Finance Lease Receivables	-	-	502	929
Receivables from exchange transactions	283 844	157 111	262 460	138 606
Receivables from non-exchange transactions	45 567	29 046	45 567	29 046
Cash and cash equivalents	1 059 249	816 975	542 172	436 700
Investments	1 074	774	1 075	775
Guarantees	27 763	28 588	27 763	28 588
VAT Receivable	159 166	153 314	159 166	153 314

Market risk

Rustenburg Local Municipality

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

50. Risk management (continued)

Detail

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

- Interest rate swaps to mitigate the risk of rising interest rates.

Market risk exposures are measured using value-at-risk (VaR) and are supplemented by sensitivity analysis.

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

Note that no interest paid are linked to prime and therefore no impact on the sensitive analysis for interest paid.

Sensitivity analysis for financial instruments 2024 - Economic entity 2024

Interest received for the year: -2%	627 421	(135 659)	Decrease in net surplus
Interest received for the year	763 080		
-			
Interest received for the year: +2%	898 739	135 659	Increase in net surplus

Note that no interest paid are linked to prime and therefore no impact on the sensitive analysis for interest paid.

Sensitivity analysis for financial instruments 2023 - Economic entity 2023

Interest received for the year: -2%	441 801	(95 524)	Decrease in net surplus
Interest received for the year	537 325		
-			
Interest received for the year: +2%	632 849	95 524	Increase in net surplus

Sensitivity analysis for financial instruments 2024 - Controlling entity 2024

Interest received for the year: -2%	597 969	(129 290)	Decrease in net surplus
Interest received for the year	727 259		
-			
Interest received for the year: +2%	856 549	129 290	Increase in net surplus

Note that no interest paid are linked to prime and therefore no impact on the sensitive analysis for interest paid.

Sensitivity analysis for financial instruments 2023 - Controlling entity 2023

Interest received for the year: -2%	425 782	(92 061)	Decrease in net surplus
Interest received for the year	517 843		
-			
Interest received for the year: +2%	609 904	92 061	Increase in net surplus

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	2024	2023	2024	2023

50. Risk management (continued)

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Financial Assets and Liabilities that are sensitive to interest rate risk are cash and cash equivalents, investments, and loan payables. The municipality is not exposed to interest rate risk on these financial instruments as the rates applicable are fixed interest rates.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, other debtors, bank and cash balances.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. Consumer Deposits are increased accordingly.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Foreign exchange risk

The municipality undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market. No foreign investments are done by the municipality.

Price risk

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

51. Going concern

Rustenburg Local Municipality

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

51. Going concern (continued)

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

We draw attention to the fact that at 30 June 2024, the following conditions existed:

- Current Liabilities exceed current assets
- Recoverability of outstanding debtors are low and more than ninety percent of gross debtors have been impaired.
- On average the municipality takes longer than the prescribed thirty day period to pay creditors
- The municipality is involved in various matters involving litigation of which the outcome is unknown

These matters cast doubt on the ability of the economic entity to operate as a going concern. Management will continue to monitor and assess these matters on a regular basis

52. Events after the reporting date

No material events occurred with respect to the 2023/24 financial year end after the date of the statement of financial position in respect of loans, investments and any other aspects.

53. Unauthorised expenditure

Opening balance as previously reported	221 664	723 506	221 664	723 506
Opening balance as restated	221 664	723 506	221 664	723 506
Unauthorised expenditure current year	10 424	48 039	10 424	48 039
Authorised during the financial year	(215 626)	(549 881)	(215 626)	(549 881)
Closing balance	16 462	221 664	16 462	221 664

Analysed as follows: cash

Vote 10 - Roads and Transport : Origin 2022/23	-	48 039	-	48 039
Vote 2 - Municipal Manager : Origin 2023/24	10 424	-	10 424	-
	10 424	48 039	10 424	48 039

Unauthorised expenditure incurred during the year resulted from legal fees incurred.

54. Fruitless and wasteful expenditure

Opening balance as previously reported	38 136	35 587	38 136	35 587
Correction of prior period error	1	-	1	-
Opening balance as restated	38 137	35 587	38 137	35 587
Expenditure incurred during the year	117	2 549	117	2 549
Closing balance	38 254	38 136	38 254	38 136

Fruitless expenditure incurred during the year resulted from interest and penalties levied.

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
55. Irregular expenditure				
Opening balance as previously reported	6 279 632	5 900 377	6 279 632	5 900 377
Correction of prior period error	150 143	58 795	(1 095)	58 795
Opening balance as restated	6 429 775	5 959 172	6 278 537	5 959 172
Irregular expenditure incurred during the year	335 242	320 460	318 251	320 460
Closing balance	6 765 017	6 279 632	6 596 788	6 279 632

Analysis of irregular expenditure incurred current year - by nature

Procurement process not followed for legacy contracts	-	1 451	-	1 451
Proper procurement process not followed	318 251	319 009	318 251	319 009
	318 251	320 460	318 251	320 460

Analysis of irregular expenditure incurred - by timing

Origin of irregular expenditure - Pre and 2022/23	-	320 460	-	320 460
Origin of irregular expenditure - Pre and 2023/24	318 251	-	318 251	-
	318 251	320 460	318 251	320 460

Irregular expenditure identified during the current year is undergoing the process of being subjected to investigation. Full details are available in the irregular expenditure register.

Irregular expenditure is always calculated inclusive of VAT while the figures disclosed above have been presented in this set of financial statements exclusive of VAT.

56. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	9 853	10 453	9 853	10 453
Amount paid - current year	(9 853)	(10 453)	(9 853)	(10 453)
	-	-	-	-

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Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

56. Additional disclosure in terms of Municipal Finance Management Act (continued)

Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Material Electricity and Water losses were as follows and are not recoverable:

Electricity	Units (kWh)	Units (kWh)	Units (kWh)	Units (kWh)
Purchased during the year	978 498	2 292 322	978 498	2 292 322
Sold during the year	(720 831)	(2 078 109)	(720 831)	(2 078 109)
Unaccounted - Normal distribution losses - % of electricity (2023 - 9,34%); (2024 - 26,33%)	257 667	214 213	257 667	214 213
Loss (R): At Cost	481 122	298 448	481 122	298 448

Electricity losses occur due to inter alia, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections. The problem with tampered meters and illegal connections is an on-going process, with regular action being taken against defaulters. Faulty meters are replaced or repaired as soon as they are reported.

The increase in losses from the previous year are due to low electricity consumption as mine furnaces have not been operational at Glencore, which is the municipality's biggest customer.

Water	Units (kl)	Units (kl)	Units (kl)	Units (kl)
Purchased during the year	43 800	46 521	43 800	46 521
Sold during the year	(20 497)	(22 529)	(20 497)	(22 529)
Unaccounted - Normal distribution losses - % of water (2023 - 51,57%); (2024 - 53,20%)	23 303	23 992	23 303	23 992
Loss (R): At Cost	287 323	268 835	287 323	268 835

Water losses occur due to inter alia, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an on-going process, with regular action being taken against defaulters. Faulty meters and leakages are replaced / repaired as soon as they are reported.

Audit fees

Opening balance	-	84	-	84
Current year subscription / fee	16 300	15 198	15 092	14 043
Amount paid - current year	(16 300)	(15 282)	(15 092)	(14 127)
	-	-	-	-

PAYE and UIF

Current year subscription / fee	132 607	127 657	132 607	127 657
Amount paid - current year	(132 607)	(127 657)	(132 607)	(127 657)
	-	-	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	148 358	140 647	148 358	140 647
Amount paid - current year	(148 358)	(140 647)	(148 358)	(140 647)
	-	-	-	-

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	2024	2023	2024	2023

56. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30/06/2024:

30/06/2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr MALINGA F	10	64	74
Cllr PB MOATSHE	8	96	104
Cllr SNYDERS B C O EN M	14	123	137
Cllr G&MC RAMPOU	8	157	165
Cllr NE MOKHABA	3	76	79
Cllr RJ KOTU	4	63	67
Cllr EM MOREI	3	55	58
Cllr MFALADI L	6	112	118
Cllr WL MAJOLO	6	92	98
Cllr SERONGOANE J	19	297	316
Cllr BB MAREKOA	6	85	91
Cllr SM MOTSHEGWE	3	-	3
Cllr RALOKWAKWENG J O	11	133	144
Cllr VELA VKE	11	149	160
Cllr JB MPELE	12	240	252
Cllr AS&DM SETHONGA	2	22	24
Cllr GN NKGWENG	9	139	148
Cllr GS&GK MOTLHAMME	6	31	37
Cllr KOMBE OFENTSE JERREMIA	6	28	34
Cllr NAGENG MOLEFE PIET	3	30	33
	150	1 992	2 142

30/06/2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr LL MABE	1	1	2
Cllr SP&IN PETLELE	3	89	92
Cllr MALINGA F	1	38	39
Cllr PB MOATSHE	6	71	77
Cllr SNYDERS B C O EN M	6	81	87
Cllr MN KUMBE	7	134	141
Cllr G&MC RAMPOU	6	132	138
Cllr NE MOKHABA	2	68	70
Cllr RJ KOTU	2	53	55
Cllr EM MOREI	2	46	48
Cllr MFALADI L	4	94	98
Cllr WL MAJOLO	4	75	79
Cllr SERONGOANE J	14	241	255
Cllr BB MAREKOA	4	65	69
Cllr AS NHACUANGUE	3	38	41
Cllr AM&GM PHALOLE	3	32	35
Cllr MA&NL MODUKE	2	17	19
Cllr SM MOTSHEGWE	2	6	8
Cllr RALOKWAKWENG J O	7	102	109
Cllr SL SENTSHO	-	5	5
Cllr VELA VKE	9	115	124
Cllr JB MPELE	10	203	213
Cllr AS&DM SETHONGA	2	39	41

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	2024	2023	2024	2023
56. Additional disclosure in terms of Municipal Finance Management Act (continued)				
Clr GN NKGWENG		7	110	117
Clr HMT NKE		1	1	2
Clr GS&GK MOTLHAMME		1	17	18
Clr PULE LG		1	4	5
Clr KOMBE OFENTSE JERREMIA		2	40	42
Clr NHACUANGUE NELIO		2	11	13
Clr NAGENG MOLEFE PIET		2	19	21
		116	1 947	2 063

Not all councillors are owning properties and some councillors inherited arrear accounts from the properties where they were staying prior to being elected as councillors.

Rustenburg Local Municipality

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	2024	2023	2024	2023

57. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the consolidated annual financial statements.

The following services were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations:

- Grass Cutting and Raking
- Hiring of Jet Cleaners and TLBs
- Servicing and repair of heavy duty trucks and yellow truck
- Property Valuers
- Supply and delivery of Fuses and Circuit Breakers
- Water material
- Vetting and assessment services
- Repair of damaged sewer pipe
- MSCOA Support
- Server and Software Licence Fees
- MSCOA ERP System
- Accommodation
- Construction of Roads and Stormwater
- Refurbishment of Reservoirs
- Credit control, meter reading and indigent management
- Rehabilitation of Roads
- Supply and Delivery of MV and LV cables

DEVIATION

CCG Systems

Tema Travel and Tours (Pty) Ltd

Masaka A Mantle Trading (PTY) LTD

Thaw Construction (PTY) LTD

1. Mjapane trading

2. Jodenco trading

3. Super Group trading (PTY) LTD t/a UD Trucks NWT

Rustenburg

4. Grunwald car & truck services (PTY) LTD

Truvelo Africa Electronics Division

1. Denzesconstruction and Projects,

2. Purpletech civil solutions

3. Basha ba africa projects

1. SM Mosito Trading & projects

2. Gilema Construction & Trading

3. Storky Consulting & Projects

4. Sethanye Trading & Projects

KD Civils

Managed Integrity Evaluation

REASONS

Exceptional case where it was impractical to follow the SCM policy. ERP System tender was non-responsive and required re-advertisements.

Exceptional case for employees requiring accommodation to attend revenue master classes where it was impracticable to follow the Supply Chain Management Policy

Emergency. Supply and Delivery of Water materials

Emergency. Construction of Roads and Stormwater

Exceptional case where it was impractical to follow the SCM policy. Servicing and repair of light commercial vehicles, heavy duty trucks and yellow fleet

Exceptional case for Back Office System - implementation of server process and annual license fee

Exceptional case where it was impractical to follow the SCM policy. Grass cutting, raking and collection

Emergency. Hiring of Jet Cleaners and TLB's

Emergency. Refurbishment of lethabong reservoir

Exceptional case where it was impractical to follow the SCM policy. Vetting & screening services

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	2024	2023	2024	2023
57. Deviation from supply chain management regulations (continued)				
1. Khuwait Group Pty Ltd	Exceptional case where it was impractical to follow the SCM policy. Supply and Delivery of Fuses and Circuit breakers			
2. Mophiring Engineering				
3. Young and Bold				
4. Luckeys Business Enterprise	Exceptional case where it was impractical to follow the SCM policy. Bid for valuation roll was non responsive and required re-advertisement.			
Montani property valuers				
Ntlyiso consulting pty ltd	Exceptional case where it was impractical to follow the SCM policy. Credit control, meter reading and indigent management Emergency. Rehabilitation of Bovan Crescent Street			
M Civils PTY LTD	Exceptional case where it was impractical to follow the SCM policy. Supply and delivery of MV and LV Cables			
1. Dirabottle Projects (Pty) Ltd				
2. Global Cables				
3. Khuwait Holdings (Pty) Ltd				
4. Ntshidise Trading Projects				
5. Praesidio Cable and Wire (Pty) Ltd				
ADAPT IT (Pty) Ltd	Produced or available from a sole provider only. Licence fees required for caseware software that is utilised to prepare the Annual Financial Statements. All backup files for more than five years are only accessible through caseware.			
M CIVILS PTY LTD	Exceptional case where it was impracticable to follow the Supply Chain Management Policy. Replacement of sewer pipes at Sondela			
M Marara Associates	Exceptional case where it was impracticable to follow the Supply Chain Management Policy. MSCOA Support has been reduced with the current system vendor pending the outcome of the tender process for the new ERP system. ERP System tender was non-responsive and required re-advertisements. Services of an MSCOA expert was required to assist with implementation of MSCOA regulations			
Gijima Holdings (Pty) Ltd	Exceptional case where it was impracticable to follow the Supply Management Policy. Assessment for shortlisted candidates for director's positions			
Len Dekker Attorneys	Sec 12.22 of the RWST SCMP was used for exceptional cases where it was deemed impractical or impossible to follow official procurement processes. The CMS court was heading for the high court Case No M530/2020 and it did not make sense to procure new attorneys when the case was midway. Len Dekker Attorneys was appointed on a quotation basis in Dec'20 and in June'21 was extended to ensure the factual preparation of the Court case involving CMS is completed.			
Len Dekker Attorneys	Sec 12.22 of the RWST SCMP was used for exceptional cases where it was deemed impractical or impossible to follow official procurement processes. The RWST and its Trustees was challenged in The high court on an urgent basis and it did not make sense to procure new attorneys in this urgent matter.			

58. SCM regulation 45 disclosure

In terms of regulation 45 of the Municipal SCM regulations, the notes to the annual financial statements of a municipality must disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months including:

- the name of that person;
- the capacity in which that person is in the service of the state; and
- the amount of the award

No awards were made for the year under review.

NATURE	NAME OF OFFICIAL	CAPACITY OF OFFICIAL	AMOUNT OF AWARD
--------	------------------	----------------------	-----------------

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023
58. SCM regulation 45 disclosure (continued)				
None	None	None	None	None

59. Segment information

General information

Identification of segments

The segments were organised around the type of service delivered. Management uses these segments for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Geographical considerations are not relevant for the purposes of determining reportable segments.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment

Electricity
Water
Refuse
Sewerage and sanitation
Property rates

Goods and/or services

Trading services - electricity
Trading services - water
Trading services - refuse
Trading services - sewerage and sanitation
Levying of property rates

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

59. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Property Rates	Electricity	Water	Sewerage and Sanitation	Refuse	Total
Revenue						
Revenue from non-exchange transactions	749 514	70 724	814 775	108 064	151 179	1 694 256
Revenue from exchange transactions	-	2 052 009	538 388	206 869	176 930	2 974 196
Other Revenue	6 272	10	38 441	24	1 697	46 444
Total segment revenue	755 786	2 122 743	1 191 604	314 957	329 806	4 714 896
Entity's revenue						4 714 896
Expenditure						
Employee Costs	38 479	56 271	89 100	10 506	50 796	245 152
Bulk Purchases	-	1 844 264	481 461	-	-	2 325 725
Other Expenses	137 222	204 750	1 074 401	145 840	190 267	1 752 480
Total segment expenditure	175 701	2 105 285	1 644 962	156 346	241 063	4 323 357
Total segmental surplus/(deficit)						391 539
Assets						
Infrastructure Assets	-	595 912	1 057 424	403 190	-	2 056 526
Assets included in WIP	-	185 526	86 102	235 957	-	487 585
Receivables - Gross	851 016	871 857	1 742 344	495 916	566 934	4 128 067
Receivables - Accumulated Impairment	(615 937)	(560 834)	(1 692 167)	(485 070)	(557 218)	(3 911 226)
Total segment assets	35 079	892 461	1 173 703	649 993	9 716	2 760 952
Total assets as per Statement of financial Position						2 760 952
Liabilities						
Loans	-	(111 775)	(88 459)	(17 850)	-	(218 084)

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

	Property Rates	Electricity	Water	Sewerage and Sanitation	Refuse	Total
59. Segment information (continued)						
Total liabilities as per Statement of financial Position						(218 084)
The measurement basis and accounting policies of the reportable segments are consistent with that of the economic entity.						
2023						
	Property Rates	Electricity	Water	Sewerage and Sanitation	Refuse	Total
Revenue						
Revenue from non-exchange transactions	492 851	57 502	502 618	86 330	133 982	1 283 283
Revenue from exchange transactions	-	3 358 936	652 448	182 802	158 289	4 352 473
Other Revenue	1 180	8	22 370	15	782	24 355
Total segment revenue	494 031	3 416 446	1 177 434	279 147	293 053	5 660 111
Entity's revenue						5 660 111
Expenditure						
Employee costs	33 908	53 244	81 455	10 130	52 985	231 702
Bulk Purchases	-	3 141 314	357 265	119 230	-	3 617 809
Other Expenses	35 541	1 118 949	282 062	21 107	242 092	1 699 751
Total segment expenditure	69 449	4 313 507	720 782	150 467	295 057	5 549 262
Total segmental surplus/(deficit)						110 849
Assets						
Infrastructure Assets	-	622 271	1 005 209	394 949	-	2 022 429
Assets included in WIP	-	150 762	167 134	121 790	-	439 706
Receivables - Gross	567 316	539 015	1 520 841	399 379	477 774	3 504 325
Receivables - Accumulated impairment	(546 859)	(463 534)	(1 488 943)	(382 283)	(471 721)	(3 383 320)
Total segment assets	20 457	828 534	1 204 241	523 855	6 053	2 583 140
Total assets as per Statement of financial Position						2 583 140

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

59. Segment information (continued)

Liabilities

Loans	-	(131 993)	(103 869)	(20 018)	-	(255 880)
Total liabilities as per Statement of financial Position						(255 880)

60. Budget differences

Material differences between budget and actual amounts

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

60. Budget differences (continued)

Controlling entity:

Sale of Bus Tickets - Increase due to recognition of bus ticket revenue, which was previously omitted due to lack of supporting documents.

Service Charges - Decrease due to low electricity consumption as mine furnaces have not been operational at Glencore.

Rental of Facilities and Equipment - Decrease due to lower demand and lower disposable income by consumers as a result of the high interest rate environment.

Interest Received (Trading) - Increase indicates that consumers do not settle their debts on time and are subsequently levied with high interest charges.

Agency Services - Budgeted for collection of license disks which is the full amount collected. Budget was based on the full amount received for Agency fees, whereas only 20% belongs to the Municipality, 80% of the funds received belongs to the North West Department of Transport and should not have been included.

Licences and Permits - Fewer renewal occurred in previous years due to waiving of penalties during the covid period, which resulted in an influx of renewals in the current year.

Interest Received (investment) - Increase due to actively investing any surplus funds at competitive rates. Performance was also positively affected by the high interest rate environment.

Public Contributions and Donations - Increase due to Housing Projects undertaken on municipal jurisdiction by the North West Department of Human Settlements, which were recognised in terms of GRAP.

Fines - We used collection of fines as a base for budgeting instead of fines issued as per iGRAP. Furthermore additional fines were issued for acts of non compliance.

Depreciation and Amortisation - Decrease due to fewer than anticipated completed projects, which resulted in a lower depreciation charge for the year.

Finance Costs - Increase due to accounting for the interest portion of the RRT operator compensation, which was previously omitted.

Impairment Losses - Increase in line with year end assessment and impairment methodology on the collectability of debtors. Budget was based on a projected collection rate.

Repairs and Maintenance - Less repairs and maintenance were done due to cashflow constraints. Focus was on emergency repairs and maintenance.

Bulk Purchases - Decrease due to low electricity consumption as mine furnaces have not been operational at Glencore. The decrease is in line with the decline in sale of electricity.

Transfers and Subsidies - Increase due to payments to the Bus Operating Company which were previously recorded as contracted services but subsequently reclassified as transfer payments.

Contracted Services and General Expenses - Combined expenditure increase due substantial disposal of owner occupied land from the Fixed Asset Register. Various reclassifications between these two items in line with the latest mSCOA chart.

Gain on disposal of assets and liabilities - No gains realised during the financial year as disposal of various developments did not materialise.

Actuarial gains/losses - Not Budgeted for. Gains recognised in line with GRAP 25 as per expert valuation of employee benefits.

Economic entity:

Reasons for variances the same as above

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

60. Budget differences (continued)

Basis of preparation and presentation of budget

The budget is prepared on the accrual basis of accounting and the classification format adopted is consistent with that of the financial statements. The period of the budget is 01 July 2023 to 30 June 2024.

Changes from the approved budget to the final budget

The changes between the original and final budget are a consequence of changes in the overall budget parameters. Further details of the changes are included in the municipality's published adjustments budget for the year ended 30 June 2024.

Financial Performance	Original Budget	Adjustments	Adjusted Budget
Property rates	549 646	-	549 646
Service charges	5 479 767	(219 938)	5 259 829
Rental of facilities and equipment	15 859	(1 838)	14 021
Interest received - investments	27 383	10 000	37 383
Interest received (trading)	477 919	50 000	527 919
Fines, penalties and forfeits	9 587	-	9 587
Licences and Permits	12 130	-	12 130
Agency services	94 282	14 000	108 282
Government Grants and Subsidies Received	1 769 257	244 702	2 013 959
Other income	20 602	(3)	20 599
Gains on disposal of assets	7 088	-	7 088
Total revenue	8 463 520	96 923	8 560 443
Employee related costs	927 082	2 013	929 095
Remuneration of councillors	71 890	-	71 890
Impairment losses	881 129	-	881 129
Depreciation and Amortization	497 859	-	497 859
Finance charges	62 123	-	62 123
Bulk purchases - Electricity	3 116 723	(160 000)	2 956 723
Inventory consumed - Water	589 354	20 514	609 868
Contracted services	883 503	267 708	1 151 211
Transfers and subsidies	21 164	-	21 164
General expenses	299 052	20 012	319 064
Total expenditure	7 349 879	150 247	7 500 126
Surplus / (Deficit) for the year	1 113 641	(53 324)	1 060 317
	-	-	-

Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2024

Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2024	2023	2024	2023

61. Accounting by principals and agents

In terms of GRAP 109 A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

The following arrangement meets the criterion for such arrangements where the municipality is the principal:

Rustenburg Transit (RF) Pty Ltd

The municipality appointed Rustenburg Transit (RF) Pty Ltd as the Bus Operating Company (BOC) to facilitate the operations of the Rustenburg Rapid Transport (RRT) project. This includes managing the transition process with the industry and affected operators.

In terms of GRAP 109 paragraph 45 When an entity determines that it is a principal in accordance with this Standard, it accounts for revenue and expenses arising from the transactions with third parties in its statement of financial performance. This is because the transactions with third parties are concluded for the benefit of the principal.

The municipality incurred expenditure of R96 866 and revenue of R11 342 in terms of the principal-agent arrangement.

The RRT project is fully funded by the Public Transport Network Grant (PTNG). Therefore, there are no direct cost implications for the municipality if the arrangement is terminated but it could have an impact of future allocations in terms of the PTNG.

The following arrangement meets the criterion for such arrangements where the municipality is the agent:

North West Department of Human Settlements

The municipality does the beneficiary identification for all housing projects within the Rustenburg jurisdiction on behalf of and for the benefit of the North West Department of Human Settlement as these beneficiaries are identified to occupy the RDP houses as part of fulfilling the mandate of the Provincial Department of Human Settlement to promote and facilitate the provision of adequate housing in its province within the framework of National Housing Policy as prescribed by Paragraph 7 of the Housing Act.

North West Department of Community Safety and Transport Management

The Department of Community Safety and Transport Management is mandated with the responsibility to monitor and control the registration and licencing of all motor vehicles and to render services regarding the administration of applications in terms of the National Road Traffic Act. The municipality provides services of motor vehicle registration and licencing on behalf of the Department. The Department of Community Safety and Transport Management remunerates the municipality by way of a commission rate of 20% all-inclusive from all revenue collected on behalf of the Department.

The municipality collected R138 829 and R121 098 was required to be paid over in terms of the principal-agent arrangement. R17 731 has been recognised as revenue from agency services in the financial statements. The municipality has a payable of R340 to North West Department of Community Safety and Transport Management at the end of the year.

6.3 ANNUAL PERFORMANCE REPORT OF THE RUSTENBURG WATER SERVICES TRUST

RUSTENBURG WATER SERVICES TRUST



ANNUAL PERFORMANCE REPORT 1 JULY 2023 – 30 JUNE 2024



Contact Person:
Mr Moabi Pitsi
Cell: 084 300 2242
Email: moabi.pitsi@rwst.co.za

Prepared for: Prepared by:

Contact Person:
Mr R Fowler
Cell: 083 407 4588
E-mail: Reinhart.Fowler@bigengroup.com



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ANNUAL PERFORMANCE REPORT FOR RUSTENBURG LOCAL MUNICIPALITY ON THE RUSTENBURG WATER SERVICES TRUST FOR THE PERIOD 1 JULY 2023 – 30 JUNE 2024

1. TERMS OF REFERENCE FOR THE RUSTENBURG WATER SERVICES TRUST (RWST)

The following report is the result of a performance assessment of the Rustenburg Water Services Trust, for the period from to 1 July 2023 to 30 June 2024. The report considers Treasury Guidelines dated May 2007 (ISBN: - 978-0-621-37152-9) entitled, "Framework for Managing Programme Performance Information." The Trust is committed to adhering to these guidelines.

The five objectives of the Trust are captured in the Business Plan, the Strategic Plan and Trust Deed and as such is as follows:

1. To procure the design for the required plant extension.
2. To procure the construction and oversee implementation.
3. To Operate and Maintain the following treatment plants:
 - Rustenburg wastewater treatment works, ➤ Boitekong wastewater treatment works,
 - Monakato wastewater treatment works,
 - Lethabong wastewater treatment works,
 - Bospoort water treatment works,
 - Kloof water treatment works,

In the most cost-effective manner and for the purposes of maximizing the Trust Income to be distributed to the Beneficiary.

4. To provide potable water to RLM in accordance with the Water Services Agreement; and
5. To Supply treated water to the industrial water off-takers in terms of the Off Take agreements.

Compliance Legend:

	100%
	66% - 99%
	65% - 33%
	0 - 32%

2. PERFORMANCE PLAN SCORECARD FOR THE RWST

2.1 Key Performance Area (KPA 5): Basic Services and Infrastructure Development

Key Focus Area/Goal	Strategies	Area/Ward Served	KP I No :	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2023/24	Portfolio of Evidence	2023/24 Annual Target	Annual Budget 2023/24 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures
1. MUNICIPAL STRATEGIC PRIORITY: Develop and sustain a spatial, natural, and built environment																
1.1. Municipal Strategic Objective: Accelerated delivery and maintenance of quality basic and essential services to all Communities																
WATER SERVICES																
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	14, 15, 16, 20, 21, 25, 27, 28	1	OBJ 3	5	Number of functional sewer purification plants operated in terms of Trust Deed	4	4 x log sheets of volumes of purification plants for Boitekong, Lethabong, Rustenburg and Monakato	4	R74.2	Q1	4	4	3	N/A	N/A
											Q2	4	4	3	N/A	N/A
											Mid-Year	4	4	3	N/A	N/A
											Q3	4	4	3	N/A	N/A
											Q4	4	4	3	N/A	N/A
											Annual	4	4	3	N/A	N/A
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	14, 15, 16, 20, 21, 25, 27, 28	2.1	OBJ 3	5	Number of sewer purification plants maintained in terms of the Trust Deed	4	Maintenance history for Boitekong, Lethabong, Rustenburg and Monakato	4	R13.3	Q1	4	4	3	N/A	N/A
											Q2	4	4	3	N/A	N/A
											Mid-Year	4	4	3	N/A	N/A
											Q3	4	4	3	N/A	N/A
											Q4	4	4	3	N/A	N/A
											Annual	4	4	3	N/A	N/A
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	14, 15, 16, 20, 21, 25, 27, 28	2.2	OBJ 3	5	% Plant availability of sewer purification plants maintained in terms of agreed standards	85%	Reports of 4 plants, assessing 10 selected items	85%	R13.3	Q1	85%	90.41%	3	N/A	N/A
											Q2	85%	89.28%	3	N/A	N/A
											Mid-Year	85%	89.84%	3	N/A	N/A
											Q3	85%	89.66%	3	N/A	N/A

												Q4	85%	95.66%	3	N/A	N/A
												Annual	85%	91.25%	3	N/A	N/A

Key Focus Area/Goal	Strategies	Area/Ward Serviced	KP I No :	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2023/24	Portfolio of Evidence	2023/24 Annual Target	Annual Budget 2023/24 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	20, 21	3	OBJ 2	10	Boitekong upgrade, % completed 2019/2020	100% completed 2019/2020	Engineer's Completion Certificate	N/A - 100% completed 2019/2020	-	Q1	100% complete	N/A	N/A	N/A	N/A
											Q2	100% complete	N/A	N/A	N/A	N/A
											Mid-Year	100% complete	N/A	N/A	N/A	N/A
											Q3	100% complete	N/A	N/A	N/A	N/A
											Q4	100% complete	N/A	N/A	N/A	N/A
											Annual	100%	N/A	N/A	N/A	N/A
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Waste Water Supply	14,15,16	4	OBJ 5	10	Volume of treated waste water supplied to the industrial water off-takers in terms of the Offtake Agreement	Average 25Ml/day	Anglo & Impala log sheets	Average 25Ml/day	R66.2	Q1	25 Ml/day	32.20M/d	3	N/A	N/A
											Q2	25 Ml/day	17.63M/d	2	Refer to page 11	Refer to page11
											Mid-Year	25 Ml/day	24.91M/d	2	Refer to page 11	Refer to page11
											Q3	25 Ml/day	18.73M/d	2	Refer to page 11	Refer to page11
											Q4	25 Ml/day	19.50M/d	2	Refer to page 11	Refer to page11
											Annual	25 Ml/day	22.01Ml/day	2	Refer to page 11	Refer to page11
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Waste Water Supply	All	5	OBJ 3	10	Percentage compliance in the treatment of sewerage at Waste Water Treatment Works in terms of Anglo/DWS license agreement	90%	4 tables on water quality + lab certificates	90%	R61.5	Q1	90%	73.14%	2	Refer to pages 12-17	Refer to pages 1217
											Q2	90%	68.55%	2	Refer to pages 12-17	Refer to pages 1217
											Mid-Year	90%	70.84%	2	Refer to pages 12-17	Refer to pages 1217
											Q3	90%	67.63%	2	Refer to pages 12-17	Refer to pages 1217
											Q4	90%	66.71%	2	Refer to pages 12-16	Refer to pages 1216
											Annual	90%	69.00%	2	Refer to pages 12-17	Refer to pages 1217
Service Delivery:	Water Purification	All	6	OBJ 3 + 4	5		2	2 x log sheets of volumes for	2	R43.5	Q1	2	2	3	N/A	N/A

Sustainable Livelihoods and resilient Infrastructure						Number of water treatment works operated		Bospoort and Kloof			Q2	2	2	3	N/A	N/A
										Mid-Year	2	2	3	N/A	N/A	
										Q3	2	2	3	N/A	N/A	
										Q4	2	2	3	N/A	N/A	
										Annual	2	2	3	N/A	N/A	


Key Focus Area/Goal	Strategies	Area/Ward Serviced	KP 1 No :	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2023/24	Portfolio of Evidence	2023/24 Annual Target	Annual Budget 2023/24 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Purification	All	7.1	OBJ 3 + 4	5	% Plant availability of water purification plants maintained in terms of agreed standards	85%	2 reports for Bospoort and Kloof assessing 10 selected items	85%	R13.3	Q1	85%	100%	3	N/A	N/A
											Q2	85%	100%	3	N/A	N/A
											Mid-Year	85%	100%	3	N/A	N/A
											Q3	85%	93.33%	3	N/A	N/A
											Q4	85%	96.66%	3	N/A	N/A
											Annual	85%	97.49%	3	N/A	N/A
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Purification	All	7.2	OBJ 3 + 4	5	Number of water purification plants maintained in terms of the Trust Deed	2	Maintenance history for Bospoort and Kloof	2	R13.3	Q1	2	2	3	N/A	N/A
											Q2	2	2	3	N/A	N/A
											Mid-Year	2	2	3	N/A	N/A
											Q3	2	2	3	N/A	N/A
											Q4	2	2	3	N/A	N/A
											Annual	2	2	3	N/A	N/A
Service Delivery: Sustainable Livelihoods and	Water Purification	All	8	OBJ 2	10	Percentage completion of water treatment plants - civil	100%	Engineers take over certificate	Completed	R7.7	Q1	n/a	N/A	N/A	N/A	N/A
											Q2	n/a	N/A	N/A	N/A	N/A

resilient Infrastructure						works upgrading project (Bospoort)					Mid-Year	n/a	N/A	N/A	N/A	N/A
											Q3	n/a	N/A	N/A	N/A	N/A
											Q4	n/a	N/A	N/A	N/A	N/A
											Annual	n/a	N/A	N/A	N/A	N/A
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Supply	All	9	OBJ 4	10	Volume of potable water supplied to RLM in accordance with the Water Supply Agreement	Combined volume of 10.8 MI/day	2 x log sheets for Bospoort and Kloof	Combined Volume of 10.8 MI/day	R43.5	Q1	Volume of 10.8 MI/day	Average 12.31 MI/day	3	N/A	N/A
											Q2	Combined volume: 10.8 MI/day	Combined volume: 11.93 MI/day	3	N/A	N/A
											Mid-Year	Combined volume: 10.8 MI/day	Combined volume: 12.12 MI/day	3	N/A	N/A
											Q3	Combined volume: 10.8 MI/day	Combined volume: 11.56 MI/day	3	N/A	N/A
											Q4	Combined volume: 10.8 MI/day	Combined volume: 12.78 MI/day	3	N/A	N/A
Key Focus Area/Goal	Strategies	Area/Ward Served	KP I No :	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2023/24	Portfolio of Evidence	2023/24 Annual Target	Annual Budget 2023/24 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures
											Annual	Combined volume: 10.8 MI/day	Combined volume: 12.14 MI/day	3	N/A	N/A
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Water Supply	All	10	OBJ 4	10	Percentage compliance in the treatment of water at Water Treatment Works in terms of SANS standards	95%	2 x water quality reports and lab certificates	95%	R18.4	Q1	95%	100%	3	N/A	N/A
											Q2	95%	100%	3	N/A	N/A
											Mid-Year	95%	100%	3	N/A	N/A
											Q3	95%	97.64%	3	N/A	N/A
											Q4	95%	98.82%	3	N/A	N/A
Annual	95%	99.11%	3	N/A	N/A											
Financial	Financial	All	11	OBJ 3	5	Maintain a debt service ratio covenant - to ensure cost effectiveness.	1.5	Financial statement, refer to DSCR	1,5 times	1,5 times	Q1	>1,5	>1,5	3	N/A	N/A
											Q2	>1,5	>1,5	3	N/A	N/A
											Mid-Year	>1,5	>1,5	3	N/A	N/A
											Q3	>1,5	>1,5	3	N/A	N/A
											Q4	>1,5	>1,5	3	N/A	N/A
Annual	>1,5	>1,5	3	N/A	N/A											

Good Governance	Good Governance	All	12		5	Percentage implementation of the Post Audit Action Plan (PAAP)	New	PAAP implementation Report	100%	R0.00	Q1	100%	75%	2	N/A	N/A
											Q2	100%	75%	2	N/A	N/A
											Mid-Year	100%	75%	2	N/A	N/A
											Q3	100%	80%	2	N/A	N/A
											Q4	100%	93.33%	2	N/A	N/A
											Annual	100%	80.83%	2	N/A	N/A
Total					100						Q1			33/36		
											Q2			33/36		
											Mid-Year			33/36		
											Q3			32/36		
											Q4			33/36		
											Annual			32.75%		

Key Performance Areas (KPA)	KPI No.	KPA Weightings	KPI Score	Assess Weightings	Weighted Score	Panel Score
Number of functional sewer purification plants operated in terms of Trust Deed	1	3	3/3	100%	3/3	
Number of sewer purification plants maintained in terms of agreed standards	2.1	3	3/3	100%	3/3	
Plant availability of sewer purification plants maintained in terms of agreed standards	2.2	3	3/3	91.25%	3/3	
Percentage completion of sewer purification plants upgrading projects (Boitekong). Project completed 2019 / 2020.	3	N/A	N/A	N/A	N/A	
Volume of treated wastewater supplied to the industrial water off-takers in terms of the Off-take Agreement	4	3	3/3	88.04%	2/3	
Percentage compliance in the treatment of sewerage at Wastewater Treatment Works in terms of DWS license agreement	5	3	2/3	69.00%	2/3	
Number of water treatment works operated in terms of agreed standards	6	3	3/3	100%	3/3	
Plant availability: Number of water treatment works maintained	7.1	3	3/3	97.49%	3/3	
Plant maintenance of water treatment works maintained	7.2	3	3/3	100%	3/3	
Percentage completion of water treatment plants - civil works upgrading project (Bospoort)	8	N/A	N/A	N/A	N/A	
Volume of potable water supplied to RLM in accordance with the Water Supply Agreement	9	3	3/3	100%	3/3	
Percentage compliance in the treatment of water at Water Treatment Works in terms of DWS license	10	3	3/3	99.11%	3/3	
Debt Service Cover Ratio >1,5 times	11	3	3/3	100%	3/3	
Good Governance	12	3	3/3	80%	2/3	
Total KPA		36	36	93.74%	33/36	

Signatures

SIGNED AND ACCEPTED BY THE TRUST ACCOUNTING OFFICER	RECOMMENDED BY RLM INTERNAL AUDIT	SIGNED AND ACCEPTED ON BEHALF OF COUNCIL
NAME: MR MOABI PITSI	NAME: MR CLEMENT MABE	NAME: ADVOCATE AR KHUDUGE
	SIGNATURE:	SIGNATURE:
SIGNATURE: DATE: 23 August 2024	DATE:	DATE:

2.2 KPI 1: NUMBER OF SEWER PURIFICATION PLANTS OPERATED IN TERMS OF AGREED

STANDARDS

RWST is responsible for the operation of the four-waste water treatment works, namely -

Rustenburg Wastewater Treatment Works	(42 Mℓ/d design capacity)
Boitekong Wastewater Treatment Works	(24 Mℓ/d design capacity)
Monakato Wastewater Treatment Works	(1 Mℓ/d design capacity)
Lethabong Wastewater Treatment Works	(2 Mℓ/d design capacity)

Water and Sanitation Services South Africa (Pty) Ltd, trading as Water Solutions Southern Africa (WSSA) has been contracted by the Rustenburg Water Services Trust (RWST) for the operation of these plants.

The volumes treated by each plant for the period under review, are captured below and are dependent on the inflow into the plant.

Table: 1 Waste Water Volumes Treated

PLANT	CAPACITY	1 July 2022 – 30 June 2023	1 July 2023 – 30 June 2024
Rustenburg WWTW	42 Mℓ/d	47.97Mℓ/d	30.00Mℓ/d
Boitekong WWTW	24 Mℓ/d	8.22Mℓ/d	7.28Mℓ/d
Monakato WWTW	1 Mℓ/d	2.29Mℓ/d	1.59Mℓ/d
Lethabong WWTW	2 Mℓ/d	2.21Mℓ/d	1.43Mℓ/d

All four WWTW were operated in terms of the agreed standards.

2.3 KPI 2.1: NUMBER OF SEWER PURIFICATION PLANTS MAINTAINED IN TERMS OF THE TRUST DEED.

There are 4 (four) wastewater treatment works maintained in terms of agreed standards, namely: Rustenburg, Boitekong, Monakato, Lethabong Wastewater Treatment Works.

The RWST maintained 4 (four) wastewater treatment works in 2022/2023 and during the financial year under review. The operation and maintenance contractor, WSSA is responsible for the maintenance at the plants and maintenance is done regularly to ensure that the plants perform optimally at all times.

Maintenance records and job cards for each of the waste water treatment works are completed and filed by the Maintenance Manager and this information is reviewed by Rustenburg Local Municipality Internal Audit quarterly, on site.

KPI 2.2: PLANT AVAILABILITY OF SEWER PURIFICATION PLANTS MAINTAINED IN TERMS OF AGREED STANDARDS.

The successful operation of a Wastewater Treatment Works is largely dependent on the installed machinery and equipment to ensure that the wastewater can be treated according to the process the plant was designed for.

It is thus vital that all machinery and equipment be kept in good working condition and available for use when required.

Regular servicing and preventative maintenance however require that equipment be taken out of service for a certain period. It will thus not always be possible to obtain a 100% of all equipment availability and the target of 85% availability is set.

Monthly spot checks are performed by RWST for Boitekong, Lethabong, Monakato WWTW and weekly for Rustenburg WWTW, due to the size of the plant. The availability of the four wastewater treatment works is indicated below:

Table: 2 Plant availability

PLANT	CAPACITY	AVAILABILITY		
		Target	1 July 2022 – 30 June 2023	1 July 2023 – 30 June 2024
Rustenburg WWTW	42 Ml/d	85%	90.54%	94.20%
Boitekong WWTW	24 Ml/d	85%	94.17%	94.16%
Monakato WWTW	1 Ml/d	85%	90.84%	83.33%
Lethabong WWTW	2 Ml/d	85%	95.00%	93.33%
Overall plant availability			92.63%	91.25%

Performance review -

Rustenburg, Boitekong and Lethabong WWTW met the set target of 85%. Monakato did not meet the set target of 85%.

Reasons for variance -

Excessive high inflow volumes and Monakato WWTW is performing above the design capacity. Outside RWST jurisdiction.

Excessive power failures (320 hours) during Quarter 1.

Remedial Measures –

- Plant upgrade executed by RLM was not done as per the business plan and the capacity was not increased as required. This issue has been escalated to RLM for their urgent action.
- Issue of high inflows possibly caused by excessive storm water ingress has been discussed with RLM. Further action required by RLM.

2.4 KPI 3: PERCENTAGE COMPLETION OF SEWER PURIFICATION PLANTS UPGRADING PROJECTS (BOITEKONG).

Upgrade of the plant to 24 Mℓ/d was completed and defects liability period ended in June 2021.

Table 3: Boitekong Construction Progress

BOITEKONG WWTW CONSTRUCTION PROGRESS			
CONTRACT	PROGRESS		PROGRESS FOR PERIOD
	30 June 2023	30 June 2024	
Civil	100%	100%	-
M&E	100%	100%	-
Overall	100%	100%	-

2.5 KPI 4: VOLUME OF TREATED WASTEWATER SUPPLIED TO THE INDUSTRIAL WATER OFF-TAKERS IN TERMS OF THE OFF-TAKE AGREEMENT.

As per off-take agreement between the RWST and the mines, a total of 25 Mℓ/d treated effluent water from the Rustenburg WWTW is to be made available for use as process water. Of this 10 Mℓ/d is allocated to Impala and 15 Mℓ/d to Anglo Platinum.

The average supplied volume is detailed in the table below.

Table 4: Average daily supply of treated effluent

Mine	Average available 1 July 2022 – 30 June 2023	Average used 1 July 2022 – 30 June 2023	Average available 1 July 2023 – 30 June 2024	Average used 1 July 2023 – 30 June 2024
Anglo Platinum	19.64Mℓ/d	17.48 Mℓ/d	12.20 Mℓ/d	10.32 Mℓ/d
Impala	13.44Mℓ/d	11.35 Mℓ/d	9.78 Mℓ/d	8.31 Mℓ/d
Total	33.08Mℓ/d	28.83 Mℓ/d	21.98 Mℓ/d	18.63 Mℓ/d

Performance review -
Rustenburg WWTW did not achieve the average combined target of 25 Mℓ/d.

Reasons for variance –

- Extremely low inflow from October 2023 to April 2024, averaging below 25MI/d -
Low inflows from May 2024 to June 2024 averaging 30MI/d
- Low inflows due to sewer blockages not attended to by RLM.
- Power failures inhibit plant performance
- Sporadic inflow of poor water quality because of industrial effluent

Remedial Measures –

- RWST is unblocking sewers to alleviate the problem.

2.6 KPI 5: PERCENTAGE COMPLIANCE IN THE TREATMENT OF SEWERAGE AT

WASTEWATER TREATMENT WORKS IN TERMS OF DWS LICENSE AGREEMENT

Water discharged from the wastewater treatment works needs to comply with the relevant Department of Water and Sanitation (DWS) Water Use License requirements. The new license limits were issued by DWS on 30 June 2022, thus compliance from July 2022 is measured based on the new limits.

2.6.1 BOITEKONG WASTEWATER TREATMENT WORKS

Table 5.2: New DWS License conditions for Boitekong WWTW

Determinant	Performance standard
pH	6.0 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 30 mg/ℓ
Ammonia	< 0.1 mg/ℓ
Nitrate	< 10 mg/ℓ
Suspended Solids	< 25 mg/ℓ
Faecal Coliform	< 150CFU/100 mℓ
Free Chlorine	< 0.25 mg/ℓ
Orthophosphate	< 1.0 mg/ℓ

Table 6: Performance of Boitekong WWTW for the period under review.

Determinant	Performance standard	Previous Performance 01 July 2022 - 30 June 2023		Current Performance 01 July 2023 - 30 June 2024		
		Performance achieved	Compliance %	New Performance standard	Performance achieved	Compliance %
• pH	• 6.5 - 8.5	• 7.36-8.19	100%	• 6.5-8.5	7.56-8.10	100%

• Elec. Conductivity	• <150 mS/m	• 99.00-188.00 mS/m	91.66%	• < 150 mS/m	44-207 mS/m	83.33%
• COD	• < 75 mg/l	• 15-142 mg/l	83.33%	• < 30 mg/l	15-142 mg/l	91.66%
• Ammonia	• <1 mg/l	• 0.10-28.60 mg/l	58.33%	• < 0.1 mg/l	0.10-33.90 mg/l	83.33%
• Nitrate	• < 15 mg/l	• 0.10-25.00 mg/l	91.66%	• < 10 mg/l	0.05-13.30 mg/l	83.33%
• Suspended Solids	• < 25 mg/l	• 2 - 75 mg/l	83.33%	• < 25 mg/l	2-24 mg/l	100%
• Faecal Coliform	• <150CFU/100ml	• 0 – 67 / 100ml	50.00%	• <150CFU/100ml	0-100 / 100ml	100%
• Free Chlorine	• < 0.25 mg/l	• 0.18-16.44 mg/l	25%	• < 0.25 mg/l	0.16-0.28 mg/l	83.33%
• Orthophosphate	• < 1.0 mg/l	• 0.40-2.80 mg/l	58.33%	• < 1.0 mg/l	0.05-17.70 mg/l	50%
OVERALL COMPLIANCE			68.54%			86.10%

Performance review -

Boitekong WWTW did not meet the overall quality target of 90% over this period but improved compared to performance achieved in the previous year.

Reasons for variance-

- High rate of power failures – total of 644.80 hours during the period under review.
- Low inflow volumes
- Sewer blockages outside RWST jurisdiction
- Intermittent flow due to water restrictions: there is no water at night.
- Two pipe breaks on main incoming lines

Remedial measures-

- RLM to appoint a Contractor to unblock main sewer line.
- RWST repaired pipe breaks to improve flows into the plant.

2.6.2 LETHABONG SEWAGE TREATMENT PLANT

Table 7: DWS License conditions for Lethabong WWTW

Determinant	Performance standard
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pH	6.5 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 75 mg/l
Ammonia	< 1 mg/l
Nitrate	< 15 mg/l
Suspended Solids	< 25 mg/l
Faecal Coliform	< 0 / 100 ml
Free Chlorine	< 0.25 mg/l
Orthophosphate	< 1.0 mg/l

Table 8: Performance of Lethabong WWTW for the period under review.

Determinant	Performance standard	Previous Performance 01 July 2022 - 30 June 2023		Current Performance 01 July 2023 - 30 June 2024	
		Performance achieved	Compliance %	Performance achieved	Compliance %
• pH	• 6.5 - 8.5	• 7.74-8.12	100%	• 7.58-9.26	91.66%
• Elec. Conductivity	• <150mS/m	• 65-101 mS/m	100%	• 64-453 mS/m	91.66%
• COD	• < 75 mg/l	• 14-25 mg/l	100%	• 15-37 mg/l	100%
• Ammonia	• <1 mg/l	• 0.10-2.93 mg/l	83.33%	• 0.10-1.99 mg/l	83.33%
• Nitrate	• < 15 mg/l	• 5.6-61.4 mg/l	83.33%	• 0.2-39.0 mg/l	91.66%
• Suspended Solids	• < 25 mg/l	• 2-17mg/l	100%	• 2-31mg/l	91.66%
• Faecal Coliform	• < 0/100ml	• 0-193 / 100ml	75%	• 0-240 / 100ml	66.66%
• Free Chlorine	• < 0.25 mg/l	• 0.10-0.30 mg/l	25%	• 0.08-0.48 mg/l	41.66%
• Orthophosphate	• < 1.0 mg/l	• 0.86-4.33 mg/l	8.3%	• 1.17-7.30 mg/l	Non-compliant
OVERALL COMPLIANCE			75%		73.14%

Performance review -

Lethabong WWTW did not meet the overall quality target of 90%.

Reasons for variance –

- Extremely low inflow volumes, due to numerous sewer blockages, outside the jurisdiction of RWST.
- High rate of power failures, a total of 305 hours during the period under review.

Remedial Measures –

- Issue of sewer blockages has been reported to and discussed with RLM; further urgent action required by RLM.
- The water and sewer reticulation systems in Lethabong need to be rehabilitated and refurbished by RLM.
- RLM had appointed a contractor in March 2023, for the upgrade of the plant. The Contractor has established site and monthly site meetings take place.

2.6.3 MONAKATO SEWAGE TREATMENT PLANT

Table 9: DWS License conditions for Monakato WWTW

Determinant	Performance standard
pH	6.5 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 75 mg/l
Ammonia	< 1 mg/l
Nitrate	< 15 mg/l
Suspended Solids	< 25 mg/l
Faecal Coliform	< 0 / 100 ml
Free Chlorine	< 0.25 mg/l
Orthophosphate	< 1.0 mg/l

Table 10: Performance of Monakato WWTW for the period of review.

Determinant	Performance standard	Previous Performance 01 July 2022 - 30 June 2023		Current Performance 01 July 2023 - 30 June 2024	
		Performance achieved	Compliance %	Performance achieved	Compliance %
• pH	• 6.5 - 8.5	• 7.51-9.08	83.33%	• 7.51-8.93	75%
• Elec. Conductivity	• <150 mS/m	• 20-181 mS/m	75%	• 66-205 mS/m	91.66%
• COD	• < 75 mg/l	• 41-170 mg/l	8.3%	• 15-102 mg/l	33.33%
• Ammonia	• <1 mg/l	• 0.68-18.80 mg/l	8.3%	• 2.10-14.40 mg/l	Non-compliant
• Nitrate	• < 15 mg/l	• 0.10-41.30 mg/l	83.33%	• 0.10-3.77 mg/l	100%
• Suspended Solids	• < 25 mg/l	• 8-79 mg/l	41.66%	• 13-177 mg/l	25%
• Faecal Coliform	• < 0/100ml	• 0 - 131 / 100ml	83.33%	• 0-200 / 100ml	75%
• Free Chlorine	• < 0.25 mg/l	• 0.20-0.29 mg/l	25%	• 0.01-0.27 mg/l	75%
• Orthophosphate	• < 1.0 mg/l	• 0.22-6.04 mg/l	16.66%	• 0.50-3.09 mg/l	8.3%
OVERALL COMPLIANCE			47%		53.69%

Performance review -

Monakato WWTW did not meet the overall quality target of 90% but improved slightly from the previous year.

Reasons for variance –

- Excessively high inflow volumes - above design capacity of the Works. Outside the jurisdiction of RWST.
- Excessive power failures, total of 780 hours during the period under review.

Remedial Measures –

- Recent plant upgrade executed by RLM is not as per the business plan, capacity is not increased as required. The matter has been discussed with RLM and further action required by RLM.
- The issue of high inflows possibly caused by excessive storm water ingress has been discussed with RLM, further action required by RLM.

2.6.4 RUSTENBURG SEWAGE TREATMENT PLANT

Table 11: DWS License conditions: Rustenburg WWTW

Determinant	Performance standard
pH	< 6 - 9
Elec. Conductivity	<75 mS/m
COD	<75 mg/l
Ammonia	<1 mg/l
Nitrate	<0-6 mg/l
Suspended Solids	25 mg/l
Faecal Coliform	<150 counts/100 ml
Residual Chlorine	< 0.1 mg/l
Orthophosphate	< 1.0 mg/l

Table 12: Performance of Rustenburg WWTW for the period of review

Determinant	Performance standard	Previous Performance 01 July 2022 - 30 June 2023		Current Performance 01 July 2023 - 30 June 2024		
		Performance achieved	Compliance %	Performance standard	Performance achieved	Compliance %
• pH	• 6-9	• 7.40-8.05	100%	• 6 - 9	7.08-8.07	100%
• Elec. Conductivity	• 75mS/m	• 66.80-140.00 mS/m	33.33%	• 75mS/m	74.30-110.00 mS/m	8.3%
• COD	• 75 mg/l	• 26.00-218.00 mg/l	83.33%	• 75 mg/l	14.60-41.00 mg/l	100%
• Ammonia	• 1 mg/l	• 0.55-45.40 mg/l	8.3%	• 1 mg/l	0.10-31.30 mg/l	66.66%
• Nitrate	• 0-6 mg/l	• 0.10-3.37 mg/l	100%	• 0-6 mg/l	0.10-31.40 mg/l	75%
• Suspended Solids	• 25 mg/l	• 2-74 mg/l	66.66%	• 25 mg/l	2-10 mg/l	100%
• E-coli	• 150counts / 100ml	• 0-2000 / 100ml	66.66%	• 150counts/100 ml	0-200 / 100ml	83.33%
• Free Chlorine	• 0.1 mg/l	• 0.01-0.60 mg/l	91.66%	• 0.1 mg/l	0.02-1.80 mg/l	58.33%
• Orthophosphate	• 1.0 mg/l	• 10.82-19.00 mg/l	16%	• 1.0 mg/l	0.07-15.20 mg/l	25%
OVERALL COMPLIANCE			62.96%			68.51%

Performance review -

Rustenburg WWTW did not meet the set quality target of 90%.

Reasons for variance –

- Inflow into plant exceed the design capacity.
- Power failures inhibit the ability of the plant.
- Sporadic inflow of poor water quality because of industrial effluent

Remedial Measures -

Industrial flow quality is monitored daily, and issues addressed with relevant industries.

Table 13: Summary of the quality performance achieved by the 4 WWTW for the period of review, is tabled below:

PLANT	CAPACITY	PERFORMANCE		
		TARGET	JULY 2022 – JUNE 2023	JULY 2023 – JUNE 2024
Rustenburg WWTW	42 Ml/d	90%	62.96%	68.52%
Boitekong WWTW	24 Ml/d	90%	68.54%	81.55%
Monakato WWTW	1 Ml/d	90%	47%	52.80%
Lethabong WWTW	2 Ml/d	90%	75%	73.16%
Overall performance			63.38%	69.00%

2.6.5 Effluent Quality (Anglo Platinum standards)

In terms of an amended agreement with the Anglo Platinum, the 15 Ml/d treated effluent supplied is further treated in the dissolved air flotation (DAF) unit to meet the following standards:

Table 14: Anglo Platinum Quality Standards

PARAMETER	UNIT	CONTRACTED QUALITY	
		MAXIMUM	REJECT
pH	pH Units	7.5 Min - 7.8 Max	6.8 Min - 8.2 Max
TOC	mg/l	20	> 25
COD	mg/l	60	> 75
TSS	mg/l	8	> 10
Alkalinity	mg/l	300	> 350

Ammonia	mg/l	5	> 10
Nitrate	mg/l	10	> 15
O-Phosphate	mg/l	9	> 10
Fats	mg/l	4	> 5
TDS	mg/l	1800 (150 μ S/m)	> 2000 (200 μ S/m)
Ca	mg/l	350	> 400
Mg	mg/l	75	> 100
Na	mg/l	150	> 400
SO ₄	mg/l	200	> 300
Cl	mg/l	450	> 500
Turbidity	NTU	10	> 15
E. coli	CFU/100ml	0	> 1000
Total Plate Count	CFU/100ml	1000	> 10000

The water quality is monitored daily.

Table 15 below gives an indication of the performance of the DAF plant during the period under review, 1 July 2023 to 30 June 2024, and includes the performance of the previous period.

Table 15: Quality Measurement at Rustenburg Wastewater Treatment Works (Anglo Standards)

Determinant	Performance standard	Previous Performance 01 July 2022 - 30 June 2023		Current Performance 01 July 2023 - 30 June 2024	
		Performance achieved	Compliance %	Performance achieved	Compliance %
pH	7.5 - 7.8 pH-Units	7.49-7.88 pH-Units	83.33%	7.35-8.07 pH-Units	33.33%
TOC	< 20 mg/l	5.49-16.90 mg/l	100%	4.79-9.40 mg/l	100%
COD	<60 mg/l	18.00-67.00 mg/l	94.11%	14.60-35.00 mg/l	100%
TSS	< 8 mg/l	2.00-13.00 mg/l	88.23%	2-12 mg/l	83.33%
Alkalinity	<300 mg/l	135.00-204.00 mg/l	100%	128.00-221.00 mg/l	100%
Ammonia	< 5 mg/l	0.10-2.23 mg/l	33.33%	0.10-25.60 mg/l	75%
Nitrate	< 10 mg/l	3.43-9.63 mg/l	94.11%	6.24-40.30 mg/l	58.33%
O-Phosphate	< 9 mg/l	1.36-6.32 mg/l	94.11%	1.09-4.67 mg/l	100%
Fats	< 4 mg/l	0.50-16.00 mg/l	100%	0.50-0.50 mg/l	100%
TDS	<1800 mg/l	476.00-670.00 mg/l	100%	557.00-767.00 mg/l	100%
Ca	0 - 350 mg/l	27.50-37.20 mg/l	100%	38.10-53.00 mg/l	100%
Mg	0 - 75 mg/l	22.00-28.50 mg/l	100%	29.10-36.40 mg/l	100%
Na	0 -150 mg/l	48.20-93.40 mg/l	100%	77.70-129.00 mg/l	100%
SO ₄	0 – 200 mg/l	71.10-124.00 mg/l	100%	9.20-164.00 mg/l	100%
Cl	0 – 450 mg/l	93.00-152.00 mg/l	100%	109.00-160.00 mg/l	100%
Turbidity	0 - 10 NTU	1.25-6.32 NTU	94.11%	1.05-11.00 NTU	91.66%
E. coli	0 CFU/100m ^l	0-154 CFU/100m ^l	75%	0-200CFU/100m ^l	41.66%
Total Plate Count	0-1000CFU/100m ^l	0-2730 CFU/100m ^l	91.66%	0-1000CFU/100m ^l	100%
OVERALL COMPLIANCE			91.54%		87.96%

Performance review -

Rustenburg WWTW (DAF) did not meet the set quality target of 90% due to power failures and low inflows from October 2023 to June 2024.

Reasons for variance –

- Sewer blockages and water restrictions affected the inflow into the plant. The matter has been escalated to RLM as this is outside RWST's jurisdiction.

Remedial Measures –

- RLM and RWST are unblocking sewers to alleviate the problem.

2.7 KPI 6: NUMBER OF WATER TREATMENT WORKS OPERATED

RWST is responsible for the operation and maintenance of the following two water treatment plants:

Kloof Water Treatment Works (2 Mℓ/d design capacity)
 Bospoort Water Treatment Works (12 Mℓ/d design capacity)

Water and Sanitation Services South Africa (Pty) Ltd, trading as Water Solutions Southern Africa (WSSA) has been contracted by the Rustenburg Water Services Trust (RWST) for the operation of these plants.

The volumes treated by each plant for the period under review are captured below.

Table 16: Volumes treated by each plant for the period under review are captured below:

PLANT	CAPACITY	1 July 2022 – 30 June 2023	1 July 2023 – 30 June 2024
Bospoort WTW	12 Mℓ/d	9.06Mℓ/d	11.18Mℓ/d
Kloof WTW	2 Mℓ/d	0.69Mℓ/d	0.95Mℓ/d

2.8 KPI 7.1: PLANT AVAILABILITY, NUMBER OF WATER TREATMENT WORKS MAINTAINED

There are 2 (two) water purification plants maintained in terms of agreed standards, namely Bospoort and Kloof Water Purification Works.

The RWST maintained 2 (two) water treatment works in 2022/2023 and during the financial year under review. The operation and maintenance contractor, WSSA is responsible for the maintenance at the plants and maintenance is done regularly to ensure that the plants perform optimally at all times.

Maintenance records and job cards for each of the water treatment works are completed and filed by the Maintenance Manager and this information is reviewed by Rustenburg Local Municipality Internal Audit quarterly, on site.

KPI 7.2: PLANT MAINTENANCE OF WATER TREATMENT WORKS MAINTAINED

The successful operation of Water Treatment Works is largely dependent on the installed machinery and equipment to ensure that the water can be treated according to the process the plant was designed for.

It is thus vital that all machinery and equipment be kept in good working condition and available for use when required.

Regular service and preventative maintenance, however, require that equipment be taken out of service for a certain period. It will thus not always be possible to obtain a 100% of all equipment availability and the target of 85% availability is set.

RWST has contracted WSSA to operate and maintain the two water treatment plants under its control.

Monthly spot checks are performed by RWST to verify availability. The availability of the four wastewater treatment works is indicated below.

Table 17: Availability of the 2 Water Treatment Plants

PLANT	CAPACITY	AVAILABILITY		
		TARGET	1 July 2022 – 30 June 2023	1 July 2023 – 30 June 2024
Bospoort WTW	12 Ml/d	85%	99.16%	95.83%
Kloof WTW	2 Ml/d	85%	99.16%	99.16%
○ Overall plant availability			99.16%	97.49%

Performance review -

Both plants exceeded the target of 85%.

Reasons for variance - None required.

Remedial Measures -

None required.

2.9 KPI 8: PERCENTAGE COMPLETION OF WATER TREATMENT PLANTS - CIVIL WORKS

UPGRADING PROJECT (BOSPOORT WTW)

Bospoort Water Treatment Works underwent upgrading under the contract of the RWST. The Civil component of the work was completed in November 2020.

The Mechanical and Electrical components of the work have not yet been procured.

Table 18: Bospoort WTW Construction Progress

BOSPOORT WTW CONSTRUCTION PROGRESS			
CONTRACT	PROGRESS		PROGRESS FOR PERIOD
	30 June 2023	June 2024	
Civil	100%	100%	-
M&E	-	-	-
OVERALL CONSTRUCTION PROGRESS	-	-	-

Performance review -
Not applicable

Reasons for variance –
Not applicable

Remedial Measures -
Not applicable

2.10 KPI 9: VOLUME OF POTABLE WATER SUPPLIED TO RLM IN ACCORDANCE WITH THE WATER SUPPLY AGREEMENT

Bospoort Water Treatment Works has a design capacity of 12 Mℓ/d and Kloof Water Treatment Works a capacity of 2 Mℓ/d. WSSA has been contracted by the RWST for the operation of these plants.

Outstanding is the Mechanical and Electrical upgrade of Bospoort WTW. The Trust submitted draft tender documents to RLM in November 2023 and consultations have taken place between

RWST and RLM over this period. The Trust is awaiting a date for the Bid Specification Committee from RLM, then the tender will be issued and advertised.

The average volumes of water supplied to RLM is in accordance with the water supply agreement for the period under review, is tabled below.

Table 19: Average volumes of water supplied to RLM

PLANT	CAPACITY	PERFORMANCE		
		Combined target: 10.8 Mℓ/d	1 July 2022 – 30 June 2023	1 July 2023 – 30 June 2024
Bospoort WTW	12 Mℓ/d	9.6 Mℓ/d	9.06Mℓ/d	11.18Mℓ/d
Kloof WTW	2 Mℓ/d	1.2 Mℓ/d	0.69Mℓ/d	0.95Mℓ/d
Combined volume			9.75Mℓ/d	12.13Mℓ/d

Performance review -

Bospoort WTW met the required production rate for the period under review.

Reasons for variance –

Kloof is affected by power failures with a total of 425.53 hours of no power during the period under review.

Remedial Measures -

Kloof WTW is not exempted from loadshedding by Eskom.

2.11 KPI 10: PERCENTAGE COMPLIANCE IN THE TREATMENT OF WATER FOR POTABLE

USE IN TERMS OF DWS STANDARDS

The required standards both Bospoort Water Treatment Works and Kloof Water Treatment Works are regulated by SANS 241.

In accordance with the water supply agreement, RWST must supply potable water from the Bospoort and Kloof Water Treatment Works, which is fully compliant with SANS 241, as in table 20 below.

Table 20: SANS 241 Standards

SANS 241 Determinant	Performance standard
Colour Pt-Co	< 15
Treated Conductivity (mS/m)	< 170 mS/m
TDS	< 1200 mg/l
pH	> 5.0 < 9.7 pH Units
Turbidity NTU	< 1 NTU
Calcium (mg/l)	< 150 mg/l
Faecal Coliform	< 0 /100m ^l
Chloride (mg/l)	< 300 mg/l
Fluoride (mg/l)	< 1.5 mg/l
Magnesium (mg/l)	< 70 mg/l
Sulphate (mg/l)	< 250 mg/l
Heterotrophic Plate Count cfu/m ^l	< 1000 /m ^l
Total Coliform cfu/100m ^l	< 10 cfu/100m ^l
Free Chlorine (mg/l)	< 5 mg/l

BOSPOORT WTW

Table 21: The quality performance achieved by Bospoort WTW for the period of review is tabled below.

Determinant	Performance standard (SANS 241)	Previous Performance 01 July 2022 - 30 June 2023		Current Performance 01 July 2023 - 30 June 2024	
		Performance achieved	Compliance %	Performance achieved	Compliance %
Colour Pt-Co	• <15	5-10	100%	7-10	100%
Treated Conductivity (mS/m)	• <170 mS/m	51-143 mS/m	100%	99-124 mS/m	100%
TDS	• <1200 mg/l	348-939 mg/l	100%	666-830 mg/l	100%
pH (pH units)	• >5.0 <9.7	6.85-7.69	100%	7.83-8.44	100%
Turbidity NTU	• <1	0.29-1.47	92%	0.30-1.80	91.66%
Calcium (mg/l)	• <150 mg/l	31.2-177.00 mg/l	92%	59.8-99.1 mg/l	100%
Faecal Coliform	• <0 cfu/100ml	0 - 0 cfu/100ml	100%	0 - 0 cfu/100ml	100%
Chloride (mg/l)	• <300 mg/l	81-210 mg/l	100%	127-161 mg/l	100%
Fluoride (mg/l)	• <1.5 mg/l	0.10-0.36 mg/l	100%	0.13-0.29 mg/l	100%
Magnesium (mg/l)	• <70 mg/l	18.1-48.5 mg/l	100%	39.0-49.6 mg/l	100%
Sulphate (mg/l)	• <250 mg/l	74-229 mg/l	100%	149-210 mg/l	100%
Heterotrophic Plate Count cfu/ml	• <1000 cfu/ml	0-87 cfu/ml	92%	0-323 cfu/ml	100%
Total Coliform cfu/ml	• <10 cfu/100 ml	0-10 cfu/100ml	92%	0-9 cfu/100ml	100%
Free Chlorine (mg/l)	• <5 mg/l	1.06-1.95 mg/l	100%	1.15-2.14 mg/l	100%
OVERALL COMPLIANCE:			97.71%		99.40%

Performance review –

Bospoort WTW met the set target of 95%.

Reasons for variance -

None required.

Remedial measure-

None required.

KLOOF WTW

The Kloof Water Treatment Works is a small, very old facility that used to be one of the first sources of potable water to Rustenburg. It is fed from the Dorpspruit, which originates in the Magalies mountain range from springs, and the water quality is normally of a very high standard.

Table 22: The quality performance achieved by Kloof WTW for the period of review is tabled below.

Determinant	Performance standard (SANS 241)	Previous Performance 01 July 2022 - 30 June 2023		Current Performance 01 July 2023 - 30 June 2024	
		Performance achieved	Compliance %	Performance achieved	Compliance %
Colour Pt-Co	• <15	7.74-10.00	100%	6.99-7.77	100%
Treated Conductivity (mS/m)	• <170mS/m	7.17-23.26mS/m	100%	8.33-14.78 mS/m	100%
TDS	• <1200 mg/l	48.00-155.67mg/l	100%	56.00-99.00 mg/l	100%
pH	• >5.0 <9.7 pH Units	7.37-8.14pH Units	100%	77.31-8.21 pH Units	100%
Turbidity NTU	• <1 mg/l	0.30-1.71mg/l	67%	0.30-0.84 mg/l	100%
Calcium (mg/l)	• <150 mg/l	5.16-8.99mg/l	100%	2.00-6.84 mg/l	100%
Faecal Coliform	• <0 cfu/100ml	0 - 0 cfu/100ml	100%	0-9 cfu/100ml	91.66%
Chloride (mg/l)	• <300 mg/l	4.07-45.39mg/l	100%	5.19-20.76 mg/l	100%
Fluoride (mg/l)	• <1.5 mg/l	0.10-0.14mg/l	100%	0.08-0.60 mg/l	100%
Magnesium (mg/l)	• <70 mg/l	3.28-7.93mg/l	100%	2.53-7.73 mg/l	100%
Sulphate (mg/l)	• <250 mg/l	1.27-9.80mg/l	100%	0.96-24.87 mg/l	100%
Heterotrophic Plate Count cfu/100ml	• <1000 cfu/ml	0-24 cfu/ml	100%	0-251 cfu/ml	100%
Total Coliform cfu/100ml	• <10 cfu/100ml	0-2 cfu/100ml	100%	0-191 cfu/100ml	91.66%
Free Chlorine (mg/l)	• <5 mg/l	0.20-0.46mg/l	100%	0.10-0.71 mg/l	100%
OVERALL COMPLIANCE:			97.64%		98.80

Performance review -

Kloof met the set target of 95%.

Reasons for variance –

None required.

Remedial Measures -

None required.

Table 23: Summary of the quality performance achieved by the 2 WTW for the period of review, is tabled below.

PLANT	CAPACITY	Target @ 90% capacity	PERFORMANCE	
			1 July 2022 – 30 June 2023	1 July 2023 – 30 June 2024
Bospoort WTW	12 Ml/d	95%	97.71%	99.40%
Kloof WTW	2 Ml/d	95%	97.64%	98.80%
Overall performance			97.67%	99.10%

Performance review –

Both Bospoort and Kloof WTW met the set target of 95%.

Reasons for variance -

None required.

Remedial measure-

None required.

3. KPI 11: FINANCIAL PERFORMANCE

Annual financial statements for the period ending 30 June 2024 are prepared and submitted to RLM IA by the RWST CFO.

4. KPI 12: GOOD GOVERNANCE

The status of the actions from the Auditor General's findings from the 2022/23 audit, for the Trust, is reflected in the table below.

RUSTENBURG WATER SERVICES TRUST				
POST AUDIT ACTION PLAN 2022/2023				
AG Issue	RWST Plan	Responsible person	Due Date	Percentage Completion
Revaluation not done	Trust will do the revaluation this year and back date to 30 June 2022	Board and CFO	31/07/2023	50%
Financial Instruments	Disclosure issue in AFS. There is a lot of disclosure issues that were raised by the AG. The Trust will make sure that all the issues raised by the AG will be addressed when compiling the 2023 AFS.	CFO	31/08/2023	100%
Actual versus budget comparison	Disclosure issue in AFS. There is a lot of disclosure issues that were raised by the AG. The Trust will make sure that all the issues raised by the AG will be addressed when compiling the 2023 AFS.	CFO	31/08/2023	100%
Accounting policy on contingent liabilities not disclosed	Disclosure issue in AFS. There is a lot of disclosure issues that were raised by the AG. The Trust will make sure that all the issues raised by the AG will be addressed when compiling the 2023 AFS.	CFO	31/08/2023	100%
Mid-year performance assessment not submitted to the Parent Municipality within the legislated timeframe	The report was submitted but the email could not be found. We have already submitted the report this year	RCC	20/01/2023	100%
Trust does not have a fraud prevention plan	The Trust will compile and implement a fraud prevention plan	Board and CFO	31/05/2023	100%
Lack of process on consequence management	The Trust will compile and implement a consequence management report	Board and CFO	31/05/2023	100%
Under statement of contingent liability	Disclosure issue in AFS. There is a lot of disclosure issues that were raised by the AG. The Trust will make sure that all the issues raised by the AG will be addressed when compiling the 2023 AFS.	CFO	31/08/2023	100%

RUSTENBURG WATER SERVICES TRUST				
POST AUDIT ACTION PLAN 2022/2023				
AG Issue	RWST Plan	Responsible person	Due Date	Percentage Completion
Over impairment of RLM receivable	recovery. This over statement was caused by the AG and not by the trust. It is however now written off and cannot effect future AFS's	CFO		100%
Multi year business plan not approved	The Trust will approve its multi year business plan	Board and CFO	31/05/2023	100%
Information not provided to the AG	There was a number of information that was not provided to the AG. This is due to the fact that the CEO resigned and his last day was 30 June 2022. Most of the info was compiled and kept by the CEO, the CFO was the only person in the Trust and he could not do everything and find all the information required. For the 2023 AFS the Board of Trustees will most probably still be involved and all information will be available.	New CFO	1 September 2023 to 30 November 2023	100%
SCM - Indwe services for Insurance	The AG believes that there were no competative bidding process followed in contracting with Indwe insurance. The Trust followed the quotation process to appoint Indwe as their fee was below R 200,000 and the insurance part of the expenses cannot be compared between various insurance houses because there are to many variables and axclusion clauses.	Board and CFO	31/07/2023, this is the date that the new year insurance needs to be paid.	70%

5. ASSESSMENT OF PERFORMANCE OF SERVICE PROVIDERS

NO	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMENT DATE	EXPIRY/ COMPLETION DATE	SIGNED CONTRACT		SPECS MET		STATUS/ ACTUAL PERFORMANCE
							YES	NO	YES	NO	
1	WSSA	Appointment of Services For Operation and Maintenance of four wastewater treatment works and 2 water treatment works	R 173,065,296	R 151,832,488	2014	Month to month	Yes		Yes		Still on Going
2	CEO	Appointment of Services For the position of Chief Executive Officer	R 1,165,871	R 1,165,871	1 November 2023	31 October 2028	Yes		Yes		Still on Going
3.	CFO	Appointment of Services For the position of Chief Financial Officer	R 1,049,598	R 1,049,598	1 September 2023	30 November 2024	Yes		Yes		Still on going
4	Rustenburg Consulting Consortium	Appointment of a Services Provider for monitoring and administration of operator's contract	R 3,466,844	R 3,466,844	2003	Ongoing linked to the Trust Deed	Yes		Yes		Still on Going

6.4 ANNUAL FINANCIAL STATEMENTS OF THE RUSTENBURG WATER SERVICES TRUST



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2024

Version 3

Rustenburg Water Services Trust

FINANCIAL STATEMENTS
For the year ended 30 June 2024



TRUST INFORMATION

TRUST REFERENCE NUMBER | IT 6155/03

TRUSTEES	Term ended	Date of appointment
KG Lebethe		19 September 2022
M Rapoo		19 September 2022
E Scheepers		19 September 2022
P Mayeza		19 September 2022

TRUST CEO | MA Pitsi

REGISTERED OFFICE | 1a Kock Street
Rustenburg
0300

AUDITORS | Office of the Auditor-General
124 Kock Street
Rustenburg
0300

BANKERS | ABSA Business Bank
91 Church Street
Klerksdorp
5271

FINANCIAL STATEMENTS
For the year ended 30 June 2024



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Rustenburg Water Services Trust



TRUSTEES' REPORT For the year ended 30 June 2024

The trustees present their annual report of the Trust, for the year ended 30 June 2024.

1 General information

The Trust's objective is to procure the design, construction, implementation, operation and maintenance of the Rustenburg, Bospoort and the Botlekong water supply scheme in the most cost effective manner and for the purpose of maximizing the Trust income to be distributed to the beneficiary as well as to provide potable water to Rustenburg Local Municipality.

2 Date of incorporation

Date of incorporation of the Trust was 1 September 2003

3 Operating and financial review

	2024 R	2023 R
Revenue	223 803 886	242 012 498
Operating surplus	68 590 624	73 855 722
Net surplus for the period	68 590 624	73 855 722
Total assets	1 140 050 480	1 070 761 719
Total liabilities	27 603 689	26 131 556

4 Statutory funds

A donation of R1, 000 was donated by the donors as per the Deed of the Trust

5 Financial objectives and performance against forecasts

Financial performance for the 12 month period was satisfactory, in line with management's expectations.

6 Trustees and secretary

The following are the registered Trustees of the Trust at the Master of the High Court. Their term expired and RLM are in the process of replacing them.

30-Jun-24		30-Jun-23	
KG Lebelhe	Active	KG Lebelhe	Active
M Rapoo	Active	M Rapoo	Active
E Scheepers	Active	E Scheepers	Active
P Mayeza	Active	P Mayeza	Active

7 Beneficiary details

The sole beneficiary of the Trust is the Rustenburg Local Municipality.

8 Auditors

In terms of Section 92 of the Municipal Finance Management Act (MFMA) No 56 of 2003, the audit will be conducted by the Office of the Auditor-General.

9 Statements of responsibility

The Trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statement and related information. The auditors are responsible to report on the fair representation of the financial statements. The financial statements are prepared in accordance with and comply with Statements of Generally Recognised Accounting Practice (GRAP) and in the manner required by the Municipal Systems Act.

The Trustees are responsible for the Trust's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the Trustees have every reason to believe that the Trust has adequate resources in place to continue in operation for the foreseeable future.

Rustenburg Water Services Trust

TRUSTEES' REPORT (Continued)
For the year ended 30 June 2024



10 Fair Value Adjustment

The Trustees embarked on a revaluation in terms of GRAP 17 and all Property, Plant and Equipment on the plants have been revalued on 30 June 2017. This resulted in a revaluation surplus on the Statement of Financial Position. An impairment test was conducted on the assets in 2024 and resulted in a write down of some of the assets.

11 Events after year end

The Trustees are not aware of any events after year end that would have a material impact on the operations of the Trust.

27 GOING CONCERN

As at 30 June 2024 the Trust had accumulated surplusses of R 1,112,445,791 (2023: R 1,044,629,163) with total assets of R 1,140,050,480 (2023: R 1,070,761,719) and total liabilities of R 27,603,689 (2023: R 26,131,556).

It should be noted that the Trust experienced low inflow volumes on the Rustenburg and Botlekong Waste Water Treatment Works during the last 8 months of the financial year. Although the flows has picked up at Rustenburg the last couple of months the flows are only at 70% where they were two years ago. This negatively effects the cash flows of the Trust and the sustainability of delivering treated water at current standards. It will also have a major impact on any upgrade projects that the Trust undertakes in the foreseeable future.

13 Other Matters

There is an existing litigation between previous board members where a board member took the board and the Rustenburg Water Service Trust to court. This follows after allegations were made on the breach of code of conduct where the board member was accused of dishonesty and dereliction of duty. The member was precautionary suspended by the previous board, pending the outcome of the investigation hearing. The investigation was conducted by two independent advocates and the outcome was received on the 21 September 2021. The recommendation was for the Rustenburg Executive Mayor to remove the accused. The alleged member challenged the suspension in the High Court of Mafikeng on an urgent basis. This was overturned in an Arbitration process as guided by the Trust deed. The advocate arbitrating on the matter ruled that the precautionary suspension was unlawful and the member was reinstated. A section 79 committee was established by RLM to deal with this dispute. The court case is still under way.

The financial statements were accepted by the Accounting Officer of the Trust on 27 August 2024 and are duly signed.


M.A. PITSI

Rustenburg Water Services Trust



STATEMENT OF FINANCIAL POSITION At 30 June 2024

	NOTES	2024 R	2023 R
LIABILITIES			
Non-Current Liabilities			
Long term liabilities	5	-	502 124
Current liabilities			
Trade and other payables (exchange transactions)	8	26 155 038	24 316 798
Short Term Portion of Liabilities	5	502 124	427 191
VAT payable		946 527	885 443
		<u>27 603 689</u>	<u>25 629 432</u>
Total Liabilities		<u>27 603 689</u>	<u>26 131 556</u>
ASSETS			
Non-current Assets			
Lease Hold Improvements	3	510 189 529	525 513 865
		<u>510 189 529</u>	<u>525 513 865</u>
Current assets			
Trade receivables (exchange transactions)	6	112 784 266	164 973 015
Cash and cash equivalents	7	517 075 685	380 274 838
		<u>629 860 951</u>	<u>545 247 853</u>
Total Assets		<u>1 140 050 480</u>	<u>1 070 761 719</u>
NET ASSETS			
Statutory funds		1 000	1 000
Revaluation Surplus		256 919 433	262 194 256
Distributable reserves	4	855 526 359	782 434 906
		<u>1 112 446 791</u>	<u>1 044 630 163</u>
TOTAL NET ASSETS		<u>1 112 446 791</u>	<u>1 044 630 163</u>

Rustenburg Water Services Trust

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2024



		2024 R	2023 R
REVENUE - From exchange transactions			
Sales - water		223 803 886	242 012 496
COST OF SALES	23		
Rustenburg WWTW		61 852 071	69 705 717
Boilekong WWTW		18 872 816	19 757 047
Bospoort WTW		33 507 277	25 204 650
Kloof WTW		2 105 832	1 927 808
Monakato WWTW		1 267 873	1 216 960
Lefhabong WWTW		3 301 639	3 100 178
Effluent monitoring		1 227 169	1 124 213
Operator overheads			
Day works and provisional sums		1 165 691	1 105 294
Management and general staff		6 370 863	5 953 996
		129 671 250	129 095 864
GROSS MARGIN		94 132 635	112 916 634
		42%	47%
OTHER INCOME - From exchange transactions			
Interest received	9	35 912 411	19 613 904
Profit on disposal of fixed assets		23 477	3 696
		35 935 888	19 617 599
EXPENSES			
Auditors Remuneration		1 208 133	1 155 104
Bank charges		7 743	6 720
DWS Compliance		457 010	212 807
Depreciation		28 548 618	32 731 589
Disbursements (Printing & Travel)		1 763	-
Finance costs	10	90 960	132 434
Impairment loss	19	793 896	1 811 537
Insurance		1 328 526	881 881
Legal Fees		220 886	988 967
O & M Supervision		3 428 278	3 816 391
O & M Tender Documents		305 103	-
Recruitment Fees		122 626	-
Repairs	24	22 161 237	14 498 979
Salaries		2 215 470	1 451 932
Trustees Remuneration		587 650	990 150
		61 477 900	58 678 511
Surplus for the year		68 590 624	73 855 722

Rustenburg Water Services Trust



STATEMENT OF COMPARISON OF ACTUAL VS BUDGET For the year ended 30 June 2024

	Actual 2024 R	Approved Budget 2024 R	Original Budget 2024 R	Actual outcome as % of final budget 2024 R	Actual outcome as % of original budget 2024 R
REVENUE					
Sales: RLM	146 573 902	183 247 724	183 247 724	-20.01%	-20.01%
Sales: Mines	77 229 984	78 435 234	78 435 234	-1.54%	-1.54%
TOTAL REVENUE	223 803 886	261 682 958	261 682 958		
COST OF SALES	129 571 250	149 879 626	149 879 626	13.48%	13.48%
GROSS MARGIN	94 132 635	111 803 332	111 803 332		
OTHER INCOME - From exchange transactions					
Interest received	35 912 411	28 464 768	28 464 768	26.16%	26.16%
Profit on disposal of fixed assets	23 477	-	-		
	35 935 888	28 464 768	28 464 768		
EXPENSES	Actual	Budget	Budget		
Auditors Remuneration	1 208 133	1 226 815	1 226 815	1.52%	1.52%
Bank charges	7 743	7 076	7 076	-9.44%	-9.44%
DWS compliance	457 010	234 443	234 443	-94.93%	-94.93%
Depreciation	28 548 618	35 083 175	35 083 175	18.53%	18.53%
Disbursements (Printing & Travel)	1 763	12 000	12 000	85.31%	85.31%
Finance costs	90 960	90 960	90 960	0.00%	0.00%
Impairment loss	793 896	730 764	730 764	-8.64%	-8.64%
Insurance	1 328 526	939 203	939 203	-41.45%	-41.45%
Legal Fees	220 886	1 102 457	1 102 457	79.96%	79.96%
O&M Supervision	3 428 278	3 466 844	3 466 844	1.11%	1.11%
O&M Tender Documents	305 103	-	-	-100.00%	-100.00%
Recruitment Fees	122 626	-	-	-100.00%	-100.00%
Repairs	22 161 237	23 185 670	23 185 670	4.42%	4.42%
Salaries	2 215 470	3 600 000	3 600 000	38.46%	38.46%
Trustees Remuneration	587 650	968 777	968 777	39.34%	39.34%
Section 93J Structure	-	1 000 000	1 000 000	100.00%	100.00%
Marketing	-	50 000	50 000	100.00%	100.00%
Research and Development	-	300 000	300 000	100.00%	100.00%
Suscriptions	-	20 000	20 000	100.00%	100.00%
Training	-	80 000	80 000	100.00%	100.00%
	61 477 900	72 098 185	72 098 185		
Surplus for the year	68 590 624	68 169 915	68 169 915		
DSCR:					
EBIT & Depreciation	97 230 201	103 344 051	103 344 051		
Reserves	517 076 685	517 076 685	517 076 685		
Bank repayments	41 146 403	41 146 403	41 146 403		
Including reserves	14.93	15.08	15.08		
Excluding reserves	2.36	2.51	2.51		

The explanations for major variances between the budget and the actual for the period under review are done in Note 25.

Rustenburg Water Services Trust



STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2024

	Note	Statutory funds R	Retained Earnings R	Revaluation Surplus R	Total R
Balance at 30 June 2017		1 000	382 070 620	266 482 705	648 554 325
Surplus for the year			74 756 803		74 756 803
Impairment adjustment for the year				(129 724)	(129 724)
Revaluation surplus transferred			14 960	(14 960)	-
Correction of error			(18 830 908)		(18 830 908)
Balance at 30 June 2018		1 000	438 013 475	266 339 021	704 353 496
Surplus for the year			66 825 920		66 825 920
Impairment adjustment for the year				(175 075)	(175 075)
Revaluation surplus transferred			26 390	(26 390)	-
Correction of error			(16 363)		(16 363)
Balance at 30 June 2019		1 000	504 849 423	265 137 555	770 987 978
Surplus for the year			75 427 453		75 427 453
Impairment adjustment for the year				(476 805)	(476 805)
Revaluation surplus transferred			307 412	(307 412)	-
Correction of error			(26 908 347)		(26 908 347)
Balance at 30 June 2020		1 000	553 675 941	265 353 338	819 030 280
Surplus for the year			85 125 276		85 125 276
Impairment adjustment for the year				(260 739)	(260 739)
Revaluation surplus transferred			332 042	(332 042)	-
Balance at 30 June 2021		1 000	639 133 259	264 760 557	903 894 816
Surplus for the year			67 674 789		67 674 789
Impairment adjustment for the year				(25 751)	(25 751)
Revaluation surplus transferred			145 036	(145 036)	-
Balance at 30 June 2022		1 000	706 953 084	264 589 771	971 543 855
Surplus for the year			73 855 722		73 855 722
Impairment adjustment for the year				(769 414)	(769 414)
Revaluation surplus transferred			1 626 101	(1 626 101)	-
Balance at 30 June 2023		1 000	782 434 907	262 194 255	1 044 630 163
Surplus for the year			68 590 624		68 590 624
Impairment adjustment for the year	19			(773 995)	(773 995)
Revaluation surplus transferred			4 500 829	(4 500 829)	-
Balance at 30 June 2024		1 000	855 526 360	256 919 432	1 112 446 792

Rustenburg Water Services Trust



STATEMENT OF CASH FLOWS For the year ended 30 June 2024

	NOTES	2024 R	2023 R
Cash flows from operating activities			
Cash receipts from operating activities		275 992 635	270 716 167
Cash paid to suppliers		160 727 148	144 429 835
Cash generated from operations	11	115 265 486	126 286 332
Interest paid		-	-
Interest received		35 912 411	19 613 904
Net cash flow from operating activities		151 177 898	145 900 236
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		23 477	3 696
Acquisition of property, plant and equipment		(13 972 337)	(7 118 948)
Net cash flow from investing activities		(13 948 860)	(7 115 253)
Cash flow from financing activities			
Long term Liabilities	5	(427 191)	(361 011)
Net cash flow from financing activities		(427 191)	(361 011)
Net decrease in cash and cash equivalents		136 801 647	138 423 972
Cash and cash equivalents at beginning of year		360 274 838	241 850 867
Cash and Cash equivalents at end of year	7	517 076 685	380 274 838

Rustenburg Water Services Trust



ACCOUNTING POLICIES

For the year ended 30 June 2024

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1 BASIS OF PREPARATION

The financial statements comply with standards of GRAP. Financial statements are prepared on the accrual basis of accounting, using the historical cost as measurement basis, except for assets which are revalued. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Where a Standard of GRAP is approved as effective, it replaces the equivalent Statement of IPSAS, IFRS or SA GAAP. Where a standard of GRAP has been issued, but not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph 12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. The following GRAP standards have been issued but are not yet effective and have not been early adopted by the RWST:

GRAP 32, Service Concession Arrangements: Grantor
GRAP 108, Statutory Receivables
GRAP 20, Related Party Disclosures (Revised)

2 TRADE RECEIVABLES

All receivables constitutes receivables from both exchange transactions and non-exchange transactions. Trade receivables are initially recognised at cost. Consumer debtors are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

3 TRADE PAYABLES

Trade payables are initially recognised at cost. Trade payables are measured and carried at fair value.

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are initially recognised at cost. Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid with original maturities of 12 months or less, and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities, when applicable.

5 BORROWINGS AND BORROWING COST

Borrowings are recognised initially at the fair value of proceeds received, net of transaction cost incurred, when they become party to the contractual provisions. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds (net of transaction cost) and the redemption value is recognised in the income statement over the period of the borrowings as interest. Initial borrowing cost were capitalised until the assets became productive.

Rustenburg Water Services Trust



ACCOUNTING POLICIES (Continued)
For the year ended 30 June 2024

6 LEASEHOLD IMPROVEMENTS

Leases of fixed assets where the Trust assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the net present value of the total lease payments at the commencement of the lease. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding lease obligation, net of finance charges, are included in other long-term liabilities. The interest element of the finance charge is charged to the income statement over the lease period.

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

Property, plant and equipment is stated at Fair Value where it was previously stated at cost less accumulated depreciation. This was a change in accounting policy in 2012. Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset is met. Land is not depreciated as it is deemed to have infinite life.

The cost of an item of PPE is the purchase price and other cost 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. Cost also includes initial estimates of the cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition. Property plant and equipment are only depreciated once commissioned.

The Trust maintains and acquires assets to provide a social service to the community, as well as to sell water to the surrounding mines. The useful lives and economic useful lives of these assets are equal. After the loan have been paid up, all assets will revert back to the parent municipality.

Depreciation is recorded by a charge to the income statement computed on a straight-line method to write off the cost of the assets over their remaining useful lives or the remaining period of the lease, to their residual values. The expected useful lives are as follows:

Land and Buildings	0 - 60 years
Plant & Equipment	1 - 60 years
Movable assets	1 - 5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Revaluation of the assets occur every 5 years.

At the end of each reporting period, the trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The cost of major renovations are included in the carrying amount of the asset when it is probable that the future economic benefits associated with the renovation will flow to the entity and its costs can be reliably measured.

Borrowing Directly attributable to the acquisition, construction and production of qualifying assets, which are assets necessarily taking a substantial amount of time to get ready for its intended use or sale, are added to the cost of those assets until such time that the assets are ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The Trust depreciate separately each part of an item of PPE that has a cost that is significant in relation to the total cost of the item. Cost of replacing part are capitalised and the existing parts being replaced are derecognised.

7 REVALUATION AND IMPAIRMENT

Impairment loss on revalued assets shall first be used to reduce the revaluation surplus on that asset, the balance shall then be recognised in the surplus or deficit. When assets are revalued the cost price as well as the accumulated depreciation is restated. Any revaluation surplus recognised on an item of PPE included in net assets shall be transferred directly to the surplus or deficit upon derecognition in the period of the derecognition.

Rustenburg Water Services Trust



ACCOUNTING POLICIES (Continued)
For the year ended 30 June 2024

8 PROVISIONS

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

9 REVENUE RECOGNITION

Revenue comprise of exchange transactions as well as non-exchange transactions. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Trust's activities. Revenue is shown net of value added tax. The Trust recognises revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the Trust and specific criteria have been met for each of the Trust's activities described below.

(a) Sale of goods

The entity purifies water at its plants and sells the purified water to its customer, Rustenburg Local Municipality. Sale of water is recognised when the entity has delivered the water to the customer.

(b) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method unless collectability is in doubt.

(c) Contributions received

Contributions received for refurbishment of infrastructure are recognised in the year it is received and as the costs of the projects incurred.

(d) MKG Grants received

Contributions received for refurbishment of infrastructure are recognised in the year it is received and as the costs of the projects incurred.

10 FINANCIAL INSTRUMENTS

Financial instruments recognised in the balance sheet include loans, trade and other receivables, trade and other payables and cash and cash equivalents.

Financial assets and financial liabilities are recognised on the Trust's balance sheet when the Trust becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at the fair value of the consideration given (in the case of an asset) or received (in the case of a liability) for it. Cash flows relating to current receivables are generally not discounted, unless significant.

Financial instruments are subsequently measured in terms of GRAP 104.45. Cash & cash equivalents, receivables and trade payables are subsequently measured at fair value, whilst long term liabilities are subsequently measured at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legal right to set-off the recognised amounts, and the Trust intends to settle on a net basis or to realise the asset and the liability simultaneously.

Financial assets or a portion of the financial assets are de-recognised when the Trust loses control of the contractual rights that comprise the financial asset. The Trust loses such control if it releases the rights to benefit from the contract, the rights are surrendered. Financial liabilities are de-recognised when they are extinguished - that is, when the obligation specified in the contract is discharged, cancelled or expires.

Rustenburg Water Services Trust

ACCOUNTING POLICIES (Continued)
For the year ended 30 June 2024



11 GOING CONCERN

The financial statements are prepared using the Going Concern basis, which assumes that the Trust will be able to meet the mandatory payments on a day to day basis. If for any reason the Trust is unable to continue as a going concern, it could have an impact on the Trust's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

12 ROUNDING

The numbers presented in the financial statements are rounded to the nearest rand.

Rustenburg Water Services Trust



NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2024

1. FINANCIAL RISK MANAGEMENT

The Trust is exposed to financial risk through its financial assets and financial liabilities. The Trustees has overall responsibility for the establishment and oversight of the entity's risk management framework. The Trust has appointed the trust administrator, which is responsible for developing and monitoring the Trust's risk management policies. The administrator reports regularly to the Trustees on its activities.

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. The Trust, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all Trustees and contractors understand their roles and obligations.

The Trust's exposure to risk, its objectives, policies and processes for managing the risk arising from its financial instruments and methods used to measure the Trust's exposure to these risks, have not changed significantly from the prior year. The Trust does not have major exposure to credit, liquidity and market risk, which is described in more detail below.

Credit risk

Financial assets, which potentially subject the Trust to concentrations of credit risk, consist principally of cash, short-term deposits and trade receivables. The Trust's cash equivalents and short-term deposits are placed with high-credit quality financial institutions. Credit risk with respect to trade receivable is limited due to the fact that there are only three major customers, being the Rustenburg Local Municipality, Arigo Platinum and Impala Platinum. The carrying amounts of financial assets included in the balance sheet represent the Trust's exposure to credit risk in relation to these assets.

Fair values

The fair values of the financial assets and liabilities are disclosed in the relevant notes.

Interest rate risk

The Trust's income and operating cash flows are substantially independent of changes in market interest rates. The Trust has no significant interest bearing assets.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Trust aims at maintaining flexibility in funding by keeping committed credit lines available.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with SA GAAP and GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the trust's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements, are disclosed below:

Critical accounting estimates and assumptions

The trust makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are outlined below:

Depreciation:

During each financial year, management reviews the assets within property plant and equipment to assess whether the useful lives and residual values applicable to each asset are appropriate.

Leasehold improvements

In 2004, the Trust entered into a long-term lease with the local municipality whereby specified old water and sewage infrastructure assets are leased on long term (up to June 2025) from the Local Municipality. After the Term Loan is settled (31 December 2021) it is up to the Parent Municipality whether to take back the assets. Expansion and refurbishment conducted since the start of the project have previously been reported under 'owned assets' and will from now on all be reported as 'lease hold improvements assets'. This will be for the current as well as comparative years. It is not possible to physically differentiate between original and subsequent refurbished assets. Prior to 2017 the depreciation charge was limited to the shortest of the remaining lease period or remaining useful life of the individual asset. After considering the legal relationship between the parent municipality and the trust it was decided to not limit the depreciation period.

Rustenburg Water Services Trust

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 June 2024



3. LEASE HOLD IMPROVEMENTS

	Cost / Valuation	2024 Accumulated depreciation and impairment	Carrying value	Cost / Valuation	2023 Accumulated depreciation and impairment	Carrying value
Land & Buildings	39 558 275	(18 004 548)	21 553 727	39 004 144	(17 132 201)	21 871 943
Plant & Equipment	1 141 055 259	(731 470 878)	409 584 391	1 142 025 590	(717 757 800)	424 267 890
Moveable's	2 881 887	(2 177 627)	704 260	2 841 844	(1 614 962)	1 026 882
** Plant & Equipment - WIP	78 347 151		78 347 151	78 347 151		78 347 151
Total	1 261 842 582	-751 653 053	510 189 529	1 262 218 829	-736 704 963	525 513 865

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions / Asset Allocations	Disposals / Asset Allocations	Depreciation and impairment	Carrying value
Land & Buildings	21 871 943	561 468	-	(879 684)	21 553 727
Plant & Equipment	424 267 890	14 152 490	-	(28 835 949)	409 584 391
Moveable's	1 026 882	78 254	-	(400 875)	704 260
** Plant & Equipment - WIP	78 347 151	-	-	-	78 347 151
Total	525 513 865	14 792 172	-	(30 116 508)	510 189 529

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals / Asset Allocations	Depreciation and impairment	Carrying value
Land & Buildings	22 741 256	27 407	-	(896 720)	21 871 943
Plant & Equipment	451 402 985	6 983 163	-	(34 118 257)	424 267 890
Moveable's	684 467	639 978	-	(297 563)	1 026 882
** Plant & Equipment - WIP	78 026 972	320 179	-	-	78 347 151
Total	552 855 679	7 970 727	-	(35 312 541)	525 513 865

Assets consist Portion 4 of the farm Tweedepoort 283JQ, commonly known as Bospoort Treatment Plant; a portion of portion 1 of Town and town lands of Rustenburg 272JQ, commonly known as Rustenburg Sewage Treatment Plant, and portions of the farms PTN 54, PTN 23, PTN 76, PTN 22, PTN 21& PTN 41 commonly known as Bolekong Sewage Treatment Plant.

The assets were revalued and re-classified in the 2017 financial year, the depreciated replacement cost method was used to revalue.

WIP to the value of R 62 609 198 on the expansion of the Bospoort Water Treatment Works consist of civil work. Following the civil work the mechanical and electrical work will follow. The expansion project completion is significantly delayed. The reason for the time delay is slow progress on the procurement process of the mechanical and electrical contract.

The Rustenburg Water Services Trust decided not to impair the WIP at this stage as it mainly consists of concrete structures of which the expected useful life is in the region of 80 years.

	2024	2023
** Plant & Equipment - WIP		
The carrying value of plant & equipment that is taking longer than anticipated.	62 609 198	62 609 198

Rustenburg Water Services Trust

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 June 2024



	2024 R	2023 R
4 DISTRIBUTABLE RESERVES		
At beginning of year	782 434 906	706 953 083
Profit for the year	68 090 624	73 855 722
	<u>851 025 530</u>	<u>780 808 805</u>
Revaluation reserve transferred	4 500 829	1 626 101
Balance at end of year	<u>855 526 359</u>	<u>782 434 906</u>
5 LONG TERM LIABILITIES		
5.1 Finance lease liabilities		
Rustenburg Local Municipality	502 124	929 315
Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default, subject to the cessation of the lease agreement as security for the bank borrowings. The interest rate implicit in the lease is 11%.		
Less: short term portion	(502 124)	(427 191)
	<u>-</u>	<u>502 124</u>
5.1.1 Reconciliation of future minimum lease payments to the present value of future minimum lease payments:		
Future minimum lease payments	544 095	1 062 246
Not later than 1 year	544 095	518 151
Later than 1 year and not later than 5 years	-	544 095
Later than 5 years	-	-
Interest	(41 971)	(132 931)
Present value of future minimum lease payments	502 124	929 315
Not later than 1 year	502 124	427 191
Later than 1 year and not later than 5 years	-	502 124
Later than 5 years	-	-

Rustenburg Water Services Trust



NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 June 2024

	2024 R	2023 R		
6 TRADE AND OTHER RECEIVABLES (from exchange transactions)				
Debtors' ageing				
Current	27 902 138	27 857 729		
30 days	21 151 105	24 774 191		
60 days	1 150	5 250 794		
90 days +	63 142 964	106 948 052		
	112 197 357	164 840 765		
Prepayments	586 908	132 250		
	<u>112 784 265</u>	<u>164 973 015</u>		
7 CASH AND CASH EQUIVALENTS				
	2024 Balances	2023 Balances		
	Opening	Closing	Opening	Closing
ABSA Bank Limited				
Distribution Reserve Account	26 037 786	27 136 464	37 365 610	26 037 786
Distribution Call Account	354 237 052	489 940 222	204 485 256	354 237 052
	<u>380 274 838</u>	<u>517 076 685</u>	<u>241 850 867</u>	<u>380 274 838</u>
For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise the following:				
Cash resources		<u>517 076 685</u>	<u>380 274 838</u>	
There are no 'undrawn facilities' available at any financial institution for the Trust. Interest accrued and received on the 1st of July of the following year are included in the balances of the bank accounts.				
8 TRADE AND OTHER PAYABLES (from exchange transactions)				
Trade payables		<u>26 155 038</u>	<u>24 316 798</u>	
9 INTEREST RECEIVED				
Interest received				
Current Account		35 171 120	19 110 534	
Trade Receivables		741 291	503 369	
10 FINANCE COST				
Interest paid				
Finance Lease		(90 960)	(132 434)	
		<u>35 821 451</u>	<u>19 481 470</u>	

Rustenburg Water Services Trust



NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 30 June 2024

	2024 R	2023 R
11 CASH GENERATED FROM OPERATIONS		
Surplus before tax	68 590 624	73 855 722
Adjustments for:		
Interest received	(35 912 411)	(19 613 904)
Depreciation	28 548 618	32 731 589
Net profit on disposal of fixed assets	(23 477)	(3 696)
Impairment	793 896	1 811 537
	61 997 249	88 781 249
Changes in working capital:		
Trade and other receivables	52 188 749	28 703 669
Payables	1 079 488	8 801 414
Cash generated from operations	<u>115 265 486</u>	<u>126 285 332</u>

12 FINANCIAL INSTRUMENTS

In the course of its operations, the Trust is exposed to interest rate, credit, liquidity and market risk. The trust has developed a comprehensive risk strategy in order to monitor and control these risks. The Trust's exposure to cash flow risk, interest rate risk and the effective interest rates on the financial instruments at reporting date are as follows:

	2024			
	Floating rate		Non-interest bearing	
	Amount	Effective interest rate %	Amount	Weighted average period to maturity Months
Assets				
Cash resources	517 076 685	7.85%		
Accounts receivable from exchange transactions			112 197 358	10
	<u>517 076 685</u>		<u>112 197 358</u>	
Liabilities				
Accounts payable from exchange transactions			26 155 038	1
Finance lease liability	502 124	11.00%		
	<u>502 124</u>		<u>26 155 038</u>	
	2023			
	Floating rate		Non-interest bearing	
	Amount	Effective interest rate %	Amount	Weighted average period to maturity Months
Assets				
Cash resources	380 274 838	7.85%		
Accounts receivable from exchange transactions			164 840 765	21
	<u>380 274 838</u>		<u>164 840 765</u>	
Liabilities				
Accounts payable from exchange transactions			24 316 798	1
Finance lease liability	929 315	11.00%		
	<u>929 315</u>		<u>24 316 798</u>	

13 TAXATION

The Trust is a vesting trust and all income tax vests with the sole beneficiary, being the Rustenburg Local Municipality, who in turn is exempt from paying income tax.

14 RELATED PARTY TRANSACTIONS

14.1 The transactions between RLM and The Rustenburg Water Service Trust is classified as related party transactions. The nature of the relationship is that RLM is the sole Beneficiary of the Trust, and has the right to appoint 4 representative on the board of trustees.

	2024	2023
Water Sales to RLM	146 561 902	164 255 700
Accounts Receivable - Water Sales	(85 566 080)	(138 991 390)
Accounts Receivable - MIG	(5 833 934)	(7 476 275)
Finance Lease Liabilities	502 124	929 315
Interest paid - Finance Lease	(90 560)	(132 434)

The internal audit function of the Trust is performed by RLM at no cost to the Trust.

Rustenburg Water Services Trust



NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 June 2024

RELATED PARTY TRANSACTIONS (Continued)		2024	2023
14.2	The transactions between ABSA Bank Limited and The Rustenburg Water Service Trust is classified as related party transactions. The nature of the relationship is that ABSA has the right to appoint one representative to the board of Trustees and thereby has an influence on financial and operating policies of the Trust.		
	Interest Received	35 171 120	19 110 534
	Bank Charges	(7 743)	(6 720)
14.3	The transactions between the Trustees and The Rustenburg Water Service Trust is classified as related party transactions. The nature of the relationship is that the Trustees are all on the board and thereby has an influence on financial and operating policies of the Trust.		
	KG Lebelhe	273 700	378 350
	M Rapoo	104 650	225 400
	E Scheepers	104 650	209 300
	P Mayeza	104 650	177 100
		<u>587 650</u>	<u>990 150</u>
14.4	The transaction between senior management and The Rustenburg Water Services Trust is classified as related party transactions.		
	Chief Executive Officer	1 165 871	-
	Chief Financial Officer	1 049 098	1 451 932
		<u>2 215 470</u>	<u>1 451 932</u>
14.5	Key Management of the entity. Due to the relationship between the RLM and the RWST, senior management of RLM is sitting on the Exco of the RWST and as such are regarded as related parties. However, no transactions occurred between the RWST and them.		
15	COMPARRISON TO BUDGET		
	The actual performance is compared to the budget and is included on the Statement of Comparison of Actual vs Budget.		
16	IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE		
	The Trust received formal objection from one or more of its bidders on tender RWST2017/02 (Bospoort Treatment works upgrade), this matter is receiving attention. This contract was found to be irregular by the AG and remedial actions was issued by the AG to the municipal manager during the audit of RLM's 30 June 2018 Annual Financial Statements. There is a lost opportunity cost in this regard and the new tender would most probably be awarded in the 2025 financial year.		
17	COMMITMENTS		
	The Trust entered into service level agreements with companies in order to fulfil certain of the Trust's obligations. All the commitments are accrued on a monthly basis as and when the services are rendered.		
	Ecolleges	157 508	157 508
	RCC	953 770	953 770

Rustenburg Water Services Trust



NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 June 2024

18 INTERGOVERNMENTAL ALLOCATIONS			
The net amount of VAT paid over to the South African Revenue Services.		6 528 952	8 449 436
19 IMPAIRMENT	Recognised in net assets	Recognised in surplus / deficit	
Land & Buildings	-	264	
Plant & Equipment	773 986	792 168	
Moveables	8	1 463	
	773 995	793 896	

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the assets future economic benefits or service potential through depreciation. An impairment loss of a cash flow generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount. In terms of par 08 of GRAP 26, the Trust need to assess at the reporting date whether there is an indication that the value of the asset may be impaired since the last revaluation.

The assets of the RWST is water treatment plants and are considered to be cash generating units. The recoverable amount is regarded as its fair value less cost to sell. The fair value is determined by reference to an active market. The impairment resulted from obsolescence.

20 CHANGE IN ACCOUNTING ESTIMATE

In terms of the 2012 revaluation, the remaining useful life was limited to the end of the leasing period. IAS17 determines that the depreciation period is limited to the remaining period of the lease in case where there is no certainty over the ownership of the assets. During 2016/17 the municipality started a section 78 process. This is a clear indication that the assets will not revert back to the Municipality after the lease expiry date and as a result the trust now had reason to deviate from IAS17 and could no longer limit the remaining useful life to the end of the lease period. During the 2017 revaluation, condition assessments were performed, new residual values and estimated useful lives were determined resulting in a lower depreciation charge.

The amount of the effect in the current and future periods could not be disclosed, estimating it is impracticable due to the fact that the change in residual values and estimated useful lives were identified as part of the 2017 revaluation and could not be differentiated.

21 DEVIATION FROM COMPETITIVE BIDDING

During the financial year we deviated from competitive bidding with the WSSA contract. This contract is considered to be essential services and will be in place up until new contractors have been appointed. This contract was out on tender but after the Rustenburg Local Municipality interfered with the process the tender validity period lapsed. The WSSA contract will go out on tender in the following financial year.

Len Dekker - R 850,000.00

During the year the Trust deviated from competitive bidding with the procurement of Len Dekker attorneys. Sec 12.22 of the RWST SCMP was used for exceptional cases where it was deemed impractical or impossible to follow official procurement processes. The CMS court case was heading for the high court, Case No M530/2020 and it did not make sense to procure new attorneys when the case was midway. Len Dekker Attorneys was appointed on a quotation basis in Dec'20 and in June'21 it was extended to ensure the factual preparation of the Court case involving CMS is completed. In terms of section 12.22(2) the reasons for deviation need to reported at the next board meeting (2 July 2021) and same must be disclosed in the AFS of the RWST for that financial year.

Len Dekker - R 1,520,000.00

Sec 12.22 of the RWST SCMP was used for exceptional cases where it was deemed impractical or impossible to follow official procurement processes. The RWST and its Trustees was challenged in the high court on an urgent basis and it did not make sense to procure new attorneys in this urgent matter. Len Dekker Attorneys was part of a three quotation basis and was second on scoring prices. As the first firm did not have the requisite expertise available, the second was requested to represent to RWST in this urgent matter. Mr Kumbe won part A and as a result the RWST was compelled to carry his legal cost (Situmba Attorneys) In terms of section 12.22(2) the reasons for deviation need to reported at the next board meeting (5 August 2021 and resolution #97) and same must be disclosed in the AFS of the RWST for that financial year.

22 CONTINGENT LIABILITIES

There was a legal matter brought to the high court by one trustee (applicant) against the Trust (respondent). The high court application was referred to arbitration in terms of the Trust Deed, this was finalised during 2021. A cost order was granted in the final arbitration order in favour of the applicant against the Trust in respect of part A of the Arbitration. The remaining step in the matter is for the arbitration award to be made an order of court, following which the applicant's bill of costs can be taxed to determine the due and payable amount. Based on the above outcome, the Trust has a possible obligation that arises from the final arbitration order (past event). The court order is the future event that will confirm the existence of the liability. The costs that would be due and payable by the Trust because of the above matter is estimated at R 450 000.

Rustenburg Water Services Trust



NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 June 2024

	2024	2023
23 COST OF SALES		
Cost of sales attributable to water purification works	37 810 690	28 701 954
Cost of sales attributable to sewerage purification works	91 860 560	100 393 910
	<u>129 671 250</u>	<u>129 095 864</u>
24 REPAIRS		
Repairs attributable to water purification works	3 833 664	4 531 480
Repairs attributable to sewerage purification works	14 418 244	9 967 495
Repairs attributable to RLM assistance and unblocking of drains witch falls outside of the scope of the Trust	3 909 329	-
	<u>22 161 238</u>	<u>14 498 979</u>

25 BUDGET VARIANCES

Material differences between final budget and actual amounts

It is general practice to deem a 10% and above deviation on operational revenue and expenditure versus the final budget as material

Revenue:

Sales to RLM: (20.01% under)

Revenue was less than projected because of very low volumes received from October 2023 to May 2024 in the Rustenburg WWTW plant and because of water restrictions in the Botekong area. The Trust was not able to adjust its budget because the factors for the low volumes could not be determined accurately at that time. The 2025 adjustment budget will be done in December to factor in the effects of these low volumes.

Cost of Sales: (13.48% under)

Cost of sales is also less due to the very low volumes experienced.

Interest received: (25.84% over)

This was due to RLM paying their debt faster than what was budgeted and that meant that there were more cash in the bank.

Expenses:

DWS Compliance: (94.93% over)

There were a lot of more holes tested during this financial year, the Trust to adjust the 2025 budget accordingly.

Depreciation: (18.63% under)

Because of the aging infrastructure the depreciation is less, the Trust to adjust the 2025 budget.

Insurance: (41.45% over)

The insurance contract should have gone out on tender so the Trust extended the insurance only for six months which was a lot more expensive. Insurance has been taken out for a 12 month period which ends at the end of January 2025, the Trust intends to conclude a noncontract with a successful bidder for the new period.

Legal Fees: (79.96% under)

The Trust budgeted that the Kumba court case cost would realise in this year, the budget will be kept for next year.

O&M Tender Documents: (100% over)

The Trust budgeted for the Bospoort Plant Upgrade tender documents only in the 2025 financial year but it happened before year end.

Recruitment Fees: (100% over)

The Trust neglected to budget for the placement fee of the recruitment agency used to appoint the CEO.

Salaries: (38.46% under)

The CEO was only appointed in November 2023 and thus there was a saving on this line item.

Trustees Remuneration: (39.34% under)

Because of the appointment of the CEO the interventions from the Trustees were reduced during the current financial year.

Section 93J Structure: (100% under)

This budget line item is to assist RLM in creating a fully fledged entity for the water sector within the Municipality. RLM needs to appoint the contractor and drive the process, the Trust will only fund the project.

Marketing, research, subscriptions & training

These budget line items were not spent on during the financial year, mainly because of other priorities and due the constraint on the Trust's SCM procedures.

Basis of preparation and presentation of the budget

The budget is prepared on the accrual basis of accounting and the classification format adopted is consistent with that of the financial statements. The period of the budget is 1 July 2023 to 30 June 2024.

Rustenburg Water Services Trust



NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 30 June 2024

26 RISK MANAGEMENT

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The entity manages risk through ongoing review of future commitments. Cash flow statements are prepared and monitored.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2024	Less than one year	Between one and two years	Total
Payables from exchange transactions	20 644 152		20 644 152
Accruals	5 510 886		5 510 886
Finance lease liability	502 124		502 124
	26 657 162	-	26 657 162

At 30 June 2023	Less than one year	Between one and two years	Total
Payables from exchange transactions	20 508 721		20 508 721
Accruals	3 808 077		3 808 077
Finance lease liability	427 191	502 124	929 315
	24 743 989	502 124	25 246 113

Credit risk

Credit risk consists mainly of electronic transfers, advance payments and financial instruments. The Trust only deposits money with major banks with high quality credit standing.

The Board's maximum exposure to credit risk is equal to the cost amount of financial assets at balance sheet date and is summarised as follows:

	30 June 2024
Cash resources	517 076 685
Accounts receivable from exchange transactions	112 197 356
Accounts payable from exchange transactions	26 155 038
Finance lease liability	502 124
	30 June 2023
Cash resources	380 274 830
Accounts receivable from exchange transactions	164 840 765
Accounts payable from exchange transactions	24 316 798
Finance lease liability	929 315
Financial assets by category	
Cash resources	517 076 685
Accounts receivable from exchange transactions	112 197 356
	629 274 043
Financial liabilities by category	
Accounts payable from exchange transactions	26 155 038
Finance lease liability	502 124
	26 657 162

27 GOING CONCERN

As at 30 June 2024 the Trust had accumulated surpluses of R 1,112,445,791 (2023: R 1,044,629,163) with total assets of R 1,140,050,480 (2023: R 1,070,761,719) and total liabilities of R 27,603,689 (2023: R 26,131,556).

It should be noted that the Trust experienced low inflow volumes on the Rustenburg and Bofekong Waste Water Treatment Works during the last 8 months of the financial year. Although the flows has picked up at Rustenburg the last couple of months the flows are only at 70% where they were two years ago. This negatively effects the cash flows of the Trust and the sustainability of delivering treated water at current standards. It will also have a major impact on any upgrade projects that the Trust undertakes in the foreseeable future.



ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
INFRASTRUCTURE ASSETS

	CAPITAL PROJECTS (WIP)	Water purification works	Sewerage purification works	Total
	R	R	R	R
2024				
Cost/ Revaluation	78 347 151	311 539 335	871 956 096	1 261 842 582
Accumulated Depreciation	-	(270 123 507)	(481 529 545)	(751 653 053)
Net Book Amount	78 347 151	41 415 828	390 426 550	510 189 529
2023				
Cost/ Revaluation	78 347 151	314 613 260	869 258 418	1 262 218 829
Accumulated Depreciation	-	(268 760 832)	(467 944 132)	(736 704 963)
Net Book Amount	78 347 151	45 852 429	401 314 286	525 513 865

6.5 POST AUDIT ACTION PLAN (PAAP) –

Rustenburg Local Municipality Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24				
CLASS	FINDING	RESPONSIBLE UNIT	ACTION TO ADDRESS FINDING	DUE DATE FOR COMPLETION
Non-current assets Property, plant and equipment	3. The municipality did not account for the infrastructure assets relating to internal services and bulk infrastructure, constructed as part of housing projects within its jurisdiction, as required by GRAP 17, <i>Property, plant and equipment</i> . Consequently, infrastructure assets in the consolidated and separate financial statements were understated by R69 169 602. Additionally, there was an impact on the surplus for the period and on the accumulated surplus in the consolidated and separate financial statements.	FMS	The adjustments have been made to the WIP: Internal Services for 977 Units at Bokamoso Phases 4 & 5 - Previously omitted project has now been recorded on the WIP register, resulting in a net adjustment of R86 075 779.82. We wish to also highlight that the letter was sent to the Northwest Department of Human Settlements, and it was not possible for the municipality to know that the information was incomplete. We were therefore unable to reliably estimate the value of the Housing Projects upon compilation of the pre-audit FAR and AFS.	31 January 2025

**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

<p>4. GRAP 17, Property, plant and equipment, requires the presentation of cumulative expenditure of property, plant and equipment, which is in the process of being constructed or developed to be recognised in the carrying value of property, plant and equipment in aggregate per class of assets. The municipality disclosed the cumulative expenditure as a separate category of asset (work-in-progress), contrary to the prescribed disclosure requirements. I was unable to quantify the full extent of the incorrect disclosure, in the consolidated and separate financial statements, as it was impracticable to do so.</p>	<p>FC</p>	<p>Our caseware file, will be amended to reflect Work-in-progress (WIP) in the carrying value per class of asset on the main Property, Plant & Equipment note. WIP will subsequently be removed as a separate class on the main PPE note. This will not result in an overall adjustment to the PPE balance but will result in a re-classification within the PPE balance.</p>	<p>31 January 2025</p>
<p>5. The municipality did not appropriately account for the disposal of land as required by GRAP 3, Accounting policies, changes in accounting estimates and errors. The disposal of land was not recorded at the date of disposal . Consequently, land as disclosed in Note 4 of the consolidated and separate financial statements was understated by R573 798 000 and assets written off included in general expenses disclosed in note 39 was overstated by the same amount.</p>	<p>FMS</p>	<p>The Journal has been prepared to move the disposal to the prior year as follows</p> <ul style="list-style-type: none"> • Credit: PPE – Land, amounting to R573,798,310.90 • Debit: Accumulated Surplus, due to the backdating of the transaction. <p>The initial entry of recording the disposal in the current year will be reversed as and the net effect to the cost and carry value of PPE disclosed remains unchanged.</p>	<p>19 December 2024</p>

**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

6.The Rustenburg Water Services Trust did not revalue or review the residual values and useful lives of bulk water assets at each reporting date as required by GRAP 17, Property plant and equipment. I was unable to determine the impact on the current and prior year bulk water assets as disclosed in note 4 of the consolidated and separate financial statements as it was impracticable to do so. The trust also did not align its accounting policy to that of the parent to ensure uniform accounting policies within the group, as required by GRAP 35, Consolidated financial statements. Consequently, I was unable to determine the full extent of the misstatement on the bulk water assets with the carrying amount of R510 190 000 (2023: R525 514 000) as disclosed in note 4 of the consolidated and separate financial statements, as it was impracticable to do so. Furthermore, there was a resultant impact on the surplus for the period and the accumulated surplus.

RWST

There was an oversight from the trust in fully complying with the requirements of GRAP when preparing the Annual Financial Statements. In the 2023/24 financial year, there was no board of trustees which made it difficult for the trust to execute its duties. The trustees have now been appointed, and the trust will be able to appoint the service provider to assist with a GRAP compliant Asset register from 2024/25 financial year. This finding will therefore remain in the 2023/24 audit. The MM appointed bid committee members to support the trust and ensure that the issue of PPE is adequately resolved RWST requested assistance from the municipality to execute SCM processes.

30 July 2025

Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24

	<p>7. During 2023, the municipality did not recognise all items of property, plant and equipment in accordance with GRAP 17, Property, plant and equipment. In addition, the municipality incorrectly classified completed projects relating to infrastructure assets as work in progress. Consequently, the carrying value of infrastructure assets disclosed in note 4 of the consolidated and separate financial statements was understated by R214 413 733 and revenue from non-exchange (in kind) was understated by R60 612 903.</p>	<p>FMS</p>	<p>The Journal has been prepared to correctly classify the completed projects into the FAR.</p>	<p>30 January 2025</p>

**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

Consumer debtors	<p>8. The municipality did not appropriately account for consumer debtors amounting to R7 761 239 000 and R7 740 442 000 (2023: R6 366 121 000 and R6 347 748 000) as disclosed in note 16 to the consolidated and separate financial statements in accordance with GRAP 104, Financial instruments. Differences were identified between the amount reported and the recalculation performed. Consequently, consumer debtors in the consolidated and separate financial statement were overstated by R105 449 926 and revenue from exchange transactions overstated by R111 534 3792. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus in the consolidated and separate financial statements.</p>	Billing	<p>The municipality will involve the Ward Councillors to assist in reading meters in different wards where there are intimidations. This programme will start in February 2024; however, this will be a long-term process as some of the meters are not working in these areas and they still need to be changed. The municipality might not have enough budget to change all the faulty meters at once.</p> <p>Financial constraints might affect the processes to resolve this qualification in the long term.</p> <p>For RLM - accounts - Memos will be sent to directorates to provide a list of all municipal stands that are leased together with the lease agreement, the rental account as well as the services account. Any municipal billing not linked to a lease agreement will be reversed. This process will start in January 2025.</p> <p>For Owner" accounts, DTIS will assist in identifying the meters, consumption will either be transferred to the correct stand or will be reversed.</p>	30 June 2026
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Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24

		<p>The accounts that will still be under investigation at year end will be highlighted in the annual financial statements in order to avoid a qualification as the AG will only emphasis to the user.</p>	
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		<p>The municipality had a disagreement on the completeness qualification as there are no material properties that are not being billed.</p>	
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

<p>9. I was unable to obtain sufficient appropriate audit evidence that consumer debtors including indigent debtors had been properly accounted for, due to the status of the accounting records. I was unable to confirm these consumer debtors including indigent debtors by alternative means. Consequently, I was unable to determine whether any adjustments to consumer debtors of R7 761 239 000 and R7 740 442 000 (2023: R6 366 121 000 and R6 347 748 000), as disclosed in note 16 to the consolidated and separate financial statements were necessary.</p>	<p>Revenue</p>	<p>Indigents: There are system limitations, and the unit will be preparing manual reconciliations to align the manually approved indigent register to the financial system. Any discrepancies will be attended to on a monthly basis. Consumer debtors The Auditor General did not pick up any variances on the balances. The only discrepancy that was identified was the ageing, which has been escalated to the system vendor. The allocation of payments and journals will be monitored on a monthly basis and any discrepancies will be escalated to the system vendor.</p>	<p>February 2025 and ongoing.</p>
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

<p>10. During 2023, I was unable to obtain sufficient appropriate audit evidence to confirm that the allowance for impairment of consumer debtors was done in accordance with the impairment methodology due to the status of the accounting records. I was unable to confirm these consumer debtors by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to consumer debtors stated at R137 222 000 and R155 595 000 in the consolidated and separate financial statements respectively.</p>	<p>Revenue & Billing</p>	<p>The allowance of impairment calculation has been revised after careful consideration of the source data of consumer accounts that had allocation issues in their different age brackets. The source data has not been aligned to give effect to the corrected age bracket for each reporting period. This is an ongoing exercise that is now being monitored on a monthly basis to ensure that allocation of such monies received follow the allocation priority in accordance with the municipal policies. The impairment methodology has been applied consistently on a yearly basis based on the objective evidence of available at a point in time to assess capacity of consumers to service their accounts.</p>	<p>Ongoing</p>
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

Payable from exchange transactions	<p>11. I was unable to obtain sufficient appropriate audit evidence for unallocated deposits included in payables from exchange transactions, due to the state of the underlying records and lack of information to support these amounts. I was unable to confirm these unallocated deposits by alternative means. Consequently, I was unable to determine whether any adjustments to unallocated deposits of R56 095 000 included in payables from exchange transactions as disclosed in note 23 to the consolidated and separate financial statements was necessary.</p>	FMS	<p>The municipality acknowledges the challenges in reconciling unallocated deposits effectively, primarily due to the absence of an advanced system capable of isolating and managing transactions that remain unallocated. To address this issue, we are taking the following corrective actions:</p> <p>Implementing an Automated Reconciliation System The Bank and Cash section are exploring options for an automated reconciliation system to streamline the process of identifying and allocating unallocated deposits. Such a system will improve efficiency by:</p> <ul style="list-style-type: none"> Automatically matching bank references to transactions. Flagging unallocated amounts for immediate attention. Detecting and preventing duplicate transactions. <p>Enhancing Data Entry and Validation Controls To mitigate the risk of errors, we are strengthening data entry processes by implementing:</p>	Ongoing
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Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24

Robust validation checks to identify and flag duplicate transactions based on key criteria, such as references, amounts, and transaction dates.
Clear procedures to ensure consistent and accurate recording of transactions.

Training and Capacity Building
Staff involved in reconciliation and data entry processes will receive comprehensive training to enhance their skills and understanding. Clear documentation of processes and guidelines will be provided to ensure consistency and accuracy in managing unallocated deposits.

**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

<p>12. I was unable to obtain sufficient appropriate audit evidence for trade payables included in payables from exchange transactions, due to the state of the underlying records and lack of information to support these amounts. I was unable to confirm these trade payables by alternative means. Consequently, I was unable to determine whether any adjustments to trade payables of R747 714 000 and R676 960 000 included in payables from exchange transactions as disclosed in note 23 to the consolidated and separate financial statements was necessary.</p>	<p>FMS</p>	<p>The Municipality disagree with the finding regarding insufficient audit evidence for trade payables included in note 23 to the financial statements. The municipality has robust reconciliation processes in place to substantiate all trade payables recorded in the system.</p> <p>Clarity on the Finding The amounts of R747,714,000 and R676,960,000 disclosed as trade payables in note 23 are derived from detailed reconciliations performed monthly. These reconciliations involve:</p> <p>Supplier Invoices and Statements: Trade payables are supported by supplier invoices and statements, which are reconciled to the amounts recorded in the financial system.</p> <p>Systematic Controls: The municipality's financial system records only validated and reconciled payables, ensuring accuracy and compliance with applicable accounting standards.</p> <p>Verification and Approval: All trade payables undergo a verification and approval process</p>	<p>Ongoing</p>
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Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24

		before being included in the financial records, minimizing any risk of unsubstantiated balances.	
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

Revenue from exchange transactions	<p>13. The municipality did not appropriately account for revenue from service charges in accordance with GRAP 9, Revenue from exchange transactions. Properties were identified for which service charges were not billed. Furthermore, the municipality did not have adequate systems to estimate the billing of water, which resulted in inaccuracies in the estimated consumption billed. Consequently, service charges as included in note 26 to the consolidated and separate financial statements, was understated by R324 811 670 and consumer debtors as included in note 16 to the consolidated and separate financial statements, being understated by R325 026 631. In addition, I was unable to obtain sufficient appropriate audit evidence for service charges due to the state of the underlying records and lack of information supporting these amounts. I was unable to confirm this service charges by alternative means. Consequently, I was unable to confirm whether any further adjustments were necessary to service charges of R2 976 487 000 and R2 899 245 000 (2023: R4 354 896 000 and R4 277 139 000) as disclosed in note 26 to the consolidated and separate financial statements.</p>	Billing	<p>The municipality will involve the Ward Councillors to assist in reading meters in different wards where there are intimidations. This programme will start in February 2024; however, this will be a long-term process as some of the meters are not working in these areas and they still need to be changed. The municipality might not have enough budget to change all the faulty meters at once.</p> <p>Financial constraints might affect the processes to resolve this qualification in the long term.</p> <p>For RLM - accounts - Memos will be sent to directorates to provide a list of all municipal stands that are leased together with the lease agreement, the rental account as well as the services account. Any municipal billing not linked to a lease agreement will be reversed. This process will start in January 2025.</p> <p>For Owner" accounts, DTIS will assist in identifying the meters, consumption will either be transferred to the correct stand or will be reversed.</p>	30 June 2026
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Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24

			<p>The accounts that will still be under investigation at year end will be highlighted in the annual financial statements in order to avoid a qualification as the AG will only emphasis to the user.</p>	
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			<p>The municipality had a disagreement on the completeness qualification as there are no material properties that are not being billed.</p>	
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

<p>14. During 2023, the municipality did not appropriately account for revenue from service charges in accordance with GRAP 9, Revenue from exchange transactions. Differences were identified between the billed water and the recalculation performed. Consequently, service charges relating to the sale of water were overstated by R267 277 294. Furthermore, revenue from electricity charges and related consumer debtors were understated by R61 448 297 and R61 448 297 respectively due to lack of internal controls to ensure that all revenue from electricity billed is recorded. There was a resultant impact on the surplus for the period and the accumulated surplus. In addition, I was unable to obtain sufficient appropriate audit evidence for revenue from exchange transactions due to the state of the underlying records and lack of information supporting these amounts. I was unable to confirm these revenue from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to revenue from exchange transactions stated as R4951 628 000 and R4 854 389 000</p>	<p>Billing</p>	<p>The municipality will involve the Ward Councillors to assist in reading meters in different wards where there are intimidations. This programme will start in February 2024, however, this will be a long term process as some of the meters are not working in these areas and they still need to be changed. The municipality might not have enough budget to change all the faulty meters at once.</p> <p>Financial constraints might affect the processes to resolve this qualification in the long term.</p> <p>For RLM - accounts - Memos will be sent to directorates to provide a list of all municipal stands that are leased together with the lease agreement, the rental account as well as the services account. Any municipal billing not linked to a lease agreement will be reversed. This process will start in January 2025.</p> <p>For Owner" accounts, DTIS will assist in identifying the meters, consumption will either be transferred to the correct stand or will be reversed.</p>	<p>30 June 2026</p>
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Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24

			<p>The accounts that will still be under investigation at year end will be highlighted in the annual financial statements in order to avoid a qualification as the AG will only emphasis to the user.</p> <p>The municipality had a disagreement on the completeness qualification as there are no material properties that are not being billed.</p>	
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Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24

General expenses	<p>16. The municipality did not appropriately account for all its expenditure incurred in the current year in accordance with GRAP 1, Presentation of financial statements. The municipality incorrectly classified repairs and maintenance under general expenditure instead of contracted services as these expenditures related to contractual obligations. The municipality also did not have adequate internal controls in place to ensure the correct classification of repairs and maintenance and contracted services, which resulted in repairs and maintenance as disclosed in note 40 to the consolidated and separate financial statements, being overstated by R175 731 407, contracted services as disclosed in note 39 to the consolidated and separate financial statements, being understated by R133 123 439, and trade payables as disclosed in note 23 to the consolidated and separate financial statements, being understated by R18 141 789. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus.</p>	FC	<p>We will review the entire prior year population for repairs and maintenance and clearly separate external contracted out repairs & maintenance from internal materials and stock. As part of our ongoing MSCOA implementation efforts, we will ensure that transactions are correctly recorded according to the nature of the transaction</p>	15 February 2025
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

	<p>17. During 2023, the municipality did not account for all its expenditure incurred in the current year in accordance with GRAP 1, Presentation of financial statements. The municipality did not have adequate internal controls in place to ensure the completeness of general expenditure, which resulted in general expenses as disclosed in note 40, being understated by R60 120 453 and trade payables as disclosed in note 23 to the consolidated and separate financial statements, being understated by R60 120 453. Additionally, there was a resultant impact on the surplus for the period and the accumulated surplus.</p>	<p>FMS</p>	<p>The User Directorates should collaborate with the BTO to ensure timely submission of invoices. This responsibility is not exclusive to the BTO, and collective teamwork is essential to accurately accrue all invoices onto the system. The CFO's office will consistently communicate with all User Directorates, urging them to submit invoices promptly to prevent any discrepancies in the current financial year as it was previously done in the prior years. Consequence Management measures must be implemented to those who fail to adhere to the rules and regulations outlined in the MFMA.</p>	<p>Ongoing</p>
<p>Irregular expenditure (disclosure note 55)</p>	<p>18. Section 125(2)(d)(i) of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R85 121 975, in contravention of the supply chain management (SCM) requirements, which were not included in irregular expenditure disclosed. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure as per note 55 to the consolidated and separate financial statements.</p>	<p>SCM</p>	<p>Management will ensure that irregular expenditure identified by AG will be added on the Irregular expenditure register and corrected accordingly on the next AFS.</p>	<p>Ongoing</p>

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<p>Irregular expenditure - Limitation of scope</p>	<p>19. Furthermore, I was unable to obtain sufficient appropriate audit evidence for the opening balance of irregular expenditure disclosed because the municipality did not maintain a detailed register of irregular expenditure. I was unable to confirm the opening balance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to irregular expenditure of R6 765 017 000 and R6 596 788 000 (2023: R6 279 632 000) as disclosed in note 55 to the consolidated and separate financial statements</p>	<p>SCM</p>	<p>In response to the findings regarding the opening balance of irregular expenditure, the municipality acknowledges the lack of a detailed register and the subsequent challenges in obtaining sufficient appropriate audit evidence. We are actively addressing this issue by implementing a strategy to revisit the prior year registers in an effort to locate and compile the necessary documentation to provide adequate evidence for the opening balance.</p> <p>We recognize that this process may be complicated by the absence of some documents, but our team is committed to identifying and recovering as much information as possible. Additionally, we are working on improving our filing and documentation system to enhance accessibility and ensure that relevant records are organized and retrievable for future reference. This improvement will not only assist in addressing the current concerns but will also help in ensuring compliance and transparency moving forward.</p>	<p>Ongoing</p>
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		<p>The Municipality will do classification of irregular expenditure as per the following categories using MFMA circular 68 as the guide.</p> <p>Category 1 Irregular expenditure that cannot be regarded as irregular expenditure (testing whether the expenditure incurred falls within the ambit of the definition of irregular expenditure as defined by section 1 of the MFMA and viewing the matter from the audit point of departure, irregular expenditure that were not deliberately and negligently committed made or authorised as contemplated in terms of the provision of section 32 (2) (b) of the MFMA and written off by the municipal council.</p> <p>Category 2 Irregular expenditure that cannot be recoverable from person liable as contemplated in the provision of the section 32(2) of the MFMA as read with section 32(1) because there was no possible loss experience by the municipality</p> <p>Category 3</p>	
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**Rustenburg Local Municipality
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			The irregular expenditure incurred as deliberately or negligently committed , made or authorised by an official of the municipality who is liable as contemplated in the provision of section 32(1) (c) of the MFMA, the municipality will have to take disciplinary steps against the official concerned as referred to in section 171(4) (b) of the MFMA and or constitutes a criminal offence as referred to section 137 of the MFMA.	
Statement of comparison and actual amounts	20. GRAP 24, Presentation of budget information in the financial statements requires an entity to present a comparison of the actual financial statement amounts and the publicly available budget amounts on a comparable basis, together with explanations of material differences between the budget and actual amounts. The budget amounts included in the approved budget relating to the consolidated and separate statement of financial position, cash flow statement and statement of changes in net assets were not disclosed. I was unable to quantify the full extent of the omitted disclosure as it was impracticable to do so.	FC	We will engage the caseware support division in Adapt IT to assist with setting up the different statements on our Statement of comparison of budget and actuals. We will also develop processes to investigate variances on our Statement of Financial Position, Cash Flow Statement and Statement of Changes in Net Assets and document reasons accordingly.	30 March 2025

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<p>Emphasis of matters</p> <p>Material underspending</p>	<p>27. As disclosed in the consolidated and separate statement of comparison of budget and actual amounts, the municipality underspent its budget by R1 022 559 000. The reason for the under expenditure is mainly due to cost containment initiatives and misalignment of the budget relative to the operational plans of the municipality.</p>	<p>CFO</p>	<p>The municipality did not collect its revenue as expected and therefore this had a direct impact on the spending. One of the biggest contributors was the Glencore revenue which drastically reduced. This reduction had a direct impact on the bulk electricity purchases and other expenditures which were going to be funded from this revenue.</p> <p>The municipality will adjust its budget to the projected revenue and collection in order to avoid under - expenditure in the 2024/25 financial year.</p>	<p>01-Feb-25</p>
<p>Emphasis of matters</p> <p>Unauthorised and fruitless and</p>	<p>28. As disclosed in note 53 to the consolidated and separate financial statements, unauthorised expenditure of R10 424 000 was incurred in the current year, and the unauthorised expenditure of R6 038 000 in respect of prior years was not dealt with in accordance with section 32 of the MFMA.</p>	<p>FC</p>	<p>Detailed reports will be drafted to deal with prior year unauthorised expenditure, when the Executive Mayor tables the 2023/24 Annual Report in line with the MBRR.</p>	<p>31 January 2025</p>

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<p>wasteful expenditure</p>	<p>29. As disclosed in note 54 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R117 000 was incurred in the current year and fruitless and wasteful expenditure of R38 137 000 from prior years was not dealt with in accordance with section 32 of the MFMA.</p>	<p>FMS</p>	<p>An inquiry into the reported fruitless and wasteful expenditure for the 2023/2024 financial year has been initiated and forwarded to the CFO's office for review and escalation to the Municipal Manager. The matter is being prioritized, with the expectation that the investigation findings and recommended actions will be tabled before the Council for deliberation and resolution. The Municipality remain committed to concluding this process promptly and in full compliance with the requirements of Section 32 of the MFMA.</p>	<p>Ongoing</p>
<p>Emphasis of matters Material losses</p>	<p>30. As disclosed in note 16 to the consolidated and separate financial statements, consumer debtors have been significantly impaired. The allowance for impairment amounts to R7 464 744 000 (2023: R6 210 526 000), which represents 96,4% (2023: 96,7%) of the total receivables. In addition, as disclosed in note 36 to the consolidated and separate financial statements, debt impairment of R1 108 909 000 (2023: R956 925 000) was incurred as a result of significant impairment of receivables.</p>	<p>Revenue & Billing</p>	<p>The allowance of impairment calculation has been revised after careful consideration of the source data of consumer accounts that had allocation issues in their different age brackets. The source data has not been aligned to give effect to the corrected age bracket for each reporting period. This is an ongoing exercise that is now being monitored on a monthly basis to ensure that allocation of such monies received follow the allocation priority in accordance with the municipal policies. The impairment methodology has been</p>	<p>Ongoing</p>

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		<p>applied consistently on a yearly basis based on the objective evidence of available at a point in time to assess capacity of consumers to service their accounts.</p>	
<p>31. As disclosed in note 56 to the consolidated and separate financial statements, material water losses of R287 323 000 (2023: R268 835 000) were incurred as a result of water loss through the distribution process, which represents 53,2% (2023: 51,57%) of total water purchased.</p>	<p>DTIS (Water)</p>	<p>The listed losses are not distribution losses, but non-revenue losses, including physical water losses and due to billing inefficiencies. These losses include water tankering services, free basic water, indigent water supply, and unbilled (metered and unmetered) water supplied to the residents of Rustenburg. To reduce these losses, the municipality will inspect and audit meters with zero or suspicious consumption, replace faulty meters and implement smart meters using the RT29 Fund from National Treasury. Physical Water losses will be eradicated through routine pipe maintenance as well as the implementation of the RLM Water Preventative plan which seeks to</p>	<p>Ongoing</p>

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		regulate pressure in the water system.	
<p>32. As disclosed in note 56 to the consolidated and separate financial statements, material electricity losses of R481 122 000 (2023: R298 448 000) were incurred as a result of electricity loss through the distribution process, which represents 26,33% (2023: 9,34%) of total electricity purchased.</p>	<p>DTIS (Electrical)</p>	<p>Inspections of Meters with Zero consumption, prepaids not transacting, Un-metered supply, Removal of illegal connections, replacement of faulty meters, repairs of street light circuits, calculation of public lighting consumption and implementation of smart meters using the national Treasury RT29</p>	<p>Ongoing</p>

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<p style="text-align: center;">Key Performance Indicators (KPIs)</p>	<p>KPA 4: Local economic development 45. The reported achievements in the annual performance report were inconsistent with the commitments made in the approved planning documents These discrepancies highlight misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability.</p> <p><u>KPI 18 – Number of preliminary feasibility studies conducted for construction of the School of Mining by June 2024.</u></p> <p>Target: 1 catalytic project facilitated by June 2024 Reported achievement: 1 feasibility studies conducted for construction of the School of Mining by June 2024</p> <p><u>KPI 19 – Number of small, medium and macro enterprises (SMMEs) and Cooperatives events supported by June 2024</u></p> <p>Target: 150 SMMEs and cooperatives assisted with business development and support by June 2024. Reported achievement: 5 SMMEs and Cooperatives events supported by June 2024.</p> <p>46. The targets below do not relate directly to their indicators. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievements do</p>	<p style="text-align: center;">PMS & LED</p>	<p>KPI 18: The target description will be reviewed during the Mid-year review period. The New KPI Name will read as " Number of catalytic projects facilitated by end of June 2025" and will be clearly defined in the technical data definition sheet.</p> <p>KPI 19: The target description will be reviewed during the Mid-year review period. The New KPI Name will read as " Number of SMMEs supported with business development by end of June 2025" and will be clearly defined in the technical data definition sheet.</p> <p>KPI 20: Each Directorate responsible for the implementation of the KPI/ Capital projects will be requested to report directly and ensure that appropriate evidence is submitted to the performance Unit for consolidation of the Municipalities set target. KPI description will be reviewed during the midterm review process.</p>	<p style="text-align: center;">Mid-term review period 2024/25</p>
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	<p>not provide useful information on the achievement of the indicators and the irrelevant targets hinder appropriate planning for the achievement of the indicators.</p> <p><u>KPI 18 – Number of preliminary feasibility studies conducted for construction of the School of Mining by June 2024.</u></p> <p>Indicator: KPI 18 – Number of preliminary feasibility studies conducted for construction of the School of Mining by June 2024 Target: 1 catalytic project facilitated by June 2024</p> <p><u>KPI 19 – Number of small, medium and macro enterprises (SMMEs) and Cooperatives events supported by June 2024</u></p> <p>Indicator: KPI 19 – KPI 19 – Number of SMMEs and Cooperatives events supported by June 2024. Target: 150 SMMEs and cooperatives assisted with business development and support by June 2024.</p> <p><u>KPI 19: Number of SMMEs and cooperatives events supported by June 2024</u></p> <p>47. The indicator was not clearly defined during the planning process. It is unclear what constitutes support of SMME's. Consequently, the indicator is not useful for measuring and</p>			
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	<p>reporting on progress against planned objectives.</p> <p><u>KPI 20: Number of work opportunities created through Public Employment Programmes (incl. EPWP, CWP and other own related employment programmes) by June 2023.</u></p> <p>48. Adequate processes were not established to consistently measure and reliably report on the achievement of this indicator and its target of 927 work opportunities created through Public Employment Programmes (including the expanded public works programme (EPWP), community work programme (CWP) and other related employment programmes) by June 2023. There are no processes to verify the validity of jobs created by external service providers. No contracts or letters of appointments could be provided for jobs created by external service providers. Consequently, the municipality would have found it difficult to determine the correct achievement to be reported against the planned target.</p>			
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	<p>KPA 5: Basic services and infrastructure development <u>KPI 22 - Percentage of drinking water samples complying to SANS241 by June 2024</u> 49. An achievement of 96,25% of drinking water samples complying to South African National Standards (SANS241) by June 2024 was reported against a target of 95% of drinking water samples complying to SANS241 by June 2024. However, the target had not been clearly defined during the planning process because the indicator does not align with the portfolio of evidence provided. The indicator is stated as percentage of drinking water samples complying to SANS241 by June 2024, while the portfolio of evidence indicated the percentage compliance of drinking water quality health-risk determinants as per (SANS 241), measured on a monthly basis through analysis of water samples from designated points. Consequently, the target is not useful for measuring and reporting on progress against the municipality's planned objectives.</p>	<p>DTIS</p>	<p>KPI 22: A proposed amendment to the data definition sheet that clearly defines the compliance indicator in line with the requirements of SANS241 has been submitted. This amendment aims to ensure that going forward, the portfolio of evidence accurately reflects the health and safety of drinking water quality. The proposed amendment: Percentage compliance of drinking water quality health risk determinants as per South African National Standards (SANS 241), measured every month through analysis of water samples from designated points. The indicator relates to the mandate and core functions of the municipality's service delivery outcomes. KPI 22: The reported achievement is derived from the submitted quarterly reports</p>	<p>Ongoing</p>
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	<p>Various indicators 50. Various indicators were not clearly defined during the planning process. Consequently, the indicators are not useful for measuring and reporting on progress against the municipality's planned objectives.</p> <p><u>KPI 24: Number of households with access to water by June 2024</u> Indicator Target = 100 Details: Neither the indicator nor its target of 100 households with access to water was clearly defined during the planning process. The indicator did not distinguish which category of human settlement was targeted. Consequently, the indicator and its target were not useful for measuring and reporting on progress against the municipality's planned objectives.</p> <p><u>KPI 26 – Number of households with access to electricity by June 2024.</u> Indicator Target = 100 Details: Neither the indicator nor its target of 100 households with access to electricity was clearly defined during the planning process. The indicator did not distinguish which category of human settlement was targeted. Consequently, the indicator and its target were not useful for measuring and reporting on progress against the municipality's planned objectives.</p>	<p>DTIS, DCD, PMU</p>	<p>KPI 24: An amendment to the data definition sheet has been submitted. This amendment aims to ensure that going forward, the portfolio of evidence accurately reflects households and settlements with access to basic water.</p> <p>KPI 26: When applications are received. There are no planned electrification projects for 2024/25 financial year. Planning and designs for Popo Molefe and Mbeki sun has commenced and project will be implemented in 2025/26 houses are completed by Human Settlement.</p> <p>KPI 32: Management will with immediate effect start implementing Job Cards and trip log-sheets in preparation for 2024/25 Audit Process.</p>	<p>Ongoing</p>
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KPI 32 – Number of informal settlements with a waste service by 30 June 2024

Indicator Target = 26

Neither the indicator nor its target of 26 informal settlements with a waste service by 30 June 2024 was clearly defined during the planning process. The indicator did not indicate the frequency of time waste services would be rendered. Consequently, the indicator and its target were not useful for measuring and reporting on progress against the municipality's planned objectives.

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	<p>KPA 5: Basic services and infrastructure development</p> <p><u>KPI 25: Number of households with access to sewer by June 2024</u> 51. An achievement of 958 households with access to sewer by June 2024 was reported against a target of 1 000 households with access to sewer by June 2024. I could not determine whether the reported achievement was correct, as the indicator was not well defined and adequate supporting evidence to clarify the methods and processes for measuring achievement were not provided. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target has been achieved.</p> <p><u>KPI 26 - Number of households with access to electricity by June 2024</u> 52. An achievement of 194 households with access to electricity was reported against a target of 100 households with access to electricity but the audit evidence showed the actual achievement to be 121 households with access to electricity. Consequently, the achievement against the target was better than reported.</p> <p><u>KPI 28: Percentage completion of the civil works and erection of the high mast lights by end of June 2024.</u></p>	<p>PMS, DTIS, & PMU</p>	<p>KPI 25 - The reported number of households is as per census and as stipulated from the technical report, management through billing department will submit billing reports to confirm the number of households.</p> <p>KPI 26: When applications are received. There are no planned electrification projects for 2024/25 financial year. Planning and designs for Popo Molefe and Mbeki sun has commenced and project will be implemented in 2025/26 houses are completed by Human Settlement.</p> <p>KPI 28 - Management acknowledges that the project was planned to be at 90% by June 2024, however the project was accelerated and by June 2024 it was at 100%.</p>	<p>Ongoing</p>
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	<p>53.The target in the annual performance report differed from what was committed to in the approved revised planning documents. The reported target was 100% completion of the civil works and erection of the high-mast lights by June 2024, while the planned target was 90% completion of the civil works and erection of the high-mast lights by June 2024. This change was made without obtaining the required council approval, which undermines transparency and accountability.</p>			
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<p>KPA 5: Basic services and infrastructure development <u>Various indicators</u></p> <p>54. I could not determine if the reported achievements of the following indicators and targets were correct, as adequate supporting evidence was not provided for auditing. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.</p> <p><u>KPI 22 - Percentage of drinking water samples complying to SANS241 by June 2024</u> Indicator Target = 95% Reported achievement = 96.25%</p> <p><u>KPI 27 – Percentage completion of the Boitekong Substation construction by 30 June 2024</u> Indicator Target = 100% Reported achievement = 85%</p> <p><u>KPI 33 – Percentage of formal households on the valuation roll with a weekly solid waste removal service by June 2024</u> Indicator Target = 80% Reported achievement = 100%</p> <p><u>KPI 39 – Percentage of compliance with the required attendance time for structural firefighting incidents by June 2024</u></p>	<p>PMS, DTIS, DCD & DPS</p>	<p>KPI 22: The reported achievement is derived from the submitted quarterly reports</p> <p>KPI 27: Boitekong Substation is a three-year project funded in phases by the Department of Mineral Resources and Energy. The substations are at the final stage of the construction. Outstanding is 11 KV switchgears, 88 KV line construction and commissioning.</p> <p>KPI 33: Rustenburg Local Municipality has over 104 000 households and the Waste Management Unit was sampling a smaller size of households as it is impossible to do door to door sampling. During the Adjustment, a sample size will be determined and at the same time, this exercise will be used a monitoring tool. This Sample number will also find expression in the Data Definition Sheet. Sampling will also provide the house numbers but as for telephone numbers and signatures, we might have to undergo POPIA process of which we do not have the capacity for. The alternative will be that the Ward Councillors or Committees signs off monthly or on</p>	<p>31-Mar-25</p>
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	<p>Indicator Target = 98% Reported achievement =98%</p>		<p>a frequency that will not inconvenience them to prove that the areas within their wards were serviced.</p> <p>KPI 39: Established fire stations in terms of section 3 of the fire brigade services act are not meeting the minimum requirement of section 5 of the South African National Standard 10090- Community protection against fires. Future target will be set as aligned and commensurate with available resources and established fire stations within the jurisdiction of Rustenburg Local Municipality, particularly time from departure at the base and to arrive at the scene.</p>	
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<p>KPA 5: Basic services and infrastructure development <u>Various indicators</u></p> <p>55. Based on the audit evidence, the actual achievement for three indicators did not agree to the achievements reported. Consequently, the actual achievements were less than reported. Furthermore, the targets were not achieved since the under-achievements on the targets were more than reported and the actual achievements against the target were lower than reported.</p> <p><u>KPI 29 – Number of sewer projects implemented by June 2024</u> Target = 4 Reported: 5 Actual achievement: 2</p> <p><u>KPI 32 – Number of informal settlements with a waste service by 30 June 2024</u> Target = 26 Reported: 11 Actual achievement: 7</p> <p><u>KPI 37 - Number of new additional buses procured through the Bus Operating Company by 30 June 2024</u> Target = 10 Reported: 31 Actual achievement: 0</p>	<p>PMS, PMU, DTIS, DRT & DCD</p>	<p>KPI 29: Household provided through capital projects.</p> <p>KPI 32: Management will with immediate effect start implementing Job Cards and trip log-sheets in preparation for 2024/25 Audit Process.</p> <p>KPI 37: The directorate will conduct regular reviews to ensure that indicators set are in line with the actions of the municipality.</p>	<p>30-Jun-25</p>
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<p>Achievement of planned targets 57. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.</p> <p>58. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report.</p> <p>KPA 5: Basic services and infrastructure development Targets achieved: 65% Budget spent: 65%</p> <p><u>KPI 24 – Number of households with access to water by June 2024</u> Planned target = 100 Reported achievement = 22</p> <p><u>KPI 25 – Number of households with access to sewer by June 2024</u> Planned target = 1000 Reported achievement = 958</p> <p>KPI 27 – Percentage completion of the</p>	<p>PMS, PMU, DTIS, & DCD</p>	<p>KPI 24: The reported achievement reflects only connections made through walk-in applications, as the water services unit had no water reticulation projects for the 2023/24 financial year.</p> <p>KPI 25: The number of households connection is as per the physical verification on site and the balance thereof is for future development.</p> <p>KPI 27: Boitekong Substation is a three-year project funded in phases by the Department of Mineral Resources and Energy. The substation is at the final stage of the construction. Outstanding is 11 KV switchgears, 88 KV line construction and commissioning.</p> <p>KPI 28: The project was at 100% completion by June 2024.</p> <p>KPI 30: The project has been appointed; management acknowledges that there was late appointment of a contractor.</p> <p>KPI 32: Management will with immediate effect start implementing Job Cards and trip log-sheets in</p>	<p>Ongoing</p>
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<p><u>Boitekong Substation construction by 30 June 2024</u> Planned target = 100% completion of Boitekong Substation Reported achievement = 85%</p> <p><u>KPI 28 – Percentage completion of the civil works and erection of high mast lights by end of June 2024</u> Planned target = 100% completion of the civil works and erection of high mast lights. Reported: 40%</p> <p><u>KPI 30 - Number of water projects implemented by June 2024</u> Planned target = 1 Reported achievement = 0</p> <p><u>KPI 32 – Number of informal settlements with waste services by 30 June 2024</u> Planned target = 6 informal settlements with a waste service. Reported achievement = 11</p>		<p>preparation for 2024/25 Audit Process.</p>	
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<p>Compliance with legislation</p>	<p>Annual financial statements and annual reports 64. The consolidated and separate 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 expenditure and disclosure items identified by the auditors in the submitted consolidated and separate financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the consolidated and separate financial statements receiving a qualified audit opinion.</p>	<p>FC</p>	<p>The municipality will have bi-monthly AFS preparation and audit steering (internal) committee meetings during the 2024/25 financial year in preparation for the current year audit with a focus on addressing material prior year findings and building a credible audit file. Meetings to commence on 01 March 2025.</p>	<p>Ongoing</p>
	<p>Expenditure Management 65. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.</p>	<p>FMS</p>	<p>The municipality is currently adhering to the 30-day payment rule, as required by Section 65(2)(e) of the MFMA, subject to the municipality's cash flow constraints. To address this, we have implemented stringent cash flow management controls aimed at ensuring timely payments to statutory bodies.</p> <p>Additionally, a memorandum has been shared with all user directorates, emphasizing the importance of submitting invoices promptly to enable payments to be</p>	<p>Ongoing</p>

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			<p>processed within the 30-day timeframe. This collaborative approach ensures that the municipality meets its financial obligations effectively while addressing challenges in cash flow management.</p>	
	<p>Assets management 68. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.</p>	<p>FMS</p>	<p>Management will ensure it maintains internal controls over asset management and financial reporting. However, with reference to the subject matter, Control over an asset, according to accounting standards, is established when the municipality has the ability to direct the use of the asset and obtain benefits from it. Because the facility in question was already under the municipality's management, the municipality retained operational control over the location throughout the construction period. Therefore, the municipality deems no correction to be made.</p>	<p>Ongoing</p>

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	<p>Consequence management</p> <p>69. Some of the unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.</p> <p>70. Irregular expenditure and Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.</p>	<p>OMM</p>	<p>In order to deal with the Irregular, fruitless and wasteful expenditure, the municipality has set up a task team to deal with these expenditures. The task team will assist in categorising the expenditure and identify those that can be written off by Council and those that will need external service provider to assist with further investigation before they can be tabled to Council for either write off or recovery.</p> <p>The task team's first meeting will be held in February 2025, the first report is anticipated to go to Council by June 2025.</p>	<p>February 2025 and ongoing.</p>
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

	<p>Procurement and contract management</p> <p>71. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).</p> <p>72. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2). Similar non-compliance was also reported in the prior year.</p> <p>73. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5.</p> <p>74. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.</p> <p>75. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by</p>	<p>SCM</p>	<p>The municipality takes the audit findings seriously and is committed to addressing the identified deficiencies in procurement and contract management. The following actions will be implemented to ensure compliance with SCM Regulations and the MFMA:</p> <p>1. Compliance with SCM Regulation 19(a): The municipality will ensure that all goods and services procured will meet the minimum requirements as prescribed by SCM Regulation 19(a). To manage deviations effectively, the procurement plan will be rigorously followed. In situations where a deviation is necessary, a comprehensive motivation detailing the reasons for the deviation will be prepared and submitted to the Accounting Officer for approval. This documentation will clarify why the required services were not incorporated into the procurement plan.</p> <p>2. Timely Advertisement of Bids: The municipality will ensure that all invitations for competitive bidding are advertised in accordance with SCM Regulation 22(1) and 22(2).</p>	<p>Ongoing</p>
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

	<p>section 116(2)(c)(ii) of the MFMA. Similar limitation was also reported in the prior year.</p>		<p>Bids will be advertised within the stipulated time frames to prevent any time pressure on bidders and ensure compliance with validity periods.</p> <p>3. Monitoring of Contractor Performance: To ensure that the performance of contractors is monitored monthly, project managers will be mandated to complete performance evaluation forms diligently. In cases where performance evaluations are not submitted, the director of the respective directorate will be notified. A report regarding the non-submission will be escalated to the Accounting Officer for necessary action. This process will reinforce compliance with section 116(2)(c)(ii) of the MFMA and ensure effective contract management.</p> <p>We are committed to strengthening our procurement processes and enhancing contract management to ensure transparency, accountability, and compliance with all relevant regulations. Regular training and capacity building for staff involved in procurement and contract management will also be prioritized</p>	
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Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24

			<p>to further improve our practices and adherence to legislative requirements.</p> <p>This proactive approach will enhance our procurement strategies and ensure that the municipality operates within the legislative framework, benefiting the community we serve.</p>	
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

	<p>Revenue Management 76. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA. 77. I was unable to obtain sufficient appropriate audit evidence that revenue due to the municipality was calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.</p>	<p>Billing & Revenue</p>	<p>The municipality will involve the Ward Councillors to assist in reading meters in different wards where there are intimidations. This programme will start in February 2024; however, this will be a long-term process as some of the meters are not working in these areas and they still need to be changed. The municipality might not have enough budget to change all the faulty meters at once.</p> <p>Financial constraints might affect the processes to resolve this qualification in the long term.</p> <p>For RLM - accounts - Memos will be sent to directorates to provide a list of all municipal stands that are leased together with the lease agreement, the rental account as well as the services account. Any municipal billing not linked to a lease agreement will be reversed. This process will start in January 2025.</p> <p>For Owner" accounts, DTIS will assist in identifying the meters, consumption will either be transferred to the correct stand or will be reversed.</p>	<p>30 June 2026</p>
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Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24

		<p>The accounts that will still be under investigation at year end will be highlighted in the annual financial statements in order to avoid a qualification as the AG will only emphasis to the user.</p> <p>The municipality had a disagreement on the completeness qualification as there are no material properties that are not being billed</p>	
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**Rustenburg Local Municipality
Post Audit Action Plan (PAAP) - Audit Report Findings 2023/24**

	<p>Strategic Planning and Performance Management 65. No KPIs were set in respect of the provision of basic water services, as required by section 43(2) of the Municipal Systems Act (MSA) and municipal planning and performance management regulation 10(a). 66. The performance management system and related controls were inadequate as they did not enable useful and reliable performance measurement and reporting, as required by municipal planning and performance management regulation 7(1).</p>	<p>PMS & DTIS</p>	<p>KPI 24 – Number of households with access to water by June 2024: Seeks to address the number of households with access to free basic services within the Rustenburg Jurisdiction. This KPI aims to also identify new water connections established in settlements that previously had no formal water infrastructure.</p>	<p>Ongoing</p>
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AUDIT REPORT FINDINGS 2023-2024

APPENDICES A - T

APPENDIX A

The following table depicts all councilors in the Municipal Council, the political parties they represent, their standing in the council (Ward or Proportional Representative), number of meetings planned and attended.

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
ClIr Bossau A A	FF+	PR	30	5	19	24
ClIr Bridger A T	DA	PR	30	5	19	24
ClIr Cronje J C	DA	Ward 16	30	4	18	22
ClIr Diale B K	EFF		13	1	8	9
ClIr De Beer J M	FF+	PR	30	5	21	26
ClIr Du Plessis G	DA	Ward 14	30	5	21	26
ClIr Dumani M C	ANC	Ward 37	30	5	18	23
ClIr Edwards I	DA	Ward 15	30	5	23	28
ClIr Fulani W	ANC	Ward 28	30	5	19	24
ClIr Gaonakala M I	ANC	PR	30	5	18	23
ClIr Grove A S	DA	Ward 42	30	4	17	21
ClIr Gumede J S	TCM	PR	30	5	17	22
ClIr Keyser J	DA	PR	30	5	21	26
ClIr Kgotse P C	TCM	PR	30	5	22	27
ClIr Khoeli L	Ind	Ward 33	30	5	20	25
ClIr Kombe O J	BCM	PR	30	5	18	23
ClIr Kotu M	TCM	PR	16	2	13	15
ClIr Langeni E	ANC	Ward 02	30	5	20	25

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Lebetho POL	EFF	PR	30	5	15	20
ClIr Letlape M S	EFF	PR	30	4	14	18
ClIr Mabale-Huma S S K	ANC	PR	30	5	24	29
ClIr Mabe L L	ANC	PR	30	5	22	27
ClIr Macone I S	ANC	Ward 44	30	5	15	20
ClIr Makhuto A	ANC	Ward 22	30	5	19	24
ClIr Malan P A	DA	PR	30	4	21	25
ClIr Malinga M	ANC	Ward 09	30	1	14	15
ClIr Marekoa B B	ANC	PR	30	5	17	22
ClIr Mashiakgomo K D	EFF	PR	30	3	21	24
ClIr Matjene T E	TCM	PR	30	5	19	24
ClIr Melanzi J Z	F4SD	PR	30	5	17	22
ClIr Mkhohwa S P	ANC	Ward 35	30	5	21	26
ClIr Mmapitsa O C	ANC	Ward 26	30	5	19	24
ClIr Moatshe F S	ANC	Ward 10	30	4	17	21
ClIr Moduke T O	ANC	Ward 08	30	5	22	27
ClIr Mogomotsi K	ANC	PR	30	5	23	28
ClIr Mogwera J G	EFF	PR	30	4	19	23
ClIr Mokapi C T	TCM	Ward 23	30	5	16	21
ClIr Mokgatle O J	TCM	PR	30	5	18	23
ClIr Mokgosi T C	EFF	PR	30	4	21	25
ClIr Molatlhegi P R	EFF	PR	3	0	3	3

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
ClIr Monaise K L	EFF	PR	30	4	20	24
ClIr Mooketsi T Z	ANC	Ward 30	30	5	10	15
ClIr Morapedi M P	ANC	Ward 45	30	5	21	26
ClIr Morei K B	ANC	Ward 27	30	5	19	24
ClIr Moreki B I	ANC	Ward 05	30	5	18	23
ClIr Mosete M E E	ANC	Ward 38	30	4	16	20
ClIr Mosito A M	ANC	Ward 39	30	3	16	19
ClIr Motlhamme G S	EFF	Ward 24	30	2	18	20
ClIr Motshegwe S M	ANC	Ward 12	30	5	23	28
ClIr Mpele J B	ANC	Ward 19	30	5	20	25
ClIr Mputle V	ANC	Ward 03	30	5	22	27
ClIr Mtoto M	EFF	PR	30	4	21	25
ClIr Myoli V N	DA	PR	30	5	19	24
ClIr Nageng B V	EFF	PR	30	4	13	17
ClIr Ngwenya G N	TCM	PR	30	4	13	17
ClIr Nhacuangue N	DA	PR	30	5	21	26
ClIr Nke H S R R	Arona	PR	30	4	16	20
ClIr Ngetse A	EFF	PR	16	1	7	8
ClIr Nkgweng G N	ANC	PR	30	5	17	22
ClIr Nortjie J J	DA	Ward 18	30	5	23	28
ClIr Notshaya N G	UDM	PR	30	3	14	17
ClIr Ntshabele K P	ANC	PR	0	0	0	0

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
CLlr Phalole M D	EFF	PR	30	4	21	25
CLlr Phiri K D	ANC	Ward 34	30	5	21	26
CLlr Phutu K K	ANC	Ward 29	30	5	21	26
CLlr Pooe M M	ACDP	PR	30	4	20	24
CLlr Pule E S T	ANC	Ward 07	30	3	21	24
CLlr Pule L J	ANC	PR	30	4	23	27
CLlr Pule T D	EFF	PR	16	2	12	14
CLlr Qobeka J	ANC	Ward 40	30	5	17	22
CLlr Ralokwakweng J O	EFF	PR	30	4	21	25
CLlr Rampou D T	ANC	Ward 21	30	5	24	29
CLlr Rootman A P	FF+	PR	30	4	19	23
CLlr Rothman T	DA	Ward 17	30	5	15	20
CLlr Salang J	ANC	Ward 32	30	4	20	24
CLlr Seleke A A	ANC	Ward 20	30	4	18	22
CLlr Sentsho S L	ANC	Ward 13	30	5	23	28
CLlr Serongoane P H	ANC	Ward 25	30	4	17	21
CLlr Serunye C K	ANC	Ward 36	30	5	15	20
CLlr Sethonga D M	ANC	Ward 01	30	4	20	24
CLlr Shomang V	ANC	Ward 31	30	5	16	21
CLlr Sikwane C K	EFF	PR	14	1	6	7
CLlr Snyders L B	DA	Ward 43	30	4	20	24
CLlr Tause S S	ANC	Ward 06	30	5	21	26

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
CLlr Vena E K	ANC	Ward 04	30	5	21	26
CLlr Xatasi N S	AIC	PR	30	5	20	25
CLlr Xhinela Z	ANC	Ward 41	30	5	20	25
CLlr Zimba K M	EFF	PR	30	3	18	21
CLlr Petlele S P	ANC	Ward 11	11	0	0	0
CLlr Lebelo S	ANC	PR	12	4	6	10
CLlr Nkgwang V K	EFF	PR	12	3	7	10
CLlr Majolo W	EFF		12	0	5	5
CLlr Manyaku E S	EFF		10	2	5	7

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
CLlr Bossau A A	FF+	PR	30	5	19	24
CLlr Bridger A T	DA	PR	30	5	19	24
CLlr Coetzee M	DA	PR	30	5	22	27
CLlr Cronje J C	DA	Ward 16	30	4	18	22
CLlr Diale B K	EFF		13	1	8	9
CLlr De Beer J M	FF+	PR	30	5	21	26
CLlr Du Plessis G	DA	Ward 14	30	5	21	26

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Dumani M C	ANC	Ward 37	30	5	18	23
ClIr Edwards I	DA	Ward 15	30	5	23	28
ClIr Fulani W	ANC	Ward 28	30	5	19	24
ClIr Gaonakala M I	ANC	PR	30	5	18	23
ClIr Grove A S	DA	Ward 42	30	4	17	21
ClIr Gumede J S	TCM	PR	30	5	17	22
ClIr Keyser J	DA	PR	30	5	21	26
ClIr Kgotse P C	TCM	PR	30	5	22	27
ClIr Khoeli L	Ind	Ward 33	30	5	20	25
ClIr Kombe O J	BCM	PR	30	5	18	23
ClIr Kotu M	TCM	PR	16	2	13	15
ClIr Langeni E	ANC	Ward 02	30	5	20	25
ClIr Lebethe POL	EFF	PR	30	5	15	20
ClIr Letlape M S	EFF	PR	30	4	14	18
ClIr Mabale-Huma S S K	ANC	PR	30	5	24	29
ClIr Mabe L L	ANC	PR	30	5	22	27
ClIr Macone I S	ANC	Ward 44	30	5	15	20
ClIr Makhuto A	ANC	Ward 22	30	5	19	24
ClIr Malan P A	DA	PR	30	4	21	25
ClIr Malinga M	ANC	Ward 09	30	1	14	15
ClIr Marekoa B B	ANC	PR	30	5	17	22

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Mashiakgomo K D	EFF	PR	30	3	21	24
ClIr Matjene T E	TCM	PR	30	5	19	24
ClIr Melanzi J Z	F4SD	PR	30	5	17	22
ClIr Mkhohwa S P	ANC	Ward 35	30	5	21	26
ClIr Mmapitsa O C	ANC	Ward 26	30	5	19	24
ClIr Moatshe F S	ANC	Ward 10	30	4	17	21
ClIr Moduke T O	ANC	Ward 08	30	5	22	27
ClIr Mogomotsi K	ANC	PR	30	5	23	28
ClIr Mogwera J G	EFF	PR	30	4	19	23
ClIr Mokapi C T	TCM	Ward 23	30	5	16	21
ClIr Mokgatle O J	TCM	PR	30	5	18	23
ClIr Mokgosi T C	EFF	PR	30	4	21	25
ClIr Molatlhegi P R	EFF	PR	3	0	3	3
ClIr Monaise K L	EFF	PR	30	4	20	24
ClIr Mooketsi T Z	ANC	Ward 30	30	5	10	15
ClIr Morapedi M P	ANC	Ward 45	30	5	21	26
ClIr Morei K B	ANC	Ward 27	30	5	19	24
ClIr Moreki B I	ANC	Ward 05	30	5	18	23
ClIr Mosete M E E	ANC	Ward 38	30	4	16	20
ClIr Mosito A M	ANC	Ward 39	30	3	16	19
ClIr Motlhamme G S	EFF	Ward 24	30	2	18	20

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Motshegwe S M	ANC	Ward 12	30	5	23	28
ClIr Mpele J B	ANC	Ward 19	30	5	20	25
ClIr Mputle V	ANC	Ward 03	30	5	22	27
ClIr Mtoto M	EFF	PR	30	4	21	25
ClIr Myoli V N	DA	PR	30	5	19	24
ClIr Nageng B V	EFF	PR	30	4	13	17
ClIr Ngwenya G N	TCM	PR	30	4	13	17
ClIr Nhacuangue N	DA	PR	30	5	21	26
ClIr Nke H S R R	Arona	PR	30	4	16	20
ClIr Ngetse A	EFF	PR	16	1	7	8
ClIr Nkgweng G N	ANC	PR	30	5	17	22
ClIr Nortjie J J	DA	Ward 18	30	5	23	28
ClIr Notshaya N G	UDM	PR	30	3	14	17
ClIr Ntshabele K P	ANC	PR	0	0	0	0
ClIr Phalole M D	EFF	PR	30	4	21	25
ClIr Phiri K D	ANC	Ward 34	30	5	21	26
ClIr Phutu K K	ANC	Ward 29	30	5	21	26
ClIr Pooe M M	ACDP	PR	30	4	20	24
ClIr Pule E S T	ANC	Ward 07	30	3	21	24
ClIr Pule L J	ANC	PR	30	4	23	27
ClIr Pule T D	EFF	PR	16	2	12	14

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Qobeka J	ANC	Ward 40	30	5	17	22
ClIr Ralokwakweng J O	EFF	PR	30	4	21	25
ClIr Rampou D T	ANC	Ward 21	30	5	24	29
ClIr Rootman A P	FF+	PR	30	4	19	23
ClIr Rothman T	DA	Ward 17	30	5	15	20
ClIr Salang J	ANC	Ward 32	30	4	20	24
ClIr Seleke A A	ANC	Ward 20	30	4	18	22
ClIr Sentsho S L	ANC	Ward 13	30	5	23	28
ClIr Serongoane P H	ANC	Ward 25	30	4	17	21
ClIr Serunye C K	ANC	Ward 36	30	5	15	20
ClIr Sethonga D M	ANC	Ward 01	30	4	20	24
ClIr Shomang V	ANC	Ward 31	30	5	16	21
ClIr Sikwane C K	EFF	PR	14	1	6	7
ClIr Snyders L B	DA	Ward 43	30	4	20	24
ClIr Tause S S	ANC	Ward 06	30	5	21	26
ClIr Vena E K	ANC	Ward 04	30	5	21	26
ClIr Xatasi N S	AIC	PR	30	5	20	25
ClIr Xhinela Z	ANC	Ward 41	30	5	20	25
ClIr Zimba K M	EFF	PR	30	3	18	21
ClIr Petlele S P	ANC	Ward 11	11	0	0	0
ClIr Lebelo S	ANC	PR	12	4	6	10

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Nkgwang V K	EFF	PR	12	3	7	10
ClIr Majolo W	EFF		12	0	5	5
ClIr Manyaku E S	EFF		10	2	5	7

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Bossau A A	FF+	PR	30	5	19	24
ClIr Bridger A T	DA	PR	30	5	19	24
ClIr Coetzee M	DA	PR	30	5	22	27
ClIr Cronje J C	DA	Ward 16	30	4	18	22
ClIr Diale B K	EFF		13	1	8	9
ClIr De Beer J M	FF+	PR	30	5	21	26
ClIr Du Plessis G	DA	Ward 14	30	5	21	26
ClIr Dumani M C	ANC	Ward 37	30	5	18	23
ClIr Edwards I	DA	Ward 15	30	5	23	28
ClIr Fulani W	ANC	Ward 28	30	5	19	24
ClIr Gaonakala M I	ANC	PR	30	5	18	23
ClIr Grove A S	DA	Ward 42	30	4	17	21

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Gumede J S	TCM	PR	30	5	17	22
ClIr Keyser J	DA	PR	30	5	21	26
ClIr Kgotse P C	TCM	PR	30	5	22	27
ClIr Khoeli L	Ind	Ward 33	30	5	20	25
ClIr Kombe O J	BCM	PR	30	5	18	23
ClIr Kotu M	TCM	PR	16	2	13	15
ClIr Langeni E	ANC	Ward 02	30	5	20	25
ClIr Lebethe POL	EFF	PR	30	5	15	20
ClIr Letlape M S	EFF	PR	30	4	14	18
ClIr Mabale-Huma S S K	ANC	PR	30	5	24	29
ClIr Mabe L L	ANC	PR	30	5	22	27
ClIr Macone I S	ANC	Ward 44	30	5	15	20
ClIr Makhuto A	ANC	Ward 22	30	5	19	24
ClIr Malan P A	DA	PR	30	4	21	25
ClIr Malinga M	ANC	Ward 09	30	1	14	15
ClIr Marekoa B B	ANC	PR	30	5	17	22
ClIr Mashiakgomo K D	EFF	PR	30	3	21	24
ClIr Matjene T E	TCM	PR	30	5	19	24
ClIr Melanzi J Z	F4SD	PR	30	5	17	22
ClIr Mkhholwa S P	ANC	Ward 35	30	5	21	26
ClIr Mmapitsa O C	ANC	Ward 26	30	5	19	24

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
ClIr Moatshe F S	ANC	Ward 10	30	4	17	21
ClIr Moduke T O	ANC	Ward 08	30	5	22	27
ClIr Mogomotsi K	ANC	PR	30	5	23	28
ClIr Mogwera J G	EFF	PR	30	4	19	23
ClIr Mokapi C T	TCM	Ward 23	30	5	16	21
ClIr Mokgatle O J	TCM	PR	30	5	18	23
ClIr Mokgosi T C	EFF	PR	30	4	21	25
ClIr Molatlhegi P R	EFF	PR	3	0	3	3
ClIr Monaise K L	EFF	PR	30	4	20	24
ClIr Mooketsi T Z	ANC	Ward 30	30	5	10	15
ClIr Morapedi M P	ANC	Ward 45	30	5	21	26
ClIr Morei K B	ANC	Ward 27	30	5	19	24
ClIr Moreki B I	ANC	Ward 05	30	5	18	23
ClIr Mosete M E E	ANC	Ward 38	30	4	16	20
ClIr Mosito A M	ANC	Ward 39	30	3	16	19
ClIr Motlhamme G S	EFF	Ward 24	30	2	18	20
ClIr Motshegwe S M	ANC	Ward 12	30	5	23	28
ClIr Mpele J B	ANC	Ward 19	30	5	20	25
ClIr Mputle V	ANC	Ward 03	30	5	22	27
ClIr Mtoto M	EFF	PR	30	4	21	25
ClIr Myoli V N	DA	PR	30	5	19	24

Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Nageng B V	EFF	PR	30	4	13	17
ClIr Ngwenya G N	TCM	PR	30	4	13	17
ClIr Nhacuangue N	DA	PR	30	5	21	26
ClIr Nke H S R R	Arona	PR	30	4	16	20
ClIr Ngetse A	EFF	PR	16	1	7	8
ClIr Nkgweng G N	ANC	PR	30	5	17	22
ClIr Nortjie J J	DA	Ward 18	30	5	23	28
ClIr Notshaya N G	UDM	PR	30	3	14	17
ClIr Ntshabele K P	ANC	PR	0	0	0	0
ClIr Phalole M D	EFF	PR	30	4	21	25
ClIr Phiri K D	ANC	Ward 34	30	5	21	26
ClIr Phutu K K	ANC	Ward 29	30	5	21	26
ClIr Pooe M M	ACDP	PR	30	4	20	24
ClIr Pule E S T	ANC	Ward 07	30	3	21	24
ClIr Pule L J	ANC	PR	30	4	23	27
ClIr Pule T D	EFF	PR	16	2	12	14
ClIr Qobeka J	ANC	Ward 40	30	5	17	22
ClIr Ralokwakweng J O	EFF	PR	30	4	21	25
ClIr Rampou D T	ANC	Ward 21	30	5	24	29
ClIr Rootman A P	FF+	PR	30	4	19	23
ClIr Rothman T	DA	Ward 17	30	5	15	20

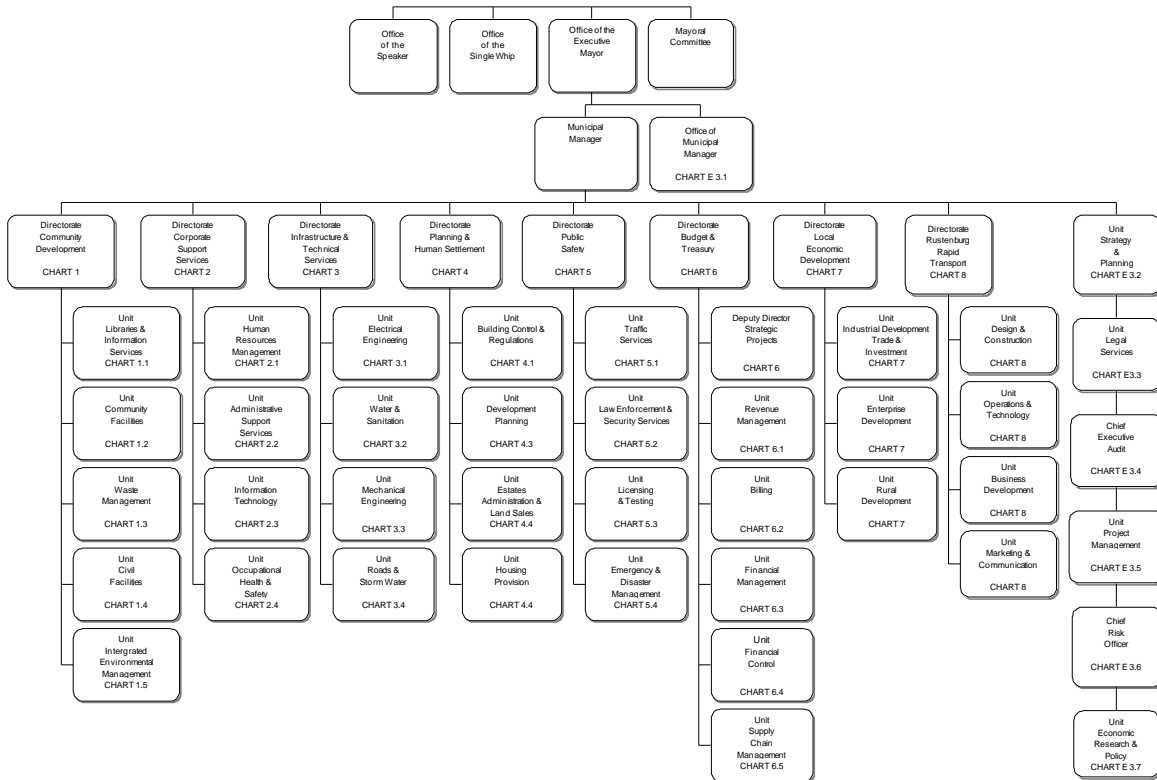
Councillor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councillor		
				Ordinary	Special	Total meetings attended
ClIr Salang J	ANC	Ward 32	30	4	20	24
ClIr Seleke A A	ANC	Ward 20	30	4	18	22
ClIr Sentsho S L	ANC	Ward 13	30	5	23	28
ClIr Serongoane P H	ANC	Ward 25	30	4	17	21
ClIr Serunye C K	ANC	Ward 36	30	5	15	20
ClIr Sethonga D M	ANC	Ward 01	30	4	20	24
ClIr Shomang V	ANC	Ward 31	30	5	16	21
ClIr Sikwane C K	EFF	PR	14	1	6	7
ClIr Snyders L B	DA	Ward 43	30	4	20	24
ClIr Tause S S	ANC	Ward 06	30	5	21	26
ClIr Vena E K	ANC	Ward 04	30	5	21	26
ClIr Xatasi N S	AIC	PR	30	5	20	25
ClIr Xhinela Z	ANC	Ward 41	30	5	20	25
ClIr Zimba K M	EFF	PR	30	3	18	21
ClIr Petlele S P	ANC	Ward 11	11	0	0	0
ClIr Lebelo S	ANC	PR	12	4	6	10
ClIr Nkgwang V K	EFF	PR	12	3	7	10
ClIr Majolo W	EFF		12	0	5	5
ClIr Manyaku E S	EFF		10	2	5	7

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSE

Section 79 Committees		
No.	Name of Committee	Purpose of Committee
1.	Rules of Order	To regulate the internal arrangements, business and proceedings, establishment, composition, procedure, powers and functions of its Council and Committees and to provide for matters incidental thereto.
2.	Performance Audit Committee	To advise and assist Council, Management and Internal Audit on improving the quality of accounting and internal control functions and to strengthen the credibility of financial reporting
3.	Local Labour Forum	To provide a framework within which employees and their trade unions, employers and employers' organisations can collectively bargain to determine wages, terms and conditions of employment and other matters of mutual interest
4.	Municipal Public Accounts Committee	To provide oversight over the executive obligations of Council and administration
5.	Municipal Planning Tribunal	To provide oversight on land use amendment applications that has been submitted, this is in terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013).
6.	Mayoral Committee	To assist the Executive Mayor in executing his/her functions. The Executive Mayor is the chairperson of the Mayoral Committee.
Section 80 Committees		
No.	Name of Committee	Purpose of Committee
1.	Budget & Treasury	Provide portfolio responsibilities on issues of income, expenditure, budgeting, risk management and auditing
2.	Corporate Support Services	Provide portfolio responsibilities on issues of human resources, administration and information and technology
3.	Community Development	Provide portfolio responsibilities on issues of health services, community facilities and library and information management.

Section 79 Committees		
No.	Name of Committee	Purpose of Committee
4.	Technical and Infrastructure Services	Provide portfolio responsibilities on issues of electricity, water and sanitation, waste management, roads and storm water and mechanical engineering
5.	IDP, Performance Management, legal & valuation	Provide portfolio responsibilities on issues of IDP; Performance management, legal and valuation and internal auditing
6.	Local Economic Development	Provide portfolio responsibilities on issues of enterprise development, SMME support, industrial development/manufacturing, LED projects, arts, culture and heritage development, tourism development and marketing, agriculture and rural development and research and development
7.	Planning, Human Settlement & Transport	Provide portfolio responsibilities on issues of environmental management, housing provision, building control, development planning and estates administration.
8.	Public Safety	Provide portfolio responsibilities on issues of emergency, disaster management, road traffic management and by-law enforcement.
9.	IGR, Youth, Children and People Living with Disability	Provide portfolio responsibilities on issues of Inter-Governmental Relations, Youth, Children and People Living with Disabilities.
10.	Roads and Transport Services	Provide portfolio responsibilities on issues of Road Transport service
11.	IDP & Budget Steering Committee	Provide oversight responsibilities on issues on IDP and Municipal financial management

APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE (INCLUDING MUNICIPAL ENTITY)



APPENDIX D: POWERS AND FUNCTIONS ALLOCATED TO THE MUNICIPALITY

POWERS AND FUNCTIONS	DESCRIPTION	Performed/ Not Performed
Air Pollution	Management of the air quality that affects human health.	P
Building Regulations	Regulations through by-laws that provide for approval of building plans, building inspections and control of operations and enforcement of contraventions of building regulations.	P
Child Care Facilities	Facilities for early childhood care and development which fall outside the competence of national and provincial government.	NP
Electricity Reticulation	Bulk supply of electricity which includes for the purposes of supply, transmission, distribution, and where applicable generation of electricity to areas where the municipality has been providing these services prior to authorisation.	P
Fire Fighting Services	Planning, coordination, and regulation of fire services.	P
Local Tourism	Promotion, marketing, and development of tourist attraction within the municipal area in order to grow the local economy.	P
Municipal Airport	A demarcated area on land or water or a building which is used for the arrival or departure of aircraft.	NP
Municipal Planning	Compilation and implementation of integrated development plan.	P
Municipal Public Transport (only with regard to taxis)	The regulation and control of services for the carriage of passengers.	P
Storm Water Management Systems	Management of systems to deal with storm water in built-up areas	P
Trading Regulations	Regulation of any area or facility dealing with trade in goods or services.	P

POWERS AND FUNCTIONS	DESCRIPTION	Performed/ Not Performed
Water	Establishment, operation, management, and regulation of a portable water supply system, including the services and infrastructure required.	P
Sanitation	Establishment, operation, management, and regulation of a potable water supply system, including the services and infrastructure required.	P
Amusement Facilities	Management and control of a public places for entertainment.	NP
Billboards and Display of Advertisement in Public Places	Display of written or visual descriptive material which promotes the sale and encourages the use of goods and services found in streets, roads, etc.	P
Cemeteries, Funeral Parlours and Crematoria	Establishment, conduct and control of facilities for the purpose of disposing of human and animal remains.	P
Control of Public Nuisance	Cleaning of public streets, roads, and other public spaces.	P
Control of Undertakings that sell Liquor to the Public	Includes inspection service to monitor liquor outlets for compliance to license requirements.	NP
Facilities for the accommodation, Care and Burial of Animals	Control and monitoring of facilities which provide care for the animals and their burial or cremation	NP
Fencing and Fences	Provision and maintenance or regulation of any boundary or deterrents to animals and pedestrians along a street or road.	NP
Licensing of Dogs	Control over the number and health status of dogs through a licensing mechanism.	NP
Licensing and control of Undertakings that sell Food to the Public	Maintenance of environmental health standards through regulation, licensing, and monitoring of any place that supply refreshments or food for consumption to the public.	P
Local Amenities	Provision, maintenance and control of any municipal land or building reserved for the protection of places or scenic objects, historical and cultural value, or interest.	P

POWERS AND FUNCTIONS	DESCRIPTION	Performed/ Not Performed
Local Sport Facilities	Provision, management and control of any sport facility within the municipal area.	P
Markets	Establishment operation or management of markets other than fresh produce markets.	NP
Municipal Abattoirs	Establishment, conduct and control of facilities for the slaughtering of livestock.	NP
Municipal Parks and Recreation	Provision, management and control of any land or gardens set aside for recreation, sightseeing and or tourism.	P
Municipal Roads	Construction, maintenance, and control of a roads.	P
Noise Pollution	Control and monitoring of any noise that might affect human health or wellbeing.	P
Pounds	The provision, management and maintenance of a facility set aside for securing animals confiscated by the municipality.	P
Public Places	Management, maintenance and control of any land or facility for public use.	P
Refuse Removal, Refuse Dumps and Solid Waste Disposal	Removal of any household or other waste and the disposal of such waste in an area.	P
Street Trading	Control, regulation and monitoring of eth selling of goods and services along public pavement or road reserve.	P
Street Lighting	Provision and maintenance of lighting for illuminating of streets.	P
Traffic and Parking	Management and regulation of traffic and parking within the area of the municipality.	P

POWERS AND FUNCTIONS	DESCRIPTION	Performed/ Not Performed
Municipal Public Works	Any supporting infrastructure or services to empower a municipality to perform its functions.	P
Cleansing	Cleaning of public places.	P

APPENDIX E: WARD REPORTING

WARD COMMITTEES' ROLES AND FUNCTIONS

From a broader view of community participation, the legislation on local government set clear mechanisms for the establishment of the ward committees as a structure to liaise with the municipalities. Establishing a ward committee was not mandatory for municipality and thus not all municipalities have to have them. However, legislation makes it mandatory for municipalities to develop mechanisms to consult and involve communities in the affairs of the municipality and its processes.

Municipalities are obliged to develop a lasting and successful model by ensuring that participation takes place through these established structured and as are institutionalized. They are creation of legislation, the Municipal Structure act, giving effect to the Constitution of South Africa. Ward Committees are a part of local government and an important way of achieving the aims of local governance and democracy as mentioned in the constitution, 1996. These structures are a committee of not more than 10 members of a ward and the ward Councilor is the chairperson.

Its role is to facilitate participatory democracy; disseminate information; help rebuild partnership for better service delivery; and assist with problems experienced by the people at ward level. A general understanding has emerged that the ward committee is an area-based committee whose boundaries coincide with the boundaries. Ward committee resource book (2005:20) provide this information of a particular ward:

Are made up of representatives of a particular ward

are made up of members who represent various interests within a ward

Are chaired by the Ward Councilor

Give the community members the opportunity to express their needs, opinions on issues that affect their lives and to have them heard at the municipal level via ward Councilor.

Are advisory bodies created within the sphere of the community to assist the ward in carrying out his or her mandate in the most democratic manner.

CHALLENGES EXPERIENCED AND MEASURES TAKEN TO ADDRESS THEM

Ward	Challenges	Remedial Measures
1 – 45	In most wards the Ward committee system is politicized.	Training was proposed to induct members of the ward committees on their roles and responsibilities and to remain apolitical as per the guidelines of the ward committee policy as amended and the Municipal Systems Act.
	Members of the Ward committees are alleged to be participating in unlawful activities, which include inter alia land grab and selling of municipal stands.	The Office of the Speaker has on a number of occasions tried to intervene on this issue, which is why we amended the Ward Committee Policy
	Lack of proper reporting methods on service delivery related issues	We implemented a reporting system, which is linked to the call center. Once the matter is reported, the client gets a reference number in order to track progress

APPENDIX F: MANAGEMENT OF WARD COMMITTEES

NUMBER OF FUNCTIONAL WARD COMMITTEES	NUMBER OF MONTHLY MEETINGS CONDUCTED	NUMBER OF RECOMMENDATIONS MADE TO COUNCIL	NUMBER OF FEEDBACK SESSIONS
44	528	0	0

WARD COMMITTEE FORUMS

DATE OF FORUM	DISCUSSION ITEMS	RESOLUTIONS TAKEN
None	None	None

INTERACTION WITH HOUSE OF TRADITIONAL LEADERS

NAME OF TRADITIONAL AUTHORITY	DATE OF MEETING	DISCUSSION ITEMS	RESOLUTIONS TAKEN
0	0	0	0

WARD COUNCILORS AND WARD COMMITTEES TRAINING

TYPE OF TRAINING PROVIDED	DATE OF TRAINING	DATE COMPLETED
None	None	None

APPENDIX G:

REPORT OF THE PERFORMANCE AUDIT COMMITTEE ON RUSTENBURG LOCAL MUNICIPALITY (RLM) FOR THE YEAR ENDED 30 JUNE 2024.

1. LEGISLATIVE REQUIREMENTS

The purpose of this report is to communicate to the council the Performance Audit Committee's progress in carrying out its responsibilities in terms of Section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA), read with Circular 65 (November 2012) published by the National Treasury for the year ended 30 June 2024.

The MFMA obliges every municipality to establish an independent audit committee, which must advise the municipal council, political office-bearers, accounting officer and management staff of the municipality as well as the accounting officer and the management staff of the municipal entity, on matters relating to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation, and any other issues referred to it by the municipality.

The Performance Audit Committee is governed by the Charter (formal terms of reference), which are regularly reviewed and approved by the council. The committee is pleased to present its report for the financial year ending 30 June 2024.

2. PERFORMANCE AUDIT COMMITTEE STRUCTURE

The Performance Audit Committee was established in accordance with Section 166 of the MFMA read with MFMA Circular 65 (November 2012) issued by the National Treasury. The committee charter requires that the audit committee comprises of five (5) independent members.

During the year under review the Performance Audit Committee had three (3) members who were appointed on 3 November 2023, one member was appointed on a month-to-month basis pending the

filing of the two (2) vacancies. The two (2) vacancies did not affect the functioning and fulfilment of the mandate of the committee and its legislative responsibilities.

Attendance of meeting was as follows during the financial year under review (2023/24):

No.	MEMBER	ROLE	MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
1.	S. Ngobeni	Chairperson	21 July 2023 (4 th Quarter – 2022/23)	7	7
2.	L Moyo	Member	24 August 2023 (AFS)	7	3
3.	J Lesolang	Member	30 August 2023 (AFS & APR)	7	5
4.	G Mokoana	Member	26 October 2023 (AGSA – Audit Strategy for RLM & RWST)	7	3
5.	M Matolong	Member	12 December 2023 (AGSA – Draft Audit Report & Final Management Report) 08 March 2024 (1 st & 2 nd Quarter - 2023/24) 24 May 2024 (3 rd Quarter - 2023/24)	7	3

The members of the audit committee held meetings with the municipal manager (accounting officer), senior management (acting directors) of the municipality, the internal audit function and the external auditors, collectively and individually, on matters related to governance, internal control and risk in the municipality, throughout the reporting period. The committee also held a meeting with the executive mayor of the council to report on governance, internal control, risk, performance and financial information and other relevant matters concerning the municipality. The committee presented their reports directly to Council.

Furthermore, the committee had a session with the Municipal Public Accounts Committee (MPAC) to discuss the audit report 2022/23 as part of the oversight report compilation.

3. PERFORMANCE AUDIT COMMITTEE RESPONSIBILITY

The Performance Audit Committee reports that it has complied with its responsibilities arising from Section 121, 166, 165 of the Municipal Finance Management Act, Treasury Regulation 3.1.13, MFMA Circular 65 and reports that it operated in terms of the audit committee charter read in conjunction with the internal audit charter.

Stakeholder Engagement/s

The committee has been able to engage with the following stakeholders:

- National Treasury
- Provincial Treasury
- North West AGSA

2.1 The Effectiveness of Internal Control

The committee is concerned that in certain instances the matters reported by the internal audit function and external auditors in prior years have not been fully and satisfactorily addressed. Management has given assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the audit committee will monitor these going forward.

Internal controls of the municipality are partially effective, and several material internal control breaches came to the attention of the committee i.e. lack of effective performance management, non-compliance, lack of consequence management, lack of record management system and inadequate reporting. Internal and external audit findings were not urgently responded to by management which has a negative impact on the municipal control environment.

Based on the results of the formal documented review of the design, implementation and effectiveness of the municipality's system of internal controls conducted by the internal audit and AGSA during the financial year ended 30 June 2024, and in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the Performance Audit Committee concluded that the municipality's system of internal financial controls is partial effective and several material internal control breaches come to the Committee's attention.

The vacancies of senior management positions undermine the effective functioning of the system of internal control, and it is imperative that management reviews its recruitment procedures and processes to ensure that senior management vacancies are filled expeditiously with properly qualified, skilled and experience personnel in compliance with the legislative requirements.

2.2 The quality of monthly and quarterly reports submitted in terms of the MFMA

The Performance Audit Committee is not fully satisfied with the content and quality of monthly and quarterly reports prepared and issued in compliance with the statutory framework. The committee has engaged with management to remedy shortcomings, especially relating to the reports on performance against predetermined objectives. Furthermore, the committee has recommended that specific process be implemented to ensure that the information reported is both useful and reliable in terms of the applicable reporting framework.

The committee has recommended that the municipality prepare interim financial statements that comply with Standards of Generally Recognised Accounting Practice (GRAP), which would assist in performing reconciliations timeously as well as in eliminating year-end adjustments. The Performance Audit Committee has reviewed and commented on the municipality's and entity's annual financial statements and report on performance information and their timely submission to the external auditors by 31 August and consolidated on 30 September 2024.

2.3 Internal Audit function

The accounting officer is obliged, in terms of Section 165 of the MFMA, to ensure that municipality has a system of internal audit under the control and direction of the audit committee. The Performance Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The Performance Audit Committee:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considering the reports of the Internal Auditors on the municipality's systems of internal control.
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto.

Internal audit performed 17 of the 17 planned engagements based on the approved risk-based audit plan. A consideration of budget allocation of at least 1% of the overall budget to internal audit, which is in line with the standard general practice in the industry. Furthermore, this will assist with sufficient allocation of budget for the IT Audits, Performance Audits – Three E’s (Value for Money – Efficiency, Effective and Economical) Audit, Environmental Audits, Special Investigations, Forensic Investigations and / or any other specialised audit.

The reviewed organisational structure will assist the internal audit function by getting the necessary skills and agility required for the function to respond quickly and effectively to the demands for internal audit across the various directorates of the municipality and the municipal entity (RWST).

The capacity of internal audit function must be enhanced by reviewing the current organisational structure in consideration with the size of the municipality including the municipal entity (Rustenburg Water Services Trust - RWST) and internal controls challenges.

2.4 Risk Management function

The Performance Audit Committee reviewed the municipality’s policies on risk management and strategy (including Information and Communication Technology (ICT) Governance)) and monitored the implementation of risk management policy and strategy and concluded that the municipality’s risk management maturity level is not satisfactory. The committee is concerned that with the risk function being understaffed, which will result in non-delivery by the function if the situation is not addressed.

The committee remains concerned that not all ICT and financial risks are being addressed or mitigated in implementing new systems which is emanating from the monitoring of the risk register and progress reports on the respective action plans.

The committee is urging management to adopt an aggressive anti-corruption measure to curb and prevent possible fraud and corruption. There is a need to develop and / or review a detailed fraud prevention plan and progress reports on the action plans for addressing the fraud risks.

The committee was responsible for the oversight of the risk management. The risk management committee reported to the committee on quarterly basis.

2.5 In-Year Management and Monthly / Quarterly Report

The quarterly review of in-year monitoring systems and reports, the Performance Audit Committee is still not satisfactory with the quality, accuracy, usefulness, reliability, appropriateness, and adequacy of the municipality in-year reporting systems. Lack of improvement of the year-end reporting led to adjustment of the Annual Financial Statements and the Annual Performance Report after submission to the AGSA.

2.6 Performance Management System

The committee is emphasising to the Accounting Officer to that there is a need for proper action plan to for the municipality to improve the opinion on the Performance management and reported performance against the predetermined objectives. The municipality is not progressing in this area and the performance management system remain inadequate especially in areas of evaluation and monitoring of service provider performance (together with lack of effective contract management of contractors), regular and timeous performance assessment of senior managers. Furthermore, the municipality still to cascade down performance management to staff at lower levels.

The reported performance by the municipality must be agreed to the supporting documentation provide. The formulation of the Key Performance Indicators (KPIs) to be done before the start of the financial year (predetermined – setting target before not during and / or at the end of the financial year) and must be Specific Measurable Achievable Realistic Timebound (SMART).

Ineffective performance management system and related controls reporting that did not enable useful and reliable performance measurement and reporting as required by legislation (Municipal Planning and Performance Regulation).

2.7 Evaluation of the finance function

Critical vacant Management positions in Budget and Treasury Office were vacant during the financial year under review and with acting incumbents on such positions.i.e. Chief Financial Officer, Unit Manager: Supply Chain Management. There has been an Acting Chief Financial Officer who is appointed as a Deputy Chief Financial Officer for the rest of the financial year 2023/24, which led to another official acting a Deputy Chief Financial Officer. The creates a risk of dual responsibilities and less accountability to the roles assigned. Furthermore, stretching the thinly resourced Directorate Budget and Treasury Office to still render their functions optimally.

The Directorate Budget and Treasury Office (finance function) is negatively affected in terms of optimal performance at its capacity with the vacancy that existed in leadership. The absence of the Chief Financial Officer had a huge strain on the finance function to deliver quality information on a timely basis.

There is no capacity in the Budget & Treasury Office (BTO) to prepare measures to improve to the audit opinion as there is lack of continuous preparation for the year function i.e. proper quarterly interim financial statement which could assist in correcting and / or remedying the prior period errors, misstatements identified, proper mapping of accounts on the accounting software and / or system.

The committee is not satisfied with the Directorate Budget and Treasury Office function during the year under review.

2.8 Procurement and contract Management

Supply Chain Management is a high-risk area of the municipality and some of the non-compliances are emanating from there.

Increased usage of Supply Chain Management Regulation, Regulation 36 - deviations from normal supply chain management processes when procuring goods and services which were not meeting the requirements of the applicable legislation is a major concern to the committee. This is also impacting negatively on the procurement plan, process, and budget process as there is no provision for such.

Records management and contract management in relation to some of the appointed service providers due non-submission for external audit purposes. This led to non-compliance with the Section 116(2)(c)(ii) of the MFMA and repeat audit findings.

2.9 Water & Electricity Losses

The committee is disturbed about the disclosed material water losses and material electricity losses on the annual financial statement which indicates very high amounts. We urge management to develop a realistic implementable plan that will gradually reduce these disclosed material losses.

2.10 Business Continuity Management

The Performance Audit Committee noted that there was no progress on the development and implementation of the Business Continuity Management and Disaster Recovery Plan. This is of critical importance as this will assist the Municipality's resilience to the risk of disruptions to business processes.

2.11 Combined assurance

The Performance Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were not adequate to address all the significant risks facing the municipality.

2.12 Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The Performance Audit Committee noted that there is no progress in preventing and reducing Unauthorised, Irregular, Fruitless and Wasteful expenditure for the financial year under review.

Furthermore, there has not been any investigations of Irregular, Fruitless and Wasteful expenditure even though it is increasing. A realistic, practical reduction plan be developed and implemented speedily to ensure that there is movement in line with Section 32 of the MFMA.

2.13 Consequence Management

The Performance Audit Committee recommends that an urgent action be implemented on non-compliance with legal prescripts and the resultant irregular expenditure and fruitless and wasteful expenditure. The culture of no consequence management is what has led to lack of controls and the increase of irregular, fruitless and wasteful expenditure and non-delivery of services to communities.

2.14 Compliance with the relevant laws and regulations

The Performance Audit Committee considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the municipality did not fully comply with the enabling laws and regulations as well as its municipality policies and standard operating procedures, especially in the areas of addressing the irregular and fruitless expenditure, quality of annual financial statement and supply chain management (including expenditure management).

The non-approval of the reviewed organisational structure is affecting the effectiveness and efficiency of the service delivery municipal wide.

2.15 Material Irregularities (MI)

The committee is concerned that the previous Material Irregularities (MI) issued shows little progress in dealing with the 3 MIs related to Rustenburg Rapid Transport (RRT) project. 2 MIs related to fleet management are resolved based as reported by AGSA as the accounting officer had taken all reasonable steps to deal with the matters raised in the 2 MIs. There are no MIs issued against the municipality during the year under review issued.

The committee is urging the accounting officer to deal with the matters raised in the MI and progress will be monitored on regular basis.

2.16 Culture Shift

Culture Shift is a commitment document outlining actions to be performed to assist the municipality to improve the audit opinion. Culture Shift documents are monitored by external auditors on a quarterly basis with supporting documentation for validation. The PAC raised concerns about the fast tracking of the implementation of culture shift action plan.

2.17 Evaluation of Annual Financial Statements

Following the review by the Performance Audit Committee of the draft annual financial statements for the year ended 30 June 2024 before and after the audit, the committee is of the view that annual financial statements can be incorporated into the annual report.

The committee recommend that management start to deal with the prior period errors urgently with supporting documentation. Furthermore, quarterly financial statements be prepared as part of year-end processes preparation and to be able to present annual financial statements which are free from errors that fairly present

2.18 Evaluation of Annual Performance Report (APR)

Lack of proper planning for the crafting of the Annual Performance Report, vacancies of senior management positions (situations where there was no acting on senior management positions), regular and continuous performance assessments are some of the challenges faced during the financial year under review. There is an improvement in the audit opinion on the APR because of changes allowed by AGSA.

The recommendations of internal audit and the committee be implemented regularly. The committee urges management to correct all misstatements when afforded an opportunity by AGSA, as was the case during the audit of the annual performance report. Furthermore, the development of a remedial action of AGSA material findings on the annual performance report.

2.19 Consideration of the Final Audit report (External auditor's report)

The Performance Audit Committee considered final audit report and concurred with the AGSA's qualified audit opinion. The Performance Audit Committee is concerned that the municipality maintained the qualified audit opinion with additional paragraphs when compared to the previous financial year. The committee recommended that management's corrective action to address the findings of the external auditors should be detailed and include a root cause analysis to the findings. The PAC will monitor these on quarterly basis.

The committee confirms that it has been involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

A handwritten signature in black ink, consisting of the letters 'SAB' followed by a stylized flourish, all enclosed within an oval shape.

SAB Ngobeni

Chairperson: Performance Audit Committee

Date 14 January 2025

REPORT OF THE PERFORMANCE AUDIT COMMITTEE ON RUSTENBURG WATER SERVICES TRUST (RWST) FOR THE YEAR ENDED 30 JUNE 2024.

1. LEGISLATIVE REQUIREMENTS

The purpose of this report is to communicate to the council the Performance Audit Committee's progress to date in carrying out its oversight responsibilities in terms of Section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA), read with Circular 65 (November 2012) published by the National Treasury for the year ended 30 June 2024.

The MFMA obliges every municipality to establish an independent audit committee, which must advise the municipal council, political office-bearers, accounting officer and management staff of the municipality as well as the accounting officer and the management staff of the municipal entity, on matters relating to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation, and any other issues referred to it by the RWST.

The Performance Audit Committee is governed by the Charter (formal terms of reference), which are regularly reviewed and approved by the council. The committee is pleased to present its report for the financial year ending 30 June 2024.

2. PERFORMANCE AUDIT COMMITTEE STRUCTURE

During the year under review the Performance Audit Committee had three (3) members who were appointed on 3 November 2023, one member was appointed on a month-to-month basis pending the filing of the two (2) vacancies. The two (2) vacancies did not affect the functioning and fulfilment of the mandate of the committee and its legislative responsibilities.

Attendance of meeting was as follows during the financial year under review (2023/24):

No.	MEMBER	ROLE	MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
1.	S. Ngobeni	Chairperson	25 August 2023 (4th Quarter – 2022/23 & AFS)	4	4
2.	L Moyo	Member	01 March 2024 (Induction – New PAC member for RLM & RWST) 15 March 2024 (1st & 2nd Quarter - 2023/24) 06 June 2024 (3rd Quarter - 2023/24)	4	1
3.	J Lesolang	Member		4	3
4.	G Mokoana	Member		4	3
5.	M Matolong	Member		4	2

The members of the audit committee held meetings with the Rustenburg Water Services Trust (RWST) Administration, the internal audit function and the external auditors, collectively and individually, on matters related to governance, internal control and risk in the trust, throughout the reporting period. The committee also held a meeting with the Executive Mayor of the council to report on governance, internal control, risk, performance and financial information and other relevant matters concerning the RWST. The committee presented their reports directly to Council.

Furthermore, the committee had a session with the Municipal Public Accounts Committee (MPAC) to discuss the audit report 2022/23 as part of the oversight report compilation.

3. PERFORMANCE AUDIT COMMITTEE RESPONSIBILITY

The Performance Audit Committee reports that it has complied with its responsibilities arising from Section 121, 166, 165 of the Municipal Finance Management Act, Treasury Regulation 3.1.13, MFMA Circular 65 (November 2012) and reports that it operated in terms of the audit committee charter read in conjunction with the internal audit charter.

Stakeholder Engagement/s

The committee has been able to engage with the following stakeholders:

- Provincial / National Treasury
- North West AGSA

2.20 The Effectiveness of Internal Control

There was lack of controls in relation to the compilation of the Annual Financial Statements which resulted in material misstatements being identified by the AGSA. Lack of proper record keeping was not practiced as this delayed the external audit process due to accessibility of complete, relevant and accurate information.

Furthermore, there were no controls implemented for the daily and monthly processing and reconciling of transactions to ensure that all transactions and accounts disclosed in the annual financial statements are accurate and complete.

2.21 The quality of monthly and quarterly reports submitted in terms of the MFMA

The Performance Audit Committee is partially satisfied with the content and quality of monthly and quarterly reports prepared and issued in compliance with the statutory framework. The committee has engaged with management to remedy shortcomings, especially relating to the reports on performance against predetermined objectives. Furthermore, the committee has recommended that specific process be implemented to ensure that the information reported is both useful and reliable in terms of the applicable reporting framework.

The Performance Audit Committee has reviewed and commented on the entity's annual financial statements and report on performance information and their timely submission to the external auditors by 31 August and consolidated on 30 September 2024.

2.22 Internal Audit function

The accounting officer is obliged, in terms of Section 165 of the MFMA, to ensure that the entity has a system of internal audit under the control and direction of the audit committee. The Performance Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The Performance Audit Committee:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function.

- Considered the reports of the Internal Auditors on the trust's systems of internal control.
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto.

Internal audit performed 11 of the 11 planned engagements based on the approved risk-based audit plan.

The capacity of internal audit function must be enhanced by reviewing the current organisational structure in consideration with the size of the municipality including the municipal entity (Rustenburg Water Services Trust - RWST) and internal controls challenges.

2.23 Risk Management function

The Performance Audit Committee reviewed RWST's policies on risk management and strategy (including Information and Communication Technology (ICT) Governance)) and monitored the implementation of risk management policy and strategy and concluded that RWST's risk management maturity level is improving.

2.24 In-Year Management and Monthly / Quarterly Report

The quarterly review of in-year monitoring systems and reports, the Performance Audit Committee is still not satisfactory with the quality, accuracy, usefulness, reliability, appropriateness, and adequacy of the RWST in-year reporting systems. Lack of improvement of the year-end reporting led to adjustment of the Annual Financial Statements and the Annual Performance Report after submission to the AGSA.

2.25 Performance Management System

The committee is emphasising that there is a need for proper action plan to for the RWST on the Performance management and reported performance against the predetermined objectives.

The reported performance by the RWST must be agreed to the supporting documentation provide. The formulation of the Key Performance Indicators (KPIs) to be done before the start of the financial year (predetermined – setting target before not during and / or at the end of the financial year) and must be Specific Measurable Achievable Realistic Timebound (SMART).

2.26 Business Continuity Management

The Performance Audit Committee noted that there was no progress on the development and implementation of the Business Continuity Management and Disaster Recovery Plan. This is of critical importance as this will assist RWST's resilience to the risk of disruptions to business processes.

2.27 Combined assurance

The Performance Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were not adequate to address all the significant risks facing the trust.

2.28 Irregular Expenditure

The Performance Audit Committee noted that there is no progress in preventing and reducing Irregular expenditure for the financial year under review. Irregular expenditure has increased during the financial year under review.

Furthermore, there have not been any investigations into Irregular expenditure even though it is increasing. A realistic, practical reduction plan is developed and implemented speedily to ensure that there is movement in line with Section 32 of the MFMA.

2.29 Compliance with the relevant laws and regulations

The Performance Audit Committee considered reports provided by Administration of the RWST, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the RWST did not fully comply with the enabling laws and regulations as well as its policies and standard operating procedures, especially in the areas of addressing the irregular and fruitless expenditure, quality of annual financial statement and supply chain management (including expenditure management).

2.30 Evaluation of Annual Financial Statements

Following the review by the Performance Audit Committee of the draft annual financial statements for the year ended 30 June 2024 before and after the audit, the committee is of the view that annual financial statements can be incorporated into the annual report.

2.31 Evaluation of Annual Performance Report (APR)

Following the review by the Performance Audit Committee of the annual performance report for the year ended 30 June 2024 before and after the audit, the committee is of the view that, draft annual performance report can be incorporated into the annual report.

2.32 Consideration of the Final Audit report (External auditor's report)

The Performance Audit Committee considered final audit report and concurred with the AGSA's qualified audit opinion. Furthermore, the Performance Audit Committee commended the RWST for maintaining the qualified audit opinion. The committee recommended that RWST Administration's corrective action to address the findings of the external auditors should be detailed and include a root cause analysis to the findings. The PAC will monitor these on quarterly basis.

The committee confirms that it has been involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

A handwritten signature in black ink, consisting of the letters 'ASB' inside an oval shape, with a horizontal line underneath.

SAB Ngobeni

Chairperson of the Performance Audit Committee

Date 04 December 2024

APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

PRIVATE PUBLIC PARTNERSHIP

No	Responsible Directorates and Units	Service Provider	Description	Bid/Contract No.	Commencement Date	Expiry Date	Period	Contract Value.
1	Local Economic Development	Tulanie Trust T/A Omaramba Vakansie-Oord En Konferensie Sentrum & Rustenburg Kloof Resort Cc	Management And Maintenance Agreement	N/A	2004/12/24	2024/12/24	240 months	5% of monthly turnover

RUSTENBURG WATER SERVICES TRUST

No	Responsible Directorates and Units	Service Provider	Description	Bid/Contract No.	Commencement Date	Expiry Date	Period	Contract Value
1	Water & Sanitation	Rustenburg Water Services Trust	Bulk Water Supply and Water Treatment	N/A	2003.10.27	2018.10.27 (Extended to 31 August 2024)	15 YEARS	Per rate

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

Addressed with Section 46 Report paragraph

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST (SENIOR MANAGERS)

NAME	DIRECTORATE	DIVISION	POSITION	PERSO	DISCLO	1	2	3	4	5	6	7	8	9
				NAL	SURE									
				INFO	OF	Sha	Directo	Intere	Memb	Other	Consulta	Sponsor	Gi	Inter
				FORM	BENEFIT	res	rship	st in	er of	Financia	ncies	ships	fts	est in
					S			Any	Close	l Int.	Retainer			Land/pro
								Trust	Corp.		ships			perty
Maema MI	Planning and Human Settlement	Planning and Human Settlement	Acting Director: Planning and Human Settlement	-	-	-	-	-	-	-	-	-	-	-
Jele LG	Community Development	Community Development	Acting Director: Community Development	X	X	-	-	-	-	-	-	-	-	-
Mantswe	Local Economic Development	Local Economic Development	Acting Director: Local Economic Development	-	-	-	-	-	-	-	-	-	-	-
Khuduge AR	Municipal Manager	Office of the MM	Municipal Manager	X	X	-	-	-	-	-	-	-	-	X
Ramothwala	Public Safety	Public Safety	Acting Director: Public Safety	X	X	X	-	-	x	-	-	-	-	X
Mahapela P	Corporate Support Services	Corporate Support Services	Acting Director: Corporate Support Services	X	X	-	-	-	-	-	-	-	-	-
Mdhluli V	Budget and Treasury	Budget and Treasury	Chief Financial Officer	X	X	X	X	-	-	-	-	-	-	X
Mahlangu G	Roads and Transport	Roads and Transport	Acting Director: Roads and Transport	-	-	-	-	-	-	-	-	-	-	-
Ndzukula W	Technical and Infrastructure Services	Technical and Infrastructure Services	Acting Director: Technical and Infrastructure Services	-	-	-	-	--	-	--	-	-	--	-

APPENDIX K: REVENUE COLLECTION PERFORMANCE

REVENUE SOURCE	30/06/2024	30/06/2023	30/06/2022
Sale of bus tickets	11 342	4 166	-
Service Charges	2 976 487	4 354 896	4 018 522
Rental of Facilities and Equipment	11 720	9 596	11 447
Interest received - trading	673 321	481 957	404 002
Agency Services	17 731	18 100	33 406
Licences and Permits	14 463	6 707	23 931
Other Income	21 300	20 838	16 039
Interest received - other	89 759	55 368	23 071
Property Rates	521 602	492 850	501 206
Government Grants and Subsidies Received	1 964 528	1 596 572	1 166 982
Public contributions and donations	19 270	154 247	-
Fines, Penalties and Forfeits	15 927	19 312	19 427
Gains on disposal of asset	23	4	-
Fair value adjustments	-	-	11
Actuarial gains	5 763	35 957	13 052
TOTAL REVENUE (INCLUDING GAINS & FAIR VALUE ADJUSTME	6 343 236	7 250 570	6 231 096
REVENUE COLLECTION	5 125 685	6 012 345	5 222 544
PERFORMANCE FOR REVENUE COLLECTION PER SOURCE	81%	83%	84%

APPENDIX L: CONDITIONAL GRANTS 2023/2024 FINANCIAL YEAR

Name of Grant	Opening Balance	Grants Received	Grants Withheld	Grants Utilized	Closing Balance
EQUITABLE SHARE	-	1 035 510 799	36 548 201	- 1 072 059 000	-
EEDG	0	5 000 000		- 4 595 602	404 398
EPWP	-	2 196 000		- 2 045 470	150 530
FMG	-	1 700 000		- 1 700 000	0
NEIGHBOURHOOD	208 547	5 000 000	- 208 547	- 823 757	4 176 242
INEG	12 850	31 000 000	- 12 850	- 31 000 000	- 0
DSAC - Library	251 947	1 784 000		- 1 719 237	316 711
MIG	0	271 731 000		- 216 981 555	54 749 445
PTNG	-	568 603 000		- 568 603 000	- 0
WSIG	36 326 804	65 000 000	- 36 326 804	- 64 999 999	0
	36 800 148	1 987 524 799	-	- 1 964 527 621	59 797 327

APPENDIX N, M & O : CAPITAL PROGRAMME BY PROJECT CURRENT YEAR AND BY WARD

CAPITAL PROGRAMME PER PROJECT PER WARD 2023-2024						
Ward	Project Description	Full Year Budget	Year to Date Actual	Variance	Variance %	Funding Source
1	Phatsima Phase A	-	74 951	(74 951)		MIG
1	Construction of roads and stormwater in Phatsima - Phase A	10 000 000	9 080 275	919 725	9.20	MIG
1	Phatsima Wastewater Treatment Works (WWTW) Upgrade	9 824 000	-	9 824 000	100.00	WSIG
01,31,32 & 42	REFURBISHMENT OF FIRE STATIONS X 3	500 000	223 675	276 325	55.27	CRR
2	Robega Internal Roads & Stormwater	-	147 625	(147 625)		MIG
2	Chaneng internal roads and stormwater - Phase B	500 000	8 204 733	(7 704 733)	(1 540.95)	MIG
2	Construction of roads and stormwater in Robega- Phase C	4 000 000	3 127 459	872 541	21.81	MIG
2	Construction of roads and stormwater in Robega - Phase A	4 000 000	3 776 908	223 092	5.58	MIG
2	Construction of roads and stormwater in Robega - Phase B	1 000 000	923 496	76 504	7.65	MIG
2	Chaneng internal roads and stormwater - Phase C	8 264 850	7 087 023	1 177 827	14.25	MIG
2	Chaneng internal roads and stormwater - Phase A	550 000	-	550 000	100.00	MIG
2	Installation of High Mast Light in Robega Phase 2	1 565 375	-	1 565 375	100.00	MIG
8	Refurbishment of Olympia Park Stadium	1 100 000	-	1 100 000	100.00	CRR
8	Replacement of Tlhabane AC Sewer Bulk Line - Phase A	4 000 000	2 343 947	1 656 053	41.40	MIG
9,10 & 11	Tlhabane West Sports Facility	9 500 000	7 061 134	2 438 866	25.67	MIG
9, 10 & 11	Tlhabane AC Water	8 332 750	4 360 364	3 972 386	47.67	MIG
9, 10 & 11	Replacement of Tlhabane AC Sewer Phase B	10 000 000	6 931 715	3 068 285	30.68	MIG
9, 10 & 11	Tlhabane AC Water Phase B	10 000 000	6 381 613	3 618 387	36.18	MIG
14	Upgrading of Pendorong Road Crossing	2 200 000	837 539	1 362 461	61.93	MIG
14	Upgrading of Watsonia / Golf Course Crossing	1 580 000	202 137	1 377 863	87.21	CRR
14 & 17	Upgrading of Krokodile Road Crossing/Waterivier	1 500 000	435 717	1 064 283	70.95	CRR
15	Replacement of collapsed sewer system in Boven Street	8 000 000	22 319 908	(14 319 908)	(179.00)	WSIG
18	Replacement of 33 kV Cables (Noord Sub, Munic Sub,etc)	15 364 996	-	15 364 996	100.00	CRR

CAPITAL PROGRAMME PER PROJECT PER WARD 2023-2024

Ward	Project Description	Full Year Budget	Year to Date Actual	Variance	Variance %	Funding Source
19,20 & 21	Integrated National Electrification Programme (New Boitekong 88/11kv Substation)	20 786 000	27 382 212	(6 596 212)	(31.73)	INEP
19,20 & 21	Boitekong Substation	14 000 000	-	14 000 000	100.00	CRR
19, 20 & 21	Boitekong Pump Station	20 484 000	10 987 602	9 496 398	46.36	WSIG
19,29 & 21	Boitekong Ward 19 Roads and Stormwater Drainage Phase	16 000 000	8 972 774	7 027 226	43.92	MIG
19,29 & 21	Construction of Boitekong Ward 19 Roads & Stormwater (Ward 20)	4 000 000	-	4 000 000	100.00	MIG
23	CONSTRUCTION OF INTERNAL ROADS IN KANANA PHASE 4	-	-	-		MIG
23	Ramochana Upgrading of Internal Roads	4 000 000	3 773 725	226 275	5.66	MIG
23	Installation of High Mast Lights: Kanana Phase C	3 065 375	-	3 065 375	100.00	MIG
23	Installation of High Mast Lights: Kanana Phase B	4 000 000	96 616	3 903 384	97.58	MIG
23	Installation of High Mast Light in Kanana Phase 2	2 000 000	-	2 000 000	100.00	MIG
24	Freedom Park Ward 24 Roads and Stormwater Drainage - Phase A	6 000 000	3 298 022	2 701 978	45.03	MIG
24	Freedom Park Ward 24 Roads and Stormwater Drainage - Phase B	6 000 000	6 383 376	(383 376)	(6.39)	MIG
24	Freedom Park Ward 24 Roads and Stormwater Drainage	4 000 000	362 901	3 637 100	90.93	MIG
25	Monnakato Roads and Stormwater	3 000 000	-	3 000 000	100.00	MIG
25	Monakato Waste Water Treatment Works (WWTW)	10 868 000	16 552 489	(5 684 489)	(52.30)	WSIG
26	Tlaseng Construction of roads and stormwater	-	58 887	(58 887)		MIG
26	Construction of roads and stormwater in Tlaseng - Phase A	9 065 375	8 155 946	909 429	10.03	MIG
26	Construction of roads and stormwater in Tlaseng - Phase B	3 000 000	2 974 502	25 498	0.85	MIG
26	Tlaseng- Roads and Stormwater Drainage System	4 000 000	-	4 000 000	100.00	MIG
27 & 28	Lethabong Internal sewer	-	256 229	(256 229)		MIG
27 & 28	Lethabong Internal sewer Phase	-	98 650	(98 650)		MIG
27&28	Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW-Phase D	26 761 500	31 193 808	(4 432 308)	(16.56)	MIG
27 & 28	Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW - Phase A	17 000 000	14 253 716	2 746 284	16.15	MIG
27 & 28	Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW - Phase B	14 000 000	17 457 746	(3 457 746)	(24.70)	MIG

CAPITAL PROGRAMME PER PROJECT PER WARD 2023-2024

Ward	Project Description	Full Year Budget	Year to Date Actual	Variance	Variance %	Funding Source
27 & 28	Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW	4 000 000	938 161	3 061 839	76.55	MIG
27 & 28	Lethabong Internal Sewer Reticulation, Toilet Structures and Upgrading of WWTW-Phase F	500 000	-	500 000	100.00	MIG
31 & 32	Construction of Sidewalks from Marikana CBD to Township	2 500 000	254 414	2 245 586	89.82	NDPG
31 & 32	Marikana Main Road Upgrade	2 500 000	461 897	2 038 103	81.52	NDPG
31 & 32	Marikana Waster Transfer Station Constructions	4 000 000	-	4 000 000	100.00	CRR
31 & 32	Marikana Roads and Stormwater Drainage	-	274 858	(274 858)		MIG
31 & 32	Marikana Roads and Stormwater- Phase C	65 375	-	65 375	100.00	MIG
31 & 32	Marikana Roads and Stormwater- Phase D	5 500 000	3 111 624	2 388 376	43.43	MIG
31 & 32	Marikana Roads and Stormwater- Phase A	4 000 000	1 707 009	2 292 991	57.32	MIG
31 & 32	Marikana Roads and Stormwater- Phase B	4 000 000	-	4 000 000	100.00	MIG
31 & 32	Marikana West Sewer Reticulation	11 912 000	-	11 912 000	100.00	WSIG
All	Land Acquisition	1 500 000	-	1 500 000	100.00	CRR
All	Refurbishment of Aged Rural Network	8 098 100	3 239 455	4 858 645	60.00	CRR
All	Refurbishment of vandilized network	5 361 264	2 231 000	3 130 264	58.39	CRR
All	NW373_310 - INTA - Software : Acquisitions Supervisory Ctrl & Data Acquisition (S.C.A.D.A) System	4 500 000	-	4 500 000	100.00	CRR
All	Distribution - Refurbishment of 11kV Substation Equipment	4 500 000	3 592 916	907 084	20.16	CRR
All	Distribution - Refurbishment of 11KV Substation Buildings	3 263 544	3 339 671	(76 127)	(2.33)	CRR
All	Capex : P.P.E > Upgrading - Electricity Network	3 263 544	(723 533)	3 987 077	122.17	CRR
All	Refurbishment of Traffic Light Intersections	1 790 480	296 471	1 494 009	83.44	CRR
All	Upgrading & Extension of the Bospoort water Treatment Plant	4 000 000	-	4 000 000	100.00	MIG
All	Upgrading of the Western Bulk Sewer Lines	4 000 000	2 681 003	1 318 997	32.97	MIG
All	Upgrading of the Western Bulk Sewer Lines - Phase A	4 000 000	11 965 355	(7 965 355)	(199.13)	MIG
All	_250 - PPEQ - Water_Dist/Acquisitions/Transfer from Operationa/Water Distribution/Whole of the Municipality/Default/DTIS : Water Service	-	11 224 645	(11 224 645)		CRR
All	Upgrading of the Western Bulk Sewer Lines - Phase B	5 500 000	2 036 664	3 463 336	62.97	MIG

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

Type of Service	Backlogs
Water	None
Sanitation	None
Electricity	None
Waste Removal	None

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

None.

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

None

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71

This is to verify that all section 71 reports have met the pre-set timeframes which according to section 28 of the Municipal Budget and Regulations stipulate that all Monthly reports have to be sent to the designated organ of the state before 10 working days have elapsed.

Number of Section 71 Reports submitted	Reasons for non-submission	Corrective Measures
12	Late submission due to financial system challenges	Procurement of a new financial system

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

NATIONAL OUTCOME	ROLE OF MUNICIPALITY	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	PROGRESS REGISTERED
Decent employment through inclusive economic growth	Create an enabling environment for investment by streamlining planning application processes;	Number of catalytic projects facilitated by 30 June 2024	1	1	Land for construction of a school of mining was approved by Council
	Improve procurement systems to eliminate corruption and ensure value for money;	KPI to be developed	-	-	-
	c) Utilise community structures to provide services.	Percentage of the municipality's allocated budget spent on indigent relief for free basic services by June 2024	100%	70%	Indigent registration needs to be intensified.

NATIONAL OUTCOME	ROLE OF MUNICIPALITY	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	PROGRESS REGISTERED
A skilled and capable workforce to support inclusive growth	Link municipal procurement to skills development initiatives	Percentage of budget spent on training of personnel by June 2024	95%	17.3%	Only 17.3% of the budget was spent
An efficient, competitive and responsive economic infrastructure network	Maintain and expand water purification works and wastewater treatment works in line with growing demand.	Number of sewer network projects implemented by June 2024	4	4	Achieved
		Number of water projects implemented by June 2024	1	1	Achieved
Vibrant, equitable and sustainable rural communities and food security	Facilitate the development of local markets for agricultural produce;	Percentage completion of renovation of Phase II of the farmers production support unit by June 2024	100%	0	Not achieved. The FSPU was not renovated as planned.
	Promote home production to enhance food security;	Green Economy Project	1	1	A fresh-produce market was achieved during the financial year under review.
Sustainable human settlements and	Cities must prepare to be accredited for the housing function;	KPI to be developed upon receipt of accreditation.	-	-	--

NATIONAL OUTCOME	ROLE OF MUNICIPALITY	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	PROGRESS REGISTERED
improved quality of household life	Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlements;	Number of the Spatial Development Framework reviewed and tabled at council by June 2024	1 x Reviewed Spatial Development Framework (SDF) by June 2024	Draft Spatial Development Framework (SDF)	The Draft SDF was approved for the 2023-2024
	Participate in the identification of suitable land for social housing.	Number of privately own portions of land acquired for human settlement by 30 June 2024	1	0	Not achieved as land was privately owned.
	Ensure capital budgets are appropriately prioritised to maintain existing services and extend services.	Percentage expenditure on Capital Budget 30 June 2024	95%	57%	Delay in implementing mSCOA system due to system challenges. Procurement of a new system by 2025.
A responsive and accountable, effective and efficient local government system	Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.	Number of Section 56 managers assessed on competency requirements by June 2024	8	0	CCRs to be assessed after proper consultation with national and provincial stakeholders.

NATIONAL OUTCOME	ROLE OF MUNICIPALITY	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	PROGRESS REGISTERED
Protection and enhancement of environmental assets and natural resources	Ensure effective maintenance and rehabilitation of infrastructure;	Percentage of budget spent on maintenance of infrastructure by 30 June 2024	8%	0%	-
	Run water and electricity saving awareness campaigns;	Number of electricity saving campaigns conducted by June 2024	5	8	-
	Ensure proper management of municipal commonage and urban open spaces;	KPI to be developed	-	-	-
	Ensure development does not take place on wetlands.	KPI to be developed	-	-	-