C 3167/08/2023
SMC A/6153/08/2023

9.A.27 [CC: MM]: DRAFT ANNUAL REPORT 2022/2023

9/1/1

COMPETENCY: COUNCIL

IT WAS UNANIMOUSLY RESOLVED:

1. That, in terms of Section 126(1)(a) and (b) of the Municipal Finance Management Act, Act 56 of 2003, the Draft Annual Report, including the Draft Annual Financial Statements and the Draft Annual Performance Report for the 2022/2023-financial year, distributed under separate cover, be considered by Council.

2. That, in terms of Sections 127(5), 129 and 132 of the Municipal Finance Management Act, Act 56 of 2003, read with Section 46 of the Municipal Systems Act, Act 32 of 2000, the prescribed processes as contemplated be complied with.

3. That, in terms of Section 129 of the Municipal Finance Management Act, Act 56 of 2003, the Draft Annual Report be submitted to the Municipal Public Accounts Committee (MPAC) for consideration and drafting of the oversight report to serve at Council by no later than 31 Jan 2024.

4. That it be noted that ongoing quality control will be performed on the Draft Annual Report, Draft Annual Financial Statements and the Draft Performance Report, until submission to the Auditor-General on Thursday, 31 Aug 2023, resulting in the effecting of required amendments/changes, which final submission to the Auditor-General will also be copied to all Councillors and form the basis of the requisite public participation process contemplated in (2) above.

C 3167/08/2023
SMC A/6153/08/2023

9.A.27 [CC: MM]: DRAFT ANNUAL REPORT 2022/2023

(9/1/1)

COMPETENCY: COUNCIL

PURPOSE

To submit the Draft Annual Report, including the Draft Annual Financial Statements and the Draft Annual Performance Report for the 2022/2023-financial year for consideration.

RECOMMENDATIONS

1. That, in terms of Section 126(1)(a) and (b) of the Municipal Finance Management Act, Act 56 of 2003, the Draft Annual Report, including the Draft Annual Financial Statements and the Draft Annual Performance Report for the 2022/2023-financial year, distributed under separate cover, be considered by Council.

2. That, in terms of Sections 127(5), 129 and 132 of the Municipal Finance Management Act, Act 56 of 2003, read with Section 46 of the Municipal Systems Act, Act 32 of 2000, the prescribed processes as contemplated be complied with.

3. That, in terms of Section 129 of the Municipal Finance Management Act, Act 56 of 2003, the Draft Annual Report be submitted to the Municipal Public Accounts Committee (MPAC) for consideration and drafting of the oversight report to serve at Council by no later than 31 Jan 2024.

4. That it be noted that ongoing quality control will be performed on the Draft Annual Report, Draft Annual Financial Statements and the Draft Performance Report, until submission to the Auditor-General on Thursday, 31 Aug 2023, resulting in the effecting of required amendments/changes, which final submission to the Auditor-General will also be copied to all Councillors and form the basis of the requisite public participation process contemplated in (2) above.

REPORT

The Municipal Finance Management Act, Act 56 of 2003 determines in various sections the compilation, consideration and approval of the Annual Report.

Section 126(1)(a) of the Municipal Finance Management Act, Act 56 of 2003, determines that the Accounting Officer must ensure that the Annual Financial Statements are submitted to the Auditor-General for auditing, within two months after the end of the financial year, i.e. 31 Aug 2023.

Submission and auditing of annual financial statements

126. (1) The accounting officer of a municipality—
(a) must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing; and
(b) must in addition, in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.

The Draft Annual Report, must after consideration by Council, be submitted to the Municipal Public Accounts Committee (MPAC) for consideration and their report be issued no later than two months from the date on which the annual report was tabled in the Council in terms of Section 127, which will take place in Jan 2024.

Oversight reports on annual reports

129. (1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—

(a) has approved the annual report with or without reservations;
(b) has rejected the annual report; or
(c) has referred the annual report back for revision of those components that can be revised.

(2) The accounting officer must—

(a) attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report; and

Section 130(1), (2) and (3) of the MFMA, also determines that the Council meetings, considering the Annual Report, must be open to members of the public and certain public officials, as follows:

Council meetings open to public and certain public officials

130. (1) The meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state, and a reasonable time must be allowed—

(a) for the discussion of any written submissions received from the local community or organs of state on the annual report; and
(b) for members of the local community or any organs of state to address the council.

(2) Representatives of the Auditor-General are entitled to attend, and to speak at, any council meeting referred to in subsection (1).

(3) This section, with the necessary modifications as the context may require, is also applicable if only components of the annual report were tabled in terms of section 127(3).

According to Section 132 of the MFMA, copies of the Annual Report must be submitted to various organs of the State, after adopted by Council, as follows:

Submissions to provincial legislatures

132. (1) The following documents must be submitted to the provincial legislature:

(a) The annual report of each municipality and each municipal entity in the province, or if only components of an annual report were tabled in terms of section 127(3), those components; and
(b) all oversight reports on those annual reports adopted in terms of section 129(1).

(2) The accounting officer of a municipality must submit the documents referred to in subsection (1)*(a)* and *(b)* to the provincial legislature within seven days after the municipal council has adopted the relevant oversight report in terms of section 129(1).

(3) The MEC for local government in a province must monitor whether municipalities in the province comply with subsection (2).

(4) A provincial legislature may deal with the documents referred to it in terms of subsection (1) in accordance with its constitutional powers.

Apart from all the afore-mentioned legislative requirements in terms of the MFMA, the Municipal Systems Act, Act 32 of 2000, also in terms of Section 46 determines specific requirements to be complied with, namely:

Annual reports

46. (1) A municipality must prepare for each financial year an annual report consisting of—

(a) a performance report reflecting—

(i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;

(ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and

(iii) measures that were or are to be taken to improve performance;

(b) the financial statements for that financial year prepared in accordance with the standards of generally recognised accounting practise referred to in section 89 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(c) an audit report on the financial statements and the report on the audit performed in terms of section 45*(b)*; and

(d) any other reporting requirements in terms of other applicable legislation.

(2) A municipality must table its annual report within one month of receiving the audit report referred to in subsection (1)(c).

(3) *(a)* The municipal manager must—

(i) by prior notice in the media, inform the local community of the meeting or meetings of the council at which the municipality's annual report is tabled or discussed, which meetings must be open to the public;

(ii) give written notice of such meetings to the Auditor-General and the MEC for local government in the province;

(iii) submit copies of the minutes of those meetings to the Auditor-General and the MEC for local government in the province;

(b) Representatives of the Auditor-General and the MEC for local government in the province are entitled to attend and to speak at such meetings, and the municipal manager must be available to respond to questions related to the annual report.

(4) The municipality must adopt its annual report, and within 14 days—

(a) make copies of the report accessible to the public, interested organisations and the media, free of charge or at a reasonable price; and

(b) submit a copy of the report to—

(i) the MEC for local government in the province;

(ii) the Auditor-General; and

(iii) such other institutions as may be prescribed by regulation,

In order to comply with the above legislative requirements, the Draft (subjected to ongoing quality review and finalisation) Annual Report, including the Draft Annual Financial Statements (Volume II) and the Draft Performance Report (Appendix T), are therefore submitted to Council for noting.

ANNUAL REPORT

1 JUL 2022 – 30 JUN 2023

MIDVAAL
LOCAL MUNICIPALITY

ACHIEVE EXCELLENCE IN SERVICE DELIVERY

INDEX

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

As the Executive Mayor of Midvaal Local Municipality (MLM), it is my privilege and pleasure to present the 2022/2023 Annual Report.

The year under review is the second year in our term of office. We remain steadfast in our commitment to achieving excellence in service delivery, and we understand that to achieve this vision we must always strive to:

- Enhance service delivery through innovative technologies.
- Enable a safe, healthy community and environment.
- Promote local economic development and tourism.
- Adopt clean, renewable energy.
- Build strong partnerships.
- Be a people-centred, compassionate institution.

Midvaal's vision is rooted in being a well-governed, effectively managed, financially viable and sustainable organisation.

This has led to us attaining a streak of clean audits that come as a result of strong internal controls and effective financial management processes.

Our excellent performance is also due to the collective efforts of our committed Councillors, Municipal Manager, HODs, Senior Managers, and staff members.

It is due to a combination of consistent political will, a team of highly dedicated staff members and a community that trusts in the integrity and ability of their duly elected representatives.

Our outstanding performance is also attributed to our reliable residents, who consistently make timely payments of their rates and taxes. This ensures that we can uphold agreements with service providers, thereby maintaining the continuity of essential services.

In our mission of being a compassionate people-centred institution, Midvaal has adopted and is implementing pro-poor policies to support the vulnerable and those in need.

At least 73% of our capital budget goes towards critical infrastructure that benefits lower-income households, informal settlements, and poorer communities in our municipality.

The municipality is upgrading informal settlements and improving services including waste management, electrification, water, and sanitation.

The municipality has invested millions to ensure the safety of our residents. We are collaborating with SAPS, empowering CPFs with safety equipment, and expanding the installation of safety cameras and heat drones to deal with stock theft.

We have doubled our efforts in improving road resurfacing and maintenance, markings, and signage as well as funding projects to address road infrastructure and potholes backlog.

Midvaal is upgrading community facilities, including sports facilities, parks, recreational hubs, and public open spaces.

We have ensured massive increases in Water and Sanitation capital expenditure for dignified sanitation, a healthier environment, and water security.

Through effective management, the municipality has cash reserves of over R500 million to cover operational costs of more than five months.

The demand for residential and commercial property in Midvaal is at an all-time high. MLM is recognised by several independent institutions as a top-performing municipality in the country. Midvaal may be a beacon of service delivery, however, we must continually strive to raise the bar of excellence. To this end, Midvaal has adopted a strategy to utilise information technology as a critical catalyst to improve service delivery and overall resident satisfaction.

We will be using technology to enable the municipality to improve response times and reduce overall waiting times at municipal offices.

Whilst the municipality continues to get the basics right, it is vital that we create an environment that encourages progress, development, investment, and economic growth.

And although the local economy has started to regain the losses experienced due to the Covid-19 pandemic, we must work even harder to reduce our unemployment rate from 17.8% to single-digit numbers.

For this reason, as part of our ongoing Economic Growth strategy, we have identified game-changers in different sectors to promote economic growth and opportunity.

These projects are in alternative energy, investment into industrial automation and waste management.

As part of our whole-of-society approach, we will work with different stakeholders including the private sector, non-profit organisations, faith-based organisations, community groups, and our residents to develop our communities even further.

As we navigate the challenges and opportunities that lie ahead, we remain steadfast in our pursuit of progress, economic growth, and a brighter future for all.

Yours in service excellence

Alderman P. Teixeira

Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

Management worked hard to entrench the principles of good governance and dedication within our organisation. Midvaal is reporting on the financial and key performance indicators knowing that the standard of the previous eight clean audits will create huge expectations on the governance structures of Midvaal. We are proud to say that we have achieved exceptional performance under very difficult circumstances.

Midvaal, due to the change in the environment of local government and lessons learnt, has realised that we will in future, be under more pressure from the environment and will have to become more efficient in our use of natural resources. Unwanted wastage cannot be afforded. The municipality is in the process to engage with relevant stakeholders for a Public Private Partnership (PPP), for the management and distribution of electricity and the maintenance of the electrical infrastructure to ensure that the municipality will be able to provide sustainable services to our ever-increasing number of households.

The municipality decreased some of the shared services, ICT in particular, from the Sedibeng District Municipality. Midvaal also had the pressure to move to the new Municipal Standard Chart of Accounts (mSCOA), reporting framework of National Treasury. The procurement of new software and hardware was required. The big issue was financing and uncertainty in relation to which service provider would be used from the transversal tenders of National Treasury. Midvaal couldn't risk non-compliance and proceeded to ensure implementation.

The shared services remained the same with the Emfuleni Local Municipality providing water, electricity and sewer services to the Risiville residents. The Ekurhuleni Metropolitan Council provides sewer services to the Kliprivier Business Park.

RISK MANAGEMENT

Enterprise-wide risk management is a priority of the municipality and as such it is a standing item on the weekly management agenda. This creates the opportunity for the early identification and mitigation of risks.

The Risk Management Policy of Midvaal is reviewed on an annual basis and was approved on 25 August 2022.

The Strategic Risk Register is aligned to the objectives of the Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIP) of the municipality.

The Chief Risk Officer submits progress reports to the Ethics and Risk Management Committee (oversight) on a quarterly basis, indicating progress made to mitigate the identified risks. A member of the Performance and Audit Committee is appointed as the Chairperson of the Ethics & Risk Management Committee and reports back to the Performance & Audit Committee on Risk Management. Quarterly progress reports are submitted to Council on the mitigation of Strategic and Operational Risks. Risk Management is audited by the internal auditors for completeness and effectiveness on a quarterly basis.
The five top strategic risks identified were:

1. Inefficiencies in SCM controls
2. Service interruptions caused by Load shedding
3. Land Invasion
4. Damage to properties and service infrastructure
5. Bulk Water supply insecurity

FINANCIAL SUSTAINABILITY

The municipality continues to monitor its financial status and as such is showing improved financial results on an annual basis.

During the financial year under review, various initiatives were embarked upon to improve the financial management.

These include:

1. Implementation of MFMA Circular 82 dealing with cost curtailment. The municipality has adopted its own cost curtailment policy and has now further strengthened policies in support of cost curtailment in line with the amended regulations. Cost curtailment is now an entrenched principle and is no longer seen as a short-term intervention, but rather part of the organisational culture.

2. Ongoing cash management: Cash balances increased from R487m at 30 Jun 2022 to R495m at 30 Jun 2023. An amount of R294 m was generated from operations against the R226 m (restated) in the previous financial year. A current ratio of 3.23 (2022: 2.80) and a cost coverage ratio of 4.33 months (2020: 4.36 months) was achieved for the year. This indicates the municipality's ability to settle all current liabilities from current assets.

3. Improvement in the completeness of revenue reconciliations as standard operating procedure, MFMA Circular 64, describes revenue management as a "routine financial management function" and in municipal terms, effective revenue management means that all consumers are billed correctly for all services received. Property owners are levied the correct property rates in accordance with the Local Government Municipal Systems Act, Act 32 of 2000 and Municipal Property Rates Act, 2004, respectively. Revenue, as a product of service delivery and the municipal valuation roll, is dependent on the extent and use of land and services provided, as well as on the municipality's ability to identify, record and manage all its revenue sources accurately and comprehensively. Quarterly reconciliations are performed between the valuation roll and the billing system, as well as regular data verification tests to ensure consumption charges are within acceptable norms. In addition, the process of performing completeness of revenue tests for billed services has also been introduced during the year and these reconciliations will also be performed on an annual basis as from the coming financial year.

ANALYSIS OF FINANCIAL RESULTS FOR THE YEAR

Statement of Financial Performance for the year ended 30 Jun 2023

The Municipality had a surplus of R141 305 627.00m for the year under review (an increase from the previous year's R60m). During the year, the total revenue increased by 1.05%. Expenditure has increased by 1.02% during the year. There is no cost of free basic services for non-indigent households.

Statement of Financial Position as at 30 Jun 2023

The growth in total assets was 1.04% with total assets of R3.07 billion at the close of the financial year. Current assets have increased by 1.09% from the 2021/2022-financial year, mainly as a result of increased cash and cash equivalents as well as receivables from exchange transactions. The cash collection rate for the year was 97.34%, which is an increase from the previous financial year.

Non-current assets have increased by 1.03% from the previous year. Intangible assets (servitudes) increased by R2.8m. The condition of the assets is still such that a good level of services is rendered. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next three years.

The repairs and maintenance budget of the municipality is exceeding the National Treasury norm of 8% of the budget. The actual amount spent on repairs and maintenance was 4.18% of the budget. The protection of the municipality's asset base is regarded as a high priority, as it is both the core of our service delivery mandate and underpins our revenue base.

Current liabilities have decreased by 0.97% due to borrowings. The municipality is up to date with both its Eskom and Rand Water accounts at year-end.

Non-current liabilities have decreased by 1.00%. This is mainly attributable to the decrease in the provision for the rehabilitation of the landfill sites and repayment of loans.

GENERAL KEY PERFORMANCE INDICATORS

The Local Government Municipal Systems Act, Act 32 of 2000, prescribes certain general key performance indicators to be included in the Performance Management System.

The results of these ratio's are as follows:

Section	Indicator	2022	2023
10(a)	**Percentage of households with access to basic level of: Total Number of Households** (Access = Total Number of properties on Valuation Roll versus Total Number of properties Billed per relevant services)	**38 046**	**38 046**
	Water	82.47%	83.70%
	Sanitation	66.93%	67.84%
	Electricity	62.08%	65.51%
	Solid Waste Removal	86.03%	86.50%
10(b)	Percentage of households earning less than R1 100 per month with access to free basic services **Note:** The 100 % refers to number of households who have registered as indigents (earning less than R5 500 per month) and are entitled to free basic services.	99.92% of 5 038 registered indigents (earning less than R5 500 per month)	99.91% of 4 536 registered indigents (earning less than R6 000 per month)
10(c)	Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	87.71%	92.34%
10(d)	Number of jobs created through municipality's local economic development initiatives including capital projects • Work Opportunities • Full Time Equivalent (FTE)	1 855	2 759 221.73
10(e)	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	3	5
10(f)	Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan	99.10%	81%
10(g)	**Financial Viability**		
	Debt Coverage	21.91 Times	23.15 Times
	Total (net) outstanding service debtors to revenue	35.48%	32.04%
	Cost Coverage	5.32 Months	5.22 Months

There were also several results which indicated that Midvaal still ranks as amongst the top performing municipalities in the country. The municipality gave access to basic municipal services to most of its community and is able to assist in local economic development projects that maintain the unemployment rate at below both Gauteng and National levels.

ORGANISATIONAL PERFORMANCE

Council approved a total of 55 Key Performance Indicators including the National Key Performance Indicators. An overall total performance of 89% (49 targets) was achieved.

The following six (6 targets were not fully achieved, namely:

#	RESPONSIBLE DEPARTMENT	KPI NO	KEY PERFORMANCE INDICATOR (KPI) 2021/2022	DEFINITION	SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2017 - 2022			
					TARGET	ACTUAL	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	DP	KPI 014	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	78.00%	The amount of R2 247 845.72 will be considered by National Treasury as a roll-over, to be confirmed in Aug 2022 with the Adjustments Budget	Not Fully Effective
2	COMM	KPI 014	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget approved for the department	90%	80.69%	(1) Awaiting delivery of motor vehicles (2) MLM to run a parallel tender to support the RT-56 tender process, in case of supply and delivery challenges	Not Fully Effective
3	ENG	KPI 033	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan per annum	kL water purchased divided by kL of water accounted for (Meter Reading & Technical Losses)	-30.40%	-36.47%	(1) Losses calculated by Finance (Purchased versus Sold) = -36.47% Losses calculated as per IWA NRW = -32% (2) Continue with the implementation of the Water Loss Reduction Strategy	Not Fully Effective
4	COMM	KPI 056	Number of actions executed against 3 identified industrial high risk environmental contraveners quarterly	(1) Actions against the 3 identified high risk environmental contraveners, i.e.: (1.1) Inspection, (1.2) Follow-up audits and (1.3) Compliance Inspections (2) Report inspection successes at approved high risk industries to the Mayoral Committee before 30 Jun 2022	9	9	Compliance outcome report to be submitted to Mayoral Committee for consideration	Not Fully Effective
5	COMM	KPI 065	Percentage traffic camera speed tickets successfully downloaded captured for mailing, quarterly	Percentage calculated = Number of traffic camera speed tickets successfully downloaded versus the number downloaded captured	85%	77%	Traffic infringements were captured, due to the quality of some of the photos and camera alignment, it had to be rejected. Superintendent check errors and verify rejection list to adjudicate and rectify those images permissible for prosecution. This remedial action has been implemented Feb 2022 and all rejected images are recorded and resolved.	Not Fully Effective
6	COMM	KPI 074	Licensing Walkerville Landfill Site according to the new Regulations	Record of decision received from Gauteng Department of Agriculture and Rural Development (GDARD) regarding the Walkerville Landfill Site	1	0	Further engagements with GDARD in process	Not Fully Effective

Appropriate remedial actions were agreed upon and have been implemented to ensure that these targets are reached. A detailed report is attached as Annexure T.

AUDIT OPINION

Midvaal has an excellent record of achieving unqualified audit opinions. Since the establishment of the Midvaal Local Municipality in 2000, the municipality had two qualified audit opinions with unqualified audit outcomes in all the other years. The municipality achieved clean audits in the 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022-financial year. To maintain the clean audit, an updated Operation Clean Audit (OPCA) Plan was compiled and the existing OPCA Task Team continued monitoring its implementation. The OPCA Task Team, chaired by the Accounting Officer, remained as active as it had been before the achievement of the clean audit.

In my brief overview I have touched on some of the achievements and challenges facing the municipality. The rest of the Annual Report deals in detail with the departments and individual performance of these departments within Council.

Finally, I wish to thank the Executive Mayor, Members of the Mayoral Committee, Councillors, Heads of Department and all our staff members for making Midvaal a top performer.

MR. A.M. GROENEWALD
MUNICIPAL MANAGER

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL

OVERVIEW INTRODUCTION

In this chapter it is evident that Midvaal has succeeded in enhancing the quality of life of all its citizens, through the improved delivery of basic services in both the urban and rural areas. Working hand in glove with other service providers such as Eskom and Rand Water, Midvaal has further reduced service delivery backlogs. Midvaal also provides other support services such as refuse removal, health facilities, cemeteries, libraries, parks and sports facilities.

The built environment is enhanced through rapid service delivery by the land use and the building control sections through reduced turn-around times in approving land use and building plan applications.

Population

Midvaal has a total population of 111 612 (Source StatsSA: 2016 Community Survey). The total population grew from 52 679 in 1996 to 95 302 in 2011 and 111 612 in 2016 according to the 1996 and 2011 census data and 2016 Community Survey. The year-on-year growth for the total population for the period between 2011 and 2016 was 3.6% per year.

Housing, LED and local planning approvals

The municipality has engaged in a rigorous process to implement the Midvaal SPLUMA By-laws and Single Land Use Scheme to improve efficiency in service delivery, promoting economic growth and creating jobs.

The housing backlog surveys conducted by the Red Ants, in collaboration with the Informal Settlement Network, has confirmed the housing backlog. Informal settlements are monitored by the Red Ants to avoid growth and illegal land invasion. Midvaal is working closely with the Gauteng Department of Human Settlement in facilitating and co-ordinating housing development. The Human Settlement Plan continues to guide housing developments and the priority areas.

Sectoral Analysis

1. **Primary Sector**

   The primary sector of the economy consists of the agricultural and mining sectors. Mining contributes 0.3% whilst agriculture contributes 1.34% to the Midvaal GVA*. The contribution by agriculture towards the GVA is minor but plays a major role in the provision of food security and the creation of employment for unskilled and semi-skilled workers. Midvaal has recognised the potential that the agricultural sector could contribute and therefore adopted an agricultural policy to protect agricultural land (food security).

   ***Gross value added** (**GVA**) is the measure of the value of goods and services produced in an area, industry or sector of an economy, in economics. In national accounts **GVA** is output minus intermediate consumption; it is a balancing item of the national accounts' production account.

2. **Secondary Sector**

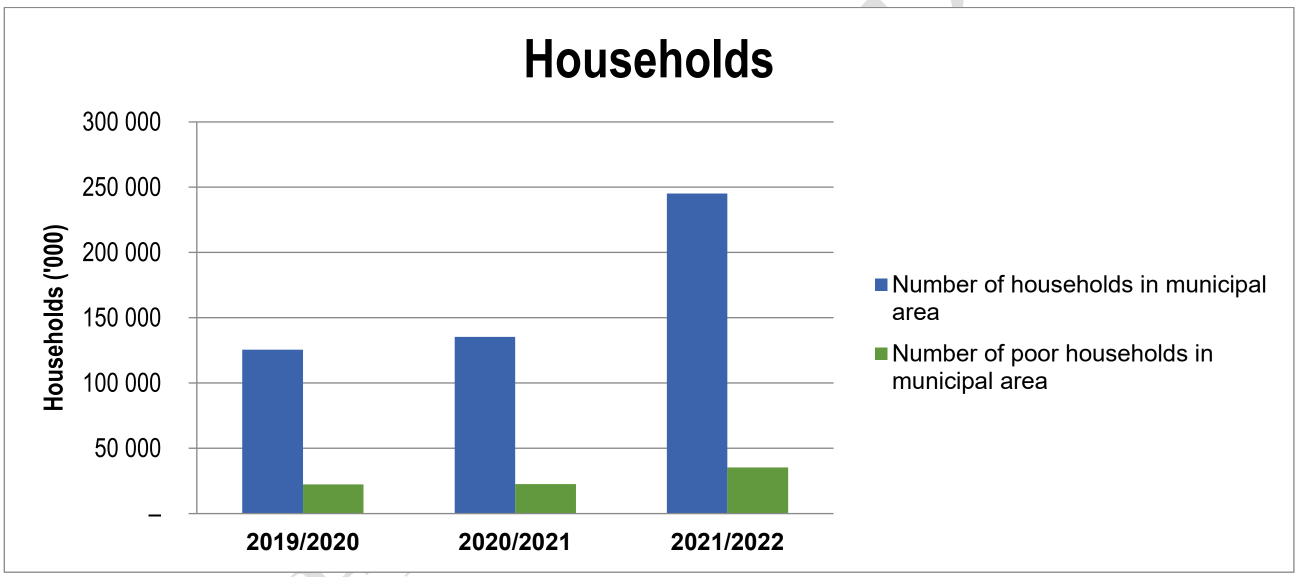
   The secondary sector of the economy consists of manufacturing, electricity generation and construction. The manufacturing sector has grown to become the largest contributor to Midvaal's GVA, which contributes 24.06% overall.

   Midvaal recognised the potential of this sector and therefore adopted the R59 Strategic Framework to promote the R59 Development Corridor.

3. **Tertiary Sector**

   The tertiary sector is basically the services sector as well as the governmental sector which contributes 61.59% to the GVA of Midvaal.

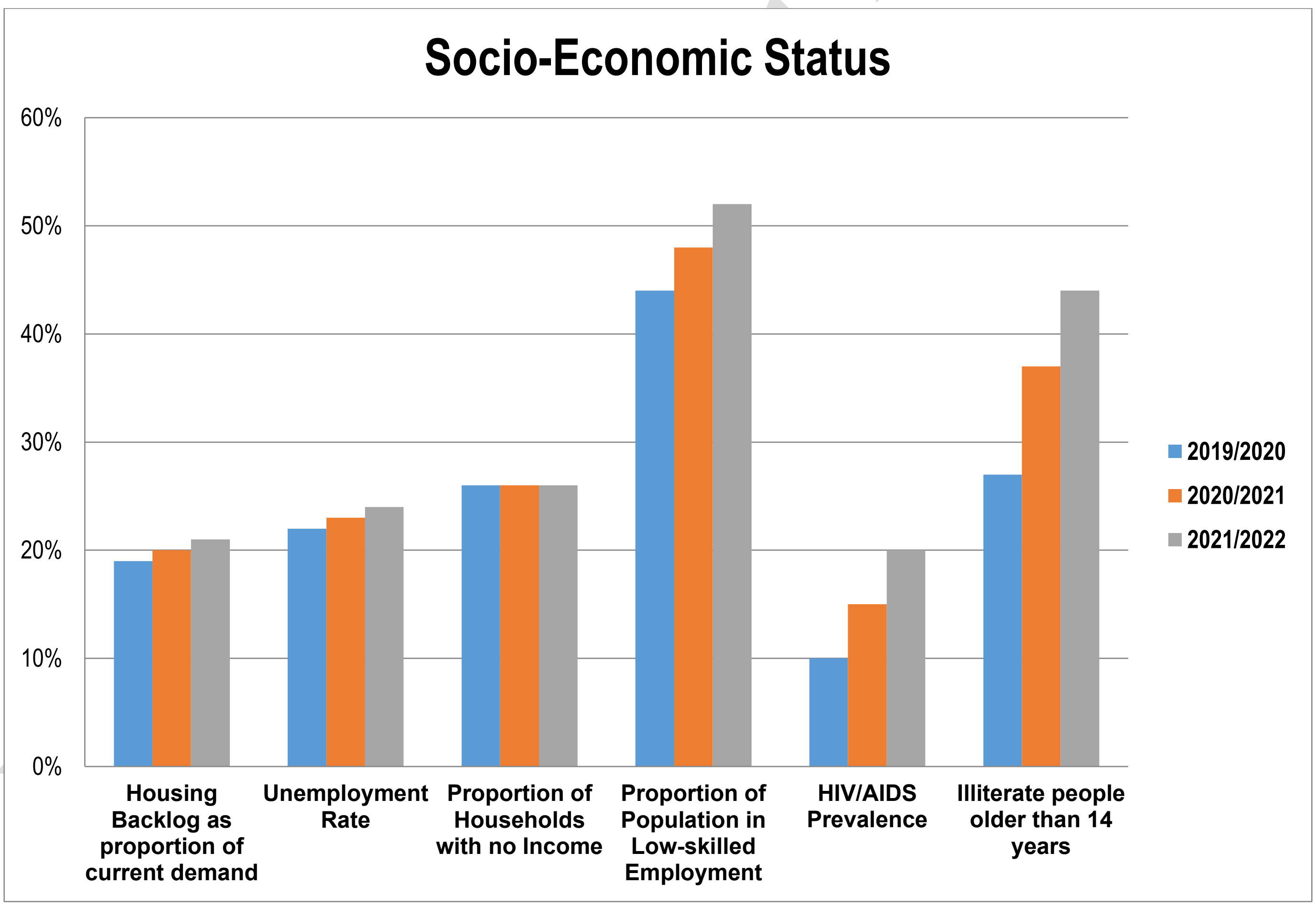
Population Details									
							Population '000		
Age (Years)	2020/2021			2021/2022			2022/2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 – 4	4 188	4 137	8 325	4 188	4 137	8 325	4 188	4 137	8 325
5 – 9	4 467	4 825	9 292	4 467	4 825	9 292	4 467	4 825	9 292
10 - 19	8 328	8 282	16 610	8 328	8 282	16 610	8 328	8 282	16 610
20 - 29	10 783	8 918	19 701	10 783	8 918	19 701	10 783	8 918	19 701
30 - 39	8 473	8 198	16 671	8 473	8 198	16 671	8 473	8 198	16 671
40 - 49	8 648	6 948	15 596	8 648	6 948	15 596	8 648	6 948	15 596
50 - 59	6 799	5 722	12 521	6 799	5 722	12 521	6 799	5 722	12 521
60 - 69	3 797	3 623	7 420	3 797	3 623	7 420	3 797	3 623	7 420
70+	2 442	3 034	5 476	2 442	3 034	5 476	2 442	3 034	5 476
Source: Statistics SA (Community Survey 2016 Data)									



Socio-Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2019/2020	100%	18.8%	15%	*	*	4%
2020/2021	100%	18.8%	15%	*	*	4%
2021/2022	100%	18.8%	15%	*	*	4%
Source: Stats SA, Census 2011						

*Note: The statistical information on these matters is not available at the date of compilation of the Annual Report.

MLM Socio Economic Overview	
Population & Household Delivery	Population (2016) - 111 612 Household (2016) - 38 046 High Population Density around R59
Age Profile	70% of Population of Working Age 58% of Population is Youth
Educational	Completed Grade 12 - 48% of Population
Household Income	Majority of Households earn between R 21 350- R 42 698 per annum
Dwelling	The east and center of the municipality composed of greater number of informal settlements
Lifestyle Measures	High LSM areas in the West and around R59
Basic Service Delivery	Reduction in number of households with access to minimum level of service, since 2013. Large disparity between households with premier and non-premier services



T.1.2.5

PROCLAIMED TOWNS	TYPE	USE
1. Duncanville Extension 3	Town	Industrial
2. Eye of Africa Extension 1	Town	Residential
3. Fleurdal	Town	Residential
4. Golf Park	Town	Residential
5. Graceview	Town	Industrial
6. Henley on Klip	Town	Residential
7. Highbury	Town	Industrial & Residential
8. Highbury Extension 1	Town	Residential
9. Klipriver Business Park Extension 3	Town	Industrial
10. Klipriver Business Park Extension 4	Town	Industrial
11. Kliprivier	Town	Residential
12. Klipwater	Town	Residential
13. Lakeside Estates	Town	Residential
14. Lakeside Estates Extension 1	Town	Residential
15. Mamello	Town	Residential
16. Meyerton Farms	Town	Residential
17. Meyerton	Town	Residential
18. Meyerton Extension 1	Town	Industrial
19. Meyerton Extension 2	Town	Residential
20. Meyerton Extension 3	Town	Industrial & Residential
21. Meyerton Extension 4	Town	Residential
22. Meyerton Extension 6	Town	Residential
23. Noldick	Town	Industrial & Residential
24. Noldick Extension 1	Town	Industrial & Residential
25. Ohenimuri	Town	Residential
26. Risiville	Town	Residential
27. Risiville Extension 2	Town	Residential
28. Risiville Extension 3	Town	Residential
29. Riversdale	Town	Residential
30. Rothdene	Town	Residential
31. Savanna city Proper	Town	Residential
32. Savanna City Extension 1	Town	Residential
33. Savanna City Extension 3	Town	Residential
34. Savanna City Extension 4	Town	Residential
35. Sybrand van Niekerkpark	Town	Industrial
36. The Balmoral Estates	Town	Residential
37. The Balmoral Extension	Town	Residential
38. The De Deur Estates Limited	Town	Residential
39. The Evaton Estate	Town	Residential – Vacant
40. Vaal Marina Holiday Resort	Town	Residential
41. Vaal Marina Holiday Resort Extension 6	Town	Residential
42. Witkop	Town	Industrial & Residential

RURAL SETTLEMENTS (FARMS)		TYPE
1.	Alewynspoort, 145 I.R.	Farm
2.	Badfontein, 438 I.R.	Farm
3.	Blesboklaagte, 181 I.R.	Farm
4.	Blesbokspruit, 465 I.R.	Farm
5.	Boschfontein, 386 I.R.	Farm
6.	Boschhoek, 385 I.R.	Farm
7.	Boschkop, 426 I.R.	Farm
8.	Boschkop, 482 I.R.	Farm
9.	Brakfontein, 425 I.R.	Farm
10.	Bronkhorstfontein, 329 I.Q.	Farm
11.	Chrissiesfontein, 365 I.R.	Farm
12.	De Kuilen, 460 I.R.	Farm
13.	Diepkloof, 182 I.R.	Farm
14.	Doornkuil, 369 I.Q.	Farm
15.	Driefontein, 146 I.R.	Farm
16.	Elandsfontein, 334 I.Q.	Farm
17.	Faroasfontein, 372 I.Q.	Farm
18.	Gardenvale, 148 I.R.	Farm
19.	Goedgedacht, 419 I.R.	Farm
20.	Goedgedacht, 443 I.R.	Farm
21.	Goedverwachting, 442 I.R.	Farm
22.	Green Valley, 154 I.R.	Farm
23.	Grootspruit, 444 I.R.	Farm
24.	Grootvlei, 453 I.R.	Farm
25.	Hartebeestfontein, 473 I.R.	Farm
26.	Hartzenbergfontein, 332 I.Q.	Farm
27.	Keytersrus, 380 I.R.	Farm
28.	Kleinfontein, 446 I.R.	Farm
29.	Klipriviersval, 371 I.R.	Farm
30.	Klipview, 175 I.R.	Farm
31.	Kookfontein, 545 I.Q.	Farm
32.	Koolfontein, 431 I.R.	Farm
33.	Koppiesfontein, 422 I.R.	Farm
34.	Koppiesfontein, 478 I.R.	Farm
35.	Langkuil, 363 I.R.	Farm
36.	McKay, 602 I.Q.	Farm
37.	Modderfontein, 410 I.R.	Farm
38.	Muldersrus, 330 I.Q.	Farm
39.	Nooitgedacht, 176 I.R.	Farm
40.	Nooitgedacht, 177 I.R.	Farm
41.	Orange Farm, 371 I.Q.	Farm
42.	Panfontein, 437 I.R.	Farm
43.	Panvallei, 469 I.R.	Farm
44.	Platkoppie, 420 I.R.	Farm

45.	Rietfontein, 364 I.R.	Farm
46.	Rietfontein, 461 I.R.	Farm
47.	Rietspruit, 152 I.R.	Farm
48.	Rietspruit, 417 I.R.	Farm
49.	Rietspruit, 445 I.R.	Farm
50.	Roodepoort, 149 I.R.	Farm
51.	Schapenvreugd, 370 I.Q.	Farm
52.	Schoongezicht, 378 I.R.	Farm
53.	Slangfontein, 372 I.R.	Farm
54.	Slangfontein, 374 I.R.	Farm
55.	Snowdon, 387 I.R.	Farm
56.	Sterkfontein, 424 I.R.	Farm
57.	Stryfontein, 477 I.R.	Farm
58.	Tamboekiesfontein, 173 I.R.	Farm
59.	The Farm, 381 I.R.	Farm
60.	The Farm, 464 I.R.	Farm
61.	Uitgevallen, 432 I.R.	Farm
62.	Uitvlucht, 434 I.R.	Farm
63.	Vaalbank, 476 I.R.	Farm
64.	Vaalview, 486 I.R.	Farm
65.	Valsfontein, 163 I.R.	Farm
66.	Varkensfontein, 373 I.Q.	Farm
67.	Vischgat, 467 I.R.	Farm
68.	Vlakfontein, 466 I.R.	Farm
69.	Vlaklaagte, 178 I.R.	Farm
70.	Vogelfontein, 376 I.R.	Farm
71.	Waldrift, 599 I.Q.	Farm
72.	Waterval, 150 I.R.	Farm
73.	Welverdiend, 379 I.R.	Farm
74.	Wildebeestfontein, 536 I.Q.	Farm
75.	Witkop, 180 I.R.	Farm
76.	Witkoppie, 373 I.R.	Farm
77.	Zoekfontein, 468 I.R.	Farm
78.	Zwartkopjes, 143 I.R.	Farm
79.	Langlaagte, 186, I.R.	Farm

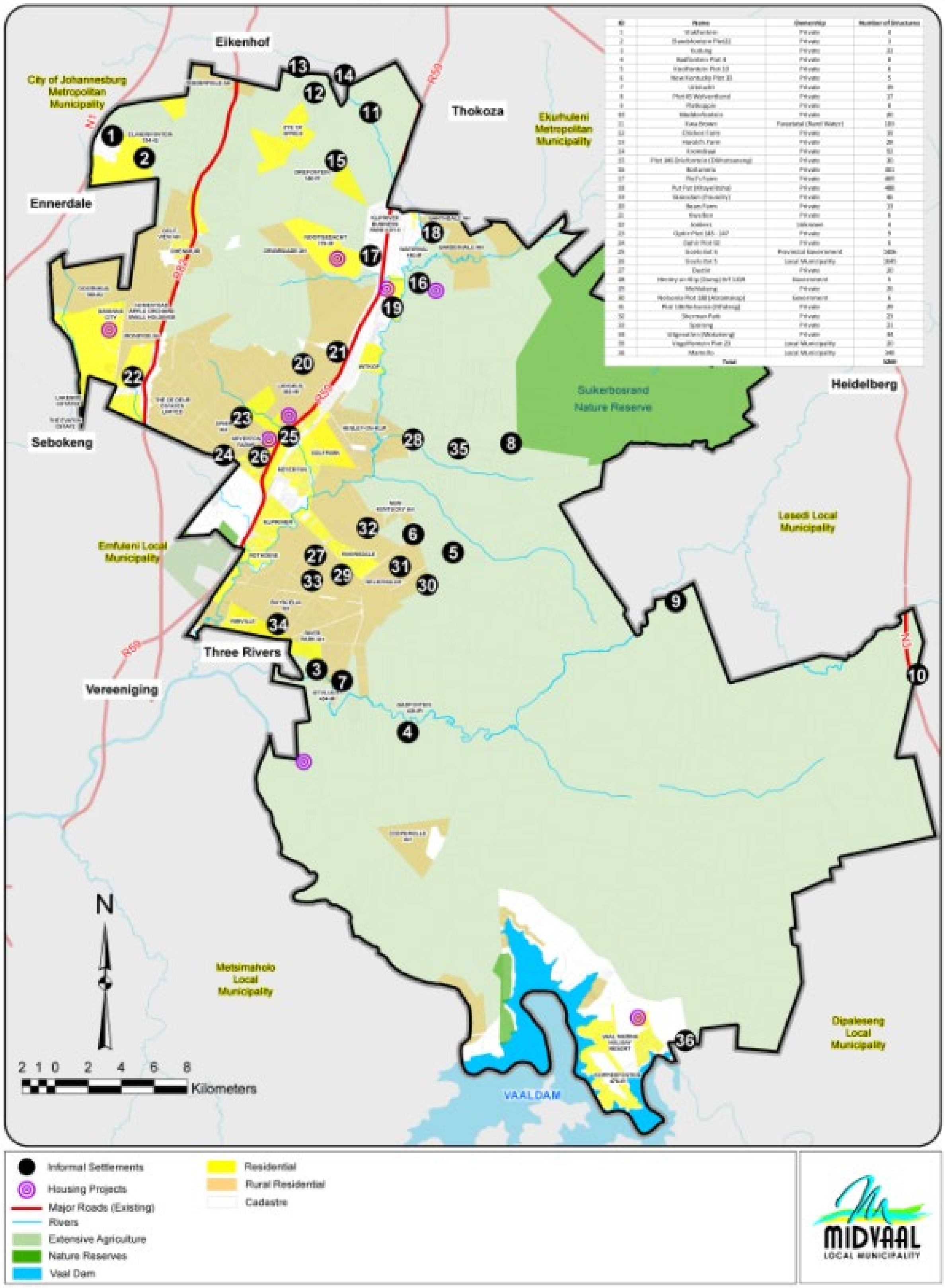
RURAL SETTLEMENTS (SMALL HOLDINGS)		TYPE
1.	Blignautsrus Agricultural Holding	Holding
2.	Boltonwold Agricultural Holding	Holding
3.	Buyscelia Agricultural Holding	Holding
4.	Cooperville Agricultural Holding	Holding
5.	Drumblade Agricultural Holding	Holding
6.	Gardenvale Agricultural Holding	Holding
7.	Garthdale Agricultural Holding	Holding
8.	Glen Donald Agricultural Holding	Holding
9.	Golf View Agricultural Holding	Holding
10.	Hartzenbergfontein Agricultural Holding	Holding
11.	Helderstrome Agricultural Holding	Holding
12.	Homelands Agricultural Holding	Holding
13.	Homestead Apple Orchards Agricultural Holding	Holding
14.	Ironsyde Agricultural Holding	Holding
15.	Mooilande Agricultural Holding	Holding
16.	Nelsonia Agricultural Holding	Holding
17.	New Kentucky Agricultural Holding	Holding
18.	Ophir Agricultural Holding	Holding
19.	Ophir Agricultural Holding, Extension 1	Holding
20.	Pendale Agricultural Holding	Holding
21.	River Park Agricultural Holding	Holding
22.	Schoongezicht Agricultural Holding	Holding
23.	Sherman Park Agricultural Holding	Holding
24.	Tedderfield Agricultural Holding	Holding
25.	Valley Settlements Agricultural Holding, Number 1	Holding
26.	Valley Settlements Agricultural Holding, Number 2	Holding
27.	Valley Settlements Agricultural Holding, Number 3	Holding
28.	Valley Settlements Agricultural Holding, Number 4	Holding
29.	Van der Westhuizenshoogte Agricultural Holding	Holding
30.	Vorster Park Agricultural Holding	Holding
31.	Walkers Fruit Farms Agricultural Holding	Holding
32.	Walkers Fruit Farms Agricultural Holding, Extension 1	Holding
33.	Walkerville Agricultural Holding	Holding
		T 1.2.6

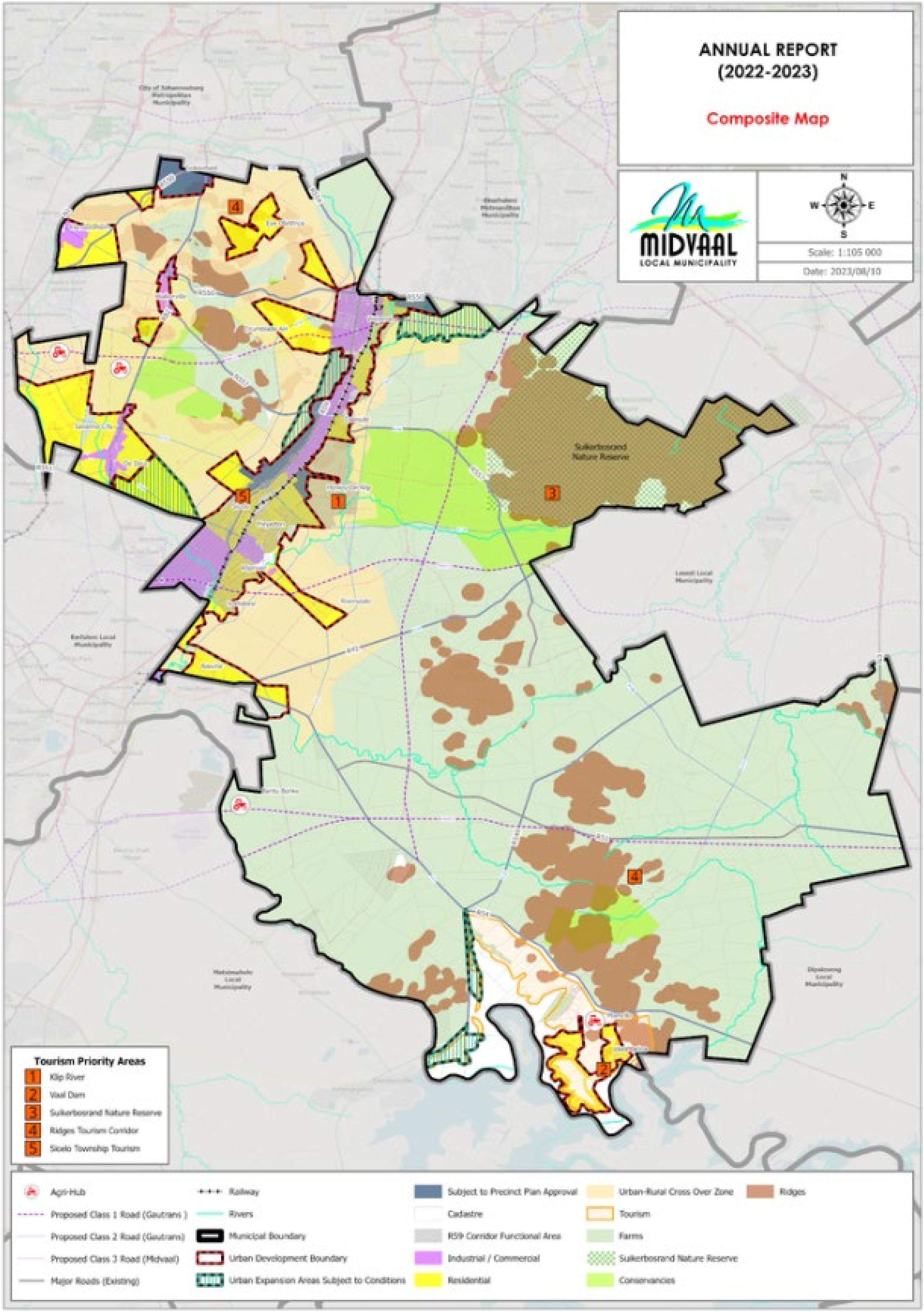
The Community Survey did not cover ward based statistics and no new statistics are available after the StatsSA 2011, but the overall Midvaal Population and number of households.

INFORMAL SETTLEMENTS	OWNERSHIP	NUMBER OF SHACKS
1. Alewynspoort – Harold's Farm	Private	14
2. Alewynspoort – Kromdraai	Private	56
3. Boitumelo	Private	301
4. Boltonwold, Sporong, Plot 4	Private	20
5. Boltonwold, Dustin, Plot 135	Private	14
6. Chicken Farm	Private	21
7. Driefontein, Dikhotsaneng, Plot 146, I.R.	Private	21
8. Henley on Klip Dump, Erf 1319	Local Government	10
9. Kudung	Private	19
10. Mamello	Local Municipality	681
11. Modderfontein, 410 I.R.	Private	23
12. Vogelfontein, Plot 23	Local Municipality	14
13. Nelsonia, Difateng, Plot 136	Private	26
14. Nelsonia, Abramskop, Plot 180	Local Government	11
15. Langkuil, Portion 47	Parastatal (Rand Water)	250
16. Nooitgedacht, 176 I.R., Kwa Brown	Parastatal (Rand Water)	98
17. Piel's Farm	Private	491
18. Witkop, Plot 38, Skansdam (Foundry)	Private	43
19. Uitgevallen, Plot 57, Makokong	Private	38
20. Valley Settlements, Plot 35, Bear's Farm	Private	13
21. Welverdiend, Plot 45, Kwa Sithole	Private	10
22. Varkeng, Put Put (Kayelitsha)	Private	528
23. Sherman Park Agricultural Holding	Private	18
24. Sicelo, Extension 4	Provincial Government	1 406
25. Sicelo, Extension 5	Local Municipality	1 645
26. Uitvlucht	Private	11
27. Mohlakeng	Private	31
28. Jonker's	Unknown	10
29. Platkoppie	Private	14
TOTAL		**5 837**

T 1.2

ANNUAL REPORT 2022 - 2023
Housing Projects & Informal Settlements Map




ANNUAL REPORT
(2022-2023)
Composite Map
MIDVAAL
LOCAL MUNICIPALITY
N
W
E
S
Scale: 1:105 000
Date: 2023/08/10
Sulkerbosrand Nature Reserve
Tourism Priority Areas
1 Klip River
2 Vaal Dam
3 Suikerbosrand Nature Reserve
4 Ridges Tourism Corridor
5 Sicelo Township Tourism
Agri-Hub
Proposed Class 1 Road (Gautrans)
Proposed Class 2 Road (Gautrans)
Proposed Class 3 Road (Midvaal)
Major Roads (Existing)
Railway
Rivers
Municipal Boundary
Urban Development Boundary
Urban Expansion Areas Subject to Conditions
Subject to Precinct Plan Approval
Cadastre
R59 Corridor Functional Area
Industrial / Commercial
Residential
Urban-Rural Cross Over Zone
Tourism
Farms
Suikerbosrand Nature Reserve
Conservancies
Ridges

Natural Resources	
Major Natural Resource	**Relevance to Community**
Dolomite	Active mine Glen Douglas, Artisans programme and employer of several Midvaal residents
Coal	Coal and other mineral deposits in the eastern part of Midvaal and adjoining municipalities Environmental risk, negative impact on Midvaal infrastructure, limited employment potential
Nature	Suikerbosrand Nature Reserve, Ridges. Conservation tourism has the potential to contribute to job creation and combatting unemployment
Water	Kliprivier, Vaal River, Vaal Dam

T 1.2.7

COMMENT ON BACKGROUND DATA

The following challenges are highlighted in the above information:

1. Increase in the unemployment rate;
2. Level of indigency;
3. Population growth of the economically active population and pressure to provide bulk infrastructure.

To address the challenges, Midvaal Local Municipality has:

4. Expanded Public Works Programme (EPWP), Community Works Programme (CWP), Agricultural and Local Economic Development Projects;
5. Adopted the Local Economic Development Strategy (LED) Strategy and Agricultural Growth Strategy;
6. Revised the Indigent Policy;
7. Reached agreements with developers to contribute to bulk infrastructure;
8. Co-ordinated planning to enhance responsiveness;
9. An effective complaints system to address concerns and complaints of residents.

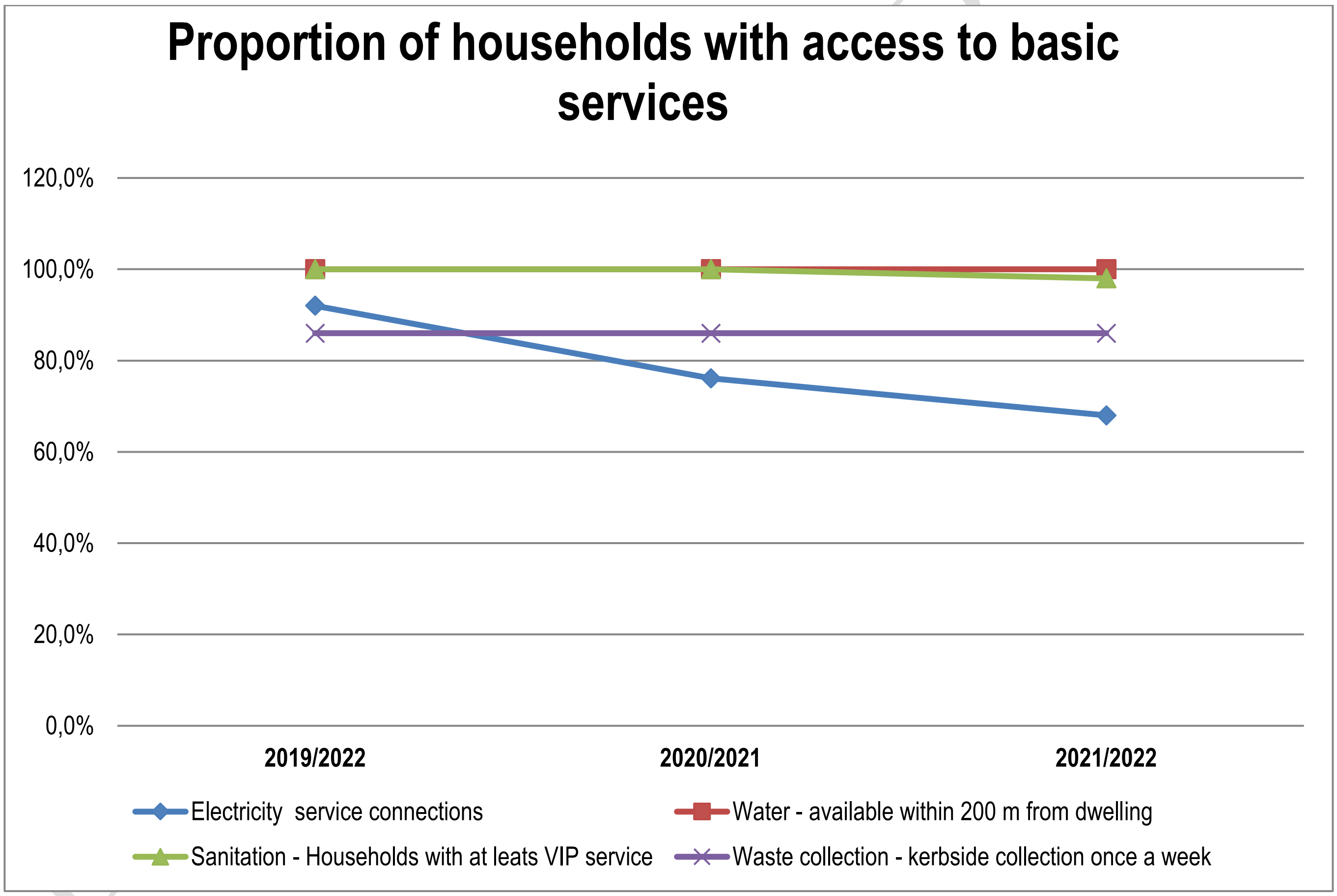
T 1.2.8

SERVICE DELIVERY OVERVIEW

INTRODUCTION

The information on basic service delivery, achievements, and challenges, including information on service delivery to indigents, are dealt with in Chapter 3. Applications for electricity connections to households only came from people who could afford it. All the requests for which payment was made were completed. Indigents in the formal housing areas were given free basic units (50 kWh per month), if they were registered with the municipality. An application for funding of bulk supply to Sicelo and Savana City was made.

Proportion of Households with minimum level of Basic services			
	2019/2022	2020/2021	2021/2022
Electricity service connections	92%	76%	68%
Water - available within 200 m from dwelling	100%	100%	100%
Sanitation - Households with at least VIP service	100%	100%	98%
Waste collection - kerbside collection once a week	86%	86%	86%



COMMENT ON ACCESS TO BASIC SERVICES

As can be seen from the graph above, there is an improvement in access to basic services by households.

This improvement has been realised in spite the continued negative local, National and International economic climate.

Midvaal approved its indigency threshold at an income level of R5 500.00 per household per month.

1.3 FINANCIAL HEALTH OVERVIEW

The municipality continues to monitor its financial status and as such is showing improved financial results on an annual basis.

During the financial year under review, various initiatives were embarked upon to improve the financial management.

These include:

1. Implementation of MFMA Circular 82 dealing with cost curtailment. The municipality has adopted its own cost curtailment policy and has now further strengthened policies in support of cost curtailment in line with the amended regulations. Cost curtailment is now an entrenched principle and is no longer seen as a short-term intervention, but rather part of the organisational culture.

2. Ongoing cash management: Cash balances increased from R487m at 30 Jun 2022 to R495m at 30 Jun 2023. An amount of R294 m was generated from operations against the R226 m (restated) in the previous financial year. A current ratio of 3.23 (2022: 2.80) and a cost coverage ratio of 5.22 months (2021: 5.32 months) was achieved for the year. This indicates the municipality's ability to settle all current liabilities from current assets.

3. Improvement in the completeness of revenue reconciliations as standard operating procedure, MFMA Circular 64, describes revenue management as a "routine financial management function" and in municipal terms, effective revenue management means that all consumers are billed correctly for all services received. Property owners are levied the correct property rates in accordance with the Local Government Municipal Systems Act, Act 32 of 2000 and Municipal Property Rates Act, 2004, respectively. Revenue, as a product of service delivery and the municipal valuation roll, is dependent on the extent and use of land and services provided, as well as on the municipality's ability to identify, record and manage all its revenue sources accurately and comprehensively. Quarterly reconciliations are performed between the valuation roll and the billing system, as well as regular data verification tests to ensure consumption charges are within acceptable norms. In addition, the process of performing completeness of revenue tests for billed services has also been introduced during the year and these reconciliations will also be performed on an annual basis as from the coming financial year.

ANALYSIS OF FINANCIAL RESULTS FOR THE YEAR

Statement of Financial Performance for the year ended 30 Jun 2023

The Municipality had a surplus of R141 305 627.00m for the year under review (an increase from the previous year's R60m). During the year, the total revenue increased by 1.05%. Expenditure has increased by 1.02% during the year. There is no cost of free basic services for non-indigent households.

Statement of Financial Position as at 30 Jun 2023

The growth in total assets was 1.04% with total assets of R3.07 billion at the close of the financial year. Current assets have increased by 1.09% from the 2021/2022 financial year, mainly because of increased cash and cash equivalents as well as receivables from exchange transactions. The cash collection rate for the year was 97.34%, which is an increase from the previous financial year.

Non-current assets have increased by 1.03% from the previous year. Intangible assets (servitudes) increased by R2.8m. The condition of the assets is still such that a good level of services is rendered. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next three years.

The repairs and maintenance budget of the municipality is exceeding the National Treasury norm of 8% of the budget. The actual amount spent on repairs and maintenance was 4.00 % of the budget. The protection of the municipality's asset base is regarded as a high priority, as it is both the core of our service delivery mandate and underpins our revenue base.

Current liabilities have decreased by 0.97% due to borrowings. The municipality is up to date with both its Eskom and Rand Water accounts at year-end.

Non-current liabilities have decreased by 1.00%. This is mainly attributable to the decrease in the provision for the rehabilitation of the landfill sites and repayment of loans.

AUDIT OPINION

Midvaal has an excellent record of achieving unqualified audits. Since the establishment of the Midvaal Local Municipality in 2000, the municipality had two qualified audit opinions with unqualified audits in all the other years. The municipality achieved clean audits in the 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022-financial years. To maintain the clean audit, an updated Operation Clean Audit (OPCA) Plan was compiled and the existing OPCA Task Team continued monitoring its implementation.

The OPCA Task Team, chaired by the Accounting Officer, remained as active as it had been before the achievement of the Clean Audit.

Financial Overview: 2022/2023			**R' 000**
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants (Opex and Capex)	282 249	283 636	266 608
Taxes, Levies and tariffs	1 118 291	1 068 366	1 025 336
Less: Income Foregone	(25 111)	(1 775)	(28 488)
Other	42 588	121 075	142 059
Sub Total	**1 443 128**	**1 473 077**	**1 434 003**
Less: Expenditure	(1 373 361)	(1 378 615)	(1 281 392)
Net Total*	**69 767**	**94 462**	**152 611**
** Note: surplus/(deficit)*			*T 1.4.2*

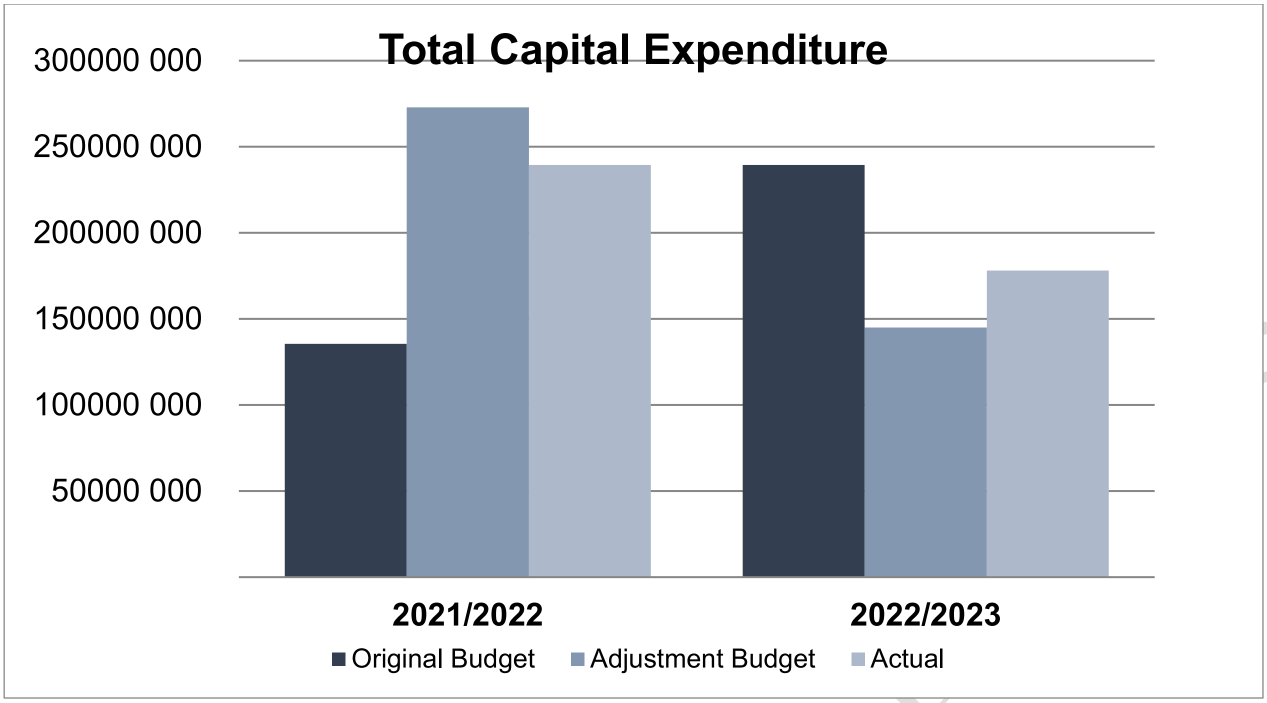
Operating Ratios	
Detail	**%**
Employee Cost	24%
Repairs & Maintenance	12%
Finance Charges & Impairment	11%
	T 1.4.3

COMMENTS ON OPERATING RATIOS

Employee costs are within acceptable norms. The Organogram of Council is reviewed on an annual basis and only positions that are affordable are funded on the structure.

As part of the multi-year budget, increased allocations will be made to repairs and maintenance. The National Treasury norm is that 8% of the carrying value of assets must be provided for as repairs and maintenance.

Total Capital Expenditure: 2020/2021 to 2022/2023			**R'000**
Detail	**2020/2021**	**2021/2022**	**2022/2023**
Original Budget	135 455	239 508	164 627
Adjustment Budget	272 959	144 994	180 597
Actual	239 508	178 121	189 933
			T 1.4.4



COMMENTS ON CAPITAL EXPENDITURE

R168 357 917m was spent in the 2022/2023-financial year against R164 627 181m in the previous year.

The municipality achieved a 88.64% spending level on the capital budget against the 92.42% expenditure in the previous financial year.

Projects not completed at financial year end have been carried forward to the 2023/2024-financial year for completion.

1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Municipal Organisational Structure for 2021/2022 was amended and approved by Council during May 2021.

1.5 AUDITOR-GENERAL REPORT

AUDITOR-GENERAL REPORT: 2022/2023 (CURRENT YEAR)

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1.6 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	25 Aug 2022
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting)	1 Jul 2021
3	Finalise the 4th quarter Report for previous financial year	28 July 2021
4	Submit draft 2022/2023 Annual Report to Internal Audit and Auditor-General	31 Aug 2023
5	Municipal entities submit draft annual reports to MM	N/A
6	Performance & Audit Committee considers draft Annual Report of municipality and entities (where relevant)	30 Aug 2023
8	Mayor tables the unaudited Annual Report	24 Aug 2020
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor-General	31 Aug 2023
10	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	31 Aug 2023
11	Auditor-General audits Annual Report including consolidated Annual Financial Statements and performance data	9 Sept – 30 Nov 2023
12	Municipalities receive and start to address the Auditor-General's comments	30 Nov 20223
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	26 Jan 2024
14	Audited Annual Report is made public and representation is invited	26 Jan 2024
15	Oversight Committee assesses Annual Report	Feb / Mar 2024
16	Council adopts Oversight Report	31 Jan 2024
17	Oversight Report is made public	7 Feb 2024
18	Oversight Report is submitted to relevant provincial councils	31 Jan 2024
19	Commencement of draft Budget/IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	25 Aug 2024

T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS

Midvaal endeavours to comply with the requirements of MFMA Circular 63. The performance management processes are alignment between the Integrated Development Plan (IDP), Budget and Service Delivery & Budget Implementation Plans (SDBIP) and the PMS. Planning and monitoring of activities in achieving the municipality's targets and objectives are thus aligned and focussed. This alignment is important in order to comply with legislation.

CHAPTER 2 – GOVERNANCE

INTRODUCTION

1. The Constitution of South Africa, Act 108 of 1996, Sections 40 and 41 provide:

"40 Government of the Republic

(1) In the Republic, government is constituted as National, Provincial and local spheres of government which are distinctive, interdependent and interrelated.

(2) All spheres of government must observe and adhere to the principles in this chapter and must conduct their activities within the parameters that the chapter provides.

41 Principles of co-operative government and intergovernmental relations

(1) All spheres of government and all organs of state within each sphere must:

(a) Preserve the peace, national unity and the indivisibility of the Republic;
(b) Secure the well-being of the people of the Republic;
(c) Provide effective, transparent, accountable and coherent government for the Republic as a whole;
(d) Be loyal to the Constitution, the Republic and its people;
(e) Respect the constitutional status, institutions, powers and functions of government in the other spheres;
(f) Not assume any power or function except those conferred on them in terms of the Constitution;
(g) Exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and
(h) Co-operate with one another in mutual trust and good faith by:

(i) Fostering friendly relations;
(ii) Assisting and supporting one another;
(iii) Informing one another of, and consulting one another on, matters of common interest;
(iv) Co-ordinating their actions and legislation with one another;
(v) Adhering to agreed procedures; and
(vi) Avoiding legal proceedings against one another.

(2) An Act of Parliament must:

(a) establish or provide for structures and institutions to promote and facilitate inter-governmental relations; and
(b) provide for appropriate mechanisms and procedures to facilitate settlement of inter-governmental disputes.

(3) An organ of state involved in an intergovernmental dispute must make every reasonable effort to settle the dispute by means of mechanisms and procedures provided for that purpose and must exhaust all other remedies before it approaches a court to resolve the dispute.

(4) If a court is not satisfied that the requirements of Sub-section (3) have been met, it may refer a dispute back to the organs of state involved."

2. Broad powers and functions of the municipality:

According to Section 151(2) of the Constitution, the Executive and Legislative authority of a municipality is vested in its municipal council.

According to Section 156(1) of the Constitution, a municipality has executive authority in respect of, and has the right to administer:

- the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 (of the Constitution); and

- any other matter assigned to it by National or Provincial legislation.

According to Section 156(5) of the Constitution, a municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

3. Governance is about "how" an organisation is run. In the running of Midvaal, a clear distinction is made between the politically elected structure (Councillors serving on the Council which is responsible for the oversight and legislative function of the municipality, as well as those matters which it has retained as its own functions. Other elected Councillors serve as full-time office bearers involved in the day-to-day running of the Municipal Council from the political perspective, namely the Executive Mayor with the Mayoral Committee, Speaker and the administration.

The Council is chaired by the Speaker. The executive is headed by the Executive Mayor with the Mayoral Committee of five (5) members. The structure of Council is set out in greater detail later in this chapter.

The Administration is headed by the Municipal Manager, who is also the organisation's Accounting Officer. Powers have been delegated to the different functions within the organisation to ensure that roles, responsibilities and decision-making powers are clear and unambiguous.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION

The political and administrative functions in Midvaal operate on a clearly differentiated and identified role clarification basis. The final decision-making processes are also designed to obtain and consider stakeholder inputs, requests and needs within the framework of available resources.

T 2.1.0

2.1 POLITICAL GOVERNANCE

Midvaal made extra efforts to include the Ward Committees and Councillors in the maximum of administrative functions and outputs possible at all levels. Any inputs or comments from the committees are reflected or accommodated in the reports pertaining to Council matters.

Ward Committees are also involved in commenting on reports, in order to be kept abreast of (and in turn, to inform the community) changes and developments within the municipality. This ensures a high level of public participation and promotes the principle of accountability. A report has to follow a lengthy process to ensure all role-players are aware and supportive of the recommendations before included in the Council agenda.

Reports are forwarded from the meeting of the Municipal Manager with the Heads of Department to the relevant Ward Councillors and Committees, and if applicable, they may then comment as indicated above. Thereafter reports are submitted to the relevant Section 80-Portfolio Committee, where the full-time Councillors (MMC) chairs the meeting, in consultation with part-time Councillors, who also serve on the relevant Portfolio Committees. After a report has been noted and commented on by the Section 80-Committee, it is then forwarded to the Mayoral Committee for resolution or recommendation to Council, according to the delegated powers.

After final resolution by either the Mayoral Committee or Council, resolutions are captured in the Resolution Register, which is regularly updated. The notification for implementation is sent to the relevant role-player, responsible for execution, and it is continuously followed-up. Feedback of the final resolution to the Ward Committee is the final phase of this process of community participation.

Division of Legislative and Executive Functions

In terms of Chapter 7 of the Constitution of the Republic of South Africa, the legislative and executive functions of a municipality are vested in its Municipal Council. Following the introduction of an Executive Mayoral System, Midvaal initiated the process of splitting the executive and legislative functions by delegating certain executive powers to its Executive Mayor. With the introduction of the Municipal Public Accounts Committee (MPAC) and its implied oversight role, there has been a further implied split between the two functions. MPAC as a structure of the legislative function, Council, is expected to assist with oversight over the executive function, Executive Mayor.

The principle of good governance requires that the legislative and oversight function, that is to be exercised by a municipal council, should be independent of the executive function that has been delegated to the Executive Mayor. This is to avoid undue influence and pressure being exerted by one function upon another and to allow each function the opportunity to operate freely within its delegations. It is in pursuance of the notion of having sound checks and balances in place in the governance model.

The Legislative Function of Council

The legislative and oversight function of Council is vested in the full Council with the Speaker as Chairperson. The adoption of by-laws, approval of the annual budget, policies on functions retained by Council and frameworks within which delegated powers must be exercised, remain the function of the full Council, except where specific delegations have been made.

The Speaker is also responsible for the Whippery, Councillor training and capacitation, Junior Council, specific mentorship programmes (e.g. women's mentorship programme), and Ward Committees, amongst others.

1. **Section 79: Ethics and Disciplinary Committee**

The Section 79-Ethics & Disciplinary Committee was established, to assist the Speaker with the performance of the delegated functions relating to investigating misconduct of Councillors, enforcing the Code of Conduct for Councillors and the Standing Orders of Council.

2. **Section 79: Municipal Public Accounts Committee (MPAC), Petitions Committee and Public Place Naming Committee**

The Section 79-Municipal Public Accounts Committee (MPAC) was established with specific terms of reference to assist Council with its oversight function.

The Municipal Public Accounts Committee (MPAC) functions as the Oversight Committee of Council in respect of the Annual Report, and its Oversight Report is submitted and published in accordance with the MFMA requirements and guidance. MPAC consists of members of the majority and opposition parties and is chaired by a member of the opposition.

The Section 79-Petitions Committee has been established reporting directly to Council in terms of Council's Petitions Policy.

The Section 79-Gender Committee has been established by Council to oversee the implementation of Council's Gender Policy.

The Section 79-Public Place Naming Committee considers and advises Council on the names for public places (such as streets, parks, etc.) or the changing of any such names.

3. **Powers of and Delegations to Executive Mayor**

Besides the powers and functions accorded to and imposed on the Executive Mayor in terms of legislation (the Municipal Systems Act, the Municipal Finance Management Act, and other relevant legislation), the executive function of the Council is delegated to the Executive Mayor as the appointed head of the executive function insofar as the Constitution and practicalities allow. The Executive Mayor exercises political oversight over the administration, except for the administrative unit known as "The Office of the Speaker".

In executing and performing the executive functions of Council and the Municipality, the Executive Mayor is assisted by five Members of the Mayoral Committee each with a particular portfolio. The Section 80- Committees contemplated in Annexure A constitute these specific portfolios.

4. **Whippery**

The Council has a Whippery which comprises of the Chief Whip and the Whips of the opposition parties represented in Council. The Whippery mainly deals with inter-party relations, party discipline and issues of mutual interest.

5. **Specific Programmes**

Certain projects are championed by the political offices directly, examples are the public participation processes to engage residents in formal structures (e.g. Ward Committees, State of the Municipality Address (SOMA) and Petitions) and less formal personal interaction (public meetings and discussions with interest groups). Another example is the establishment of the Junior Council which comprises scholars from within Midvaal. The Junior Council functions well as a formalised structure and meets regularly to deliberate on issues of concern to the youth. The Junior Council is also a mechanism to expose the scholars to governance issues.

6. **Attendance at Meetings -** The attendance at meetings is reflected in Appendix A.

Political Decision-Making

Political decisions are taken in formal Council meetings where all participating political parties have opportunity to deliberate items as per the agenda, after which resolutions are adopted. If consensus cannot be reached, items are, after debate, put to vote.
The Standing Orders of Council, formally adopted and duly promulgated, governs the process.

POLITICAL OFFICE BEARERS
1 Jul 2022 – 30 Jun 2023

EXECUTIVE MAYOR
Ald. P Teixeira
016 360 7573

MIDVAAL
LOCAL MUNICIPALITY

SPEAKER
Cllr. A McLoughlin
016 360 7680

MEMBERS OF THE MAYORAL COMMITTEE

Cllr. M Motsamai
MMC: D&P
076 316 0007

Ald. P Pretorius
MMC: Finance Services
082 927 7219

Cllr. T Modiba
MMC: Community Services
072 570 4410

Cllr. C Gomes
MMC: Corporate Services
083 785 4968

Cllr. J Viljoen
MMC: Public Safety and Roads
083 742 983

Cllr. R Hubbard
MMC: Engineering Services
079 917 4683

WARD COUNCILLORS

Ald. F Peters
WARD 1-DA
083 521 3990

Cllr. S Janse van Rensburg
WARD 2-DA
082 212 4520

Cllr. B Jordaan
WARD 3-DA
082 789 6590

Cllr. M Myburgh
WARD 4-DA
082 781 7938

Ald. P Pretorius
WARD 5-DA
082 927 7219

Cllr. T Mofokeng
WARD 6-ANC
083 969 6064

Cllr. L Visser
WARD 7-DA
083 469 7838

Cllr. M Ndebele
WARD 8-ANC
078 532 3904

Cllr. R Hubbard
WARD 9-DA
079 917 4683

Cllr. D Mokhomo
WARD 10-ANC
067 954 1464

Cllr. M Maimane
WARD 11-DA
076 701 6080

Cllr. M Kruger
WARD 12-DA
083 585 6928

PR COUNCILLORS

Cllr. M Motsamai
DA
076 316 0007

Cllr. A McLoughlin
DA
016 360 7680

Cllr. J Mazibuko
EFF
065 817 6902

Cllr. G Nkoe
DA
071 585 1878

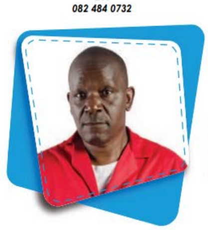
Cllr. S Hoyane
TYM
073 381 5082

Cllr. O Brits
VF+
083 268 3613

Cllr. M Kolisang
DA
082 484 0732

Ald. P Teixeira
DA
016 360 7573

Ald. M Modikeng
ANC
084 883 2423



Cllr. P Lehloka
EFF
061 438 0300

Ald. C Pypers
VF+
082 560 1414

Cllr. M Mboweni
ANC
082 352 9709

Cllr. J Viljoen
WARD 13-DA
083 742 9833

Ald. P Pretorius
WARD 14-DA
082 696 9007

Cllr. A Dickinson
WARD 15-DA
082 783 1612

Cllr. T Modiba
DA
072 570 4410

Cllr. C Gomes
DA
083 785 4968

Cllr. I Ramushu
ANC
066 085 9895

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION

According to Section 60(b) of the Municipal Finance Management Act, Act 56 of 2003, the Municipal Manager of a municipality is the Accounting Officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures, political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.

The Municipal Manager and the Heads of Department meet formally on a weekly basis to deliberate on service delivery issues and reports to be submitted to the Mayoral Committee or Council in terms of Delegated Powers, as well as organisational and management matters. The management team also engages the Mayoral Committee on a weekly basis to ensure the decision-making process is expedited to enhance service delivery. Each Head of Department also interacts with his/her Member of the Mayoral Committee (MMC) on a more regular basis for the same purpose.

The Executive Directors are appointed on fixed term employment contracts and report to the Municipal Manager in terms of Section 57 of the Municipal Systems Act.

TOP ADMINISTRATIVE STRUCTURE

TIER 1

MUNICIPAL MANAGER
Mr. A.M. Groenewald
(Appointed 01 July 2022 – current)

TIER 2

	**EXECUTIVE DIRECTOR: CORPORATE SERVICES** Mr. S. Cave (Appointed 01 Nov 2022 – current) **DIRECTOR: LEGAL & PROPERTIES** Mrs. N. Ameer-van Wyk **DIRECTOR: HUMAN RESOURCES** Mr. A. Scutts **DIRECTOR: ICT** Mr. S. Mnguni	• Secretariat & Committees • Legal Services • ICT Services • Facility Rentals • Archives • Marketing & Communications • Political Offices • Complaints System • Internal Audit • Performance Management • Integrity Management • Occupational Health & Safety • Labour Relations / Local Labour Forum • Disciplinary Action • Human Resources • Training and Development
	**CHIEF FINANCIAL OFFICER** Mr. Z. Mhlongo (Appointed – 01 Nov 2022 – current) **DIRECTOR: EXPENDITURE** Mr. F. Jonas **DIRECTOR: INCOME** Mr. A. Meiring **DIRECTOR: FINANCIAL REPORTING** Ms. K. Desai **DIRECTOR: RISK & COMPLIANCE** Mrs. J. Tait	• Billing & Revenue • Credit Control • Rates & Tariffs • Expenditure • Budget & Financial Reporting • Valuations • Asset Management • Risk Management, Compliance & Insurance • Supply Chain Management
	**EXECUTIVE DIRECTOR: ENGINEERING SERVICES** Mr. P. Magodi **DIRECTOR: PMU** Mr. P.V. Tshabalala **DIRECTOR: ELECTRICAL & MECHANICAL** Mr. M.V. Sofe **DIRECTOR: WATER & SANITATION** Mr. R. Madimutsa **DIRECTOR: TECHNICAL SUPPORT** Mr. T. Ncube	• Water Provision • Sanitation Services • Electricity • Streetlights • Facilities Repair & Maintenance

Vacant	**EXECUTIVE DIRECTOR: COMMUNITY SERVICES** Acting Mr. J. Venter (01 Aug 2022 – 07 May 2023) Acting Ms. N. Ramalatsa (08 May 2023 - current) **DIRECTOR: PARKS, MUNICIPAL HEALTH SERVICES & CEMETERIES** Mr. J. Venter **DIRECTOR: WASTE & ENVIRONMENTAL MANAGEMENT** Mr. T. Mabula	• Clinics & Community Health • HIV / AIDS • Designated Groups • Woman, Elderly, Youth, Disabled • Waste Management • Environmental Health • Libraries • Indigents • Sport & Recreation • Social Development • Parks & Cemeteries • Grass & Tree Cutting
Vacant	**EXECUTIVE DIRECTOR: DEVELOPMENT & PLANNING** Acting Ms. P. Mnguni (14 Oct 2022 - current) **DIRECTOR: DEVELOPMENT PLANNING & HOUSING** Mr. T. Arlow **DIRECTOR: LOCAL ECONOMIC DEVELOPMENT** Mrs. P. Mguni **BUILDING CONTROL OFFICER** Mr. K. Rasepae	• Town Planning • Building Control • Illegal Structures • Tourism • Geographic Infrastructure System (GIS) • Integrated Development Planning (IDP) • Sale of Council Land • Environmental Management • Agricultural Affairs • LED & MIR • SMME Development • Local Agenda 21 • Housing
Vacant	**EXECUTIVE DIRECTOR: PUBLIC SAFETY & ROADS** Acting Mr E. Lensley (01 Jul 2022 - current) **CHIEF FIRE OFFICER** H. Steyn **CHIEF TRAFFIC OFFICER** A. Mpai **DIRECTOR: ROADS, STORMWATER & LANDFILL** Mr. V. Masuka	• Fire • Traffic • Roads • Stormwater • Landfill Sites • Mechanical Workshop • Fleet Management

COMPONENT B: CO-OPERATIVE GOVERNANCE & INTER-GOVERNMENTAL RELATIONS

INTRODUCTION

Section 3 of The Municipal Systems Act (MSA) requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution (Section 41)

Midvaal does not function in a vacuum and strives to maintain good inter-governmental relations with its neighbouring municipalities, the Sedibeng District Municipality, the Provincial Authority, National Government and other agencies as well as inter-governmental bodies, such as SALGA, the Premier's Co-ordinating Forum, MEC - MMC - IGR Fora, administrative working committees and so forth. A few of the inter-governmental platforms and meetings attended for the period under review are reflected below.

T 2.3.0

2.3 INTER-GOVERNMENTAL RELATIONS

	IGR FORA	PURPOSE	FREQUENCY OF MEETINGS
NATIONAL INTER-GOVERNMENTAL STRUCTURE	**Three Sphere Meeting (MIG Projects & Policies)**	Interaction between Province and National to keep them posted on MIG Projects and policies and other related issues	Monthly
	Gauteng Umbrella Fire Connection Association (GUFPA)	Management meets with Gauteng Umbrella of the Fire Connection Association discussing issues and compliance with the National Veld & Forest Fire Act, Act 101 of 1998	Quarterly
	Disaster Management Advisory	Management meets on District and Provincial level discussing Disaster Management Plans ensuring preparedness and readiness of personnel in case of any disasters	Quarterly
	Technical Task Team Meetings (Fire Safety / Operational / PIER)	Management of difference sections in Fire Department meets with Province ensuring operational functionality of each section	Monthly
	National Key Point (NKP)	Management meets with National Key Point representatives regarding safety and security issues of the Key Points doing evacuation drill	Monthly
	South African Local Government Association National Conference (SALGA)	South African Local Government Association National Conference (SALGA)	Per Invitation

PROVINCIAL INTER-GOVERNMENTAL STRUCTURE	**SALGA MM's Forum**	All MM's in the Province	Per Invitation
	SALGA Strategic Planning Lekgotla	MM & HOD'S	Per Invitation
	Governance and IGR Working Group Meeting	Governance and IGR Training	Ad Hoc
	SALGA Provincial Members Assembly	Upper limit of salaries	Per Invitation
	COGTA MEC: IGR Forum	Meeting between the MEC for COGTA with Gauteng Mayors	Per Invitation
	Premier's Co-Ordinating Forum	All mayors in Gauteng raise and discuss critical issues with the Premier directly	Quarterly
	Provincial Treasury Mid-Year Reviews /Budget & Compliance Meetings	To evaluate the Annual Budget submission of the municipality as well as to review the mid-year performance of the municipality	Bi-annually
	Premier's Co-Ordinating Forum Technical Working Forum	Premiers & Municipal Managers Forum	Quarterly
	Joint COGTA & Human Settlements IGR Forum Meeting		Per Invitation
	OPCA Provincial Co- ordinating Committee Workshop	Overview of the Audit Process	Per Invitation
	GPL: Gauteng Speakers Forum	Speakers Forum	Quarterly
	Premiers Office IGR Forum	Deputy Director: Speaker Office	Once Off
	COGTA MEC IGR Forum	Meeting between the MEC for COGTA with Gauteng Speakers	Ad Hoc
	COGTA MEC's Office: IGR Coordination Sub-Workstream	To develop COVID-19 battle plans and strengthening of the Ward Based War Room Structures	Bi-weekly
	COGTA Public Participation Forum	Sharing best practice initiatives for measures to improve Participation	Quarterly
	Provincial Treasury Mid-Year Reviews / Budget & Compliance Meetings	To evaluate the Annual Budget submissions of the municipality as well as to review the mid-year performance of the municipality	Bi–annually
	Capex War Room	To monitor progress of capital expenditure	Ad hoc / As per Provincial Treasury invitations
	Provincial Treasury CFO Forum / Provincial Treasury Finance indaba	To interact on a provincial level on matters related to legal compliance, financial reporting, and other financial management issues	Quarterly
	Provincial Treasury MMC / MEC Forum	MEC's meeting with MMC's and CFO's regarding Municipal Financial Management matters	Quarterly

Provincial Treasury Risk Management & Internal Audit Forum	The forum was established during 2010 to assist municipalities in terms of Section 166 of the MFMA to oversee and assist with the functioning of audit committees, internal audit, and various other oversight functions	Bi-annually
Rand Water Board Meeting	To compare the water results from the municipalities in the Gauteng Region (Water Demand Management Meeting)	Quarterly
Fire Safety Working Group (GFSWG)	Fire Safety	Quarterly
Gauteng Waste Forum (GDARD)	To strengthen co-operative governance on waste management in the province and to share information on waste management best practices	Monthly
Gauteng Department of Agricultural & Rural Development (GDARD) Environment & Culture Sector Meeting on the Expanded Public Works programme (EPWP)	Expanded Public Works Programme (EPWP) reporting and management on environment	Quarterly
Gauteng Provincial Government Fire & Emergency Section Heads (FESH)	All fire and emergency sectional heads meet with Gauteng Province on all sections of the Fire & Rescue Services and National issues	Monthly
White Paper / Fire Brigade Act	Chief Fire Officers and Chairman of Task Teams Nationally get together to workshop the White Paper for Standardization of fire Services and amending the Fire Brigade Act	Bi-annually
Training / USAR	Management / training sections met with province ensuring preparedness and readiness of personnel in case of any disasters	Monthly
Gauteng Provincial SPLUMA Forum	Norms & Standard guidelines for SPLUMA	Quarterly
IGR Technical Task Team: Illegal Land & House Invasion	For Municipalities within the province to find solutions in dealing with increase of illegal land and house occupation taking into consideration the legal framework for housing beneficiary allocations	Quarterly
IGR: Climate Change Indaba	Sharing best practice initiatives for measures to mitigate Climate Change	Quarterly
Provincial AMEU Meeting (Amalgamated Municipal Electricity Undertaking)	To interact on matter related to electricity (New Technology, best practices, suppliers etc)	Monthly
Gauteng Provincial Government Norms & Standards	An elected group of managers out of Gauteng working on the Norms & Standards of the fire services.	Monthly
GPL: Gauteng Speaker's Forum (Steering Committee Session)	Deputy Director: Speaker Office	Quarterly
GBL Consultative Workshop for Municipal Town Planners	To discuss Town Planning Schemes, By–Laws and challenges faced	Per Invitation
LIS Meeting	Discuss and monitor expenditure	Quarterly

DISTRICT	**Sedibeng District Technical IGR Forum**	District IGR Technical Issues	Quarterly
	Sedibeng MM's Forum	Municipal Manager's in the district	Quarterly
	Vaal Dam Forum	To report on the water quality from sewer plants by different stakeholders	Quarterly
	Kliprivier Forum	To report on the water quality by different stakeholders	Quarterly
	Sedibeng District Command Council	To enhance joint planning and implantation of strategies for the development of municipalities in the district	Weekly
	Sedibeng Finance IGR meeting	Meeting between Gauteng Provincial Government, Sedibeng district and Chief Financial Officers within the district to discuss financial Management issues.	Quarterly
	Sedibeng Agri-Park Stakeholders Meeting	Discuss the Sedibeng Agri-Park progress and challenges	Monthly
	IDP Steering Committee Meeting	Alignment of IDP's and presentation of the GDS3	Per Invitation
	EPWP District Forum	Discuss EPWP projects within the municipality	Quarterly
	Projects Steering Committee and Expert Reference group	Developments of minimum standards for the consideration of environmental aspects for the preparation and review of Spatial Development Framework (SDF's)	Quarterly
	IDP Alignment Meeting	Alignment of IDP's and presentation of the One Plan	Per Invitation
			T 2.3.4

The IGR functionality progressed very well and the municipality was able to interact with IGR structures through various platforms.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Midvaal does not have any municipal entities.

T 2.3.3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW

Midvaal actively pursues meaningful public participation and has structured its activities relevant to the IDP, Budget and Ward issues accordingly. It also engages on feedback sessions and not only information gathering. This enhances transparency and accountability.

In summary, on the overview of public accountability and participation, Midvaal embarks extensively on ensuring public participation at ward committee meetings, IDP and Budget public ward meetings, IDP Representative Forum, the People's Assembly, Petitions Committee and other stakeholder engagements. The oversight report is also widely publicised. The Municipal Public Accounts Committee (MPAC) is operational and measures are in place to protect personal information.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

All documents to be made public are placed on the municipal website. Public meetings are also advertised on the website. This includes Council meetings, Ward Committee Meetings, Budget and IDP meetings, Bid Adjudication Committee meetings, amongst others. The Bid Adjudication Committee meetings (in respect of tenders) are open to the public.

The Council interacts with its stakeholders at Ward Committee, Budget and IDP meetings, the People's Assembly and many other meetings and gatherings. These engagements are ongoing throughout the year. Most meetings are well attended, resulting in meaningful engagement.

T 2.4.1

WARD COMMITTEES

Ward Committees have been established in all fifteen wards and all the ward committees are functional and meet according to the year planner (which is available on the website www.midvaal.gov.za).

Appendix E contains more detail on ward committee governance and Appendix F reflects ward information.

T 2.4.2

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Section 16(1) and Section 29(1) of the Local Government: Municipal Systems Act (No. 32 of 2000) outline the processes and procedures to be adhered to in terms of community participation. Based on the legislative requirements, public participation forms an integral part of the Midvaal IDP process. Communities were afforded the right to make representations and engage on the drafting of the IDP considering the needs of their communities.

Notwithstanding the provisions of the Act, MLM utilises several communication channels to convey information to the community. The approved traditional methods of communication have changed over time; however, MLM adheres as far as possible to the stated provisions of the Act. During January and February 2023, the municipality conducted public engagements with communities to ensure its planning is aligned to community needs to budget accordingly.

Towards the compilation of the 2022-2027 IDP last year, public participation engagements were held in January/February 2022 were the municipality conducted an extensive exercise to collect community needs. A total of 857community needs assessment forms were collected. Operational and customer care related issues were sent to the relevant sections within the municipality. IDP projects were captured as listed under Annexure A: Community Needs.

During the 2023/2024 IDP review, public engagements were held during January and February 2023. Communities were provided progress on the implementation of the IDP. The communities were encouraged to peruse Annexure A: Community needs of the 2022-2027 IDP and any additional community needs could be submitted to their respective Ward Councillor or via idp@midvaal.gov.za for inclusion in Annexure A: Community Needs in the 2023/2024 IDP review. A total of 12 responses were received representing 45 community needs that were incorporated as new or existing needs within Annexure A: Community Needs.

T.2.4.3.1

Public Meetings							
Nature and purpose of meeting	Ward	Date	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Feedback given to community
IDP Public Meetings	All	16 January 2023 – 20 February 2023	30	25	1912	IDP	Communities proposed projects and were informed of the IDP processes, priorities, targets as well as progress made in terms of previous plans submitted by the communities
Budget Public Meetings	All	12 April 2023 - 24 April 2022	30	13	270	BUDGET	Municipal budgeting processes, tariffs, service delivery, projects and programme's to be given priorities in the budget

2.5 INTEGRATED DEVELOPMENT PLAN (IDP) PARTICIPATION & ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
** Section 26 of Municipal Systems Act 2000*	T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW

In Midvaal, the principles of good corporate governance as expounded in the King IV report are embraced and applied within the organisation. To the extent that these King IV principles are not directed by legislation (e.g. the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA), it is applied as far as possible in the context that these principles indicate the "right way to do things".

These principles relate to, amongst others, to ethical governance, implementation of controls to prevent fraud, corruption, and management of risk.

T 2.6.0

2.6 RISK MANAGEMENT

Enterprise-wide risk management is a priority of the municipality and as such it is a standing item on the weekly management agenda. This creates the opportunity for the early identification and mitigation of risks.

The Risk Management Policy of Midvaal is reviewed on an annual basis and was approved on 25 August 2022.

The Strategic Risk Register is aligned to the objectives of the Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIP) of the municipality.

The Chief Risk Officer submits progress reports to the Ethics and Risk Management Committee (oversight) on a quarterly basis, indicating progress made to mitigate the identified risks. A member of the Performance and Audit Committee is appointed as the Chairperson of the Ethics & Risk Management Committee and reports back to the Performance & Audit Committee on Risk Management. Quarterly progress reports are submitted to Council on the mitigation of Strategic and Operational Risks. Risk Management is audited by the internal auditors for completeness and effectiveness on a quarterly basis.

The five top strategic risks identified were:

1. Inefficiencies in SCM controls
2. Service interruptions caused by Load shedding
3. Land Invasion
4. Damage to properties and service infrastructure
5. Bulk Water supply insecurity

T 2.6.1

2.7 INTEGRITY MANAGEMENT

INTEGRITY MANAGEMENT STRATEGY & IMPLEMENTATION PLAN

Council has a very strong attitude towards legislative compliance, specifically supply chain management principles and also the proper functioning of the Performance & Audit Committee, Municipal Public Accounts Committee (MPAC) and the Financial Disciplinary Board. These meetings are functioning without councillor and/or political interference. Where required, matters are reported to the relevant external authorities for further investigation. The appropriate and relevant consequence management is also institute, as and when required.

The Reviewed Integrity Management Policy & Plan, 2020 has been reviewed and approved by Council per Council Resolution C2359/08/2020 dated 27 Aug 2020.

Council's stance to fraud and corruption is zero tolerance and in line with this, the efficient application of instructions contained in the policies and procedures of Midvaal, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

The main principles, upon which this Plan of Midvaal is based, include the following:

1. Creating a culture which is ethical and intolerant to fraud and corruption;
2. Deterrence of fraud and corruption;
3. Preventing fraud and corruption which cannot be deterred;
4. Detection of fraud and corruption;
5. Investigating detected fraud and corruption;
6. Taking appropriate action in the event of such irregularities, e.g. disciplinary action (consequence management), recovery of losses, to the extent required and prosecution; and
7. Applying sanctions, that includes blacklisting and prohibition from further employment.

The components of the Plan include the following:

1. Focus on the Organisation;
2. Focus on Employees;
3. Focus on other stakeholders;
4. Enforcement;
5. Implementation.

All staff, including senior management and councillors, are obliged to declare specific personal assets and private business interests on an annual basis, such as:

1. Shares and other financial interests (not bank accounts with financial institutions);
2. Directorships and partnerships (also those hold by spouse and family members);
3. Remunerated work outside the municipality;
4. Consultancies and retainerships;
5. Sponsorships;
6. Gifts and hospitality from a source other than a family member (exceeding the value of R350 over a 12-month period);
7. Land and property registered in their name;
8. Vehicle(s) owned (vehicles registered in their name;
9. Participation in elections.

The status of reported cases is as follows:

	2019/2020	2020/2021	2021/2022
Total Number of Cases reported	31	39	37
Total Number of Cases resolved	31	34	37
Total Number of Cases pending	0	5	0
% Resolved	100%	87%	100%

The primary transgressions are summarized as follows:

1. Illegal water/electricity meter tampering/by-passing;
2. Misuse/Abuse of Council vehicles;
3. Appointment irregularities;
4. Bribery;
5. Theft of Council owned property;
6. Non-compliance to tender specifications;
7. Possible incorrect journal entries;
8. Transgression of the Code of Conduct for Municipal Staff Members;
9. Issuing of fraudulent zoning certificate;
10. Bribery;
11. Theft of Council owned property;
12. Non-compliance with Firearm Control Policy.

Matters referred to the Financial Disciplinary Board, included the following:

1. Overpayment on contracts;
2. Irregular expenditure;
3. Salary overpayment;
4. Erroneous payment.

The relevant remedial actions, according to Council's Policies, were initiated, i.e. disciplinary action, criminal prosecution and recovery of money. Management reviewed controls and internal audit tested the effectives of the controls to prevent recurrence.

Matters reported to external authorities for further investigations in line with the MFMA are frequently monitored and positive results received.

Midvaal through its fraud hotline takes all matters very seriously by means of its Integrity Management Strategy. As such, Midvaal often receives tip-offs regarding possible irregularities which are not always confined to the definition of unauthorized, irregular, fruitless, and wasteful expenditure.

Midvaal subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent fashion. Consequently, Midvaal is committed to fighting fraudulent behaviour at all levels within the organisation.

In addition to promoting ethical conduct within Midvaal, the Anti-Fraud and Anti-Corruption Policy and Plan is intended to assist in preventing, detecting, investigating, and sanctioning fraud and corruption. This dynamic Policy & Plan details the steps, which have been, and will continually be taken by Midvaal to promote ethical conduct and address fraud and corruption.

The efficient application of instructions contained in the policies and procedures of Midvaal, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

Issues raised by employees, ratepayers, members of the public or providers of goods and/or services, the action taken, will depend on the nature of the concern.

The matters raised will be screened and evaluated and may subsequently:

1. Be investigated internally;
2. Be referred to another law enforcement agency;
3. Be referred to the Financial Disciplinary Board;
4. Be dealt with in terms of the Local Government: Disciplinary Regulations for Senior Managers, 2010.

Fraud and corruption committed by an employee or any other person will be pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

1. In case of employees, taking disciplinary action within a reasonable period after the incident has been reported;
2. Instituting civil action to recover losses;
3. Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency;
4. Any other appropriate and legal remedy available and applicable.

The main principle upon which this Policy and Plan of Midvaal is based on and aligned to the Local Government Anti-Corruption Strategy (LGACS) includes:

1. Creating a culture which is ethical and intolerant to fraud and corruption;
2. Deterrence of fraud and corruption;
3. Preventing fraud and corruption which cannot be deterred;
4. Detection of fraud and corruption;
5. Investigating detected fraud and corruption;
6. Taking appropriate action in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution; and
7. Applying sanctions, that includes blacklisting and prohibition from further employment.

The above is not intended to detract from the premise that all the components are equally essential for the successful implementation of the Plan.

These preventative controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Midvaal.

Apart from various other departmental related policies and procedures, the following measures are in place to prevent any possible irregular activities:

1. When advertising vacancies, potential candidates are cautioned that only people with the highest level of personal integrity will be considered and that submission to appropriate pre-employment screening processes are obligatory;

2. Compulsory probation periods (minimum of three months) are applicable to all full-time employees.

3. Employee induction programmes are presented to all newly appointed staff on a monthly basis, to introduce the culture and ethos of the organisation;

4. All employees are compelled to take annual leave in terms of the Conditions of Service.

5. Exit interviews are in place, which include the assessment of the perceptions of the business ethics and conduct standards within Midvaal.

Apart from other mechanisms in place for the reporting of any unethical, fraudulent, or corrupt activities, is the outsourced fraud reporting hotline, 0860-268-624.

Council demands adherence to legislative compliance, specifically supply chain management principles, and the proper functioning of the Performance and Audit Committee, without councillor and/or political interference.

Midvaal endeavours to be consistent and efficient in the application of disciplinary measures.

Chapter 4 contains the details of disciplinary action (consequence management) taken in cases of financial misconduct and offences committed.

T4.3.6

The Municipal Systems Act, Act 32 of 2000, in Section 83(c), determines the objective to minimise the possibility of fraud and corruption, when service providers are chosen through a process which minimizes the possibility of fraud and corruption.

During the 2021/2022-financial year, 37 incidents were reported via the Anti-Fraud and Corruption Hotline and other available reporting mechanisms.

The status of the reports received, is as follows:

Number of reports received:	37
Number of reports detected (Finalised)	19
Number of reports undetected (Finalised)	15
Other	3
Under investigation (Internal)	0
Referred to the South African Police Services and/or Directorate for Priority Crime Investigation	0
Initiation of further forensic investigations	0
% Finalised	100%
% Detected	51.35%

During 2015 Council entered into a Memorandum of Understanding 1 with EthicsSA. The objective of the MOU was to capacitate municipalities with ethical leadership and corruption preventative competencies. The main objective of the project was to ensure that the following governance structures, monitoring and reporting processes as well as procedures are in place and if not yet in place, implemented.

The objectives of the MOU1 (Phase 1) were the following:

1. Executive workshops to bring leadership on-board were conducted (councillors, staff and various other role-players);
2. Workshop with the oversight committees;
3. Ethics workshops for councillors;
4. Training of ethics officers on the Ethics Officer Certification Programme;
5. Training municipal trainers to conduct Ethics Workshops;
6. Assessing the current integrity management capacity and provide guidance on improvement;
7. Conducting an Ethics Risk Assessment;
8. Using the outcomes of the risk assessment to inform the municipality' integrity management strategy and related policies;
9. Advising and mentoring ethics officers; and
10. Hosting a procurement workshop for local businesses.

The MOU1 (Phase 2) was entered during January 2016 with The Ethics Institute ended Sep 2019.

The deliverables contained in Phase 2 included the following:

1. Review of the Ethics Risk Assessment (previous assessment conducted in 2015);
2. Review the Ethics Gap Analysis;
3. Review the Integrity Management Strategy;
4. Finalisation of the Implementation Plan;
5. Review the Integrity Management Maturity Assessment.

The identified ethical gaps and opportunities were addressed and quarterly progress reporting was done via the Ethics & Risk Management Committee.

After the finalization of the deliverables contained in the MOU1 (Phase 1 and 2), a self-assessment was conducted during 2015 and repeated during 2018, according to a predefined self-assessment tool supported by a rating key indicating the outcome. The self-assessment tool used in 2018 was more comprehensive than the tool used in 2015, therefore the difference in outcome.

The rating key is included for ease of reference:

RATING KEY	
90-100	Very strong
70-90	Strong
60-70	Reasonable
50-60	Moderate
25-50	Weak
0-25	Very weak

OUTCOME OF SELF ASSESSMENT

2015

	INDICATOR	RATING
1	LEADERSHIP COMMITMENT	81.3
2	COMMUNITY OWNERSHIP	100.0
3	GOVERNANCE	100.0
4	INTEGRITY MANAGEMENT STRATEGY	87.5
	PREVENTION	
5	Promote a professional ethical culture	95.8
6	Policies & procedures	100.0
7	Corruption risk management	100.0
8	Pre-employment screening	100.0
9	Conflict of interest management	100.0
10	DETECTION	93.8
11	INVESTIGATIONS	100.0
12	RESOLUTION	75.0
13	MONITORING AND REPORTING	100.0
	PROCESS RATING SCORE	1233.3

2018

	INDICATOR	RATING
1	LEADERSHIP COMMITMENT	81.3
2	COMMUNITY OWNERSHIP	100.0
3	GOVERNANCE	100.0
4	INTEGRITY MANAGEMENT STRATEGY	100.0
	PREVENTION	
5	Promote a professional ethical culture	91.7
6	Policies & procedures	90.0
7	Corruption risk management	100.0
8	Pre-employment screening	100.0
9	Conflict of interest management	90.0
10	DETECTION	95.0
11	INVESTIGATIONS	93.8
12	RESOLUTION	87.5
13	MONITORING AND REPORTING	100.0
	PROCESS RATING SCORE	1229.2

The overall rating for Midvaal falls within the rating categories of strong to very strong. The areas not achieving 100%, were as follows:

1. Leadership Commitment

- Council Commitment
- Espoused Mayoral Committee Commitment
- Budget for Ethics function

2. Promote a professional ethical culture

- Ethics Training & Workshops
- Ethics Awareness Campaigns

3. Policies and Procedures

- Conflict of Interest Policy

4. Pre-employment Screening

- Department of Co-Operative Governance Record Check

5. Conflict of Interest Management

- People (to manage the system)
- Procedures (Annual Declaration of Interest)

6. Detection

- Analysis of Information

7. Investigations

- Multi-agency approach

8. **Resolution**

- Prevention of Recurrence
- Communication of Successes

The ethics opportunities, gaps and areas for improvement were identified and the project (MOU1) successfully completed at Midvaal.

The Ethics Institute during 2019 obtained additional funding from the Siemens Integrity Initiative, in order to continue with the project and is in the process to roll-out the Memorandum of Understanding 2 (MOU 2).

The objective of the MOU 2 was to build capacity in the Gauteng Provincial Government (GPG) to support municipalities in improving their ethical culture. The onus was on the Office of the Premier and Gauteng Department of Co-operative Governance & Traditional Affairs to facilitate and drive the interaction with the municipalities.

This required a team of 'ethics support practitioners' within the Office of the Premier and Gauteng Department of Co-operative Governance & Traditional Affairs to remain engaged with the project.

These ethics support staff were to include a core team of "relationship managers" who would each be allocated one or more municipality that they would take responsibility for. Outside of this core team, there would be other GPG staff members that may also be trained to take on specific responsibilities regarding the Gauteng Municipal Integrity Project (GMIP).

The Ethics Institute would be available on a 'consulting' basis for a specific number of days to provide training and group mentoring to these ethics support staff.

Officials from the district municipalities have accompanied GPG and TEI on their engagements with the local municipalities and may also be capacitated as ethics support staff.

The following is an overview of the planned activities:

1. Capacitate GPG ethics support staff through training and mentoring.
2. Co-mentor municipalities (together with GPG) to institutionalize their ethics strategies with a specific focus on establishment of ethics structures and high-risk areas of recruitment and procurement.
3. Thematic learning forums on high-risk areas for local government practitioners.
4. Co-develop an ethics management monitoring and reporting tool for municipalities.
5. Conduct a repeat Public Sector Ethics Survey.

The following responsibilities were expected from Council during the implementation of the deliverables, contained in MOU2:

1. Identifying and availing appropriate staff to participate in training events, where spaces are available.
2. Ensuring that the staff identified is from positions that will allow them to utilise the skills obtained.
3. Continuing its commitment for participating in the project and strengthening the integrity management capacity of the municipality.
4. Ensuring access to GPG and TEI staff for engagement with the municipalities.
5. Identifying an appropriate Ethics Champion, i.e. a member of executive management, who will drive the project within the municipality and be the GPGs primary contact.
6. Allocate the strategic direction and oversight of the integrity management programme to an appropriate committee.
7. Identify appropriate contact persons and ethics officers to work with the GPG and TEI for the duration of the project.
8. Avail municipal facilities for workshops and meetings where necessary (free of charge).
9. Identifying and availing appropriate staff to participate in the learning forums.
10. Ensuring that the staff identified are from relevant positions that will allow them to participate constructively in the learning forums, and sufficiently senior to allow them to implement learning from the forums.
11. Identifying and availing appropriate staff to participate in the development of the monitoring and reporting tool.
12. Driving the internal consultation processes within the municipality to ensure the adoption of the tool.
13. Utilising the instrument for internal monitoring and reporting purposes.
14. Providing GPG with reports from the tool in line with agreed reporting cycles.
15. Participating in the public sector ethics survey, which might include:
    - Distributing an electronic link to the survey to all staff with e-mail, from the office of the Municipal Manager.
    - Assisting with logistical arrangements for a paper-based roll-out of the survey to staff members.

The project will also run over a 5-year period, i.e. 1 October 2019 to 30 September 2024.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT (SCM) OVERVIEW

Sections 110 – 119 of the Municipal Finance Management Act, Act 56 of 2003, Supply Chain Management (SCM) Regulations 2005 and relevant MFMA Circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money, and minimize the opportunities for fraud and corruption.

SCM Processes are being updated on an ongoing basis to ensure full compliance with the Municipal Finance Management Act (MFMA) and the Regulations issued under the MFMA. The Head of SCM complies with the MFMA minimum competency levels. Approximately 95% of the officials in the SCM Unit are competent with the regulations on minimum competency levels.

The SCM Policy was reviewed for the 2022/2023 financial year and tabled at Council on 22 May 2022. To further strengthen controls, the policy was reviewed to align with the 2022 PPPFA Regulations and a new Preferential Procurement Policy was tabled at the Council on 31 January 2023. The policy dealing with the acceptance of grants, donations and sponsorships was also reviewed for the 2022/2023 financial year. This policy provides guidance to all SCM role-players relative to Sections 47 and 48 of the MFMA SCM Regulations.

The Annual Report on the implementation of the SCM Policy was submitted to Council on 27 July 2023 as per Regulation 6(2)(a)(i). The report covers the SCM Unit organisational structure and personnel as well as compliance to the minimum competency levels of the senior SCM officials.

The structure caters for all elements of SCM with 18 officials within the unit and no vacancies.

An annual stock count was performed during the period under review and discrepancies were reported to Council. No challenges were encountered in implementing the SCM Policy.

The Supply Chain Management system is functional, and all bid committee members were appointed by the Accounting Officer. The Bid Adjudication Committee meetings are open to the public and no councillors are allowed to serve on any SCM committees. Contract management is being adhered to, as stipulated in Section 116 of the MFMA. There is approximately 3700 suppliers on the SCM database, which is updated regularly.

A total of 58 competitive bids to the value of R312 268 829,61 were processed during the year under review, keeping in mind that some are rates-based, and others percentage based. 38 formal written quotations to the value of R4 775 809,47 were processed during the year under review, also keeping in mind that some are rates based. The average turn-around time on the awarding of bids is 90 days. SCM adheres to Circular Number 83 and all tenders above R200 000 are advertised on the e-Tender publication portal.

Deviation from the 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. Regulation 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that the relevant reasons are recorded for any deviations and reported to the next meeting of the Accounting Officer and includes a note to the Financial Statements

Most items mentioned, had to be addressed in short notice and the response times did not allow for the complete procurement process, to be followed. The balance of the items was due to emergency circumstances or uneconomic benefits for the municipality.

The unit is continuously improving its procedures to ensure that Council receives value for money in terms of demand and acquisition management.

Deviations must comply with the policy and requirements, as well as be reported to Council. In these cases, it was for justifiable reasons and all such cases were reported to Council. Deviations for 2022/23 increased by 37.63% compared to R6.2 million of the previous year. The increment is dominated by emergency works that needed to be conducted and that was caused by unforeseen circumstances.

Class	2022	2023
Emergency	3 192 529.96	8 921 525,75
Sole Provider / Accredited Agents	411 352.79	628 956,19
Arts & Historical Objects	-	20 000,00
Impractical or Impossible / Strip & Quote	2 627 116.00	420 178,39
Minor Breaches	-	-

The definitions, per class, reflected in the above table, are listed below:

36. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

36.1 The accounting officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency (breakages after hours, situations that may lead to health, safety hazards or death, serious hampering of official service delivery to the community);

(ii) if such goods or services are produced or available from a single source or sole provider only (e.g. agents/manufacturer/patent holder or items under guarantee);

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case or case or urgency where it is impractical or impossible to follow the official procurement processes (such as strip and quote on rotation basis (36.4), appointment of specialised service providers);

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

36.2 The accounting officer must record the reasons for any deviations in terms of subparagraphs 36.1(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

36.3 Subparagraph 36.2 does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

"Strip & quote:" When it is not certain what repairs and maintenance should be performed on equipment and vehicles and it becomes impractical to obtain quotations, the equipment or vehicle is sent to a supplier who disassembles (strip) it to determine what is wrong with it. Thereafter a quote is issued.

The definitions are explained in detail in the Supply Chain Management Policy.

2.9 BY-LAWS

By-Laws Introduced					
Newly Developed	**Revised**	**Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)**	**Dates of Public Participation**	**By-Laws Gazetted* (Yes/No)**	**Date of Publication**
1. **Draft Informal Trading By-Law** Approved by Council on 29 Aug 2019	No	Not yet started	N/A	No	N/A
2. **Draft Dolomite Risk By-Law** Approved by Council on 25 Mar 2020	No	Not yet started	N/A	No	N/A
**Note: See MSA Section 13*					T 2.9.1

COMMENTS ON BY-LAWS

Section 11(3)(m) of the Municipal Systems Act, 32 of 2000, provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

T 2.9.1.1

2.10 WEBSITE

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current Annual and Adjustments Budgets and all budget-related documents	Yes	14 Feb 2022 Reviewed SDBIP 2 Jul 2021 Special Adjustments Budget 30 Mar 2023 Public Notice (Draft IDP & SDF (2023/2024) 25 May 2023 Final IDP 2023 – 2024 28 Mar 2022 Public Notice (Draft Budget 2022/2023) 2 Jul 2021 Final Budget 2021/2022 4 Aug 2021 Tariff Schedule 2021/2022 4 Aug 2021 Draft Property Tariffs 2021/2022 4 Aug 2021 Property Rates 2021/2022 4 Aug 2021 Final Tariffs Schedule 2021/2022
All current budget-related policies	Yes	3 Jun 2022
The previous Annual Report (2021/2022)	Yes	20 Aug 2022
The Annual Report (2021/2022) published/to be published	Yes	26 Aug 2022
All current Performance Agreements required in terms of Section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	4 Aug 2022
All service delivery agreements	No	-
All long-term borrowing contracts	Yes	-
All supply chain management contracts above a prescribed value	Yes	Monthly
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during Year 1	No	6 Jul 2022
Contracts agreed in Year 0 to which Sub-section (1) of Section 33 apply, subject to Sub-section (3) of that section	No	Not Applicable
Public-private Partnership agreements referred to in Section 120	No	Not Applicable
All quarterly reports tabled in the Council in terms of Section 52(d)		
Quarter 1	Yes	28 Oct 2021
Quarter 2	Yes	24 Jan 2022
Quarter 3	Yes	28 Apr 2022
Quarter 4	Yes	28 Jul 2022

Please also include any other relevant additional documents published on the Midvaal Website		4 Aug 2022 Annual Report on the Implementation of SCM 23 Feb 2022 In-Year Reviewed SDBIP 9 Jul 2021 Final SDBIP 2021/2022 5 Jul 2022 Quarterly report on the Implementation of the SCM Policy for Quarter 3 2 Nov 2021 Quarterly report on the Implementation of the SCM Policy for Quarter 1 6 Dec 2021 Appointment of Performance & Audit Committee Member 28 Jan 2022 Mid-term Reports
		T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Midvaal's Website complies with all requirements of Section 75 of the MFMA. The Council's website address is: www.midvaal.gov.za

All Council's Libraries have computers with free internet access through which the public has access to Council's Website and the information at the following libraries:

- Meyerton
- De Deur
- Henley on Klip
- Randvaal
- Lakeside
- Bantu Bonke
- Sicelo

T 2.10.1.1

2.11 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

OVERVIEW

Since 1 July 2023 to 30 June 2023, Midvaal has in sourced the management of its complaint hotline and introduced an integrated Citizen engagement system for incident logging and complaints. The statistics for the above- mentioned period under review are as follows:

CRITERIA	Overall total of Complaints
Complaints received per department	28 261
Number of complaints resolved	18 240
Number of complaints open	10 020
Number of complaints carried over to new Quarter	10 020
% Cases Closed	65%
% Case Open	25%

CORPORATE SERVICES	Q1	Q2	Q3	Q4	Total
Complaints received per department	0	0	0	0	**0**
Number of complaints resolved	0	0	0	0	**0**
Number of complaints open	0	0	0	0	**0**
Number of complaints carried over to new Quarter	0	0	0	0	**0**
% Cases Closed	0	0	0	0	**0**
% Case Open	0	0	0	0	**0**

FINANCE SERVICES	Q1	Q2	Q3	Q4	Total
Complaints received per department	104	156	123	83	**466**
Number of complaints resolved	84	23	101	82	**290**
Number of complaints open	20	133	22	1	**176**
Number of complaints carried over to new Quarter	16	110	52	1	**179**
% Cases Closed	81%	15%	82%	99%	62%
% Case Open	19%	85%	18%	1%	38%

DEVELOPMENT & PLANNING	Q1	Q2	Q3	Q4	Total
Complaints received per department	327	271	281	322	**1 201**
Number of complaints resolved	321	269	249	318	**1 157**
Number of complaints open	6	2	32	4	**44**
Number of complaints carried over to new Quarter	8	1	33	2	**44**
% Cases Closed	98%	99%	89%	99%	96%
% Case Open	2%	1%	11%	1%	4%

COMMUNITY SERVICES	Q1	Q2	Q3	Q4	Total
Complaints received per department	321	392	480	277	**1 470**
Number of complaints resolved	303	343	411	203	**1 260**
Number of complaints open	3	46	69	74	**192**
Number of complaints carried over to new Quarter	15	35	54	85	**189**
% Cases Closed	94%	88%	86%	73%	86%

% Case Open	6%	12%	14%	27%	13%
ENGINEERING SERVICES	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
Complaints received per department	5 928	6 896	6 853	5 658	**25 335**
Number of complaints resolved	5 192	5 903	5 073	4 223	**20 391**
Number of complaints open	736	993	1 779	1 435	**4 943**
Number of complaints carried over to new Quarter	783	994	1 547	1 598	**4 922**
% Cases Closed	88%	86%	74%	75%	80%
% Case Open	12%	14%	26%	25%	20%

PUBLIC SAFETY AND ROADS SERVICES	Q1	Q2	Q3	Q4	Total
Complaints received per department	262	681	1082	686	**2711**
Number of complaints resolved	46	124	152	192	**514**
Number of complaints open	216	557	930	494	**2197**
Number of complaints carried over to new Quarter	216	557	930	494	**2197**
% Cases Closed	17.56%	18.21%	14.05%	27.99%	**18.96%**
% Case Open	82.44%	81.79%	85.95%	72.01%	**81.04%**

Customer satisfaction surveys are undertaken monthly by the Call Centre and are based on contacting residents who have interacted or lodged incidents through the My Midvaal Call Centre.

The first quarter survey, predominantly focused on six key questions which helped guide the Call Centre in establishing its effectiveness in its first 100 days which are as follows:

- Did you easily find the Call Centre Number?
- Did you easily find the recently launched My Midvaal App?
- How would you rate the level of service received from the technician
- How would you rate the level of service received by the Call Centre Agent
- How likely are you to recommend the Call Centre or App to your friends and family?

The first survey was distributed via the My Midvaal App to 10 231 residents. Feedback was received from 52 respendings which represents 1% of total users who have been reached.

In the Quarter 2 of the operational running of My Midvaal Call Centre, both the My Midvaal App and Call Centre agents conducted telephonic surveys in addition to the deployment of the survey via the My Midvaal App. This assessed the varying levels of satisfaction in the different departments. The table below represents the satisfaction survey results for Quarter 4 of the 2022/2023-financial year:

Satisfaction Surveys Undertaken during 2022/2023 Survey period: 1 July 2022 – 30 June 2023				
Subject matter of survey	**Survey method**	**Survey date range**	**Number of people included in survey**	**Survey results indicating satisfaction or better by respondents (%)***
Satisfaction with:				
(a) Engineering	Complaints Register and Telephony survey	1 Jul 2022 – 30 Jun 2023	1864	98%
(b) Community Services	Complaints Register and Telephony survey	1 Jul 2022 – 30 Jun 2023	20	80%
(c) Finance Services	Complaints Register and Telephony survey	1 Jul 2022 – 30 Jun 2023	33	100%
(d) Development and Planning	Complaints Register and Telephony survey	1 Jul 2022 – 30 Jun 2023	41	98 %

(e) Public Safety and Roads	Complaints Register and Telephony survey	1 Jul 2022 – 30 Jun 2023	03	100%
** The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory*				

T 2.11.2

T 2.11.1

1. Sample size of survey is 133 which were approached to participate and only 73 provided actual feedback.
2. The percentage satisfied from collected survey response is: 55%
3. Other service delivery areas include issues such as overgrown stands, non-compliance of illegal businesses and illegal advertising
4. Petitions are also accepted which have been submitted to the Speaker's Office

T 2.11.2.1

COMMENTS ON SATISFACTION LEVELS

1. Members of the public are invited to complain via the Complaints Desk, the Website, E-mail or Walk-in's
2. Other complaints are received via the Premier's Hotline and Presidential Hotline
3. Complaints/enquiry numbers are listed on Midvaal's Website, external newsletter known as the Midvaal News
4. A quarterly customer satisfaction survey is distributed via the App for residents to provide feedback on their experience of using the Call Centre as well as service delivery.

T 2.11.2.2

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

(PERFORMANCE REPORT (PART I)

INTRODUCTION

Services rendered by Midvaal include water, wastewater (sanitation), electricity, waste management and housing services.

T 3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION

There are many households located in informal areas, where water is delivered by water tanker trucks or standpipes, but sanitation is restricted to bio-chemical installations, chemical toilets and other systems of sanitation. Formal areas should be developed where services can be provided in an economically sustainable way. Some of the rural areas utilise boreholes to provide water for consumption.

T 3.1.0

3.1 WATER PROVISION

INTRODUCTION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

System Overview

The municipal bulk water infrastructure consists of forty-two (42) direct connections from Rand Water, eleven (11) Storage Reservoirs and combined water pipelines ranging from 25 mm to 800 mm diameter approximately totaling 1 041 km in length. A total of 4 treated water pump-stations are situated within the municipality whereby they pump into the water distribution system and into storage reservoirs. The Vaal Marina Water Treatment Plant has a capacity to produce 10ML/day. Approximately 93% of water pipelines are AC Pipes and have reached their lifespan, hence during the winter season the rate of bursting pipes is quite high.

The conditions of the above equipment must always be good to ensure there is no disruption of service hence the department has developed operation and maintenance manuals which guides in the preventative maintenance programs that are required. The full operationalisation of the manuals is being hampered by the lack of resources.

Water Section Work: Operations and Maintenance

Water Section Work

The potable water supply services consist of the bulk water abstractions, purifications at the Water Purification Works, bulk water distributions to water storage reservoirs, distributions to different residential and industrial reticulations to different levels of consumers and metering of individual consumer's consumption and customer services.

A water section involves eight categories of operations and maintenance works. These are:

1. Water leak repairs
2. Installation of water meters
3. Responding to water meter leakages,
4. Water pump-stations operations and maintenance
5. Pressure reducing valve operations and maintenance
6. Water storage reservoirs operations and maintenance
7. Water treatment plant operations and maintenance
8. Potable water
9. Water Quality management

It is also responsible for the water services provision that is measured through the Blue Drop Certification process which is administered by the Department of Water and Sanitation. This feeds into the Blue Drop System (BDS) now known as IRIS (Integrated Regulatory Information System), which informs the Department of Water and Sanitation about the quality of water service provision in Midvaal, as well as the water service provision risk profile. It is also involved in the revenue protection services of the municipality in conjunction with the Finance Department.

Approximately 38 046 households are provided with potable water from the two bulk potable water purification works namely, Vaal Marina Water Purification Works owned by Midvaal Local Municipality and Zuikerbosch Water Purification Plant owned by Rand Water. Raw water is extracted from the Vaal Dam and Vaal River respectively and pumped into two water purification works. Raw water is treated, purified and disinfected to comply with the SANS 0241 standard for the water fit for human consumption.

Midvaal has contracted Rand Water to operate the Vaal Marina Purification Works on its behalf with clear deliverables as per the service level agreement. The Vaal Marina Water Purification Works has a design capacity of 10 ML/day and is currently operating within its design capacity, with the peak demand within the average of 2 mL/day. The Rand Water's Zuikerbosch Plant delivers an average of 30 ML/day into Midvaal's Meyerton Water Supply Scheme, as per the service level agreement. The bulk water provider is evaluated through the conditions of contract stipulated in the Service Level Agreement (SLA). Forty-two (42) metered connection points are available to measure the water that is pumped from Rand Water into the Midvaal water supply system and monthly billing is taking place per these metered points.

Purified water is pumped into different reservoirs and through direct Rand Water connections into the Midvaal municipality reticulation system. All households within developed urban and peri-urban areas are supplied through a water meter, which is used to determine the quantity of water consumed by a particular household. Informal settlements that are not reticulated, receive water through the mobile water tankers and public standpipes. Plastic tanks, positioned around the settlements, are used as a storage point for the informal settlements communities to fetch water from. Bigger informal settlements storage tanks and standpipes are supplied through direct metered water pipelines, connected to the water network. Water delivered through mobile water tankers is recorded at designated filling points to enable accountability of water delivered to Midvaal's Meyerton Water Supply Scheme, as per the service level agreement, which is used to evaluate the performance of the service provider. 42 metered connection points are available to measure the water that is pumped from Rand Water into the Midvaal Supply System and monthly billing is taking place per these metered points.

Purified water is pumped into different reservoirs and direct connection owned by Midvaal and reticulated to households through pipelines. All households within developed urban and peri-urban areas are supplied through a water meter, which is used to determine the quantity of water consumed by a particular household. Informal settlements that are not reticulated, receive water through the mobile water tankers and public standpipes. Plastic tanks, positioned around the settlements, are used as a storage point for the informal settlements communities to fetch water. Bigger informal settlements storage tanks and standpipes are supplied through direct metered water pipelines, connected to the water network. Mobile water tankers are measured at filling points to enable accountability of water delivered to informal settlements.

Complaints

The Department: Engineering Services manages and administers public complaints through the Complaints Desk. The complaints received, are escalated to the operating teams for attendance. Operating teams attend to registered complaints, as per priority, depending on the workload for the day. The complaints include pipe bursts, water meter leaks, faulty meters, water interruptions, etc. Due to shortage of resources, teams are not able to attend to all complaints hence there are still complaints that are rolled over every month. The municipality continues to endeavour to fully equip the maintenance teams although the process is slow due to competing priorities.

Water Quality and Risk Management Blue Drop

Engineering Services has two complementary water quality monitoring sampling programmes. One is done in partnership with Rand Water, which is on the consumer taps, whilst the other is conducted by an external service provider, which includes water quality management from catchment to consumer tap points. The quality of the potable water supplied, conformed to the standards of drinking water quality regulated by the Department of Water and Sanitation.

The average potable water quality compliance is 99 % in terms of SANS 0241.

Other tap samples are analysed by Rand Water in their accredited laboratories while the remainder of the samples are analysed by the service provider in their accredited laboratories. This data is uploaded into the Blue Drop System (BDS) now known as IRIS (Integrated Regulatory Information System) which is administered by the Department of Water and Sanitation (DWS). Meetings are held on a quarterly basis, with Rand Water and DWS to discuss water quality matters as well as Blue Drop Regulatory Framework matters. These fora provide platforms for discussing in detail various issues such as safety of water supply, known as the water safety plan, water quality, water supply infrastructure maintenance programs, service level agreements, chlorine levels, communication protocols and the tap sampling programme.

Midvaal's Blue Drop status is still at 94%.

The Water Safety Plan is reviewed annually. This has a risk register that must be implemented and reported. The maintenance of pump-stations, pressure release valves (PRVs) and reservoir cleaning is sourced from this register.

Revenue Protection and Water Conservation

The Water Section also assists revenue protection by attending to water leaks and maintenance of reservoirs and pressure release valves (PRVs) which further prevents water losses. The Water Section also assists with troubleshooting of water meters.

The approved Five-year Water Demand Management Plan is being implemented and monitored. Below are water loss/non-revenue water reduction plan projects implemented to reduce water losses.

Pipe Replacement Programme

The target for the pipe replacement programme was 17 km and 14.22 km of old asbestos cement water network pipeline ranging from 75 mm diameter to 315 mm were replaced with uPVC pipes. Due to budget constraints the target could not be achieved. Work was done in the following areas:

Project Area	Length of pipeline replaced	Type of pipe replaced	Replaced with (Type of Size)	Project Value in Rand
Sicelo	1 km	N/A	Installation of new uPVC Plastic	R13 000 000.00
Vaal Marina	4 km	Asbestos	uPVC Plastic	
De Deur	9.22 km	Asbestos	uPVC Plastic	
Total	**14.22 km**			

Replacements and Refurbishment of Pressure Releasing Valves (PRV's)

A total of 3 out of a target of 5 new Pressure Releasing Valves (PRVs) were installed to improve pressure management in the water network at the following area. The target could not be achieved due to budget constraints.

1. Walkerville (Spioenkop) PRV 01
2. Drumblade PRV 26
3. Walkerville PRV 1B

Meter installation and replacement project: Bulk Water Meters and Pre-Paid Water Meters project

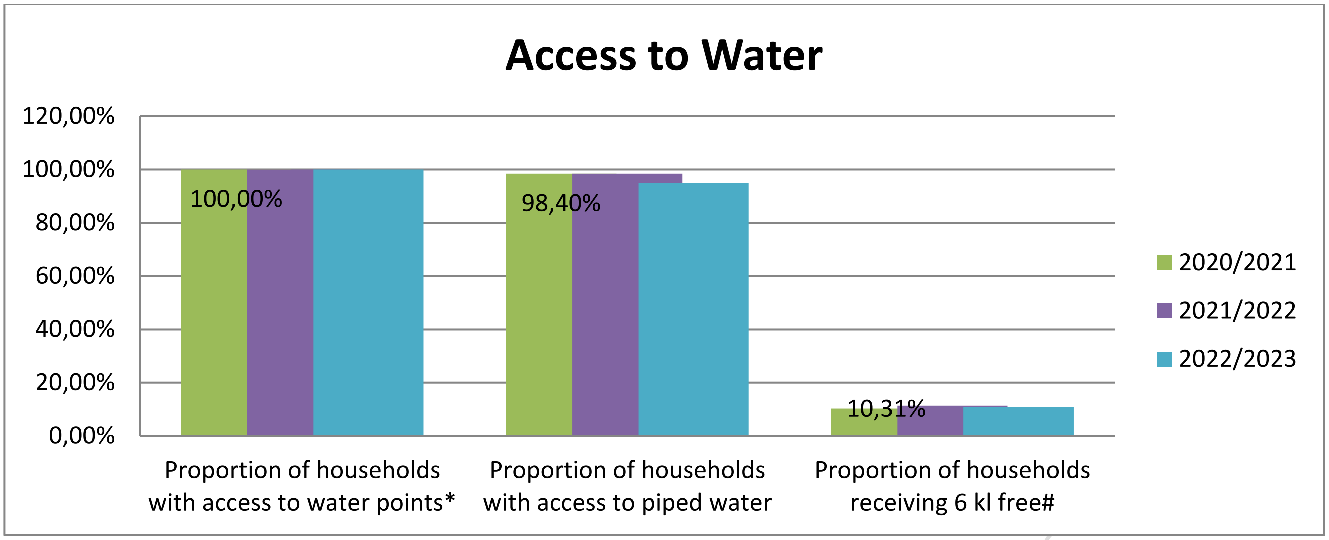
Through the water meter replacement programme, 23 old bulk water meters in Meyerton Town and 2 350 old residential water meters in Savanna City and Lakeside were replaced with prepaid water meters to address the high water-loss challenges as well as water meter inaccuracies. The annual target was 1 800 units.

Water Reticulation Valves Replacement and Installation

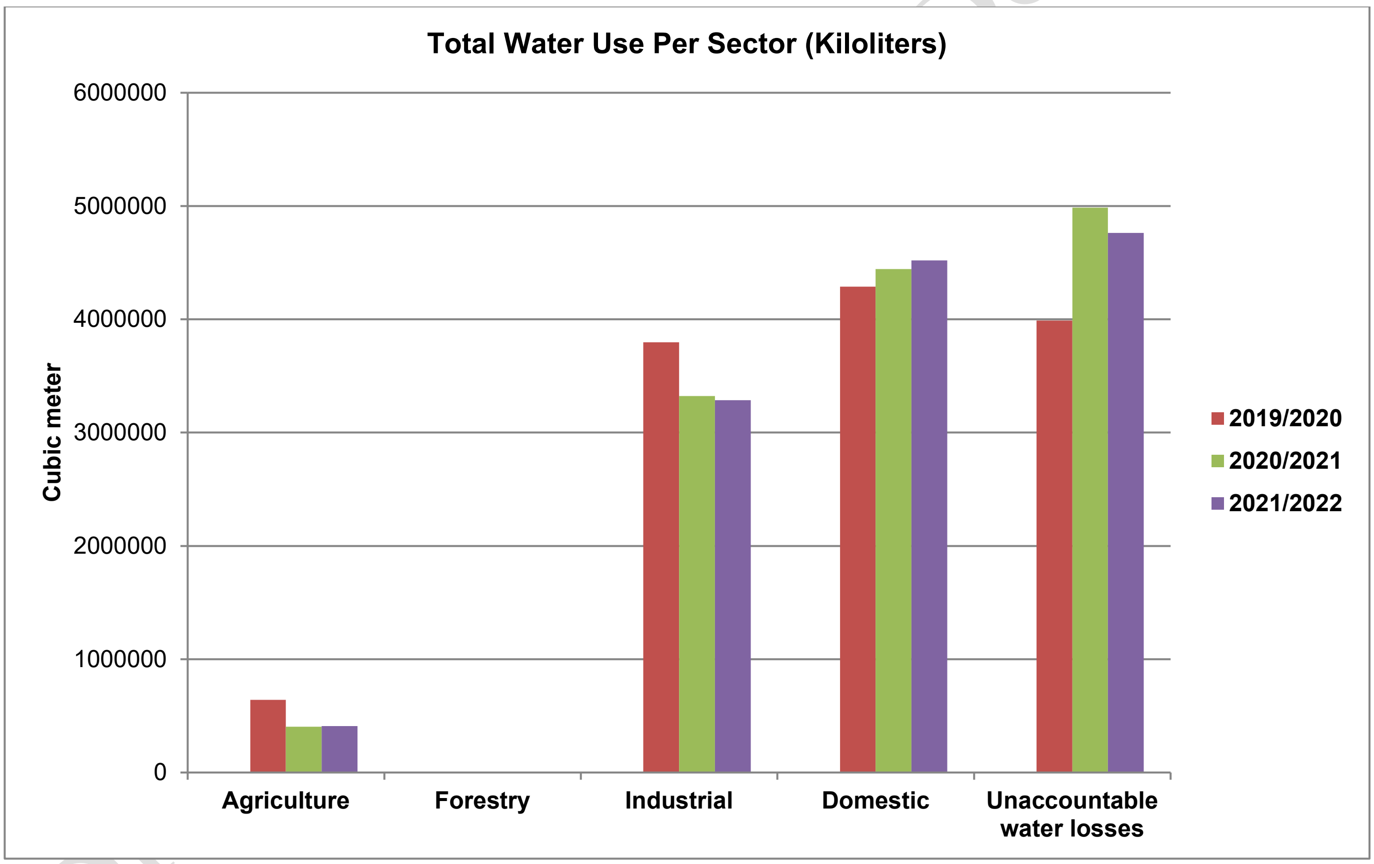
Through the project of valve replacement and installation, 43 new water reticulation valves have been installed across Midvaal Local Municipality areas to assist with operations and maintenance of water reticulation infrastructure. The annual target was 70 valves. The target was not achieved due to budget constraints.

T 3.1.1

Total Use of Water by Sector (kiloLitres (kL)					
	Agriculture	**Forestry**	**Industrial**	**Domestic**	**Unaccountable Water Losses**
2019/2020	641 705	0	3 797 515	4 287 374	3 990 381
2020/2021	404 049	0	3 323 399	4 444 549	4 986 002
2021/2022	410 802	0	3 286 419	4 518 826	4 763 234
					T 3.1.2



T 3.1.5



T 3.1.2.1

COMMENT ON WATER USE BY SECTOR

Although there are many farm portions in Midvaal, most of it is not connected to municipal water networks and use own boreholes or are connected to Rand Water pipelines. The water allocated to agriculture is thus low. The biggest portion of the water demand is evenly spread between domestic and industrial. Water demand for these sectors will be rising in near future seeing that there are plans for both industrial and housing developments, especially the R59-Corridor and Savanna City Developments.

T 3.1.2.2

Water Service Delivery Levels				
				Households
Description	2019/2020	2020/2021	2021/2022	2022/2023
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
***Water:* (above min level)**				
Piped water inside dwelling	28 282	29 046	29 322	29 536
Piped water inside yard (but not in dwelling)	9 132	103	103	315
Using public tap (within 200m from dwelling)	509	123	123	3 732
Other water supply (within 200m)	38 046	38 046	38 046	2 632
Minimum Service Level and Above sub-total	75 969	67 318	67 594	36 215
Minimum Service Level and Above Percentage	100%	100%	100%	95%
***Water:* (below min level)**				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling	0	0	0	0
No water supply				
Below Minimum Service Level sub-total	–	–	–	2 107
Below Minimum Service Level Percentage	0%	0%	0%	5%
Total number of households*	**76**	**67**	**68**	38 322
** - To include informal settlements*				*T 3.1.3*

Households - Water Service Delivery Levels below the minimum						
						Households
Description	2019/2020	2020/2021	2021/2022	2022/2023		
	Actual	Actual	Actual	Original Budget	Adjustments Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	28 046	38 046	38 322	38 322	38 322	38 322
Households below minimum service level	0	0	0	2 107	2 107	2 107
Proportion of households below minimum service level	0%	0%	0%	5%	5%	5%
Informal Settlements						
Total households	509	509	509	509	509	5837
Households ts below minimum service level	509	509	509	509	509	2107
Proportion of households ts below minimum service level	100%	100%	100%	100%	100%	36%
						T 3.1.4

Water Service Policy Objectives Taken From IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T 3.1.6

Employees: Water Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 – 3	1	1	1	0	100%
4 – 6	5	6	5	1	83%
7 – 9	12	16	15	1	93%
10 – 12	6	6	6	0	100%
13 – 15	29	32	26	6	81%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	**53**	**61**	**53**	**08**	**86.8%**
					T 3.1.7

Financial Performance 2022/2023: Water Services R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	247 129	314 992	295 221	289 843	-2%
Expenditure:					
Employees	22 511	24 467	23 330	22 606	-3%
Repairs and Maintenance	30 272	32 256	36 511	34 913	-4%
Other	138 056	122 031	129 573	150 039	16%
Total Operational Expenditure	190 838	178 754	189 414	207 558	10%
Net Operational Expenditure	56 291	136 238	105 807	82 285	-22%

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

T 3.1.8

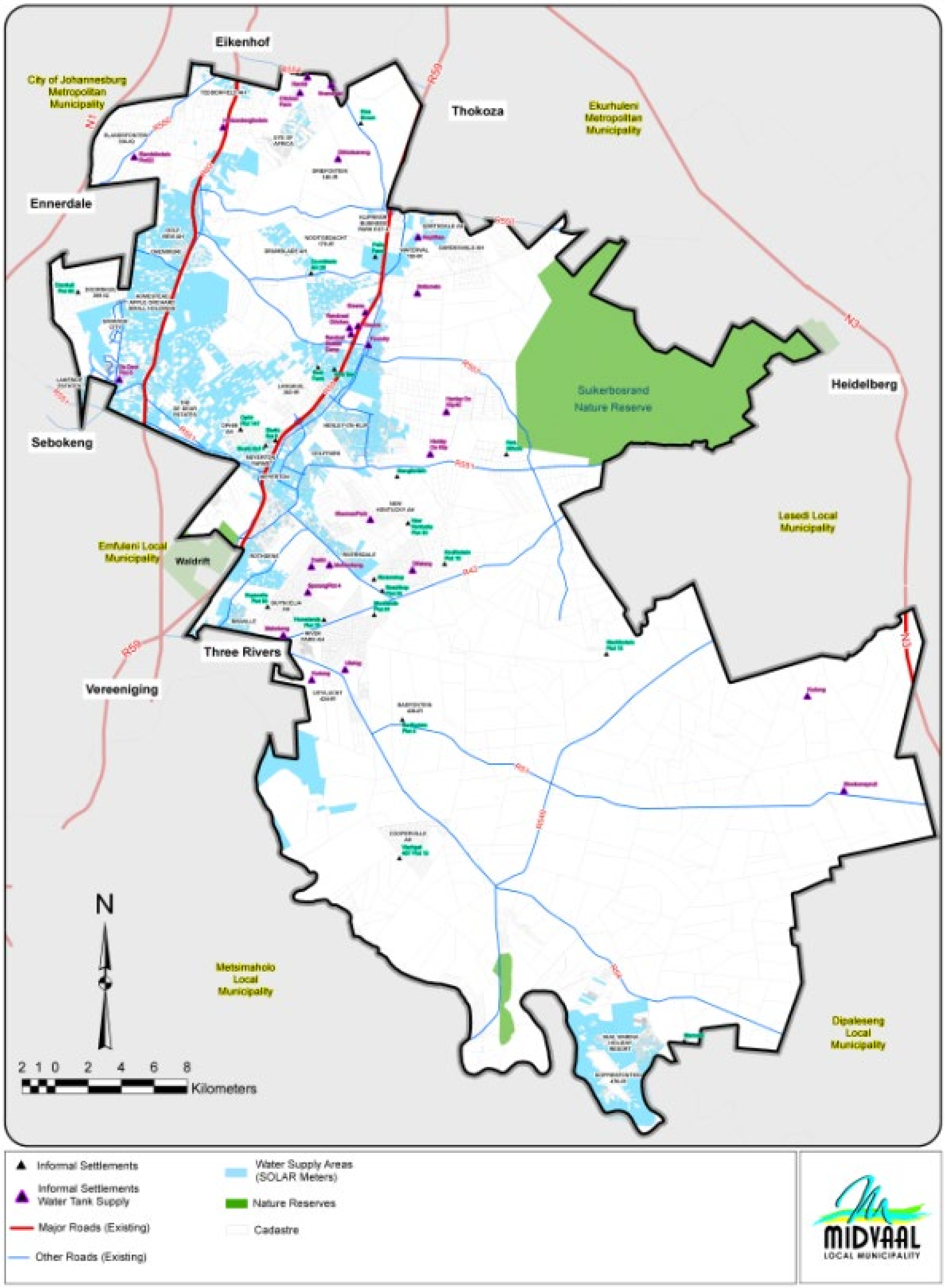
Capital Expenditure: Water Services R' 000				
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
AGED BULK WATER PIPE REPLACEMENT	13 864	13 864	13 864	0%
BULK WATER METERS	2 000	2 000	1 999	0%
PORTABLE WATER PUMP	200	458	458	0%
PRE-PAID WATER METER PROJECT	2 000	1 982	1 750	-12%
PRESSURE MANAGEMENT INFRASTRUCTURE	1 000	1 000	998	0%
REFURBISHMENT VAAL MARINA WATERTREATM	1 000	1 000	985	-1%
REFURBISHMENT/REPLACEMENT-SUPPLY VALVES	1 000	1 000	998	0%
RESERVIOR REFURBISHMENT - W/L PROGRAMME	1 500	1 500	1 410	-6%
RISSIVILLE WATER NETWORK (NEW)	9 300	9 398	9 215	-2%
SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	5 349	5 958	5 949	0%
WATER INFRASTRUCTURE	10 192	10 192	10 191	0%
WATER METER REPLACEMENT PROGRAMME	250	250	250	0%
Total	**47 655**	**48 602**	**48 068**	**-1%**
				T3.1.9

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

The IDP and budget are linked and therefore IDP targets are attainable. Performance targets were met for the current year. The portion of the budget which was spent amounts to 92.68%.

T 3.1.10

ANNUAL REPORT 2022 - 2023
Provision of Water Map



3.2 WASTEWATER (SANITATION) PROVISION

INTRODUCTION

Sanitation Provision

The provision of sanitation services is broken down into water-borne (flush toilets) systems connected to the sewer network, pumped into various wastewater treatment works for purification, before it is discharged into the river and waterborne-system connected to septic tanks, which are emptied on a frequent basis for disposal at wastewater treatment works as well as chemical toilets, Ventilated Improved Pit Latrine (VIP) toilets and pit latrines, which are maintained on a regular basis. Midvaal does not have any bucket sanitation.

The chemical toilets are provided per need and each household is provided. especially in the highly densified informal settlements. The VIP are shared and the Municipality provided an additional 50 units in 2021/2022 to add to the 100 units done in 2020/2021.

Water-borne (Flush toilets) connected to sewerage

There are 24 319 households with flush toilets connected to a water-borne system infrastructure sewerage system. Wastewater is collected from households that are connected to the system through the reticulation pipelines into different smaller sewer pump-stations around Midvaal. These pump-stations are pumping into the main sewer pump- station which is Rothdene Sewer Pump-station which then further pumps to the Meyerton Wastewater Treatment Works (WWTW). There are approximately 35 sewer pump-stations within that pumps to the Meyerton Wastewater Treatment Works (WWTW). There are approximately 35 sewer pump-stations within Midvaal and conditions differ from fair to good. The Rothdene Pump-station was refurbished during the 2018/2019-financial year. A new 900 mm diameter pipeline from Rothdene to Meyerton wwtw was commissioned by the Department of Water and sanitation in November 2023.

There are five wastewater treatment works within Midvaal:

1. Meyerton Wastewater Treatment Works
2. Vaal Marina Wastewater Treatment Works
3. Ohenimuri Wastewater Treatment Works
4. Bantu Bonke Wastewater Treatment Works
5. Eye of Africa Wastewater Treatment Works

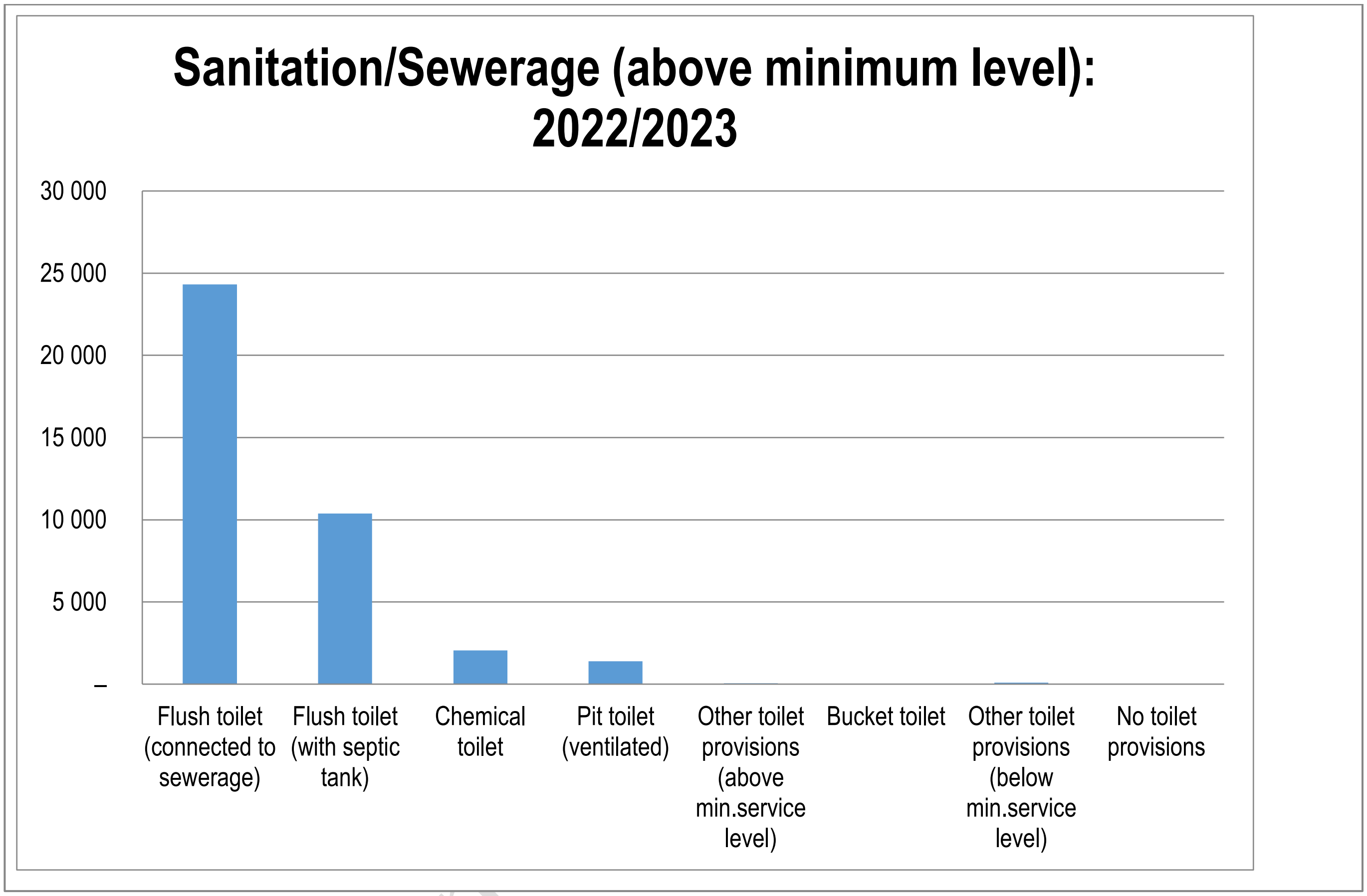
Meyerton WWTW is the largest in the municipality and has a design capacity of 10 mL/day. The treatment works is currently being planned to be upgraded to 25 mL/d capacity by Randwater as the Implementing Agent through RBIG Funding. It services the areas of Meyerton, Daleside, Sicelo, Meyerton Farms, Rothdene, Henley on Klip, Riversdale, Rust-ter-Vaal/Roshnee (Emfuleni). The plant currently treats on average dry weather flow of 12 mL/day and 15 mL/d average wet weather flow. A total of 646 923 m^3/year was treated during the 2021/22-financial year. 12 mL/day and 16 mL/d average wet weather flow. A total of 572 518 m^3/year was treated during the 2021/22-financial year

Ohenimuri WWTW has a design capacity of 0.5 mL/day. It services the areas of Walkerville. The plant is operating within its design capacity. The plant is in a state and it is complying with the prescripts of Department of Water & Sanitation (DWA) for wastewater effluent. During the 2017/18-financial year, the various components of the works were refurbished at a cost of R660 000 to improve the effluent quality discharged from the works. A total of 19 031 kL (19 mL/annum) was treated during the 2019/2020-financial year. A total of 52 987 m^3/year was treated during the 2021/2022-financial year. A total of 16 439 m^3/year was treated during the 2022/2023-financial year.

Vaal Marina WWTW has a design capacity of 2 mL/day. It services the areas of Vaal Marina. The plant is operating within its design capacity. The plant is in a fairly state, but it is not compliant with the prescripts of the Department of Water and Sanitation for wastewater effluent due to design capacity challenges. License limits are not achievable within the capacity of the current infrastructure. Non-compliance is due to high levels of Nitrate, Phosphate and Electrical conductivity. The infrastructure was designed for General Limits; no provision is made for denitrification. A total of 114 562 m^3/year was treated during the 2021/2022-financial year. The plant currently treats an average dry weather flow of 0.2 mL/d. A total of 193 864 m^3/year was treated during the 2022/2023-financial year. The plant currently treats an average dry weather flow of 0.5 mL/d.

Bantu Bonke WWTW has a design capacity of 100 m³/day. It services the area of Bantu Bonke. The plant is operating within its designed capacity. The plant is in a state and it is complying with the prescripts of Department of Water & Sanitation (DWS) for wastewater effluent. During the 2018/2019-financial year, the various components of the works were refurbished to improve the effluent quality discharged from the works. A total of 21 062.09 m³/year was treated during the 2021/2022-financial year. A total of 78 643 m³/year was treated during the 2022/2023-financial year.

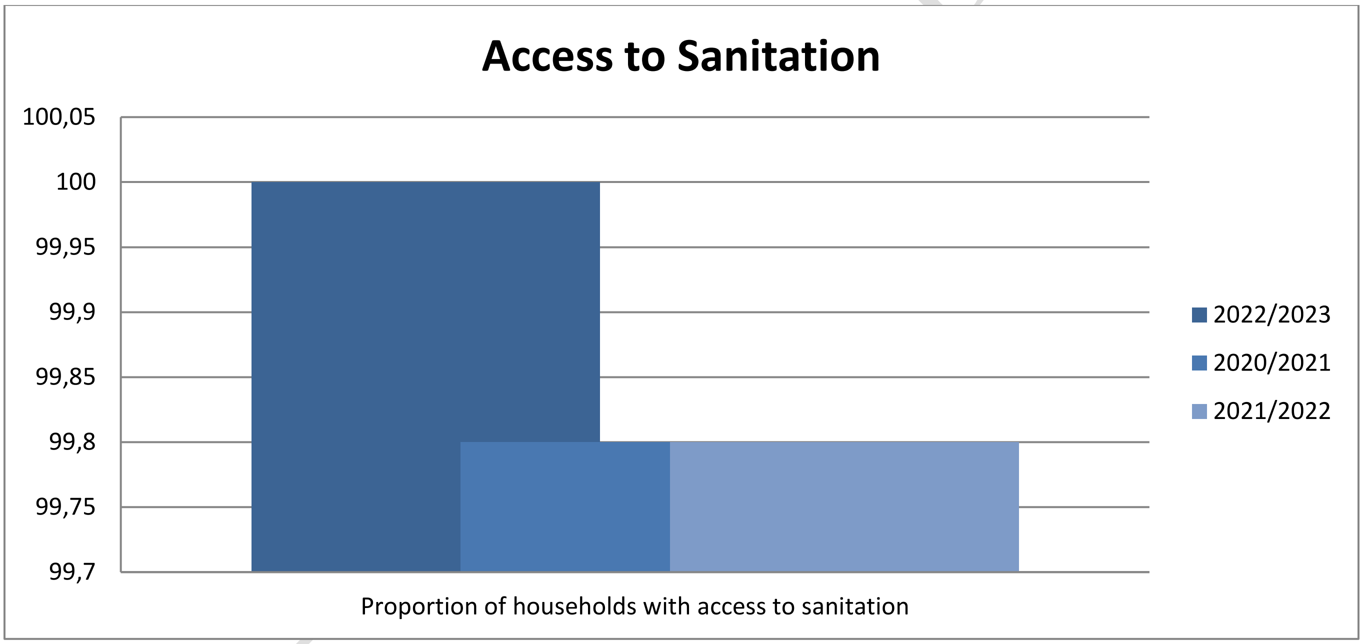
T 3.2.1



Sanitation Service Delivery Levels			
			*Households
Description	2020/2021	2021/2022	2022/2023
	Outcome	Outcome	Actual
	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**			
Flush toilet (connected to sewerage)	24 239	24 278	24 319
Flush toilet (with septic tank)	10 385	10 385	10 385
Chemical toilet	2 044	2 044	2 044
Pit toilet (ventilated)	1 350	1 400	1 400
Other toilet provisions (above min.service level)	42	42	42
Minimum Service Level and Above sub-total	38 060	38 149	38 190
Minimum Service Level and Above Percentage	99,8%	99,8%	99,8%
Sanitation/sewerage: **(below minimum level)**			
Bucket toilet	–	–	
Other toilet provisions (below min.service level)	86	86	86

No toilet provisions	–	–	
Below Minimum Service Level sub-total	86	86	86
Below Minimum Service Level Percentage	0,2%	0,2%	0,2%
Total households	**38146**	**38235**	**38276**
****Total number of households including informal settlements***			*T 3.2.3*

Households - Sanitation Service Delivery Levels below the minimum						
						Households
Description	Year -3	2020/2021	2021/2022	2022/2023		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	38 046	38 807	38 149	38 149	41	38 190
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	3 422	2 661	2 552	2 552	0	2 552
Households ts below minimum service level	86	86	86	86	0	86
Proportion of households ts below minimum service level	3%	3%	3%	3%		3%
						T 3.2.4



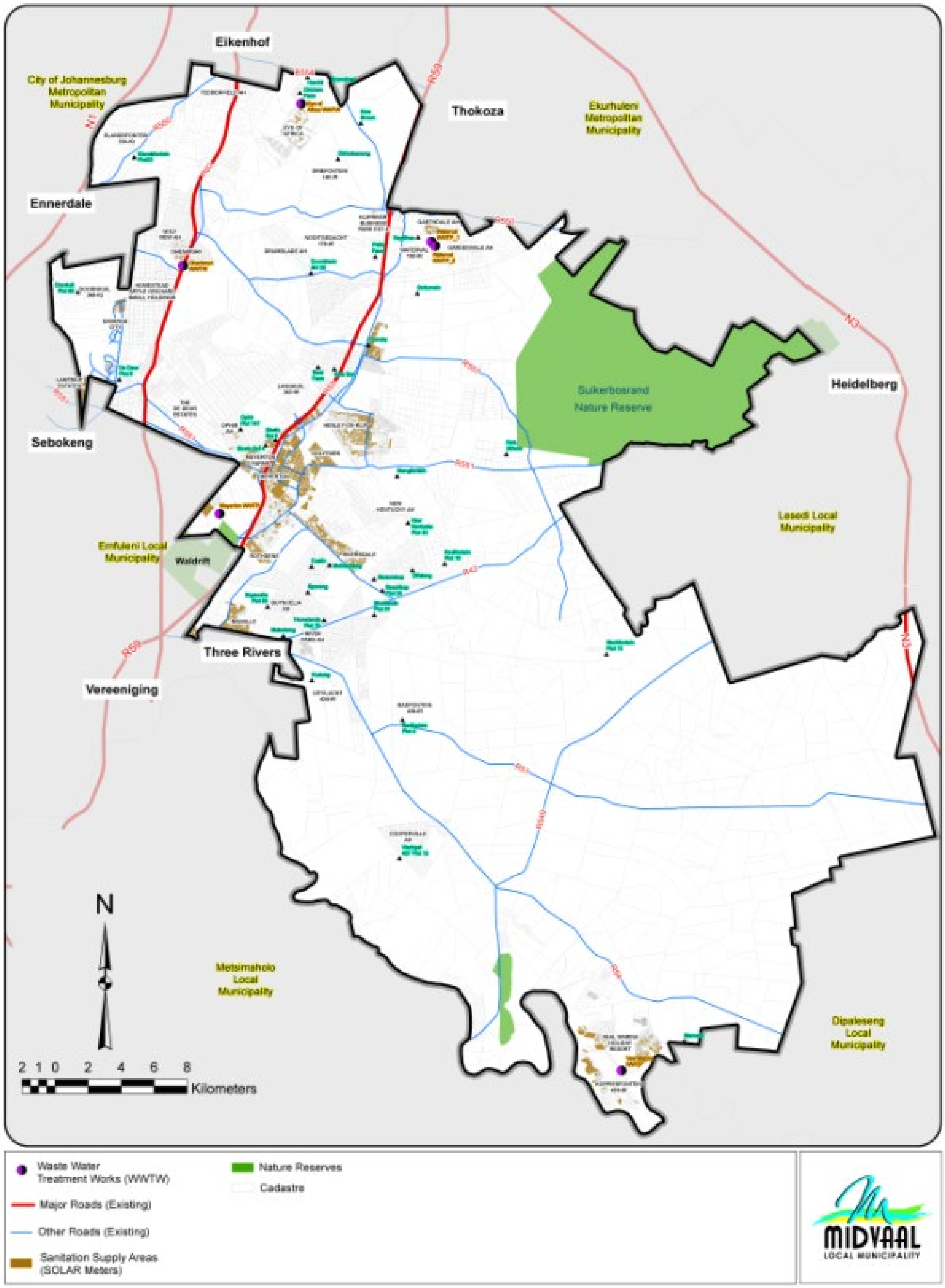
T 3.2.5

Sanitation Service Policy Objectives Taken From IDP							
Service Objectives *Service Indicators* (i)	**Outline Service Targets** (ii)	**2020/2021**			**2021/2022**		**2022/2023**
		Target		**Actual**	**Target**		
		***Previous Year** (v)	***Current Year** (vi)	(vii)	***Current Year** (viii)	***Current Year** (ix)	***Following Year** (x)
See Annexure T							
							T3.1.6

Employees: Sanitation Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	0	1	100%
4 - 6	13	13	10	3	76.9%
7 - 9	17	26	18	8	69%
10 - 12	23	24	22	2	78.5%
13 - 15	23	23	22	1	95.6%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**67**	**87**	**72**	**15**	**82.7%**
					T 3.2.7

Financial Performance 2022/2023: Sanitation Services R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	73 154	73 978	73 998	80 578	9%
Expenditure:					
Employees	25 371	27 955	28 812	27 605	-4%
Repairs and Maintenance	35 988	40 500	40 726	39 025	-4%
Other	5 466	752	5 812	10 787	86%
Total Operational Expenditure	**66 825**	**69 207**	**75 350**	**77 417**	**3%**
Net Operational Expenditure	**6 328**	**4 771**	**(1 351)**	**3 160**	**-334%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.2.8

ANNUAL REPORT 2022 - 2023
Provision of Sanitation Map



Capital Expenditure: Sanitation Services (Sewerage)				
				R' 000
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
COMBINATION HIGH PRESURE JETTY MACHINE -	2 500	5 000	957	-81%
EQUIPMENT & TOOLS		305	289	-5%
EXTEND SEWER NETWORK				0%
EXTENSION TO HENLEY ON KLIP SEWER		4 061	4 061	0%
EXTENSION TO HENLEY ON KLIP SEWER				0%
GAS DETECTOR EQUIPMENT	500	195	195	0%
INSTALLATION OF ONSITE TOILETS				0%
NEW SEWER CONNECTIONS				0%
PUMPSTATION REFURBISHMENT AND UPGRADE -	1 000	1 000	901	-10%
REPLACEMENT OF PUMPS				0%
SEWER CONNECTIONS NEW	3 000	3 000	2 999	0%
Total	**4 000**	**13 561**	**9 403**	**-31%**
				T3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

Ohenimuri and Vaal Marina Wastewater Treatment Works are operating in a good treatment capacity with regard to the National Water Act, General Authorization Effluent Discharge Standards however, Vaal Marina WWTW is not designed in line with the requirements of the licence, in terms of effluent discharge standards. Meyerton Wastewater Treatment Works is not compliant with the National Water Act, General Authorization Effluent Discharge Standards due to the high hydraulic capacity challenge that the plant is experiencing. The plant is in the process of being upgraded to 25 mL to increase the hydraulic design capacity, which will improve the effluent compliance challenge, the works is experiencing.

The upgrade of Meyerton WWTW this will ensure better compliance figures and will reflect positively in the Green Drop Assessment, as well as compliance to the effluent discharge standards. The upgrade of the works is funded by the Department of Water and Sanitation through its RBIG funding scheme. Rand Water is appointed by the Department of Water and Sanitation to implement the project. The construction was expected to be completed by 2019 but it has been not completed due to challenges faced by DWS and Rand Water. The evaluation for the tender to complete the upgrade works closed *in May 2022 and evaluation is in progress. A contractor is expected on site early 2024.

Reticulation of the Henley on Klip project has reached practical completion. This will ensure that the residence of this area are disconnected from the existing septic tanks systems and are connected to the waterborne sewer system.

T 3.2.10

3.3 ELECTRICITY

INTRODUCTION

Recent legislation includes the Electricity Amendment Acts 1989, 1994, 1995 and the Electricity Regulation Act, 2006

Formal households in the Midvaal licenced electricity supply areas have access to electricity. In the rest of the Midvaal supply area where Eskom is the service provider, most formal households are electrified. Langkuil 363-IR (Kuvuki land) informal settlements provided with electricity with over 190 connected house-holds and to date the 88 kV bulk electricity connection line for future electrification of other informal areas (I.e. Sicelo Ext 4&5)and other surrounding areas have been completed, at a total cost of R28 millions which was funded by the Department of Energy and the Council. The 20 MVA sub-station to supply the Sicelo and surrounding areas, and the planned development along the R59 corridor is completed. Midvaal applied for additional funding from the Department of Minerals Resources & Energy to electrify the Sicelo Informal Settlements, which was approved in the 2023/2024-financial year.

The proposed targets for the Electrical Section are set in terms of the following categories:

1. Distribution losses not to exceed 15% (actual loss for 2022/2023 was 14.35%).
2. New connection installation turn-around time is 21 days as per the NRS 047 Guidelines.
3. Unplanned outages response time is 6 hours as per the NRS 047 Guidelines. More than 95% of calls received were resolved within 6 hours.
4. Planned Outages Notices exceed the NERSA 2-day period, as we aim for 10 days notices, as per the Service Charter.

There are a total of 2911 new connections to date in the Savanna City fully subsidised houses, with INEP funding from the Department of Minerals Resources and Energy.

T 3.3.1

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

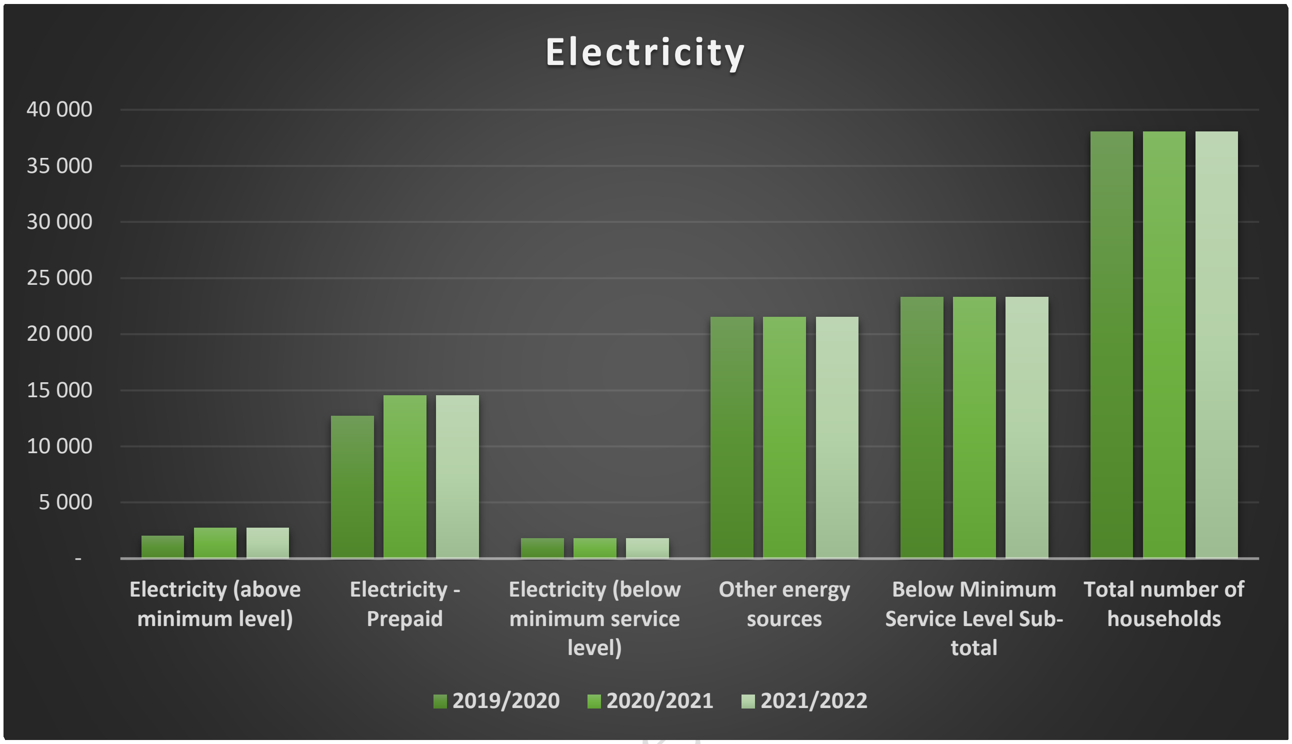
A number of significant projects were implemented during the 2021/2022-financial year including:

1.	Sicelo Ext 4&5	Project Value	R20.38 m
2.	Electricity Reticulation Savanna City	Project Value	R8.39 m
3.	Installation of PV Highmast Lights; Sicelo Walkups	Project Value	R500 000
4.	TID (Prepaid Electricty Meters)	Project Value	R3 m

T 3.3.2

Electricity Service Delivery Levels			
			Households
Description	**2020/2021**	**2021/2022**	**2022/2023**
	Actual	**Actual**	**Actual**
	Number	**Number**	**Number**
Energy: **(above minimum level)**			
Electricity (at least minimum service level)	2 735	2 735	2 592
Electricity - prepaid (minimum service level)	14 556	14 683	15 555
Minimum Service Level and Above sub-total	17 291	17	18147
Minimum Service Level and Above Percentage	38.9%	45.8%	47.7%
Energy: **(below minimum level)**			
Electricity (< minimum service level)	1 663	1 536	1 536
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	21 527	21 527	21 527
Below Minimum Service Level sub-total	23 317	23 317	23 317
Below Minimum Service Level Percentage	61.3%	61.3%	61.3%
Total number of households	**38 046**	**38 046**	**38 046**
			T 3.3.3

Other energy sources represent the areas supplied directly by Eskom and the undeveloped properties which are not yet connected and registered on the Solar Billing System, including informal settlements.



Households - Electricity Service Delivery Levels below the minimum				
				Households
Description	2020/2021	2021/2022		
	Actual Number	Original Budget Number	Adjustments Budget Number	Actual Number
Formal Settlements				
Total households	36 256	36 383	36 383	36 383
Households below minimum service level	1 790	1 663	1 663	1 663
Proportion of households below minimum service level	5%	5%	5%	5%
Informal Settlements				
Total households	1 790	5 469	5 469	5 469
Households below minimum service level	1 790	5 469	5 469	5 469
Proportion of households below minimum service level	100%	100%	100%	100%
				T 3.3.4

Electricity Service Policy Objectives Taken From IDP								
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023	
		Target		Actual	Target			
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
See Annexure T								
								T 3.3.5

Employees: Electricity Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	100%
4 - 6	8	11	8	3	72.7%
7 - 9	25	30	23	7	76.6%
10 - 12	4	6	6	0	100%
13 - 15	18	19	18	1	94.7%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**56**	**67**	**56**	**11**	**83.5%**
					T 3.3.6

Financial Performance Year 2022/2023: Electricity Services					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	477 963	525 786	525 034	440 954	-16%
Expenditure:					
Employees	22 391	25 580	25 185	24 460	-3%
Repairs and Maintenance	29 511	33 304	35 878	35 593	-1%
Other	440 224	484 236	469 212	396 995	-15%
Total Operational Expenditure	**492 126**	**543 120**	**530 275**	**457 049**	**-14%**
Net Operational Expenditure	**(14 163)**	**(17 334)**	**(5 241)**	**(16 095)**	**207%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.3.7*

Capital Expenditure: Electricity Services				
				R' 000
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
ELECTRICITY METERING				0%
ELECTRICITY METERING	1 000	1 500	1 467	-2%
FESTIVE DECORATING LIGHTS	200	200	198	-1%
FLATBED TRUCK (NEW)	2 500			0%
GENERATOR	667	667	302	-55%
CABLE FEEDERS-CONS EMFULENI CONNECT	100	700	699	0%
H/MAST&STREET LIGHTS:UN-SERVICED AREAS				0%
HIGHMAST & STREET LIGHTS:	500	500	431	-14%
HIGHMAST LIGHTS - SAVANNA CITY	4 431	4 431	4 349	-2%
LADDERS & BINS				0%
LAND CRUISERS	750	750		-100%
NEW CONNECTIONS				0%

STRENGTHENING ELECTRICITY INFRASTRUCTURE	5 000			0%
NEW CONNECTIONS	500			0%
RENEWABLE ENERGY		445		-100%
REPLACE CONV.METERS WITH PRE-PAID METERS				0%
REPLACE METERS FOR TID COMPLIANCE	3 500	2 803	2 799	
REPLACE REDUNDANT SWITCHGEAR		987	690	
REPLACEMENT OF TEST EQUIPMENT	250			
REPLACEMENT OF TOOLS FOR MECHANICS				
SAVANNA CITY ELECTR. NETWORK	14 775	8 391	7 894	
SICELO ELECTRIFICATION NETWORK	14 000	20 385	20 379	
STRENGTHENING OF ELECTRICITY SUPPLY				
TOOLS FOR ELECTRICAL	700	350	296	
TRANSFORMERS	1 000	1 000	802	
EQUIPMENT & TOOLS		250	222	
Total	**49 873**	**43 358**	**40 528**	**-7%**
				T3.3.8

3.4 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION

Midvaal provides a “boundary-to-boundary” waste management service in public areas. Property owners, organisations, business entities or individuals who occupy premises, are responsible for maintaining cleanliness and hygiene standards on their premises (on-site inside property boundaries), keeping with the norms determined by applicable by-laws. Stakeholders may contract on-site waste management services at their own expense.

Midvaal’s own services are clustered per the following categories and the suite of services required for managing waste through a combination of an internal service mechanism and an external service provider:

1. General waste collection services, including the transportation of waste to a transfer station, or drop-off site for recyclables, or a disposal facility;

2. Cleaning/cleansing, consisting of a wide range of cleaning services for all public spaces and streets under Midvaal’s jurisdiction. This includes litter bin provision and servicing, street sweeping, litter picking, the clearing of illegal dumping and animal carcasses, cleaning of industrial pollution, waste and debris generated by acts of nature and processes;

3. Disposal services, which include the maintenance and operation of special processing and collection facilities, waste transfer stations and landfill sites;

4. Technical support services: Midvaal operates a fleet of vehicles that are specially equipped for the task of waste collection, cleaning, and transportation of waste to landfill sites. A variety of support infra-structure, such as depots and workshops, is required and must be provided to house and support the different functions.

5. General management, contract management, customer relations, information, administrative and planning support: These are various services that are provided to manage and provide additional support for the operational services.

Midvaal has a responsibility to abide by statutes, policies and guidelines that are introduced by National and Provincial Departments from time to time. In this regard, Midvaal acknowledges the regulatory oversight that must be exercised in terms of legislative compliance as well as the allocation of funds in aid of achieving National and Provincial objectives at the local government level.

Conversely, these Departments have a responsibility to ensure that timeous communication and inter-governmental transfer of funds enables Council to execute its duties and obligations.

The standard service level for residential waste collection in informal settlements is aligned with Council's Indigent Policy. This is a once-a-week, door-to-door waste collection service provided to indigent families per dwelling, according to an approved contract.

"Emergency" waste services may be provided temporarily, while existing service provision plans are amended. Black plastic refuse bags for utilising in clean-up campaigns may be provided at no cost, subject to the availability of funds, at the discretion of the Head of Department.

T 3.4.1

Solid Waste: Service Delivery Levels			
			Households
Description	2020/2021	2021/2022	2022/2023
	Actual Number	Actual Number	Actual Number
Solid Waste Removal: Above minimum level			
Removed at least once a week	34 648	21644	21 966
Minimum service level and above Sub-total	34 648	21 644	21 966
Minimum service level and above Percentage	100%	100%	100%
Solid Waste Removal: Below minimum level			
Removed less frequently than once a week	-	587	587
Using communal refuse dump	-	-	-
Using own refuse dump	-	2 666	2 666
Other rubbish disposal	2 718	145	145
No rubbish disposal	8 671	0	0
Below minimum service level Sub-total	11	3 398	3 398
Below minimum service level Percentage	0%	0%	0%
Total number of households	**29 852**	**38 046**	**24 947**
			T 3.4.2

Note: Of the total number of households (38 046) Midvaal provides waste management services to approximately 21 966 (formal) collection points and 2 740 (informal) collection points. 16 080 are not serviced as these are properties that are either vacant, open spaces or in other similar circumstances.

Households: Solid Waste Service Delivery Levels below the minimum					
					Households
Description	2020/2021	2021/2022	2022/2023		
	Actual Number	Actual Number	Original Budget Number	Adjustments Budget Number	Actual Number
Formal Settlements					
Total households	18 301	18 301	18 301	21 000	24 947
Households below minimum service level	6 890	2 679	2 679	2 679	3 398
Proportion of households below minimum service level	37%	14%	14%	14%	9%
Informal Settlements					
Total households	2 718	5 469	2 718	2 718	5 469
Households below minimum service level	2 718	5 469	2 718	2 718	5 469
Proportion of households below minimum service level	100%	100%	100%	100%	100%
					T 3.4.3

Employees: Solid Waste Management Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	0%
4 - 6	5	6	3	0	50%
7 - 9	14	19	16	3	84.2%
10 - 12	24	25	24	1	96%
13 - 15	55	65	48	17	73.8%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**99**	**116**	**92**	**21**	**79.3%**
					T 3.4.5

Employees: Waste Disposal and Other Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
Counted with Solid Waste, not a separate entity					
					T 3.4.6

Financial Performance 2022/2023: Solid Waste Management Services					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	64 132	64 575	64 575	66 520	3%
Expenditure:					
Employees	30 800	35 392	31 659	31 383	-1%
Repairs and Maintenance	4 079	3 092	3 092	3 056	-1%
Other	36 151	31 033	41 799	41 330	-1%
Total Operational Expenditure	**71 031**	**69 518**	**76 550**	**75 769**	**-1%**
Net Operational Expenditure	**(6 899)**	**(4 943)**	**(11 975)**	**(9 250)**	**-23%**
					T 3.4.7

Financial Performance 2022/2023: Landfill Management					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue					0%
Expenditure:					
Employees	8 786	9 819	8 806	8 539	-3%
Repairs and Maintenance		36	36		-100%
Other	17 520	13 545	14 290	18 496	29%
Total Operational Expenditure	**26 306**	**23 399**	**23 131**	**27 034**	**17%**
Net Operational Expenditure	**(26 306)**	**(23 399)**	**(23 131)**	**(27 034)**	**17%**
					T 3.4.7

Financial Performance 2022/2023: Solid Waste Management Services R'000					
Details	**2021/2022**	**2022/2023**			
	Actual	**Original Budget**	**Adjustments Budget**	**Actual**	**Variance to Adjustments Budget**
Total Operational Revenue	64 132	64 575	64 575	66 520	3%
Expenditure:					
Employees	22 014	25 573	22 853	22 844	0%
Repairs and Maintenance	4 079	3 056	3 056	3 056	0%
Other	18 632	17 489	27 509	22 834	-17%
Total Operational Expenditure	**44 725**	**46 118**	**53 419**	**48 735**	**-9%**
Net Operational Expenditure	**19 407**	**18 457**	**11 156**	**17 785**	**59%**
					T 3.4.8

Capital Expenditure: Waste Management Services R' 000				
Capital Projects	**2022/2023**			
	Original Budget	**Adjustments Budget**	**Actual Expenditure**	**Variance from Adjustments Budget**
BRUSH CUTTERS - NEW				0%
FENCE HENLEY ON KLIP LANDFILLSITE				0%
KLIPRIVIER TRANSFER STATION REFURBISHMEN	350	225	225	0%
LANDFILL CELL DEVELOPMENT (EXPANSION)				0%
LANDFILL COMPACTOR NEW				0%
LANDFILL COMPACTOR NEW				0%
REHAB OF HENLEY (CLOSING JUNE 2021)	250			0%
REHAB OF WALKER (CLOSING JUNE 2022)				0%
REHABILITATION VAAL MARINA LANDFILLSITE				0%
SAVANNA TRANSFER STATIONS	600	438	438	0%
SKIP BINS 6 CUBIC METERS	300	300	298	-1%
REFURBISHMENT-BLACKWOOD TRANFER STATION		2 336	2 336	0%
TRUCK FOR LITTER PICKING TEAM		800	722	-10%
Total	**1 500**	**3 299**	**4 018**	**22%**
				T 3.4.9

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

1. Priority projects identified as per the IDP:

   * Licensing of the Walkerville Landfill Site to bring it in compliance with new Waste Regulations and to extend the airspace available.

   * Provision of specialized plant and machinery for waste management services to build up the fleet to ensure that all residents receive a basic refuse removal service.

   * Funding for a new landfill site. This new site will be utilized as a regional landfill site to accommodate neighboring municipalities. The capital budget will be carried over multiple financial years to include the rezoning, licensing and construction of the facility.

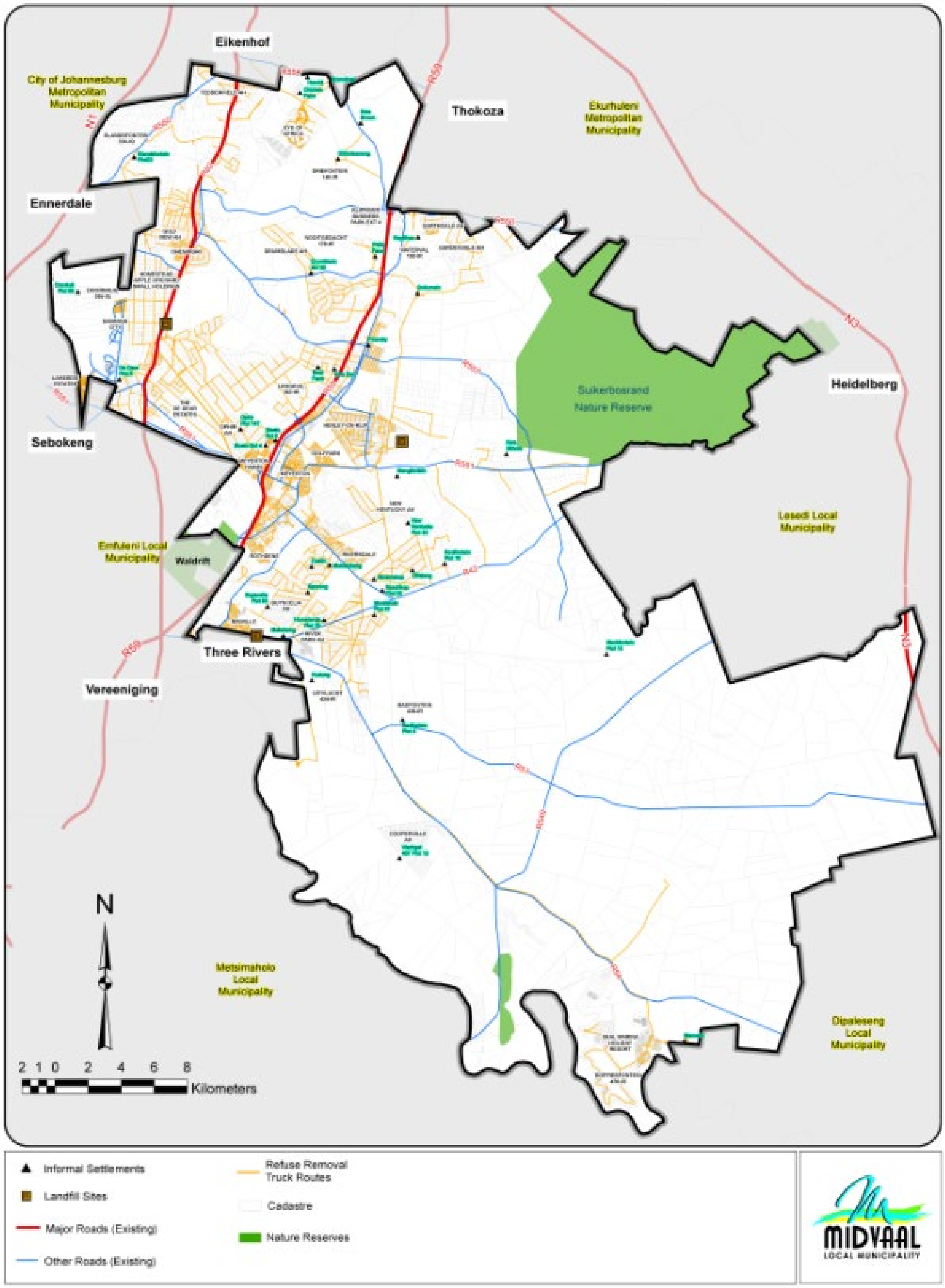
2. The targets set out in the IDP schedule cannot be attained within approved budget provision due to

financial constraints.

Every year, during the budget preparation processes, the Council will prioritise projects and programmes subject to availability of funds. Some of the programmes will be implemented in phases.

The feasibility of establishing a public-private partnership and municipal service partnership will be explored and the variances from budget for net operating and capital expenditure may have been caused by unforeseen factors such as escalation of prices in the market, non-payment of services due to recession, cross subsidisation of services within the municipality and the general cost of living.

ANNUAL REPORT 2022 - 2023
Provision of Refuse Removal Map



T 3.4.10

3.5 HOUSING

INTRODUCTION

Housing delivery within the Municipal jurisdiction is currently the competency of the Gauteng Department of Human Settlements (GDHS). Midvaal Local Municipality is not accredited to undertake this function and as such the Municipality does not implement housing projects.

The Municipality however plays a facilitation and support role in the housing delivery process by ensuring that township and building plan applications are fast tracked, and housing stakeholder forum meetings are well coordinated. Furthermore, the Municipality ensures that partnerships which will contribute to the delivery of houses for the various income groups are formed with the private and public sector. Such partnerships assist the Municipality in dealing with the housing backlog which currently estimated at of about 5300 households based on community surveys conducted.

Land invasion threats continue to affect the municipal housing planning and budgeting process and mitigating interventions are continuously employed to reduce the likelihood and impact of the risk.

T 3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2020/2021	38 046	32 577	85.6%
2021/2022	38 046	32 577	85.6%
2022/2023	38 046	32 577	85.6%
			T 3.5.2

Electricity Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T3.1.6

Employees: Housing Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	7	8	7	1	87.5%
4 - 6	24	30	27	3	90%
7 - 9	13	09	08	1	88%
10 - 12	0	0	0	0	0%
13 - 15	2	2	2	0	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**46**	**49**	**44**	**5**	**89%**
					T 3.5.4

Financial Performance 2022/2023: Housing Services R'000					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	N/A				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.5.5					

Capital Expenditure: Housing Services R' 000				
Capital Projects	2022/2023			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments budget
None				
T 3.5.6				

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL

As mentioned above, housing delivery within the Midvaal local Municipality is the competency of the Gauteng Department of Human Settlements (GDHS). In the 2022/2023-financial year 55 fully subsidised houses were allocated to beneficiaries in the Savanna City Development. The low figure is because majority of the housing projects within the municipal jurisdiction is under planning.

To fast-track housing delivery Midvaal appointed a service provider to assist with surveying, subdivision and pegging of Portions of Erf 188, Meyerton Farms. 4 Consultants were further appointed by the Municipality to undertake the Engineering Designs (Roads & Stormwater, Water Reticulation and Electrification). Engineering designs have been completed and forwarded to the GDHS for implementation. Municipality is awaiting the GDHS to appoint a Contractor for the installation of the necessary Engineering services. Project will be allocated to beneficiaries from the Sicelo Informal Settlement as per the GDHS Rapid Land Release Program (152 serviced stands program).

Plans are ongoing for other informal settlements, to be formalised as part of the Upgrading of Informal Settlements Programme (UISP). 8 informal settlements have been identified for upgrading and are included on the GDHS Business Plans and MLM HSP (2022 - 2027): Sicelo Shiceka, Boitumelo, Kromdraai, Khayelitsha, Piels Farm, Mamello, Kwa-Brown and Skansdam. 6 Consultants have been appointed by the GDHS to undertake various planning activities for the upgrading of the informal settlements. Planning work is at various stages and Housing Stakeholder Forums are in place to track progress

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION

Poverty Manifestation in Midvaal

Poverty is more than a lack of income. Poverty exists when an individual's or a household's access to income, jobs, infrastructure or services is inadequate to ensure full access to opportunities in society.

The condition of poverty is caused by a combination of social, economic, spatial, environmental and political factors. It is clear from the poverty profiles that not only is poverty a general critical problem in Midvaal, but there are a significant number of people who are living in extreme poverty and who, without Council support, will be unable to afford to pay for even the most basic of services. Midvaal's approach to indigent support is that a whole set of interventions must be implemented to ensure that the basic needs of the poor are met, and their rights upheld while protecting resources for use by the next generation.

Indigents are defined as those people who, due to various factors, are unable to make monetary contributions towards basic services, no matter how small the amounts might be.

Any household, earning less than the R5 500.00 qualify to be registered as indigents. Examples are pensioners, unemployed people, child headed families and students.

The policy covers a wide range of indigent benefits, such as, but not limited to:

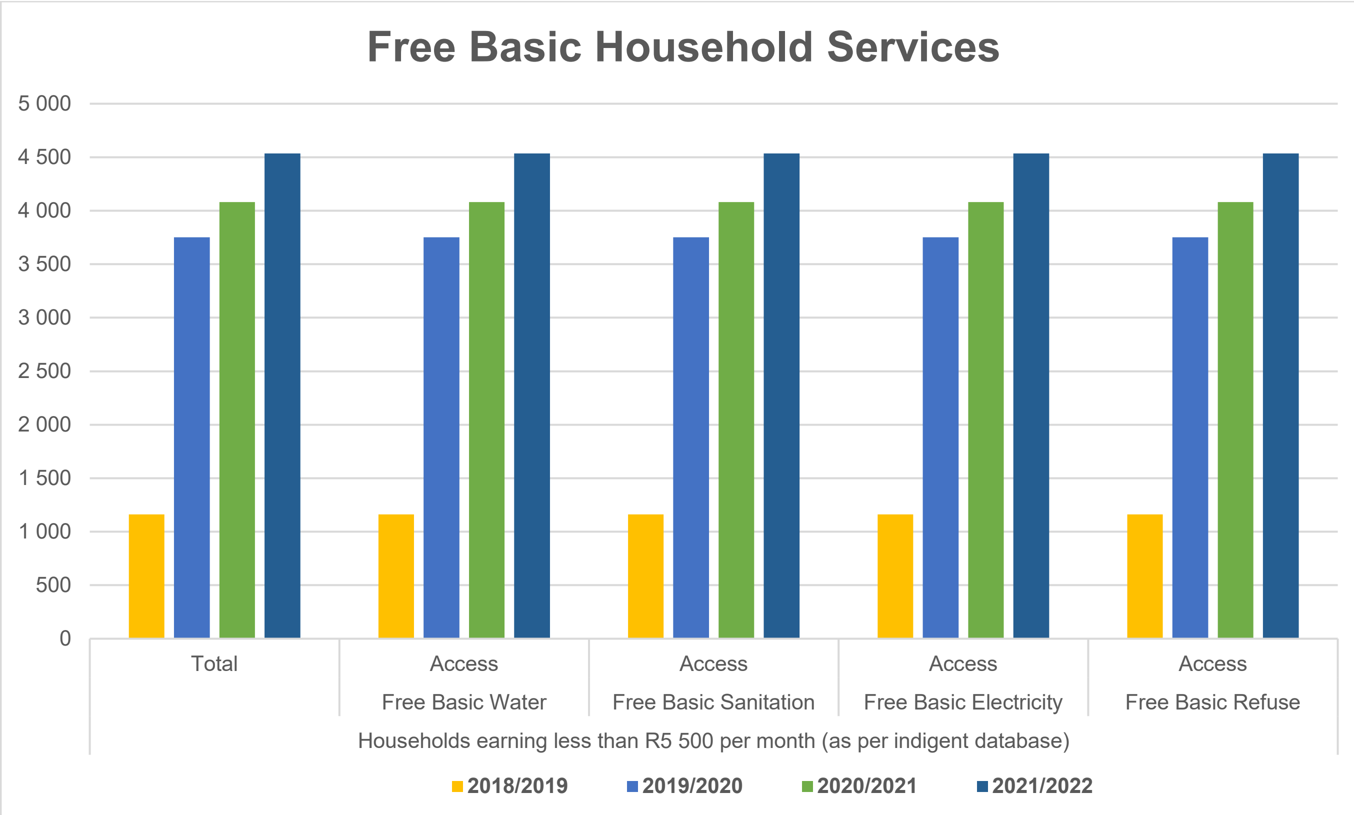
1. Indigent rates and tax rebates;
2. Indigent burials;
3. Expanded Social Package (indigent exit programmes, life skills programmes, unemployed database, counselling by social workers).

As at the end of the financial year, there were 4 536 registered indigents on the database of Midvaal. These indigents benefited from their accrued municipal debt being written off, and receive free basic water of 6 kL, free basic sanitation, free refuse collection, 50 kWh free basic electricity and no assessment rates for the first R500 000.00 of their property values.

Many indigents were also given temporary work during the year. Registered indigents making use of Eskom electricity also receive free basic electricity. Midvaal pays Eskom annually for free basic electricity provided to our residents. In addition, poor people not living in formal households and thus not registered as indigents, are benefitting from water tankers providing water at no cost, portable toilets and refuse collection in informal settlements.

All property owners with a property value of R150 000.00 and less are automatically registered as deemed indigents and receive the benefits as listed above.

T 3.6.1



Free Basic Services to Low Income Households										
	Number of Households									
	Total	Households earning less than R5 500 per month (as per indigent database)								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2017/2018	29 852	460	460	100%	1 267	275%	1 267	275%	1 267	275%
2018/2019	29 852	1 163	1 163	100%	460	40%	460	40%	460	40%
2019/2020	38 046	3 753	3 753	100%	1 163	31%	1 163	31%	1 163	31%
2020/2021	38 046	4 080	4 080	100%	4 080	100%	4 080	100%	4 080	100%
2021/2022	38 046	4 541	4 541	100%	4 080	100%	4 080	100%	4 080	100%
										T 3.6.3

Financial Performance 2022/2023: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2021/2022	2022/2023			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	4 434	10 879	5 800	4 434	-145%
Wastewater (Sanitation)	15 702	16 110	16 110	15 702	-3%
Electricity	2 334	603	603	2 334	74%
Waste Management (Refuse Collection)	9 631	5 452	5 452	9 631	43%
Total	**32 101**	**33 043**	**27 965**	**32 101**	-3%
					T 3.6.4

* MLM approved threshold on R5 500.00

Free Basic Service Policy Objectives Taken From IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T 3.1.6

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

The free basic services and indigent support are funded through the Equitable Share Grant.

With the increase of indigent households as the Savanna City development progresses, additional equitable share funding will be required. It is expected that the indigent households will be more than double once the Savanna City development is completed.

National Treasury has already been engaged, as the provision of free basic services will not be affordable to Midvaal without an adjustment to the equitable share grant. It will not be possible to wait for the next census figures to influence the equitable share grant and a special adjustment to the grant will thus be required.

T 3.6.6

3.7 ROADS

INTRODUCTION

The municipal road network consists of 637.4 km of surfaced roads and 556.8 km of gravel roads. A large number of gravel roads are in sparsely populated rural areas. The surfacing of roads is thus not economically viable. Roads are maintained to a very high standard in terms of safety requirements and easy to travel of road users. Maintenance of paved roads is of priority with potholes and edge breaks being attended as and when it develops and gravel roads are graded as and when required, depending on the condition of the particular road and rainfall patterns for the particular season.

T 3.7

Roads Defects/Failure

Potholes are attended to according to complaints received. However, the roads teams attending to a complaint are required to fix every pothole within the relevant area where the complaint was reported, to avoid further complaints and to prevent more potential potholes developing.

During the rainy season of the previous financial year, the Roads and Storm-water Section experienced heavy and elongated rainfalls that resulted in a massive backlog of potholes. The backlog was managed, and the situation improved by the end of June 2023.

Gravel Roads

A gravel maintenance program is generated every quarter, indicating a planned grading program per suburb/farm. During the wet season, and due to severe damage to gravel roads caused by storms, much of the time work was deviated away from this program and critical complaints receive were attended to as soon as possible.

Midvaal is sourcing gravel material from local suppliers to upgrade gravel roads and to supply layers for new roads.

Resealing / Resurfacing

Resealing of roads has been done by fog spray on certain roads as required by on-site condition assessment by Roads and Stormwater section employees and a total of 84 000 square metres was fog sprayed in the 2022/2023 financial year.

Road Cleaning

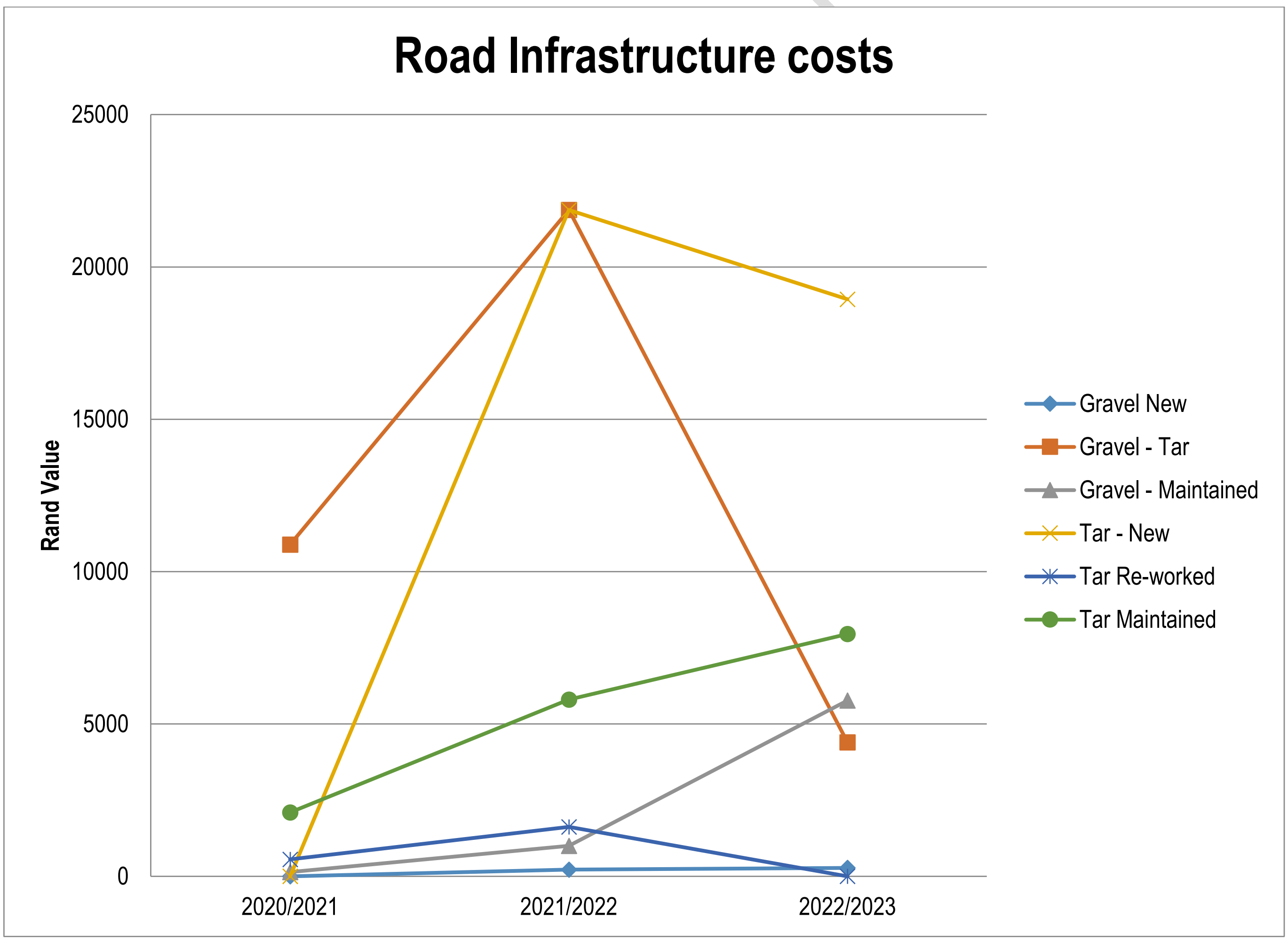
Tarred roads are cleaned of loose sand, stones and vegetation and weed killer/vegetation control chemical is applied. A road is cleaned as often as possible by a contractor hiring local labour as 90% of his staff. Roads are cleaned 500 mm on both sides, as well as intersections, to avoid point-loading to the surface by foreign objects. The section identifies roads that need attention and relies on complaints from the public to attend to these roads.

T 3.7.1

Gravel Road Infrastructure				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2020/2021	556.8	**0**	2	529
2021/2022	556.8	**2**	2	408
2022/2023	556.2	1.4	2.2	469.6
				T 3.7.2

Tarred Road Infrastructure					
					Kilometres
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2020/2021	637,4	2	0	67	606
2021/2022	639	2	0	37	550
2022/2023	640,8	2,2	0	13	569.9
					T 3.7.3

Cost of Construction/Maintenance						
						R' 000
	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
2020/2021	0	10888	140	0	558	2098
2021/2022	219,8	21869	1000	21869	1623	5800
2022/2023	275,7	4400,51	5769	18940	0	8150
						T 3.7.4



T 3.7.5

Employees: Road Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	100%
4 - 6	4	5	5	0	100%
7 - 9	15	16	16	0	100%
10 - 12	6	13	7	6	53.8%
13 - 15	24	38	20	18	52.6%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**50**	**73**	**49**	**24**	**67.1%**
					T 3.7.7

Financial Performance 2022/2023: Roads and Stormwater Services R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	2	11 914	11 914	(4 010)	-134%
Expenditure:					
Employees	18 552	22 459	21 544	20 237	-6%
Repairs and Maintenance	27 615	39 073	39 728	38 615	-3%
Other	22 342	22 718	20 279	13 161	-35%
Total Operational Expenditure	**68 509**	**84 250**	**81 551**	**72 013**	**-12%**
Net Operational Expenditure	**(68 507)**	**(72 336)**	**(69 637)**	**(76 023)**	**9%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8

Capital Expenditure: Roads and Stormwater Services R' 000				
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustments Budget
GRAVEL TO TAR	6 913	12 947	12 847	-1%
GRAVEL TO TAR (MIG)NEW	10 360	9 519	9 519	0%
ROADS REHABILITATION	500	107	107	0%
UPGRADING OF GRAVEL ROADS	12 000	10 739	10 631	-1%
ASPHALT CUTTING MACHINE		200	195	-2%
TOOLS FOR MECHANICAL		350	283	-19%
EQUIPMENT		420	420	0%
Total	**29 773**	**34 282**	**34 003**	**-1%**
				T 3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL

A maintenance program is generated quarterly, indicating a planned grading program per suburb/farm. Deviations from these programmes were due to a wet season and breakdown of critical equipment. There is a general challenge of shortage of gravel material for rehabilitation.

Stormwater canals are cleaned annually, prior to the start of the rainy season or as and when required. Potholes are fixed within a reasonable period and very few potholes are visible in the area. In terms of a gravel to tar programme, funds are provided annually to tar one or two roads per ward per year. Two general roads inspections were conducted to evaluate the visual appearance of roads before the actual maintenance can be prioritised.

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION

This function is not performed by Midvaal, it is a Sedibeng District Municipality function.

<table>
<tr><th colspan="6">Financial Performance 2022/2023: Mechanical Workshop
R'000</th></tr>
<tr><th rowspan="2">Details</th><th>2021/2022</th><th colspan="4">2022/2023</th></tr>
<tr><th>Actual</th><th>Original Budget</th><th>Adjustments Budget</th><th>Actual</th><th>Variance to Adjustments Budget</th></tr>
<tr><td>Total Operational Revenue</td><td colspan="5" rowspan="7">Mechanical workshop included in Roads and Stormwater figures for the 2021/2022 as well as 2022/2023 financial year.</td></tr>
<tr><td>Expenditure:</td></tr>
<tr><td>Employees</td></tr>
<tr><td>Repairs and Maintenance</td></tr>
<tr><td>Other</td></tr>
<tr><td>Total Operational Expenditure</td></tr>
<tr><td>Net Operational Expenditure</td></tr>
<tr><td colspan="6">T 3.8.5</td></tr>
</table>

3.9 WASTEWATER (STORMWATER DRAINAGE)

INTRODUCTION

A quarterly Stormwater Maintenance Programme is prepared indicating where channels, pipes and catch-pits must be cleaned. The cleaning is done annually prior to the start of the raining season.

T 3.9.1

Stormwater Infrastructure

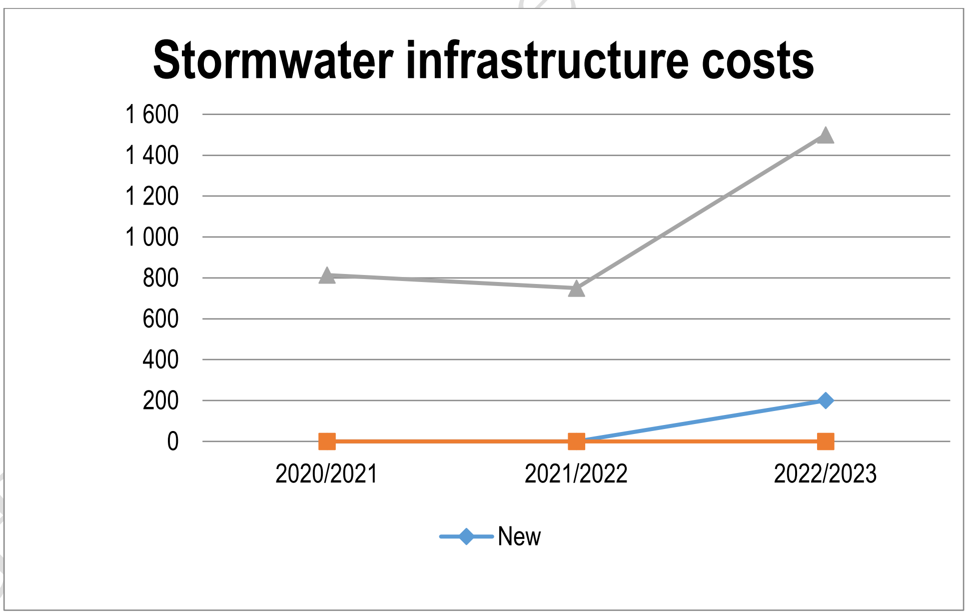
Kilometres

	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2020/2021	166	3	0	140
2021/2022	169	0	0	150
2022/2023	170	1	0	98
				T 3.9.2

Cost of Construction/Maintenance

R' 000

	Stormwater Measures		
	New	**Upgraded**	**Maintained**
2020/2021	0	0	814
2021/2022	0	0	750
2022/2023	200	0	1 500
			T 3.9.3



T 3.9.4

Stormwater Policy Objectives Taken From IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T 3.9.5

Employees: Stormwater Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
Counted with the Roads Function - not a separate function					
					T 3.9.6

Financial Performance 2022/2023: Engineering (Administration) R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	1 621	1 745	1 795	1 939	8%
Expenditure:					
Employees	10 776	13 665	12 240	11 535	-6%
Repairs and Maintenance	1 217	2 708	1 456	1 442	-1%
Other	3 485	3 067	4 320	4 425	2%
Total Operational Expenditure	**15 478**	**19 441**	**18 017**	**17 401**	**-3%**
Net Operational Expenditure	**(13 857)**	**(17 695)**	**(16 221)**	**(15 463)**	**-5%**
					T 3.9.7

Capital Expenditure: Stormwater Services R' 000				
Capital Projects	2022/2023			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments budget
Included in Roads Section				
				T 3.9.8

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

The inadequate stormwater drainage infrastructure within the entire greater Midvaal area, results in flooding of the road infrastructure during rainy season.

T 3.9.9

COMPONENT B: PLANNING & DEVELOPMENT

INTRODUCTION

The spatial vision of the Midvaal Integrated Development Plan (IDP) is depicted in the Midvaal Spatial Development Framework (SDF), articulated by 11 Development Drivers. The SDF is supported by well-informed land use policies including the Midvaal Spatial Planning and Land Use Management By-law and Midvaal Land Use Management Scheme 2017. The land use polices streamline land use management and spatial development processes to drive innovation and efficiency in the response to the changes in socio-economic conditions. The majority urban development is situated near the main transport routes, such as the R82 and the R59. The R59 presents the opportunity to be developed as a modern development corridor supporting existing communities in Midvaal and strengthening the links to Emfuleni in the South and Ekurhuleni and Johannesburg in the North.

Planning policies and development guidelines are enforced through Land Use Management and Building Control responsible for approving land use rights and building plans respectively.

3.10 PLANNING

INTRODUCTION

The key strategic objective of the section relates to the timeous, efficient and effective consideration and approval of land use applications that are responsive to and reflective of community needs and development trend. This is being done through the implementation of planning tools and processes that guide the land use application life cycle, from submission to approval. Planning tools such as the Midvaal Land Use Scheme, 2017 and the Midvaal Spatial Planning and Land Use Management By-Law are being used to evaluate land use applications in an efficient and coherent manner.

Service delivery priorities (challenges and achievements)

1. Online submission, circulation and approval of applications processed through an office automation system, City Solve, to timeously approve land use applications – applications are processed within SPLUMA stipulated timeframes to negate development being stalled due to administrative processes.

2. The Midvaal Land Use Scheme, 2017 has been reviewed in line with the provisions of SPLUMA to ensure consistency with the municipal SDF 2022-2027 and to make provision for the expansion of the municipal boundary to include 123 Erven of Three Rivers Extension 1 and 2 as per the Municipal Demarcation Board. The Midvaal Land Use Scheme, 2023 will be adopted and implemented from the 2023/2024 financial year,

3. Cost effective planning processes – The Midvaal Land Use Scheme, 2017 ensures planning practices are accessible to the Midvaal community at large, with land use application types and administrative processes being "tailored" to specific communities, namely certain land use rights are given as primary rights in specific communities and further rebates on application fees are given in historically disadvantaged areas to promote accessibility and developmental opportunities.

4. Ensure planning practices are catalysts for economic development and growth – the introduction of the economic revitalisation overlay zone and the transitional residential land use in the Midvaal Land Use Scheme, 2023 ensures red-tape reduction in planning processes and the inclusion of areas not previously subject to a land use scheme as such promotes environments conducive for development efficient land development and social inclusion.

In terms of the Midvaal Land Use Scheme, 2023 properties owned by Council that are occupied by informal settlements in Sicelo/Meyerton Farms have been zoned as transitional residential, this grants it primary rights for economic activities such as spaza shops, home enterprises and other related uses. In terms of the applicable application processes in this land use zone, the Scheme allows for written consent applications as opposed to rezoning applications for land use activities such as, day care centres and other business related, activities.

The pre-evaluation of land use applications ensures that land use applications that are submitted and registered within the department, are legally compliant and thus a planning decision can be made on it, this negates the creation of backlogs with applications that cannot be processed nor considered.

Building regulation and enforcement

Core Function

Building & Land Use Control Section core function is to ensure a health and safe environment for all to work and live in. The section comprises of four sub-sections and a total of 15 committed personnel with 3 vacancies.

Legislation

The functions and operations of a Building Inspector is bound by legislation, but not limited to, The Constitution of the Republic of South Africa, The Municipal Systems Act, The National Building Regulations and Building Standards Act, The South African National Standards, Outdoor Advertising By-Law, Telecommunication Mast Policy, Informal Trading By-Law and Policy, Green Building Policy and Implementation Plan and Spatial Planning and Land Use Management Act.

Functions

Midvaal Building Control Operations are divided into 4 aforesaid functions. All functions are headed by 4 Senior Building Inspector/ Assistant Director: Building Control and 9 Building Inspectors to enhance service delivery and to allocate dedicated personnel to render functions in specific areas within the ambit of Building Control Section.

The functions have 4 core functions namely;

Planning,
Inspections,
Law Enforcement
Communication/Signage/Trading

Planning

The Planning function has achieved successes in terms of electronic system automation regarding submission, progression and evaluation of building plan applications via the Midvaal on-line web portal which enables consultants to submit applications remotely at a discounted rate as per the current incentive plan. This section has received and approved approximately 10% less applications compared to the 2021/2022-financial year which confirms a slower growth in the built environment over the past financial year.

Despite several challenges, this function excelled and performed above expectation on the turn-around time maintained to consider development applications to stimulate the local building economy and its contribution towards job creation and empowerment of SMME's.

The top 5 fastest developing areas within the jurisdiction of Midvaal during the past financial year is, Savanna City, Eye of Africa, Henley on Klip, Riversdale and Kipriviersdorp.

Inspections

The Inspections function has dedicated inspectors who are responsible for various types of inspections, from excavations, compaction, walls, roofs, final inspection for occupation, routine inspections, and follow-up inspections. The importance of inspections is often underestimated as it confirms compliance to relevant standards, confirms that a structure is safe for habitation and contributes to the revenue stream for property improvements and property valuation.

This function has achieved various successes in that all performed inspections and records pertaining to inspections are recorded on the office automated electronic system which progresses an application to the next inspection phase and prompts the next action timeously.

Approximately 29% more inspections were conducted, 25% more contravention notices were issued and 23 less kilometres were travelled and 53% less certificates of occupancy were issued during the 2022/2023-financial year compared to the 2021/2022-financial year.

Law Enforcement

The Law Enforcement function was strengthened with 10 enforcement officers to assist with visible policing, poster management and confiscation/impoundment of illegal trading goods.

This function is dedicated to enforcing all relevant local laws and to reprimand the contravener where necessary in an accommodative-where-possible manner and reasonable approach.

Approximately 26% more complaints were received during this year compared to the 2021/2022-financial year, however 50% more instructions for litigation were given to the panel of attorneys compared to the previous year.

This section obtained 2 Court Orders for non-compliance during this year compared to the 2 Court Orders during 2021/2022 and has continued with joint operations unabatedly and strives to further expand the effectiveness thereof during the next year.

By-Laws and Policies

Building Control Section has headed the drafting of a Tiny House Policy, As Built Policy, Problem Property by Law and Building Control By Law. For roll-out in a phased approach during the next year for all residents to take cognisance and comply with the requirements of these policies

Dolomite

Midvaal is experiencing serious challenges regarding dolomitic soil conditions within various areas in its jurisdiction including dolomite in some of the fastest residential developing areas. The department has developed By-Laws and Dolomite Management Plans for developments on dolomite land. Various stakeholders such as NHBRC and Council for Geo Science were consulted in this regard and Building Control Section is implementing and enforcing SANS 1936, Parts 1 to 4 where applicable, to mitigate all possible risks.

T 3.10.1

Determinations made in the year of receipt reflect application that have been considered within the year of 2022/2023. Determinations made in the following year reflects the applications that have been considered in the 2022/2023-year but have been received in previous years.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023
Planning application received	1	7	23	56	883	802
Determination made in year of receipt	0	7	6	0	658	563
Determination made in following year	2	1	0	35	181	219
Applications withdrawn	1	2	5	5	44	20
Applications outstanding at year end	10	4	36	46	181	219
	_	_	_		_	T 3.10.2

Planning Policy Objectives Taken From IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T 3.10.3

Employees: Planning Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
Counted with the housing function - not a separate function					
					T 3.10.4

Financial Performance 2022/2023: Planning Services					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	3 258	3 261	4 061	3 810	-6%
Expenditure:					
Employees	30 876	33 291	32 749	31 214	-5%
Repairs and Maintenance	26	36	17	2	-87%
Other	8 037	10 339	10 602	7 323	-31%
Total Operational Expenditure	**38 938**	**43 667**	**43 368**	**38 539**	**-11%**
Net Operational Expenditure	**(35 681)**	**(40 406)**	**(39 307)**	**(34 729)**	**-12%**
					T 3.10.5

Capital Expenditure: Planning Services R' 000				
Capital Projects	2022/2023			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
ECONOMIC INFRASTR / URBAN REGENERATION	10 000	10 000	3 449	-66%
FORMALISATION OF INFORMAL TRADING STALLS	4 500	670	670	0%
FURNITURE AND EQUIPMENT NEW	50	50	41	-19%
AIRCONDITIONERS		160	110	-31%
Total	**14 500**	**10 670**	**4 270**	**-60%**
				T 3.10.6

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

Physical planning in Midvaal has been further enhanced through the integration of the new Midvaal Spatial Development Framework (SDF) with the Midvaal IDP. Direction is given to sector departments and developers alike through the implementation of the SDF and the various precinct plans and policies that were developed and adopted by Council.

The Building Control Section has increased the law enforcement component of Midvaal and is working closely with Council's panel of attorneys to ensure that cases are expedited. The electronic tracking system (City Solve) was put in place to assist in ensuring that turn-around times, dealing with applications, can be reduced.

Building Control Section has performed exceptionally well in terms of turn-around times on building plan application considerations during 2022/2023 financial year.

T 3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM / MARKET PLACES)

INTRODUCTION

The Midvaal Local Municipality has a responsibility to create a conducive environment for economic growth and development. Centred on the Mission statement of the Municipality is the promotion of local economic development and tourism. Midvaal prides itself in having a comparative advantage within the following growth sectors: Agriculture, construction, tourism, and Manufacturing, this then requires the municipality to puts all its efforts on leveraging on these sectors.

Employment opportunities are normally associated with a sustainable growing economy, which creates employment opportunities. Midvaal promotes local economic empowerment through implementation of the Expanded Public Works Programme (EPWP), Savanna City Development, and other opportunities as facilitated with external companies. Employment is further targeted through SMME development, and these have a potential of creating job opportunities.

The importance of Local Economic Development as part of the growing of the economic sector is entrenched in the following definition of Local Economic Development:

"The purpose of Local Economic Development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation" (Reference - World Bank).

It is by building up the economic capacity of a local area to improve its economic future and the quality of life for all that this definition is being fulfilled. It is a process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation (Reference - World Bank). Job creation and eradication of poverty remain some of the highest priorities for South Africa. The problem, however, remains that job creation is occurring in the secondary and tertiary industries, while many people lack the necessary skills and education to benefit from this. This necessitates a focus on specific projects that would benefit the poorest of the poor, people with insufficient education and skill levels and more particularly, people in rural areas, who are most adversely affected by poverty.

Efforts in this regard, however, must be sustainable and viable in the long term and therefore must move away from the "subsistence mentality" focusing on conventional sewing, poultry and vegetable garden projects. Midvaal approved and adopted the Midvaal Local Economic Development Strategy as well as the Midvaal Agricultural Growth Strategy during the 2016/17-financial year. The Municipality has identified that a specific programme targeting SMME development need to be developed to maximise their potential to create job opportunities.

T 3.11.1

Economic Activity by Sector R '000			
Sector	**2020/2021**	**2021/2022**	**2022/2023**
Agriculture, forestry and fishing	43 400	43 400	43 400
Mining and quarrying	6 970	6 970	6 970
Manufacturing	779 272	779 272	779 272
Wholesale and retail trade	726 111	726 111	726 111
Finance, property, etc.	681 028	681 028	681 028
Government, community and social services	667 814	667 814	667 814
Infrastructure services	219 890	219 890	219 890
Total	**3 124 485**	**3 124 485**	**3 124 485**
* Note: No new information available			**T 3.11.2**

COMMENT ON LOCAL JOB OPPORTUNITIES

Midvaal fully understands the importance of eradicating unemployment through the creation of sustainable job opportunities. Short term initiatives include the EPWP. The importance of the secondary economy has been recognised.

T 3.11.4

Jobs Created during the Year by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs Created Number	Jobs lost/displaced by other initiatives Number	Net total jobs created in year Number	Method of validating jobs created/lost
Total (all initiatives)	611	0	**611**	
Engineering Capital Projects	506	0	**817**	Employment Contracts & Identity Documents
By Law Enforcement Project	105	0	28	Employment Contracts & Identity Documents
				T 3.11.5

Job creation through EPWP* Projects		
Details	EPWP Projects Number	Jobs created through EPWP projects Number
2020/2021	3	1897
2021/2022	3	2436
2022/2023	3	2453
**Extended Public Works Programme*		**T 3.11.6**

Local Economic Development Policy Objectives Taken From IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T3.11.7

Employees: Local Economic Development Services					
Job Level	2020/2021	2021/2022			
	Employees Number	Posts Number	Employees Number	Vacancies (full-time equivalents) Number	Vacancies (as a % of total posts) %
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	Counted with the housing - not a separate function		0	0%
10 - 12	0			0	0%
13 - 15	0			0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**0**	**0**	**0**	**0**	**0%**
					T 3.11.8

Financial Performance 2022/2023: Local Economic Development Services R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	N/A				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.11.9					

Capital Expenditure 2022/2023: Economic Development Services R' 000				
Capital Projects	2022/2023			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
None				
				T 3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

Midvaal, like any other municipality in South Africa, is confronted with the triple challenges of poverty, inequality and unemployment. Midvaal must utilise its limited resources effectively to stimulate the local economy for its citizens. The section should assist the municipality to build local economic capacity to improve its economic potential and the quality of life for all for the benefit of the local citizens. It is a given fact that priority should be given to local communities to explore and take advantage of economic development initiatives in their areas. The section is involved in a myriad of local economic development initiatives. It should however be made clear, that the LED Office does not have any budget to implement capital projects. The zero budget on LED projects makes it difficult to address increasing issues of poverty in the needing communities of Midvaal, although the section plays an important role in co-ordinating and facilitating local economic development initiatives, programmes and exposing the existing opportunities to both local communities and private/public sector, it has been noticed that real economic development requires a monetary injection to realise its objectives.

INTER-GOVERNMENTAL RELATIONS (IGR)

The section is party to various inter-governmental relation structures with the Gauteng Department of Economic Development and Sedibeng District Municipality. The relevance of these structures is to share research findings and information on latest trends in LED programmes, reporting on projects' progress, investment opportunities, bilateral agreements, and mutual co-operation on projects. With the information obtained, the section tries to realign its thinking and policies with the provincial directives.

SMALL, MEDIUM & MACRO ENTERPRISES (SMME'S)

A database of the SMME's has been created, of which a copy has been forwarded to the Supply Chain Management Section so that when there are opportunities, SMME's can also benefit. Midvaal has undertaken a needs analysis and collation process whereby SMME's provide needs that require immediate and urgent response by the municipality. The needs range from procurement processes access to funding and markets. Workshops were arranged to respond to the needs collated, at the workshops where SMME's were capacitated on Business Financial Management, Marketing, Tendering and Pricing, Unemployment Insurance Fund Compliance, Customer Management, Business Management and as well as Health and Safety Compliance.

TOWNSHIP ECONOMY REVITALISATION

Midvaal does not have prevalence of townships (referring to townships established in terms of the Less Formal Township Act or Black Communities Development Act) except for Lakeside. Sicelo has been established in terms of the Meyerton Town Planning Scheme. Township establishment process for Mamello was concluded and the township establishment process approved by Council in January 2020. Townships are confronted with lack of economic opportunities resulting in people identifying their own opportunities that are primarily informal and do not conform to municipal by-laws. Midvaal has through the Supply Chain Management Processes an annual target for township spent programmes.

POLICIES/BY-LAWS

The Land use Management Section of the Development and Planning department as custodians for Land use planning have has introduced the economic revitalisation overlay zone and the transitional residential land use in the Midvaal Land Use Scheme, 2017 to promote and revitalise economic development on residential properties within townships like Savanna City, Lakeside, Ohenimuri, Sicelo and Mamello by making provision for the protection and management of diverse economic activities like spaza shops, taverns and shebeens, child care centres or creche's, informal trading and home enterprises. Thereby, creating sustainable jobs, reducing inequality and defeating poverty in these areas

AGRICULTURE

The Municipality continues to align efforts to achieve ***AGRI-TROPOLIS*** vision of being a *food basket of Gauteng" and support farmers to graduate from subsistence Small Holder Farmers to commercial farmers and ultimately become* ***Agro-Preuners.***

Midvaal has aligned its economic growth strategy position to realise this vision and this is evident as pronounced in the Integrated Development Plan and Spatial Development Plan. The Key Performance Area (KPA) 8 relates to economic development and Principle 2 of that KPA is to facilitate and enhance agricultural production. The section continues to work together with other stakeholders such as the Gauteng Department of Agriculture and Land reform to assist in implementing various agricultural initiatives.

MECHANISATION PROGRAMME

The Gauteng Department of Agriculture & Rural Development (GDARD) has sponsored the municipality with two tractors. The tractors have been used by farmers' clusters in the eastern and western parts of the Meyerton town. The municipality monitors the use of the tractors, due to several challenges with this programme, ranging from the management of the tractor bookings, maintenance and servicing. One of the biggest challenges that has been encountered in the past year is the breaking down of both tractors, pending repairs by the Sedibeng District Municipality, this has caused a lot of backlog as currently there is no tractor assisting the farmers. The LED Section has centralised the booking of the tractors to manage the process effectively and acknowledges the impact that the programme has in assisting the farmers. As there are no tractors working currently, an opportunity exists for the Municipality to invest in tractors to continue with this initiative.

SOCIAL AND LABOUR PLANS

Several mines within Midvaal's jurisdiction have approached the municipality requesting endorsements of their Social and Labour Plans as required on their mineral rights applications by the Department of Mineral Resources. A Social Labour Plan (SLP) for Anglo American Inyosi Coal Pty LTD was approved by Council and the projects included on the SLP will be implemented within the Mamello, Lakeside, Ophir and broader Midvaal communities. Issuing of the Mining Right is still awaited from the Department of Mineral Resources and Energy. An SLP from Richtrau 253 (Pty) Ltd Mine was approved by Council, however still awaiting the mining right to be issued by the Department of Minerals Resources and Energy. The Springfield Mine has submitted the updated SLP however still in the process to finalise LED projects as approved on the IDP ~~and~~ once received the municipality will evaluate the Social and Labour Plan and will be preparing necessary reports to submit to council for endorsement.

T 3.11.11

COMPONENT C: COMMUNITY & SOCIAL SERVICES
(LIBRARIES AND ARCHIVES, MUSEUMS, ARTS & GALLERIES, COMMUNITY HALLS, CEMETERIES & CREMATORIA, CHILD CARE, AGED CARE, SOCIAL PROGRAMMES & THEATRES)

INTRODUCTION

Community and Social Services strives to improve the quality of life for all Midvaal residents, from the cradle to the grave, by ensuring access to health, information and recreation in a safe, secure, clean and sustainable environment and by providing the core principles, mechanisms and processes that are necessary to empower and uplift previously disadvantaged communities.

T 3.12

3.12 LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES

INTRODUCTION

Midvaal libraries consist of 7 library facilities (Meyerton, Henley on Klip, Randvaal, De Deur, Sicelo, Bantu Bonke and Lakeside), as well as several library outreaches services to the rural and disadvantaged communities.

Service delivery priorities and impact

E-Learning and Computer services

The E-Learning and Computer Services provides the community with access to the ICT Technologies and computer literacy skills to bridge the digital divide, basic computer and database trainings are conducted at various libraries for the community. Midvaal Libraries have embraced the Fourth Industrial Revolution (4IR) era by providing ICT services and trainings that are embedded in today's technology such as coding, digital skills, app-based resources and tablets.

Sicelo Library received a face lift with the construction of a new E-Learning centre equipped with state-of-the-art technologies.

Access to free Wi-Fi

Access to broadband connectivity is critical because the technological landscape is changing at an astounding pace in several sectors that impact everyday life.

To bridge the digital all Midvaal Libraries provides access to free Wi-Fi for the community through Gauteng Broad-based Network (GBN).

Mini-libraries

The Mini-library project is a joint initiative between the South African Library for the Blind (SALB) and the Gauteng Department of Sports Arts, Culture and Recreation that is aimed at providing inclusive public library services that caters for visually impaired persons. The mini-library service is available in Meyerton and Lakeside library. It is a computer system with assistive devices and software for the blind and visually impaired people. The mini library includes a book reader that converts any book or document written in English to audio.

T 3.12.1

SERVICE STATISTICS FOR LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES

Service Statistics for libraries (registered members)

Meyerton Library	7 278
Henley on Klip Library	2 682
De Deur Library	1 907
Bantu Bonke Library	439
Lakeside Library	848
Randvaal Library	1 979
Sicelo Library	1 935
Vaal Marina Depot	143

Meyerton Old Age Home	35
Randvaal Old Age Home	7
De Deur Old Age Home	30
Henley Old Age	16
	17 299

Outreach Services (Attendance)

Literacy Quiz	114
World book day	105
Toy Libraries	155
Spelling Bee	105
Coding	68
SA Library Week	134
World Read Aloud Day	69
Art and craft	96

T 3.12.2

Libraries, Archives, Museums, Galleries, Community Facilities & Other Policy Objectives taken from IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T 3.11.7

Employees: Libraries, Archives, Museums, Galleries, Community Facilities & Other					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	100%
4 - 6	11	12	11	1	91.6%
7 - 9	17	18	17	1	94.4%
10 - 12	1	1	1	0	100%
13 - 15	9	8	8	0	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**39**	**40**	**38**	**2**	**95%**
					T 3.12.4

Financial Performance Year 2022/2023: Libraries, Archives, Museums, Galleries, Community Facilities & Other R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	13 494	13 914	13 984	13 998	0%
Expenditure:					
Employees	20 357	23 827	22 086	19 645	-11%
Repairs and Maintenance	1 065	1 171	699	575	-18%
Other	11 097	12 411	13 763	12 476	-9%
Total Operational Expenditure	**32 520**	**37 408**	**36 548**	**32 696**	**-11%**
Net Operational Expenditure	**(19 026)**	**(23 494)**	**(22 564)**	**(18 698)**	**-17%**

					T 3.12.5
Financial Performance Year 2022/23: Social Services Admin					**R'000**
	2021/2022	**2022/2023**			
	Actual	**Original Budget**	**Adjustments Budget**	**Actual**	**Variance to Adjustments Budget**
Total Operational Revenue	Social Services (Administration) included in Libraries, Archives, Museums, Galleries, Community Facilities & Other figures for the 2021/2022 as well as 2022/2023-financial year.				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
					T 3.12.5A

Capital Expenditure: Libraries				**R' 000**
Capital Projects	**2022/2023**			
	Original Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from Adjustment budget**
BANTU BONKE CARPORTS	200			0%
BANTU BONKE LIBRARY BOOKS (DAC)	250	250	250	0%
DE DEUR LIBRARY BOOKS (DAC)	250	250	249	0%
EXT LAKESIDE LIB BUILDING - UPGRADING	500	501	501	0%
HOK LIBRARY BOOKS (DAC)	250	250	249	0%
ITC HARDWARE (COMPUTORS) - NEW	1 000	1 119	1 116	0%
LAKESIDE LIBRARY BOOKS (DAC)	300	300	299	0%
LIBRARY FURN & EQUIPMENT - MEYERTON-NEW	250	250	233	-7%
MEYERTON LIBRARY - FURNITURE & EQUIPMENT	200			0%
MEYERTON LIBRARY BOOKS (DAC)	400	400	399	0%
MOBILE LIBRARY BUS	1 500	1 594		-100%
RANDVAAL LIBRARY BOOKS (DAC)	250	250	249	0%
SICELO LIBRARY BOOKS (DAC)	300	300	300	0%
RANDVAAL CARPORTS		105	105	0%
MEYERTON LIBRARY FURNITURE		200	166	-17%
Total	**5 650**	**5 769**	**4 116**	**-29%**
				T 3.12.6

COMMENT ON THE PERFORMANCE OF LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHER (THEATRES, ZOOS, ETC) OVERALL

The Sicelo Library upgrading project is completed with the construction of the E-Learning Centre and Ablution facilities.

T 3.12.7

3.13 CEMETERIES AND CREMATORIA

INTRODUCTION

The objective of cemeteries and crematoria is to provide accessible, safe cemeteries to all residents of Midvaal and to maintain all cemeteries at an acceptable standard, through the implementation of the by-laws on cemeteries. Managing and providing burial function / administration and providing bookings for paupers and indigents.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES & CREMATORIA

The maintenance and operational service is delivered via a contractor. The total contracted services and maintenance amounted to R967 500.00. The total income for cemeteries was R1 062 307.00.

T 3.13.2

Cemeteries & Crematoria Policy Objectives taken from IDP							
Service Objectives	Outline Service Targets	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T3.13.3

Financial Performance 2022/2023: Cemeteries and Crematoria R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	1 062	827	827	792	-4%
Expenditure:					
Employees					
Repairs and Maintenance	18	97	97	65	-33%
Other	1 118	1 296	1 296	1 097	-15%
Total Operational Expenditure	**1 137**	**1 393**	**1 393**	**1 162**	**-17%**
Net Operational Expenditure	**(74)**	**(566)**	**(566)**	**(370)**	**-35%**

T 3.13.5

Capital Expenditure: Cemeteries and Crematoriums R' 000				
Capital Projects	2022/2023			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
EXTENTION OF KOOKRUS CEMETRY FENCING	1 000	448	448	44799899%
UPGRADE & EXT CEMETERIES IN MIDVAAL		552	162	16198159%
Total	**1 000**	**1 000**	**610**	

T 3.13.6

COMMENTS ON THE PERFORMANCE OF CEMETERIES & CREMATORIA OVERALL

Midvaal succeeded in providing a high standard of well-maintained and sustainable cemetery services to all communities in Midvaal. The operational maintenance of the cemeteries (grass cutting, cleaning of the area and repairs to ablution blocks and fencing) is done partly in-house and partly by an external service provider.

The actual cemetery function (digging and closing of graves, burial site layout) is being performed by an external service provider as provided for in the operational budget.

Furthermore, the Municipality fenced the New Kookrus Extension Cemetery to a value of R448 000.00 and prepared plans for graves plotting, buildings and roads to a value of R186.278.30 during 2022-2023.

INDIGENT AND PAUPER BURIALS

Twenty -two (22) Indigent and 22 Pauper burials were conducted in the 2022-2023- financial year.

INDIGENT APPLICATIONS

Four hundred and forty-six indigent application referrals were received from finance. All those households were visited, assessed and recommendations made. Out of those 413 applications were approved and 33 were declined.

3.14 CHILD CARE, AGED CARE & SOCIAL PROGRAMMES

INTRODUCTION

Child Care – Early Childhood Development Centres

Early Childhood Development Centres (ECD) Centres are visited and monitored as per the annual baseline. Centres that do not meet the required status are revisited and guided until they meet the required status. An ECD database is available and updated as and when necessary.

31 ECD practitioners were trained on early childhood development (NQF Level 4) through Mathew Goniwe Leadership Skills and Training Centre.

Special programmes are conducted four times a year including older persons, disability, 16 Days of Activism and youth. Midvaal only deals with education and awareness on these programmes. We have seen fewer reported cases of elderly abuse both in our offices and in Midvaal Police Stations.

T 3.14.1

Employees: Child Care, Aged Care & Social Programmes					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	100%
4 - 6	4	4	4	0	100%
7 - 9	3	4	4	0	100%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**8**	**9**	**9**	**0**	**100%**
					T 3.14.4

Financial Performance 2022/2023: Child Care, Aged Care & Social Programmes R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	N/A				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
					T 3.14.5

Capital Expenditure: Social Services (Administration) R' 000				
Capital Projects	2022/2023			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
FURNITURE & EQUIPMENT	20	20	19	-5%
SMALL MOTOR VEHICLE		250	240	-4%
				0%
Total	**20**	**270**	**259**	**-4%**
				T 3.14.6

COMMENT ON THE PERFORMANCE OF CHILD CARE, AGED CARE &SOCIAL PROGRAMMES

81 jobs were created through the Day Mother programme. 62-day mothers were trained through Smart Start on child progress training as well as financial budget. For the first time Smart Start held an award ceremony for day mothers on different excellence categories.

T 3

COMPONENT D: ENVIRONMENTAL PROTECTION (POLLUTION CONTROL, BIO-DIVERSITY & LANDSCAPE)

INTRODUCTION

Environmental protection strives to protect and sustain our environment for the present and future generations. The aim is to ensure a comprehensive and sustainable environment for all communities. It will ensure safe food, water, air and land usage. The unit aims to co-ordinate the implementation of pollution control strategies for all environmental pollution, as well as promote sustainable utilisation and conservation of biological diversity and natural processes for the development of all communities.

T 3.15

3.15 POLLUTION CONTROL

INTRODUCTION

The Constitution of the Republic of South Africa defines the provision of Municipal Health Services (non-personal health) as a function of local government in terms of Schedule 4B. Section 84 of the Municipal Structures Act further determines that districts must render Municipal Health Services (MHS) for the district as a whole.

The Sedibeng District Municipality resolved to render Municipal Health Services (MHS) on an agency basis through a Service Level Agreement with the respective local municipalities within its jurisdiction as from 1 Jul 2004.

Given that MHS is currently either regarded as the same as or part of Environmental Health Services (EHS), the World Health Organization (WHO) perceives environmental health as addressing: "all the physical, chemical and biological factors external to a person and all the related factors impacting behaviours". Thus, MHS also means the assessment, monitoring, correction, control and prevention of environmental health factors that can adversely affect human health.

The National Health Act, 61 of 2003, further defines MHS as services that include:

1. Water quality monitoring
2. Food control
3. Waste management
4. Health surveillance of premises
5. Surveillance and prevention of communicable diseases
6. Vector control
7. Environmental pollution control
8. Disposal of the dead
9. Chemical safety

The following duties are also executed by the Environmental Health Section if relevant to its jurisdiction:

- Prison Institutions
- Court Institutions
- SAPS Institution
- Provincial Schools
- Provincial Clinics
- Provincial Hospitals
- Educational Departments
- Department of Revenue
- Department of Home Affairs
- Post Offices

Pollution control further relates to the identification, evaluation, monitoring and prevention of land, soil, water, noise and air pollution. Environmental pollution control is included in the definition of Municipal Health Services in the National Health Act, 60 of 2003 and is a core function of all spheres of government in protecting the environment for future generations.

T 3.15.1

SERVICE STATISTICS FOR POLLUTION CONTROL

1. Pollution control is a core function of the Environmental Health Section and thus forms part of their daily routine.

2. Air pollution, ambient monitoring and licensing is currently managed by the Environmental Management Section of the Sedibeng District Municipality in liaison with the National Department of Environmental Affairs.

3. The Environmental Health Section samples borehole water and municipal water monthly. Samples of rivers, dams and streams are conducted in liaison with the National Department of Water Affairs and the Department of Health.

4. Surveillance of industrial premises regarding possible environmental pollution activities are conducted weekly.

5. Public complaints related to pollution control are investigated immediately and acted upon by issuing statutory notices for compliance.

6. All statistics on various pollution factors are compiled in monthly and quarterly reports to the District and Local municipalities.

7. The Environmental Health Section is operationally funded by the Sedibeng District Municipality in terms of a Service Level Agreement.

8. Capital funding is not available and all education and awareness projects and campaigns are managed under the operational budget.

T 3.15.2

Pollution Control Policy Objectives taken from IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T 3.15.3

Employees: Pollution Control					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	5	6	6	0	100%
7 - 9	1	1	1	0	100%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**6**	**7**	**7**	**0**	**100%**
					T 3.15.4

Financial Performance 2022/2023: Pollution Control					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
					T 3.15.5

Capital Expenditure: Pollution Control				
				R' 000
Capital Projects	2022/2023			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments Budget
None				
				T 3.15.6

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL

OVERALL

The Environmental Health Section continues to assist in the performance of those functions as well as with environmental health related issues pertaining to pollution control.

The vast geographical area in the jurisdiction of the local municipality creates challenges in terms of controlling land pollution such as illegal dumping and illegal oil spills. However, with proper control systems and mechanisms implemented, improved control can be exercised. Frequent follow-up inspections, issuing of statutory notices and billing perpetrators further assist in managing problematic areas.

Environmental health education and awareness programmes and environmental cleaning campaigns at primary schools, informal settlements and previously disadvantaged communities assist in the prevention and control of environmental pollution.

T 3.15.7

3.16 BIODIVERSITY, LANDSCAPE, OPEN SPACES AND OTHER

INTRODUCTION

To provide accessible and safe parks and open spaces, maintaining all parks and open spaces at an acceptable standard and to promote urban greening and forestry and create awareness of the environment through awareness campaigns, National days and weekly tree maintenance and planting and the implementation of the Public Open Space By-laws.

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

The service as detailed above has been delivered within the provided budget.

T 3.16.2

Biodiversity, Landscape and Other Policy Objectives taken from IDP							
Service Objectives	Outline Service Targets	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T 3.16.3

Employees: Biodiversity, Landscape and Other					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	100%
4 - 6	5	5	5	0	100%
7 - 9	7	8	6	2	71.4%
10 - 12	41	42	40	2	94.7%
13 - 15	5	16	4	12	25%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**59**	**72**	**56**	**16**	**77.7%**

T 3.16.4

Financial Performance 2022/2023: Biodiversity, Landscape and Other R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	None				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

T 3.16.5

COMMENT ON THE PERFORMANCE OF BIODIVERSITY, LANDSCAPE AND OTHER

Various capital projects, as detailed above, have been implemented during the year under review, of which the procurement of new service delivery equipment is the most significant.

During Arbour month in conjunction with the Department of Forestry and fisheries, the Municipality donated more than 800 trees to Midvaal residents and planted about 150 trees across the municipality to green the environment.

20 Parks were maintained, and various communities befitted. Play equipment, dustbins, benches, soccer, rugby and netball posts, outdoor gym, ablutions, braai areas and paving were maintained. A new Meyerton Park was developed through the installation of a fence, outdoor gym equipment and playpark equipment to a tune of R630 000.00. Furthermore, a new park development was done at Savannah city RDP section through installation pf play park equipment. In Riversdale, the National Department of Sport, Arts, Culture and Recreation donated and installed outdoor gym equipment and kiddie's playpark equipment for purposes of upgrading an existing park.

Flowerbeds maintenance weekly, replacement of plants and pruning on all plants. New flowerbeds were established in varies areas within the municipality through a contracted service provider and the in-house team. Irrigation teams maintained all areas with irrigation and where there was not an irrigation system a water tanker watered the area.

The Pest and Weed Control team, controlled weed in different areas of the municipality. They also managed the control of pests like bees, rats and snakes in different municipal facilities and public open spaces.

For grass cutting, 3 contracted service providers were used to add to the Midvaal grass cutting team. A minimum of 2 cycles of grass cutting were done in public open spaces and more than 17 grass cutting cycle on municipal facilities. Vacant stands were maintained in different areas.

Tree cutting contracted service provider in conjunction with Midvaal tree cutting team maintained all trees as per the tree cutting policy.

T 3.16.7

COMPONENT E: HEALTH
(CLINICS, AMBULANCE SERVICES & HEALTH INSPECTIONS)

3.17 CLINICS

INTRODUCTION

The Act gives guidance and definition to Provincial Health Care (PHC) and Municipal Health Services (MHS). It provides decentralisation and legal structures for the operation of the District Health System.

T 3.17

We are providing a high-quality care daily that is accessible to all our people visiting the facilities. We work efficiently to optimize the scarce resources.

Top 3 service delivery priorities achieved.

1. Elimination of Mother to Child transmission of HIV/AIDS is being reduced in our Health Facilities.
2. Treat chronic patients effectively by transforming their lives to increase live span where there are less defaulters and more patients are retained under care.
3. Provide outreach health services to households especially communities which are suffering of poverty by mobile unit and door to door visits.

Measures taken to improve performance.

1. Good team spirit among health workers.
2. Provision of health education activities in our facilities.
3. Support from Senior Managers.
4. Monitoring and evaluation by clinic managers.

T 3.17.1

Service Data for Clinics					
	Details	2021/2022	2022/2023		2022/2023
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Average number of Patient visits on an average day		1200	1553,32	1 708.6
2	Total Medical Staff available on an average day	143	63	63	143
3	Average Pateint waiting time	3hrs	3hrs	3hrs	3hrs
4	Number of HIV/AIDS tests undertaken in the year	68 219	23 329	56 417	68 219
5	Number of tests in 4 above that proved positive	4352	681	723	4352
6	Number of children that are immunised at under 1 year of age	11	90%	88%	90%
7	Child immunisation s above compared with the child population under 1 year of age	90%	90%	28% not immunized	90%
					T 3.17.2

Average waiting time = 1hr to 3hrs
Medical Staff Component = 58

Clinics Policy Objectives taken from IDP							
Service Objectives	Outline Service Targets	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T3.16.3

	Employees: Clinics				
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	100%
4 - 6	1	1	1	0	100%
7 - 9	5	5	5	0	100%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**8**	**8**	**8**	**0**	**100%**
					T 3.17.4

Financial Performance 2022/2023: Clinics					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	4 658	5 952	5 892	1 687	-71%
Expenditure:					
Employees	3 148	3 422	3 514	3 106	-12%
Repairs and Maintenance	119	651	734	231	-68%
Other	881	1 759	1 355	803	1%
Total Operational Expenditure	**4 149**	**5 831**	**5 603**	**4 141**	**-26%**
Net Operational Expenditure	**509**	**121**	**289**	**(2 453)**	**-949%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.17.5*

Capital Expenditure: Clinics				
				R' 000
Capital Projects	2022/2023			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments budget
Total				**0%**
				T 3.17.6

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL

Midvaal renders the provision of Primary Health Care Services on an agency basis. The Memorandum of Understanding (MOU) with Gauteng Province gave directives for capital projects to be carried out by the Provincial sphere of government, therefore no capital projects were undertaken in the last two financial years.

T 3.17.7

3.18 AMBULANCE SERVICES

INTRODUCTION

Ambulance services is not a municipal function, the function is handled by the Sedibeng District Municipality.

T 3.18.1

Financial Performance 2022/2023: Ambulances R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
Total Operational Revenue	N/A				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
T 3.18.5					

Capital Expenditure: Ambulances R' 000				
Capital Projects	2022/2023			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments Budget
None				
T 3.18.6				

3.19 HEALTH INSPECTION, FOOD AND ABBATOIR LICENSING AND INSPECTION

INTRODUCTION

The Constitution of the Republic of SA defines the provision of Municipal Health Services (MHS) (non-personal health) as a function of local government in terms of Schedule 4B. Section 84 of the Municipal Structures Act further determines that the District Council are responsible to render Municipal Health Services (MHS) district wide.

The Sedibeng District Municipality resolved to render MHS on an agency basis through a Service Level Agreement with the respective local municipalities within its jurisdiction as from 1 Jul 2004.

Given that MHS is currently either regarded as the same as or part of Environmental Health Services (EHS), the World Health Organisation (WHO) perceives environmental health as addressing: "all the physical, chemical and biological factors external to a person and all the related factors impacting behaviours". Thus, MHS also means the assessment, monitoring, correction, control and prevention of environmental health factors which can adversely affect human health.

The National Health Act, 61 of 2003, further defines MHS as services that include:

1. Water quality monitoring
2. Food control
3. Waste management
4. Health surveillance of premises
5. Surveillance and prevention of communicable diseases
6. Vector control
7. Environmental pollution control
8. Disposal of the dead
9. Chemical safety

The following duties are also executed by the Environmental Health Section if relevant to the Jurisdiction:

- Prison Institutions
- Court Institutions
- SAPS Institution
- Provincial Schools
- Provincial Clinics
- Provincial Hospitals
- Educational Departments
- Department of Revenue
- Department of Home Affairs
- Post Offices

Thus, all aspects of Environmental Health such as inspections, surveillance of premises and food control is being conducted under the National Health Act and relevant environmental health legislation.

T 3.19.1

SERVICE STATISTICS FOR HEALTH INSPECTION

1. The nine elements of Municipal Health Services, as listed in the National Health Act, are core functions of the Environmental Health Section and thus form part of their daily routine.

2. All statistics on the various environmental health elements are compiled in monthly and quarterly reports to the district and local municipalities.

3. The Environmental Health Section is operationally funded by the Sedibeng District Municipality in terms of a Service Level Agreement to the amount of R3 081 089.

4. Capital funding is unavailable and all education and awareness projects and campaigns are managed under the operational budget. Thus, no capital projects were conducted.

T 3.19.2

Health Inspection and Policy Objectives taken from IDP							
Service Objectives	Outline Service Targets	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T 3.19.3

Employees: Clinics					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	1	1	1	0	100%
4 - 6	1	1	1	0	100%
7 - 9	5	5	5	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**8**	**8**	**8**	**0**	**100%**
					T 3.17.4

Employees: Health Inspection					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3					0%
4 - 6					0%
7 - 9					0%
10 - 12		Counted under Pollution Control			0%
13 - 15					0%
16 - 18					0%
19 - 20					0%
Total					**0%**
					T 3.19.4

Financial Performance 2022/23: Health Inspection, Etc (Municipal Health - Sedibeng Funding)					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	3 220	3 081	3 081	2 128	-31%
Expenditure:					
Employees	3 817	3 969	4 018	3 985	-1%
Repairs and Maintenance	12	57	44	35	-21%
Other	331	398	408	302	-26%
Total Operational Expenditure	**4 160**	**4 424**	**4 471**	**4 321**	**-3%**
Net Operational Expenditure	**(939)**	**(1 343)**	**(1 389)**	**(2 194)**	**58%**

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.
T 3.19.5

Capital Expenditure: Health Inspection R' 000				
Capital Projects	2022/2023			
	Budget	Original Budget	Actual Expenditure	Variance from Adjustments Budget
None				

T 3.19.6

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS OVERALL

1. The nine elements of Municipal Health Services listed in the National Health Act are core functions of the Environmental Health Section and thus form part of their daily routine. These functions are performed by four operationally functional Environmental Health Practitioners and one Chief Environmental Health Practitioner, responsible for strategic planning and operational implementation of strategies.

2. All statistics on the various environmental health elements are compiled in monthly and quarterly reports to the District and Local municipalities.

3. The Environmental Health Section is operationally funded by the Sedibeng District Municipality in terms of a Service Level Agreement to the amount of R3 081 089.

4. Capital funding is not available and all education, awareness projects and campaigns are managed under the operational budget.

T 3.19.7

COMPONENT F: SAFETY & SECURITY
(POLICE, FIRE, DISASTER MANAGEMENT, LICENSING AND CONTROL OF ANIMALS, CONTROL OF PUBLIC NUISANCES)

INTRODUCTION

Safety & Security

Traffic services have various Pillars the following are key Road Safety Education, Road Safety Engineer, Road Safety Evaluation and Enforcement.

These includes Traffic Law Enforcement, Traffic By-law Enforcement, Social crime prevention, Speed prosecution maintaining law and order and promoting peace.

The Traffic Road Safety Services are rendered within Midvaal area including the R59-freeway, R82-Provincial Road, R42-Provincial Road and R550-Provincial Road therefore do not go beyond the borders of Midvaal.

Bringing services to the people, Traffic Police provide community with funeral escorts at no cost. The events applications are authorised and monitored in line with Legislation and further maintain safety during community protests.

The enforcement of the Disaster Management Act and safety guidelines, in a case of Disaster within community of Midvaal.

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Public Safety Traffic Police

The primary role of Traffic Police is safety of our community and render Services such as traffic control, speed law enforcement prosecution and road traffic law enforcement. The Traffic Road Safety Services cover the R59-freeway, but do not include the Vereeniging/Emfuleni area. In addition to road safety, traffic police are mandated to enforce Municipal By-Laws, promote social crime prevention, minimise road accidents, maintain law and order and promote peace.

The total number of Infringements issued:

2021/2022		2022/2023		Difference
Infringements	66 877	Infringements	170 351	103 474
Accidents	166	Accidents		

170 351 infringements were issued, based on different offences and locations. The above figures display a significant decline in infringements, which stems from improved behaviour on traffic legislation compliance and pro-active policing. The joint operations with SAPS and monthly heavy duty and public transport operations proved to yield positive results in terms of traffic law compliance.

Duly structured and formalised Community Policing Forums are supported and encouraged to perform joint policing activities which maximise visibility.

T 3.20

3.20 TRAFFIC POLICE

INTRODUCTION

Traffic Police services entails traffic law enforcement, speed prosecution which remains our highest priority, due to daily accidents reports caused by largely ignorance and non-compliance to traffic legislation. The total number of infringements issued during the 2022/2023-financial year is 170 351.

Ensuring excellent service delivery and percentage compliance to service standards, priority was placed on the 30-day turn-around time to comment on applications of building plans from date of receipt. The impact was giving support to housing projects and those residents who wish to extend their properties.

Addressing the scourge of unethical behaviour such as abuse of power and corruption. Policies, standard operating procedures as well as Ethics and Code of Conduct are given the highest priority on weekly management meetings to encourage and maintain active formal and informal business trading in communities living in poverty-stricken areas.

T 3.20.1

Traffic Service Data					
	Details	2020/2021	2021/2022		2022/2023
		Actual Number	Estimate Number	Actual Number	Estimate Number
1	Number of road traffic accidents during the year	500	400	572	1257
2	Number of by-law infringements attended (DP)	DP	DP	DP	DP
3	Number of traffic officers in the field on an average day	22	23	18	18
4	Number of traffic officers on duty on an average day	18	23	18	18
					T 3.20.2

Number of Traffic Officers Shift A and Shift B together	18	
Office staff	7	
Traffic Officials Shift A	From 06:30 to 14:30	Monday to Saturday
Traffic Officials Shift B	From 13:30 to 20:30	Monday to Friday
Both shifts alternating - Monday to Saturday	(Sunday overtime on emergencies only)	

T 3.20.2.1

Traffic Policy Objectives taken from IDP							
Service Objectives	Outline Service Targets	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T3.20.3

Employees: Traffic					
Job Level	2021/2022	2022/2023			
Police / Administrators	Employees Number	Posts Number	Employees Number	Vacancies (full-time equivalents) Number	Vacancies (as a % of total posts) %
Chief Police Officer & Deputy	1	1	1	0	100%
4 - 6	7	8	6	2	75%
7 - 9 Officers	15	34	16	18	47%
7 - 9 Admin	6	7	6	1	85.7%
10 - 12	0	0	0	0	0%
11 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	100%
TEMPORARY	14	21	11	10	52.3%
Total	**44**	**72**	**41**	**31**	**57%**
					T 3.20.4

Financial Performance 2022/2023 Traffic					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	68 319	75 151	117 871	72 460	-39%
Expenditure:					
Police Officers	18 636	23 030	20 027	18 920	-6%
Repairs and Maintenance	452	484	486	371	-24%
Other	10 118	11 427	13 120	12 439	-5%
Total Operational Expenditure	**29 206**	**34 941**	**33 633**	**31 730**	**-6%**
Net Operational Expenditure	**39 113**	**40 210**	**84 237**	**40 729**	**-52%**

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

T 3.20.5

COMMENT ON THE PERFORMANCE OF TRAFFIC POLICE OVERALL

Priority 1:

1. Traffic Police operate 6 days in a week and available on standby 24/7 services on emergency situations such as community protests. Enforce compliance on all traffic related legislation to save lives. Create awareness and give out information to the motorists. Freeway patrol and speed measuring.

2. Speed prosecution enforced on approved road sites by the National Prosecuting Authority with more accidents and curb the habitual offenders where motorists tend to drive beyond the prescribed speed limit due to road construction.

3. Traffic vehicles improved response time during service delivery protest and freeway. R59-freeway, R82 Provincial Road, R550 Provincial Road, R42-Provincial Road are better managed to ensure high visibility of law enforcement.

Priority 2:

1. Joint operations with other law enforcement agencies including SAPS. Monitoring of moving violations. Periodic roadblocks to maximise police visibility. Law enforcement activities as well as drinking and driving operations.

2. Conform to Magisterial requirements in terms of preparation of court rolls. Ensure support from Magistrates Courts regarding traffic fines which need urgent attention such as NAG (No Admission of Guilt).

3. Admission of guilt fines, warrants of arrests and court rolls be better manged to conform to the legislative imperatives.

Priority 3:

Assisting schools with road safety education. Bus public transport and Taxi industries Providing school road safety education, working closely with Department of Education on School Road Safety Education, Scholar Patrols and Road Safety Compliance to improve road safety for the learners. Conducting consistent public transport roadworthy tests and operator valid driver's licences.

T 3.20.7

3.21 FIRE

INTRODUCTION

The responsibilities for the Fire Section are divided into the following categories:

1. Fire Operations
2. Fire Safety
3. Fire Protection Association (FPA)
4. Public Information Education and Relations (PIER)
5. Training

1. Fire Operations

A Thousand litre Diesel tank Trailer with pump was purchased to ensure delivery of fuel to the Fire Vehicles in the Midvaal. A fully equipped Rapid Response Vehicle was purchased to render Rescue services in the Vaal Marina area. Fire and Rescue Equipment was placed in both Fire Stations ensuring proper equipment during any rescue or fires, throughout the Midvaal area. Three containers were bought for the Training section. Focus was place on community security and a 4 x 4 bakkie with a cherry picker were purchased to install and maintain CCTV Cameras throughout Midvaal. An additional and upgraded BA Compressor system and portable system was purchased to ensure a high quality of fresh air for the personnel when combatting fires. A Medium Pumper with equipment was bought for Midvaal to ensure a high standard of service delivery to the community. A high standard of service delivery was maintained during the year with mutual assistance from the Fire Protection Association (FPA).

2. Fire Safety:

The following actions were executed to ensure compliance to the Fire Safety Plan:

Inspections	542
Building Plans	782
Land-use application	226
Fire Risk Assessment	1
Other	299
Old Age Homes	5
High Risk Industries	7
Certificate of Registration	
Transport Dangerous Goods Permits	1941
Fire Compliance Certificate	74
Flammable Liquid Store/Storage inspections	65
Warnings issued.	11
Fire Investigations conducted	14
Places of Instruction	56

With the tremendous escalating of Dangerous Goods transport permits the Fire Safety section has past the R1 000000 income generation for the annual year

3. FPA (Fire Protection Association)

FPA is divided into thirteen (13) sectors which fall under the Gauteng umbrella and each sector is responsible for its own area with a total of 807 members. The FPA attended and assisted with grass combating of 7 500 hectares of grassland that was destroyed during the veld fire season of 2021/2022-financial year.

4. PIER (Public Information, Education and Relations)

The PIER Section attended to the visiting of creches, pre-schools and schools by demonstrating fire awareness programs, evacuation drills and "learn not to burn" lectures to assist in early childhood development.

Community Centres and Informal Settlements were visited, and lectures presented was "Home Safety, Smoke Alarm, Road Safety and Pedestrian Safety."

2719 people were reached with these events throughout the 15 wards of Midvaal.
Fire Safety Awareness Training, Home Safety, Road Safety, Pedestrian Safety, and the use of Smoke Alarms were done within the community.

Evacuation drills were also conducted in the industrial areas to test the communities or companies pre-fire plans and readiness.

5. Training

Midvaal Community Services (Public Safety) started a training centre assisting with the training of the community and to ensure a high level of service delivery is maintained throughout the area. The training centre is QCTO Assessment and Training Provider Centre and has 1 verifier, 4 assessors and moderators with a training simulator to test the skills of the community.

The following training was conducted:

1. FPA Grass and Wild-land fires
2. First Aid Level 1 to 3
3. Emergency related training to the shifts
4. Basic Fire and Fire Extinguisher
5. Evacuation Training

143 community members were trained.

6. Events

The Fire Department has hosted their first Fit to Fight Fire Challenge in May 2023 with 20 teams partaking. It was an ideal event to meet professional in the field and exhibitors in the Fire industry. The Mayor and his team had the opportunity to mingle with the community and all supported the Midvaal Fire Fighters. it was a memorable event with Midvaal taking first and third place over-all of the challenge.

The Midvaal Fire Fighters are committed personnel and Challenged the Drager Toughest Fire Fighter Challenge in COJ (City of Johannesburg) where they once again proofed that they are a team to be recon with, the outcome proofed it when they took first and third place.

T 3.21.1

Metropolitan Fire Service Data					
	Details	2019/2021	2021/2022		2022/2023
		Actual Number	Estimate Number	Actual Number	Estimate Number
1	Total fires attended in the year	660	660	389	394
2	Total of other incidents attended in the year	800	800	572	1257
3	Average turnout time - urban areas	2 min	3 min	3 min	3 min
4	Average turnout time - rural areas	2 min	3 min	3 min	3 min
5	Fire fighters in post at year end	60	71	71	72
6	Total fire appliances at year end	15	15	15	16
7	Average number of appliances off the road during the year	2	0	0	2
					T 3.21.2

Operational Activities

Fires attended, consisted of formal and informal residential fires, commercial (restaurants, shops), storages (warehouses), industry (furniture, textile, metal), transport (vehicles, trucks, and aircraft), rubbish, grass, and miscellaneous fires of which there was a 59% decrease from the previous year. A total of 394 fires were attended to, including before arrival, Good Intent, and malicious false alarms, 1 death was recorded at fire incidents.

Other incidents attended to, were an aircraft accident in Bass Lake, water rescues, spillages (oil, petrol, diesel), special services, motor vehicle accidents, pedestrian vehicle accidents and medical assistance. This year a decrease of 16.36% was experienced in the incidents mentioned. A total of 100 special services were attended to and a total of 75 deaths were recorded at motor vehicle and pedestrian vehicle accidents.

The turn-out times to rural and urban areas were 3 min with a 98% compliance to the guidelines.

An increase of appliance breakdown was also experienced which led to 2 vehicles off the road during the year.

Other incidents attended to, were an aircraft accident, water rescues, spillages (oil, petrol, diesel), special services, motor vehicle accidents, pedestrian vehicle accidents and medical assistance. This year an increase of 11% was experienced in the incidents mentioned. A total of 611 special services were attended to and a total of 75 deaths were recorded at motor vehicle and pedestrian vehicle accidents.

The turn-out times to rural and urban areas were 3 min with a 98% compliance to the guidelines.

An increase of appliance breakdown was also experienced which led to 2 vehicles off the road during the year.

T 3.21.2.1

Fire Service Policy Objectives taken from IDP							
Service Objectives	**Outline Service Targets**	**2020/2021**			**2021/2022**		**2022/2023**
		Target		**Actual**	**Target**		
***Service Indicators* (i)**	**(ii)**	***Previous Year (v)**	***Current Year (vi)**	**(vii)**	***Current Year (viii)**	***Current Year (ix)**	***Following Year (x)**
See Annexure T							
							T3.21.3

Employees: Fire Services					
Job Level	**2021/2022**	**2022/2023**			
Fire Fighters / Administrators	**Employees Number**	**Posts Number**	**Employees Number**	**Vacancies (full-time equivalents) Number**	**Vacancies (as a % of total posts) %**
Chief Fire Officer & Deputy	2	0	2	0	100%
4 - 6	3	3	3	0	100%
7 – 9 (Station Officers/Admin)	11	17	14	5	82.3%
7 - 10 (Firefighters)	36	52	34	18	65.3%
13 - 15	1	2	1	1	50%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0		
Temporary	17	27	13	14	48.1%
Total	**70**	**101**	**67**	**38**	**66.3%**
					T 3.21.4

Financial Performance 2022/2023: Fire Services R'000					
Details	**2021/2022**	**2022/2023**			
	Actual	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance to Adj Budget**
Total Operational Revenue	697	1 102	1 102	1 149	4%
Expenditure:					
Fire fighters	23 543	33 714	28 517	26 246	-8%
Repairs and Maintenance	2 765	1 029	2 357	1 395	-41%
Other	5 548	9 117	10 528	8 735	-17%
Total Operational Expenditure	**31 856**	**43 860**	**41 402**	**36 376**	**-12%**
Net Operational Expenditure	**(31 158)**	**(42 758)**	**(40 299)**	**(35 226)**	**-13%**

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

T 3.21.5

Capital Expenditure: Fire Services				
				R' 000
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
1000 LT DIESEL TANK TRAILER WITH PUMP	60	60	45	-24%
3 X CONTAINERS FOR TRAINING	100	100	92	-8%
C14 X 4 BAKKIE	500	443	443	0%
BRAKING SYSTEM RETARDER - ENGINE 2	250	317	267	-16%
CHERRY PICKER	600	725	723	0%
MEDIUM PUMPER FIRE ENFINE	7 500	7 500	3 338	-55%
RADIOS AND REPEATER	750	750	749	0%
RADIOS AND REPEATERS	300	300	298	-1%
CCTV CAMERAS & EQUIPMENT NEW	2 500	2 276	2 275	0%
BA COMPRESSOR SYSTEM		728	455	-37%
RESCUE VEHICLE VAALMARINA		1 192	1 192	0%
NEW MACHINERY AND EQUIPMENT		70		-100%
LAPTOPS		20		-100%
Total	**12 560**	**14 480**	**9 878**	**-32%**
				T 3.21.6

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL

The main priority for the service was to finalise the Mayoral Collaboration Plan of 2016 - 2019.

The budget spent for the third year of the plan/project was: Priority 1 - 6 as well as the additional installations.

Payment Invoice	Date Submitted	Amount	Date Paid
9982	4/10/2018	R59 685.00	31/10/2018
201901	15/11/2018	R93 897.36	15/01/2019
201922	15/11/2018	R93 897.36	21/01/2019
10191	01/09/2018	R68 862.00	7/09/2018
000429	20/11/2018	R68 788.17	23/11/2018
10253	04/10/2018	R219 155.63	23/01/2019

Program & Progress	
Hand over date (Project completed)	24 June 2019
Commencement date	4 October 2018
Date of practical completion	23 June 2019
Number of planned working days	264
Number of days elapsed since commencement	270
Number of working days left	0
% time elapsed	100%
% Overall progress	100%
% Ahead	0%
% Budget vs Expenditure	100%

T 3.21.7

3.22 OTHER
(DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCE)

INTRODUCTION

Disaster Management is a District function but is managed by the Chief Fire Officer in Midvaal. All Midvaal Fire Personnel are trained in ICS 100 -300 to ensure that each call is properly attend to and managed. The Disaster Management Plan is annually revised and submitted for the IDP. During the winter season Public Safety and Roads department ensure that rivers are kept clean of unwanted debris and that run off water systems are open and unblocked before the rainfall of the summer season, by doing this run of water reach the river quickly and out of the area and not to dam and course damage to infrastructure. Water levels are constantly monitored to be prepared for any flash floods that might occur and to warn our community intime for any evacuations when required.

T 3.22.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCE

T 3.22.2

Disaster Management, Animal Licencing & Control, control of Public Nuisances Policy Objectives taken from IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T3.21.3

Employees: Sport and Recreation					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
	Counted under Parks and Recreation				
					T 3.23.3

Financial Performance 2022/2023: Disaster Management, Animal Licencing and Control, Control of Public Nuisances R'000					
Details	2022/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Budget
Total Operational Revenue	N/A				
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
					T 3.22.5

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL OF PUBLIC NUISANCES OVERALL

Disaster Management support was provided from the district whereby Midvaal supplied 67 blankets, 1 tent and 2 canvas coverings and 38 food parcels.

T 3.22.7

COMPONENT G: SPORT & RECREATION
(COMMUNITY PARKS, SPORT FIELDS, SPORTS HALLS, STADIUMS, SWIMMING POOLS AND CAMP SITES)

INTRODUCTION

The strategic objectives of the Sport and Recreation Section are:

1. To promote total well-being by facilitating and co-ordinating equal access to sports and recreational facilities.
2. To facilitate and encourage participation in various sporting codes, thereby unifying diverse cultures.
3. To improve the quality of life of Midvaal residents with special focus on disadvantaged and rural communities.
4. Providing and maintaining Sports and Recreational Facilities and Infrastructure with special emphasis on the disadvantaged and rural communities.
5. To liaise with the Gauteng Department of Sport and Recreation and the Sedibeng District Municipality in order to ensure the promotion and facilitation of Sport Development in Midvaal.
6. To ensure the sustainable establishment of a sports hub at the Sicelo Multi-purpose Centre with the specific intention of promoting and developing sport amongst previously disadvantaged communities.
7. To develop certain sporting programmes to assist the youth to develop in specific sporting codes (gymnastics, ring ball, soccer and table tennis).
8. To liase with the Sedibeng Sport Confederation and Midvaal Local Sport Confederation in ensuring support for sport development programmes and activities within Midvaal.

T 3.23

3.23 SPORT AND RECREATION SERVICE

STATISTICS FOR SPORT AND RECREATION

Although this section is more focussed on the provision of sport and recreation facilities and infrastructure, it does generate a small income from the entrance fees of the Meyerton Swimming Pool and Halls.

Consideration must be given to the fact that the swimming pool is seasonally operated and only available to the public from 1 Sep to 27 Mar, however that Halls are available throughout the year for usage.

21 informal soccer and netball fields were graded.

T 3.23.1

Sport & Recreation Policy Objectives taken from IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T3.23.2

Employees: Sport and Recreation					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**3**	**3**	**3**	**0**	**0%**
					T 3.23.3

Financial Performance 2022/2023: Parks					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	12 337	2 888	2 888	3 283	14%
Expenditure:					
Employees	13 891	19 948	17 791	17 755	0%
Repairs and Maintenance	1 416	1 635	1 252	1 032	-18%
Other	9 381	17 080	19 208	17 311	-10%
Total Operational Expenditure	**32 293**	**38 663**	**38 251**	**36 098**	**-6%**
Net Operational Expenditure	**(19 956)**	**(35 775)**	**(35 363)**	**(32 816)**	**-7%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.23.4*

Financial Performance 2022/2023: Swimming Pool					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	1 539	2 770	2 750	3 152	15%
Expenditure:					
Employees	14 404	17 792	16 378	16 363	0%
Repairs and Maintenance	1 488	1 534	1 081	1 024	-5%
Other	10 399	12 374	14 302	12 798	-11%
Total Operational Expenditure	**26 291**	**31 699**	**31 761**	**30 184**	**-5%**
Net Operational Expenditure	**26 291**	**31 699**	**31 761**	**30 184**	**-5%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.23.4*

Financial Performance 2022/2023: Sport and Recreation R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	124	118	138	131	-5%
Expenditure:					
Employees	813	1 384	684	682	0%
Repairs and Maintenance	106	101	171	8	-95%
Other	1 003	1 133	1 100	1 014	-8%
Total Operational Expenditure	**1 922**	**2 619**	**1 955**	**1 704**	**-13%**
Net Operational Expenditure	**1 922**	**2 619**	**1 955**	**1 704**	**-13%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.23.4*

Financial Performance 2022/2023: Sport and Recreation (Consolidated) R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	10 282				0%
Expenditure:					
Employees	764	772	729	711	-3%
Repairs and Maintenance	31				0%
Other	3 285	3 573	3 805	3 500	-8%
Total Operational Expenditure	**4 080**	**4 345**	**4 534**	**4 210**	**-7%**
Net Operational Expenditure	**4 080**	**4 345**	**4 534**	**4 210**	**-7%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.23.4*

Capital Expenditure: Sport and Recreation (Parks) R' 000				
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
CHAINSAWS	70	64	64	0%
TELESCOPIC POLE PRUNERS	70	69	69	0%
TRACTORS (REPLACEMENTS)	350	350	319	-9%
BRUSH CUTTERS		53	50	-5%
PARKS & INFRASTRUCTURE DEVELOPMENT		630	623	-1%
LAKESIDE SPORT CENTRE (MIG)	5 024	5 024	5 024	0%
RIDE ON LAWNMOWERS WITH TRAILERS	200	155	155	0%
Total	**5 714**	**6 344**	**6 304**	**-1%**
				T 3.23.5

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

Sport and Recreation had two major capital projects namely:

Lakeside Sport Field (MIG): (1) Resurfacing of 6 Ringball Courts at Meyerton Sports Clubs and Conference Centre, the project is completed and (2) The building of the Lakeside Multi-purpose Indoor Sport Hall is ongoing. A smaller capital project included the purchasing of 2 ride-on mowers.

The Section also completed two main maintenance projects, namely: (1) Repairs to Meyerton Swimming Pool and Various Facilities that included the Swimming Pool Storeroom and wall extension and (2) The repairs to Meyerton Rugby and Soccer Fields and Parks Offices Ablution Block.

Furthermore, a technical report was approved for construction of a new soccer stadium with athletics, running track at Savanna City. Funding bidding processes were also initiated for this project.

20 Parks were maintained and various communities befitted. Play equipment, dustbins, benches, soccer, rugby and netball posts, outdoor gym, ablutions, braai areas and paving were maintained. A new Meyerton Park was developed through the installation of a fence, outdoor gym equipment and playpark equipment to a tune of R650 000.00. In Riversdale, the National Department of Sport, Arts, Culture and Recreation donated and installed outdoor gym equipment and kiddies playpark equipment for purposes of upgrading an existing park.

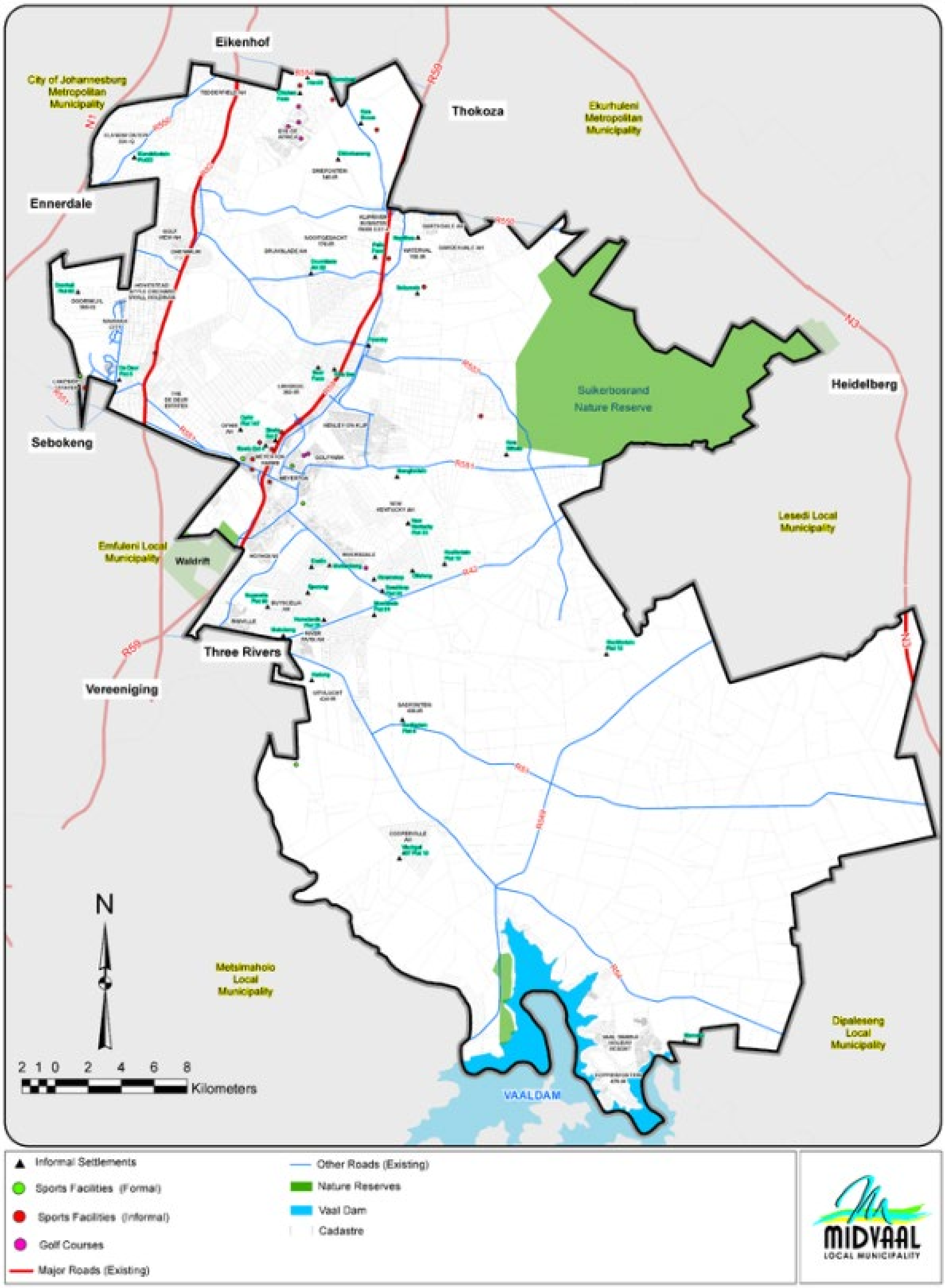
Four Multi-purpose centres were maintained, namely the Sicelo Multi-purpose Centre, Bantu Bonke Multi-purpose Centre, Lakeside Sports Centre and Meyerton Sports Clubs Facilities. Meyerton Swimming Pool, ring ball courts, caretaker's and swimming pool supervisor's houses, community halls, ablution blocks, outdoor gyms, netball courts, benches, rugby field, soccer fields, cricket field and squash court, combi-courts, fabricated mobiles containers are functional and various communities benefit from these facilities.

The Midvaal Local Sport Confederation was not functional, but it is being reignited and the inter-governmental relations with the Department of Sports, Arts, Culture & Recreation (DSACR) in delivering sport and recreation programs, are maintained. The annual O.R Tambo-Soncini Games and Midvaal Mayoral Youth Games community development programmes were staged. Sporting kits, trophies, medals, playing apparatus and medals were procured as well as monetary donations to clubs that participated aimed at community sport development.

Furthermore, various community sport development programmes such as Rusoord Sec School – Hector Peterson Midval Sports Tournament, Midvaal Local Football Association, Kliprivier Enrichment Community Centre and Bantu Bonke Youth Games were supported with trophies, medals, sporting kits and balls.

Additionally, Midvaal hosted a very successful Netball World Cup Trophy Tour at Sicelo Multipurpose Centre and proceeded to Saul Tsotetsi Sports Complex in Sebokeng, Emfuleni Local Municipality.

ANNUAL REPORT 2022 - 2023
Sports & Recreation Map



COMPONENT H: CORPORATE POLICY OFFICES & OTHER SERVICES

INTRODUCTION

Due to the small category of municipality and staff complement, Council does not have a corporate policy office. Policies are developed by the various departments, management and/or political wing as may be appropriate and required. These policies are submitted for approval to Council. A control file is maintained containing all approved policies and reviewed at specified intervals.

T 3.24

3.24 EXECUTIVE AND COUNCIL (EXECUTIVE MAYOR, COUNCILLORS & MUNICIPAL MANAGER)

INTRODUCTION

The Council, headed by the Speaker, is the legislative and oversight authority in the municipality. The executive function and day-to-day running of the municipality is dealt with by the Executive Mayor and the Mayoral Committee together with the Municipal Manager and top management. The clear role clarification streamlines service delivery and enhances efficiency and effectiveness of performance. A clear distinction has been drawn between these functions and is regulated by Council's System of Delegations.

T 3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

In view that Midvaal does not have a corporate policy office, the service delivery priorities are set out in the various departmental activities, reflected in the different sections in this report (see Chapter 3).

T 3.24.2

The Executive & Council Policy Objectives taken from IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T3.24.3

Employees: The Executive and Council					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	5	7	4	3	57.1%
4 - 6					0%
7 - 9					0%
10 - 12					0%
13 - 15					0%
16 - 18					0%
19 - 20					0%
Total	**5**	**7**	**4**	**3**	**57.1%**
					T 3.24.4

Financial Performance 2022/2023: The Executive and Council R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	7 232	7 913	7 913	7 759	-2%
Expenditure:					
Employees	10 217	37 925	37 925	36 648	-3%
Repairs and Maintenance	140	455	1 594	1 381	-13%
Other	31 647	34 499	42 451	34 024	-20%
Total Operational Expenditure	**42 004**	**50 024**	**60 078**	**51 713**	**-14%**
Net Operational Expenditure	**(34 772)**	**(42 111)**	**(52 165)**	**(43 954)**	**-16%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.24.5					

Financial Performance 2022/2023: The Executive and Council R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	7 573	7 913	7 913	7 759	-2%
Expenditure:					
Employees	28 375	37 925	37 925	36 648	-3%
Repairs and Maintenance	277	455	1 594	1 381	-13%
Other	42 189	51 555	62 246	52 757	-15%
Total Operational Expenditure	**70 841**	**89 935**	**101 765**	**90 786**	**-11%**
Net Operational Expenditure	**70 841**	**89 935**	**101 765**	**90 786**	**-11%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.24.5					

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL

Please see the note in T3.24 above confirming that this Council does not have a separate or dedicated corporate policy office.

The performance of the Executive and Council is reflected in the various departmental reports as per the preceding Chapter 3 entries.

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION

The department is tasked with the provision of financial services in an accountable, effective and transparent manner. Strict measures are in place to protect the financial integrity of the municipality as well as to ensure compliance with the Municipal Finance Management Act, Act 56 of 2003 (MFMA).

The following main services are rendered by the department (with an indication of main activities and/or achievements for the year):

Asset Management

Completion of full asset and condition verification.
The Asset Register Module of the Solar Financial System is fully implemented.

Financial Reporting

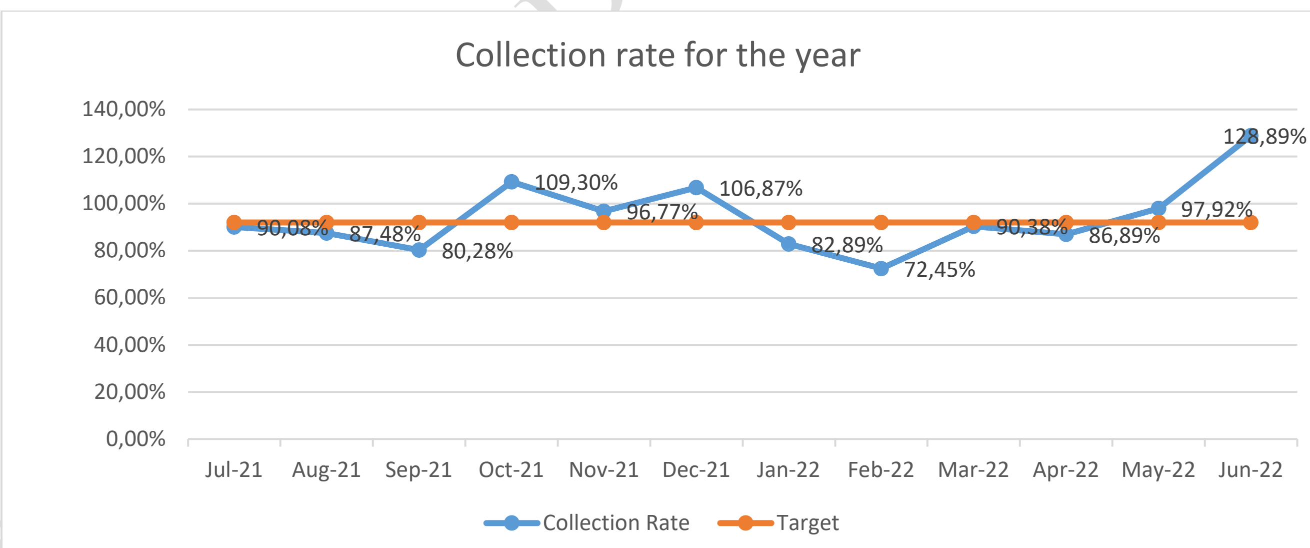
Financial Statements were finalised and submitted as required by relevant legislation. Clean audits were achieved for the 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019 and 2019/2020- financial years.

The Audit action plan was compiled and implemented. Budget tabled and approved in line with legislative deadlines.

Monthly and quarterly reports submitted in line with legislative deadlines. All financial/budget related policies were reviewed and approved.

Revenue Management, including billing and collection of municipal rates and service charges.

A cash collection rate of 92.6% was achieved during the year. The graph below shows the collection rate per month, the annual target as well as a moving two-month collection average.



Meter readings is particularly a challenge in a municipal environment and as most others, Midvaal strives to improve meter reading. A process was started to replace old and dysfunctional pre-paid water meters, audits were conducted on households with low and/or no consumption registered on their meters. Ongoing interactions are taking place with customers with water and electricity meters that are not accessible to the meter readers.

Expenditure Management, including the rendering of a payroll function and Supply Chain Management

Expenditure management is an ongoing function with the aim of improving creditor's efficiency by ensuring all creditors are paid within 30 days. More than 99% of all invoices are paid within 30 days with only invoices that are in dispute being paid later. A single pay-roll function is rendered, and employees are paid via EFT, monthly. All statutory deductions are paid to the relevant bodies within the prescribed legislated timeframes.

In terms of Section 32(4) of the MFMA, it is required that the accounting officer of a municipality promptly inform the mayor, MEC for local government in the province and the Auditor-General in writing, of –

1. Any unauthorised, irregular, or fruitless and wasteful expenditure incurred by the municipality.

1. Whether any person is responsible or under investigation for such unauthorised, irregular, or fruitless and wasteful expenditure; and

2. The steps that have been taken:

    1. To recover or rectify such expenditure; and
    2. To prevent a recurrence of such expenditure.

There was one case of irregular expenditure during the year under review which the Accounting Officer has reported to the Executive Mayor and the MEC for Local Government. The possible irregular expenditure case is in the process of being reported to Council.

T 3.25.1

Debt Recovery							
							R' 000
Details of the types of account raised and recovered	2021/2022		2022/2023			2022/2023	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estmated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected % (Consolidated bill)
Water	198 687	92.60%	214 565	198 687	92.60%	197 400	92.00%
Assessment Rates	253 088	92.60%	273 314	253 088	92.60%	251 448	92.00%
Sewer	50 421	92.60%	54 450	50 421	92.60%	50 094	92.00%
Refuse	51 024	92.60%	55 102	51 024	92.60%	50 694	92.00%
Electricity	440 611	92.60%	475 822	440 611	92.60%	437 756	92.00%
Sundries			94 856			87 267	92.00%
Interest			18 518			17 037	92.00%
Total	**993 831**		**1 186 626**	**993 831**	**83.75%**	**987 392**	
							T 3.25.2

A cash collection rate of 97.34% was achieved during the year. Midvaal applies its Credit Control Policy consistently and regularly, hands over debt to the appointed panel for debt collection, where accounts remain unpaid for more than three months. A new panel of debt collectors are on site and the focus is on both soft and hard collections.

The Debt Collection Policy will again be reviewed during the 2022/2023-financial year to ensure effective, but fair debt collection practices are applied.

T 3.25.2.1

Financial Service Policy Objectives taken from IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T3.25.3

Employees: Financial Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	4	5	5	0	100%
4 - 6	22	25	21	4	84%
7 - 9	35	42	39	3	93%
10 - 12	0	0	0	0	0%
13 - 15	3	3	2	1	67%
16 - 18	0	0	0	0	0%
Temporary	5	7	5	2	71.4%
Total	**69**	**82**	**72**	**10**	**88%**
					T 3.25.4

Financial Performance 2022/2023: Financial Services R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue					0%
Expenditure:					
Employees	14 113	17 171	16 721	15 239	-9%
Repairs and Maintenance	9	13	9	5	-41%
Other	14 470	15 944	15 996	11 999	-25%
Total Operational Expenditure	**28 593**	**33 128**	**32 726**	**27 244**	**-17%**
Net Operational Expenditure	**28 593**	**33 128**	**32 726**	**27 244**	**-17%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.25.5*

Capital Expenditure: Financial Services R' 000				
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
FUEL TANKS & PUMPS		1 069	204	-81%
AIRCONDITIONERS				0%
FURNITURE AND EQUIPMENT	147	561	515	-8%
SCM SYSTEM	2 000	2 068	2 067	0%
STORES EQUIPMENT & SHELVING				0%
Total	**2 147**	**3 697**	**2 786**	**-25%**
				T 3.25.6

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL

The department performed well. Debt collection targets were met and will remain the focus area for the 2022/2023 financial year. Expenditure was kept within the budget and no over-expenditures were incurred.

The following areas will be prioritised during the next financial year:

Improved Revenue Management

1. Ongoing improvements in revenue management, including ongoing completeness of revenue reconciliations.
2. Collection rate of 94% targeted.
3. Reduction of outstanding government debt – various initiatives are underway with the Gauteng Provincial Government to reduce government debt and ensure ongoing payment for services.
4. Reduction in interim billings (improved meter reading)

Improved Expenditure Management

1. Ongoing implementation of cost containment measures in line with the National Treasury MFMA Circular 82 (Cost Containment Measures) as well as the new regulations on cost containment;
2. Compliance with Supply Chain Management turn-around time standards;
3. Improved Contract Management processes.

Improved Liquidity Management

Increased cash holdings, measured through the liquidity ratio, cost coverage ratio and number of days cash holdings.

Improved Governance

1. Top risks managed and mitigated via risk management process – updated Strategic and Operational Risk Registers to form the basis of risk management processes;
2. Ongoing GRAP compliance;
3. Further improvements to the Municipal Standard Chart of Accounts (mSCOA) compliance;
4. Increased Repair and Maintenance Budget (R & M) (increased allocations in the budget).

T 3.25.7

3.26 HUMAN RESOURCES

INTRODUCTION

Since the beginning of the year, there has been tremendous achievement in terms of Human Resources operations. All relevant human resource policies are in place. There is a fully functional Local Labour Forum and Employment Equity Forum which serve as the custodians of employer and employee relations. There is a bursary scheme in the form of "Study Assistance" which has helped employees to achieve their academic dreams, including utilisation of training resources which assisted immensely in developing employees.

There has also been the introduction of new systems and processes which aid efficiency. The introduction of an electronic recruitment job board has increased representation and provides Midvaal with a wider range of candidates from which to source when recruiting staff. The introduction of a functional Time & Attendance Electronic System and Electronic Leave Self Service are also two processes that are assisting with operational requirements.

Employees' Assistance Programmes are also in place, which have contributed substantially towards the social and psychological upliftment of employees' morale and sense of belonging.

Having achieved all this, the road is still long, and the challenges will always be addressed through effective human resources intervention.

T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resources main functions (services) include amongst others the following:

1. Recruitment & Selection
2. Training & Development
3. Employee Assistance Programmes including Leave, Benefits, HIV Workplace Programme and Attendance Management
4. Labour Relations & Occupational Health & Safety

T 3.26.2

Human Resource Services Policy Objectives taken from IDP							
Service Objectives	Outline Service Targets	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							
							T 3.26.3

Employees: Human Resource Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 – 3	3	3	3	0	100%
4 – 6	10	15	12	3	80%
7 – 9	7	9	9	0	100%
10 – 12	0	0	0	0	0%
13 – 15	1	1	1	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	**21**	**28**	**25**	**3**	**89.2%**
					T 3.26.4

Financial Performance 2021/2022: Human Resource Services					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustments Budget	Actual	Variance to Adjustments Budget
Total Operational Revenue	359	596	596	542	-9%
Expenditure:					
Employees	9 899	13 071	12 407	11 451	-8%
Repairs and Maintenance	22	22	22		-98%
Other	9 377	11 470	11 465	10 037	-12%
Total Operational Expenditure	**19 298**	**24 563**	**23 894**	**21 488**	**-10%**
Net Operational Expenditure	**(18 939)**	**(23 968)**	**(23 299)**	**(20 946)**	**-10%**
					T 3.26.5

Financial Performance 2022/2023: Human Resource Services					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue	542	619	619	581	-6%
Expenditure:					
Employees	11 451	13 629	13 526	13 193	-2%
Repairs and Maintenance		23	7	2	-74%
Other	10 041	11 463	8 893	7 227	-19%
Total Operational Expenditure	**21 492**	**25 116**	**22 425**	**20 422**	**-9%**
Net Operational Expenditure	**(20 950)**	**(24 496)**	**(21 806)**	**(19 840)**	**-9%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.26.5*

Capital Expenditure: Human Resource Services				' 000
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
				0%
Total				**0%**
				T 3.26.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES OVERALL

Human Resources is the heartbeat of any organisation and at Midvaal, Human Resources attempts to be market leaders. Tremendous achievement in terms of operations, have been experienced. This can be ascribed to the implementation of new processes and procedures. All human resource policies are in place and the continued success of the Local Labour Forum and Employment Equity Forum also contributes to sound employer and employee relations.

T 3.26.7

3.27 INFORMATION COMMUNICATION TECHNOLOGY (ICT) SERVICES INTRODUCTION

The overall ICT functions are as follows:

1. Internal LAN/WAN monitoring and management.
2. Maintenance of ICT Hardware.
3. Systems and Applications Management.
4. Procurement of Hardware/Software.
5. Systems administration and operations on servers (daily back-ups, replication to DRP server);
6. Access control of users to systems.
7. Managing of the general ICT operations.

The internal ICT Section is rendered by a staff complement of: Director: ICT, Assistant Director: ICT, ICT Security Specialist, System Administrator, Technical Administrator, IT Technicians (Total of 6) & Helpdesk Operator.

Midvaal is also responsible for the cost applicable to its own staff and the internal function, namely hardware and software.

At the local level, e-governance and the appropriate use of ICT can enhance and support economic and social development, particularly in empowering officials and municipal representatives, ensuring linkages, networking, timely, efficient, transparent, and accountable services. E-local governance means exploiting the power of ICT to help transform the accessibility, quality, and cost-effectiveness of public service and to help revitalize the relationship between citizens and public bodies who work on their benefit.

The ICT Section exists to support the objectives of Midvaal through sound technological deployment that creates opportunities for innovation and transformation while maintaining stable operations. ICT must provide both a centre of innovation as well as a foundation of stability on which the current business operations can rely. ICT must therefore play a strong and leading role in helping the Municipality leverage technology in all facets of its business and the accompanying administrative support. Deployment of technology is not limited to the installation of software and hardware but extends into many facets of the business including people and processes.

The focus for the ICT function is to provide a secure, speedy and reliable service to all users. Resources have been allocated to support these performance targets.

T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES

SUMMATION OF THE MONTHLY REPORTS TO DETERMINE WHETHER THE BASELINE FOR CALLS SERVICED AND NETWORK UPTIME WAS ACHIEVED FOR THE PERIOD 1 JULY 2022 - 30 JUN 2023				
MONTH	% UPTIME NETWORK (BASELINE = 90%)	% OF CALLS ATTENDED TO IN 60 MIN (BASELINE 95%)	NUMBER OF CALLS LOGGED	% UPTIME OF SERVERS (BASELINE = 90%)
Jul-22	99,85%	99,53%	424	99,72%
Aug-22	99,02%	98,50%	466	99,97%
Sep-22	100%	99,77%	430	99%
Oct-22	99%	100%	361	99,27%

Nov-22	100%	99,32%	293	99,27%
Dec-22	100%	98,13%	268	99,68%
Jan-23	100%	99,05%	419	99,50%
Feb-23	100%	98,20%	389	99,97%
Mar-23	100%	99,75%	403	96,87%
Apr-23	100%	97,58%	289	99,04%
May-23	100%	99,34%	301	99,57%
Jun-23	100%	97,94%	340	99,71%
Y-t-D Total	**99,82%**	**98,93%**	**4383**	**99,33%**

T 3.27.2

ICT Services Policy Objectives taken from IDP							
Service Objectives *Service Indicators* (i)	Outline Service Targets (ii)	2020/2021			2021/2022		2022/2023
		Target		Actual	Target		
		*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
See Annexure T							

T3.27.3

Employees: ICT Services					
Job Level	2021/2022	2022/2023			
	Employees Number	Posts Number	Employees Number	Vacancies (full-time equivalents) Number	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	100%
4 - 6	4	5	4	1	80%
7 - 9	6	7	7	0	100%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**11**	**13**	**12**	**1**	**92.3%**

T 3.27.4

Financial Performance 2022/2023: ICT Services R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue					0%
Expenditure:					
Employees	5 566	6 099	6 201	6 185	0%
Repairs and Maintenance	9				0%
Other	11 259	12 968	16 734	16 348	-2%
Total Operational Expenditure	**16 835**	**19 067**	**22 935**	**22 533**	**-2%**
Net Operational Expenditure	**(16 835)**	**(19 067)**	**(22 935)**	**(22 533)**	**-2%**

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

T 3.27.5

Capital Expenditure: IT Services				
				R' 000
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
DISASTER RECOVERY	500	500	489	-2%
LAPTOPS & DESKTOPS (MOBILE DEV REFURBISH	700	698	683	-2%
MIDVAAL NETWORK INFRASTRUCTURE UPGRADE	700	700	680	-3%
SOFTWARE MONITORING TOOL	300	300	289	-4%
Total	**2 200**	**2 198**	**2 140**	**-3%**
				T 3.27.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

Although occasional connectivity problems were experienced, these were identified, addressed and resolved. Further improvements will be affected on a continuous basis to meet service objectives and targets.

T 3.27.7

3.28 PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION

The property portfolio of the municipality is being managed on an ongoing basis. The properties mainly relate to land and buildings that are either currently used or are earmarked for the rendering of municipal services. Risk management processes are in place as detailed in the relevant sections. Procurement resides under the Finance Department and is discussed in detail under the section dealing with Finance Management.

T 3.28.1

SERVICE STATISTICS FOR PROPERTY, LEGAL, RISK MANAGEMENT & PROCUREMENT SERVICES

T 3.28.2

Employees: Property & Legal					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number	Number	Number	Number	%
0 - 3	2	2	2	0	100%
4 - 6	3	3	2	1	67%
7 - 9	1	1	1	0	100%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	**6**	**6**	**5**	**0**	**83.3%**
					T 3.28.4

*Risk Management & Procurement Services reported under Finance

Financial Performance 2022/2023: Property; Legal; Risk Management and Procurement Services R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue					0%
Expenditure:					
Employees	13 588	15 624	15 624	14 111	-10%
Repairs and Maintenance	3	85	67	43	-35%
Other	2 053	5 134	3 061	2 385	-22%
Total Operational Expenditure	**15 644**	**20 843**	**18 752**	**16 540**	**-12%**
Net Operational Expenditure	**(15 644)**	**(20 843)**	**(18 752)**	**(16 540)**	**-12%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.28.5*

Capital Expenditure: Property; Legal and Risk Management R' 000				
Capital Projects	2022/2023			
	Original Budget	Adjustment Budget	Actual Expenditure	Variance from Adjustment budget
STRATEGIC LAND PURCHASES				0%
RECORDING EQUIPMENT	210			0%
OFFICE FURNITURE				0%

RECORDING EQUIPMENT		210	158	-25%
Total	**210**	**210**	**158**	**-25%**
				T 3.28.6

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL

Various land transactions are in the process of being registered at the Deeds Office.

T 3.28.7

3.29 SAVANNA CITY

Financial Performance 2022/2023: Savanna City					
					R'000
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adj Budget
Total Operational Revenue					0%
Expenditure:					
Employees					0%
Repairs and Maintenance					0%
Other	403	517	517	367	-29%
Total Operational Expenditure	**403**	**517**	**517**	**367**	**-29%**
Net Operational Expenditure	**(403)**	**(517)**	**(517)**	**(367)**	**-29%**
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.29.5*

Capital Expenditure: Savanna City				
				R' 000
Capital Projects	2022/2023			
	Original Budget	Adjustments Budget	Actual Expenditure	Variance from Adjustments Budget
Total				
				T 3.29.6

COMPONENT I: MISCELLANEOUS (PROVISION OF AIRPORTS, ABATTOIRS, MUNICIPAL COURTS AND FORESTRY AS MUNICIPAL ENTERPRISES)

INTRODUCTION

These are functions of the Sedibeng District Municipality and the Gauteng Provincial Government.

T 3.29.0

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes the Annual Performance Report for the year under review.

Plan Number: Plan Name																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved/ Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
All information is included in the organisational scorecards attached to this Annual Report (Annexure T)																	
Note: Set out key plans as per performance scorecard e.g Plan 1: Sustain and build natural enviroment, Plan 2: Economic Development and job creation, Plan 3: Quality living enviroment, Plan 4: Safe, healthy and secure enviroment, Plan 5: Empowering our citizens, Plan 6: Promoting cultural diversity, Plan 7: Good governance, Plan 8: Financial viability and sustainability. T 3.30																	

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

INTRODUCTION

The Organisational Development Performance is reported on, based on the strategic objectives and core/support functions of the organisation. Organisational Development within the organisation is linked to the IDP Objectives in conjunction with the Vision and Mission Statement of the municipality.

Specific Organisational Development Performance that can be reported include Organisational Structure, Staff Establishment and Workforce Profile.

Organisational Structure

The organisation has five departments with a total staff compliment of 782 employees at the end of the reporting period. The total number of employees is inclusive of permanent, temporary, and fixed term contract employees.

The organisational structure for the organisation is reviewed annually. The structure for the 2021/2022-financial year was approved by Council in Nov 2022. The structure is approved in terms of the budget allocated for the provision of positions as motivated for by the Staff Establishment Report.

Staff Establishment

Midvaal Local Municipality, in terms of the Municipal Systems Act, Act 32 of 2000, reviews the Staff Establishment Report on a regular basis. The 2021/2022 Staff Establishment Report was submitted, however there was no provision for new/additional posts on the organisational structure for the reporting period.

Workforce Profile

Compliance to the Equity legislation necessitated that a workforce profile was compiled for Midvaal. Midvaal's workforce profile as at 30 June 2022, is reflected in the table below. In total the municipality recruited 83 new employees during the reporting period. The total number of terminations was 30 which amounts to 7.3% turn-over rate. All appointments are aligned to the Employment Equity provisions. It should be noted that internal promotions of staff, where the appointment is within the same occupational level, are open for all candidates to apply as it would not impact on the representativeness within the occupational level. All other vacancies whether internal or external are adherent to Equity provisions, in instances where there is not a specific equity target other designated groups are given preference.

In most internal appointments/promotions within the General, Semi-Skilled and Skilled occupational levels, where there are no equity targets from the internal pool, designated groups are given preference, this does result in over-representation of certain designated groups and is reported to the Mayoral Committee annually.

T 4.0.1

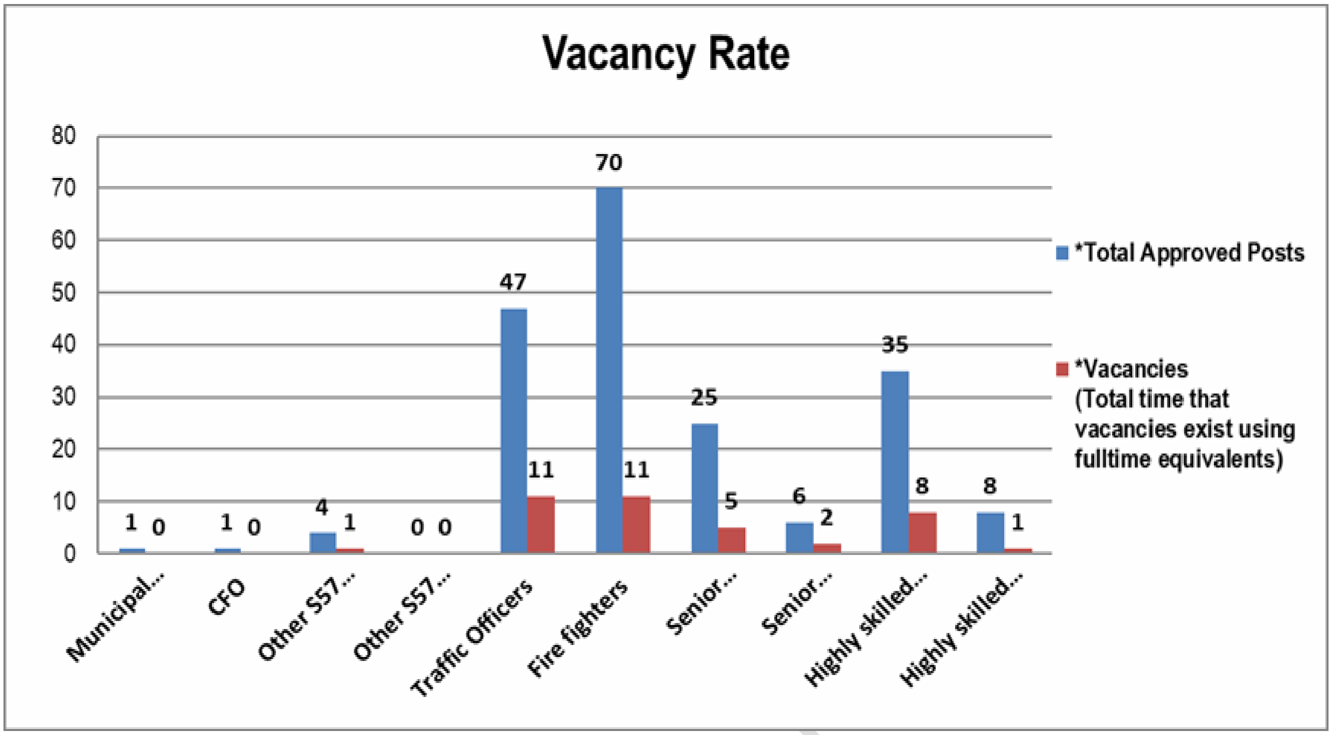
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURN-OVER AND VACANCIES

Employees					
Description	2021/2022	2022/2023			
	Employees Number	Approved Posts Number	Employees Number	Vacancies Number	Vacancies %
Water	50	61	53	8	13%
Technical Support	14	19	15	4	21%
PMU	5	7	5	2	33.3%
Wastewater (Sanitation)	30	87	72	15	17%
Electricity	47	67	56	11	16%
Waste Management	71	116	92	24	20.7%
Housing,Planning,LED	39	49	44	5	10%
Roads	50	73	49	24	33%
Transport/Mechanical	9	15	11	4	27%
Social Services/Admin	16	14	13	1	7%
Libraries	20	40	38	2	5%
Environmental Protection	2	7	7	0	0%
Health	9	8	8	0	0%
Traffic Officers	20	34	16	18	53%
Traffic (Admin)	6	9	8	1	11%
Traffic (2-6)	5	8	7	1	12.5%
Traffic (Contract)	9	21	11	10	47.7%
Fire Fighters	15	52	34	18	34.7%
Station Officers/Admin	7	18	15	4	16.7%
Fire (4-6)	3	3	3	0	0%
Fire (Contract)	15	27	13	14	51.9%
Sport and Recreation	23	72	56	16	22%
Human Resources	20	28	26	3	8%
ICT	7	13	12	1	7.7%
Legal and properties	3	6	5	1	16.7%
Finance	69	82	72	10	11%
Risk & Compliance	3	3	3	0	0
Sec56/57	3	7	4	3	50%
PMS	5	6	5	1	16.7%
Communications	3	7	5	2	28.6%
Communications (Contract)	8	9	8	1	11%
MM Office	2	3	2	1	33%
Political Office	4	4	4	0	0%
Political Office (Contract)	7	17	8	9	53%
Records	5	5	5	0	0%
Auxiliary	11	15	12	3	20%
Committees	6	7	6	1	14.3%
Totals	**621**	**1019**	**803**	**218**	**21.4%**
					T 4.1.1

Vacancy Rate: 2022/2023			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using full-time equivalents)	*Vacancies (as a proportion of total posts in each category)
	Number	Number	%
Municipal Manager	1	1	100%
Chief Financial Officer	1	1	100%
Other Section 57 Managers (excluding Finance)	5	3	40%
Other Section 57 Managers (Finance posts)	0	0	0%
Police Officers (Traffic Officers)	34	16	53%
Fire Fighters	52	34	34.7%
Senior Management: Levels 13 - 15 (excluding Finance)	N/A	N/A	N/A
Senior Management: Levels 13 - 15 (Finance)	N/A	N/A	N/A
Highly Skilled Supervision: Levels 9 - 12 (excluding Finance)	N/A	N/A	N/A
Highly Skilled Supervision: Levels 7 - 12 (Finance)	N/A	N/A	N/A
Total	**93**	**55**	**40.9%**
			T 4.1.2

*Traffic Officers replace Police Officers



Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year Number	Terminations during the Financial Year Number	Turn-over Rate*
2021/2022	50	12	24%
2022/2023	76	73	96%
			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER

The 2022/2023 performance indicator for filling of vacancies was set at filling 80% of vacancies within three months, after the placement of the advertisement. The annual figure of new employees increased from 768 to 803 employees for the reporting period. The vacancy rate at the municipality is 21.4% of the total approved posts.

Staff turnover for the reporting period equates to 96%.

T 4.1.4

COMPONENT B: MUNICIPAL WORKFORCE MANAGEMENT

INTRODUCTION

Workforce management is achieved through proper human resources processes and procedures, aligned to Section 67 of the Municipal Systems Act, Act 32 of 2000, which ensures compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration. This is achieved through the Human Resource Strategy contained in the municipality's Integrated Development Plan (IDP) and Staff Establishment Report. Adherence and compliance with applicable legislation and reviewing policies, procedures and processes aimed at regulating the workplace also further assists in workforce management.

Policy Review and Development

Midvaal, as an evolving and developmental Local Government Institution, regularly reviews its policies, processes and procedures to ensure all processes followed, implemented and executed are open, transparent and aligned to legislative requirements, not to unfairly discriminate against employees. Policy Review is part of Management's Performance Indicators and monitored through the Performance Management System.

The outcome report of investigations into the recruitment process of the municipality, necessitated that the Recruitment Policy be reviewed in accordance with recommendations made by Internal Audit. The recommendations were affected, and the reviewed Policies related to these recommendations viz. Recruitment Policy and Labour Register Policy & Procedure, is anticipated to be approved by Council within the first quarter of the 2021/2022-financial year.

Workplace Programmes

Employee Assistance Programme (EAP)

Midvaal has an Employee Assistance Programme which is a workplace-based programme designed to assist in the identification and resolution of productivity and psycho-social problems which may negatively affect the work performance of employees. Serious cases affecting employees and management are outsourced, for professional assistance, in appropriate circumstances.

The Employee Assistance Programme has proven to be a successful tool and many of the employees are benefiting from the programme.

Midvaal also co-ordinates various employee wellness initiatives throughout the year including, Wellness Day.

HIV/AIDS Workplace Committee

Midvaal has a dedicated HIV/AIDS Committee and its main objective is to promote the well-being of employees affected by and infected with HIV/AIDS. The committee provides employees with information on various health issues related to HIV/AIDS and other related illnesses.

Labour Relations

Workforce management is almost impossible without sound discipline within the workplace. The Labour Relations Section, within the Human Resources Directorate, is effective and well recognised. Labour Relations is the management of individual and collective relationships through the implementation of good practices that enhances the achievement of organisational objectives. The objectives of this function are to:

1. Create a climate of trust and stability by adopting policies and procedures that enhances a harmonious working environment.
2. Ensure compliance to labour legislation including LRA 66 of 1995, BCEA 75 of 1997, EEA 55 of 1998, SDA 97 of 1998, OHS Act 85 of 1993 and COIDA 130 of 1993.
3. Maintain good work relations with recognised Unions within the workplace.
4. Strengthening the relationship with labour (trade unions) and employees through a functional Local Labour Forum (LLF). Ensure the functionality of the forum by establishing effective sub-committees as contained in the Main Collective Agreement.
5. Capacitate LLF members through ongoing training as the SALGBC and SALGA training programs.

6. Ensure adherence to collective agreements applicable to municipalities, agreed to at the Local Government Bargaining Council.
7. Ensure discipline is corrective and progressive and not merely punitive.
8. Ensure effective dispute management and conflict resolution.
9. Ensure that manning levels are maintained during industrial actions.
10. Ensure that processes and procedures are in place for the internal resolution of grievances which have the potential for litigation against Council in the form of disputes.
11. Ensure that processes and procedures are in place for the effective administration of disciplinary procedures in accordance with the Disciplinary Code.
12. Ensure that the Organisational Rights Agreements or Main Collective Agreements are adhered to by having Shop Stewards elected in all departments of the municipality, with all their activities regulated by the Collective Agreement.

Occupational Health & Safety

To ensure that employees have a healthy and safe working environment, the Midvaal complies with the Occupational Health & Safety Act and has a fully functional Health and Safety Committee. This Committee meets, quarterly to address health and safety issues.

Since the COVID-19 outbreak and the proclamation of Disaster Management Act, Midvaal adopted various COVID-19 occupational health and safety measures, which were reviewable based on the adjusted alert levels as announced by the State President, Mr. Cyril Ramaphosa. South Africa's National State of Disaster was terminated by the President and National Government on 4 April 2022.

Midvaal also complies with legislation in terms of:

1. Legal appointment of the Municipal Manager in terms of Section 16.1 of the Act, including Managers reporting directly to the Municipal Manager in terms of Section 16.2 of the Act.

2. Health and Safety Representatives are elected, trained and appointed for a period of three years as per the Occupational Health & Safety Act.

Employment Equity

In compliance with the Employment Equity Act, Act 55 of 1998, as amended, Midvaal developed, amended and reviewed the 5-year Equity Plan and has submitted the 2022 - 2024 Equity Plan to the Department of Labour. The Employment Equity Plan is reported annually and statutory reports (EEA2 & EEA4) are submitted to the Department of Labour within the legislated time-frame.

Progress made in terms of Employment Equity is reported to the Mayoral Committee, annually and submitted to the Local Labour Forum, monthly to report the status quo.

The Municipal Systems Act, 2000, Section 67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration in accordance with the Employment Equity Act 1998.

Employee Study Assistance Policy

This policy was reviewed to be in line with the principles contained in the Main Collective Agreement regarding the allocation of hours to approved employees to enable them to attend classes or contact sessions that are scheduled as part of the course they are studying for.

The maximum amount payable to each employee has been increased to twenty-five thousand rands (R25 000-00).

Professional Employee Association Policy

Council approved this policy to enable municipal officials to belong to registered professional associations and bodies as per their respective professions. This will enable such officials to uphold professional conduct and ethics when executing their duties.

4.2 POLICIES

Human Resource Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1	Affirmative Action Policy	100%	0%	C294/08/2013 29 Aug 213
2	Allowance Policy	100%	100%	C2439/11/2020
3	Attraction and Retention	100%	0%	
4	Code of Conduct for Municipal Staff Members	100%	0%	
5	Delegations, Authorisation & Responsibility	100%	0%	Corporate to Comment
6	Disciplinary Code and Procedures	100%	0%	Municipal Collective Agreement
7	Essential Services	100%	0%	
8	Employee Assistance / Wellness	100%	0%	C1371/08/2015 27 Aug 2015
9	Employment Equity	100%	0%	C920/05/2013 28 May 2013
10	Exit Management	0%	0%	
11	Grievance Procedures	100%	0%	Main Collective Agreement
12	HIV/AIDS	100%	0%	C137/08/2015 27 Aug 2015
13	Human Resource and Development	100%	0%	
14	Information Technology	100%	100%	C2485/02/2021 25 Feb 2021
15	Job Evaluation	100%	0%	SALGA
16	Leave	100%	0%	Municipal Collective Agreement
17	Occupational Health and Safety	100%	0%	C1566/12/2016 8 Dec 2016
18	Official Housing	0%	0%	Not applicable
19	Official Journeys	100%	100%	Vehicle Policy
20	Official Transport to attendance of Funerals	100%	100%	Vehicle Policy
21	Official Working Hours and Overtime	100%	100%	Municipal Collective Agreement
22	Organisational Rights	100%	0%	Main Collective Agreement
23	Payroll Deductions	100%	100%	
24	Performance Management and Development	100%	100%	C2988/11/2022 24 Nov 2022
25	Recruitment, Selection and Appointments	100%	100%	C2389/09/2020 30 Sep 2020
26	Remuneration Scales and Allowances	100%	0%	SALGA
27	Resettlement	0%	0%	Not applicable
28	Sexual Harassment	100%	0%	C922/05/2013 28 May 2013
29	Skills Development	100%	0%	B4470/10/2015 19 Oct 2015
30	Smoking	100%	0%	C1172/08/2014 28 Aug 2014
31	Special Skills	0%	0%	Not applicable
32	Work Organisation	0%	0%	Not applicable
33	Labour Register	100%	100%	C2389/09/2020 30 Sep 2020
34	Study Assistance	100%	100%	C2777/03/2022 24 Mar 2022
35	Uniforms and Protective Clothing	100%	0%	C2803/04/2022 28 Apr 2022
36	Employee Study Assistance Polity	100%	100%	C2986/11/2022 24 November 2022
37	Professional Employee Association	100%	100%	C3088/05/2023 25 May 2023
				T 4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT

Human Resources maintain and develop policies and procedures aligned with applicable legislation and provide the necessary guidelines and awareness to employees on issues related to the workplace. Policies and procedures are reviewed and updated as and when the need arises or due to operational changes. Policy revision also formed part of performance indicators within the Human Resources vocation and is measured as part of the Performance Management System of staff. Reviewed Policies, specifically for the reporting period, include the Leave & Overtime Policy. Subsequent the recommendation from Internal Audit, the Recruitment Policy and Labour Register Policy & Procedure's review and implementation will be reported on, during the 2021/2022-annual reporting cycle.

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of Injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	Number	%	Days	R'000
Required basic medical attention only	210	17	0	12.35	132 065.54
Temporary total disablement	0	0			
Permanent disablement	0				
Fatal	0	0	0	0	
Total	**210**	**17**	**0**	**7.03**	**132 065.54**
					T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	Number	Number	Days	R' 000
Lower skilled (Levels 13 - 15)	1 135	9.42%	106	162	7.01	738 828.25
Skilled (Levels 9 - 12)	1 032	12.30%	129	203	5.08	1 036 953.60
Highly skilled production (Levels 6 - 8)	1 924	8.68%	176	259	7.42	2 739 968.40
Highly skilled supervision (Levels 3 - 5)	706	7.79%	69	88	8.02	1 280 154.50
Senior management (Levels 1 - 2)	251	14.74%	19	28	8.96	663 229.85
MM and S57	9	0%	1	4	2.25	5 937.30
Total	**5 057**	**9.74%**	**500**	**744**	**6.79**	**6 465 071.90**
** - Number of employees in post at the beginning of the year* **Average is calculated by taking sick leave in column 2 divided by total employees in Column 5*						T 4.3.2

COMMENT ON INJURY AND SICK LEAVE

Incidents where employees are injured on duty are reported in terms of Commission of Injuries on Duty Act (COIDA). Incidents are reported to the Safety Officer, investigated and communicated to the relevant authorities and updated on the Corn Easy Website of the Department of Labour.

Serious injuries are referred to a hospital that accepts compensation cases and the required process is followed, in terms of follow-up visits, prescribed by the legislation. For injuries where longer absence from work is expected or recommended, Midvaal closely monitors the absence and the employee's Pension or Gratuity Fund is also informed that the employee has sustained a serious injury.

When an employee reports sick for work, the employee completes a sick leave application, on return to work via the Employee Self Service link on PayDay. Sick leave is monitored accordingly, in conjunction with the user department who is responsible for leave within the respective sections.

T 4.3.4

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
Fuel Attendant	Alleged Theft	22 August 2022	Finalised	30 March 2023
Director: Waste & Environment	Alleged Gross Negligence	10 Nov 2022	Finalised	07 July 2023
General Worker Waste	Alleged Assault	15 May 2023	Finalised	19 July 2023
				T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
Deputy Director: Human Resources	Alleged Irregular Expenditure (No financial loss)	Disciplinary Enquiry	C2854/06/2022 03 May 2023
Assistant Director: Human Capital	Alleged Irregular Expenditure (No financial loss)	Disciplinary Enquiry	C2854/06/2022 15 February 2023
			T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

Discipline is effectively managed and concluded within the relevant timeframes. A disciplinary register is kept and maintained by the Labour Relations Section and monitored accordingly. In terms of compliance with relevant legislation a quarterly update of suspensions and subsequent disciplinary action is sent to the MEC for Local Government.

Discipline was managed and most cases are in process, and nearing finalisation. Human Resources also embarked on various labour relations roadshows and information sharing sessions during the 2020/2021-financial year. These sessions were aimed at capacitating line management on how to effectively handle labour related/disciplinary matters and specifically on how to prosecute and preside over disciplinary matters.

Various matters of financial misconduct were referred to the Financial Disciplinary Board for further investigation and referral to the Municipal Public Accounts Committee for consideration and recommendation to Council.

The Financial Disciplinary Board was re-established in terms of the Local Government: Municipal Finance Management Act, Act 56 of 2003, Municipal Regulations of Financial Misconduct Procedures & Criminal Proceedings, 2014, per Council Resolution C2380/08/2020 dated 27 Aug 2020. The term of the Financial Disciplinary Board is valid until 30 Jun 2023 and chaired by an external independent labour relations/legal expert, appointed by Council.

The Financial Disciplinary Board is an independent advisory body that assist the municipality with the investigation of allegations of financial misconduct and provide recommendations on further steps to be taken regarding disciplinary proceedings, or any other relevant steps to be taken.

The due processes are according to the approved Unauthorised, Irregular, Fruitless & Wasteful Expenditure Policy, approved per Council Resolution C2831/05/2022 dated 26 May 2022 as well as the Financial Disciplinary Board Terms of Reference (Charter) approved per Council Resolution C2380/08/2020 dated 27 Aug 2020.

T 4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards by Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards	Proportion of beneficiaries within group %
Lower Skilled	Female	0	-	-	0%
	Male	0	-	-	0%
Skilled	Female	0	-	-	0%
	Male	0	-	-	0%
Highly Skilled Production	Female	0	-	-	0%
	Male	0	-	-	0%
Highly Skilled Supervision	Female	0	-	-	0%
	Male	0	-	-	0%
Senior Management	Female	0	-	-	0%
	Male	0	-	-	0%
Municipal Manager & Section 57	Female	1	1	7 738	16%
	Male	5	2	159 334	33%
Temporary Staff	Female	0	-	-	0%
	Male	0	-	-	0%
Sub-total	Female	0	-	-	0%
	Male	0	-	-	0%
Total		0		-	

T 4.4.1

COMMENT ON PERFORMANCE REWARDS

Midvaal has, in terms of Section 38 of the Municipal Systems Act, Act 32 of 2000, introduced an electronic Performance Management System (PMS) that is measuring performance.

Performance assessments are currently conducted for the Municipal Manager and other Section 56-employees (Managers reporting directly to the Municipal Manager) and the process has been cascaded to Job Levels 1 - 4. In view of the promulgation of Regulations providing for the recruitment, selection and appointment of Senior Managers (Government Gazette 37245, Local Government: Regulation on Appointment and Conditions of Employment of Senior Managers, Section 35, 17 Jan 2014).

The policy is amended to provide for the payment of performance bonus to Senior Managers appointed in terms thereof and in accordance with the directives in such Regulations and any applicable prescripts on performance management (Government Gazette 42023, Local Government: Upper Limits of Total Remuneration Packages Payable to Municipal Mangers and Managers Directly Accountable to Municipal Managers), 8 Nov 2018.

T 4.4.1.1

COMPONENT C: WORKFORCE CAPACITY DEVELOPMENT

INTRODUCTION

Midvaal develops its workforce by facilitating skills programmes aimed at capacitating employees. The Skills Development Strategy is aimed at providing development support to employees and co-ordinating such development through structured learning.

Capacity Development is linked to the annual Workplace Skills Plan (WSP). Training needs that have been identified through the Career Development Plans (CDPs) and found to be a priority for the year were addressed through formal & informal training.

Midvaal submitted a Workplace Skills Plan (WSP) and an Annual Training Report (ATR), as required by the Skills Development Act, to the Local Government Sector Education and Training Authority (LGSETA) by 30 April. The WSP/ATR was certified by the LGSETA as having met its eligibility criteria.

For the 2022/2023 financial year, the expenditure target of 95% on implementing the Workplace Skills Plan was set. Midvaal achieved 91% in this regard and this is aligned to the National Key Performance Indicator. A total number of 182 employees were trained by conducting 34 training programmes during this reporting period.

MFMA COMPLIANCE TO MINIMUM COMPETENCY REGULATIONS

Specific employees are identified and trained on the Minimum Competency Regulations as directed by the National and Provincial Treasury. A total number of twenty (20) employees were enrolled for this program and are awaiting their Statement of Results (SORs).

Key municipal officials that are occupying critical positions are compliant with the Minimum Competency Regulations, as required by Section 83 of the Local Government: Municipal Finance Management Act, Act 53 of 2006. The program will continue to be rolled out to ensure that all relevant employees are compliant.

STUDY ASSISTANCE

Midvaal provides employees with an opportunity to further their studies through a study assistance/bursary scheme. This initiative motivates employees to further their studies within their respective vocations/fields so to enable them to perform their duties better and promote staff progression to higher levels within the organisation. The aim of providing professional development support to employees is a strategy to link personal development of staff to a sustainable, well-developed and professionally qualified workforce. A total of 92 employees were given financial assistance to pursue various fields of study.

T 4.5

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management Level	Gender	Employees in post as at 30 Jun 2023	Number of skilled employees required and actual as at 30 June 2023											
			Learnerships			Skills Programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
Municipal Manager & Section 57	F	0								0	1			1
	M	3								0	3		0	3
Councillors, Senior Officials and Managers	F	16								0	0		0	0
	M	14								0	0		0	0
Technicians and associate professionals*	F	6							2	0	2		0	2
	M	23							0	0	0		0	0
Professionals	F	53							0	0	0		0	0
	M	45							0	0	0		0	0
Sub-total	F	75							2	0	1		0	2
	M	85								0	3		0	3
Total		**160**		**0**	**0**	**0**	**0**	**0**	**2**	**0**	**6**	**0**	**0**	**6**

***Registered with professional Associate Body e.g CA (SA)**

T 4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting Officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	2	0	2	2	2	2
Any other financial officials	64	0	64	40	0	40
Supply Chain Management Officials						
Heads of Supply Chain Management Units	1	0	1	1	0	1
Supply Chain Management Senior Managers	1	0	1	1	0	1
TOTAL	**70**	**0**	**70**	**46**	**4**	**46**

**** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)***

T 4.5.2

Note: The Municipal Manager, Chief Financial Officer, one Head of Department and the Head of Supply Chain Management (Director: Expenditure) are fully competent and compliant with the MFMA requirements. One Head of Department has just been enrolled for training and is expected to complete his training at the end of 2023. The enrolment is done twice a year (viz, July – December & January – June). This provides an opportunity for qualifying officials to be enrolled accordingly.

Skills Development Expenditure										
										R'000
Management Level	Gender	Employees as at the beginning of the financial year 2022/2023	Original Budget and Actual Expenditure on Skills Development 2022/2023							
			Learnerships		Skills programmes & other short courses		Other forms of training Study Assistance		Total	
		Number	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	0.00			0.00		0.00	0.00	0.00	0.00
	Male	3			3500	3269.97	0.00	0.00	3 500	3 269.97
Legislators, senior officials and managers	Female	2			120 000	112 868.57	15 000	13 346	135 000	126 214.57
	Male	1			11 000	10 212	65 000	69 831	76 000	80 043
Professionals	Female	16			580 000	563 722.78	205 000	196 270	785 000	759 992.78
	Male	24			370 000	372 130.05	120 000	131 388	490 000	503 518.05
Technicians and associate professionals	Female	14			72 000	59 087.52	350 000	328 635	422 000	387 722.52
	Male	35			230 000	252 346.92	198 000	213 423	428 000	465 769.92
Clerks	Female	11			41 000	38 755.40	45 000	36 450	86 000	75 205.40
	Male	40			340 000	331 867.32	207 000	210 940	547 000	542 807.32
Service and sales workers	Female	3			63 000	68 664.99	180 000	196 185	243 000	237 850.80
	Male	6			116 000	117 250.90	65 000	70 400	181 000	187 650.90
Plant and machine operators and assemblers	Female	8			147 000	140 388.81	85 000	75 950	232 000	216 338.81
	Male	118			310 000	295 921.03	63 000	68 150	373 000	364 071.03
Elementary occupations	Female	0			0.00	0.00	25 000	19 500	25 000	19 500
	Male	1			60 000	55 200	45 000	47 140	105 000	102 340
Sub total	Female	54			0.00	0.00	0.00	0.00	0.00	0.00
	Male	134			0.00	0.00	0.00	0.00	0.00	0.00
Total		**182**			**2 463 500.00**	**2 421 686.26**	**1 668 000.00**	**1 650 608.81**	**4 131 500.00**	**4 072 295.07**
**% and *R value of municipal salaries (original budget) allocated for workplace skills plan.*									%*	*R4 072 295.07
										T4.5.3

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

An annual skills audit is conducted for all employees within the second quarter of the financial year. The gaps identified inform the compilation of the Workplace Skills Plan (WSP) for the following financial year. An implementation plan is then developed, wherein the various training activities, are scheduled for the reporting financial year. The training plan is monitored quarterly, to ensure progress and to report on any deviations.

The 2022/2023-finanical year in summary, related to skills development and related expenditure:

- An expenditure target of 95% was set on skills development in relation to the Workplace Skills Plan and additional training programmes.
- As of 30 June 2023, the actual percentage expenditure was 91%.
- The percentage expenditure achieved was in relation to the implementation of 34 programs through which 182 employees were trained.

T 4.5.4

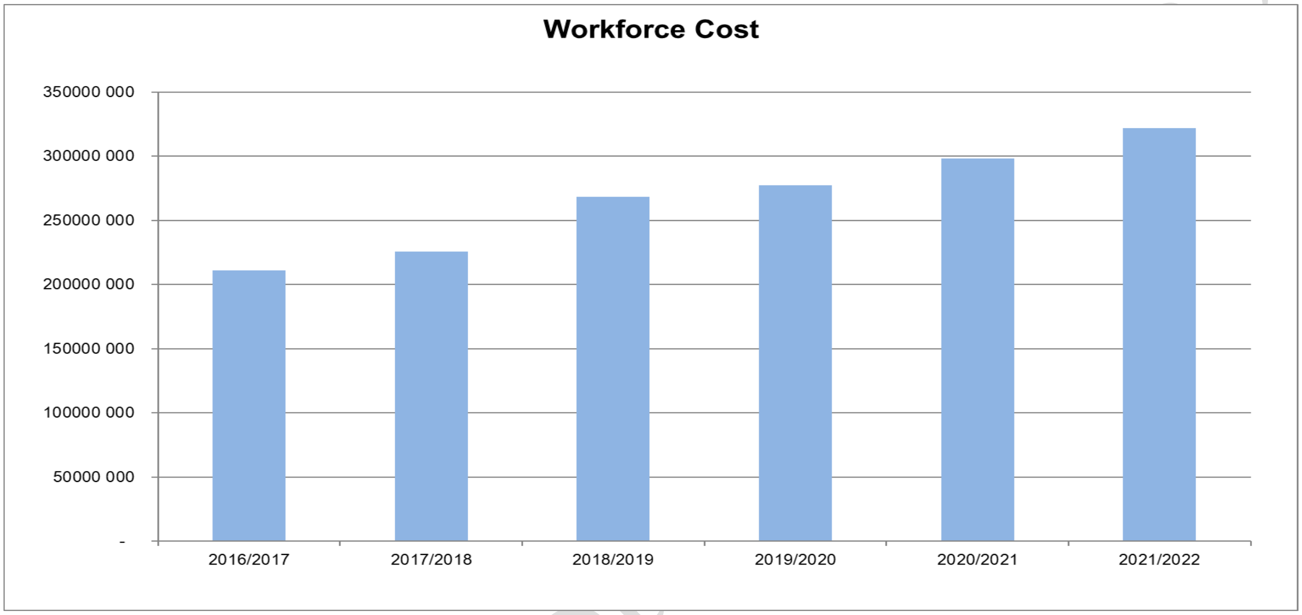
COMPONENT D: WORKFORCE EXPENDITURE MANAGEMENT

INTRODUCTION

Workforce expenditure is controlled and monitored by ensuring all vacancies are budgeted for and the vacancy appears on the organisational structure, prior to filling the position. The confirmation of appointment is confirmed by the Department: Finance Services and approved by the Municipal Manager, prior making an offer of employment, to the recommended candidate. All expenditure is aligned to the salary budget for the specific financial year.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE



T 4.6.1

COMMENT ON WORKFORCE EXPENDITURE

National Treasury norm is 33%, based on the audited financial years Midvaal's personnel cost is averaging between 23% and 27%. Employee cost increases are in line with inflation and implemented 1 July annually and Councillors increase in line with South African Local Government Bargaining Council.

The workforce expenditure is in line with the National norms and increased in line with inflation.

T 4.6.1.1

Number Employees Whose Salaries Were Increased Due to Their Positions Being Upgraded		
Beneficia ries	**Gender**	**Total**
Lower Skilled (Levels 1 - 2)	Female	0
	Male	0
Skilled (Levels 3 - 5)	Female	0
	Male	0
Highly Skilled Production (Levels 6 - 8)	Female	0
	Male	0
Highly Skilled Supervision (Levels 9 - 12)	Female	0
	Male	0
Senior Management (Levels 13 - 16)	Female	0
	Male	0
Municipal Manager & Section 57	Female	0
	Male	0
	Total	0
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right- hand side of the column (as illustrated above).		

T4.6.2

Employees Whose Salary Levels Exceed Grade Determined by Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration Level	Reason for deviation
Not Applicable				
				T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of Appointment	Number appointed	Reason for appointment when no established post existed
Not Applicable				
				T 4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE

An internal Job Evaluation Committee is established and evaluates newly created positions on an ad hoc basis.

The results of the evaluations are submitted to the Provincial Audit Committee (PAC) for moderation. It should be noted that there have not been any job evaluations conducted during the reporting period.

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

All councillors, Section 57/56-appointees and officials annually disclose their financial interests in terms of:

1. Holding shares and other financial interests.
2. Directorships and partnerships (spouse and close family members included);
3. Involvement in any remunerated work outside the municipality, with the relevant permission.
4. Consultancies and retainerships / sponsorships received for the year under review.
5. Gifts and hospitality received from a source other than a family member exceeding the prescribed level.
6. Land and property ownership.
7. Vehicle(s) owned
8. Participation in any election activities.

T 4.6.6

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

This chapter comprises of three components and highlights specific accomplishments:

1. Component A: Statement of Financial Performance
2. Component B: Spending Against Capital Budget
3. Component C: Other Financial Matters

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION

Note: Statements of Revenue Collection Performance by vote and by source are included at Appendix K.

The purpose of the Statement of Financial Performance is to give an account of the results of Midvaal's operations. These transactions result from the operating budget. The result is expressed as being either a surplus or a deficit (being the difference between Revenue and Expenditure).

A surplus is indicative of Revenue being more than Expenditure and a deficit of Expenditure being more than Revenue. The purpose of the Statement of Financial Position is to give an account of the assets and liabilities at the end of the financial year. Net assets are shown, which are the difference between the assets and the liabilities.

The cash flow statement shows the net cash result. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 11-withdrawals reports, submitted to Council.

There are three main categories:

Net cash resulting from operating activities – this section shows the result of the operations of Midvaal in cash terms. It includes the rendering of municipal services, purchasing of inventory kept in stores, debtors and creditors transactions and interest paid and received.

Net cash resulting from investing activities – this section shows the result from amounts invested (either assets through the capital budget or as cash investments) as well as investments withdrawn.

Net cash resulting from financing activities – this section shows the result from financing activities, being mainly external loans taken up or redeemed. A healthy financial situation is one where Midvaal has a net cash surplus resulting from operations as main source of revenue rather than from financing activities. A second important measure is to look for a correlation between cash generated from financing activities and investing activities which shows that funds borrowed, were invested in capital infrastructure, and not used for operations. A very serious situation would be where there is a net cash deficit from operations, no or limited cash invested, but cash received from financing activities. That would be indicative of a municipality utilising borrowing to fund operations instead of infrastructure assets.

T 5.1.0

5.1 STATEMENT OF FINANCIAL PERFORMANCE

Financial Summary						
						R' 000
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Revenue from Non-Exchange Transactions						
Property Rates	273 314	271 371	271 371	273 314	1%	1%
Fines, Penalties and Forfeits	68 387	49 940	72 075	68 387	37%	-5%
Operational Transfers Monetary	150 862	152 018	152 018	150 862	-1%	-1%
Capital Transfers In Kind	–	–	–	–		
Revenue from Exchange Transactions						
Service Charges Electricity	475 822	468 601	478 032	475 822	2%	0%
Service Charges Waste Management	55 102	52 433	52 401	55 102	5%	5%
Service Charges WasteWater Management	54 450	52 047	52 047	54 450	5%	5%
Service Charges Water	214 565	252 846	249 523	214 565	-15%	-14%
Interest, Dividends and Rent on Land	36 766	38 683	38 683	36 766	-5%	-5%
Operational Revenue	1 641	6 079	3 574	1 641	-73%	-54%
Rental from Fixed Assets	1 098	1 193	1 193	1 098	-8%	-8%
Sales of Goods and Rendering of Services	5 482	5 914	5 829	5 482	-7%	-6%
Licenses and Permits	–	–	–	–	0%	0%
Gain on disposal of Assets	–	–	–	–		
Total Revenue (excluding capital transfers and contributions)	**1 337 489**	**1 351 123**	**1 376 744**	**1 337 489**	**-1%**	**-3%**
Salaries and Allowances						
Senior Managers	5 110	9 286	5 994	5 110	-45%	-15%
Municipal Staff	317 038	358 689	342 402	317 038	-12%	-7%
Councillors Allowances	12 968	13 656	13 656	12 968	-5%	-5%
Contracted Services						
Outsourced Services	55 098	59 856	60 127	55 098	-8%	-8%
Consultants and Professional Services	17 330	25 705	22 959	17 330	-33%	-25%
Contractors	55 467	57 466	61 283	55 467	-3%	-9%
Operational Cost	58 791	72 679	75 953	58 791	-19%	-23%
Inventory	24 522	23 612	26 396	24 522	4%	-7%
Bulk Purchases						
Electricity	386 273	392 353	392 353	386 273	-2%	-2%
Water	105 608	105 277	106 772	105 608	0%	-1%
Interest, Dividends and Rent on Land	16 520	17 391	17 391	16 520	-5%	-5%
Operating Leases	–	–	–	–		
Bad Debt Written Off	58 514	4 596	4 596	58 514	1173%	1173%
Transfers and Subsidies	1 534	1 500	1 765	1 534	2%	-13%
Depreciation and Ammortisation	127 252	133 748	135 748	127 252	-5%	-6%
Impairments Losses	95 540	143 560	160 679	95 540	-33%	-41%
Loss on Sale of Assets	7 010	–	–	7 010		
Inv - Physical & Net-Rel Value Losses	232	–	–	232		
Total Expenditure	**1 344 805**	**1 419 374**	**1 428 074**	**1 344 805**	**-5%**	**-6%**
Surplus/(Deficit)	**(7 316)**	**(68 251)**	**(51 331)**	**(7 316)**	**-89%**	**-86%**
Transfers recognised - capital	91 107	90 005	94 333	91 107	1%	-3%
Contributions recognised - capital & contributed assets	5 408	2 000	2 000	5 408	170%	170%
Surplus/(Deficit) after capital transfers & contributions	**89 198**	**23 754**	**45 003**	**89 198**	**276%**	**98%**
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	**89 198**	**23 754**	**45 003**	**89 198**	**276%**	**98%**

5.1 Statement of Financial Performance (Continue)

Capital expenditure & funds sources						
Capital expenditure	**164 627**	**180 597**	**189 933**	**167 540**	**-7%**	**-12%**
Transfers recognised - capital	36 492	109 840	110 873	97 632	-11%	-12%
Public contributions & donations	392	5 100	5 700	5 595	10%	-2%
Borrowing	10 409	19 900	23 130	17 546	-12%	-24%
Internally generated funds	117 334	45 757	50 229	46 766	2%	-7%
Total sources of capital funds	**164 627**	**180 597**	**189 933**	**167 540**	**-7%**	**-12%**
Financial position						
Total current assets	788 366	429 412	683 069	788 366	84%	15%
Total non current assets	2 157 031	2 236 716	2 190 607	2 157 031	-4%	-2%
Total current liabilities	237 371	202 712	216 582	237 371	17%	10%
Total non current liabilities	241 175	240 768	240 768	241 175	0%	0%
Community wealth/Equity	2 460 369	2 189 528	2 416 325	2 460 369	12%	2%
Cash flows						
Net cash from (used) operating	1 355 258	1 484 095	1 487 714	1 355 258	-9%	-9%
Net cash from (used) investing	(157 618)	(144 994)	(178 121)	(157 618)	9%	-12%
Net cash from (used) financing	(29 257)	(6 337)	(10 762)	(29 257)	362%	172%
Cash/cash equivalents at the year end	486 063	165 408	476 275	486 063	194%	2%
Cash backing/surplus reconciliation						
Cash and investments available	486 063	165 408	476 275	486 063	194%	2%
Application of cash and investments	**146 038**	**83 623**	**288 267**	**146 038**	75%	-49%
Balance - surplus (shortfall)	**340 025**	**81 785**	**188 008**	**340 025**	**316%**	**81%**
Asset management						
Asset register summary (WDV)	2 157 031	2 236 716	2 190 607	2 157 031	-4%	-2%
Depreciation & asset impairment	127 252	133 748	135 748	127 252	-5%	-6%
Renewal of Existing Assets	101 987	125 644	113 113	101 987	-19%	-10%
Repairs and Maintenance	135 145	146 387	147 151	135 145	-8%	-8%
Free services						
Cost of Free Basic Services provided	32 101	33 043	27 965	32 101	-3%	15%
Revenue cost of free services provided	32 378	41 679	31 124	32 378	-22%	4%
Households below minimum service level						
Water:	4	4	4	4	0%	0%
Sanitation/sewerage:	1	1	1	1	0%	0%
Energy:	7	7	7	7	0%	0%
Refuse:	5	5	5	5	0%	0%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						*T 5.1.1*

Financial Performance of Operational Services						
						R '000
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	190 838	178 754	189 414	207 558	16.11%	9.58%
Waste Water (Sanitation)	66 825	69 207	75 350	77 417	11.86%	2.74%
Electricity	492 126	543 120	530 275	457 049	-15.85%	-13.81%
Waste Management	71 031	69 518	76 550	75 769	8.99%	-1.02%
Housing					0.00%	0.00%
Component A: sub-total	**820 820**	**860 599**	**871 589**	**817 794**	**-4.97%**	**-6.17%**
Engineering Admin	15 478	19 441	18 017	17 401	-10.49%	-3.42%
Roads	68 509	84 250	81 551	72 013	-14.52%	-11.70%
Mechanical Workshop	–	–	–	–	0.00%	0.00%
Component B: sub-total	**83 987**	**103 691**	**99 568**	**89 414**	**-13.77%**	**-10.20%**
Planning	38 938	43 667	43 368	38 539	-11.74%	-11.14%
Local Economic Development					0.00%	0.00%
Planning (Strategic & Regulatary)					0.00%	0.00%
Local Economic Development					0.00%	0.00%
Component C: sub-total	**38 938**	**43 667**	**43 368**	**38 539**	**-11.74%**	**-11.14%**
Community & Social Services	33 657	38 801	37 941	33 858	-12.74%	-10.76%
Enviromental Proctection	4 160	4 424	4 471	4 321	-2.33%	-3.33%
Health (Clinics)	4 149	5 831	5 603	4 141	-28.99%	-26.10%
Security and Safety (Traffic & Fire)	61 062	78 801	75 035	68 106	-13.57%	-9.23%
Sport and Recreation	32 293	38 663	38 251	36 098	-6.63%	-5.63%
Corporate Policy Offices and Other	179 838	198 367	202 272	188 754	-4.85%	-6.68%
Component D: sub-total	**315 158**	**364 888**	**363 573**	**335 278**	**-8.11%**	**-7.78%**
Savanna City	403	517	517	367	-29.05%	-29.05%
Total Expenditure	**1 259 305**	**1 373 361**	**1 378 615**	**1 281 392**	**-6.70%**	**-7.05%**
In this table operational income is offset agaist operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						*T 5.1.2*

COMMENT ON FINANCIAL PERFORMANCE

Revenue for the year came in at 92.6% of the Adjustments Budget. The decline in revenue was 1.48% when compared with the previous year. Operating expenditure increased marginally by 9.07% compared to the previous year. The year closed with a surplus of R73 m which is a significant increase from R207 m in the previous year.

T 5.1.3

5.2 GRANTS

Grant Performance						
						R' 000
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	**142 984**	**163 817**	**163 817**	**163 847**	**0.02%**	**0.02%**
Equitable share	118 426	136 499	136 499	136 499	0.00%	0.00%
Contribution Councilors (Eq Share)	6 473	6 665	6 665	6 665	0.00%	0.00%
Municipal Systems Improvement	–	–	–	–	0.00%	0.00%
Financial Management Grant	1 550	1 550	1 550	1 550	0.00%	0.00%
MIG Operating Cost	1 621	1 700	1 700	1 730	1.71%	1.71%
EPWP	1 539	2 553	2 553	2 553	0.00%	0.00%
Municipal Disaster relief	–	–	–	–	0.00%	0.00%
Neighbourhood Dev Grant	–	–	–	–	0.00%	0.00%
DAC Operating Cost	13 375	13 850	13 850	13 850	0.00%	0.00%
WSIG Operating Cost	–	1 000	1 000	1 000	0.00%	0.00%
Provincial Government:	**3 220**	**3 081**	**3 081**	**2 128**	**-30.95%**	**-30.95%**
Health subsidy	3 220	3 081	3 081	2 128	-30.95%	-30.95%
Sports and Recreation	–	–	–	–	0.00%	0.00%
District Municipality:	**4 658**	**5 952**	**5 952**	**1 687**	**-71.66%**	**-71.66%**
Environmental Protection	4 658	5 952	5 952	1 687	-71.66%	-71.66%
HIV Programme					0.00%	0.00%
Total Operating Transfers and Grants	**150 862**	**172 851**	**172 851**	**167 661**	**(0)**	**-3.00%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provin						*T 5.2.1*

COMMENT ON OPERATING TRANSFERS AND GRANTS

The gazetted grants were not spent in full during the year under review. Roll-overs on grant funding will be applied for.

T 5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 20/21	Actual Grant 21/22	Year 19/20 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
None						
Foreign Governments/Development Aid Agencies						
None						
Private Sector / Organisations						
Developers contributions	5 408	5 595	-	Ongoing		Contributions towards network infrastructure for new developments
Mayoral Charitable Fund	(1 534)	(1 465)	-	Ongoing		Mayoral Charitable events
TOTAL	**3 874**	**4 130**				
						T 5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES

Developer contributions were received from private developers. The development contributions are ring-fenced and utilized for new developments. The Urban Management Grant is still being utilized for the further development of the Savanna City Housing Development. T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION

Asset management is crucial for the sustainability of the Municipality as it is not possible to render any services without properly maintained assets. From the capital budget, it can be noted that the objective is to upgrade and maintain assets on a continuous basis. The condition of the assets is still such that a good level of services is rendered, but this is not a sustainable trend. Increased investment in infrastructure, particularly sanitation infrastructure will be required in the next few years.

The repairs and maintenance budget of the municipality is also not in line with the National Treasury norm of 8% of the asset value. The protection of the municipality's asset base is regarded as a high priority, as it is both the base of the service delivery mandate as well as the revenue base.

The Asset Management Unit consists of 2 officials, as per the approved organogram. Officials are well capacitated to perform their tasks and are receiving training on an ongoing basis. With the growth in assets over the years, the department needs to be further capacitated.

The three largest projects for the 2021/2022-financial year are discussed below.

T 5.3.2

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/2022				
Asset 1				
Name	Electrification Sicelo			
Description	Eelectricity Network			
Asset Type	Electricity			
Key Staff Involved	Engineering Electrical Section			
Staff Responsibilities	Network line construction			
	18/19	19/20	20/21	21/22
Asset Value	18 233 441	8 799 310	14 884 692	19 788 226
Capital Implications	Asset Creation			
Future Purpose of Asset	Supply of Bulk Electricity			
Describe Key Issues	The Bulk Electricity supply to the greater Sicelo Area (Wards 8, 10 & 11) is overloaded and MLM cannot approve additional connections. The project will relive the overloading and provide additional capacity for future developments in particular housing.			
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	Sicelo/Highbury (valley Settlements) Reservoir			
Description	10 mL Reservoir and Bulk Water Mains			
Asset Type	Reservoir and Water Mains			
Key Staff Involved	Project Management Unit and other Engineering Services Sections			
Staff Responsibilities	Maintain and operate network			
	18/19	19/20	20/21	21/22
Asset Value	7 451 954	8 145 844	18 850 440	12 556 605
Capital Implications	Capital Replacement Reserve			
Future Purpose of Asset	Water Supply			
Describe Key Issues	The Bulk Water supply to the greater Sicelo Area and the central portion of the R59 corridor (Wards 4, 5, 8, 10, 11 & 15) is inadequate and MLM cannot approve additional connections. In addition, the water pressure in the higher lying area is below the expectable standard. The project will increase capacity, improve water pressure and provide additional capacity for future developments in particular housing in greater Sicelo and commercial development in the R59-corridor.			
Policies in Place to Manage Asset	Yes			

Asset 3				
Name	Rothdene Pumpstation			
Description	Rothdene Pumpstation Upgrade			
Asset Type	Pumpstation			
Key Staff Involved	Project Management Unit and other Engineering Services Sections			
Staff Responsibilities	Maintain and operate network			
	18/19	19/20	20/21	21/22
Asset Value	6 929 588	18 948 445	2 408 014	3 083 277
Capital Implications	Capital Replacement Reserve			
Future Purpose of Asset	To accommodate additional sewer inflow			
Describe Key Issues	Overloaded pump station and create capacity for future development.			
Policies in Place to Manage Asset	Yes			
				T 5.3.2

COMMENT ON ASSET MANAGEMENT

Asset Management is done in line with the requirements of GRAP 17 and best practices as per National Treasury Asset Management Guidelines. Various assets were impaired, as required by GRAP, based on the asset condition assessments performed. The increased maintenance spending in future years should lead to reduced asset impairments in the coming years.

Repair and Maintenance Expenditure: Year 2022/2023				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	156 836	166 129	159 008	-4%
				T 5.3.4

T 5.3.3

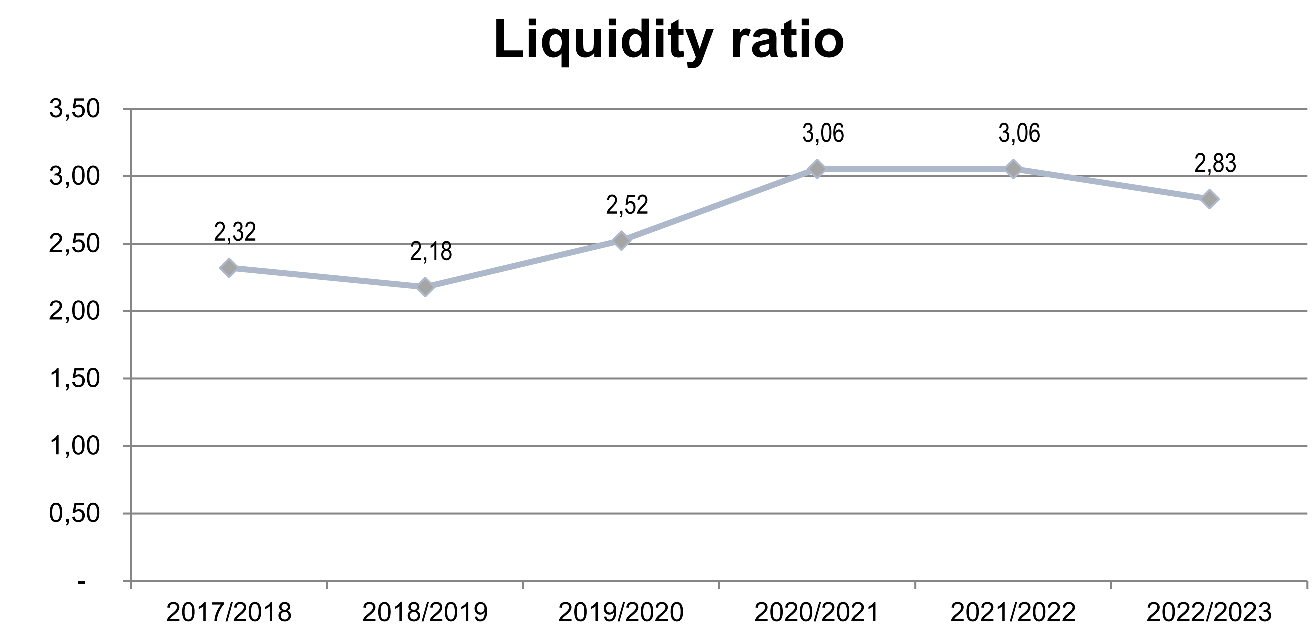
COMMENT ON REPAIRS AND MAINTENANCE EXPENDITURE

The repairs and maintenance budget of Midvaal is lower than the National Treasury norm of 8% of the asset value. This is being addressed through higher than inflation tariff increases with corresponding increases in the maintenance cost.

The protection of the municipality's asset base is regarded as a high priority, as it is both the base of the service delivery mandate, as well as the revenue base.

T 5.3.4.1

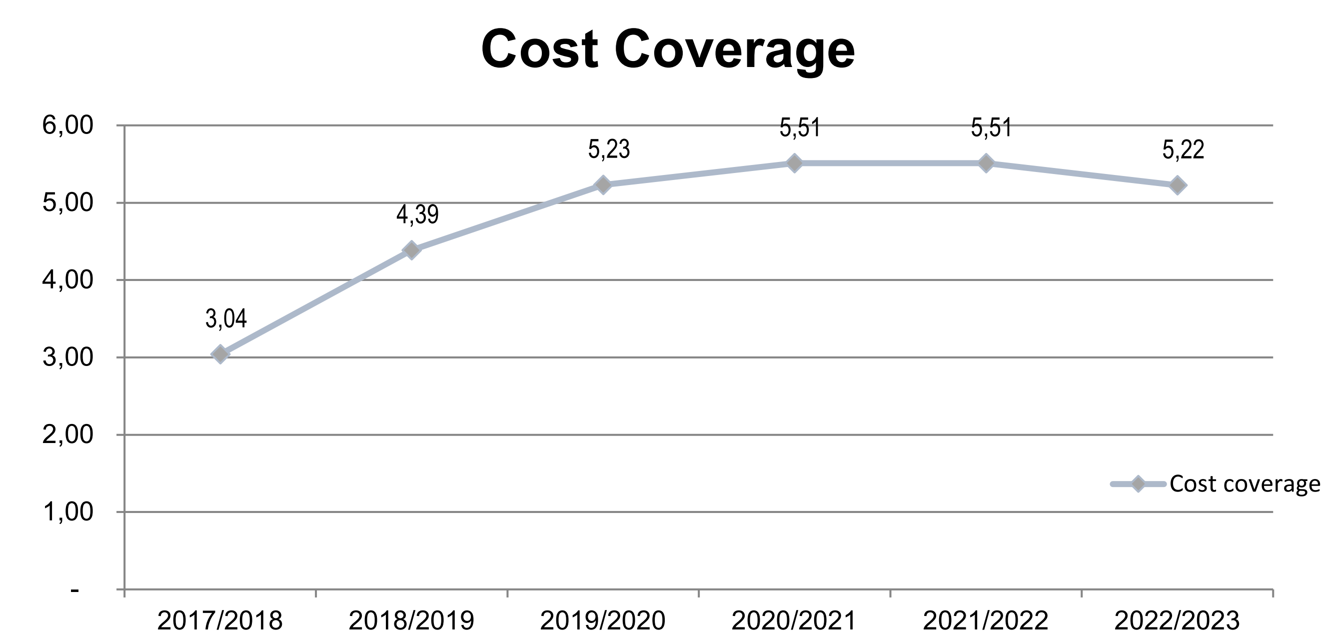
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

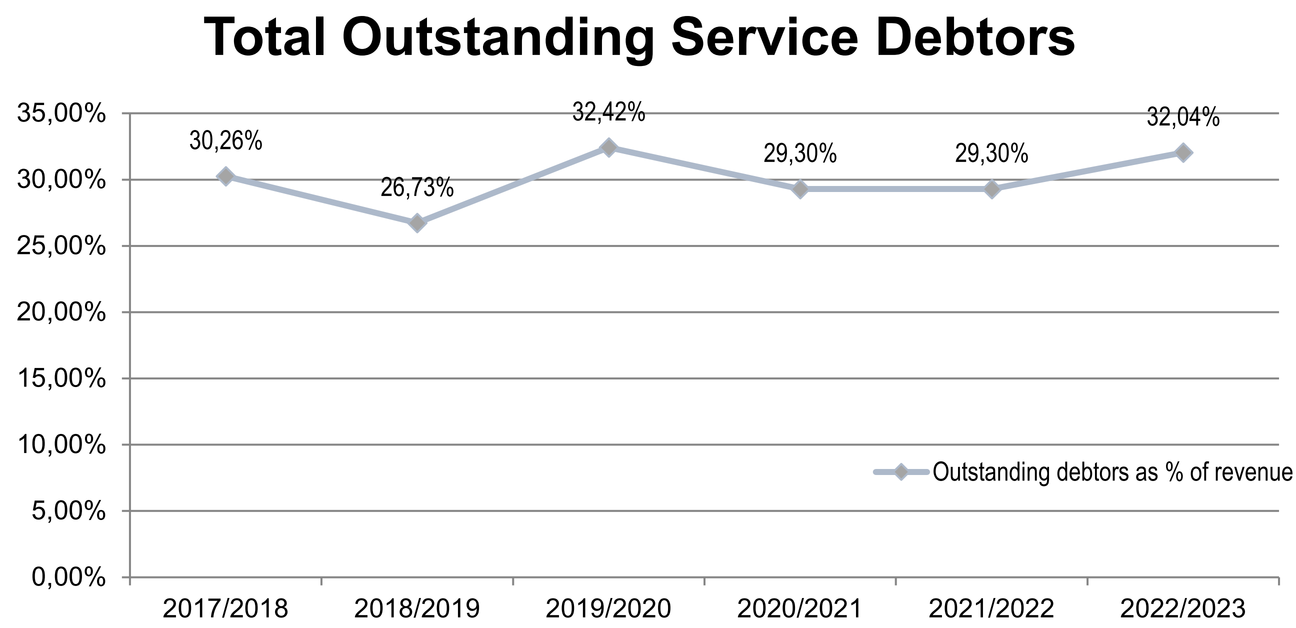
T 5.4.1



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

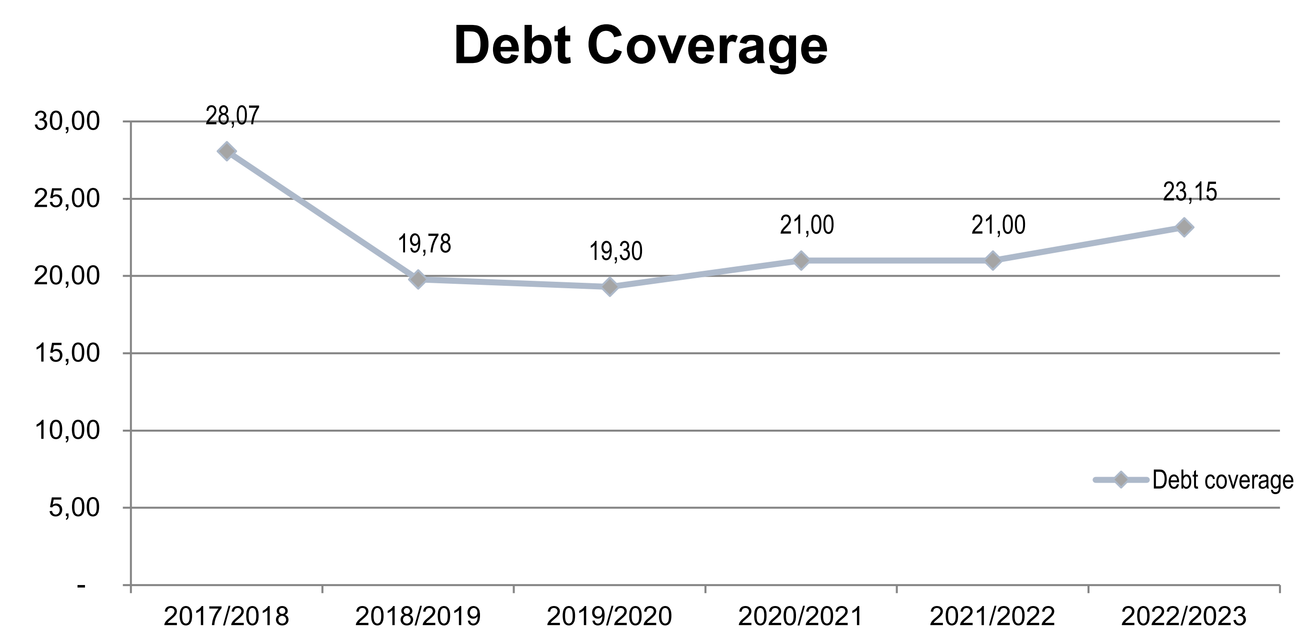
Data used from MBRR SA8

T 5.4.2



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

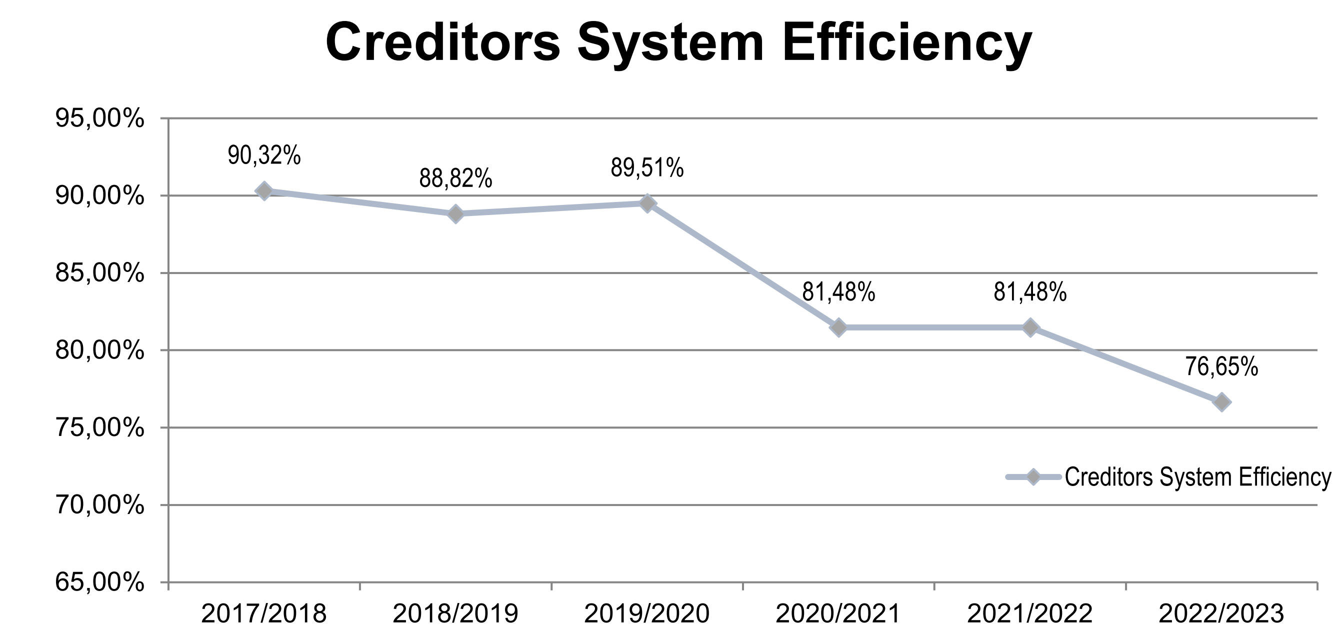
T 5.4.3



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

Data used from MBRR SA8

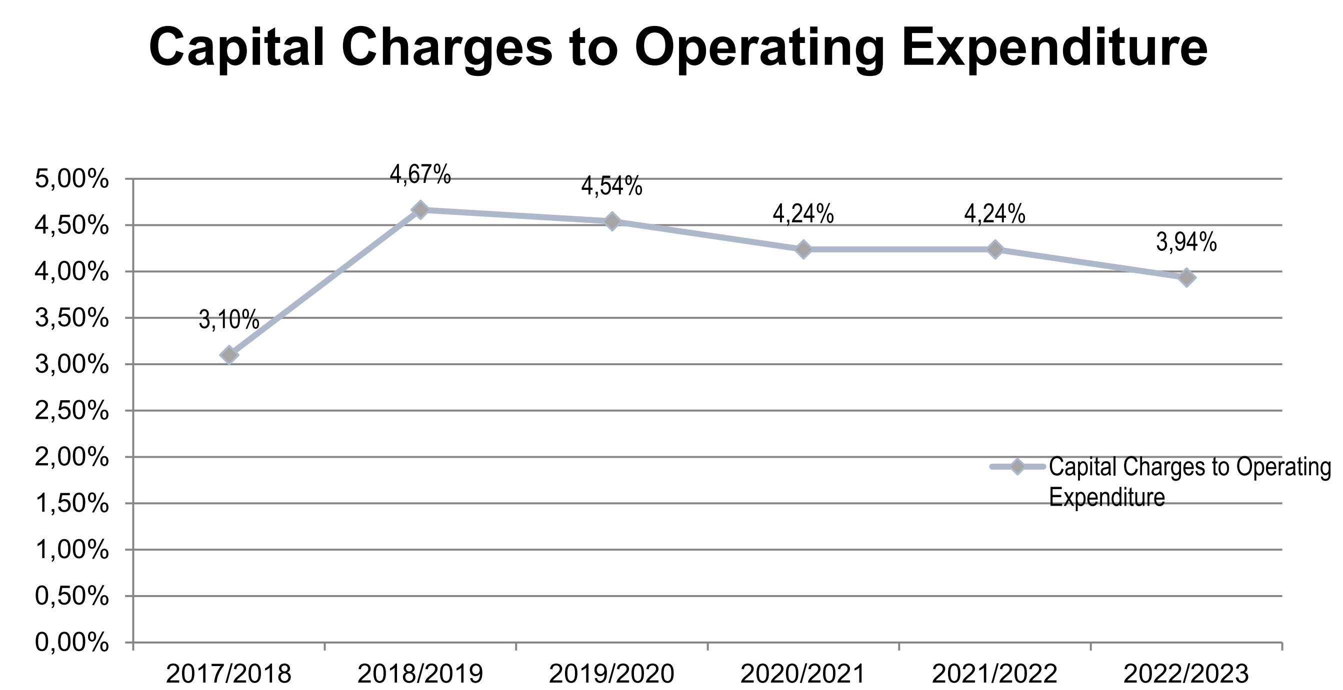
T 5.4.4



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

Data used from MBRR SA8

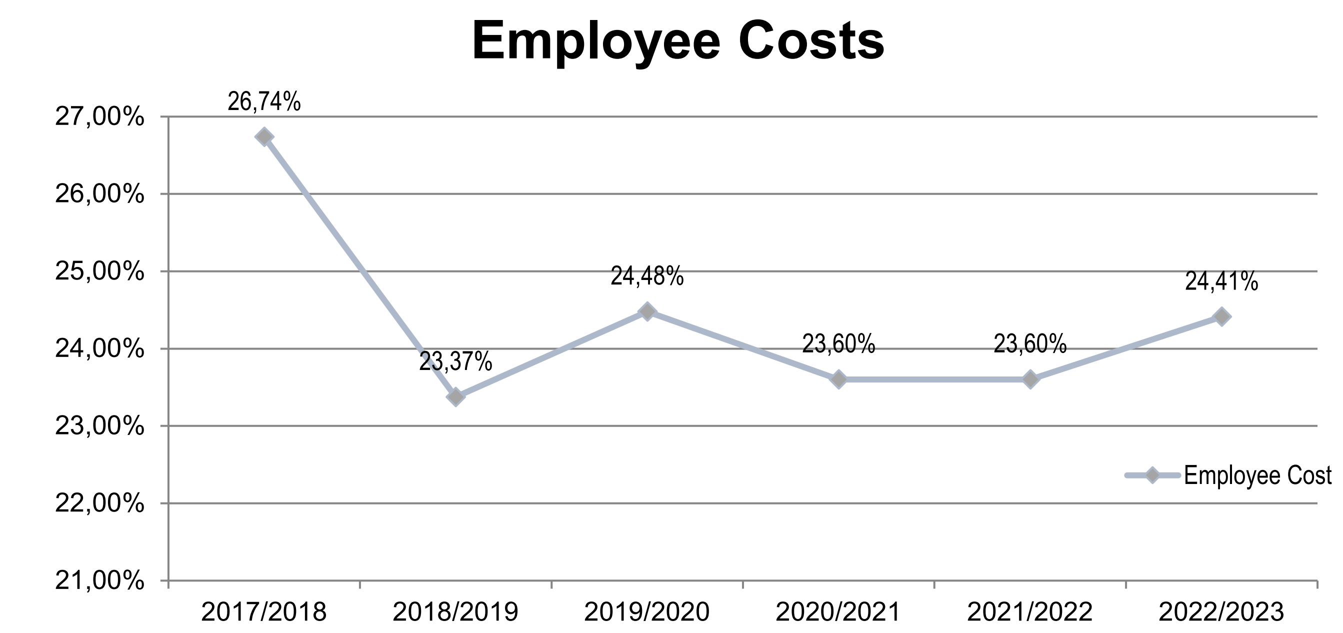
T 5.4.5



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

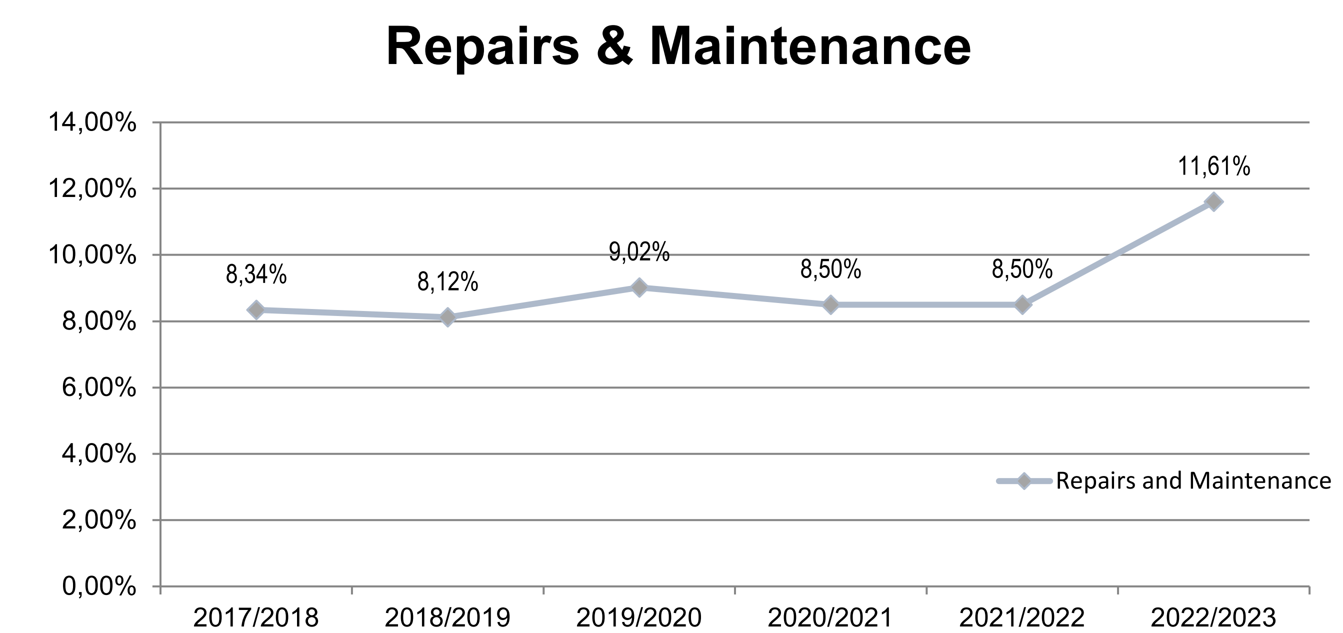
T 5.4.6



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

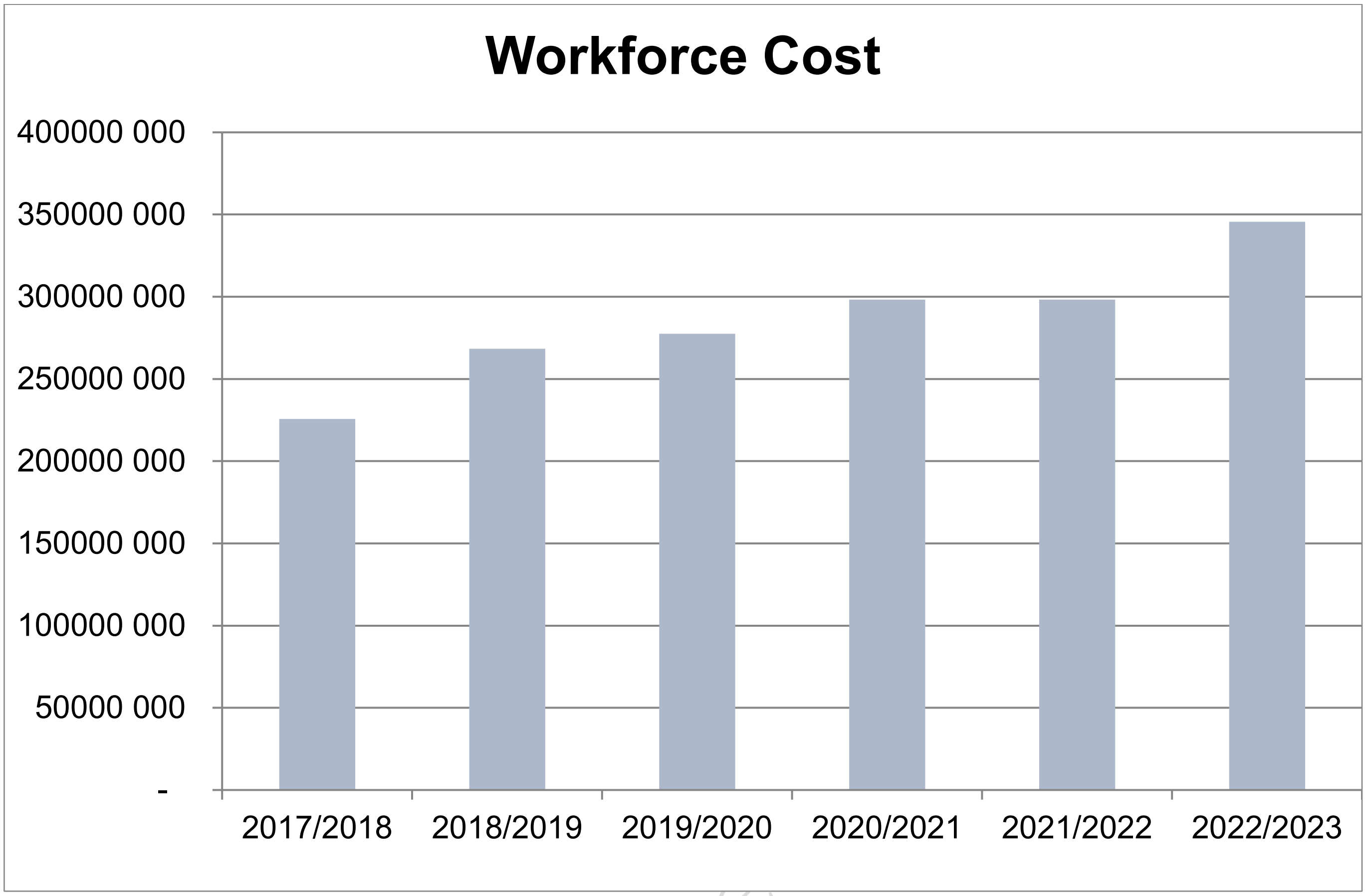
T 5.4.7



Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T 5.4.8



T 5.4.9

COMMENT ON FINANCIAL RATIOS

Midvaal is within the broad norms and standards.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

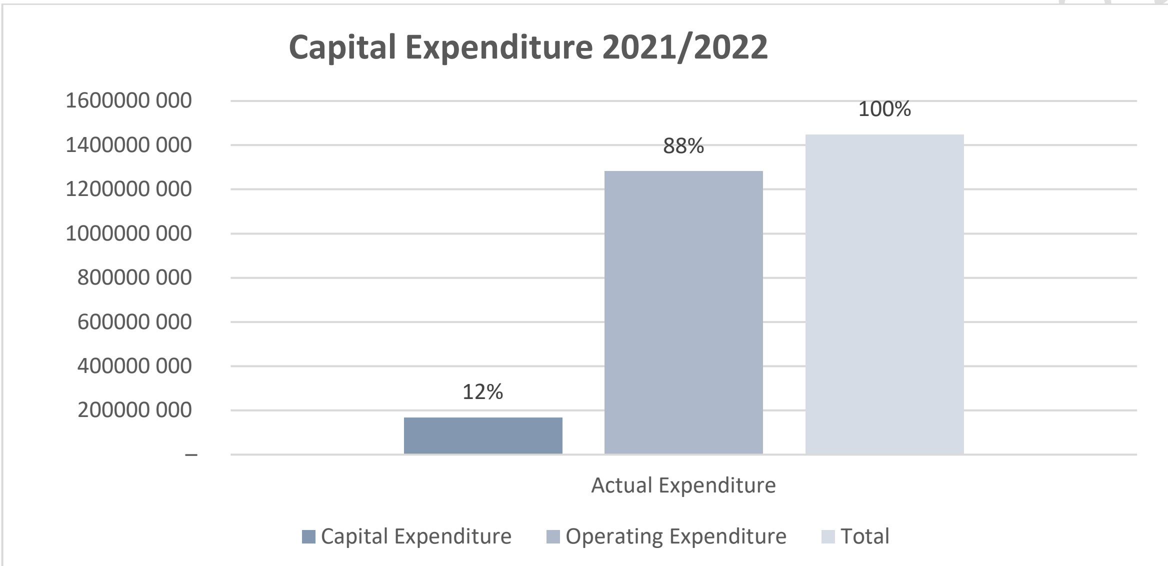
INTRODUCTION

The municipality achieved an 88% spending level on the capital budget. Savings of R4 m (2.3%) were achieved, where projects were delivered within time but below budget. This is encouraging as all departments are now implementing their projects in a most cost-effective manner as opposed to spending just for the sake of chasing a 100% spending level.

Projects not completed at financial year-end have been carried forward to the 2022/2023-financial year for completion.

T 5.5.0

5.5 CAPITAL EXPENDITURE



T 5.5.1

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year 2021/2022 to Year 2022/2023							
							R' 000
Details		2021/2022	2022/2023				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	10 409	19 900	23 130	17 546	16.23%	-11.83%
	Public contributions and donations	392	5 100	5 700	5 595	11.76%	9.72%
	Grants and subsidies	36 492	109 840	110 873	97 632	0.94%	-11.11%
	CRR					0.00%	0.00%
	Accumulated Surplus	117 334	45 757	50 229	46 766	9.77%	2.21%
Total		**164 627**	**180 597**	**189 933**	**167 540**	**5.17%**	**-7.23%**
Percentage of finance							
	External loans	6.3%	11.0%	12.2%	10.5%	10.52%	-4.96%
	Public contributions and donations	0.2%	2.8%	3.0%	3.3%	6.27%	18.27%
	Grants and subsidies	22.2%	60.8%	58.4%	58.3%	-4.02%	-4.19%
	Other	71.3%	25.3%	26.4%	27.9%	4.38%	10.17%
Capital expenditure							
	Water and sanitation	4 907	53 655	61 163	56 569	13.99%	5.43%
	Electricity	851	49 873	43 358	40 528	-13.06%	-18.74%
	Housing						
	Roads and storm water	1 669	29 773	33 932	33 719	13.97%	13.25%
	Other	157 201	47 296	51 477	36 722	8.84%	-22.36%
Total		**164 627**	**180 597**	**189 931**	**167 538**	**5.17%**	**-7.23%**
Percentage of expenditure							
	Water and sanitation	3.0%	29.7%	32.2%	33.8%	8.39%	13.65%
	Electricity	0.5%	27.6%	22.8%	24.2%	-17.33%	-12.40%
	Housing						
	Roads and storm water	1.0%	16.5%	17.9%	20.1%	8.37%	22.08%
	Other	95.5%	26.2%	27.1%	21.9%	3.49%	-16.31%
							T 5.6.1

COMMENT ON SOURCES OF FUNDING

Midvaal is highly dependent on government grants for the implementation of capital programmes.

Finance leases to the value of R6.72 m was taken up during the financial year, to finance movable assets over a 5-year repayment period.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects* R' 000					
Name of Project	**2022/2023**			**Variance: 2022/2023**	
	Original Budget	**Adjustment Budget**	**Actual Expenditure**	**Original Variance (%)**	**Adjustment variance (%)**
WATER INFRASTRUCTURE	10 192	10 192	10 191	0%	0%
UPGRADING OF GRAVEL ROADS	12 000	10 739	10 631	-11%	-1%
GRAVEL TO TAR	6 913	12 947	12 847	86%	-1%
AGED BULK WATER PIPE REPLACEMENT	13 864	13 864	13 864	0%	0%
SICELO ELECTRIFICATION NETWORK	14 000	20 385	20 379	46%	0%

** Projects with the highest capital expenditure in 2022-2023*	
WATER INFRASTRUCTURE	
Objective of Project	To ensure sufficient water services to area
Delays	None
Future Challenges	None
Anticipated citizen benefits	Reliable service delivery
UPGRADING OF GRAVEL ROADS	
Objective of Project	To improve the quality of the roads infrastructure in Midvaal
Delays	None
Future Challenges	Proper road maintainance
Anticipated citizen benefits	Reliable and higher level service delivery
GRAVEL TO TAR	
Objective of Project	To improve the quality of the roads infrastructure in Midvaal
Delays	None
Future Challenges	Proper road maintainance
Anticipated citizen benefits	Reliable and higher level service delivery
AGED BULK WATER PIPE REPLACEMENT	
Objective of Project	To ensure sufficient water services to area
Delays	None
Future Challenges	Project not fully supported by the informal settlement community
Anticipated citizen benefits	Reliable service delivery
SICELO ELECTRIFICATION NETWORK	
Objective of Project	To ensure sufficient electrical services to area
Delays	None
Future Challenges	Project not fully supported by the informal settlement community
Anticipated citizen benefits	Reliable power supply/service delivery
	T 5.7.1

COMMENT ON CAPITAL PROJECTS

The above projects were prioritised in terms of the challenges experienced in the delivery of services to the community. The projects were identified as being the largest, based on the size of the actual expenditure, of the projects.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

INTRODUCTION

Midvaal is geographically very large, containing a lot of farms and agricultural holdings. Many of the farm workers, low-income earners and the unemployed, settle in nearby informal settlements, which resulted in 5 469 informal households. 135 houses were allocated to residents of the Sicelo Informal Settlements. Most of these are far from serviced areas, which results in the backlog. The solution is development of new townships near existing infrastructure. This process should be driven by the Provincial Department of Housing, with the support of Midvaal. Midvaal is busy upgrading existing bulk services and master plans to cater for this.

T 5.8.1

Service Backlogs as at 30 June 2020				
				Households (HHs)
	*Service level above minimum standard		**Service level below minimum standard	
	Number HHs	% HHs	Number HHs	% HHs
Water	38 046	100%	-	0%
Sanitation	37 960	99.77%	86	0.23%
Electricity	14 497	38.10%	850	2.23%
Waste management	18 301	87.00%	2 679	15%
Housing	32 597	87.00%	5 449**	17.79%
*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.*				T 5.8.2

** As per Midvaal HSP

Of the total number of households (i.e. 38 046) Midvaal provides waste management services to approximately 18 301 (formal) collection points and 2 679 informal collection points. Other properties are either vacant, open spaces or in similar circumstances.

The electricity table excludes the areas that are directly supplied by Eskom and the properties that are not yet connected to Midvaal's network.

Municipal Infrastructure Grant Expenditure on Service Backlogs						
R' 000						
Description	2021/2022			2021/2022 Variance		Major Conditions
	Original Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
LAKESIDE SPORT CENTRE (MIG)	11 164	4 019	4 019	-64.00%	0.00%	Eradication of backlogs
EXTENSION TO HENLEY ON KLIP SEWER	12 600	10 984	10 968	-12.95%	-0.14%	Eradication of backlogs
SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	3 852	12 663	12 557	226.01%	-0.84%	Eradication of backlogs
OFFICE FURNITURE	50			-100.00%	0.00%	Eradication of backlogs
Total MIG Grants	**27 666**	**27 666**	**27 543**			
						T 5.8.3

COMMENT ON BACKLOGS

MIG funds have been used in the 2021/2022-financial year to reduce the backlogs in basic services in particular tarring/paving of roads, sewer reticulation, as well as the construction of sports facilities. The figures above are exclusive of value added tax, to be aligned to the figures in the Annual Financial Statements.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION

The introduction of the strict cash management regime in the previous financial year was maintained, even after the cash balances improved, to ensure a culture of cost curtailment. The budget approved for the 2018/2019 – 2020/2021 years retained the focus on cash availability.

The priority for the next year will be to continue to phase our offset depreciation so that additional cash will be generated from operations for utilisation on repairs and maintenance and asset renewals.

T 5.9.1

5.9 CASH FLOW

Cash Flow Outcomes				
				R'000
Description	2021/22	2022/23		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	**1 355 258**	**1 670 674**	**2 018 126**	**1 379 944**
Ratepayers and other	1 095 041	1 373 445	1 720 110	1 086 406
Government - operating	150 862	172 851	172 791	167 661
Government - capital	91 107	104 298	105 145	93 351
Interest	18 248	20 080	20 080	32 525
Dividends	–	–	–	–
Payments	**(1 133 626)**	**(1 059 071)**	**(1 730 762)**	**(1 140 023)**
Suppliers and employees	(1 118 640)	(1 042 484)	(1 715 302)	(1 125 717)
Finance charges	(16 520)	(18 087)	(17 055)	(15 772)
Transfers and Grants	1 534	1 500	1 595	1 465
NET CASH FROM/(USED) OPERATING ACTIVITIES	**221 632**	**611 602**	**287 364**	**239 921**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	7 010	–	–	359
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivabl	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–
Payments				
Capital assets	(164 627)	(180 597)	(189 933)	(168 358)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(157 618)**	**(180 597)**	**(189 933)**	**(167 999)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	27 502	29 750	25 325	27 502
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(38 159)	(36 087)	(36 087)	(38 159)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(10 657)**	**(6 337)**	**(10 762)**	**(10 657)**
NET INCREASE/ (DECREASE) IN CASH HELD	**53 358**	**424 669**	**86 669**	**61 265**
Cash/cash equivalents at the year begin:	**400 047**	**156 955**	**451 305**	**451 305**
Cash/cash equivalents at the year end:	**453 405**	**581 623**	**537 974**	**512 569**
Source: MBRR A7				*T 5.9.1*

COMMENT ON CASH FLOW OUTCOMES

Midvaal generated a healthy cash balance from operations. No cash from external loans or capital transfer payments were utilised for the payment of salaries. Cash from investing activities increased from R159 m to R162 m. The year closed with a cash balance of R506 m.

T 5.9.1.1

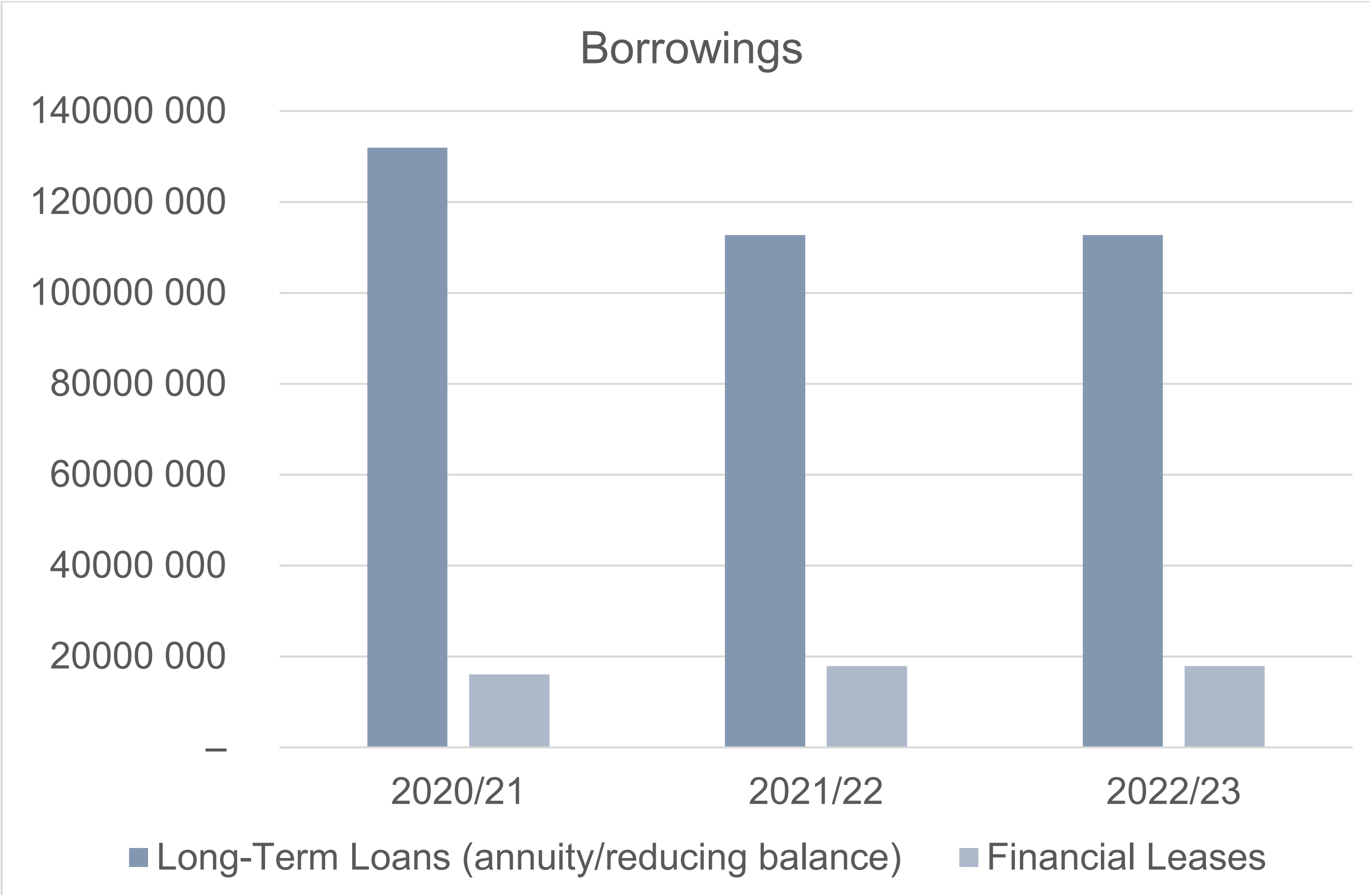
5.10 BORROWING AND INVESTMENT INTRODUCTION

Borrowings increased during the year as additional loans were taken up to fund infrastructure and vehicles. New loans were taken up during the year (R18.6 m long term loans and R6.72 m Finance Leases).

T 5.10.1

Actual Borrowings: 2022-2023			R' 000
Instrument	**2020/21**	**2021/22**	**2022/23**
Municipality			
Long-Term Loans (annuity/reducing balance)	131 907	112 694	112 694
Long-Term Loans (non-annuity)	–	–	–
Local registered stock	–	–	–
Instalment Credit	–	–	–
Financial Leases	16 085	17 860	17 860
PPP liabilities	–	–	–
Finance Granted By Cap Equipment Supplier	–	–	–
Marketable Bonds	–	–	–
Non-Marketable Bonds	–	–	–
Bankers Acceptances	–	–	–
Financial derivatives	–	–	–
Other Securities	–	–	–
Municipality Total	**147 992**	**130 554**	**130 554**
Municipal Entities	N/A	N/A	N/A
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	–	–	–
			T 5.10.2

T 5.10.3


Borrowings
140000 000
120000 000
100000 000
80000 000
60000 000
40000 000
20000 000
–
2020/21
2021/22
2022/23
Long-Term Loans (annuity/reducing balance)
Financial Leases

Municipal and Entity Investments			
			R' 000
Investment type	2020/21	2021/22	2022/23
	Actual	Actual	Actual
Municipality			
Securities - National Government	–	–	–
Listed Corporate Bonds	–	–	–
Deposits - Bank	–	–	–
Deposits - Public Investment Commissioners	–	–	–
Deposits - Corporation for Public Deposits	–	–	–
Bankers Acceptance Certificates	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–
Guaranteed Endowment Policies (sinking)	–	–	–
Repurchase Agreements - Banks	–	–	–
Municipal Bonds	–	–	–
Other	–	–	–
Municipality sub-total	–	–	–
Municipal Entities	N/A	N/A	N/A
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	–	–	–
Consolidated total:	–	–	–
			T 5.10.4

COMMENT ON BORROWING AND INVESTMENTS

Midvaal only has short term investments. These investments are for periods of less than 3 months and as such are included in the cash and cash equivalents line item on the Statement of Financial Position.

5.11 PUBLIC PRIVATE PARTNERSHIPS

Midvaal registered a Public Private Partnership with National Treasury in terms of Section 120 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) for the management and maintenance of electricity operations.

At 30 June 2019, the municipality adopted the status quo report as well as the Feasibility Study required by Section 78(1, 2 and 3) of the Municipal Systems Act. Phase 2 of the project being the procurement of the private partner, is currently underway.

At 30 June 2020 the processes regarding the procurement of a private partner has processed and the request for proposal should be issued during the 2020/2021 financial year.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT INTRODUCTION

Sections 110 – 119 of the Municipal Finance Management Act, Act 56 of 2003, Supply Chain Management (SCM) Regulations 2005 and relevant MFMA Circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money, and minimize the opportunities for fraud and corruption.

SCM Processes are being updated on an ongoing basis to ensure full compliance with the Municipal Finance Management Act (MFMA) and the Regulations issued under the MFMA. The Head of SCM complies with the MFMA minimum competency levels. Approximately 85% of the officials in the SCM Unit are competent with the regulations on minimum competency levels.

The SCM Policy was again reviewed during the 2021/2022 financial year and was tabled at Council on 27 May 2021. To further strengthen controls. The policy dealing with the acceptance of grants, donations and sponsorships was also reviewed during the year. This policy will guide all SCM role-players relative to Sections 47 and 48 of the MFMA SCM Regulations.

The Annual Report on the implementation of the SCM Policy was submitted to Council on 28 July 2022 as per Regulation 6(2)(a)(i). The report covers the SCM Unit organisational structure and personnel as well as compliance to the minimum competency levels of the senior SCM officials.

The structure caters for all elements of SCM with 18 officials within the unit and no vacancies.

An annual stock count was performed during the period under review and discrepancies were reported to Council. No challenges were encountered in implementing the SCM Policy. One finding on contract management was raised by the Auditor-General in the previous report. The finding had since been addressed by the municipality.

SCM is centralised with all bid committees being fully functional. The Bid Adjudication Committee meetings are open to the public and no councillors are allowed to serve on any SCM committees. Contract management is being adhered to, as stipulated in Section 116 of the MFMA. There are approximately 3500 suppliers on the SCM database, which is updated regularly.

A total of 44 full bids to the value of R273 783 009.10 were processed during the year under review, keeping in mind that some are rates based and others percentage based. 28 formal written quotations to the value of R3 768 123.04. were processed during the year under review, also keeping in mind that some are rates based. The average turn-around time on the awarding of bids is 90 days. SCM adheres to Circular Number 83 and all tenders above R200 000 are advertised on the e-Tender publication portal.

Deviation from the 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. Regulation 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that the relevant reasons are recorded for any deviations and reported to the next meeting of the Accounting Officer and includes a note to the Financial Statements

The majority of items mentioned, had to be addressed in short notice and the response times did not allow for the complete procurement process, to be followed. The balance of the items was due to emergency circumstances or uneconomic benefits for the municipality.

The unit is continuously improving its procedures in order to ensure that Council receives value for money in terms of demand and acquisition management.

T 2.8.1

Deviations from the policy must comply with the requirements and must be reported to Council. In these cases, it was for justifiable reasons and all such cases were reported to Council. Deviations for 2021/22 were reduced significantly to R6.3 m compared to R8.2 m in the previous year.

Class	2022	2023
Emergency	3 192 529.96	8 923 525.75
Sole Provider / Accredited Agents	411 352.79	628 956.19
Arts & Historical Objects	-	20 000.00
Impractical or Impossible / Strip & Quote	2 627 116.00	420 178 39
Minor Breaches	-	-
TOTAL	**R6 230 997**	**R9 990 660**

The unit is continuously improving its procedures in order to ensure that Council receives value for money in terms of demand and acquisition management.

T 5.13.1

5.13 GENERALLY RECOGNISED ACCOUNTING PRACTICE (GRAP) COMPLIANCE

A full GRAP-review was performed during the 2021/2022-financial year. The financial statements for the 2021/2022 -financial year are in accordance with the applicable GRAP standards, inclusive of the standards that became effective during the year under review.

T 5.13.1

CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS

INTRODUCTION

The Constitution, Section 188(1)(b), states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The Municipal Systems Act, Section 45, states that the results of performance measurement must be audited annually by the Auditor-General.

The Annual Financial Statements are set out in Volume II of the Annual Report. These statements have been audited by the Auditor-General and the 9th Clean Audit was achieved. The Auditor-General's Report is also included in this Annual Report.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

6.1 AUDITOR-GENERAL REPORT 2019/2020

COMPONENT B: AUDITOR-GENERAL OPINION 2019/2020

Auditor-General Report on Financial Performance Year 2019/2020	
Status of Audit Report:	**Unqualified with no material findings**
Non-Compliance Issues	**Remedial Action Taken**
None	None
Note: *The report's status is supplied by the Auditor-General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).* T 6.2.1	

6.2 AUDITOR-GENERAL REPORT 2020/2021

COMPONENT C: AUDITOR-GENERAL OPINION 2020/2021

Auditor-General Report on Financial Performance Year 2019/2020	
Status of Audit Report:	**Unqualified with no material findings**
Non-Compliance Issues	**Remedial Action Taken**
None	None
Note: *The report's status is supplied by the Auditor-General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).* T 6.2.1	

6.3 AUDITOR-GENERAL REPORT 2021/2022

COMPONENT D: AUDITOR-GENERAL OPINION 2021/2022

Auditor-General Report on Financial Performance Year 2021/2022	
Status of Audit Report:	**Unqualified with no material findings**
Non-Compliance Issues	**Remedial Action Taken**
None	None
Note: *The report's status is supplied by the Auditor-General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse).* *This table will be completed prior to the publication of the Annual Report but following the receipt of the Auditor-General Report on Financial Performance.* T 6.2.1	

AUDITOR-GENERAL REPORT ON THE FINANCIAL PERFORMANCE: 2021/2022

Refer to the attached audit opinion

T 6.2.3

AUDITOR-GENERAL REPORT ON THE SERVICE DELIVERY PERFORMANCE: 2021/2022

Refer to the attached audit opinion

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year.

The Acting Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

T 6.2.5

MR. Z. MHLONGO
CHIEF FINANCIAL OFFICER

Report of the auditor-general to Gauteng Provincial Legislature and the council on the Midvaal Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Midvaal Local Municipality set out on pages 1 to 116, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Midvaal Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material impairments

7. As disclosed in note 4 to the financial statements, the consumer receivables balance has been significantly impaired. The allowance for impairment of consumer debtors amounts to R123 744 090 (2020-21: R107 294 475), which represents 42% (2020-21: 44%) of the total consumer receivables.

8. As disclosed in note 5 to the financial statements, the receivables from non-exchange transactions balance has been significantly impaired. The allowance for impairment of receivables from non-exchange transactions amounts to R262 760 834 (2020-21: R191 166 833), which represents 71% (2020-21: 66%) of the total receivables from non-exchange transactions.

Material losses - electricity

9. As disclosed in note 28 to the financial statements, material electricity losses of R41 134 304 (2020-21: R61 051 964) was incurred, which represents 11% (2020-21 :18%) of total electricity purchased. Technical losses amounted to R22 623 867 (2020-21: R18 315 589). Non-technical losses amounted to R18 510 437 (2020-21: R42 736 375).

Material losses – water

10. As disclosed in note 28 to the financial statements, material water losses of R49 059 714 (2020-21: R47 882 611) was incurred, which represents 37% (2020-21 :38%) of the total water purchased. Technical losses amounted to R33 360 606 (2020-21: R39 742 567). Non-technical losses amounted to R15 699 108 (2020-21: R8 140 044).

Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statement. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected key performance area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance area presented in the municipality's annual performance report for the year ended 30 June 2022:

Key performance areas (KPAs)	Pages in the annual performance report
KPA 7 – services and customer care	63 - 65

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this key performance area:

- KPA 7 – services and customer care

Other matter

22. I draw attention to the matter below.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 7: service and customer care. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected key performance area presented in the annual performance report that have been specifically reported in this auditor's report.

27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

30. I have nothing to report in this regard.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Other reports

32. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. 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.

33. The Special Investigating Unit (SIU) is investigating the 2020 tender award for the supply and maintenance of a vehicle tracking system. This investigation was in progress as at the date of this report.

Auditor - General

Johannesburg

30 November 2022

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected key performance area and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

   - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
   - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
   - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
   - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Midvaal Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
   - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. 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.

4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to 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.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. Activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic Municipal Service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget Year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost Indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that maybe prescribed.
General Key Performance Indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.

Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key Performance Areas	1. Service delivery & infrastructure 2. Economic development 3. Municipal transformation and institutional development 4. Financial viability and management 5. Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered and services rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and their employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery & Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: 1. *one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* 2. *which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A: COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

The above percentages are based on the attendance of scheduled ordinary Council meetings, as well as non-scheduled Special Council meetings. The combined total number of meetings is 17.

Calculations:		Apologies:
17 attended	100%	100% Apologies submitted for all, no attendance
16 attended	94%	
15 attended	88%	
14 attended	82%	
13 attended	76%	
12 attended	70%	
11 attended	64%	
10 attended	59%	

The attendance of Section 80 and Section 79 Committees is not considered for the purpose of calculating the attendance percentages.

Councillors, Committees Allocated and Council Attendance				
Council Members	Full Time / Part Time FT/PT	*Ward and/ or Party Represented	Percentage Council Meetings Attendance %	Percentage Apologies for non-attendance %
Cllr. F. Peters	FT	Ward 1DA	8700%	100%
Ald. P.D. Hutcheson	FT	Ward 5/DA	100%	
Ald. P. J.Teixira	FT	Ward 4/DA	100%	
Cllr. M.I. Motsamai	FT	DA	100%	
Ald. P.C. Pretorius	PT	Ward 14/DA	81%	66%
Cllr. L.T. H. Visser	PT	Ward 7/DA	87%	100%
Cllr. S.M.A. Janse van Rensburg	PT	Ward 2/DA	100%	
Cllr. M. Myburgh	PT	DA	87%	50%
Cllr. M.C. Kruger	PT	Ward 12 / DA	100%	
Cllr. A. McLoughlin	PT	DA	100%	
Ald. M. Modikeng	PT	Ward 6/ANC	69%	100%
Cllr. T.S. Mofokeng	PT	ANC	93%	
Cllr. M. Ndebele	PT	ANC	81%	66%
Cllr. J. Mazibuko	PT	EFF	69%	60%
Ald. C.G Pypers	PT	FF+	87%	100%
Cllr. C.L. Gomes	FT	DA	100%	
Cllr. T.M. Modiba	FT	DA	100%	
Cllr. J.G. Viljoen	FT	Ward 13/ DA	87%	100%
Cllr. R.J. Hubbard	PT	Ward 9/ DA	93%	100%
Cllr. G.M. Nkoe	PT	DA	100%	
Cllr. M.A. Maimane	PT	Ward 11/ DA	75%	25%

Cllr. M.L. Kolisang	PT	DA	100%	
Cllr. A.H. Dickison	PT	Ward 15 / DA	93%	100%
Cllr. B.J.J. Jordaan	PT	Ward 3/ DA	100%	
Cllr. I.P. Ramushu	PT	ANC	69%	40%
Cllr. D.T. Mokhomo	PT	Ward 10/ANC	100%	
Cllr. M.C. Mboweni	PT	ANC	75%	100%
Cllr. S.M. Hoyane	PT	TYM	69%	40%
Cllr. O. Brits	PT	FF+	75%	100%
Cllr. P.M. Lehloka	PT	EFF	93%	100%
*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*				*T A*

T A.1

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
SECTION 80 COMMITTEES	Section 80 Committees - established to assist the Executive Mayor and Mayoral Committee. The Executive Mayor appoints the chairperson and may delegate power to these committees. The Mayoral Committee may vary to cancel any decisions taken by these committees. All Section 80 Committees report to the Mayoral Committee. In MLM there are 5 Mayoral Committee Members and thus 5 Section 80 Portfolio Committees: Corporate Services, Finance Services, Engineering Services, Community Services, Development & Planning
MAYORAL COMMITTEE	Mayoral Committee – It is the committee of the Executive Mayor and members of the Mayoral Committee. Council may delegate certain functions to the Mayoral Committee. This is done in the system of delegations. The Mayoral Committee must report all decisions taken to Council. The functions not delegated must then be recommended to the full Council.
COUNCIL	Council – Represented by all councillors in the Municipality. It is chaired by the Speaker of Council.
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)	In assisting the Council with its oversight function a Section 79 Municipal Public Accounts and Oversight Committee (MPAC) was established with specific terms of references.
PERFORMANCE & AUDIT COMMITTEE	Established in terms of Section 166 of the MFMA. Committee established per Council Resolution M/155/09/2001 dated 30 Aug 2001.
BID ADJUDICATION COMMITTEE	Bid Adjudication Committee is last in the procedure for dealing with bids of the MLM and is responsible for the final decisions regarding the adjudication of a bid. Proposals regarding the applicable and qualifying bids for each tender get submitted from the Bid Evaluation Committee to the Bid Adjudication Committee, where the adjudication is finalised. The Chairperson of the Bid Adjudication Committee is the Chief Financial Officer, who is not allowed or involved in the Bid Evaluation Committee at any stage.

ICT STEERING COMMITTEE	Consists of representatives from all departments in Council. This committee manages the purchase of ICT equipment and is also a channel for resolving ICT issues within the departments.
SECTION 79 GENDER COMMITTEE	Established to deal with gender issues
SECTION 79 PLACE NAME COMMITTEE	Established to deal with changing of street names.
SECTION 79 PETITIONS COMMITTEE	Established to deal with Petitions.
SECTION 79 ETHICS COMMITTEE	Established to enforce and apply the Code of Conduct for Councillors.

APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Not applicable. Included in T2.2.2	
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter	*T C2*

T 2.2.2

APPENDIX D – FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal / Entity Functions (Midvaal has no function applicable to entities)	
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***
Constitution Schedule 4, Part B functions:	
Air Pollution	No
Building Regulations	Yes
Child Care Facilities	Yes
Electricity and Gas Reticulation	Yes
Fire Fighting Services	Yes
Local Tourism	No
Municipal Airports	No
Municipal Planning	Yes
Municipal Health Services	Yes
Municipal Public Transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater Management Systems in Built-up Areas	Yes
Trading Regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Beaches and Amusement Facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, Funeral Parlours and Crematoria	Yes
Cleansing	Yes
Control of Public Nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	No
Fencing and Fences	Yes
Licensing of Dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local Amenities	Yes
Local Sport Facilities	Yes
Markets	No
Municipal Abattoirs	No
Municipal Parks and Recreation	Yes
Municipal Roads	Yes
Noise Pollution	Yes
Pounds	No
Public Places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street Trading	Yes
Street Lighting	Yes
Traffic and Parking	Yes
**** If municipality: indicate (yes or No); * If entity: Provide name of entity*** TD	

APPENDIX E: WARD REPORTING

Functionality of Ward Committees					
Ward Number	**Name of Ward Councillor and Elected Ward Committee Members**	**Committee Established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted timeously to the Office of the Speaker**	**Number of quarterly public ward meetings held during year**
1	**Ald. Freddie Peters** 1. **Community Based Organisations** Piet Uys 2. **Development and Planning** Erasmus Bothma 3. **Community Policing Forum (CPF)** Barend Keet 4. **Engineering** Andries Pretorius 5. **Finance and Council and Human Resources** Cornelius Uys 6. **Social Services** Jan van Zyl 7. **Women** Mpho Makhanya 8. **Youth** Collen Moeketsi 9. **People with Disabilities** James Mofokeng 10. **Agriculture and Conservation** Moya Mkhanazi	Yes	4 meetings were held, one in each quarter	Q1 – 3 Q2 – 3 Q3 - 1 Q4 - 2	Two public meetings were held in the 3rd and 4th quarters.
2	**Cllr. Salome Janse van Rensburg** 1. **Community Based Organisations** Werner Botes 2. **Community Policing Forum (CPF)** Juliana Conlong 3. **Community Policing Forum (CPF)** Kevin Conlong 4. **Engineering** Johannes Carelse 5. **Engineering** Henry van Niekerk 6. **Social Services/Women** Ashlie Farrand 7. **Development and Planning** Mantaoleng Wessie 8. **Youth** Cobain Kleynhans 9. **People with Disabilities** Godfrey Seggie 10. **Finance, Council and Human Resources** Hermanus Pieters	Yes	4 meetings were held, one in each quarter	Q1 – 3 Q2 – 1 Q3 – 10 Q4 – 3	Two public meetings were held in the 3rd and 4th quarters.

WARD REPORTING (Continued)

3	**Cllr. Berlina Jordaan** 1. **Community Based Organisations** Annamarie Nong 2. **Development and Planning** Penelope Ndebele 3. **Community Policing Forum (CPF)** Joon Vorster 4. **Engineering** Kenneth Khutsoane 5. **Finance, Council and Human Resources** Arnold Venter 6. **Social Services** Jennifer Anne Labuschagne 7. **Women** Maruping Munzhedzi 8. **Youth** Audrey Mapeza 9. **People with Disabilities** Marilyn Starck 10. **Other** Magda van Biljon	Yes	4 meetings were held, one in each quarter	Q1 – 0 Q2 – 7 Q3 – 6 Q4 – 7	Two public meetings were held in the 3rd and 4th quarters.
4	**Cllr. Mary-Anne Myburgh** 1. **Community Based Organisations** Bonelwa Pupuma 2. **Development and Planning** Memorial Vice 3. **Community Policing Forum (CPF)** Rolene Erasmus 4. **Engineering** Terry Malyon 5. **Finance, Council and Human Resources** Yoliswa Afrika 6. **Social Services** Bongile Zokwe 7. **Women** Mpho Mafuya 8. **Youth** Loyiso Tshangela 9. **People with Disabilities** Lebogang Thutlwa 10. **Other** Elias Mosebi	Yes	4 meetings were held, one in each quarter	Q1 – 8 Q2 – 7 Q3 - 6 Q4 - 3	Two public meetings were held in the 3rd and 4th quarters.

5	**Ald. Patricia Hutcheson** 1. **Community Based Organisations** Vincent Bathgate 2. **Development and Planning** Glen Leo-Smith 3. **Community Policing Forum (CPF)** Bonginkosi Ximba 4. **Engineering** Louise Klopfer 5. **Finance, Council and Human Resources** Teboho Mabotha 6. **Social Services** Steven van der Walt 7. **Women** Colleen Bathgate 8. **Youth** Linda Mahlangu 9. **People with Disabilities/ Land Invasion** Herbert Gumbi 10. **Agriculture & Conservation** Ivan Parkes	Yes	4 meetings were held, one in each quarter	Q1 – 1 Q2 – 4 Q3 – 7 Q4 – 6	Two public meetings were held in the 3rd and 4th quarters.
6	**Cllr. Thabang Mofokeng** 1. **Community Based Organisations** Given Motloung 2. **Development and Planning** Palesa Nkhotha 3. **Community Policing Forum (CPF)** Daniel Mkwanazi 4. **Engineering** Thapelo Motivase 5. **Finance, Council and Human Resources** Lucas Ngubeni 6. **Social Services** Dimakatso Leoke 7. **Women** Julia Luta 8. **Youth** Azariel Mohlatsane 9. **People with Disabilities** James Chabalala 10. **Faith Based Organisations/ Other** Mphonyana Maduna	Yes	4 meetings were held, one in each quarter	Q1 – 0 Q2 – 1 Q3 – 5 Q4 – 9	Two public meetings were held in the 3rd and 4th quarters.

WARD REPORTING (Continued)

7	**Cllr. L. Visser** 1. **Community Based Organisations** Nomvula Shabalala 2. **Development and Planning** Richard Nhlapo 3. **Community Policing Forum (CPF)** Melody Van Aardt 4. **Engineering** Comfort Pochana 5. **Finance, Council and Human Resources** Bianca Bothma 6. **Social Services** Heather Ryder 7. **Information and Technology** Kenneth Ryder 8. **Youth** Luca Gomes 9. **Tourism and Communication** Jeremy Glyn 10. **Agriculture** Sanjay Singh	Yes	4 meetings were held, one in each quarter	Q1 – 5 Q2 – 8 Q3 – 4 Q4 - 6	Two public meetings were held in the 3rd and 4th quarters.
8	**Cllr. Mike Ndebele** 1. **Community Based Organisations** Shadrack Molipa 2. **Development and Planning** Herman Mothomoholo 3. **Community Policing Forum (CPF)** Mongameli Tshekula 4. **Engineering** Fikile Abram Sebeko 5. **Finance, Council and Human Resources** Malefu Emely Mohakare 6. **Social Services** Thabo Paulos Mtokoma 7. **Women** Eunice Letseleha 8. **Youth** Delisile Miranda Zwane 9. **People with Disabilities** Mofokeng Rossalina 10. **Sports** Kholelwani Guga	Yes	4 meetings were held, one in each quarter	Q1 – 10 Q2 – 1 Q3 – 0 Q4 - 2	Two public meetings were held in the 3rd and 4th quarters.

WARD REPORTING (Continued)

9	**Cllr. Reginald Hubbard** **1. Community Based Organisations** Vuyiswa Gubevu **2. Engineering** Moses Lesemela **3. Social Services** Francis Maja **4. Finance, Council & Human Resources** Charles Minnie **5. Development & Planning** Samuel Koenane **6. Community Policing Forum (CPF)** Toyi James **7. Women** Nthabiseng Khanye **8. Youth** Rosinah Moloto **9. People with Disabilities** Michael Leotlela **10. Other** Grace Thabe	Yes	4 meetings were held, one in each quarter	Q1 – 1 Q2 – 2 Q3 – 3 Q4 - 5	Two public meetings were held in the 3rd and 4th quarters.
10	**Cllr. Tumelo Mokhomo** **1. Community Based Organisations** Thabiso Mphuti **2. Development and Planning** Nombulelo Makhubo **3. Community Policing Forum (CPF)** Kamogelo Mabilo **4. Engineering** Lena Mofokeng **5. Finance, Council and Human Resources** Msheku Ramautla **6. Social Services** Innocent Didiza **7. Women** Lerato Mkwane **8. Youth** Makamohelo Matubetube **9. Disabled** Tshepo Mohosho **10. Religion/ Religious Groupings** Aubrey Malatsi	Yes	4 meetings were held, one in each quarter	Q1 – 6 Q2 – 10 Q3 – 7 Q4 – 5	Two public meetings were held in the 3rd and 4th quarters.

WARD REPORTING (Continued)

11	**Cllr. Abram Maimane** **1. Community Based Organisations** Zicelo Ivan Nkosi **2. Development and Planning** Anna Setona **3. CPF** Mthunzi Mashiya **4. Engineering** Khazamula Raider Mushwana **5. Finance,Council and Human Resources** Andile Nyathela **6. Social Services** Mororiseng Mokhaneli **7. Women** Lesego Motshegwa **8. Youth** Tshepo Rabotapi **9. People with Disabilities** Rebecca Bhekizulu **10. Other** Muntu Masinga	Yes	4 meetings were held, one in each quarter	Q1 – 10 Q2 – 7 Q3 – 9 Q4 - 5	Two public meetings were held in the 3rd and 4th quarters.
12	**Cllr. Mariana Kruger** **1. Community Based Organisations** Lucky Letsolo **2. Development and Planning** John Lebusa **3. Community Policing Forum (CPF)** Peter Maleng **4. Engineering** Bohlale Lebake **5. Finance, Council and Human Resources** Keketso Mohapi **6. Social Services** David Matsobane **7. Women** Harriet Shadi **8. Youth** Karabo Lebake **9. People with Disabilities** Keneuoe Lebake **10. Agriculture and Conservation** Roxanne Du Toit	Yes	4 meetings were held, one in each quarter	Q1 – 7 Q2 – 7 Q3 – 6 Q4 - 6	Two public meetings were held in the 3rd and 4th quarters.

WARD REPORTING (Continued)

13	**Cllr. Gerrit Viljoen** **1. Community Based Organisations** Calvin Bronkhorst **2. Development and Planning** Elizabeth Maree **3. Community Policing Forum (CPF)** Magdaleina Gray **4. Engineering** Jacobus Naude **5. Finance, Council and Human Resources** Wilmarie Bronkhorst **6. Social Services** Moeketsi Pholo **7. Women** Jemma Lekheka **8. Youth** Alida Vermeulen **9. People with Disabilities** Thembi Ndaba **10. Other** Nicolas Van Eeden	Yes	4 meetings were held, one in each quarter	Q1 – 5 Q2 – 3 Q3 – 9 Q4 – 3	Two public meetings were held in the 3rd and 4th quarters.
14	**Cllr. Phil Pretorius** **1. Community Based Organisations** Andries Pretorius **2. Development and Planning** Hendrik Meyer **3. Community Policing Forum (CPF)** Sue Schlaphoff **4. Engineering** Francis Jordaan **5. Finance, Council and Human Resources** Edwin Jordaan **6. Social Services** Steff Nolte **7. Women** Yolandie Pretorius **8. Youth** Kara Pretorius **9. People with Disabilities** Riette McKenzie **10. Other** Carlett Badenhorst	Yes	4 meetings were held, one in each quarter	Q1 – 9 Q2 – 10 Q3 – 8 Q4 - 9	Two public meetings were held in the 3rd and 4th quarters.

WARD REPORTING (Continued)

15	**Cllr. Anthony Dickinson** 1. **Community Based Organisations** Samuel Ramushu 2. **Development and Planning** Dr. Jean Dickinson 3. **Community Policing Forum (CPF)** Reitumetse Seakge 4. **Engineering** Andile Mfeka 5. **Finance, Council and Human Resources** Nkosinathi Ntuli 6. **Social Services** Analene Dotterbeck 7. **Women** Winnie Mamatela 8. **Youth** Sibongile Kotsoe 9. **People with Disabilities** Millicent Motsumi 10. **Other** Fiona Brown		4 meetings were held, one in each quarter	Q1 – 9 Q2 – 10 Q3 – 5 Q4 - 7	Two public meetings were held in the 3rd and 4th quarters.

APPENDIX F – WARD INFORMATION

Whole of Municipality				
Capital Projects: Seven Largest in Year 2022-23 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
1	SICELO ELECTRIFICATION NETWORK	Jul-22	Jun-23	13 864
2	RISSIVILLE WATER NETWORK (NEW)	Jul-22	Jul-23	3 449
3	AGED BULK WATER PIPE REPLACEMENT	Jul-22	Jul-23	12 847
4	SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	Jul-22	Jul-23	9 519
5	GRAVEL TO TAR	Jul-22	Jul-23	20 379
6	EXTENSION TO HENLEY ON KLIP SEWER	Jul-22	Jul-23	10 631
7	ECONOMIC INFRASTR / URBAN REGENERATION	Jul-22	Jul-23	10 191
				T F.1

Due to a lack of financial resources, not all wards have been allocated projects. Refer to Appendix O

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	38 046	37 960	14 497	18 301	
Households without minimum service delivery	0	86	850	2 679	
Total Households*	38 046	38 046	15 347	20 980	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements* T F.2					

The electricity table excludes the areas that are directly supplied by Eskom and the properties that are not yet connected to Midvaal's network.

Top Four Service Delivery Priorities per Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During Year 2021/2022**
1	**Mamello Informal Settlement**	
	Upgrading of roads and sewer	Services for new settlement under construction, informal settlement to be relocated to the newly formalised settlement with new roads and sewer
	Day Clinic	Provincial clinic available
	Community Hall	Construction of Vaal Marina fire station completed
	Library	None, planned library under discussion with Gauteng Department of Sport, Recreation, Arts & Culture (DSRAC)
	Bantu Bonke Informal Settlement - Sanitation	Wastewater Treatment Works upgrading in progress
	Upgrading of roads, stormwater and streetlights	Services for new settlement under construction, informal settlement to be relocated to the newly formalised settlement with new roads, water sewer and electricity
	Water	Construction of new water tower in progress
	Youth Advisory Centre	None
	Library	Modular library completed

2	**Risiville**	
	Convert oval to Risiville Country Club	None
	Fence parks and upgrade facilities	Parks was not fenced, facilities were upgraded rugby posts, netball posts and play equipment were attended to at various parks in Risiville
	Fencing of service roads	
	Upgrading of bulk electricity infrastructure	Upgrading of electricity infrastructure completed
3	**Kookrus, Rothdene**	
	Roads	Resurfacing of View Street
	Sanitation – Rothdene	Design of sewer pumpstation and rising mains completed
		Upgrading of Rothdene Pumpstation completed
4	**Daleside**	
	Roads	Resurfacing of Bokmakierie and Eland Street Rebuilding of Geelvink, Blousysie and Visvanger Street
	Sanitation	Construction of Daleside Sewer (Phase 1) completed Construction of Adelaar Pumpstation in progress
	Upgrading of roads and sewer	Upgrading of Gordon, Taplow, Cambridge Road completed
	Clinic	Clinic in Randvaal available
	Recreation (sporting) facilities	Fraser Park has a cricket pitch and maintained by the Parks Section
	Playground equipment	Additional play equipment was installed on Oval Park
	Schoongezicht	
	Upgrading of roads and electricity	
	Rural safety	
	Water	New bulk water supply line improved pressure system
	Mobile clinic	Municipal mobile clinic available
	Refuse removal	Landfill site was fenced for access control
	Klipwater	
	Management of stormwater	Stormwater system maintained
	Upgrading of roads	
	Community Hall	None
	Gardenvale	
	Upgrading of roads, water, sewer and stormwater Management	Water network upgraded, water, sewer and stormwater management system maintained
	Formalised taxi rank & bus stop	
	Clinic	Municipal mobile clinic service available
	ABET Training	
5	**Drumblade, Valley Settlements**	
	Management of stormwater and upgrading of roads	Roads and stormwater systems maintained
	Soccerfield and other sport facilities	None
	Pension Pay Points	
	Mobile Clinic	Municipal mobile clinic service available
	Phiel's Farm Squatter Camp - Provision of water	Former water fetch points established and filled through bulk water pipeline
	Boitumelo Squatter Camp	Former water fetch points established and filled through mobile water tankers
	Provision of water, roads and sewer	Sufficient supply of water and roads maintained. No plans to install sewer system yet. Refurbishment of 0.5 mL reservoir in progress. Construction of Kliprivier Valley

		Water Pipeline (Phase 1) completed
	Sporting Facilities	Soccer posts, netball posts and grading of the playing fields was done, play equipment, jungle gym was installed, additional existing play equipment was fixed and painted
	Community Hall	None
	Sanitation	Installed communal sanitation for informal settlement
	Daleside	
	Upgrading of streetlights and sewer	Streetlights installed
	Recreational facilities	No available land
	Play parks	One play park available and maintained by Parks Section
	Walkers Fruit Farm	
	Retirement Home	
	Schools	
	Early Development Centre	Private ECD's available
6	**Ohenimuri**	
	Upgrading of streetlights, roads and stormwater	Roads and stormwater systems maintained. Maintaining existing streetlights
	Police Station	
	Library	None
	Parks & playgrounds	One play park available and maintained by Parks Section
	Lakeside	
	Water Pressure System Upgraded	
	Upgrading of Streetlights	Existing streetlights
	Schools (Primary & Secondary)	
	Sport facilities	Bulk earthworks completed, Water reticulation and fencing were completed. Tender for soccerfield construction to be Advertised
	Paving of Roads	Paving of Luvo, Mzinto, Zenzela, Bulalo and Mtwalume Road
	De Deur	
	Upgrading of streetlights, water and stormwater	12 high masts installed, no funds for additional lights
	Sport facilities	None
	Community Hall	None
	Shopping Centre	Various shops available
7	**Blignautsrus, Tedderfield, Hartzenbergfontein, Alewynspoort and Walker Fruit Farms**	
	Upgrading of roads	Roads graded and maintained
	Mobile clinic	Municipal mobile clinic service available
	Satellite EMS & SAPS	
	Community Centre	None
8	**Sicelo**	
	Housing	Internal services for informal settlements are being designed
	Streetlights	High masts installed and maintained
	Water	38 communal standpipes installed and maintained
	Sanitation	Bulk water and sewer reticulation maintained
	School	1 x Primary and 1 x Secondary school (Provincial)
	Roads	

9	**Meyerton**	
	Upgrading of stormwater, sewer, roads and refuse removal	Stormwater and sewer maintained and roads resealed. Cypress West and Plane constructed from scratch. Johan le Roux, Pierneef, Lilly, Meyer, Albert Wessels, Boet Kruger, Victor van Eck, Morris Road and View resurfaced
	Play parks in Pierneef Blvrd	1 x Outdoor gym, play parks maintained by Parks Section
	Cycle Lanes	None
	Unemployment Centre	
10	**Sicelo Informal Settlement**	
	Streetlights and management of stormwater	88 kV bulk electricity line being constructed to supply Sicelo and surroundings. 11 kV feeder to MWWTW constructed
	Upgrading of roads	Roads and stormwater system maintained, started speed humps in Steve Biko, Kraanvoël, Marmot, Renoster, Aardvark and Seekoei Street built from scratch
	Place of public worship	
	Police Station	
	Local policing forum / committee	
11		
	Streetlights	Streetlights retrofitted with energy saving lights. Savanna City infrastructure development
	Sport Facilities	Construction of soccer field and outdoor gym; 1st phase construction of ablution facility. 2nd Phase of ablution already in progress
	Secondary School	
	Retail Shopping Centre	
12		
	Housing	
	Water (Replace water tanks with taps)	Communal water supply points upgraded
	Sanitation	VIP toilets maintained
	Land for development	
13		
	Upgrading of Roads (Gravel to tar)	
	Upgrading of sewer network	
	Public ablution at park	None
	Improved and safer access to Jim Fouche Street	
14		
	Traffic calming measures at schools (Painting/Signs/Speed Control)	
	Roads	Resurfacing of Mimosa and Pierneef Intersection
	Fence next to Erna Church Street	
	Activity parks for the youth (Skateboard Parks)	Park was developed adjacent to Pierneef Blvrd
	Meyerton Sports Club Phase 2 – Palisade & Paving	Project completed
15		
	Roads and Stormwater upgrading, traffic calming measures at schools (Painting/Signs/Speed Control)	Re-building of Gordon Road and stormwater. Resurfacing of Taplow, Cambridge, Shillingford and Burnham

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL PERFORMANCE & AUDIT COMMITTEE

Municipal Performance & Audit Committee Recommendations		
Date of Committee	Committee Recommendations	Recommendations adopted (enter Yes) If not adopted (provide explanation)
29 Aug 22	Draft Annual Report: 2021/2022	Yes
	Auditor-General (SA): Audit Engagement Letter & Audit Strategy	Yes
	Auditor-General (SA): Audit Strategy – 30 June 2022	Yes
	Gauteng Provincial Treasury & COGTA	Yes
30 Sep 22	Minutes of the 4th Performance & Audit Committee Meeting for 2021/2022 held on Wednesday, 27 July 2022	Yes
	Minutes of the 1st Performance & Audit Committee for 2022/2023 held on Monday, 29 August 2022	Yes
	Matters Arising from the minutes of 27 July 2022: Performance & Audit Action List: Progress Report	Yes
	Matters Arising from the minutes of 29 August 2022	Yes
	Performance & Audit Committee Members	Yes
28 Nov 22	Report on the Auditor-General to the Gauteng Provincial Legislature and the Council of the Midvaal Local Municipality: 30 June 2022	Yes
	Auditor-General: Draft Management Report: 30 June 2022	Yes
	Election of Chairperson	Yes
13 Apr 23	Minutes of the 3rd Special Performance & Audit Committee Meeting for 2022/2023 held on Monday, 28 November 2022	Yes
	Action List: Progress Report	Yes
	Chief Audit Executive Quarterly Report: 13 April 2023	Yes
	Report on the MFMA Compliance Audit for the period Oct 2022 – Dec 2022 (Quarter 2)	Yes
	Water Loss Management Audit	Yes
	Internal Audit Action Plan: Progress	Yes
	Operation Clean Audit (OPCA) Action Plan 2021/2022 in terms of Section 131 of the MFMA as of March 2023	Yes
	Annual Report 2021/2022 Assessment	Yes
	Annual Report 2021/2022	Yes
	Financial Performance Report in terms of Section 52(d) of the MFMA: Quarter 1	Yes
	Non-Financial Performance Report in terms of Section 52(d) of the MFMA: Quarter 1	Yes

	Financial & Non-Financial Performance Report in terms of Section 52(d) of the MFMA, Quarter 2, be noted	Yes
	Integrity Management Strategy Implementation Plan 2021/2022: Quarter 4	Yes
	Integrity Management Strategy: 2022/2023 Organisational and Operational Risk Register 2022/2023: Quarter 2 – Feedback Report	Yes Yes
	Risk Maturity Assessment Report 2022	Yes
	Incident Register Progress Report 2022/2023: Quarter 1 & 2	Yes
	Anti-Fraud & Anti-Corruption sub-committee: Progress: Previous Reports Received	Yes
	Anti-Fraud & Anti-Corruption sub-committee: New: Reports received since the previous meeting	Yes
	Integrity Management (Allegations Register): Action Plan	Yes
	Proposed meeting dates	Yes
	Agenda Layout: Conclusion	Yes
18 May 2023	Service Delivery	No
	Minutes of the 1st Audit, Performance, Integrity & Risk Management Committee Meeting for 2022/2023 held on 13 April 2023	Yes
	Audit, Performance, Integrity & Risk Management Committee: Action List: Progress Report	Yes
	Chief Audit Executive Quarterly Report: 09 May 2023	Yes
	Internal Audit Action Plan: Progress	Yes
	Operation Clean Audit (OPCA) Action Plan 2021/2022 in terms of Section 131 of the MFMA as of March 2023	Yes
	Financial Performance Report in terms of Section 52(d) of the MFMA: Quarter 3	Yes
	Non-Financial Performance Report in terms of Section 52(d) of the MFMA: Quarter 3	Yes
	Integrity Management Strategy & Implementation Plan: 2023/2024	Yes

	Organisational and Operational Risk Register: 2022/2023: Quarter 3 – Progress Report	Yes
	Gauteng Provincial Government: Risk Management Framework	Yes
	Progress Report on Risk Maturity Improvement Plan	Yes
	Incident Register: 2022/2023: Quarter 3 Progress Report	
	Anti-Fraud & Anti-Corruption sub-committee: Allegations Register 2022/2023: Quarter 3 Progress Report	Yes
	Anti-Fraud & Anti-Corruption sub-committee: Allegations Register 2022/2023: Quarter 3 New Reports	Yes
	Anti-Fraud & Anti-Corruption sub-committee: Allegations Register: Action Plan Progress Report	Yes
	Letter of Resignation: Member Jonathan Thekiso	Yes
	Report on the Public-Private Partnership Electricity Project: Finance, Design, Management, Operation & Maintenance of the Electricity Distribution Services for Midvaal Local Municipality	Yes
	Approval of the Audit, Performance, Integrity & Risk Management Committee Charter & Internal Audit Charter	Yes
	Rendering of Internal Audit Services: Extension of Contract in terms of Section 116(3) of the MFMA & Draft Annual Operational Audit Plan	Yes
	Gauteng Provincial Treasury: Report on the Functionality and Effectiveness of Internal Audit and Audit Committee for Quarters 1 and 2 (2022/2023	Yes

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during 2022/2023)

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
MULTI FLEET SOLUTIONS PTY LTD	SUPPLY AND DELIVERY OF A TRAILER MOUNTED BOOM LIFT FOR MIDVAAL LOCAL MUNICIPALITY ONCE-OFF	2022/11/14	-	PR & S	R83 375 000.00
NSIBANDOS ELECTRICAL JV LEMPITSE TRADING	BID FOR THE APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION OF ELECTRICAL INFRASTRUCTURE FOR THE RETICULATION, ELECTRIFICATION AND NETWORK STRENGTHINING FOR SICELO AND SURROUNDING AREAS FOR MLM FROM DATE OF APPOINTMENT TO 30 JUNE 2025	2022/12/15	2025/06/30	ENG	R40 250 000.00
DKPB CONSTRUCTION (PTY) LTD / MEYEAPHUTHI (PTY) LTD JV	UPGRADING OF ROADS FROM GRAVEL TO SURFACE ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2025 IN MIDVAAL LOCAL MUNICIPALITY.	2022/11/24	2025/06/30	ENG	R36 098 772.55
MDNDIBI BUSINESS ENTERPRISE (PTY) LTD	BID FOR THE APPOINTMENT OF A PANEL FOR RENTAL OF PLANT, VEHICLE AND EQUIPMENT TO MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS FROM THE DATE OF APPOINTMEMT UNTIL 30 JUNE 2025	2023/01/30	2025/06/30	ENG	R33 513 785.31
AQUA TRANSPORT AND PLANT HIRE (PTY) LTD					
LALEFA (PTY) LTD					
MIKHENSO MYN PROJECTS (PTY) LTD					
T AND F CONSTRUCTION (PTY) LTD					
EKENE INVESTMENTS CC					
KUKHULU PLANT HIRE (PTY) LTD					
X-BUSINESS RESOURCES					
SEDTRADE (PTY) LTD					
JOE MM INVESTMENTS (PTY) LTD					
TEE KAY INDEPENDENT (PTY) LTD					

HIRE ALL (PTY) LTD LICHENRY CONSTRUCTION (PTY) LTD XMOOR TRANSPORT (PTY) LTD PLANT DIVISION MABUZA HOLDINGS SA KHUDUYANE QUIGLEY (PTY) LTD					
MOKOENA CONSTRUCTION (PTY) LTD	BID TO APPOINT A SRVICE PROVIDER FOR THE REFURBISHMENT AND INSTLLATION OF HIGHMAST LIGHTS AND STREET LIGHTS IN MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD TO 30 JUNE 2025	2022/11/24	2025/06/30	ENG	R31 775 666.10
MBALISTO ENERGY SOLUTIONS ZRN MECHANIKA CC ON POINT ON TIME SOLUTIONS	BID TO APPOINT A PANEL OF SERVICE PROVIDERS TO SUPPLY, DELIVER, INSTALL, COMMISSION, MAINTAIN VARIOUS PV/SOLAR SYSTEMS, BATTERY STORAGE SYSTEMS AND OTHER RENEWABLE ENERGY TECHNOLOGIES FOR MIDVAAL LOCAL MUNICIPALITY AS AND WHEN REQUIRED FROM THE DATE OF APPOINTMENT UNTIL 30 JUNE 2025	**30/06/2023**	2026/06/30	ENG SERV	R33 056 560.25
RAND WATER	MFMA SECTION 110 (2) APPOINTMENT OF A SERVICE PROVIDER FOR THE MANAGEMENT, OPERATIONS AND MAINTENANCE OF VAAL MARINA WATER TREATMENT PLANT	2022/11/03	2025/06/30	ENG	R20 506 434.30
MFANGANO SOLUTIONS (PTY) LTD	BID FOR A PANEL OF SERVICE PROVIDERS TO DO ALL STRIP, QUOTE AND REFURBISHMENT OF EXISTING PLANTS AND EQUIPMENT FOR MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD TO 30 JUNE 2025	2022/12/08	2025/06/30	COMM	R19,253,082,39
ONTEC SYSTEM (PTY) LTD	BID FOR THE SUPPLY, INSTALLATION AND MANAGEMENT OF A STANDARD TRANSFER SPECIFICATION (STS) COMPLIANT PREPAYMENT VENDING SYSTEM FOR MIDVAAL LOCAL MUNICIPALITY FROM DATE OF APPOINTMENT TO 30 JUNE 2025	2022/09/15	2025/06/30	FIN	R15 807 187.41
Nedbank Limited	BID FOR THE FINANCING OF R14 720 000.00 (FOURTEEN MILLION SEVEN HUNDRED AND TWENTY THOUSAND RANDS) VAT INCLUSIVE, INFRASTRUCTURE PROJECTS FOR MIDVAAL LOCAL MUNICIPALITY	2023/06/30	2032/12/30	FIN	R14 720 000.00

KGOSIHADI TRADING & PROJECTS 78 CC	SUPPLY, INSTALLATION, MAINTENANCE AND MANAGEMENT OF PREPAID WATER METERS ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2025	2022/08/25	2025/06/30	ENG	R14 266 707.98
MUNACHI PTY LTD	UPGRADING OF GALLOWAY DEPOT FUEL STATION	30/06/2023	8 MONTHS	FIN SERV	R13 340 000.00
MBONELAPHANDA CIVILS	BID FOR THE MAINTENANCE OF WATER -BORNE SEWER NETWORK INCLUDING ERF CONNECTORS FOR MIDVAAL LOCAL MUNICIPALITY ON AND AS WHEN REQUIRED FROM DATE OF APPOINTMENT UP TO 30 JUNE 2025)	2022/09/23	2025/06/30	ENG	R11 902 500.00
NSIBANDOS TRADING (PTY) LTD	THE APPOINTMENT OF A SERVICE PROVIDER TO RENDER MAINTENANCE SUPPURT SERVICES FOR THE VAAL MARINA LV NETWORK FROM DATE OF AWARD TO JUNE 2025 ON AN AS WHEN REQUIRED BASIS	2022/10/24	2025/06/30	ENG	R11 385 000.00
KPG Surfacing & Civils (Pty) Ltd Marshile Trading and other activities (Pty)Ltd Angna Valo Engineering (Pty) Ltd	BID FOR THE SUPPLY AND DELIVERY OF BITUMEN PRODUCTS FOR MIDVAAL LOCAL MUNICIPALITY ON AN AS AN WHEN REQUIRED BASIS FROM DATE OF AWARD TO 30 JUNE 2025	2022/09/15	2025/06/30	ENG	R11 278 969.49
Bereka Moo (Pty) Ltd Mokoena Group (Pty) Lyd Pro Found Trading (Pty) Ltd MMK Khumalo Trading	BID TO APPOINT A PANEL OF SUPPLIERS TO SUPPLY AND DELIVER VARIOUS ELECTRICAL CABLES TO MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS, FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025	2022/08/18	2025/06/30	FIN	R11 212 500.00
Bereka Moo (Pty) Ltd Mawelane Trading & Projects Mokoena Group (Pty) Ltd Profound Trading (Pty) Ltd Nucon Plumbing Wholesalers Cc Oumama Atp (Pty) Ltd	BID TO APPOINT A PANEL OF SUPPLIERS TO SUPPLY AND DELIVER VARIOUS ELECTRICAL ITEMS TO MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS, FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2025	2022/08/18	2025/06/30	FIN	R11 212 500.00
DOTCOM TRADING 318 (PTY) N & C MAINTENANCE AND SPARES (PTY) LTD NOLEWU CONSTRUCTION ELECTRICAL & CHEMICAL SUPPLIES (PTY) LTD	BID TO APPOINT A SUITABLE AND QUALIFIED SERVICE PROVIDER TO DO ALL STRIP, QUOTE AND REFURBISHMENT OF EXISTING POLE MOUNTED AND LOOSE STANDING TRANSFORMERS FOR MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS, FROM DATE OF AWARD UNTIL 30 JUNE 2025	2022/10/24	2025/06/30	ENG	R10 350 000.00
MIA TRADING ENTERPRISE (PTY) LTD KEO GROUP (PTY) LTD	BID FOR A PANEL TO INSTALL, REPLACE AND COMMISSION PRE-PAID ELECTRICTY METERS WITHIN THE SURROUNDING OF MIDVAAL LOCAL MUNICIPALITY	2022/12/08	2025/06/30	ENG	R9 787 253.25

	AREAS OF SUPPLY ON AN AS AN WHEN REQUIRED BASIS FROM DATE OF AWARD 2022 UNTIL 30 JUNE 2025				
Nolewu Construction Electrical and Chemical Suppliers CC • On point on Time Solutions (Pty) Ltd • Ongi General Trading CC • Oakantswe Construction & Projects CC • Keo Group (Pty) Ltd	BID TO APPOINT A PANEL OF SERVICE PROVIDERS TO REFURBISH, SEVICE AND RE-WIRE OF PANELS, SWITCHES AND SWITCH GEAR FOR MIDVAAL LOCAL MUNICIPALITY ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF APPOINTMENT TO 30 JUNE 2025	2022/08/18	2025/06/30	ENG	R9 773 850.00

T H.1

Public Private Partnerships Entered into during 2022/2023					
Name and Description of Project	**Name of Partner(s)**	**Initiation Date**	**Expiry Date**	**Project Manager**	**Value**
The municipality registered a Public Private Partnership with National Treasury in terms of Sec 120 of the MFMA for the management and maintenance of electricity operations. As at 30 June 2018, the municipality had adopted the Status Quo report as well as the Feasibility Study as required by Section 78(1, 2 and 3) of the Municipal Systems Act. Phase 2 of the project being the procurement of the private partner will commence in the 2018/2019-financial year.					
					T H.2

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule						
Name of Entity & Purpose	**(a) Service Indicators**	**2019/2020**		**2020/2021**	**2021/2022**	
		Target	**Actual**	**Target**		
	(b) Service Targets	***Previous Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(viii)**	**(ix)**	**(x)**
None						
Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference. T I						

APPENDIX J – DISCLOSURES OF FINANCIAL INTEREST

Period 30 Jul 2022 – 30 Jun 2023		
Position	**Name**	**Description of Financial interests**
Executive Mayor	P.J. Teixira	3 Komati Street - NedBank
		39 Totius Street - NedBank
		34 Brockett Street, Risiville
Speaker	A.R. McLoughlin	JSE – Sasol ORD 50
		JSE DRD Gold 50
		Practicing Attorney
		Glacier RA
		Sanlam Pension
		Sanlam Glacier MCPF
		Holding 353 Boundary Road, Walkers Fruit Farms, Walkerville
Member of Mayoral Committee	C.L. Gomes	Plot 116, De Wet Street
		Allan Grey Pension Fund
		Allan Grey Investment – Unit Trust
Member of Mayoral Committee	R.J. Hubbard	Ecotech Developments - Construction
		81 Danie Smal Street, Kookrus
Member of Mayoral Committee	P.D. Hutcheson	Stanlib - Managed Portfolio
		Investec - Managed Portfolio
		Keartheric Estates, Portion 48 of Farm 180 Witkop, Randvaal
		95 Lawast Valley Randvaal
		Municipal Councillors Pension Fund
Member of Mayoral Committee	M. Motsamai	Walkers Media 2013/129420/07 Executive - Media and Advertising
		Municipal Councillors Pension Fund
Member of Mayoral Committee	T. Modiba	13 Marmot Street, Meyerton
Member of Mayoral Committee	J.G. Viljoen	Portion 8, Vogelfontein
		Farming Activities
Councillor	S.M.A. Janse van Rensburg	23 Klarer Street
		Sedibeng Salary
Councillor	F.W. Peters	Pension: MCPF
		JSE – Shares
		Old Mutual Shares
Councillor	P. Lehloka	Tact Team Management – Training 50% Construction
		Lehloka Construction and 100% Construction
		Old Mutual Pension Fund
		10 at Nyala Street, Meyerton Farms
Councillor	M.C. Mboweni	Plot 73, Boys Street, Homelands, Meyerton
Councillor	M.M. Ndebele	38 Zebra Street, Meyerton Farms

		Municipal Councillors Pension Fund
Councillor	O. Brits	Brits Transport
		20 Zambesi Street, Riversdale
Councillor	D.T. Mokhomo	240 Modikeng Street, Meyerton Farms
		Personal Account
Councillor	C.G. Pypers	Corrie Pypers Boedery – 50%
		Corrie Pypers Familie Trust
		Sanlam
Councillor	A.H. Dickinson	1059 Regatta Road, Henley on Klip
Councillor	M.A. Myburgh	Personal Bank Account
Councillor	T.S. Mofokeng	6988 Savanna City - Owner
Councillor	S. Hoyane	Construction
		318 Khama Street, Sicelo
Councillor	J. Mazibuko	Stretford 15 800 Extention 9 (Phase 1) Stand No/Portion/ - 000158000-000-00 1805
		Conduct farming activities at ERF 334IQ Plot 28 Elandsfonteing not owner of property
		Municipal Councillors Pension Fund
Councillor	G.M. Nkoe	Personal Account
Councillor	B.J. Jordaan	Gauteng Department of Education (Teacher)
		Residential House
		GEPF
Councillor	I.T. Ramushu	1213 Stanmore Road, Henley on Klip, Meyerton
Councillor	M.C. Kruger	87 Irene Drive, Drumblade (Bonded House)
		Assist community members to receive money through personal account
		Liberty Pension Fund
Councillor	A.M. Maimane	4868 Inca Street,avanna City
Councillor	M.L. Modikeng	Residential House
		Municipal Pension fund
		Sedibeng salary
Councillor	L.T. Visser	9 First Avenue, Walkerville
Councillor	L.M. Kolisang	11 Strandloper Street, Meyerton Park
Municipal Manager	A.M.Groenewald	Cape Town Pass Shares 24% (Digital Pass)
		Cloud Leap Tech 2% (IT Holdings Company)
		Amgro Services PTY LTD -No remuneration
		Amgro Property PTY LTD Property Trading Company – No remuneration
Deputy Municipal Manager	S. Mosidi	Residential House - Pretoria North
		Residential House – Secunda
		Residential House – Pampierstad
		Residential House – Nelspruit
		Delta Environ – NPO – SMM & Associate Cc (Dormant)
		Solly Mosidi TC CC - Dormant

Chief Financial Officer	Z.N. Mhlongo	Unit 30 Street Mitchell, 18 Mitchell Street,Meyerton
		Erf 4169 PMB – 57 Sherwood Road Napierville, Pietermaritzburg
		Erf 3965 Empangeni, 31 Mack Street, Empangeni 3880
		Erf 1239 Panaroma 08 Bushbush Street, Empangene, 3880
Executive Director: Corporate Services	S. Cave	113 Ndovu Estate, Cnr Hole-In-One, Hamdicap Road Ruimsig
		Prominent Project Consulting – Close Corp -Not Active
		Town House – 8 Wasbank Street, Uttlefalls, Roodepoort
		Land -Portion 4 of Holding 111, Walkervile
		Land – Stand 303B, Blue Saddle Ranch Meyerton
Executive Director: Engineering Services	P. Magodi	39 Golf Road, The Willows, Three Rivers Proper, Vereeniging
Executive Director: Development & Planning	Vacant	-
Executive Director: Community Services	Vacant	-
Executive Director: Public Safety and Roads	Vacant	-

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

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K(i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Exective Council	542	8 533	8 533	8 340	-2%	-2%
Finance & Admin	376 577	406 500	427 003	438 819	8%	3%
Development & Planning	3 136	3 261	4 061	3 810	17%	-6%
Health (Clinics)	4 658	5 952	5 892	1 687	-72%	-71%
Community Services (Libraries, Cemeteries, Social Admin)	14 556	14 741	14 811	14 789	0%	0%
Protection Services	69 016	76 253	118 973	73 609	-3%	-38%
Sport & Recreation (Parks, Swimming Pools)	1 663	2 888	2 888	3 283	14%	14%
Environmental Protection (Env Health Sedibeng)	3 220	3 081	3 081	2 128	-31%	-31%
Waste water & Sanitation	73 154	73 978	73 998	80 578	9%	9%
Waste Management (incl Landfill)	64 132	64 575	64 575	66 520	3%	3%
Roads & stormwater & Eng Admin	1 623	1 700	1 700	1 859	9%	9%
Water Services	247 129	304 800	285 029	279 652	-8%	-2%
Electricity	477 963	530 886	530 734	443 550	-16%	-16%
Savanna City	–	–	–	–	0%	0%
Total Revenue (excluding capital transfers and contributions)	**1 337 369**	**1 497 149**	**1 541 279**	**1 418 624**	**-5%**	**-8%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						*T K.1*

APPENDIX K(ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
						R '000
Description	2021/22	2022/23			2022/23 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	273 314	287 653	301 041	296 169	3%	-2%
Property rates - penalties & collection cha	–	–	–	–	0%	0%
Service Charges - electricity revenue	475 822	523 642	522 890	438 811	-16%	-16%
Service Charges - water revenue	214 565	271 239	251 468	244 906	-10%	-3%
Service Charges - sanitation revenue	54 450	55 169	55 169	61 618	12%	12%
Service Charges - refuse revenue	55 102	55 545	55 545	57 490	4%	4%
Service Charges - other	5 482	6 062	6 862	8 247	36%	20%
Rentals of facilities and equipment	1 098	1 241	1 241	1 093	-12%	-12%
Interest earned - external investments	18 248	20 080	20 080	32 525	62%	62%
Interest earned - outstanding debtors	18 518	19 893	27 027	29 868	50%	11%
Dividends received	–	–	–	–	0%	0%
Fines	68 387	74 958	117 748	73 658	-2%	-37%
Licences and permits	–	–	–	–	0%	0%
Agency services	–	–	–	–	0%	0%
Transfers recognised - operational	150 862	172 851	172 791	167 661	-3%	-3%
Other revenue	1 641	3 716	3 716	3 877	4%	4%
Gains on disposal of PPE	–	–	–	–	0%	0%
Total Revenue (excluding capital transfers and contributions)	**1 337 489**	**1 492 049**	**1 535 579**	**1 415 923**	**-5.10%**	**-7.79%**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						*T K.2*

APPENDIX L: CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)

					R' 000
Details	Original Budget	Adjustments Budget	Actual	Variance	
				Original Budget	Adjustments Budget
ECONOMIC INFRASTR / URBAN REGENERATION	10 000	10 000	7 587	-24.1%	-24.1%
RFID SECURITY SYSTEM-MEYERTON	1 500	1 160	721	-51.9%	-37.8%
CANOPY	25	25	23	-10.0%	-10.0%
AIRCONDITIONERS	500	500	500	0.0%	0.0%
MEYERTON LIBRARY FURNITURE	700	700	624	-10.8%	-10.8%
ITC HARDWARE (COMPUTORS) - NEW	1 100	1 440	1 165	5.9%	-19.1%
MEYERTON LIBRARY BOOKS (DAC)	500	500	491	-1.7%	-1.7%
HOK LIBRARY BOOKS (DAC)	200	200	199	-0.3%	-0.3%
DE DEUR LIBRARY BOOKS (DAC)	300	300	293	-2.4%	-2.4%
RANDVAAL LIBRARY BOOKS (DAC)	200	200	195	-2.4%	-2.4%
LIBRARY FURNITURE - SICELO - NEW	300	300	282	-5.8%	-5.8%
SICELO LIBRARY BOOKS (DAC)	300	300	297	-1.1%	-1.1%
EXT SICELO LIBRARY BUILDING - UPGRADING		2 365	2 045	0.0%	-13.5%
LAKESIDE LIBRARY BOOKS (DAC)	300	300	293	-2.2%	-2.2%
BANTU BONKE LIBRARY BOOKS (DAC)	200	200	198	-1.0%	-1.0%
PORTABLE PUMP	500	340	340	-32.1%	-0.1%
BA COMPRESSOR SYSTEM	550	550		-100.0%	-100.0%
RESCUE & FIRE EQUIPMENT	950	1 110	1 073	12.9%	-3.3%
RAPID RESPONSE RESCUE VEHICLE & EQP		1 073	912	0.0%	-15.0%
INSTALLATION OF ONSITE TOILETS	1 000	1 000	1 000	0.0%	0.0%
AGED BULK WATER PIPE REPLACEMENT	13 000	13 000	12 997	0.0%	0.0%
REFURBISHMENT/REPLACEMENT-SUPPLY VALVES	1 000	1 000	1 000	0.0%	0.0%
PRESSURE MANAGEMENT INFRASTRUCTURE	1 000	1 000	999	-0.1%	-0.1%
BULK WATER METERS	2 000	2 000	1 999	0.0%	0.0%
SAVANNA CITY ELECTR. NETWORK	7 072	3 174	3 083	-56.4%	-2.9%
SICELO ELECTRIFICATION NETWORK	15 000	19 788	19 788	31.9%	0.0%
Total	**58 197**	**62 526**	**58 105**	**-0.2%**	**-7.1%**

** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the*

COMMENT ON CONDITIONAL GRANTS (EXCLUDING MIG)

The unspent conditional grants excluding MIG was 9.5 m. Applications for roll overs were submitted to National and Provincial Treasury.

T L.1

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES APPENDIX M(i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme* R '000							
Description	**2020/21**	**2021/22**	**2021/22**	**2021/22**	**Planned Capital expenditure**		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**2022/23**	**2023/24**	**2024/25**
Capital expenditure by Asset Class							
Infrastructure - Total	**32 457**	**24 250**	**29 651**	**32 457**	**51 306**	**56 768**	**60 502**
Infrastructure: Road transport - Total	12 750		12 750	12 750	6 226	2 466	4 500
Roads, Pavements & Bridges	12 750		12 750	12 750	6 226	2 466	4 500
Storm water							
Infrastructure: Electricity - Total	5 876	17 450	5 898	5 876	14 150	22 532	26 850
Generation							
Transmission & Reticulation	5 629	17 200	5 647	5 629	13 900	22 282	26 600
Street Lighting	248	250	251	248	250	250	250
Infrastructure: Water - Total	5 902	1 550	6 700	5 902	26 230	21 170	18 952
Dams & Reservoirs					15 000	13 020	12 302
Water purification							
Reticulation	5 902	1 550	6 700	5 902	11 230	8 150	6 650
Infrastructure: Sanitation - Total	212	1 850	903	212	1 700	5 600	6 200
Reticulation	212	1 850	903	212	1 700	5 600	6 200
Sewerage purification							
Infrastructure: Other - Total	7 717	3 400	3 400	7 717	3 000	5 000	4 000
Waste Management	7 717	3 400	3 400	7 717	3 000	5 000	4 000
Transportation							
Gas							
Other							
Community - Total	**7 614**	**9 288**	**9 652**	**7 614**	**6 637**	**8 730**	**7 880**
Parks & gardens	1 470	700	1 773	1 470	2 700	3 200	3 200
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries	1 502	2 558	2 958	1 502	2 100	3 380	3 530
Recreational facilities							
Fire, safety & emergency	4 642	6 000	4 921	4 642	277	1 000	
Security and policing		30			1 560	1 150	1 150
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Table continued next page							

APPENDIX M(ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - New Assets Programme*							R '000
Description	**2020/2021**	**2021/2022**	**2021/2022**	**2021/2022**	**Planned Capital expenditure**		
	Actual	**Original Budget**	**Adjustments Budget**	**Actual Expenditure**	**2022/2023**	**2023/2024**	**2024/2025**
Capital expenditure by Asset Class							
Infrastructure - Total	**45 670**	**23 667**	**20 464**	**20 113**	**50 673**	**23 600**	**20 700**
Infrastructure: Road transport - Total	33 892	6 217	14 216	14 077	29 773	500	300
Roads, Pavements & Bridges	33 892	6 217	14 216	14 077	29 773	500	300
Stormwater							
Infrastructure: Electricity - Total	5 876	17 450	5 898	5 876	15 200	12 500	10 200
Generation							
Transmission & Reticulation	5 629	17 200	5 647	5 629	14 700	11 000	10 200
Street Lighting	248	250	251	248	500	1 500	
Infrastructure: Water - Total	5 902						
Dams & Reservoirs							
Water Purification							
Reticulation	5 902						
Infrastructure: Sanitation - Total					1 700	5 600	6 200
Reticulation					1 700	5 600	6 200
Sewerage Purification							
Infrastructure: Other - Total			350	160	4 000	5 000	4 000
Waste Management			350	160	4 000	4 000	
Transportation							
Gas							
Other							
Community - Total	**3 097**	**150**	**1 528**	**1 366**	**100**	**1 500**	**2 500**
Parks & Gardens	1 470	150	455	454		1 500	2 500
Sportsfields & Stadia							
Swimming Pools							
Community Halls							
Libraries							
Recreational Facilities							
Fire, Safety & Emergency	1 627		1 073	912	100		
Security and Policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social Rental Housing							
Other							
Table continue next page							

Table continued from previous page

Capital Expenditure - New Assets Programme*

R '000

Description	2020/2021	2021/2022	2021/2022	2021/2022	Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2022/2023	2023/2024	2024/2025
Capital expenditure by Asset Class							
Heritage assets - Total							
Buildings							
Other							
Investment Properties - Total							
Housing Development							
Other							
Other assets	**15 857**	**25 124**	**31 325**	**25 420**	**25 939**	**17 480**	**19 298**
General Vehicles	10 515	7 150	11 696	8 012	14 560	9 100	10 150
Specialised Vehicles							
Plant & Equipment	1 298	9 425	11 861	10 891	3 517	5 885	6 430
Computers - Hardware/Equipment	1 102	1 100	1 440	1 165	1 700	2 000	2 000
Furniture and other office equipment	2 814	6 740	5 827	5 260	1 662	495	718
Abattoirs							
Markets					4 500		
Civic Land and Buildings	55						
Other Buildings		10 000	10 000	4 781			
Other Land	72	309	500	92			
Surplus Assets - (Investment or Inventory)							
Other		400					
Agricultural assets							
List sub-class							
Biological assets							
List sub-class							
Intangibles	998	1 500	1 160	721	2 000	500	
Computers - software & programming	998	1 500	1 160	721	2 000	500	
Other (list sub-class)							
Total Capital Expenditure on new assets	**65 621**	**50 441**	**54 476**	**47 620**	**78 712**	**43 080**	**42 498**
Specialised vehicles					**1 500**		
Refuse							
Fire							
Conservancy							
Ambulances							
** Note: Information for this table may be sourced from MBRR (2009: Table SA34a)*							T M.1

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	2020/2021	2021/2022	2021/2022	2021/2022	Planned Capital expenditure		
	Actual	Original Budget	Adjustments Budget	Actual Expenditure	2022/2023	2023/2024	2024/2025
Capital expenditure by Asset Class							
Infrastructure - Total	**8 873**	**60 372**	**53 743**	**48 617**	**19 120**	**23 180**	**23 965**
Infrastructure: Road transport -Total							
Roads, Pavements & Bridges							
Stormwater							
Infrastructure: Electricity - Total	3 541	10 072	6 746	6 417	750	1 000	1 890
Generation							
Transmission & Reticulation	3 541	10 072	6 746	6 417	20 306	14 000	15 943
Street Lighting							
Infrastructure: Water - Total		22 600	19 489	18 356	9 080	9 930	10 025
Dams & Reservoirs			1 800	1 196			
Water Purification							
Reticulation		22 600	17 689	17 160	42 955	42 450	33 490
Infrastructure: Sanitation - Total	5 332	27 700	27 509	23 844	9 290	9 250	8 550
Reticulation	5 332	27 700	27 509	23 844			120
Sewerage Purification							
Infrastructure: Other - Total						3 000	3 500
Waste Management	3 641	8 100	2 345	3 566	250	10 649	16 866
Transportation							
Gas							
Other							
Community		**4 900**	**5 626**	**4 753**	**4 600**	**7 500**	**10 000**
Parks & Gardens							
Sportsfields & Stadia		4 900	5 626	4 753	6 024	1 000	2 000
Swimming Pools							
Community Halls							
Libraries					2 000	3 000	4 300
Recreational Facilities							
Fire, Safety & Emergency							
Security and Policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social Rental Housing							
Other							
Heritage assets							
Buildings							
Other							
Table continue next page							

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	2018/2019	2019/2020	2019/2020	2019/2020	Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2019/2020	2019/2020	2020/2021
Capital expenditure by Asset Class							
Investment properties							
Housing Development							
Other							
Other assets	**1 242**				**300**		
General Vehicles							
Specialised Vehicles							
Plant & Equipment	118				300		
Computers - hardware/equipment	1 124						
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets							
List sub-class							
Biological assets							
List sub-class							
Intangibles							
Computers - software & programming							
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	**18 988**	**125 644**	**113 113**	**101 987**	**43 140**	**50 860**	**54 430**
Specialised vehicles							
Refuse							
Fire							
Conservancy							
Ambulances							
** Note: Information for this table may be sourced from MBRR (2009: Table SA34b)*							T M.2

APPENDIX N: CAPITAL PROGRAMME PER PROJECT

Capital Programme by Project: 2022/2023

R' 000

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water (Refer T3.1.9)					
AGED BULK WATER PIPE REPLACEMENT	13 864	13 864	13 864	0%	0%
BULK WATER METERS	2 000	2 000	1 999	0%	0%
PORTABLE WATER PUMP	200	458	458	0%	129%
PRE-PAID WATER METER PROJECT	2 000	1 982	1 750	-12%	-12%
PRESSURE MANAGEMENT INFRASTRUCTURE	1 000	1 000	998	0%	0%
REFURBISHMENT VAAL MARINA WATERTREATM	1 000	1 000	985	-1%	-1%
REFURBISHMENT/REPLACEMENT-SUPPLY VALVES	1 000	1 000	998	0%	0%
RESERVIOR REFURBISHMENT - W/L PROGRAMME	1 500	1 500	1 410	-6%	-6%
RISSIVILLE WATER NETWORK (NEW)	9 300	9 398	9 215	-2%	-1%
SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	5 349	5 958	5 949	0%	11%
WATER INFRASTRUCTURE	10 192	10 192	10 191	0%	0%
WATER METER REPLACEMENT PROGRAMME	250	250	250	0%	0%
Total	**47 655**	**48 602**	**48 068**	**-1%**	**1%**
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Sanitation (Sewerage) (Refer T3.2.9)					
COMBINATION HIGH PRESURE JETTY MACHINE -	2 500	5 000	957	-81%	-62%
EQUIPMENT & TOOLS		305	289	-5%	0%
EXTEND SEWER NETWORK				0%	0%
EXTENSION TO HENLEY ON KLIP SEWER		4 061	4 061	0%	0%
EXTENSION TO HENLEY ON KLIP SEWER				0%	0%
GAS DETECTOR EQUIPMENT	500	195	195	0%	-61%
INSTALLATION OF ONSITE TOILETS				0%	0%
NEW SEWER CONNECTIONS				0%	0%
PUMPSTATION REFURBISHMENT AND UPGRADE -	1 000	1 000	901	-10%	-10%
REPLACEMENT OF PUMPS				0%	0%
SEWER CONNECTIONS NEW	3 000	3 000	2 999		
Total	**7 000**	**13 561**	**9 403**	**-31%**	**34%**
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Electricity (Refer T3.3.8)					
ELECTRICITY METERING				0%	0%
ELECTRICITY METERING	1 000	1 500	1 467	-2%	47%
FESTIVE DECORATING LIGHTS	200	200	198	-1%	-1%
FLATBED TRUCK (NEW)	2 500			0%	-100%
GENERATOR	667	667	302	-55%	-55%
H/MAST&STREET LIGHTS:UN-SERVICED AREAS				0%	0%
HIGHMAST & STREET LIGHTS:	500	500	431	-14%	-14%
HIGHMAST LIGHTS - SAVANNA CITY	4 431	4 431	4 349	-2%	-2%
LADDERS & BINS				0%	0%
CABLE FEEDERS-CONS EMFULENI CONNECT	100	700	699	0%	599%
LAND CRUISERS	750	750		-100%	-100%
NEW CONNECTIONS				0%	0%
STRENGTHENING ELECTRICITY INFRASTRUCTURE	5 000			0%	-100%

NEW CONNECTIONS	500			0%	-100%
RENEWABLE ENERGY		445		-100%	0%
REPLACE CONV.METERS WITH PRE-PAID METERS				0%	0%
REPLACE METERS FOR TID COMPLIANCE	3 500	2 803	2 799	0%	-20%
REPLACE REDUNDANT SWITCHGEAR		987	690	-30%	0%
REPLACEMENT OF TEST EQUIPMENT	250			0%	-100%
REPLACEMENT OF TOOLS FOR MECHANICS				0%	0%
SAVANNA CITY ELECTR. NETWORK	14 775	8 391	7 894	-6%	-47%
SICELO ELECTRIFICATION NETWORK	14 000	20 385	20 379	0%	46%
STRENGTHENING OF ELECTRICITY SUPPLY				0%	0%
TOOLS FOR ELECTRICAL	700	350	296	-15%	-58%
TRANSFORMERS	1 000	1 000	802	-20%	-20%
EQUIPMENT & TOOLS		250	222		
Total	**49 873**	**43 358**	**40 528**	**-7%**	**-19%**

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Waste Management Services (Refer T3.4.9)					
BRUSH CUTTERS - NEW				0%	0%
FENCE HENLEY ON KLIP LANDFILLSITE				0%	0%
KLIPRIVIER TRANSFER STATION REFURBISHMEN	350	225	225	0%	-36%
LANDFILL CELL DEVELOPMENT (EXPANSION)				0%	0%
LANDFILL COMPACTOR NEW				0%	0%
LANDFILL COMPACTOR NEW				0%	0%
REHAB OF HENLEY (CLOSING JUNE 2021)	250			0%	-100%
REHAB OF WALKER (CLOSING JUNE 2022)				0%	0%
REHABILITATION VAAL MARINA LANDFILLSITE				0%	0%
SAVANNA TRANSFER STATIONS	600	438	438	0%	-27%
SKIP BINS 6 CUBIC METERS	300	300	298	-1%	-1%
REFURBISHMENT-BLACKWOOD TRANFER STATION		2 336	2 336	0%	0%
TRUCK FOR LITTER PICKING TEAM		800	722	-10%	0%
Total	**1 500**	**4 099**	**4 018**	**-2%**	**168%**

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Roads (Refer T3.7.9)					
GRAVEL TO TAR	6 913	12 947	12 847	-1%	86%
GRAVEL TO TAR (MIG)NEW	10 360	9 519	9 519	0%	-8%
ROADS REHABILITATION	500	107	107	0%	-79%
UPGRADING OF GRAVEL ROADS	12 000	10 739	10 631	-1%	-11%
ASPHALT CUTTING MACHINE		200	195	-2%	0%
TOOLS FOR MECHANICAL		350	283	-19%	0%
EQUIPMENT		420	420	0%	0%
Total	**29 773**	**34 282**	**34 003**	**-1%**	**14%**

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Development and Planning (Refer T3.10.6)					
ECONOMIC INFRASTR / URBAN REGENERATION	10 000	10 000	3 449	-66%	-66%
FORMALISATION OF INFORMAL TRADING STALLS	4 500	670	670	0%	-85%
FURNITURE AND EQUIPMENT NEW	50	50	41	-19%	-19%

AIRCONDITIONERS		160	110	-31%	0%
Total	**14 550**	**10 880**	**4 270**	**-61%**	**-71%**

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Libraries (Refer 3.12.6)					
BANTU BONKE CARPORTS	200			0%	-100%
BANTU BONKE LIBRARY BOOKS (DAC)	250	250	250	0%	0%
DE DEUR LIBRARY BOOKS (DAC)	250	250	249	0%	0%
EXT LAKESIDE LIB BUILDING - UPGRADING	500	501	501	0%	0%
HOK LIBRARY BOOKS (DAC)	250	250	249	0%	0%
ITC HARDWARE (COMPUTORS) - NEW	1 000	1 119	1 116	0%	12%
LAKESIDE LIBRARY BOOKS (DAC)	300	300	299	0%	0%
LIBRARY FURN & EQUIPMENT - MEYERTON-NEW	250	250	233	-7%	-7%
MEYERTON LIBRARY - FURNITURE & EQUIPMENT	200			0%	-100%
MEYERTON LIBRARY BOOKS (DAC)	400	400	399	0%	0%
MOBILE LIBRARY BUS	1 500	1 594		-100%	-100%
RANDVAAL LIBRARY BOOKS (DAC)	250	250	249	0%	0%
SICELO LIBRARY BOOKS (DAC)	300	300	300	0%	0%
RANDVAAL CARPORTS		105	105	0%	0%
MEYERTON LIBRARY FURNITURE		200	166	-17%	0%
Total	**5 650**	**5 769**	**4 116**	**-29%**	**-27%**

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Cemeteries (Refer T3.13.6)					
EXTENTION OF KOOKRUS CEMETRY FENCING	1 000	448	448	0%	-55%
UPGRADE & EXT CEMETERIES IN MIDVAAL		552	162	-71%	0%
Total	**1 000**	**1 000**	**610**	-39%	-39%

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Social Admin (Refer T3.14.6)					
SMALL MOTOR VEHICLE		250	240	-4%	0%
GENERATOR				0%	0%
FURNITURE & EQUIPMENT	20	20	19	-5%	-5%
PARK FENCING&JUNGLE GYM (ECD - SICELO)					
Total	**20**	**270**	**259**	**-4%**	**1196%**

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Clinics (Refer T3.17.6)					
None					
Total					

Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Traffic (Refer T3.20.6)					
FOLDING & PRESSURE SEALER MACHINE FOR TR	250	200	150	-25%	-40%
SECURITY EQUIPMENT	100			0%	-100%
VEHICLE & EQUIPMENT LAW ENFORCEMENT	300	265	230	-13%	-23%

VEHICLE REPLACEMENTS		600	511	-15%	0%
MOBILE RADIO - NEW		34	28	-17%	0%
Total	**650**	**1 098**	**918**	**-16%**	**41%**

Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Fire (Refer T3.21.6)					
1000 LT DIESEL TANK TRAILER WITH PUMP	60	60	45	-24%	-25%
3 X CONTAINERS FOR TRAINING	100	100	92	-8%	-8%
C14 X 4 BAKKIE	500	443	443	0%	-11%
BRAKING SYSTEM RETARDER - ENGINE 2	250	317	267	-16%	7%
CHERRY PICKER	600	725	723	0%	21%
MEDIUM PUMPER FIRE ENFINE	7 500	7 500	3 338	-55%	-55%
RADIOS AND REPEATER	750	750	749	0%	0%
RADIOS AND REPEATERS	300	300	298	-1%	-1%
CCTV CAMERAS & EQUIPMENT NEW	2 500	2 276	2 275	0%	-9%
BA COMPRESSOR SYSTEM		728	455	-37%	0%
RESCUE VEHICLE VAALMARINA		1 192	1 192	0%	0%
NEW MACHINERY AND EQUIPMENT		70		-100%	0%
LAPTOPS		20		-100%	0%
Total	**12 560**	**14 480**	**9 878**	**-32%**	**-21%**

Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Parks, Sport and Recreation (Refer 3.23.5)					
CHAINSAWS	70	64	64	0%	-9%
TELESCOPIC POLE PRUNERS	70	69	69	0%	-2%
TRACTORS (REPLACEMENTS)	350	350	319	-9%	-9%
BRUSH CUTTERS		53	50	-5%	0%
PARKS & INFRASTRUCTURE DEVELOPMENT		630	623	-1%	0%
LAKESIDE SPORT CENTRE (MIG)	5 024	5 024	5 024	0%	0%
RIDE ON LAWNMOWERS WITH TRAILERS	200	155	155	0%	-22%
Total	**5 714**	**6 344**	**6 304**	**-1%**	**10%**

Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Executive and Council (Refer 3.24.6)					
AIRCONDITIONERS				0%	0%
TABLES				0%	0%
PLASTIC CHAIRS				0%	0%
FURNITURE & EQUIPMENT		2	2	-17%	0%
Total		**2**	**2**	**-17%**	

Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Finance (Refer 3.25.6)					
FUEL TANKS & PUMPS		1 069	204	-81%	0%

AIRCONDITIONERS				0%	0%
FURNITURE AND EQUIPMENT	147	561	515	-8%	251%
SCM SYSTEM	2 000	2 068	2 067	0%	3%
STORES EQUIPMENT & SHELVING				0%	0%
	2 147	**3 697**	**2 786**	**-25%**	**30%**

Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
HR (Refer 3.26.6)					
Total				**0%**	**0%**

Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
IT (Refer 3.27.6)					
DISASTER RECOVERY	500	500	489	-2%	-2%
LAPTOPS & DESKTOPS (MOBILE DEV REFURBISH	700	698	683	-2%	-2%
MIDVAAL NETWORK INFRASTRUCTURE UPGRADE	700	700	680	-3%	-3%
SOFTWARE MONITORING TOOL	300	300	289	-4%	-4%
Total	**2 200**	**2 198**	**2 140**	**-3%**	**-3%**

Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Property, Legal, Risk (Refer 3.28.6)					
STRATEGIC LAND PURCHASES				0%	0%
RECORDING EQUIPMENT	210			0%	-100%
OFFICE FURNITURE				0%	0%
RECORDING EQUIPMENT		210	158	-25%	0%
Total	**210**	**210**	**158**	**-25%**	**-25%**

Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Engineering Admin (Refer 3.28.6A)					
BUILDING AIR CONDITIONERS				0%	0%
EQUIPMENT	45	51	50		
FURNITURE & EQUIPMENT				0%	0%
OFFICE FURNITURE	50	30	30	0%	-40%
Total	**95**	**81**	**80**	**-2%**	**-16%**

Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Savanna City (Refer 3.29.6)					
None					
Total					
Grand Total	**180 597**	**189 933**	**167 540**	**-12%**	**-7%**

APPENDIX O: CAPITAL PROGRAMME PER PROJECT PER WARD

Capital Programme by Project by Ward: 2022/2023		
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Water (Refer T3.1.9)		
AGED BULK WATER PIPE REPLACEMENT	WHOLE OF MUNICIPALITY	
BULK WATER METERS	WHOLE OF MUNICIPALITY	
PORTABLE WATER PUMP	WARD 06	
PRE-PAID WATER METER PROJECT	WHOLE OF MUNICIPALITY	
PRESSURE MANAGEMENT INFRASTRUCTURE	WHOLE OF MUNICIPALITY	
REFURBISHMENT VAAL MARINA WATERTREATM	WHOLE OF MUNICIPALITY	
REFURBISHMENT/REPLACEMENT-SUPPLY VALVES	WHOLE OF MUNICIPALITY	
RESERVIOR REFURBISHMENT - W/L PROGRAMME	WHOLE OF MUNICIPALITY	
RISSIVILLE WATER NETWORK (NEW)	WHOLE OF MUNICIPALITY	
SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	WARD 02	
WATER INFRASTRUCTURE	WHOLE OF MUNICIPALITY	
WATER METER REPLACEMENT PROGRAMME	WARD 01	
Sanitation (Sewerage) (Refer T3.2.9)		
COMBINATION HIGH PRESURE JETTY MACHINE -		
EQUIPMENT & TOOLS		
EXTEND SEWER NETWORK		
EXTENSION TO HENLEY ON KLIP SEWER		
EXTENSION TO HENLEY ON KLIP SEWER		
GAS DETECTOR EQUIPMENT		
INSTALLATION OF ONSITE TOILETS		
NEW SEWER CONNECTIONS		
PUMPSTATION REFURBISHMENT AND UPGRADE -		
REPLACEMENT OF PUMPS		
SEWER CONNECTIONS NEW		
Electricity (Refer T3.3.8)		
ELECTRICITY METERING	WHOLE OF MUNICIPALITY	
ELECTRICITY METERING	WHOLE OF MUNICIPALITY	
FESTIVE DECORATING LIGHTS	WHOLE OF MUNICIPALITY	
FLATBED TRUCK (NEW)	WHOLE OF MUNICIPALITY	
GENERATOR	WHOLE OF MUNICIPALITY	
CABLE FEEDERS-CONS EMFULENI CONNECT	WHOLE OF MUNICIPALITY	
H/MAST&STREET LIGHTS:UN-SERVICED AREAS	WARD 10	
HIGHMAST & STREET LIGHTS:	WARD 02	
HIGHMAST LIGHTS - SAVANNA CITY	WARD 11	
LADDERS & BINS	WARD 08	
LAND CRUISERS	WHOLE OF MUNICIPALITY	
NEW CONNECTIONS	WARD 08	
STRENGTHENING ELECTRICITY INFRASTRUCTURE	WHOLE OF MUNICIPALITY	
NEW CONNECTIONS	WHOLE OF MUNICIPALITY	
RENEWABLE ENERGY	WHOLE OF MUNICIPALITY	
REPLACE CONV.METERS WITH PRE-PAID METERS		
REPLACE METERS FOR TID COMPLIANCE		
REPLACE REDUNDANT SWITCHGEAR		
REPLACEMENT OF TEST EQUIPMENT		
REPLACEMENT OF TOOLS FOR MECHANICS		

SAVANNA CITY ELECTR. NETWORK		
SICELO ELECTRIFICATION NETWORK		
STRENGTHENING OF ELECTRICITY SUPPLY		
TOOLS FOR ELECTRICAL		
TRANSFORMERS		
EQUIPMENT & TOOLS		
Waste Management Services (Refer T3.4.9)		
BRUSH CUTTERS - NEW	WHOLE OF MUNICIPALITY	
FENCE HENLEY ON KLIP LANDFILLSITE	WHOLE OF MUNICIPALITY	
KLIPRIVIER TRANSFER STATION REFURBISHMEN	WHOLE OF MUNICIPALITY	
LANDFILL CELL DEVELOPMENT (EXPANSION)	WARD 02	
LANDFILL COMPACTOR NEW	HEAD OFFICE	
LANDFILL COMPACTOR NEW		
REHAB OF HENLEY (CLOSING JUNE 2021)		
REHAB OF WALKER (CLOSING JUNE 2022)	WHOLE OF MUNICIPALITY	
REHABILITATION VAAL MARINA LANDFILLSITE	WHOLE OF MUNICIPALITY	
SAVANNA TRANSFER STATIONS	WHOLE OF MUNICIPALITY	
SKIP BINS 6 CUBIC METERS	WHOLE OF MUNICIPALITY	
REFURBISHMENT-BLACKWOOD TRANFER STATION	WARD 15	
TRUCK FOR LITTER PICKING TEAM	WHOLE OF MUNICIPALITY	
Roads (Refer T3.7.9)		
GRAVEL TO TAR	WHOLE OF MUNICIPALITY	
GRAVEL TO TAR (MIG)NEW	WHOLE OF MUNICIPALITY	
ROADS REHABILITATION	WHOLE OF MUNICIPALITY	
UPGRADING OF GRAVEL ROADS	WHOLE OF MUNICIPALITY	
ASPHALT CUTTING MACHINE	WHOLE OF MUNICIPALITY	
TOOLS FOR MECHANICAL	WHOLE OF MUNICIPALITY	
EQUIPMENT	WHOLE OF MUNICIPALITY	
Development and Planning (Refer T3.10.6)		
ECONOMIC INFRASTR / URBAN REGENERATION	HEAD OFFICE	
FORMALISATION OF INFORMAL TRADING STALLS		
FURNITURE AND EQUIPMENT NEW		
AIRCONDITIONERS	WHOLE OF MUNICIPALITY	
Libraries (Refer 3.12.6)		
BANTU BONKE CARPORTS	WARD 09	
BANTU BONKE LIBRARY BOOKS (DAC)	WARD 09	
DE DEUR LIBRARY BOOKS (DAC)	WARD 14	
EXT LAKESIDE LIB BUILDING - UPGRADING	WARD 09	
HOK LIBRARY BOOKS (DAC)	WARD 15	
ITC HARDWARE (COMPUTORS) - NEW	WARD 15	
LAKESIDE LIBRARY BOOKS (DAC)	WARD 15	
LIBRARY FURN & EQUIPMENT - MEYERTON-NEW	WARD 11	
MEYERTON LIBRARY - FURNITURE & EQUIPMENT	WARD 11	
MEYERTON LIBRARY BOOKS (DAC)	WARD 01	
MOBILE LIBRARY BUS	WARD 04	
RANDVAAL LIBRARY BOOKS (DAC)	WARD 10	
SICELO LIBRARY BOOKS (DAC)	WARD 10	
RANDVAAL CARPORTS	WARD 06	
MEYERTON LIBRARY FURNITURE		

Cemeteries (Refer T3.13.6)		
EXTENTION OF KOOKRUS CEMETRY FENCING		
UPGRADE & EXT CEMETERIES IN MIDVAAL		
Social Admin (Refer T3.14.6)		
FURNITURE & EQUIPMENT	HEAD OFFICE	
SMALL MOTOR VEHICLE	HEAD OFFICE	
Traffic (Refer T3.20.6)		
FOLDING & PRESSURE SEALER MACHINE FOR TR	WHOLE OF MUNICIPALITY	
SECURITY EQUIPMENT		
VEHICLE & EQUIPMENT LAW ENFORCEMENT	HEAD OFFICE	
VEHICLE REPLACEMENTS	WHOLE OF MUNICIPALITY	
MOBILE RADIO - NEW		
Fire (Refer T3.21.6)		
1000 LT DIESEL TANK TRAILER WITH PUMP	WARD 01	
3 X CONTAINERS FOR TRAINING	WHOLE OF MUNICIPALITY	
C14 X 4 BAKKIE	WHOLE OF MUNICIPALITY	
BRAKING SYSTEM RETARDER - ENGINE 2		
CHERRY PICKER		
MEDIUM PUMPER FIRE ENFINE		
RADIOS AND REPEATER		
RADIOS AND REPEATERS		
CCTV CAMERAS & EQUIPMENT NEW		
BA COMPRESSOR SYSTEM	WHOLE OF MUNICIPALITY	
RESCUE VEHICLE VAALMARINA	WHOLE OF MUNICIPALITY	
NEW MACHINERY AND EQUIPMENT	WARD 01	
LAPTOPS	HEAD OFFICE	
Parks, Sport and Recreation (Refer 3.23.5)	WHOLE OF MUNICIPALITY	
CHAINSAWS	WHOLE OF MUNICIPALITY	
TELESCOPIC POLE PRUNERS	WARD 06	
TRACTORS (REPLACEMENTS)	WHOLE OF MUNICIPALITY	
BRUSH CUTTERS	WHOLE OF MUNICIPALITY	
PARKS & INFRASTRUCTURE DEVELOPMENT	WHOLE OF MUNICIPALITY	
LAKESIDE SPORT CENTRE (MIG)	WHOLE OF MUNICIPALITY	
RIDE ON LAWNMOWERS WITH TRAILERS	WHOLE OF MUNICIPALITY	
Executive and Council (Refer 3.24.6)		
FURNITURE & EQUIPMENT	HEAD OFFICE	
Finance (Refer 3.25.6)		
FUEL TANKS & PUMPS		
AIRCONDITIONERS		
FURNITURE AND EQUIPMENT		
SCM SYSTEM	HEAD OFFICE	
STORES EQUIPMENT & SHELVING		
IT (Refer 3.27.6)		
DISASTER RECOVERY		
LAPTOPS & DESKTOPS (MOBILE DEV REFURBISH	HEAD OFFICE	
MIDVAAL NETWORK INFRASTRUCTURE UPGRADE		

SOFTWARE MONITORING TOOL		
Property, Legal, Risk (Refer 3.28.6)		
STRATEGIC LAND PURCHASES	WHOLE OF MUNICIPALITY	
RECORDING EQUIPMENT	HEAD OFFICE	
OFFICE FURNITURE	HEAD OFFICE	
RECORDING EQUIPMENT	HEAD OFFICE	
Engineering Admin (Refer 3.28.6A)		
BUILDING AIR CONDITIONERS	WHOLE OF MUNICIPALITY	
EQUIPMENT	HEAD OFFICE	
FURNITURE & EQUIPMENT	HEAD OFFICE	
OFFICE FURNITURE		
Savanna City (Refer 3.29.6)		
SAVANA BULK PIPELINE	WHOLE OF MUNICIPALITY	
SAVANA RESERVOIR	WHOLE OF MUNICIPALITY	
SAVANA ROADS REHABILITATION	WHOLE OF MUNICIPALITY	

Cemeteries (Refer T3.13.6)		
Social Admin (Refer T3.14.6)		
SMALL MOTOR VEHICLE	HEAD OFFICE	
GENERATOR	HEAD OFFICE	
FURNITURE & EQUIPMENT	HEAD OFFICE	
PARK FENCING&JUNGLE GYM (ECD - SICELO)	HEAD OFFICE	
	HEAD OFFICE	
Traffic (Refer T3.20.6)		
VEHICLE REPLACEMENTS	WHOLE OF MUNICIPALITY	
SECURITY EQUIPMENT		
EQUIPMENT FOR TRAFFIC LAW ENFORCEMENT	HEAD OFFICE	
FURNITURE & EQUIPMENT	WHOLE OF MUNICIPALITY	
Fire (Refer T3.21.6)		
RESCUE VEHICLE VAALMARINA	WARD 01	
WILD LAND FIRE & RESCUE VEHICLE	WHOLE OF MUNICIPALITY	
SWIFT WATER RESCUE EQUIP-TRAINING CENTRE	WHOLE OF MUNICIPALITY	
PORTABLE PUMP		
BA COMPRESSOR SYSTEM		
RESCUE & FIRE EQUIPMENT		
RAPID RESPONSE RESCUE VEHICLE & EQP	WHOLE OF MUNICIPALITY	
SMALL GEAR MEYERTON FIRE STATION	WHOLE OF MUNICIPALITY	
RADIOS AND REPEATER	WARD 01	
NEW CCTV CAMERAS	HEAD OFFICE	
Parks, Sport and Recreation (Refer 3.23.5)	WHOLE OF MUNICIPALITY	
TRACTORS (REPLACEMENTS)	WHOLE OF MUNICIPALITY	
LDV'S (REPLACEMENTS)	WARD 06	
MOBILE TOILETS	WHOLE OF MUNICIPALITY	
KUDUS	WHOLE OF MUNICIPALITY	
TELESCOPIC POLE PRUNERS	WHOLE OF MUNICIPALITY	
PEST CONTROL EQUIPMENT	WHOLE OF MUNICIPALITY	
RIDE-ON LAWNMOWERS	WHOLE OF MUNICIPALITY	
SPORT INFRASTRUCTURE DEVELOPMENT	WHOLE OF MUNICIPALITY	
LAKESIDE SPORT CENTRE (MIG)	WHOLE OF MUNICIPALITY	
CHAINSAWS	WHOLE OF MUNICIPALITY	
Executive and Council (Refer 3.24.6)		
FURNITURE & EQUIPMENT	HEAD OFFICE	
Finance (Refer 3.25.6)		
FUEL TANKS & PUMPS		
AIR CONDITIONERS		
FURNITURE AND EQUIPMENT		
STORES EQUIPMENT & SHELVING	HEAD OFFICE	
IT (Refer 3.27.6)		
SOFTWARE APPLICATION		

NETWORKS & COMPUTER RELATED HARDWARE	HEAD OFFICE	
Property, Legal, Risk (Refer 3.28.6)		
STRATEGIC LAND PURCHASES	WHOLE OF MUNICIPALITY	
RECORDING EQUIPMENT	HEAD OFFICE	
OFFICE FURNITURE	HEAD OFFICE	
Engineering Admin (Refer 3.28.6A)		
BUILDING AIR CONDITIONERS	WHOLE OF MUNICIPALITY	
FURNITURE & EQUIPMENT	HEAD OFFICE	
OFFICE FURNITURE	HEAD OFFICE	
Savanna City (Refer 3.29.6)		
SAVANNA BULK PIPELINE	WHOLE OF MUNICIPALITY	
SAVANNA RESERVOIR	WHOLE OF MUNICIPALITY	
SAVANNA ROADS REHABILITATION	WHOLE OF MUNICIPALITY	

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	**Water**	**Sanitation**	**Electricity**	**Solid Waste Collection**
Schools (Names & Location)				
Kudung, near Karan Beef (Heidelberg)	No	No	No	
Daleside	Yes	No	No	
Clinics (Names & Location)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				T P

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

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (Where the municipality, whether or not act on agency basis)		
Services and Locations	**Scale of backlogs**	**Impact of backlogs**
Clinics		
New clinics, upgrading of clinics, mobile clinics, upgrading of mobile to permanent clinics	The need for upgrading and/or provision of clinics has been reported in Wards 1, 4, 5, 6, 8, 10,11,12 and 13	There is a direct link between the housing backlogs and the need for clinics. The majority of wards that included one or more formal town did not express a need for a clinic, whereas the majority of wards that had housing backlogs and/or informal settlements also indicated the need for either mobile clinics, upgraded clinics or new formal clinics.
Housing		
Community housing needs expressed, correlated with the housing backlog as recorded by Council	The reported housing backlog excluding "shack-farming", is reported to be ± 5 546 units, located in Sicelo, Piels Farm, Boitumelo, Kayelitsha and Mamello	The eradication of the housing backlog is being delayed due to budget constraints, inadequate access to bulk infrastructure, unfavourable soil conditions, unwillingness by the community to be relocated to more favourable conditions and the high number of people who do not qualify for government housing assistance.
Licensing and Testing Centre	No backlog reported by the community	
Reservoirs		
When reservoirs are expressed as a community need, it can often refer to a need for internal reticulation, provision of link infrastructure or pumping mains	Midvaal has commissioned several new reservoirs in recent years including the Vaal Marina and Graceview Reservoirs	Shortages exist that will need to be addressed. The challenge however is the need to improve service delivery through the upgrading of the multiple aspects of the entire water supply network, not only reservoirs.
Schools (Primary and High)		
Schools also include specialist schooling facilities such as Early Childhood Development Centres, schools and youth development centres	As with clinics a direct correlation exists between the proclamation status of the settlement and its accessibility to educational facilities	The provision of ECD facilities in informal settlements, as with schools, is hampered by the regulatory requirements pertaining to township establishment. It is the anticipation that these services would be delivered as and when the formalisation is addressed and issues pertaining to land management are resolved.
Sport Fields		
A demand exists for a variety of sport and recreational facilities. It is mostly the newer settlements and more remote communities that have the biggest demand for these facilities, as most of the existing facilities are in the bigger towns and nodes	Recreational facilities play an integral part in building vibrant healthy communities. It creates a healthy platform for communities to interact and build new relationships and children to develop physical and inter-personal skills, linked to sound values	The lack in the development and maintenance of new sport and recreational facilities is as much a product of budgetary constraints as that of inefficient community initiative. This is exaggerated by the lack of access to suitable land.
		T Q

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY MIDVAAL

Declaration of Loans and Grants made by the municipality: Year 2019/20				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 15/16 R' 000	Total Amount committed over previous and future years
None				n/a
** Loans/Grants - whether in cash or in kind*				*T R*

APPENDIX S: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	**Progress to date**	**Number or Percentage Achieved**
Output: Improving access to basic services	Ongoing projects to upgrade gravel roads to paved/tar roads. Upgrading of bulk outfall sewers. Planning and design of the expansion of the wastewater treatment works and bulk water supply. All these projects will improve in the long run.	Unknown
Output: Implementation of the Community Work Programme	The project has been implemented in Midvaal Local Municipality in Wards 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15. The programme has created a total of 866 jobs within Midvaal LM of which 17 people with Disability and 656 youth formed part of the programme.	100%
Output: Deepen democracy through a refined Ward Committee model	Note: The complete information is reflected in Chapter 2 (Par 2.4). The essence is that ward committees have been established in all 15 wards and all such committees are functional.	
Output: Administrative and financial capability	The Council is fully operational and is chaired by a full-time Speaker. It has an independent Performance & Audit Committee. A Municipal Public Accounts Committee (MPAC) has been established and is chaired by a member of the official opposition party in Council to enhance the credibility of the oversight function. The Executive Mayor is assisted by five full-time members of the Mayoral Committee. The administration is headed by the Municipal Manager and five Heads of Department. There are vacancies in these key designations. There is 100% compliance in respect of the MFMA requirements relating to Section 52(d)-reports, Section 72-Mid-year report, Section 71-monthly reports and other legislated quarterly reports.	
** Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.*		

T S

GAUTENG PROVINCE
PROVINCIAL TREASURY
REPUBLIC OF SOUTH AFRICA

Enquiries: Owen Witbooi
Tel: (011) 227 9001
Email: Owen.Witbooi@gauteng.gov.za

The Acting Municipal Manager
Mr. Solly Mosidi
Midvaal Local Municipality
P.O. Box 9
MEYERTON
1960

Dear Mr. Solly Mosidi

SUBJECT: COMMENTS ON 2020/21 ANNUAL REPORT

The Gauteng Provincial Treasury and Department of Co-operative Governance and Traditional Affairs wishes to extend a word of appreciation to your municipality for preparing and submitting a final annual report in accordance with the provisions of the Municipal Systems Act (MSA), Municipal Finance Management Act (MFMA) and MFMA Circular 63.

Gauteng Provincial Treasury and Gauteng Department of Co-operative Governance and Traditional Affairs have jointly undertaken the assessment of the draft annual reports on both financial and non-financial sections of the annual report.

The Departments recommend that comments raised in the attached report be incorporated in the next annual report to ensure achievement of good governance and clean administration

For further information, please do not hesitate to contact Gauteng Provincial treasury at mfma.treasury@gauteng.gov.za

Yours sincerely,

Ms. Ncumisa Mnyani
HOD: GAUTENG PROVINCIAL TREASURY
DATE: 30 MARCH 2022

CC
Ms. Itumeleng Mokate
ACTING HOD: DEPARTMENT OF CO-OPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS

Page 1 of 1

GAUTENG PROVINCE
PROVINCIAL TREASURY
REPUBLIC OF SOUTH AFRICA

MIDVAAL LOCAL MUNICIPALITY
Final 2020/21 Annual Report Assessments

MIDVAAL LOCAL MUNICIPALITY

Gauteng Provincial Treasury
Final Annual Report Assessment
2020/21

Table of Contents

1. Purpose of the Report

The purpose of the report is to share with the municipality, the assessment done by both Gauteng Provincial Treasury and Gauteng COGTA on the content of the 2020/21 tabled Annual Report. Also, to ensure that the municipality report accurate information as per the knowledge of Gauteng Provincial Treasury and Gauteng COGTA.

2. Assessment Criteria

This assessment is based on the Annual Report tabled by the municipality on 27 January 2022. Section 127 of the MFMA together with Circular 11 and 63 of the MFMA were used as the yardstick when assessing the level of compliance by the municipality. The content of the Annual Report was further cross referenced with other relevant documents such as in year reports submitted by the municipality to Gauteng Provincial Treasury.

In essence the assessment focused on the following:

a) Overall Compliance as per MFMA;
b) Format layout as per Circular 11 and 63 of the MFMA;
c) Findings per Chapter and
d) Recommendations

3. Assessment

3.1 Overall Compliance

Table 1: Level of compliance review

Date Final Annual Report tabled in council	26 January 20220
Date received by Provincial Treasury	8 February 2022
Layout as per National treasury guidelines	Yes
Council Resolution Received	Yes
Published in Website	Yes
Published Notice Advert as per MFMA 127 (5)(a)(ii)	Yes

3.2 Format of the report

The format of the Midvaal Local Municipality's Annual Report is easily laid out, as proposed in the draft National Treasury template. This format covers all service delivery performance areas offered by the municipality.

The municipality took extra care in the presentation of the Annual Report with regards to page numbering and cross referencing on the contents page to allow for better navigation through the document.

It is intended that where the municipality does not provide a service, that service be removed from the report. The municipality has been consistent in this regard. Functions which are not the competency of the municipality have not been left in the report but clearly highlight that they are not applicable, this in turn has not affected the numbering of the document as well as the content page numbering.

APPENDICES

All appendices were included in the annual report.

3.3 Findings per chapter

Chapter 1: Executive Mayor's foreword & Executive Summary

Introduction and objective

This chapter aims to provide a high-level summary and an understanding of the activities of the municipality for the year under review without reading the details of the report. The mayor will be addressing key political issues whereas the accounting officer will provide a glimpse on the performance of the various departments within the municipality.

The mayor should provide an account on the political direction undertaken during the year under review in executing the Provincial Growth and Development Strategies which is aligned to the IDP strategies of the municipality and outcomes achieved. The mayor should provide a measure on how far the Key Policy Developments, Key Service Delivery Agreements and Public Participation processes undertaken have achieved the broader Vision of the municipality. The mayor should also articulate on future actions, agreements and partnership for the next five years that will improve service delivery in a municipality, then conclude final thoughts for the year and sign the report.

The accounting officer should provide a high-level report on the demographic and geographic statistics of the municipality. The provision of basic services to the total population of the municipality that is above or below minimum standards, overview on service delivery, overview on the organisational development, overview on financial health, the Auditor-General's report and comments on compliance to the Annual Report process.

Discussions

Real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget, SDBIP, Performance Agreements of senior management and officials, in-year reports covering financial and non-financial information, such as MFMA Sections 71, 72 & 74 and MSA Section 41 among others, Annual Financial Statements, Annual Performance Report and the Annual Report. All this form one process to ensure that the actual performance is reported against what was planned and contained in the IDP. In this way, the Annual Reporting is a backward-looking process of financial and non-financial performance for the financial year under review.

Table 2: Executive Mayor's foreword & Executive Summary

Table No	Finding	Recommendation
T 1.0.1 & T 1.1.1	There were not findings for Chapter 1	N/A

Chapter 2: GOVERNANCE

Introduction and objective

The aim of this chapter is to ensure that issues of accountability and governance arrangements are in place, Section 121(2)(c) of the MFMA supports the requirements of Section 18(1)(d) of the MSA: information on matters of governance should be communicated to communities. The Annual Report should be seen as a tool to promote accountability to communities for decisions taken by Council on matters relating to administrative structures, throughout a financial year. The four components of the governance chapter should address improvements on policy making and implementation by governance structures and administration, improvements in service delivery through intergovernmental relations, public participation and corporate governance.

Table 3: Governance

Table No	Finding	Recommendation
T2.9.2	Bylaws: we note that municipality developed, informal traders and risk bylaws in 2019/20 FY and they remain unpublished in the 2020/21 FY	Municipality encouraged to invite public comments and gazette the said bylaws and speed-up its implementation.
T 2.10	Compliance to the requirements of section 75 of the Municipal Finance Management Act.	The municipality is commended for its compliance to the requirements of section 75 of the Municipal Finance Management Act by placing and updating municipal documents on the website.

Chapter 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

In order for municipalities to meet the reporting requirements of the annual report especially this chapter; they need to ensure that the IDP, budget, SDBIP and in-year reports have the similar and consistent information to facilitate linkage between plans and actual performance. The municipality is encouraged to introduce the information required in the annual report to its planning and in-year reporting framework to streamline workloads and improve relevant reporting information that will be informative to the stakeholders and role-players alike.

Table 4: Service Delivery

Table No	Finding	Recommendation
T 3.1	Water infrastructure maintenance. Table 3.1.2 which reflects the unaccountable water loss, it is not clear whether the loss is in monetary terms or in kilolitres	The municipality is encouraged to indicate whether the loss is in monetary value or number of kilolitres of water loss to enable performance measuring and analysis.
T3.2	Provision of sanitation.	The provision of sanitation services in different forms is acknowledged. The department has noted the provision of sanitation to informal households which are used on a shared basis. However, the municipality is urged to report against targets.
T3.3	Provision of electricity The municipality is urged to report against annual targets.	The municipality is urged to report progress against target, to enable performance measuring and analysis.
	The LED initiatives by the municipality are acknowledged, however, the municipality has not provided a breakdown in terms of LED opportunities created / assisted for the vulnerable which is women, the disabled and youth.	The municipality is encouraged to provide a report on these details for purposes of understanding performance in terms of inclusivity of these groups in the local economy.
Overall Comments and additional information that must be reported on in the Service Delivery Key Focus Area		

Municipality is also advised to report progress against annual targets on water infrastructure maintenance sanitation provision and electricity provision. This was also recommended in the previous financial year and it remains unresolved.

Chapter 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE

Introduction and objective

This chapter addresses information pertaining to the implementation of an effective performance management system, organisational development and performance of a municipality by identifying skills gaps and develop plans for the gaps. In order to measure the outcome of effective organisational development the following points are highlighted:

a) Organisational structure enhancement,
b) Increased accountability,
c) Increased participation in problem solving, goal setting and new ideas and
d) Identifying and development of skills needed to perform work.

The above can be achieved only if the municipality can demonstrate in the Annual Report the effective management of all four components of this chapter i.e. introduction to and managing the municipal workforce, capacitating the municipal workforce and managing the municipal workforce expenditure.

Table 5: Organizational Development Performance

Table No	Findings	Recommendations
T 4.6.1.1	Work force expenditure The municipal report is silent on the following issues required to be reported on in terms of Circular 68 reporting template: Number of employees whose salaries were increased due to their positions being upgraded, employees whose salary levels exceed the grade determined by job evaluation, employees appointed to posts not approved	Municipality is also advised to continually report in detail and ensure compliance to the reporting template.

Chapter 5: FINANCIAL PERFORMANCE

Introduction and objective

The aim of this chapter is to provide an overview of the financial performance of the municipality through measuring results. It further provides an opportunity for planning, so as to ensure that future budgetary allocations are spent in line with the approved IDP. Effective municipal financial management has the following interrelated components which municipalities must provide and account for in the Annual Report:

a) Planning and budgeting;
b) Asset and liability management;
c) Revenue and expenditure management;
d) Supply chain management;
e) Other financial management;
f) Accounting and reporting, and
g) Oversight & operational continuity.

The chapter is divided into four components addressing financial performance, spending against capital budget, cash flow management and investments as well as other financial matters.

Finding

Table 6: Financial Performance

Table No	Findings	Recommendations
T5.10	Long term loans Audited AFS vs Annual Report figures 2019/20 figures The audited AFS and Annual Report correspond. However, they both do not agree to the QBMR.	The municipality should correct the figures.

	2018/19 - The figures do not correspond QBMR - R159 077 207 Audited AFS - R167 557 335 Annual Report - R166 315 000	
	Finance Leases: Audited AFS vs Annual Report figures 2019/20 figures The audited AFS and Annual Report correspond. However, they both do not agree to the QBMR. 2018/19 - The figures do not correspond QMBR – R 159 077 207 Audited AFS – R 167 557 335 Annual Report – R 166 315 000	The municipality should correct the figures.

Chapter 6: AUDITOR GENERAL AUDIT FINDINGS

Introduction and objective

This chapter provides an overview of the Auditor-General report of the previous financial year, specific topics that should receive attention includes:

a) Detail on issues raised during the previous financial year;
b) Remedial action taken to address the above and preventative measures.

The new Annual Report Format is inclusive of the annual financial statements and performance reports which must be submitted to the Auditor-General for audit during August each year. After the Auditor-General has issued a report, the opinion expressed will form part of the Annual Report for the year under review.

Table 7: Audit outcomes

Findings	Recommendations
The audit outcome of the Municipality for the year under review (2020/21) has been included.	None.

4 Overall Conclusion

a) The structure and layout of Annual Report is extremely good, and the municipality is commended for this.

b) Overall; keeping the above in mind the municipality is advised to implement the requirements of MFMA circular 63 which is aimed at promoting public accountability and transparency as well as ensuring the alignment, between the IDP, Budget, Annual Report and Oversight Report. The budget, which is fed by the information obtained from the Annual Report, is forward looking and therefore a pre-financial year document.

c) The municipality is advised to adopt the MFMA circular 63 and ensure that the timelines as contained in the circular are adhered to.

d) All the annual report directive notes should be removed from the final document sent out for public participation;

e) The municipality is requested to consider all the gaps as outlined above per chapter and implement all the recommendations provided by GPT prior tabling the final 2021/22 annual report to Council for approval.

f) Municipality is advised to verify the accuracy and completeness of the information provided in the AR to avoid providing incorrect and misleading information to public and other stakeholders. Failure to adhere to these might results into financial misconduct as prescribed in Chapter 15 of the MFMA".

APPENDIX U – SECTION 46 – ANNUAL PERFORMANCE REPORT (SEPARATE DOCUMENT)

VOLUME II – ANNUAL FINANCIAL STATEMENTS (SEPARATE DOCUMENT)

ANNUAL PERFORMANCE REPORT

1 JUL 2022 – 30 JUN 2023

MUNICIPAL SYSTEMS ACT, SECTION 46

ACHIEVE EXCELLENCE IN SERVICE DELIVERY

INDEX

1. LEGISLATIVE REQUIREMENT TO COMPILE THE SECTION 46 ANNUAL PERFORMANCE REPORT

Council is compelled in terms of Section 46 of the Municipal Systems Act, Act 32 of 2000, to comply with the provisions of the said legislation, to prepare an Annual Performance Report and submit to the Auditor-General for external auditing.

The said legislation determine the format and structure of the report, namely:

"Section 46 – Annual performance reports

(1) A municipality must prepare for each financial year a performance report reflecting –

(a) the performance of the municipality and of each external service provider during that financial year;

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

(c) 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 Municipal Finance Management Act."

2. COUNCIL's GEOGRAPHICAL LOCATION, AREA OVERVIEW AND POPULATION

The Midvaal Local Municipality (GT422), covering approximately 1 722 km^2, is one of three local municipalities situated within the Sedibeng District Municipality, the other two being the Emfuleni Local Municipality (GT421), approximately 966 km^2 in extent and the Lesedi Local Municipality (GT423), approximately 1 484 km^2 in extent.

Midvaal is a Category B-municipality as defined in the Municipal Structures Act, Act 117 of 1998 (Chapter 1).

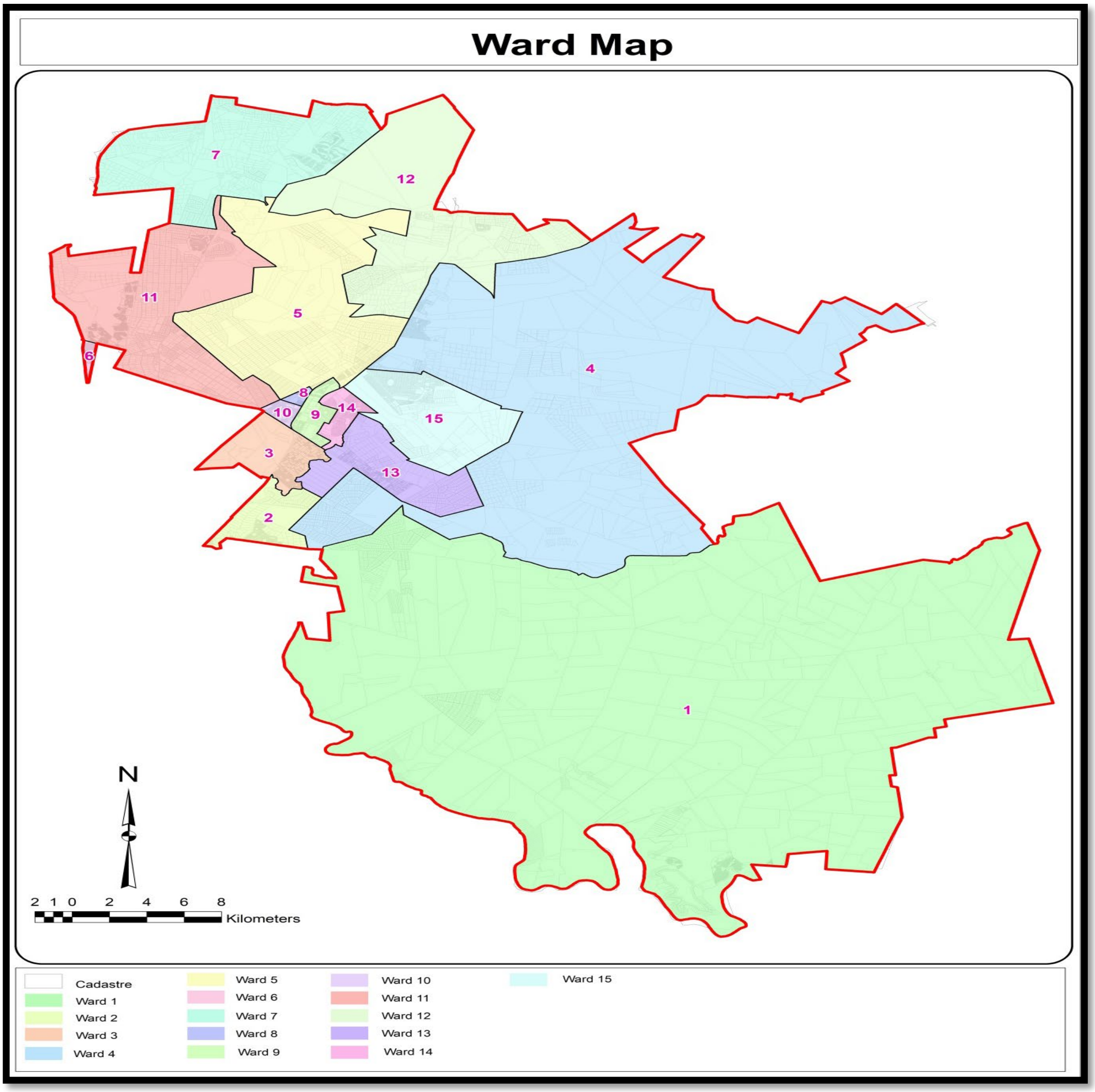
Midvaal is located in the Southern parts of the Gauteng Province and is bordered by two provinces, namely Mpumalanga Province to the East and the Free State Province to the South.

Dipaliseng Local Municipality (MP306) is located to the East and Metsimaholo Local Municipality (FS204) is situated to the South. The City of Johannesburg and Ekurhuleni Metropolitan Municipality are situated to the North.

Midvaal comprises of 15 wards. Midvaal is predominantly rural in nature with extensive farming constituting approximately 90% of the total area of jurisdiction. The municipality does not conduct demography surveys and relies on the Stats SA as the official source of demographic data.

The population of Midvaal, as per the 2016 Community Survey provided by Stats SA census data, was 111 612 from a base of 95 301 in 2011. 2011 Census and 2016 Community Survey provided by Stats SA.

The number of households has also grown significantly from a base of 29 964 to 38 046 as of 2016.



Ward Map
7
12
11
5
6
4
8
10
9
14
15
3
13
2
1
N
2 1 0 2 4 6 8
Kilometers
Cadastre
Ward 1
Ward 2
Ward 3
Ward 4
Ward 5
Ward 6
Ward 7
Ward 8
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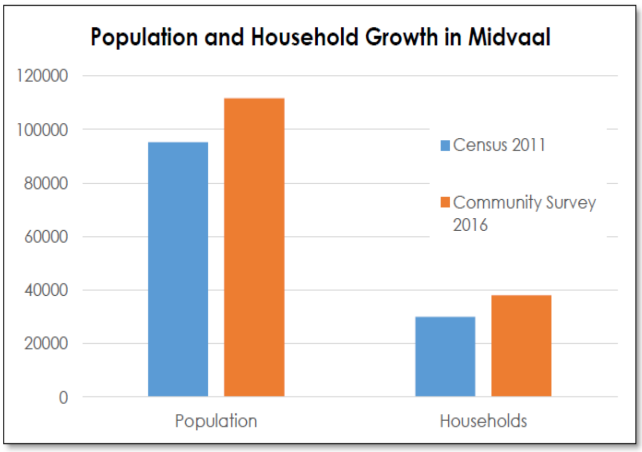
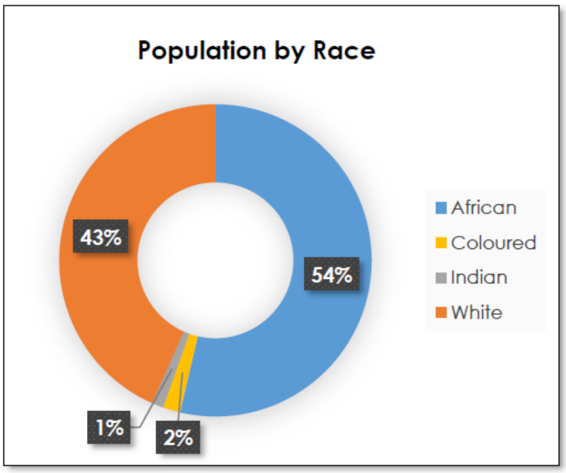
Ward 10
Ward 11
Ward 12
Ward 13
Ward 14
Ward 15



Population and Household Growth in Midvaal
120000
100000
80000
60000
40000
20000
0
Census 2011
Community Survey 2016
Population
Households



Population by Race
43%
54%
1%
2%
African
Coloured
Indian
White

3. THE MUNICIPAL FACT SHEET (STATISTICS)

DESCRIPTION		MIDVAAL		
		2016	2021	2023
Geographical size (sq km)		1 722	1 722	**1 722**
Number of people	*	95 301	111 612	**111 612**
Population growth (% per annum 2001 – 2011)	**	3.94%	3.94%	**2.79%**
Number of Total Households	*	38 046	38 046	**38 046**
Population density (people per sq km)	*	64.81	64.81	**64**
Number of Wards	#	15	15	**15**
Number of Councillors	#	28	28	**28**
% Of households with formal housing	**	76.4%	76.4%	76.4%
% Of households with hygienic toilets	**	84.1%	84.1%	84.1%
% Of households with piped water at or above RDP level	**	75.8%	75.8%	75.8%
% Of households with electricity connections	**	79.3%	79.3%	79.3%
% Of households with formal refuse removal	**	83.1%	83.1%	83.1%
Unemployment rate (broad definition %)	**	18.8%	18.8%	18.8%
Unemployment rate (narrow definition %)	**	9%	9%	9%
% Of people employed in the formal sector	**	73.20%	73.20%	73.20%
% Of people employed in the informal sector	**	10.11%	10.11%	10.11%
% Of people employed in private households	**	16.68%	16.68%	16.68%
Dependency Ratio (per 100 (15 – 64)	**	41.9	41.9	41.9

* 2016 Community Survey (StatsSA) (2021 Census Data not yet released, announcement awaited)

** 2011 Census Data (StatsSA) – No new data

\# Demarcation Board

The Socio-Economic Report and Outcome (SERO) 2023, is an alternative data source and the following data was recently released. The Socio-Economic Review and Outlook, 2023 is compiled using information from different sources. Some of this information is subject to revision:

Number of people	125 753
% of households with formal housing	81%
% of households with hygienic toilets	92.4%
% of households with piped water at or above RDP level	98.8%
% of households with electricity connections	86.3%
% of households with formal refuse removal	86%
Unemployment Rate (narrow or broad definition not specified)	42.8%

The statistics contained in the important notes are based on the 2011 population. It is therefore of value to indicate the statistics as at 30 Jun 2017, according to the statistics reported by Stats SA. The change in the statistics will be noticed and during the review of the Integrated Development Plan (IDP) it will be advised to update accordingly:

IMPORTANT NOTES	NUMBER OF HOUSEHOLDS	%
1. Water		**64.64%**
1.1 Piped (tap) water inside dwelling/institution	19 461	
1.2 Piped (tap) water inside yard	5 376	
1.3 Pipe (tap) water on community stand: distance less than 200 m from dwelling/institution	2 394	
1.4 Piped (tap) water on community stand: distance between 200 m and 500 m from dwelling/institution	1 005	
1.5 Piped (tap) water on community stand: distance between 500 m and 1000 m (1 km) from dwelling/institution	297	
1.6 Piped (tap) water on community stand: distance greater than 1000 m (1 km) from dwelling/institution	165	
1.7 No access to piped (tap) water	1 266	
Piped (tap) water inside dwelling/institution & piped (tap) water inside yard	24 837	82.9%
Piped (tap) water inside dwelling/institution & piped (tap) water inside yard & Piped (tap) water on community stand: distance less than 200 m from dwelling/institution	27 231	90.9%
2. Toilet Facilities		**67.04%**
2.1 None	606	
2.2 Flush toilet (connected to sewerage system)	17 370	
2.3 Flush toilet (with septic tank)	5 505	
2.4 Chemical toilet	1 842	
2.5 Pit toilet with ventilation (VIP)	477	
2.6 Bucket toilet	645	
2.7 Other	420	
Flush toilet (connected to sewerage system)		57.93%
Flush toilet (connected to sewerage system) & Flush toilet (with septic tank)		76.34%
Flush toilet (connected to sewerage system) & Flush toilet (with septic tank) & Pit toilet with ventilation (VIP)		77.93%
3. Energy or fuel for lighting		**55.10%**
3.1 Electricity	23 769	
3.2 Gas	111	
3.3 Paraffin	1 284	
3.4 Candles	4 581	
3.5 Solar	84	
3.6 None	135	
4. Refuse Disposal		**86.90%**
4.1 Removed by local authority/private company at least once a week	24 594	
4.2 Removed by local authority/private company less often	300	
4.3 Communal refuse dump	579	
4.4 Own refuse dump	3 177	
4.5 No rubbish disposal	948	
4.6 Other	363	
Removed by local authority/private company at least once a week		82.08%
Removed by local authority/private company at least once a week & removed by local authority/private company less often		83.08%

CORE SERVICES	DEFINITION	CRITERIA	FINANCIAL YEAR				
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account Number of additional formal houses connected to basic water (Monthly Solar Billing Report)	Total residential properties	22 671	23 221	24 230	24 947	25 253
		Total residential properties with access	18 523	19 219	19 983	20 881	21 527
		Additional number of households connected	2 285	696	764	237	203
		% Access to basic water	**81.70%**	**82.76%**	**82.47%**	**83.70%**	**85.25%**
Sanitation	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account Number of additional formal houses connected to basic sanitation (Monthly Solar Billing Report)	Total residential properties	22 671	23 221	24 230	24 947	25 253
		Total residential properties with access	15 020	15 457	16 218	16 924	17 225
		Additional number of households connected	1 498	402	761	39	41
		% Access to basic sanitation	**66.41%**	**66.56%**	**66.93%**	**67.83%**	**68.21%**
Electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account Number of additional formal houses connected to basic electricity (Monthly Solar Billing Report)	Total residential properties	22 671	23 221	24 230	24 947	25 253
		Total residential properties with access	12 122	13 243	15 043	15 936	16 721
		Additional number of households connected	400	1 121	1 800	116	590
		% Access to basic electricity	**53.47%**	**57.03%**	**62.08%**	**63.87%**	**66.22%**
Waste Removal	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account Number of additional formal houses serviced in terms of basic solid waste removal (Increase in number of service points). Monthly Solar billing report	Total residential properties	22 671	23 221	24 230	24 947	25 253
		Total residential properties with access	19 586	20 042	20 846	21 644	21 966
		Additional number of households connected	1 393	420	804	798	322
		% Access to basic waste removal	**86.60%**	**86.30%**	**86.03%**	**86.76%**	**86.98%**

MIDVAAL LOCAL MUNICIPALITY	**4. COUNCIL'S VISION & MISSION**

VISION

"ACHIEVE EXCELLENCE IN SERVICE DELIVERY"

MISSION

To achieve this Vision Midvaal strives to:

- Enhance service delivery through innovative technologies
- Enable a safe, healthy community and environment
- Promote local economic development and tourism
- Adopt clean, renewable energy
- Build strong partnerships, and
- Be a people-centred, compassionate institution

Based on the institutional analysis the strengths and weaknesses, which impact directly on its ability to serve the community has been identified. The following Strengths, Weaknesses, Opportunities and Threats have been identified:

Municipal Level SWOT analysis	
Strengths 1. Clean Audit for 2013/14, 2014/15 & 2015/16, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021, 2021/2022-financial years 2. Ranked as the top performing municipality in Gauteng 3. High level of positive public approval 4. Large supply of labour due to 70.4% of the population being economically active 5. Political majority 6. Large youth population 7. Lowest unemployment rate in Gauteng	**Weaknesses** 1. Funding and Finance constraints 2. Currently at a tipping point in being able to provide service based on current resources 3. Poor internal efficiencies 4. Poor internal and external communication 5. High inequality in provision of services 6. Inequality in socio-economic conditions within the municipality 7. Limited mandate being a local municipality
Opportunities 1. Growth in a diversification of sectors, incl. manufacturing, agriculture and tourism 2. Savanna City 3. Opportunity to leverage the customer base of City of Johannesburg due to its close proximity 4. Large portion of undeveloped land	**Threats** 1. Poor commercial perception 2. Continued financial stability 3. Slow economic growth 4. Internal capacitation

5. COUNCIL'S CORPORATE VALUES

Values reflect the core guidelines of the organisation and following it ensures Midvaal remain on the right path.

A customer-centric approach shapes the values of the Midvaal Local Municipality.

This defines the character of Midvaal and the foundation on which leadership and employees behave and conduct themselves and guide the way in which decisions are made. Furthermore, our change in approach requires for us to prioritise values that create a new behaviour within Midvaal.

Midvaal Local Municipality's values are as follows:

6. PILLARS GUIDING COUNCIL'S 5 POLITICAL GUIDELINES

The Political Vision for Midvaal Local Municipality, in addition to the National, Provincial and District objectives, Midvaal must also align to the political vision for the municipality. The political vision can be derived from the six electoral promises made by the Executive Mayor to the Midvaal community.

It can be defined as follows:

Promise 1: To be Youth Biased

To prioritise uplifting the youth through the creation of productive activities in an enabling environment, empower them to participate and contribute towards the success of Midvaal

Promise 2: Be open, transparent, honest and responsive government

To be a trustworthy Municipality that responds with efficiency and integrity in the best interests of our people

Promise 3: Grow the economy

To incubate an enabling business environment, which fosters job creation and is supportive of key sectors, in order to address inequality and improve standard of living

Promise 4: Quality and Standardised Service Delivery

Excellent service delivery for more with greater inclusiveness delivered through improved efficiency and innovation

Promise 5: Safe Communities and Environment

To create an environment safe from crime and which is proactive with respect to disasters

Promise 6: Fight the Demarcation Board

To continue the fight to ensure that Midvaal remains an independent and triving municipality for the people

MLM has developed a performance framework which is aligned to and supports the National, Provincial and District policies, plans and objectives, as well as deliver on the Political Vision for Midvaal:

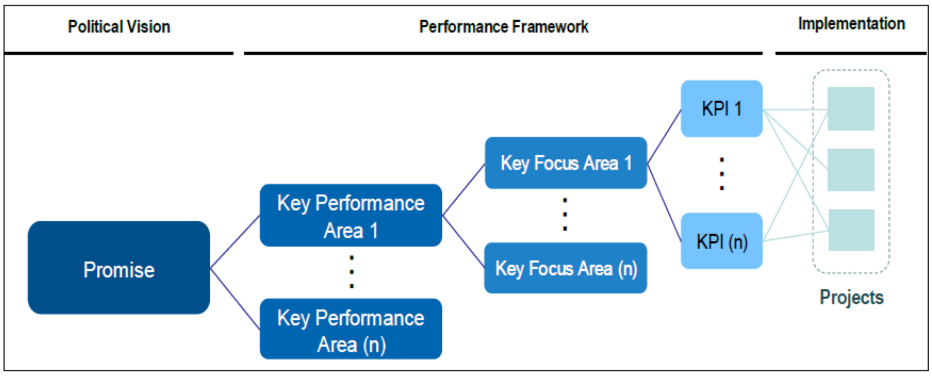


Figure 1: MLM performance framework

The MLM Performance Framework is composed of Key Performance Areas (KPAs) which are the areas of focus required for the Municipality to achieve its Strategic Objectives and are aligned with the Promises made as part of the Political Vision.

MLM has developed eight KPAs, the definitions of which are presented below. The eight KPAs have been closely aligned to governmental and political objectives with the detailed association provided in Table 3. Further granularities with respect to the alignment to political objectives.

KPA 1 Good Governance

To promote increased participation and improved communication with all key internal and external stakeholders

KPA 2 Safe & Healthy Environments

To create a sustainable environment safe from harm

KPA 3 Community Development

To create an environment focused on uplifting the youth, the poor and the most vulnerable

KPA 4 Institutional Transformation

To transform and align the people, processes and systems of the municipality to achieve its objectives

KPA 5 Financial Sustainability

To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements

KPA 6 Infrastructure & Sustainable Living Environments

To ensure efficient infrastructure and energy supply that will improve the quality of life of the community

KPA 7 Communication & Customer Care

To deliver inclusive and excellent services to the community

KPA 8 Economic Growth & Spatial Transformation

To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation

The KPAs have been further broken down into focus areas for implementation referred to as Key Focus Areas (KFAs), see Figure 3, the focus areas segment the KPA into its constituent opportunities and are supported by Key Performance Indicators (KPIs), which are in turn achieved through project implementation.

The cascading of performance from KPA through to KPI, ensures that all projects contribute in some way to the achievement of a MLM Strategic Objective and in turn District, Provincial & National objectives.

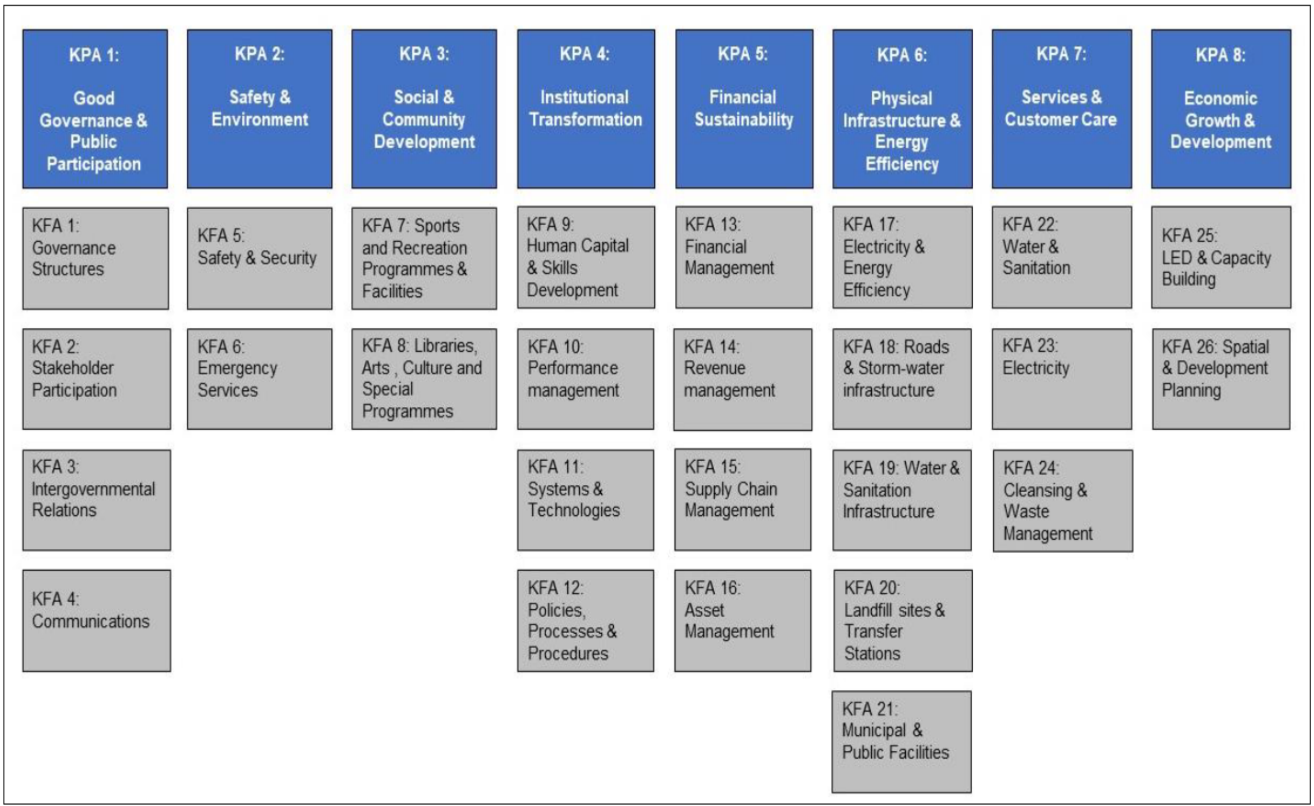


Figure 3

The identified Key Performance Areas (KPAs, also referred to as the Strategic Objective) are supported by the following Key Focus Areas (KFAs, also referred to as the Predetermined Objectives), aligned with National, Provincial and Sedibeng's KPAs:

KEY PERFORMANCE AREA (KPA)	STRATEGIC OBJECTIVE	KEY FOCUS AREA (KFA)		PRE-DETERMINED OBJECTIVE (PDO)	RESPONSIBLE DEPARTMENT
KPA 1 Good Governance	To promote increased participation and improved communication with all key internal and external stakeholders	**KFA 1**	**Governance Structures**	To promote sound and sustainable governance	CORP
		KFA 2	**Risk Management**	To co-ordinate activities to identify, assess, management and monitor risks in a systematic and formalised manner	MM
		KFA 3	**Stakeholder Participation**	To increase active stakeholder participation	CORP
		KFA 4	**Inter-Governmental Relations**	To improve inter-governmental relations	MM
KPA 2 Safe & Healthy ty & Environment	To create a sustainable environment safe from harm	**KFA 5**	**Safety & Security**	To improve the safety of the community in both rural and suburban areas	PSR
		KFA 6	**Emergency Services**	To ensure adequate prevention measures as well as prompt response to emergencies	PSR
		KFA 7	**Disaster Management**	To outline policy and procedures for proactive disaster prevention and mitigation	PSR
		KFA 8	**Environmental Health**	To ensure healthy living environments	COMM
KPA 3 Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable	**KFA 9**	**Parks, Sport & Recreation**	To create an ecosystem of sports and recreation activities	COMM
		KFA 10	**Libraries, Arts, Culture & Special Programmes**	To promote the development of cultural and social programs to uplift the community	COMM
		KFA 11	**Health, ECD & Social**	To promote the well-being of communities through provision of adequate social facilities and community development	COMM
		KFA 12	**Cemeteries & Crematoria**	To provide accessible and adequate cemeteries and crematoria	COMM

KPA 4 Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives	**KFA 13**	**Human Recourses & Skills Development**	To ensure adequate internal capacity and capability to deliver on the municipality's objectives	CORP
		KFA 14	**Monitoring, Evaluation & Performance Management**	To develop and implement an effective and efficient performance management system	MM
		KFA 15	**Information Technology**	To enhance systems and technology to enable the municipality to deliver excellent customer experience	CORP
		KFA 16	**Policies, Processes & Procedures**	To write and review processes and procedures to ensure the objectives of the municipality are achieved	CORP
KPA 5 Financial Stability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	**KFA 17**	**Financial Management**	To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability	FIN
		KFA 18	**Revenue Management**	To protect and enhance the revenue position to enable the objectives of the municipality	FIN
		KFA 19	**Supply Chain Management**	To develop and maintain an effective supply chain which uplifts local business and youth	FIN
		KFA 20	**Assets, Equipment & Fleet Management**	To adequately maintain the assets of the municipality	FIN
KPA 6 Infrastructure & Sustainable Living Environments	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	**KFA 21**	**Electricity, Energy Efficiency & Renewable Energy**	To plan, construct and maintain electricity networks and to improve energy efficiency To provide sustainable, reliable and affordable electricity to all residents	ENG
		KFA 22	**Roads & Stormwater Infrastructure**	To plan, construct and maintain roads and stormwater infrastructure	PSR
		KFA 23	**Water & Sanitation Infrastructure**	To plan, construct and maintain water and sanitation infrastructure To provide sustainable, reliable and affordable water and sanitation services to all residents	ENG
		KFA 24	**Solid Waste Management**	To provide sustainable, reliable and affordable waste disposal services to all residents To plan, construct and maintain landfill sites and transfer stations	COMM
		KFA 25	**Project Management & Public Facilities**	To plan, construct and maintain municipal and public facilities	ENG CORP

		KFA 26 Climate Change Adaptation and Mitigation	To provide a framework for the municipal response to climate change mitigation and adaptation	DP
KPA 7 Communication & Customer Care	To deliver inclusive and excellent services to the community	**KFA 27 Communication & Marketing**	To improve internal and external communication to enhance the perception of the municipality	CORP
		KFA 28 Customer Relations	To provide a user-friendly platform for citizens to engage with the municipality	CORP
KPA 8 Economic Growth & Spatial Transformation	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	**KFA 29 Municipal Planning & Built Environment**	To improve land use and building developments in line with legislation and policy	DP
		KFA 30 Spatial Planning and Investment	To develop an effective spatial framework to promote development in the municipality, focused on enabling and aligning development objectives	DP
		KFA 31 Local Economic Development	To facilitate and promote local economic growth	DP

MIDVAAL LOCAL MUNICIPALITY	**8. ORGANISATIONAL SCORECARD**

Introduction

Integrated Development Planning and Performance Management were introduced to realise the developmental role of local government. Whilst the Integrated Development Plan (IDP) provides a framework for strategic decision-making, performance management must ensure that the desired results are achieved during implementation to ensure the correctness of the strategic direction of the objectives, strategies and projects put forward by the IDP.

Performance management is a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to:

- regularly plan;
- continuously monitor;
- periodically measure; and
- review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

The Performance Management System (PMS) entails a framework that describes and represents how the municipality's process of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organized and managed, including determining the different role players. It also forms the basis for aligning the IDP with the operational Service Delivery & Budget Implementation Plans (SDBIPs), performance areas and performance indicators of the various departments of the MLM.

Legislative and Policy Framework

Legislative enactments, which govern performance management in municipalities, are found in various documents. Outlined in Section 40 of the Municipal Systems Act of 2000, MLM must establish mechanisms to monitor and review its Performance Management System (PMS) so as to:

- Measure,
- Monitor,
- Review,
- Evaluate and
- Improve performance at organisational, departmental and employee levels.

The approved Service Delivery & Budget Implementation Plan for the period 1 Jul 2022 – 30 Jun 2023 is attached as Annexure to the report.

The Performance Management Policy also clarifies roles and responsibilities of stakeholders and relevant role-players.

Compliance to the assigned roles and responsibilities is herewith reported, read with the process plan, indicating the key target dates:

TASK	STAKEHOLDERS/ ROLEPLAYERS	ROLES & RESPONSIBILITIES	COMPLIANCE
Developing and sanctioning the performance management process	**Mayoral Committee**	Ratify and adopt the PMS Policy	The Performance Management Policy was considered and approved by Council, per item C2988/11/2022 dated 24 Nov 2022
Developing measures/indicators	**Officials**	Provide the IDP documentation and (when appropriate) the PMS documentation of the previous reporting period	Council approved the 5-year Integrated Development Plan and Spatial Development Framework per item C2830/05/2022 dated 26 May 2022. Section 5 (SDBIP) refers to the measures and indicators approved for the next 5-years
		Provide inputs into the process with reference to the available resources within their respective departments	The developing period was conducted during March 2022
		Document the measures/indicators	The developing period was conducted during March 2022
		Provide the schedule of measures/indicators to relevant stakeholders	The developing period was conducted during March 2022
	Councillors	Provide inputs into the process with reference to the needs and requirements of their constituents and the communities	Conducted during the developing period
		Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations	Conducted during the developing period
	Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements	Conducted during the developing period
Setting Targets	**Officials**	Provide inputs into the process with reference to the available resources within their respective departments	Conducted during the developing period
		Document the targets	Conducted during the developing period
		Provide and publicise the schedule of targets to the relevant stakeholders	The public consultation process was followed during the period Dec 2022 – Feb 2023. Ward councillors submitted 5 prioritised projects per ward and 9 public engagements with the community, where community priorities were affirmed, were hosted.
	Councillors	Provide inputs into the process with reference to the needs and requirements of their constituents and the communities	Conducted during the developing period
		Engage with the officials to ensure maximum utilisation of the resources taking into account the budgetary guidelines and possible limitations	Conducted during the developing period

	Local Community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements	Conducted since Dec 2022 – Feb 2023
Linking measures/indicators and targets to performance commitments of staff	**Municipal Manager**	Prepare performance agreements with agreed and approved measures/indicators and targets	Performance agreements signed during July 2022, approved per Council Resolution C2880/06/2022 dated 30 Jun 2022 in terms of Section 57(2) of the MSA
		Ensure that the measures/indicators and targets in the performance agreements of senior managers are linked with his/her agreement	Performance agreements signed during Jul 2022
		Ensure that all senior managers performance agreements are published	The public consultation process was followed per public notice in the local media and Council's official Website, MN 3182/22 dated 27 Jun 2022
		Provide inputs into senior managers performance agreements	Performance agreements in terms of Section 57(2) signed by the Municipal Manager
		Ensure that the measures/indicators and targets of the departments and sub-ordinates are linked with the senior managers agreements	Finalised during Jul 2022
	Mayoral Committee	Ratify and adopt the performance agreements	The Performance Agreements were approved by Council per Resolution C2880/06/2022 dated 30 Jun 2022
Monitoring and Evaluation	**Executive Mayor**	Monitor and evaluate (according to agreed schedule) the measures/ indicators and targets of the Municipal Manager	Quarterly performance monitoring was conducted as per Section 6.4.8 of the Performance Management Policy, informed by relevant legislation
	Municipal Manager	Monitor and evaluate (according to the agreed schedule) the measures/indicators and targets of senior managers	Quarterly performance monitoring was conducted as per Section 6.4.8 of the Performance Management Policy, informed by relevant legislation
		Ensure that the results are documented and publicised to the relevant stakeholders	Quarterly progress reporting was done to Council as required by Section 52(d) of the MFMA. Q1 C2962/10/2022 dated 18 Oct 2022 Q2 SC3001/01/2023 dated 25 Jan 2023 Q3 C3069/04/2023 dated 26 Apr 2023 Q4 C3118/07/2023 dated 29 Jun 2023

Information collection, processing and analysis	**Councillors**	Provide inputs into the process with reference to the needs and requirements of their constituents and the communities	Done continuously
		Ensure with the Council officials that all information is made available	Done continuously
		Examine, scrutinise and critically analyse measures/indicators, targets, outputs and outcomes	Done continuously
	Officials	Collect, process and provide the relevant and appropriate information from their respective departments	Done continuously
	Local community and Stakeholders	Provide inputs into the process with reference to their specific needs and requirements	Conducted during April 2022
Auditing of information	**Performance Management Manager**	Collect and process relevant and appropriate information from departments	Conducted quarterly within 10 working days after Council resolution
		Examine, scrutinize and critically analyse information from departments	Conducted quarterly within 10 wor-king days after Council resolution
	Performance &Audit Committee	Examine, scrutinise and critically analyse information from departments	Quarterly progress reporting, via the Section 52(d)-report, is done to the Performance & Audit Committee, where-after input is reported to Council
	Auditor-General	Collect and process the relevant and appropriate information from the Municipality	Conducted annually, during 1 Sep – 30 Nov 2023, required by Section 45(1)(b) of the Municipal Systems Act, Act 32 of 2000
		Examine, scrutinize and critically analyse information from the Municipality	Conducted annually, during 1 Sep – 30 Nov 2023, required by Section 45(1)(b) of the Municipal Systems Act, Act 32 of 2000
Audit Reporting	**Internal Auditor**	Provide an independent audit report to the Audit Committee	Conducted quarterly, required by Section 45(1)(a) of the Municipal Systems Act, Act 32 of 2000
	Performance &Audit Committee	Provide an independent audit report to the Municipal Manager and Mayoral Committee	Quarterly progress reporting, via the Section 52(d)-report, is done to the Performance & Audit Committee, where-after input is reported to Council
Reporting	**Municipal Manager**	Provide approved, relevant and appropriate information and reports to National and Provincial Government, and the Auditor-General	Quarterly progress reporting, via the Section 52(d)-report is done to the relevant National, Provincial and Auditor-General Departments
Report to Community	**Municipal Manager**	Ensure that the results are documented and publicised to the relevant stakeholders	Annual reporting is done to the community via the Annual Report

Section 34 of the MSA furthermore points out that the IDP must be reviewed annually. During the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets are reviewed.

This review forms the basis for the review of the municipal PMS and Performance Agreements of Senior Managers.

Chapter 6 of the Municipal Systems Act (2000) as amended, provides briefly that a municipality must:

1. Develop a performance management system (PMS);
2. Promote a performance culture;
3. Administer its affairs in an economical, effective, efficient and accountable manner;
4. Set Key Performance Indicators (KPIs) as a yardstick for measuring performance;
5. Set targets to monitor and review the performance of the municipality based on indicators linked to their IDP;
6. Monitor and review performance at least once per year;
7. Take steps to improve performance;
8. Report on performance to relevant stakeholders;
9. Publish an annual performance report on performance of the municipality forming part of its annual report as per the provisions of the Municipal Finance Management Act of 2003;
10. Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the National Minister of Provincial and Local Government;
11. Conduct an internal audit of all performance measures/indicators on a continuous basis;
12. Have their annual performance report audited by the Auditor-General; and
13. Involve the community in setting indicators and targets and in reviewing municipal performance.

Midvaal has, to promote a performance culture, cascaded performance monitoring and evaluation to Job Levels 1 – 4. Individual level performance management is addressed per Section 7.2 of the Performance Management Policy.

The employee performance management system can be defined as the process through which the planned performance objectives defined in the IDP, are cascaded into the employee's Annual Performance Plans, thus allowing for the planning, coaching and monitoring, reviewing and rewarding of performance and the enhancement of development, at the level of the individual employee.

Since the promulgation of the Local Government: Municipal Staff Regulations per Government Gazette 45181 dated 20 Sep 2021, the performance management and development system applies to all staff members of a municipality, excluding staff appointed on a fixed term contract less with a duration less than 12 months, serving notice of termination or to retire on reaching the statutory retirement age, appointed on an internship programme and appointed in terms of Section 54A and 56 of the MSA. These regulations are called the Local Government: Municipal Staff Regulations and came into effect on 1 Jul 2022.

Council adopted these regulations as the Performance Management and Development System Policy per Council Resolution C3083/05/2023 dated 25 May 2023.

This process comprises of four phases, namely:

1. Phase 1: Planning

This is about jointly identifying individual performance expectations and gaining the employee's commitment in achieving these expectations. This also entails the identification of KFA's and indicators, the establishment of year-end targets and the planning for the phasing in of the year-end target into quarterly targets (cumulatively and quarterly).

2. Phase 2: Performance Coaching

This is the phase of continuously tracking and improving performance, through feedback and reinforcement of key results and competencies. This is done with a view to timely detect performance relapses and to simultaneously introduce speedy remedial actions. A prescribed record sheet is used to record evidence and remedies.
During this phase, on a quarterly basis, the actual performance must be determined and be judged against the quarterly obligation as well as the cumulative performance and the standards that have been set in advance. During this phase it is also important to provide and present adequate evidence proving performance claimed.

Although actual measurements are done quarterly, formal performance reviews only are to be done half yearly and year-end provided the documented performance in the first and third quarter is satisfactory.

3. Phase 3: Reviewing

This phase involves jointly assessing performance against expectations (planned vs. actual performance) at mid-year and year-end. The Manager/Supervisor is to set up formal quarterly reviews to assess the relevance of the objectives and the Employee’s performance against the objectives and a formal final review in June.

The assessor/panel and evaluated employee must prepare and agree to a Personal Development Plan (PDP). This only needs to be done at the final review in June in conjunction with the annual skills efficiency analysis review.

4. Phase 4: Year-End Review and Rewarding

This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviours by determining and allocating equitable and appropriate rewards to employees.

Section 40(1) of the Local Government: Municipal Staff Regulations, Government Gazette 45181 dated 20 Sept 2021 and adopted by Council, determines a municipality may not spend more than 1.5% of its annual salary and wage bill for staff performance rewards. A Rewards and Recognition Policy has been drafted for Council’s consideration aligned with these regulations.

9. OVERALL ORGANISATIONAL PERFORMANCE – 2022/2023-FINANCIAL YEAR

Performance indicators and targets, supporting the Key Performance Indicators, were agreed to between management and the relevant officials on Job Levels 1 – 4. Quarterly performance assessments were conducted departmentally, between the immediate superior and the relevant official.

The outcome of the performance assessments, relating to the Performance Indicators (Job Levels 1 – 4) for the period under review, is reported here-under. It is important to note that the cascaded performance indicators, are not subjected to external audit and no opinion is expressed.

The total number of Performance Indicators approved for Job Levels 1 – 4, per department, is reported as follows:

DESCRIPTION	CORP	FIN	DP	PSR	COMM	ENG	MM	TOTAL
Total Number of Indicators	**123**	**50**	**99**	**49**	**46**	**94**	**20**	**481**
Number of Indicators Evaluated	123	45	87	49	46	91	20	461
Number of Indicators Not Evaluated	0	5	12	0	0	3	0	20

The performance outcome for these indicators are as follows:

TOTAL INDICATORS	NOT EVALUATED	EVALUATED	TARGETS ACHIEVED	TARGETS NOT ACHIEVED
481	**20**	**461**	**399** *	**62 (82)** *
	4%	**95.84%**	**86.55%**	**13% (17%)** *

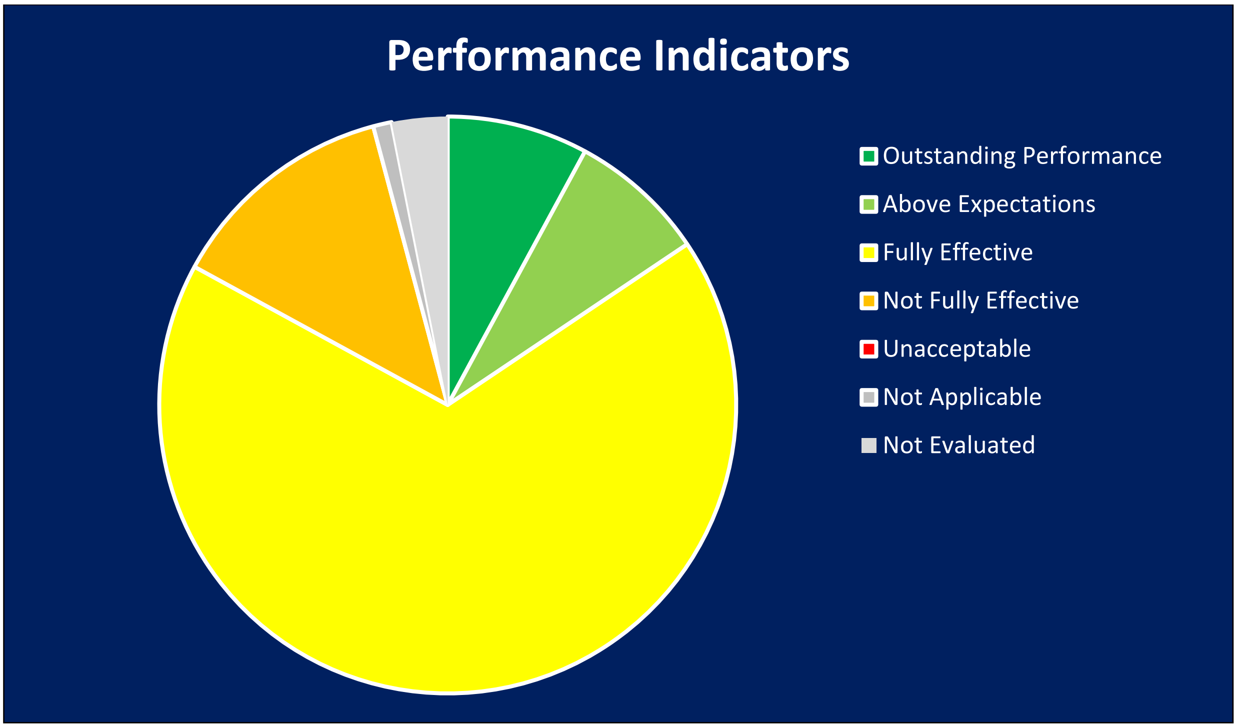
* Targets achieved are reflecting only the evaluated targets. The impact of the not evaluated targets is indicated in brackets.

The level of performance, per department applicable to Job Levels 1 – 4, is reported as follows:

LEVEL OF PERFORMANCE	CORP	FIN	DP	COMM	ENG	MM	PSR	TOTAL
Outstanding Performance	4	0	31	0	2	0	1	**38**
Above Expectations	3	0	14	2	7	0	11	**37**
Fully Effective	93	32	39	42	70	16	32	**324**
Not Fully Effective	**23**	**13**	**3**	**2**	**12**	**4**	**5**	**62**
Unacceptable	0	0	0	0	0	0	0	**0**
Not Applicable	0	1	1	0	3	0	0	**5**
Not Evaluated	0	4	11	0	0	0	0	**15**
TOTAL	**123**	**50**	**99**	**46**	**94**	**20**	**49**	**481**
%	**81%**	**71%**	**97%**	**96%**	**87%**	**80%**	**90%**	**86%**

The Performance Indicator Job Levels 1 – 4, consolidated performance is reflected as follows:

OUTSTANDING PERFORMANCE	38	8%
ABOVE EXPECTATIONS	37	8%
FULLY EFFECTIVE	324	67%
NOT FULLY EFFECTIVE	62	13%
UNACCEPTABLE	0	0%
NOT EVALUATED	15	3%
NOT APPLICABLE	5	1%
	481	%



Sections 55 to 58 of the Municipal Systems Act, Act 32 of 2000, further outline the provisions on the employment and functions of the Municipal Manager and Managers directly accountable to the Municipal Manager.

The Municipal Planning and Performance Management Regulations of 2001

In summary, the Regulations provide that a municipality's Performance Management System must:

1. Entail a framework that describes and represents how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;

2. Comply with the requirements of the Municipal Systems Act; and

3. Relate to the municipality's employee performance management processes and be linked to the municipality's IDP.

The Municipal Finance Management Act, Act 56 of 2003 (MFMA)

The Municipal Finance Management Act also contains various important provisions relating to performance management. In terms of the Act all municipalities must:

1. Annually adopt a service delivery and budget implementation plan with service delivery targets and performance indicators;

2. When considering and approving the annual budget, set measurable performance targets for revenue from each source and for each vote in the budget;

3. Empower the Executive Mayor or Executive Committee to approve the Service Delivery and Budget Implementation Plan and the Performance Agreements of the Municipal Manager and the Managers directly accountable to the Municipal Manager; and

4. Compile an annual report, which must, amongst others things, include the municipality's performance report compiled in terms of the Municipal Systems Act.

The Municipal Systems Act and the Municipal Finance Management Act require that the PMS be reviewed annually in order to align itself with the reviewed Integrated Development Plan (IDP). In consequence of the reviewed organisational performance management system, it then becomes necessary to also amend the scorecards of the Municipal Manager and Section 56 Managers in line with the cascading effect of performance management from the organizational to the departmental and eventually to employee levels

A municipality must:

1. Set key performance indicators (KPIs) including input, output and outcome indicators in consultation with communities;
2. Annually review its Key Performance Indicators;
3. Set performance targets for each financial year;
4. Measure and report on the relevant nationally prescribed key performance outcomes;
5. Measure and report on the six national local government KPAs;
6. Report on performance to Council at least twice a year;
7. As part of its internal audit process audit the results of performance measurement;
8. Appoint a performance audit committee; and
9. Provide secretarial support to the said audit committee

The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers of 2006

This legislation regulates the management of the Section 56-employees of a municipality by providing an outline of employment contracts, performance agreements, performance plans, employee development, empowerment, measures/indicators and performance evaluation processes. These regulations further provide criteria for performance assessment and the 5-point rating upon which performance of an individual needs to be scored during the assessment and evaluation.

The Municipal Scorecard was approved by Council at its meeting held on 26 May 2022 per item C2829/05/2022, in line with the relevant legislation for implementation. The Annual Performance Agreements were signed during July 2022 by all Section 56-appointees. Quarterly performance monitoring were conducted and where required, appropriate corrective and/or remedial actions were implemented. The Section 52(d)-quarterly performance reports were submitted to Council and ultimately to the MEC of Gauteng Province.

The mid-year performance report was approved by Council per item C3018/01/2023 dated 31 Jan 2023. This report deals with both the financial as well as the non-financial results. Section 72 indicates that the following information must be provided, as part of the mid-year performance report:

1. The monthly statements referred to in Section 71 for the first half of the financial year;
2. The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan;
3. The past year's annual report, and progress on resolving problems identified in the annual report; and
4. The performance of every municipal entity under the municipality's control (of which this municipality has none).

This report is submitted in terms of the above-mentioned legislative requirements. In addition, a separate report dealing with the annual report of the 2022/2023-financial year, containing comments on how the issues identified by the Auditor-General, are being addressed.

Subsequent to the submission of the Section 72-mid-year performance report to Council, Gauteng Provincial Treasury conducted a 2023-mid-year budget and performance assessment visit during Feb 2023 to Council.

The purpose of this visit was to give effect to the constitutional monitoring and oversight responsibilities of Provincial Treasury. The strategic engagement was aimed at strengthening quality and oversight of municipal budgeting and performance.

No area of concern was identified during the assessment.

After the consideration of the mid-year performance and financial report *the reviewed Municipal Scorecard* was approved with specific quarterly targets, based on the SMART-principles.

The SMART principles for the determination of KPIs and targets are as follows:

S	Specific	Targets must be well-defined and focused
M	Measurable	Targets must have a measurable outcome
A	Achievable/Attainable	Targets must be within reach
R	Realistic/Relevant	Targets must be based on the current conditions and realities
T	Time-framed	Targets and objectives must be tied to a time frame

10. ORGANISATIONAL PERFORMANCE – 2022/2023-FINANCIAL YEAR

This report considers MLM performance derived from the IDP objectives, translated into the departmental SDBIPs for the year as at 30 Jun 2023. A basic set of key comparatives for year-to-date is offered to allow for easy comparisons on achievements against SDBIPs.

The purpose is to demonstrate, in terms of service delivery, what is being achieved and what remains outstanding.

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP, is illustrated in terms of the following assessment methodology:

Level	Terminology	Description
5	**Outstanding Performance**	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.
4	**Performance Significantly Above Expectations**	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	**Fully Effective**	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.
2	**Not Fully Effective**	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	**Unacceptable Performance**	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The Employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

ORGANISATIONAL SCORECARD: PERFORMANCE

The organisational performance in terms of the Key Performance Indicators is reported as follows:

Performance Outcome: Q1

DEPT	NUMBER OF INDICATORS	UNACCEP-TABLE	NOT FULLY EFFECTIVE	FULLY EFFECTIVE	ABOVE EXPECTA-TIONS	OUTSTAN-DING PER-FORMANCE	%	NOT APPLICABLE
Corp	11	-	-	6	2	-	100	3
Fi	11	-	-	-	-	-	-	11
Eng	10	-	-	-	-	-	-	10
Comm	9	-	-	4	-	-	100	5
DP	9	-	-	1	-	4	100	4
PSR	7	-	-	2	-	-	100	5
MM	4	-	-	2	-	-	100	2
	61	-	-	15	2	4	100	40

Performance Outcome: Q2 (Mid-year Performance Outcome)

DEPT	NUMBER OF INDICATORS	UNACCEP-TABLE	NOT FULLY EFFECTIVE	FULLY EFFECTIVE	ABOVE EXPECTA-TIONS	OUTSTAN-DING PER-FORMANCE	%	NOT APPLICABLE
Corp	11	-	-	5	2	1	100	3
Fi	11	-	-	-	-	-	-	11
Eng	10	-	-	-	-	-	-	10
Comm	9	-	-	4	-	-	100	5
DP	9	-	-	1	1	3	100	4
PSR	7	-	-	2	-	-	100	5
MM	4	-	-	1	1	-	100	2
	61	-	-	13	4	4	100	40

Performance Outcome: Q3

DEPT	NUMBER OF INDICATORS	UNACCEP-TABLE	NOT FULLY EFFECTIVE	FULLY EFFECTIVE	ABOVE EXPECTA-TIONS	OUTSTAN-DING PER-FORMANCE	%	NOT APPLICABLE
Corp	11	-	-	6	-	2	100	3
Fi	11	-	-	-	-	-	-	11
Eng	10	-	-	1	-	-	100	9
Comm	8	-	-	1	1	1	100	5
DP	8	-	-	1	-	4	100	3
PSR	7	-	-	2	1	-	100	4
MM	4	-	-	2	-	-	100	2
	59	-	-	13	2	7	100	37

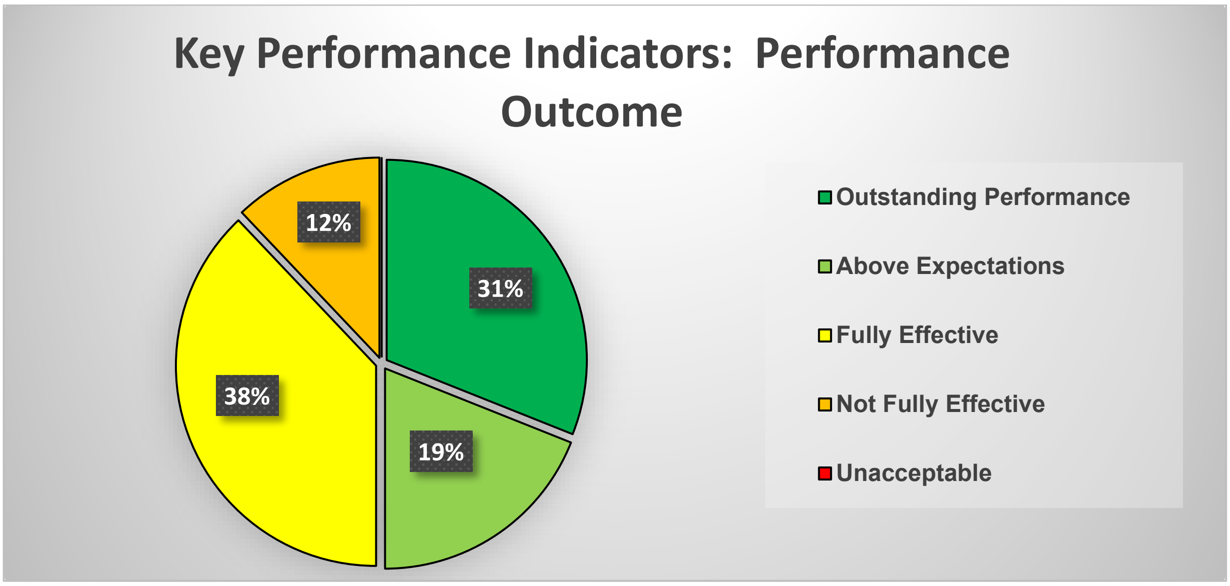
Performance Outcome: Q4

DEPT	NUMBER OF INDICATORS	UNACCEP-TABLE	NOT FULLY EFFECTIVE	FULLY EFFECTIVE	ABOVE EXPECTA-TIONS	OUTSTAN-DING PER-FORMANCE	%	NOT APPLICABLE
Corp	11	-	2	8	-	1	81.81	-
Fi	11	-	1	2	3	5	90.90	-
Eng	11	-	1	4	3	3	90.90	-
Comm	8	-	1	3	3	1	87.75	-
DP	8	-	-	2	2	4	100	-
PSR	6	-	-	2	-	3	100	1
MM	4	-	2	1	-	1	50	-
	59	-	7	22	11	18	85	1

Council, per Council Resolution C3018/01/2023 dated 31 Jan 2023, approved the Adjustments Medium-Term Revenue & Expenditure Framework (MTREF), required by Section 24 of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003. The Measurable Performance Objectives (Strategic Objectives) were amended as per the approved Key Performance Areas.

The quarterly comparison organisational performance in terms of the Measurable Performance Objectives for the 2022/2023-financial year is therefore reported as follows:

CRITERIA	Q1	Q2	Q3	Q4	YtD
1. Total number of indicators	**61**	**61**	**59**	**59**	**59**
2. Number of Indicators applicable for the period under review	21	21	22	58	58
3. Number of Indicators Achieved	**21**	**21**	**22**	**51**	**51**
4. Number of Indicators not Achieved	-	-	-	7	7
5. Number of Indicators not applicable for the period under review	40	40	37	1	1
% Performance	**100**	**100**	**100**	**87.93**	**87.93**

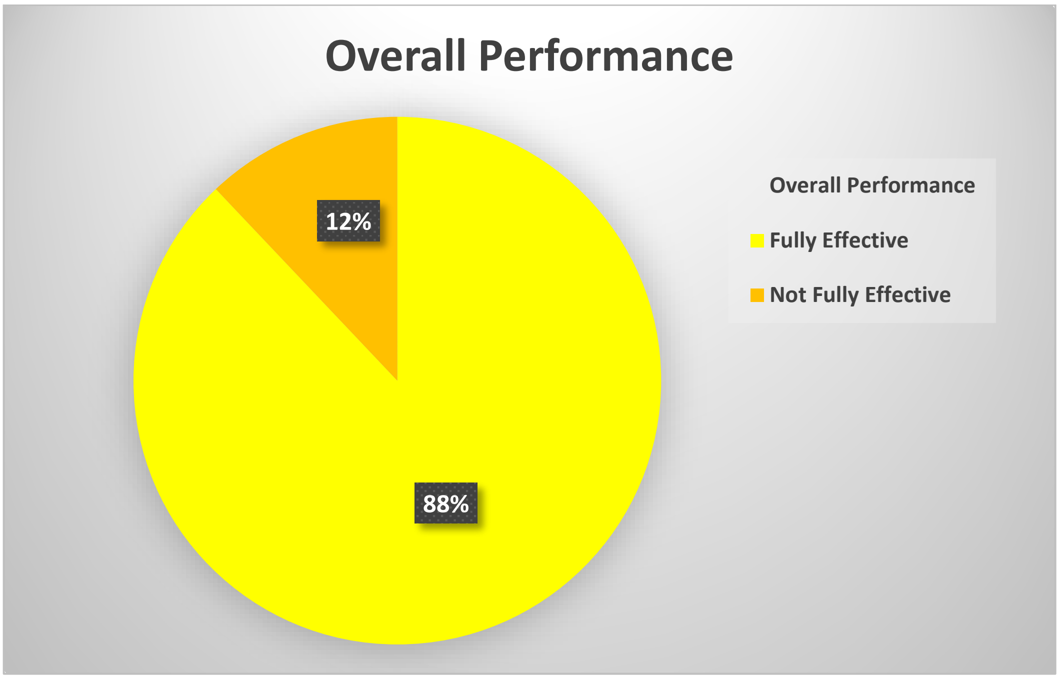


11. PERFORMANCE PER KEY PERFORMANCE AREA (KPA)

KEY PERFORMANCE AREA	STRATEGIC OBJECTIVE	KEY FOCUS AREA	
KPA 1 Good Governance	To promote increased participation and improved communication with all key internal and external stakeholders	KFA 1	Governance Structures
		KFA 2	Risk Management
		KFA 3	Stakeholder Participation
		KFA 4	Inter-Governmental Relations
KPA 2 Safe & Healthy ty & Environment	To create a sustainable environment safe from harm	KFA 5	Safety & Security
		KFA 6	Emergency Services
		KFA 7	Disaster Management
		KFA 8	Environmental Health
KPA 3 Community Development	To create an environment focussed on uplifting the youth, the poor and the most vulnerable	KFA 9	Parks, Sport & Recreation
		KFA 10	Libraries, Arts, Culture & Special Programmes
		KFA 11	Health, ECD & Social
		KFA 12	Cemeteries & Crematoria
KPA 4 Institutional Transformation	To transform and align the people, processes and systems of the municipality to achieve its objectives	KFA 13	Human Recourses & Skills Development
		KFA 14	Monitoring, Evaluation & Performance Management
		KFA 15	Information Technology
		KFA 16	Policies, Processes & Procedures
KPA 5 Financial Stability	To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements	KFA 17	Financial Management
		KFA 18	Revenue Management
		KFA 19	Supply Chain Management
		KFA 20	Assets, Equipment & Fleet Management
KPA 6 Infrastructure & Sustainable Living Environments	To ensure efficient infrastructure and energy supply that will improve the quality of life of the community	KFA 21	Electricity, Energy Efficiency & Renewable Energy
		KFA 22	Roads & Stormwater Infrastructure
		KFA 23	Water & Sanitation Infrastructure
		KFA 24	Solid Waste Management
		KFA 25	Project Management & Public Facilities
		KFA 26	Climate Change Adaptation and Mitigation
KPA 7 Communication & Customer Care	To deliver inclusive and excellent services to the community	KFA 27	Communication & Marketing
		KFA 28	Customer Relations
KPA 8 Economic Growth & Spatial Transformation	To facilitate sustainable economic empowerment for all communities within Midvaal and through the development of partnerships and innovation	KFA 29	Municipal Planning & Built Environment
		KFA 30	Spatial Planning and Investment
		KFA 31	Local Economic Development

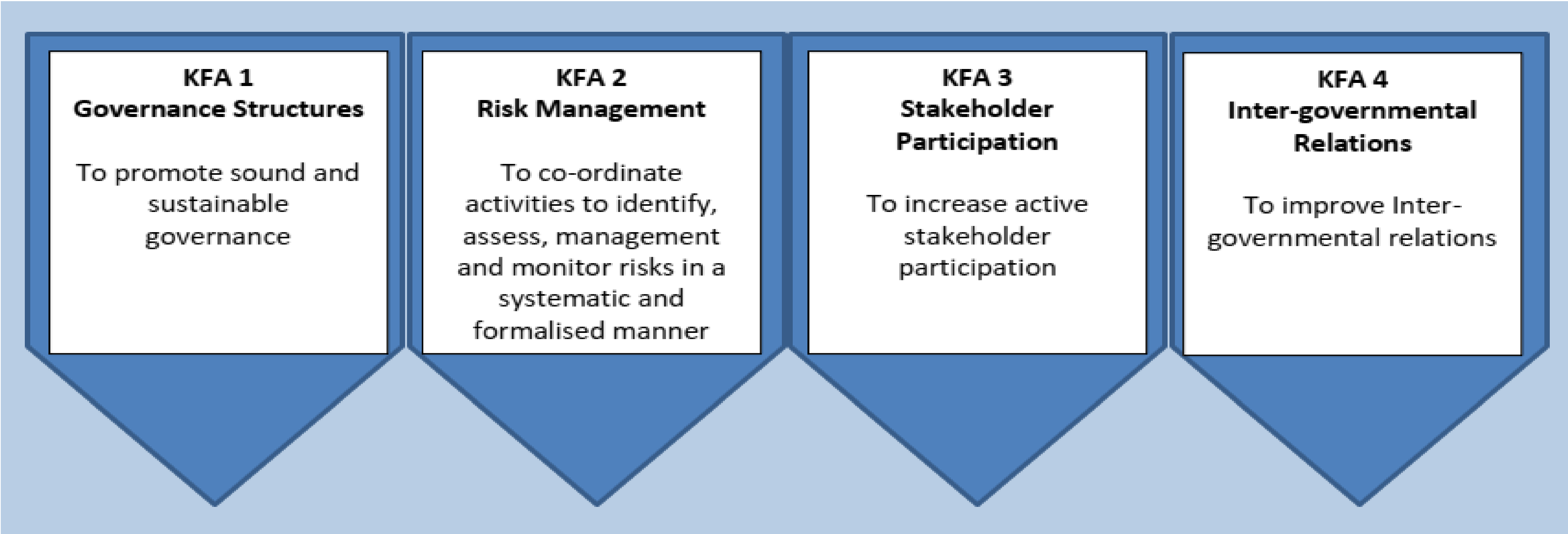
PERFORMANCE OUTCOME PER KEY PERFORMANCE AREA

PERFORMANCE LEVEL	KPA 1	KPA 2	KPA 3	KPA 4	KPA 5	KPA 6	KPA 7	KPA 8
Outstanding Performance	-	2	1	1	6	4	-	4
Above Expectations	-	1	2	-	3	4	-	1
Fully Effective	5	2	1	4	1	5	2	2
Not Fully Effective	2	-	1	1	2	1	-	-
Unacceptable	-	-	-	-	-	-	-	-
Not Applicable	1	-	-	-	-	-	-	-
TOTAL	**8**	**5**	**5**	**6**	**12**	**14**	**2**	**7**



KPA 1: Good Governance

To promote increased participation and improved communication with all key internal and external stakeholders



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	WARD	2022 - 2027	REVIEWED SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN			
									YEAR 1	2022/2023			
									2022/2023	YtD	YtD	YtD	YtD
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	MM	KPI 001	KPA 1	KFA 02	Number of quarterly Strategic & Operational Risk Register Reports submitted to Council	Quarterly reports submitted to Council (Council Resolution) with an analysis from the Chief Risk Officer and progress made on actions implemented to mitigate risks, submitted into the reporting cycle within 30 days after the end of the quarter (Proof of Submission)	To ensure compliance with Section 62 of the MFMA in terms of risk management and related matters	All	4	4	Quarterly reports were submitted and considered by Council inclusive of the analysis from the Chief Risk Officer, reporting progress made on actions to mitigate identified risks on both the Operational & Strategic Risk Registers	Although quarterly reports were submitted, the Q3 progress report was submitted on 10 May 2023, exceeding the 30 day turn-around time, due to the late submission by reporting departments. Inhouse corrective measures to be implemented	Not Fully Effective
2	CORP	KPI 018	KPA 1	KFA 03	Number of events arranged per approved year planner	Council Related Events, approved per Year Planner executed = (1) Draft Year Planner submitted to Head of Department and signed off by Head of Department by 15 Jul 2022 (2) Year Planner approved by Mayoral Committee by 30 Aug 2022 (Mayoral Committee Resolution) (3) Evidence of execution of event planned	Council hosts events as a medium to enhance a positive relationship/partnering with external stakeholders and portray a positive image of Council (Planning & Execution)	All	4	4	(1) Draft Year Planner signed off by HOD on 15 Jul 2022 (2) Annual Events Plan 2022/2023 approved by Mayoral Committee per MC B/5152/08/2022 dated 16 Aug 2022 (2.1) Q1 - Planned Event: 23 Sep 2022 - Midvaal Career Expo (2.2) Q2 - Planned Event: 25/26 Nov 2022 - Midvaal Local Municipality Sports Day (2.3) Q3 - Planned Event: 17 Feb 2023 - Communications Forum & Training (2.4) Q4 - 8 Jun 2023 - Midvaal Excellence Awards	Apart from the planned approved events, various alternative events were hosted. More detail is contained in the Narrative Report	Fully Effective
3	CORP	KPI 019	KPA 1	KFA 04	Number of Mayoral Committee reports on formalised Inter-governmental Relations (IGR) Fora meetings attended, per quarter	(1) Report submitted to Mayoral Committee to reflect (1.1) Type of meeting (1.2) Purpose of the Meeting (1.3) Department (1.4) Delegate attended (1.5) Narrative Report from relevant department. (2) Report submitted into reporting cycle within one month after the end of the quarter. (3) Proof of submission into reporting cycle = signature and date receipt by Committees	IGR Fora Report as per Section 10 of the IGR Policy (Policy approved per item C987/10/2013 dated 31 Oct 2013). Creating opportunity for Council to share information and networking. Promoting inter-governmental relations	All	4	4	Q1 - C2950/08/2022 dated 25 Aug 2022 Q2 - C3019/02/2023 dated 23 Feb 2023 Q3 - C3020/02/2023 dated 23 Feb 2023 Q4 - C3104/06/2023 dated 27 Jun 2023	None	Fully Effective

4	FIN	KPI 020.1	KPA 1	KFA 01	Percentage findings addressed on OPCA Plan	External findings on the OPCA Plan 2021/2022 addressed = OPCA Plan approved by the Municipal Manager on 31 Dec 2022 versus OPCA Plan audited and signed off by internal audit on 30 Jun 2023	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	All	95%	100%	Target Achieved	None	Fully Effective
4	CORP	KPI 020.2	KPA 1	KFA 01	Percentage findings addressed on OPCA Plan	External findings on the OPCA Plan 2021/2022 addressed = OPCA Plan approved by the Municipal Manager on 31 Dec 2022 versus OPCA Plan audited and signed off by internal audit on 30 Jun 2023	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	All	95%	87.50%	8 findings were reported, namely: (1) ICT - 5 Findings and (2) PMS - 3 Findings. One finding not yet fully implemented (70%).	The finding relates to the lack of management to monitor and review compliance with applicable laws and regulations, resulted in Unauthorised, Irregular, Fruitless & Wasteful Expenditure (UIFW Expenditure). Service Providers defaulting processes and procedures were drafted in consultation with the Office of the Municipal Manager and Supply Chain Management. Finalisation and approval pending, where-after training of end-users and initiation of consequence management to follow. Incidents of UIFW Expediture is monitored and reported as part of the Section 71-monthly financial report	Not Fully Effective
6	ENG	KPI 020.3	KPA 1	KFA 01	Percentage findings addressed on OPCA Plan	External findings on the OPCA Plan 2021/2022 addressed = OPCA Plan approved by the Municipal Manager on 31 Dec 2022 versus OPCA Plan audited and signed off by internal audit on 30 Jun 2023	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	All	95%	100%	The two findings reported under PMS referring to the overstated reporting, were addressed and attended to in consultation with PMS and internal audit	The monitoring and verification of performance reporting is continuous and forms part of the quarterly compliance audits on the approved Annual Audit Plan, executed by Internal Audit	Fully Effective

7	PSR	KPI 020.6	KPA 1	KFA 01	Percentage findings addressed on OPCA Plan	External findings on the OPCA Plan 2021/2022 addressed = OPCA Plan approved by the Municipal Manager on 31 Dec 2022 versus OPCA Plan audited and signed off by internal audit on 30 Jun 2023	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	All	95%	-	-	-	Not Applicable
8	CORP	KPI 027	KPA 1	KFA 01	Number of Ward Committee meetings arranged annually	Meetings arranged according to Council approved Annual Year Planner. (Ward Committee meeting represents either establishment or ordinary meeting chaired by the Speaker or Ward Councillor)	To monitor and report on the functioning of Ward Committees and also to monitor attendance by Ward Committee Members	ALL	60	60	The planned Ward Committee meetings, according to the approved Year Planner were conducted, reported and minutes considered by Council	None	Fully Effective

LET'S WALK WITH THE MAYOR

On Saturday, 6 May 2023, we hosted a Let's Walk with the Mayor event in Sicelo, Ward 10. The Let's Walk with the Mayor is a 5-kilometre fun walk that was initiated after a fruitful IDP engagement with the communities throughout Midvaal. The Municipality hosts such events with the aim of bringing communities together to celebrate our diversity and for a good charitable course. We have invited representatives from various government departments to simultaneously provide social services to the people of Sicelo.

KPA 1: PERFORMANCE NARRATIVE REPORT

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	**(CP)**	-	-	-
Programmes	**(P)**	2	2	0
Activities	**(A)**	6	6	0

The achievement of this strategic objective was characterised by the following flagship programmes and activities:

1. Council hosts events as a medium to enhance a positive relationship/partnering with external stakeholders and portray a positive image of Council (Planning & Execution)

Events arranged for the financial year included:

1. Women's Month Fun Walk
2. Book Fair with the Mayor
3. Christmas Lights Switch On
4. Buang Batjha
5. Midvaal Sports & Wellness Event
6. Midvaal Fit to Fight Fire
7. Mayoral Youth Games
8. State of the Municipality Address
9. Netball World Cup Trophy Tour
10. Walk with the Mayor
11. Faith-based Organisations Engagement
12. Finance Awards Recognition Ceremony

MIDVAAL SPONSORS THE FAST ONE-CYCLE RACE CHALLENGE

On Sunday 29 January, the Rotary Club of Riverside in collaboration with Midvaal Local Municipality hosted the Fast One Cycle Race. Thousands of cyclists participated in the race. This was a great opportunity to showcase our beautiful landscape and expand opportunities for our tourist destinations which welcomed an influx of visitors. The proceeds from the race will go towards good causes to uplift our community.

2. Monitor and report on the functioning of Ward Committees and also to monitor attendance by the elected Ward Committee Members

Public participation is underpinned by the principles of good governance and forms a vital part of democracy. It allows citizens to be involved in how communities are governed, under the auspices of the South African Constitution.

The Local Government: Municipal Structures Act, Act 117 of 1998, requires the Municipality to develop mechanisms to consult communities and community organisations in performing their functions and exercising powers.

Ward Committee meetings are scheduled meetings, approved by Council and held according to the Year Planner of Council.

Ward Committees are structured for community representation in the following sectors:

1. Community Based Organisations
2. Development & Planning
3. Community Policing Forum
4. Engineering
5. Finance
6. Social Services
7. Women
8. Youth
9. Disabled
10. Other

3. Inter-governmental Fora Reporting (IGR) as per Section 10 of the IGR Policy (Policy approved per item C987/10/2013 dated 31 Oct 2013). Creating opportunity for Council to share information and networking. Promoting inter-governmental relations

The Constitution of the RSA, Act 108 of 1996, clearly indicates that the National, Provincial & local spheres of government are distinctive, interdependent and inter-related. Section 41(1) of the Constitution alludes to co-operation, mutual trust and good faith between these three spheres. Further, based on the parameters created by the Constitution and the IGR Framework Act, Act 13 of 2005 and key to the concept of the Developmental State, the Midvaal Local Municipality sees it imperative to embark on a development planning, coupled with the policy imperative of co-ordination and integration between the three spheres of government.

Research has revealed that Sector Departments have been operating in silos and as such no grounded impact has been obtained due to this approach. For the structure to realise co-operative government they need to:

1. Strengthen friendly relations, no partners should be treated as secondary
2. Ensure consistent support and cushioning each other
3. Communicate and inform each sector on matters of common interest
4. Share resources when providing intervention in an area
5. Minimize any prospective legal litigation against each other

Inter-governmental Relations are defined as an interacting network of institutions at National, Provincial and local levels, created and refined to enable the various parts of government to cohere in a manner more or less appropriate to our institutional arrangements. Various meetings were attended and reported on National, Provincial & District level.

4. OPCA Plan (Operation Clean Audit Plan) implementation

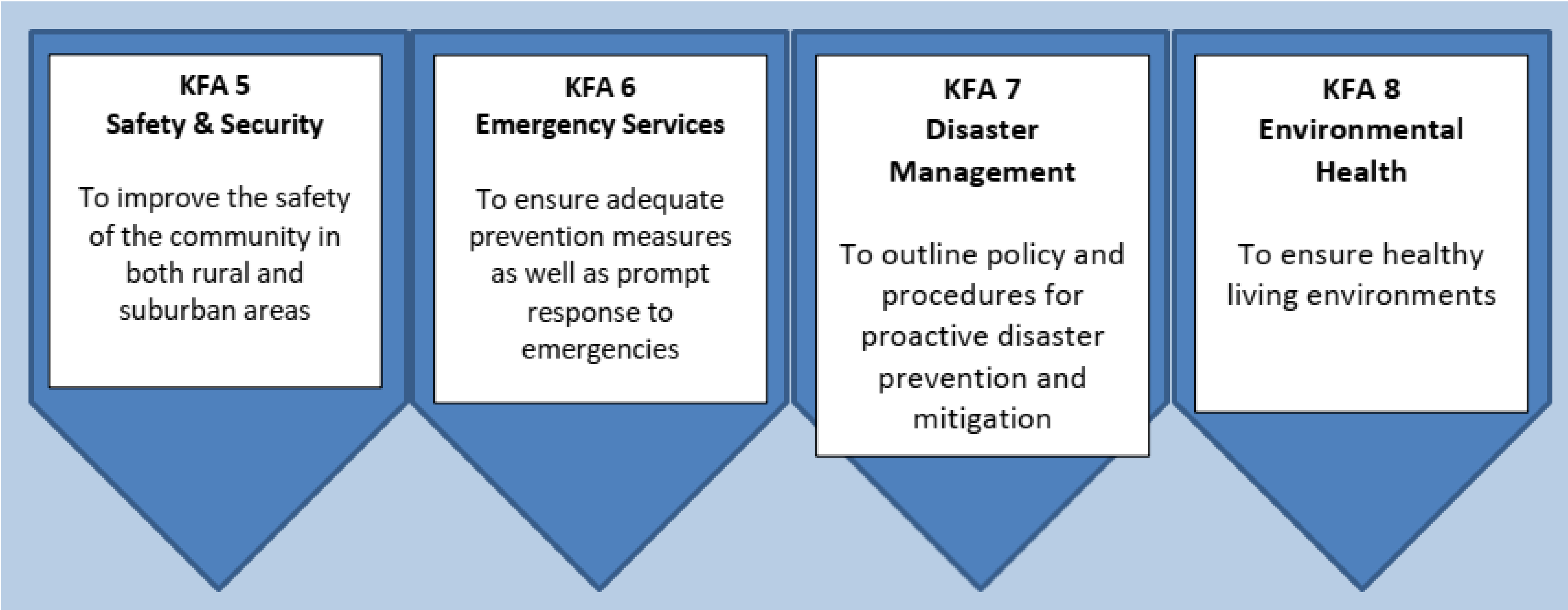
The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDO) and Compliance to relevant Laws and Regulations.

5. Risk Management

To ensure compliance with Section 62 of the MFMA in terms of risk management and related matters.

KPA 2: Safe & Healthy Environments

To create a sustainable environment safe from harm



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	WARD	2022 - 2027	REVIEWED SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN			
									YEAR 1	2022/2023			
									2022/2023	YtD	YtD	YtD	YtD
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	PSR	KPI 040	KPA 2	KFA 06	Percentage of fire services vehicles dispatched within 3 minutes of receiving call	Emergency vehicles dispatched within 3 minutes after receiving call (Priority 1- calls (fire related incidents (structural and vehicles), special services and MVA's), quarterly	To ensure compliance with relevant legislation and Council's protocols	All	90%	99.53%	Emergency vehicles were dispatched to 1 201 reported incidents within an average of 2 minutes	Refer to the Narrative Report for detail information	Outstanding Performance
2	PSR	KPI 041	KPA 2	KFA 05	Number of crime prevention statistic reports of CCTV monitoring reported to the Mayoral Committee quarterly	Submit report into the reporting cycle on the functioning of the CCTV Cameras, community cams for crime prevention and policing successes by the 15th working day, at the end of the quarter (proof of receipt by Committees)	To monitor and report on the functioning and successes on the Mayoral Project to enhance and reduce crime within Midvaal	All	4	4	Quarterly reports were submitted and considered by Council, noting the successful implementation of the programme	Refer to the Narrative Report for more information	Fully Effective
3	PSR	KPI 048	KPA 2	KFA 07	Review the Disaster Management Plan annually	Reviewed Disaster Management Plan by Acting Executive Director: Public Safety & Roads, approved with IDP for forth-coming year by 31 May 2023	The purpose is the compilation of a Disaster Management Plan complying with the Disaster Management Act, Act 57 of 2002, Section 48. Disaster Risk Management is defined as a continuous and integrated multi-sectorial and multi-disciplinary process of planning and implementation of measures aimed at disaster prevent, mitigation, preparedness, response, recovery and rehabilitation	All	1	1	The Disaster Management Plan was considered and approved by Council per Council Resolution C3076/05/2023 dated 25 May 2023 (Annexure C attached to the Integrated Development Plan (IDP)	Refer to the Narrative Report for more information	Fully Effective
4	COMM	KPI 049	KPA 2	KFA 08	Number of actions executed against 3 identified industrial high risk environmental contraveners	(1) Actions against the 3 identified high risk environmental contraveners (Approved by Mayoral Committee): (1.1) Inspection (1.2) Follow-up audits and (1.3) Compliance Inspections (2) Report inspection successes at approved high risk industries to the Council before 30 Jun 2023	Midvaal Environmental Health Section identified high risk environmental contraveners via compliance inspections. Training is provided to the identified Safety Officers, i.e. theoretical training, follow-up inspections to monitor the effectiveness of the training and to ensure sustainability	All	10	12	Target Exceeded, Four industies inspected in Q3 and 2 additional inspection conducted in Q4	None	Above Expectations

5	PSR	KPI 051	KPA 2	KFA 05	Percentage traffic camera speed tickets successfully downloaded captured for mailing	Percentage calculated = Number of traffic camera speed tickets successfully downloaded versus the number downloaded captured, reported to the Head of Department, by the 10th working day monthly	To monitor and report on the effectiveness of the established back office	All	80%	83.80%	Target exceeded by 3.80%. 87 955 traffic fines were issued and 73 702 successfully downloaded for mailing	Attention to be given to the unsuccessful downloaded traffic fines due to non-acceptable reasons. Refer to the Narrative Report	Outstanding Performance

KEEPING MIDVAAL SAFE

We remain committed to the safety and security of the people of Midvaal.
We embarked on a multi-disciplinary operation to ensure law and order.
This resulted in:

Over 300 vehicles searched
996 Persons searched
50 vehicles tested,
Over 70 illegal immigrants arrested
Over 10 business premises searched
4 Public indecency arrests
8 Residential premises searched

KPA 2: PERFORMANCE NARRATIVE REPORT

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	**(CP)**	-	-	-
Programmes	**(P)**	1	1	0
Activities	**(A)**	4	4	0

The achievement of this strategic objective was characterised by the following flagship programmes and activities:

1. KPI 040 - Emergency vehicles dispatched within 3 minutes after receiving the call at the Control Room

Priority 1-calls are identified as fire related incidents (structural and vehicles), special services and motor vehicle accidents.

The following is a summary of the 1 201 Priority 1-calls attended to:

Fire related Incidents		Accidents		Other Services	
Grass	455	MVA	349	Fallen Tree	39
Rubbish	60	PVA	36	Snake Removal	37
Structural	50	Motorcycle	11	Medical	21
Car	26	Bicycle	1	Spillage	10
Shack	14	Boat	1	Special	9
House	12	Plane	1	Lost Load	6
Electrical	11		399	Assault	4
Truck	9			Body Recovery	4
Tyre	5			Collapse	3
Bus	4			Cat Rescue	2
Container	2			Rescue	2
Industrial	2			Suicide	1
Plant	1			Burst Pipe	1
Smouldering	1			Drowning	1
Roof	1			Evacuation	1
Lightning	1			Flood	1
Motorcycle	1			Hit & Run	1
Thatch Roof Fire	1			Shooting	1
Tree Fire	1			Telephone Pole Removal	1
	657		**399**		**145**

2. KPI 041 - Reporting on the crime prevention statistics of the CCTV Cameras, community cams in order to prevent crime related activities and policing successes

The successful implementation of this programme is identified by the following achievements:

CCTV Annual Report													
Cameras Installed	**Jul-22**	**Aug-22**	**Sep-22**	**Oct-22**	**Nov-22**	**Dec-22**	**Jan-23**	**Feb-23**	**Mar-23**	**Apr-23**	**May-23**	**Jun-23**	**YtD**
Council cameras for crime prevention	115	115	115	115	115	115	115	115	115	115	115	115	115
Cameras on Council property	158	158	158	158	158	158	158	158	158	158	158	158	158
Community cams for crime prevention	92	93	93	92	92	92	92	92	92	92	92	92	93
LPR cameras	82	98	97	82	82	106	97	97	97	97	97	97	106
Highsite and Solar Cameras	24	34	34	24	24	34	34	34	34	34	34	34	34
Statistics for the month/quarter Community Police													
Total vehicle enquiries	176	50	98	315	263	272	58	8	3	4	12	21	1 280
Total tested positive	7	0	0	23	6	5	33	0	0	0	0	2	76
Total incidents reported to CCTV	47	62	48	53	55	49	4	50	79	66	83	82	678
Total incidents reported to SAPS	15	13	12	18	9	11	209	20	43	16	17	11	394
Total incidents reported to Fire Control	0	0	0	0	0	0	0	0	13	13	16	18	60
Video Surveillance													
Suspicious persons in CBD	1	0	6	5	3	4	1	0	0	3	0	0	23
Suspicious vehicles in CBD	3	4	4	5	2	3	3	1	0	2	1	0	28
Cases handed over to CPF	3	2	5	0	0	1	2	3	2	2	2	1	23
Cases handed over to SAPS	1	0	0	4	1	0	4	13	25	16	16	19	99
Video enquiries received	13	40	26	8	28	21	23	22	15	10	21	7	234
SNIPR STATS													
Total SNIPR alerts for the month / quarterly	494	1167	1429	796	575	569	688	148	643	642	691	684	8 526
Total "hot listed" for the month / quarterly	26	52	37	27	41	38	31	31	31	27	24	17	382
Vehicles recovered to SAPS 13	7	4	11	5	5	6	5	5	5	3	11	4	71
Suspect/s arrested	9	2	14	14	4	5	3	5	7	7	9	12	91
Total visits by the SAPS	2	11	9	9	8	6	6	10	9	4	3	4	81
Total OB Entries	905	702	748	890	927	867	677	453	738	710	773	773	9 163
CPF patrols done (2-hour)	210	290	324	310	278	261	270	236	381	339	353	372	3 624

3. **KPI 048 - Revision of the Disaster Management Plan with the Integrated Development Plan (IDP) for the forth-coming year**

The Disaster Management Plan encompass the (Provincial Disaster Management Booklet for Disaster) response, declaration, classification and funding in terms of the Disaster Management Act, Act 57 of 2002, as amended. It also comprises as the Guideline on the Development & Structure of a Disaster Management Plan in terms of Section 12(1)(a) read with Section 22(a) of the Disaster Management Act, Act 57 of 2002 giving guidance in terms of the development and structure of a Disaster Management Plan.

The Midvaal Disaster Management Plan for disaster response, declaration, classification and funding is applicable to the Gauteng Provincial Department, the Sedibeng District as well as all departments in the Midvaal Local Municipality, responsible for the co-ordination and management of disasters in the Midvaal jurisdiction.

The purpose of the emergency response preparedness procedure is to ensure immediate, proper and co-ordinated response to mitigate and minimize consequence from safety and environmental incidents.

4. **KPI 049 - Identification of high-risk environmental contraveners**

Council annually identify 3 high-risk environmental contraveners for monitoring and ensuring compliance. Status quo, follow-up audits and compliance inspections are being conducted to ensure compliance to relevant legislation.

The identified industries, approved for monitoring per Council Resolution C2877/06/2022 dated 30 Jun 2022 for the year under review were Ingrain (Tongaat Hulett Starch), Oil Skip Solutions and Stapelberg Corrosion.

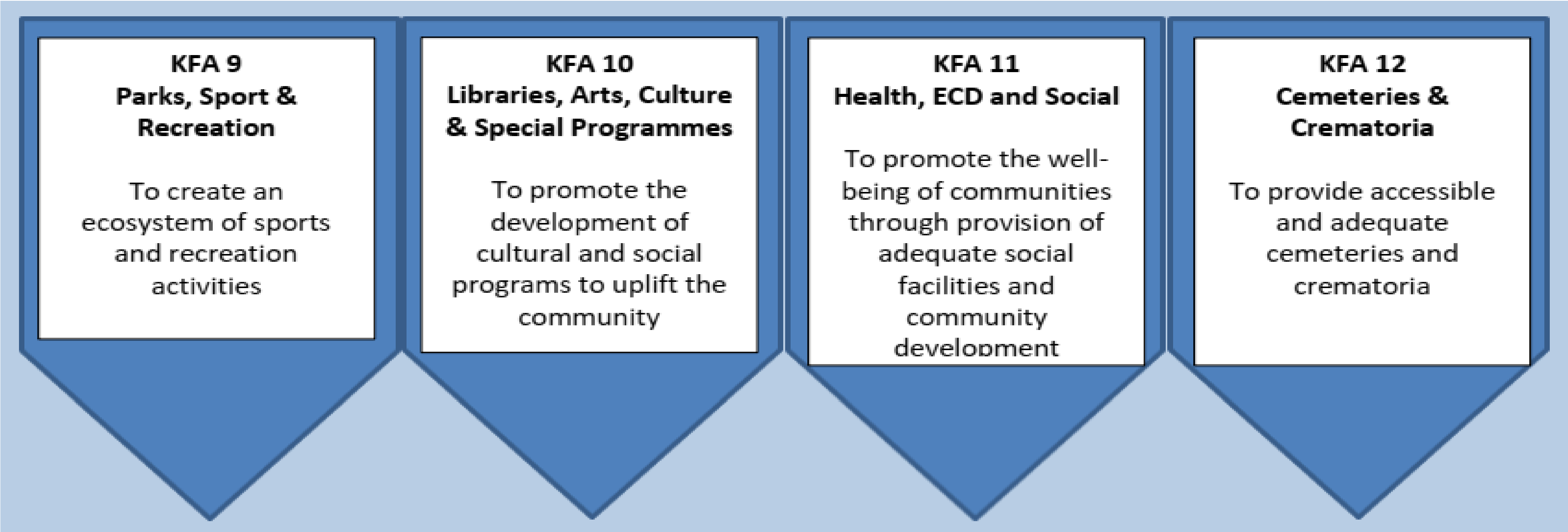
5. **Monitoring and reporting on the effectiveness of the established back-office (Traffic)**

The aim of this activity is to process traffic fines internally, purchase the speed camera equipment, TCS Software, roadblock bus for warrant revenue collection and fill proposed vacant administrative positions.

The performance for the year under review was reported as follows:

DESCRIPTION	YEAR-TO-DATE
2nd Photo	261
Cross Hair not on Target	2
Emergency Vehicle	178
Foreign Vehicle Plate	570
Incorrect Distance	5
Incorrect Focus	181
No Number Plate	2 019
No Valid Speed Time	2
NOT REJECTED	**73 702**
Number Plate Incorrect	417
Number Plate Not Visible	5 279
Obstruction	2 537
Offence Threshold Exceeded	10
Officer not Registered	1
Photo too Dark/no flash	208
Plate Blooming	7
Plate Cut Off	133
Plate Obstruction	544
Police Vehicle	429
Test Photo	1 469
Vehicle Make Incorrect	1
TOTAL	**87 955**

	KPA 3: Community Development **To create an environment focused on uplifting the youth, the poor and the most vulnerable**



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	WARD	2022 - 2027	REVIEWED SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN			
									YEAR 1	2022/2023			
									2022/2023	YtD	YtD	YtD	YtD
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	COMM	KPI 042	KPA 3	KFA 09	Savanna City Sports Complex Business Plan completed	Savanna City Sports Complex Business Plan approved by Council by 30 Jun 2023 (Council Resolution) = 1 plan approved per Council Resolution	To create an ecosystem of sports and recreation activities within the ward	11	1	-	Funding application submitted to the Department of Sport, Arts & Culture for purposes of a MIG-grant, which was rejected	The report in this regard to serve at Council for reconsideration	Not Fully Effective
2	COMM	KPI 043	KPA 3	KFA 10	Number of Gender, Elderly, Youth and Disabled Groups (GEYODI) programmes implemented	Gender, Elderly, Youth or Disabled Groups (GEYODI) implemented according to approved Annual Events Committee Planner	GEYODI, Gender, Elderly, Youth and Disabled Group programmes are focused on awareness and education of the community. It also creates a platform for early intervention where required	All	4	5	Five GEYODI Programmes were according to the approved Year Planner	None	Above Expectations
3	COMM	KPI 044	KPA 3	KFA 11	Number compliance visits conducted at formalised Early Childhood Development Centres	Compliance visits conducted at Formalised Early Childhood Development Centres (ECDs) = Register of Formalised ECDs versus ECD Monitoring Tool signed by the Council's Social Auxiliary Worker, quarterly	Early Childhood Development Centres are inspected to monitor child development milestones and growth. Outcomes of the Assessment Reports are signed off by the Executive Director: Community Services	All	46	53	Target Exceeded. 53 compliance visits were conducted at the registered Childhood Development Centres	None	Above Expectations
4	COMM	KPI 045	KPA 3	KFA 11	Number of Day Mothers established	Signed contract per Day Mother, with implementing Non-Profit Organisation	A programme has been developed to assist with the establishment of day mothers and to encourage the signing of a contract with a Non-Profit Organisation	All	5	9	Target Exceeded. Nine new contracts were between a Day Mother and a Non-Profit Organisation	None	Outstanding Performance
5	COMM	KPI 046	KPA 3	KFA 12	Kookrus Cemetery fence erected	Final Completion Certificate signed off by Director: SLRAC by 30 Jun 2023 = 1 signed off Completion Certificate	To provide accessible and adequate cemeteries and protect from damages	3	1	1	Target Achieved	None	Fully Effective

KPA 3: PERFORMANCE NARRATIVE REPORT

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	**(CP)**	2	2	0
Programmes	**(P)**	3	3	0
Activities	**(A)**	-	-	-

1. KPI 043 - GEYODI, Gender, Elderly, Youth and Disabled Group Programmes Presented

GEYODI, namely Gender, Elderly, Youth and Disabled Group Programmes are conducted to focus on the awareness and education of the community. It also creates a platform for early intervention where required.

The following 4 programmes were implemented:

- Older Persons Programme (Rothdene Community Hall) 23 Sep 2022
- 16 Days of Activism programme (Meyerton Town Hall) 2 Dec 2022
- People with Disabilities Programme (Lakeside Community Hall) 17 Mar 2023
- Older Persons' Awareness Event (Dinokaneng Service Centre (Boitumelo) 18 May 2023
- Youth Programme (Kliprivier Enrichment Community Centre (Khayelitsha) 30 Jun 2023

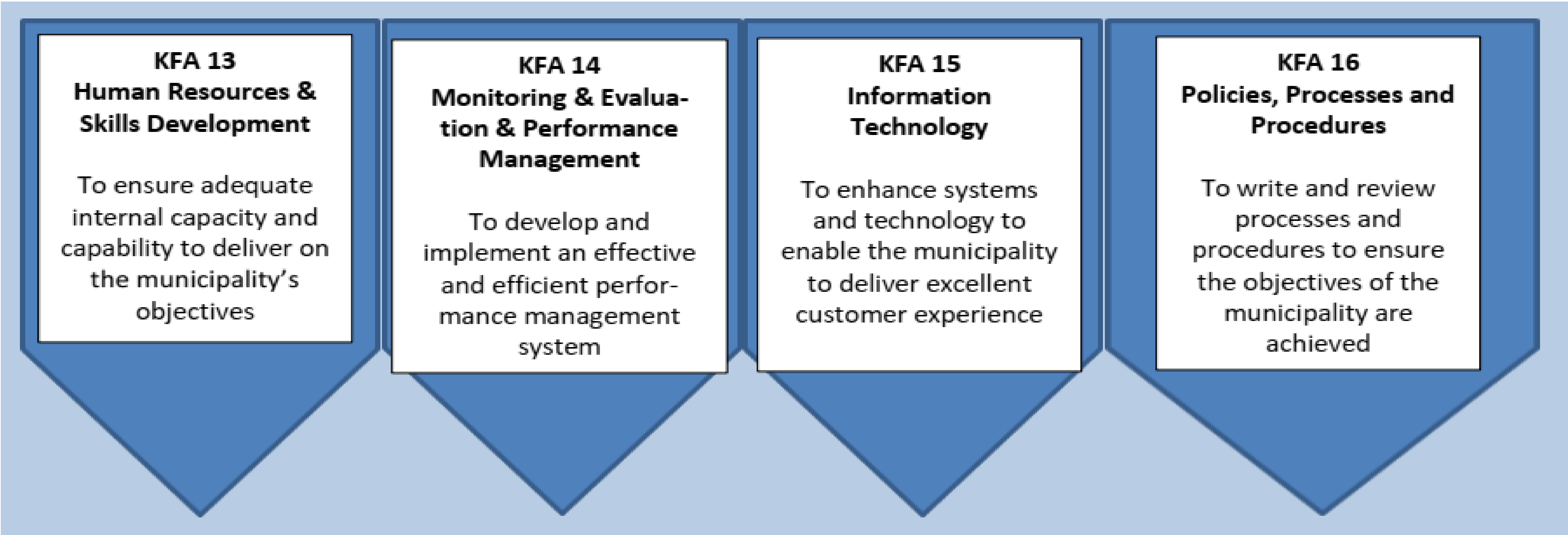
BUANG BATJHA LISTENING AND ENGAGEMENT CAMPAIGN

The Office of the Mayor has begun with the Buang Batjha youth engagement sessions. We encourage young people to take advantage of this opportunity to come and engage us and present solutions to the socio-economic challenges they face. Listening to our people is non-negotiable. The youth are the leaders of tomorrow, it is imperative that they have a voice in the country's future and development. We encourage young people to take advantage of this opportunity to come and engage us.

Midvaal boasts one of the best Early Childhood Development (ECD) and Day Mother Model programmes in South Africa. The Ethiopian delegation was keen to learn about the municipality's successful ECD policies and implementational frameworks to use to deliver sustainable day care services. Midvaal Local Municipality being a people-centred and compassionate institution will continue to offer support, training, and resources to ensure that our ECD and Day Mother programmes remain an exceptional standard for other municipalities to model.

KPA 4: Institutional Transformation

To transform and align the people, processes and systems of the municipality to achieve its objectives



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	WARD	2022 - 2027	REVIEWED SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN			
									YEAR 1	2022/2023			
									2022/2023	YtD	YtD	YtD	YtD
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	CORP	KPI 021	KPA 4	KFA 15	Average percentage compliance to baseline turn-around time to attend to calls logged via the ICT Help Desk, per month	Definition amendment: Monthly ICT Service Desk Report signed off by the Director: ICT by the 10th working day monthly wherein compliance to the baseline reaction time to calls is reported, i.e. Number of calls logged, attended to within/outside time limit reported, not to exceed target	To establish mechanisms to monitor performance of ICT staff	All	95%	98.78%	Calls logged at the ICT Help Desk were attended to within the expected turn-around time. 4 383 calls were logged at the Help Desk and 98.78% attended to within the expected turn-around time	None	Fully Effective
2	CORP	KPI 022	KPA 4	KFA 16	Report status quo of Council's policies to Council	Report to Council = Register of all existing policies reported to Council according to the following format, namely: (1) Policy Description (2) Responsible Department & Relevant Section (2) Policy Owner (3) Council Resolution and date of Council meeting policy was approved, by 30 Sep 2022 (Council Resolution)	To ensure Council approved policies are updated, relevant and aligned with current legislation	All	1	1	Status quo report, compiled, submitted and considered by Council per Resolution MC A/5904/09/2022 dated 27 Sep 2022	None	Fully Effective
3	CORP	KPI 023	KPA 4	KFA 16	Number of average working days legal actions is assessed	(1) Legal & Property Action Register reflecting turn-around time to be within 4 working days (as per court rules, i.e. first day out and last day in, excluding weekends and public holidays) = Date of receipt by Legal Section vs date assessed (determination of legal process to be followed) (2) Report to Mayoral Committee on all legal matters (i.e. legal opinions, assistance and any other matters) attended to, quarterly. Report submitted into the reporting cycle within 10 working days after the end of the quarter	To ensure timeous response to legal claims / actions and/or summonses served on Council to minimise delays and avoid punitive orders due to non-attendance of legal actions	All	4	1.91	298 legal actions were received, considered and referred for further attention by the Legal Section within an average turn-around time of 1.91 working days	Report to Mayoral Committee drafted and discussed with ED: Corporate Services op 19 Jul 2023	Outstanding Performance
4	MM	KPI 024	KPA 4	KFA 14	Number of Section 52(d) - performance reports (SDBIP) submitted to Council quarterly	(1) Report considered by Council within 30 days after the end of each quarter (Council Resolution) (2) Assessment and Analysis Report received from the Gauteng Department of Co-operative Governance & Traditional Affairs (COGTA) on the Quarterly Performance Report	To comply with the requirements of Section 52(d) of the MFMA	All	4	4	Quarterly, Section 52(d)-non-financial performance reports considered by Council within 30 days after the end of the quarter	None	Fully Effective

5	CORP	KPI 028	KPA 4	KFA 13	(NKPI - 6) - Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP)	Accumulative percentage of municipal budget allocated for training viz % spent reported as per the Solar print-out on Vote (All expenditure to include VAT) and signed off by Director	To monitor the implementation of Council's approved and funded Workplace Skills Plan (WSP) aligned with the Continuous Professional Development Plans (CPD)	All	95%	81.77%	Target not achieved - Budgeted Amount: R2 764 830.00 vs YtD Actual Exp - R2 260 913.00 = 81.77%	Non-responsive bids to the value of R250 000 and non-responsive bids to the value of R100 000 on RFQ's = 12.65%	Not Fully Effective
6	CORP	KPI 029	KPA 4	KFA 13	(NKPI - 5) - Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	Report (2022) submitted into reporting cycle by Jan 2023, signature and date of Committee Clerk, to Mayoral Committee, on verified number of appointed staff on the 3 highest levels (Section 56/57, Directors & Deputy Director) as per the municipality's Annual Employment Equity Plan	To monitor new appointments in terms of Council's Annual Employment Equity Plan	All	1	1	Report (2021/2022) submitted into reporting cycle on 17 Jan 2023. Considered per Council Resolution C3024/02/2023 dated 23 Feb 2023 reported three appointments within numerical goals, namely 3 x AF & 3 x AM. Employment Equity Plan 1 Jul 2021 to 30 Jun 2024 approved per Council Resolution C2532/04/2021 dated 29 Apr 2021	None	Fully Effective

Top news of the month:

CONSULTATIONS ON THE 2023/2024 DRAFT BUDGET

Midvaal has concluded consultation with Ward Committees and other stakeholder groups on the 2023/2024 draft budget. Our aim is to ensure that the budget is distributed and allocated fairly. The municipality is determined to adopt a budget that captures the interest of all stakeholders within our area, whilst addressing the long-term developmental needs of Midvaal.

KPA 4: PERFORMANCE NARRATIVE REPORT

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	**(CP)**	-	-	-
Programmes	**(P)**	1	0	1
Activities	**(A)**	5	5	0

The activity driven indicators achieved, are:

1. KPI 021 - Establishing mechanisms to monitor performance of ICT staff

Performance is monitored in terms of an average evaluation of the baseline reaction time to attend to calls reported via the Helpdesk.

Compliance to the average turn-around time to respond to calls was 98.78%

ICT Response Time			
Month	**Number of Calls Received**	**% Calls out of limit**	**% Calls within the baseline**
Jul	424	0.47	99.90
Aug	466	1.50	98.50
Sep	430	0.23	99.77
Oct	361	0	100.00
Nov	293	0.68	99.32
Dec	268	1.87	98.13
Jan	419	0.95	99.05
Feb	389	1.80	98.20
Mar	289	2.42	97.58
Apr	289	2.42	97.58
May	301	0.66	99.34
Jun	340	2.06	97.94
	4 269	**1.26**	**98.78**

2. KPI 023 - Ensuring timeous response to legal claims / actions and/or summonses served on Council to minimise delays and avoid punitive orders due to non-attendance of legal actions

Performance is monitored in terms of an average evaluation of the baseline turn-around time to attend to legal claims/actions and/or summonses served on Council.

The target is set to be within 4 working days and an average turn-around time of 1.27 working days were achieved. The following number of legal actions were attended to:

Legal: Average number of days applications were attended to			
Jul	30	1.06	32
Aug	37	1.10	41
Sep	10	1.60	16
Oct	35	1.05	37
Nov	25	2.48	62
Dec	15	1.46	22
Jan	23	3.47	80
Feb	25	2.92	73
Mar	17	3.11	53
Apr	25	2.80	70
May	32	1.50	48
Jun	24	1.42	34
	298	**2.00**	**1.91**

3. KPI 024 - Compliance with the requirements of Section 52(d) of the MFMA

It is legislated that the Executive Mayor must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality. Quarterly Assessment and Analysis Reports were received from the Gauteng Department of Co-operative Governance & Traditional Affairs (COGTA). Compliance to the said legislated was reported as follows:

QUARTER	COUNCIL RESOLUTION	DATE
1	C2962/10/2022	18 Oct 2022
2	SC3001/01/2023	25 Jan 2023
3	C3069/04/2023	26 Apr 2023
4	C3118/07/2023	27 Jul 2023

4. KPI 028 - Monitoring the implementation of Council's approved and funded Workplace Skills Plan (WSP)

Implementation of the National Key Performance Indicator included various training programmes arranged, attended and Certificates of Competency issued to attendees.

Budget approved	
Vote 1	1 050 000.00
Vote 2	1 714 830.00
Total	2 764 830.00
Year-to-Date Expenditure	**2 260 911.00**
Balance Available	503 919.00
%	**81.77%**

KPA 5: Financial Stability

To improve the financial sustainability and capacity of the municipality, whilst adhering to statutory requirements

KFA 17
Financial Management

To manage the finances of the municipality in a manner that will enhance its financial viability and maintain sustainability

KFA 18
Revenue Management

To protect and enhance the revenue position to enable the objectives of the municipality

KFA 19
Supply Chain Management

To develop and maintain and effective supply chain which uplifts local business and the youth

KFA 20
Assets, Equipment & Fleet Management

To adequately maintain the assets of the municipality

NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	WARD	2022 - 2027	REVIEWED SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN			
									YEAR 1	2022/2023			
									2022/2023	YtD	YtD	YtD	YtD
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	FIN	KPI 007	KPA 5	KFA 17	(NKPI - 7c) - Annual Cost Coverage	Available cash + investments / Monthly fixed operating expenditure (cash expenditure)	This ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue. The target is one month, meaning that the Municipality must have at least cash equalling one month's fixed operation expenditure	All	2.5	5.19	Cash and Investments: R495 402 407 versus Actual Cash Expenditure for the year: R1 145 127 313 = R95 427 276	None	Outstanding Performance
2	FIN	KPI 008	KPA 5	KFA 17	Annual Liquidity Ratio	Current Assets / Current Liabilities (as per the Statement of Financial Position) annually reported	The ratio is used to assess the Municipality's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory and receivables). The target 1.5 : 1 means, that the Municipality must have at least current assets equalling the current liabilities	All	1.5 : 1	3.22	Current Assets as per AFS: R867 520 462 versus Current Liabilities as per AFS: R269 251 572	None	Outstanding Performance
3	MM	KPI 009	KPA 5	KFA 17	Audit opinion issued by the Auditor-General	Level of performance = Unqualified audit opinion with material findings = 3 Unqualified audit opinion with no material findings = 4 Maintaining of clean audit = 5	Auditor-General opinion expressed on Annual Financial Statements (AFS), Pre-determined Objectives (PDOs) and Compliance must be financially unqualified	All	Clean	Clean	9th Clean Audit sustained	None	Outstanding Performance
4	FIN	KPI 010	KPA 5	KFA 18	(NKPI - 7a) - Annual Debt Coverage	Total operating revenue - operating grants received / debt service payments due within the year. Operating grants will include all grants recognised as grants on the operating budget. Operating revenue will exclude capital revenue	The ratio indicates the Municipality's ability to meet at least its debt service payments (interest and redemption) commitments from cash and short-term investment without collecting any additional revenue. The target is 15 times meaning that the Municipality must have at least cash equalling 15 times the annual interest and redemption charges	All	15	20.98	Total Operating Revenue: R1 526 073 434, Operating and Capital Grants: R276 799 125, Interest payments: R15 771 510 versus Redemption payments: R43 783 861	None	Outstanding Performance

5	FIN	KPI 011	KPA 5	KFA 18	(NKPI - 7b) - Annual percentage of outstanding service debtors to revenue	Total outstanding service debtors (GROSS, excluding VAT) / revenue received for services calculated per annum (all consumer debtors included excluding developer contributions)	The ratio indicates the proportion of the Municipality's outstanding debtors in relation to its annual revenue. The target is 50% (maximum) meaning that the Municipality must have a gross consumer debtors balance of less than 50% of the annual revenue received for service charges	All	50%	44.98	Outstanding Service Debtors as per AFS (Gross), Developer Contribution Debtors: R6 371 653 versus Total revenue for services (Property rates and service charges): R1 100 281 985		None	Above Expectations
6	FIN	KPI 012	KPA 5	KFA 18	Percentage Collection Rate maintained, annually	Actual amount collected (cash) / amount billed for the period (per billing cycle - excluding any debt write-offs)	The ratio indicates the collection rate, i.e. % level of payments. It measures increases or decreases in debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration. The target is 93% meaning that at least 93% of the amount billed in a month must be collected in cash. The norm is 95%	All	92%	97.34%	Amount collected as per Section 71-report (Cash) versus Amount billed as per Section 71-report: R1 186 522 815		None	Outstanding Performance
7	FIN	KPI 013	KPA 5	KFA 17	(NKPI - 2) - Percentage of households earning less than R6 000 per month with access to free basic services	Percentage of number of households registered as formal indigent households who receive the benefit (subsidy) of free basic services	The ratio shows that all approved and registered indigents are receiving their municipal subsidies (free basic services, i.e. subsidy on property rates, waste removal, sewer and water) as per the approved Indigent Policy	All	99%	99.93%	Number of approved indigents 4 551		None	Fully Effective
8	MM	KPI 014	KPA 5	KFA 19	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget (all line items on capital budget)	The ratio indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget	All	90%	80.56%	Target Not Achieved			Not Fully Effective
9	FIN	KPI 015	KPA 5	KFA 19	Percentage of annual procurement spent awarded to Township Economics	Percentage calculated by dividing the total expenditure to township suppliers by the total procurement expenditure x 100	Expenditure to township suppliers (procurement to suppliers registered as township supplier based on their residential address) versus total procurement spent (all classes). Non-procurement spent is then removed based on the name of the supplier, i.e. Eskom (bulk electricity), Rand Water (bulk water) MLM (petty cash) and any employee related costs	All	6%	4.58%	Target Not Achieved		SCM Function decentralised and local and youth is targeted in terms of PPPFA	Not Fully Effective

10	FIN	KPI 016	KPA 5	KFA 19	Percentage of annual procurement spent awarded to Youth owned enterprises	Percentage calculated by dividing the total expenditure to youth suppliers by the total procurement expenditure x 100	Percentage of the value of the annual procurement through the formal bidding process that was awarded to businesses with owners that are 35 years of age or younger	All	4%	13.11%	Target Achieved	None	Outstanding Performance
11	FIN	KPI 017	KPA 5	KFA 20	Percentage of annual operational budget allocated to repairs and maintenance	Repairs & Maintenance Budget as a % of the total Operating Budget (exclusive of internal charges)	The Operating Budget is defined as the latest approved version of the budget, i.e. either the originally approved budget, or the adjustments budget in the case of Council approving an Adjustments Budget, inclusive of the approved virements that have been approved and processed in terms of the System of Delegations. The norm is 8%	All	8%	10.48%	Repairs and Maintenance Budget (Original Budget, including Virements, Adjustments Budget (including Virements): R166 983 075 versus Approved Operating Budget (Original Budget (including Virements), Adjustments Budget (including Virements): R1 593 973 320	None	Above Expectations
12	FIN	KPI 039	KPA 5	KFA 17	Percentage Annual Total Borrowings to Total Revenue	Percentage calculated by adding the Debt (Short Term Borrowings, Bank Overdraft, Short Term Lease, Long Term Borrowing & Long Term Lease) and dividing it by the (Total Operating Revenue minus Operating Conditional Grant) x 100	This Ratio indicates that if it is less than 45% the Municipality still has capacity to take increase funding from borrowings. The Municipality should thread carefully if this ration reaches 40% and more	ALL	20%	11%	Debt (Short-term Borrowings, Bank Overdraft, Short-term Lease, Long-term Borrowing and Long-term Lease): R149 369 622 versus Total Operating Revenue minus Operating Conditional Grant: R1 358 412 127	None	Above Expectations

		2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
1.	Collection Rate (%)	93.76%	93.08%	94.16%	91.14%	94.51%	92.60%	97.34%
2.	Cost Coverage (Months)	2.16	3.04	4.06	5.23	5.51	5.32	5.19
3.	Budget Approved (Legislated)	25 May 2016	25 May 2017	31 May 2018	30 May 2019	28 May 2020	27 May 2021	26 May 2022
4.	Repair & Maintenance (Legislated)	5.50%	9.53%	9.61%	9.58%	9.48%	10.37%	10.48%
5.	Debt Coverage (Times)	20.59	24.87	24.01	19.83	21.00	21.70	20.98
6.	Liquidity Ratio (1 : 1)	2.12 : 1	2.3 : 1	2.18 : 1	2.52 : 1	3.06 : 1	2.91 : 1	3.22 : 1
7.	Outstanding Service Debtors (%)	28.22%	29.26%	33.83%	41.84%	29.30%	35.48%	44.98%
6.	Annual Total Borrowings to Total Revenue	-	-	-	-	-	-	11%

MIDVAAL LOCAL MUNICIPALITY	**KPA 6: Infrastructure & Sustainable Living Environments** **To ensure efficient infrastructure and energy supply that will improve the quality of life of the community**

KFA 21
Electricity, Energy Efficiency & Renewable Energy

To plan, construct and maintain electricity networks and to improve energy efficiency. To provide sustainable, reliable and affordable electricity to all residents

KFA 22
Roads & Stormwater Infrastructure

To plan, construct and maintain roads and stormwater infrastructure

KFA 23
Water & Sanitation Infrastructure

To plan, construct and maintain water and sanitation infrastructure. To provide sustainable, reliable and affordable water and sanitation services to all residents

KFA 24
Solid Waste Management

To provide sustainable, reliable and affordable waste disposal services to all residents. To plan, construct and maintain landfill sites and transfer stations

KFA 25
Project Management & Public Facilities

To plan, construct and maintain municipal and public facilities

KFA 26
Climate Change Adaptation and Mitigation

To provide a framework for the municipal response to climate change mitigation and adaptation

NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	WARD	2022 - 2027 YEAR 1 2022/2023 TARGET	REVIEWED SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2022/2023 YtD ACTUAL	YtD REASON FOR PERFORMANCE	YtD REMEDIAL ACTION	YtD MEASURE OF ATTAINMENT
1	DP	KPI 004	KPA 6	KFA 26	Develop Climate Change Framework for MLM	Climate Change Framework for MLM developed and approved by Council: Q2 = Draft Climate Change Framework, signed off by Head of the Department, circulated for departmental comments Q4 = Climate Change Framework Response Plan for MLM approved by Council (Council Resolution)	To provide a framework for MLM to respond to climate change mitigation and adaptation	All	1	1	Midvaal Local Municipality adopted the Draft Sedibeng Climate Change Response Plan as the Midvaal Climate Change Response Plan per Council Resolution C3032/02/2023 dated 23 Feb 2023	None	Above Expectations
2	ENG	KPI 006	KPA 6	KFA 25	Refurbishment and painting of Galloway Depot	Completion Certificate signed off by the principal agent by 30 Mar 2023	To enhance the lifespan of the Municipal Building	8	1	1	Completion Certificate signed off by the principal agent on 27 Jan 2023 (Charles Consulting)	None	Fully Effective
3	ENG	KPI 030	KPA 6	KFA 21	Percentage of electricity losses not to exceed target annually	Loss electricity kW purchase/kW accounted for due to loss	Percentage of electricity losses not to exceed target annually	All	-11.50%	-14.35%	Target not achieved	Strategies to curb electricity losses to continue	Not Fully Effective
4	PSR	KPI 031	KPA 6	KFA 22	Number of square meters of tarred roads resealed annually	Accumulative square meters of tar roads resealed with (1) Fog-spray and/or (2) Slurry Seal	To maintain and improve Council's roads	All	25 000 m^2	84 495.9 m^2	Target Exceeded by 59 495.9 m^2	None	Outstanding Performance
5	ENG	KPI 032	KPA 6	KFA 23	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan per annum	kL water purchased divided by kL of water accounted for (Meter Reading & Technical Losses) & Calculation as per IWA Standards	To ensure by-law enforcement to benefit quality built environment and to ensure clean and transparent development through compliance	All	-30.40%	-30.34%	National Treasury Calculation (Purchased versus Sold): -33.71% and International Water Association Standards: -30.34%	Strategies to curb water losses to continue	Fully Effective

6	ENG	KPI 033	KPA 6	KFA 23	(NKPI - 1b) - Percentage of households with access to basic sanitation	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic sanitation	All	67.61%	68.21%	Total properties (units) with access (billed accounts) to sanitation: 17 225 versus Total properties as per Valuation Roll: 25 253	None	Above Expectations
7	ENG	KPI 034	KPA 6	KFA 23	Number of additional formal households with access to basic level of sanitation per annum	Number of additional formal houses connected to basic sanitation (Actual connections done according to completed Worksorders by the Sanitation Section)	To increase the access to basic sanitation to formal households	All	20	41	Actual connections completed according to Wordsorders are 41	None	Outstanding Performance
8	ENG	KPI 035	KPA 6	KFA 23	(NKPI - 1a) - Percentage of households with access to basic water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic water	All	84.27%	85.25%	Total properties (units) with access (billed accounts) to water: 21 527 (prepaid and conventional meters) versus Total properties as per Valuation Roll: 25 253	None	Above Expectations
9	ENG	KPI 036	KPA 6	KFA 23	Number of additional formal households with access to basic level of water per annum	Number of additional formal houses connected to basic water (Actual connections done according to completed Worksorders by the Water Section)	To increase the access to basic water to formal households	All	119	203	Actual connections completed according to Wordsorders are 203	None	Outstanding Performance
10	ENG	KPI 037	KPA 6	KFA 21	(NKPI - 1c) - Percentage of households with access to basic electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic electricity	All	64.13%	66.22%	Total properties (units) with access (billed accounts) to electricity: 16 721 (prepaid and conventional meters) versus Total properties as per Valuation Roll: 25 253	None	Above Expectations
11	ENG	KPI 038	KPA 6	KFA 21	Number of additional formal households with access to basic level of electricity per annum	Number of additional formal houses connected to basic electricity (a)Actual connections done according to completed Worksorders by the Electrical Section & (b) Actual connections done by a appointed contractor	To increase the access to basic electricity to formal households	All	466	590	Actual connections completed according to Wordsorders are 590	None	Outstanding Performance

12	COMM	KPI 047	KPA 6	KFA 24	(NKPI - 1d) - Percentage of households with access to basic level of solid waste removal	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	Provision of access to the basic level of solid waste removal	All	86%	86.98%	Total properties (units) with access (billed accounts) to waste: 21 966 versus Total properties as per Valuation Roll: 25 253	None	Fully Effective
13	COMM	KPI 052	KPA 6	KFA 24	Facilitate review of Section 24G outcome on Walkerville Landfill	1) Section 24G NEMA: Administrative fine received to be reviewed by MEC. 2) Landfill site: place for disposing general waste in terms of the National Environmental Management Act (Waste Management Act, Act 59 of 2008). A landfill site is but one type of waste disposal site.	To ensure the Walkerville Landfill Site is operated/legalised according to the new Regulations	All	1	1	Decision on appeal signed on 20 Apr 2023 by the Member of the Executive Council (MEC), Ms. M. Hlophe, Gauteng Department of Agriculture and Rural Development	Pursuance of relevant processes in progress	Fully Effective
14	ENG	KPI 053	KPA 6	KFA 22	Number of km/m of gravel road converted to tarred road	Q3: Site establishment by appointed contractor completed (Minutes of Site Meetings & Programme of Works) - 31 Mar 2022 Q4: Practical Completion Certificate signed off by the appointed consultant by 30 Jun 2023 (Total distance - Y1 - 800 m & Y2 - 1.2 km - Bronk Road)	To increase access to roads infrastructure services	All	1.2 km	1.2 km	Bronk Road planned 2 km completed	None	Fully Effective

MIDVAAL LAUNCHES R10 MILLION PROJECT TO ELECTRIFY 453 HOUSEHOLDS

In alignment with our promise of delivering excellent service delivery, we officially launched the Savanna City electrification project.
The project is set to provide electricity to 453 households in the Moreki and Marothong sections.
The electrification project is a direct response to the needs of the community. The provision of electricity is not only a basic human right, but a catalyst for local economic growth and job creation in the area.

HEINEKEN LAUNCHED THE SEDIBENG SOLAR PLANT

With load shedding constantly sweeping through the country, we commend Heineken for exploring alternative routes to keep their business functioning and thriving.
As we know, load shedding disrupts many business operations leading to production and productivity loss.
The municipality will also follow suit as we are currently investigating ways to secure an alternative energy supply. We are in the process of engaging Independent Power Producers and will be holding an energy summit so Midvaal can become less reliant on Eskom.

Top news of the month:

INTER-GOVERNMENTAL RELATIONS (IGR) EFFORT TO FIX THE BRIDGE ALONG JIM FOUCHE

We wrote to the MEC for Gauteng Department of Roads and Transport, Honourable Kedibone Diale-Tlabela requesting her urgent intervention in fixing and continuous maintenance of the bridge along Jim Fouche Road. Following our request, the department conducted assessment tests and determined that the bridge was safe to use. The bridge along Jim Fouche Road is an important asset in our community. It facilitates greater mobility, broadens access, and enables local economic development.

KPA 6: PERFORMANCE NARRATIVE REPORT

The actual performance per indicator type is reported as follows:

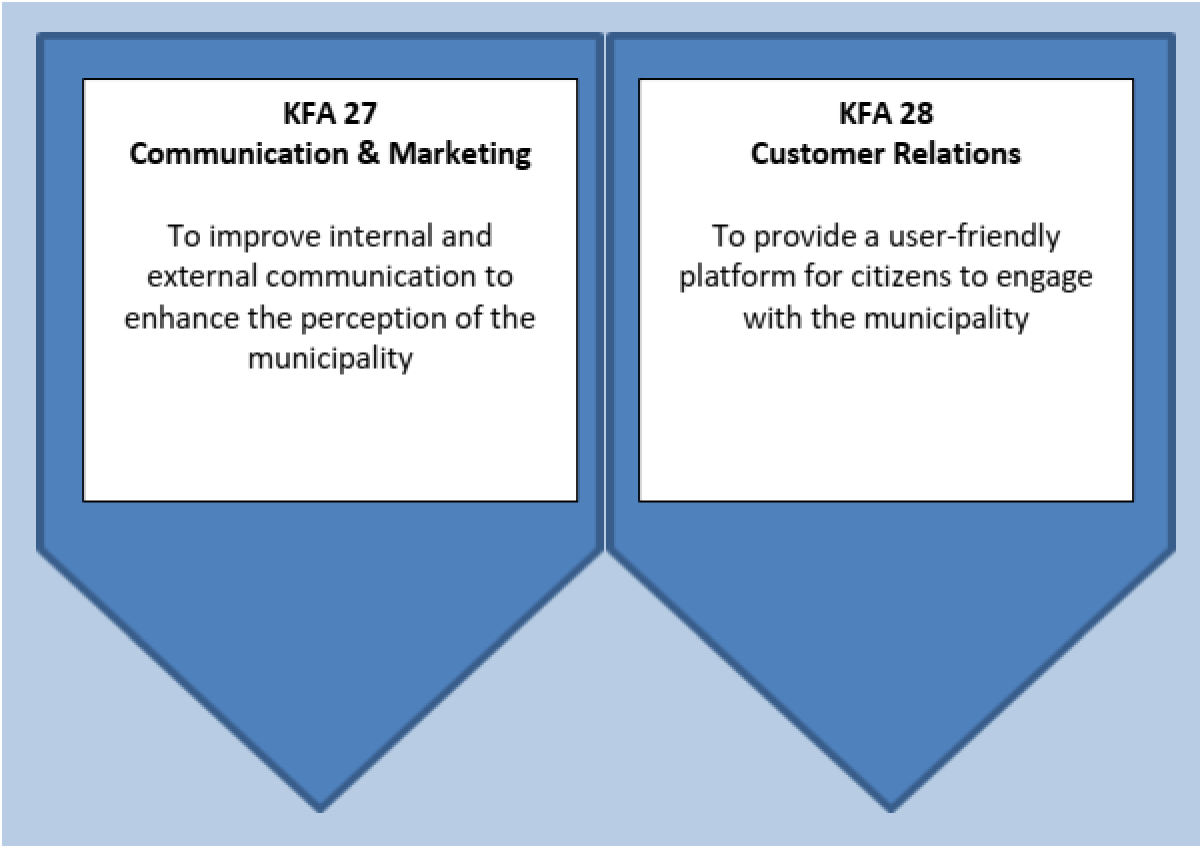
TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	**(CP)**	3	3	0
Programmes	**(P)**	3	2	0
Activities	**(A)**	8	8	0

On 7 and 8 March 2023, a delegation from our municipality attended the Africa Energy Indaba as we position ourselves to become less reliant on Eskom. The energy summit offered great knowledge and expertise on how Midvaal can aggressively pursue solar and renewable energy. Our vision is to significantly lower the stages of load shedding.

In alignment to our promise of excellent service delivery, we have procured an additional fleet of vehicles in order to respond better to service challenges and interruptions.
The vehicles will be used for waste collection, fire and emergency services, as well as increasing traffic safety and efficiency on the roads.

KPA 7: Communication & Customer Care

To deliver inclusive and excellent services to the community



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	WARD	2022 - 2027	REVIEWED SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN			
									YEAR 1	2022/2023			
									2022/2023	YtD	YtD	YtD	YtD
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	CORP	KPI 025	KPA 7	KFA 28	Number of Call Centre Outcome Reports distributed to Mayoral Committee members and HOD's quarterly	Call Centre Outcome Report to reflect: (1) The 5 most common complaints (2) The 5 most common affected areas (3) % Level of satisfaction per department (4) Report e-mailed to all stakeholders (Mayoral Committee, Heads of Department & Committees) by the 15th working day, quarterly	To monitor customer satisfaction and ensure feedback on public complaints received via the outsourced Complaints Hotline	ALL	4	4	Call Centre Outcome Reports compiled and distributed to all relevant stakeholders	Refer to the Narrative Report for more information	Fully Effective
2	CORP	KPI 026	KPA 7	KFA 27	Percentage compliance to the requirements of Section 75 (MFMA) in terms of the Website updating monthly	(1) Website updated within 5 working days after date of the Council Resolution. (2) Monthly Section 75 MFMA compliance checklist signed-off by Executive Director: Corporate Services within 5 working days, after end of each month	To monitor compliance to Section 75 of the MFMA in order to create community awareness, transparency and consistency	ALL	100%	100%	Website was updated and maintained according to the stipulations of Section 75 of the MFMA	None	Fully Effective

KPA 7: PERFORMANCE NARRATIVE REPORT

The actual performance per indicator type is reported as follows:

TYPE OF INDICATOR		NUMBER	ACTUAL PERFORMANCE	INDICATORS NOT ACHIEVED
Capital Projects	**(CP)**	3	2	1
Programmes	**(P)**	2	1	1
Activities	**(A)**	3	3	0

1. KPI 025 – Call Centre Outcome Report

The following reflects the statistical data referring to the Call Centre Outcome Report compiled and distributed to the end-user departments for attention and finalisation:

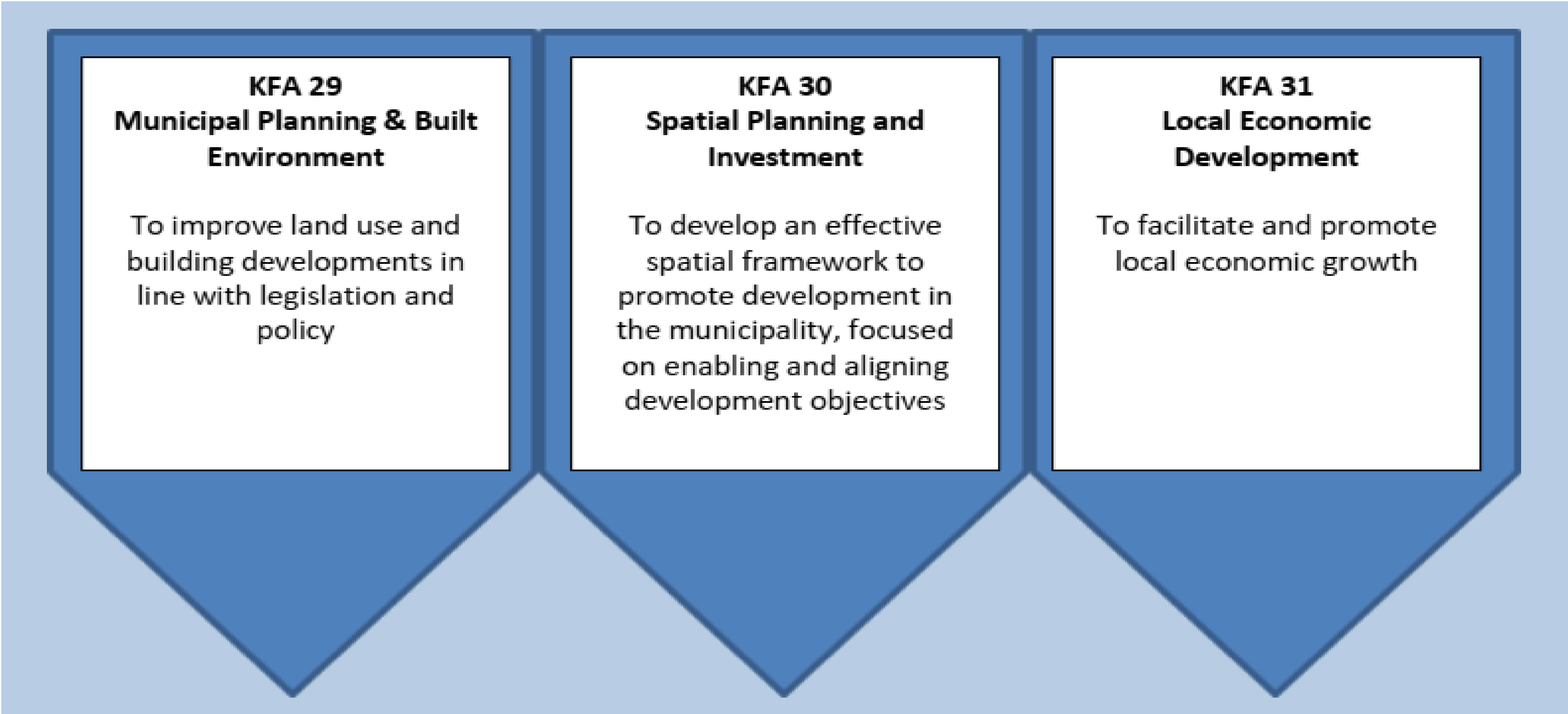
Q	Top 5 Most Common Incidents	Top 5 Most Common Affected Areas	% Customer Satisfaction			Dept	% Open cases per dept	% Closed cases per dept
			Good	Accepted	Poor			
Q1	No Power Water Leaks Blocked Sewer No Water Roads	Sicelo Savanna City Kookrus Henley on Klip	86%	8%	6%	ENG FIN DP COMM	41% 39% 33% 78%	59% 61% 67% 22%
Q2	Water Leaks No Water Power Outage Sewer Blockage Roads	Sicelo Savanna City Vaal Marina Boltonwold	91%	4%	5%	ENG FIN DP COMM PSR	35% 91% 5% 75% 81%	75% 9% 95% 25% 19%
Q3	Water Meter No Water Sewer Blockage No Power/Outage Roads	Ophir Estate Lakeside Estate Savanna City Boltonwold Riversdale	49%	22%	30%	ENG COMM FIN PSR DP	26% 88% 17% 86% 52%	74% 12% 83% 14% 48%
Q4	Power Outage Water Leaks Water Related No Water Potholes	Savanna City Meyerton Park Riversdale Sicelo	45%	44%	81%	ENG FIN COMM DP	31% 93% 56% 98%	69% 7% 44% 2%

INTEGRATED DEVELOPMENT PLAN PUBLIC ENGAGEMENTS

The municipality has officially started the Integrated Development Plan (IDP) public engagements. The engagements have been robust and insightful. Listening to our people is non-negotiable, the inputs and feedback that we are receiving will inform our IDP plan, budget allocations and projects to undertake.

KPA 8: Economic Growth & Spatial Transformation

To facilitate sustainable economic empowerment for all communities within Midvaal Local Municipality and through the development of partnerships and innovation



NUMBER PER KPA	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	WARD	2022 - 2027 YEAR 1 2022/2023	REVIEWED SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2022/2023 YtD	YtD	YtD	YtD
									TARGET	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	DP	KPI 002	KPA 8	KFA 29	Percentage compliance to turn-around time maintained to consider building plan applications quarterly	Percentage compliance to 30 working days turn-around time, in terms of the National Building Regulations and Building Standards Act of 1977, (Building Plan applications exceeding 500 m2 floor area) = Date of application received versus date considered (signature by Assistant Director: Building Control)	To monitor and improve the turn-around times for building plan applications in order to ensure faster development on the ground and to benefit the economy. To accelerate local economic development	All	100%	100%	290 Legally compliant building plan applications were received, processed and considered within an average turn-around time of 6.75 working days	None	Above Expectations
2	DP	KPI 003	KPA 8	KFA 29	Average turn-around time maintained to consider land use applications quarterly	(1) Average of 6 months turn-around time, to consider applications submitted in terms of SPLUMA (2) Date of Legally Compliant Application received versus Date Considered (Excluding Municipal Planning Tribunal and Appeal Planning Authority)	To monitor and to improve the turn-around times for land use applications, in order to ensure faster development and to benefit the economy. Also to ensure new income revenue generation to the municipality. SPLUMA dictates a turn-around time of 16 months, however MLM adopted a 6 month-turn-around time	All	Within 6 months	5.07	118 Legally compliant land use applications were received, processed and considered within an average turn-around time of 5.07 working days	None	Outstanding Performance
3	DP	KPI 005	KPA 8	KFA 31	(NKPI - 4) - Number of jobs created through municipality's local economic development initiatives including capital projects	Report to Department of Labour approved by Mayoral Committee (Mayoral Committee Resolution) (EPWP and any other jobs created, excluding CWP). Report submitted into reporting cycle by 20 Aug 2022 (Proof of receipt by Committee Clerk, 2021/2022 = report)	To ensure that Midvaal Local Municipality's vision of growing the economy and creation of jobs be realised. The focus remains on Local Economic Development (LED)	All	1 200	2 959	Report (2021/2022) submitted into the reporting cycle on 17 Aug 2022. Committees acknowledged receipt. Report served at Mayoral Committee per Resolution MC B/5161/10/2022 dated 18 Oct 2022	None	Outstanding Performance
4	DP	KPI 050	KPA 8	KFA 30	Percentage of land invasion complaints responded to within 48 hours	(1) Register = Calculation of average percentage of complaints responded to (Date complaint received from Call Centre) versus date responded to (Site Inspection Report signed off within 48 hours = achievement of target) (2) Verification (correctness of evidence) signed off by Executive Director by the 10th working day, quarterly	Prevention of illegal occupation of land, prompt response will assist in saving cost for legal fees and avoid MLM from having to provide alternative accommodation for land invaders	All	100%	100%	8 complaints were received and attended to within 48 hours	None	Fully Effective

5	DP	KPI 054	KPA 8	KFA 29	Number of law enforcement compliance operations conducted	(1) Law enforcement compliance operations conducted monthly (measures the number of operations) including all relevant role-players (Environmental Health, Protection Services & Development & Planning (2) Outcome of operations reported to Mayoral Committee = Report submitted into the reporting cycle by the 15th working day quarterly	To improve land use and building developments in line with legislation and relevant policies of Council	All	12	61	61 law enforcement compliance operations were conducted	None	Outstanding Performance
6	DP	KPI 055	KPA 8	KFA 29	Conduct illegal building activities survey	Illegal building activities survey conducted as a multi-year project: (1.1) Year 1 (2022/2023) - Survey conducted to identify illegal building activities within the MLM jurisdiction (1.2) Report outcome of survey to Council by 30 Jun 2023 (Council Resolution) (2) Year 2 (2023/2024) Relevant remedial actions initiated in terms of non-compliance (3) Year 3 (2024/2025) Report progress quarterly to Council	To improve land use and building developments in line with legislation and relevant policies of Council	All	1	1	Illegal building activities survey conducted and 91 properties identified (33 seeking compliance, 33 reissuing of notices, 8 cases compiled for further litigation, 2 previously referred for litigation, awaiting court outcome and 13 with various statuses e.g. extension of time, possible sinkhole or awaiting engineer's report)	Multi-year project. Relevant remedial actions initiated in terms of non-compliance (Y2 - 2023/2024)	Fully Effective
7	DP	KPI 056	KPA 8	KFA 29	Percentage average turn-around time maintained to consider Certificates of Occupancy (COOs) for properties fully compliant to SANS 10400	Expected average turn-around time to issue Certificate of Occupancy (COO) not to exceed 14 calendar days. (1) Date of COO application received (2) Date of COO considered (signature by Assistant Director: Inspections Sub-Section) (3) Calculate average number of turn-around time maintained divided by number of COOs applications received = Average turn-around time maintained per quarter	Expected average turn-around time to issue Certificate of Occupancy (COO) not to exceed 14 days. (1) Date of COO application received (2) Date of COO considered (signature by Assistant Director: Inspections Sub-Section) (3) Calculate average number of turn-around time maintained divided by number of COOs applications received = Average turn-around time maintained per quarter	All	100%	100%	279 Certificates of Occupancy issued within an average turn-around time of 6 calendar days	None	Outstanding Performance

12.1 5-YEAR COMPARISON WITH THE APPROVED INTEGRATED DEVELOPMENT PLAN (IDP)

The Municipal Systems Act, Act 32 of 2000, compels municipalities to prepare Integrated Development Plans (IDP). The IDP serves as a tool for the facilitation and management of developments within the municipal area of jurisdiction. In conforming to the Act's requirements, Midvaal delegated the authority to the Municipal Manager.

The aim of the IDP for Midvaal is to present a coherent plan in order to achieve the Vision of Midvaal. The intention of this IDP is to link, integrate and co-ordinate development plans for Midvaal, which are aligned with National, Provincial and District development plans as well as planning requirements binding on the municipality, in terms of legislation.

The objectives of local government are set out in Section 152 of the Constitution as follows:

1. To provide democratic and accountable government for local communities;
2. To ensure the provision of services to communities in a sustainable manner;
3. To promote social and economic development;
4. To promote a safe and healthy environment;
5. To encourage the involvement of communities and community organisations in the matters of local government.

Chapter 5 of the MSA states that a municipality must undertake developmentally oriented planning, in the form of integrated development planning, to ensure it achieves the objectives of local government, as per the Constitution. It must further give effect to its developmental duties.

According to Section 25 of the MSA each municipal council must, after the start of its elected term, adopt a single, inclusive and strategic planning (IDP) for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality which aligns the resources and capacity of the municipality with the implementation of the said plan. The IDP should form the policy framework and general basis on which annual budgets will be based and should be aligned with National and Provincial Development Plans and planning requirements.

The Service Delivery and Budget Implementation Plan (SDBIP) is regulated by National Treasury Circular 13 dated 2005 and the Performance Management by Regulation 29089 dated 2006.

Chapter 3 to 5 of the IDP outlines in detail how the long-term Vision of MLM translates into an effective plan that aligns the municipal budget, monitoring and evaluating mechanisms as well as timeframes for delivery.

The Midvaal Local Municipality per Council Resolution C1630/05/2017 dated 25 May 2017 approved the five-year Integrated Development Plan for the period 2017/2022. The IDP was annually reviewed, in accordance with an assessment of its performance measurements in terms of Section 41 of the MSA. Annual review depends on changing circumstances and in accordance with prescribed processes.

The following reflects a comparison of performance between the 2016/2017-financial year to the 2021/2022-financial year. The actual performance achievement of the five-year performance targets is also reported.

Council per Council Resolution C2830/05/2022 dated 26 May 2022 approved the next five-year IDP (2022 – 2027) for implementation.

#	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	Capital Projects (CP), Programmes (P), Activities (A)	Type of Indicator (Input = I), (Output = O), (OUTCOME = OC), (IMPACT = IM)	OBJECTIVE	WARD	5-YEAR TARGET 2022 - 2027	ACTUAL PERFORMANCE 2017 - 2022	2022 - 2027 YEAR 1 2022/2023	
														TARGET	ACTUAL
1	MM	KPI 001	KPA 1	KFA 02	Number of quarterly Strategic & Operational Risk Register Reports submitted to Council	Quarterly reports submitted to Council (Council Resolution) with an analysis from the Chief Risk Officer and progress made on actions implemented to mitigate risks, submitted into the reporting cycle within 30 days after the end of the quarter (Proof of Submission)	To ensure compliance with Section 62 of the MFMA in terms of risk management and related matters	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	20	-	4	4
2	DP	KPI 002	KPA 8	KFA 29	Percentage compliance to turn-around time maintained to consider building plan applications quarterly	Percentage compliance to 30 working days turn-around time, in terms of the National Building Regulations and Building Standards Act of 1977, (Building Plan applications exceeding 500 m2 floor area) = Date of application received versus date considered (signature by Assistant Director: Building Control)	To monitor and improve the turn-around times for building plan applications in order to ensure faster development on the ground and to benefit the economy. To accelerate local economic development	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	90%	100%	100%	100%
3	DP	KPI 003	KPA 8	KFA 29	Average turn-around time maintained to consider land use applications quarterly	(1) Average of 6 months turn-around time, to consider applications submitted in terms of SPLUMA (2) Date of Legally Compliant Application received versus Date Considered (Excluding Municipal Planning Tribunal and Appeal Planning Authority)	To monitor and to improve the turn-around times for land use applications, in order to ensure faster development and to benefit the economy. Also to ensure new income revenue generation to the municipality. SPLUMA dictates a turn-around time of 16 months, however MLM adopted a 6 month-turn-around time	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	Within 6 months	Within 4 months	Within 6 months	5.07

4	DP	KPI 004	KPA 6	KFA 26	Develop Climate Change Framework for MLM	Climate Change Framework for MLM developed and approved by Council: Q2 = Draft Climate Change Framework, signed off by Head of the Department, circulated for departmental comments Q4 = Climate Change Framework Response Plan for MLM approved by Council (Council Resolution)	To provide a framework for MLM to respond to climate change mitigation and adaptation	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	-	-	1	1
5	DP	KPI 005	KPA 8	KFA 31	(NKPI - 4) - Number of jobs created through municipality's local economic development initiatives including capital projects	Report to Department of Labour approved by Mayoral Committee (Mayoral Committee Resolution) (EPWP and any other jobs created, excluding CWP). Report submitted into reporting cycle by 20 Aug 2022 (Proof of receipt by Committee Clerk, 2021/2022 = report)	To ensure that Midvaal Local Municipality's vision of growing the economy and creation of jobs be realised. The focus remains on Local Economic Development (LED)	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	6 600	7 437	1 200	2 959
6	ENG	KPI 006	KPA 6	KFA 25	Refurbishment and painting of Galloway Depot	Completion Certificate signed off by the principal agent by 30 Mar 2023	To enhance the lifespan of the Municipal Building	P	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	8	New	New	1	1
7	FIN	KPI 007	KPA 5	KFA 17	(NKPI - 7c) - Annual Cost Coverage	Available cash + investments / Monthly fixed operating expenditure (cash expenditure)	This ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue. The target is one month, meaning that the Municipality must have at least cash equalling one month's fixed operation expenditure	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	2	5.32	2.5	5.19
8	FIN	KPI 008	KPA 5	KFA 17	Annual Liquidity Ratio	Current Assets / Current Liabilities (as per the Statement of Financial Position) annually reported	The ratio is used to assess the Municipality's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory and receivables). The target 1.5 : 1 means, that the Municipality must have at least current assets equalling the current liabilities	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	1 : 1	2.91	1.5 : 1	3.22

9	MM	KPI 009	KPA 5	KFA 17	Audit opinion issued by the Auditor-General	Level of performance = Unqualified audit opinion with material findings = 3 Unqualified audit opinion with no material findings = 4 Maintaining of clean audit = 5	Auditor-General opinion expressed on Annual Financial Statements (AFS), Pre-determined Objectives (PDOs) and Compliance must be financially unqualified	A	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	Unqualified	Clean	Clean	Clean
10	FIN	KPI 010	KPA 5	KFA 18	(NKPI - 7a) - Annual Debt Coverage	Total operating revenue - operating grants received / debt service payments due within the year. Operating grants will include all grants recognised as grants on the operating budget. Operating revenue will exclude capital revenue	The ratio indicates the Municipality's ability to meet at least its debt service payments (interest and redemption) commitments from cash and short-term investment without collecting any additional revenue. The target is 15 times meaning that the Municipality must have at least cash equalling 15 times the annual interest and redemption charges	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	17	21.70	15	20.98
11	FIN	KPI 011	KPA 5	KFA 18	(NKPI - 7b) - Annual percentage of outstanding service debtors to revenue	Total outstanding service debtors (GROSS, excluding VAT) / revenue received for services calculated per annum (all consumer debtors included excluding developer contributions)	The ratio indicates the proportion of the Municipality's outstanding debtors in relation to its annual revenue. The target is 50% (maximum) meaning that the Municipality must have a gross consumer debtors balance of less than 50% of the annual revenue received for service charges	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	33%	35.48%	50%	44.98%
12	FIN	KPI 012	KPA 5	KFA 18	Percentage Collection Rate maintained, annually	Actual amount collected (cash) / amount billed for the period (per billing cycle - excluding any debt write-offs)	The ratio indicates the collection rate, i.e. % level of payments. It measures increases or decreases in debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration. The target is 93% meaning that at least 93% of the amount billed in a month must be collected in cash. The norm is 95%	A	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	93%	92.60%	92%	97.34%
13	FIN	KPI 013	KPA 5	KFA 17	(NKPI - 2) - Percentage of households earning less than R6 000 per month with access to free basic services	Percentage of number of households registered as formal indigent households who receive the benefit (subsidy) of free basic services	The ratio shows that all approved and registered indigents are receiving their municipal subsidies (free basic services, i.e. subsidy on property rates, waste removal, sewer and water) as per the approved Indigent Policy	A	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	95%	99%	99%	99.93%
14	MM	KPI 014	KPA 5	KFA 19	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget (all line items on capital budget)	The ratio indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget	CP	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome / (Focus is on amount of time, money or number of people it took to deliver a service)	All	90%	53.31%	90%	88.64%

15	FIN	KPI 015	KPA 5	KFA 19	Percentage of annual procurement spent awarded to Township Economics	Percentage calculated by dividing the total expenditure to township suppliers by the total procurement expenditure x 100	Expenditure to township suppliers (procurement to suppliers registered as township supplier based on their residential address) versus total procurement spent (all classes). Non-procurement spent is then removed based on the name of the supplier, i.e. Eskom (bulk electricity), Rand Water (bulk water) MLM (petty cash) and any employee related costs	A	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	5%	6.80%	6%	4.58%
16	FIN	KPI 016	KPA 5	KFA 19	Percentage of annual procurement spent awarded to Youth owned enterprises	Percentage calculated by dividing the total expenditure to youth suppliers by the total procurement expenditure x 100	Percentage of the value of the annual procurement through the formal bidding process that was awarded to businesses with owners that are 35 years of age or younger	A	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	3%	11.20%	4%	13.11%
17	FIN	KPI 017	KPA 5	KFA 20	Percentage of annual operational budget allocated to repairs and maintenance	Repairs & Maintenance Budget as a % of the total Operating Budget (exclusive of internal charges)	The Operating Budget is defined as the latest approved version of the budget, i.e. either the originally approved budget, or the adjustments budget in the case of Council approving an Adjustments Budget, inclusive of the approved virements that have been approved and processed in terms of the System of Delegations. The norm is 8%	A	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	8%	10.20%	8%	10.48%
18	CORP	KPI 018	KPA 1	KFA 03	Number of events arranged per approved year planner	Council Related Events, approved per Year Planner executed = (1) Draft Year Planner submitted to Head of Department and signed off by Head of Department by 15 Jul 2022 (2) Year Planner approved by Mayoral Committee by 30 Aug 2022 (Mayoral Committee Resolution) (3) Evidence of execution of event planned	Council hosts events as a medium to enhance a positive relationship/partnering with external stakeholders and portray a positive image of Council (Planning & Execution)	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	15	22	4	4
19	CORP	KPI 019	KPA 1	KFA 04	Number of Mayoral Committee reports on formalised Inter-governmental Relations (IGR) Fora meetings attended, per quarter	(1) Report submitted to Mayoral Committee to reflect (1.1) Type of meeting (1.2) Purpose of the Meeting (1.3) Department (1.4) Delegate attended (1.5) Narrative Report from relevant department. (2) Report submitted into reporting cycle within one month after the end of the quarter. (3) Proof of submission into reporting cycle = signature and date receipt by Committees	IGR Fora Report as per Section 10 of the IGR Policy (Policy approved per item C987/10/2013 dated 31 Oct 2013). Creating opportunity for Council to share information and networking. Promoting inter-governmental relations	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	20	22	4	4

20	FIN	KPI 020.1	KPA 1	KFA 01	Percentage findings addressed on OPCA Plan	External findings on the OPCA Plan 2021/2022 addressed = OPCA Plan approved by the Municipal Manager on 31 Dec 2022 versus OPCA Plan audited and signed off by internal audit on 30 Jun 2023	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	100%	-	95%	100%
21	CORP	KPI 020.2	KPA 1	KFA 01	Percentage findings addressed on OPCA Plan	External findings on the OPCA Plan 2021/2022 addressed = OPCA Plan approved by the Municipal Manager on 31 Dec 2022 versus OPCA Plan audited and signed off by internal audit on 30 Jun 2023	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	100%	-	95%	87.50%
22	ENG	KPI 020.3	KPA 1	KFA 01	Percentage findings addressed on OPCA Plan	External findings on the OPCA Plan 2021/2022 addressed = OPCA Plan approved by the Municipal Manager on 31 Dec 2022 versus OPCA Plan audited and signed off by internal audit on 30 Jun 2023	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	100%	-	95%	100%
23	PSR	KPI 020.6	KPA 1	KFA 01	Percentage findings addressed on OPCA Plan	External findings on the OPCA Plan 2021/2022 addressed = OPCA Plan approved by the Municipal Manager on 31 Dec 2022 versus OPCA Plan audited and signed off by internal audit on 30 Jun 2023	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	100%	-	95%	-
24	CORP	KPI 021	KPA 4	KFA 15	Average percentage compliance to baseline turn-around time to attend to calls logged via the ICT Help Desk, per month	Definition amendment: Monthly ICT Service Desk Report signed off by the Director: ICT by the 10th working day monthly wherein compliance to the baseline reaction time to calls is reported, i.e. Number of calls logged, attended to within/outside time limit reported, not to exceed target	To establish mechanisms to monitor performance of ICT staff	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	90%	91.66%	95%	98.78%
25	CORP	KPI 022	KPA 4	KFA 16	Report status quo of Council's policies to Council	Report to Council = Register of all existing policies reported to Council according to the following format, namely: (1) Policy Description (2) Responsible Department & Relevant Section (2) Policy Owner (3) Council Resolution and date of Council meeting policy was approved, by 30 Sep 2022 (Council Resolution)	To ensure Council approved policies are updated, relevant and aligned with current legislation	A	O	Measures a set of activities or processes yield the desired deliverables, i.e. measure effectiveness by doing things correctly, typically operational indicators and expressed in quantitative terms	All	-	-	1	1

26	CORP	KPI 023	KPA 4	KFA 16	Number of average working days legal actions is assessed	(1) Legal & Property Action Register reflecting turn-around time to be within 4 working days (as per court rules, i.e. first day out and last day in, excluding weekends and public holidays) = Date of receipt by Legal Section vs date assessed (determination of legal process to be followed) (2) Report to Mayoral Committee on all legal matters (i.e. legal opinions, assistance and any other matters) attended to, quarterly. Report submitted into the reporting cycle within 10 working days after the end of the quarter	To ensure timeous response to legal claims / actions and/or summonses served on Council to minimise delays and avoid punitive orders due to non-attendance of legal actions	A	O	Measures a set of activities or processes yield the desired deliverables, i.e. measure effectiveness by doing things correctly, typically operational indicators and expressed in quantitative terms	All	4	1.27	4	1.91
27	MM	KPI 024	KPA 4	KFA 14	Number of Section 52(d) - performance reports (SDBIP) submitted to Council quarterly	(1) Report considered by Council within 30 days after the end of each quarter (Council Resolution) (2) Assessment and Analysis Report received from the Gauteng Department of Co-operative Governance & Traditional Affairs (COGTA) on the Quarterly Performance Report	To comply with the requirements of Section 52(d) of the MFMA	A	O	Measures a set of activities or processes yield the desired deliverables, i.e. measure effectiveness by doing things correctly, typically operational indicators and expressed in quantitative terms	All	20	24	4	4
28	CORP	KPI 025	KPA 7	KFA 28	Number of Call Centre Outcome Reports distributed to Mayoral Committee members and HOD's quarterly	Call Centre Outcome Report to reflect: (1) The 5 most common complaints (2) The 5 most common affected areas (3) % Level of satisfaction per department (4) Report e-mailed to all stakeholders (Mayoral Committee, Heads of Department & Committees) by the 15th working day, quarterly	To monitor customer satisfaction and ensure feedback on public complaints received via the outsourced Complaints Hotline	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	ALL	20	24	4	4
29	CORP	KPI 026	KPA 7	KFA 27	Percentage compliance to the requirements of Section 75 (MFMA) in terms of the Website updating monthly	(1) Website updated within 5 working days after date of the Council Resolution. (2) Monthly Section 75 MFMA compliance checklist signed-off by Executive Director: Corporate Services within 5 working days, after end of each month	To monitor compliance to Section 75 of the MFMA in order to create community awareness, transparency and consistency	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	ALL	100%	100%	100%	100%
30	CORP	KPI 027	KPA 1	KFA 01	Number of Ward Committee meetings arranged annually	Meetings arranged according to Council approved Annual Year Planner. (Ward Committee meeting represents either establishment or ordinary meeting chaired by the Speaker or Ward Councillor)	To monitor and report on the functioning of Ward Committees and also to monitor attendance by Ward Committee Members	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	ALL	300	285	60	60
31	CORP	KPI 028	KPA 4	KFA 13	(NKPI - 6) - Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP)	Accumulative percentage of municipal budget allocated for training viz % spent reported as per the Solar print-out on Vote (All expenditure to include VAT) and signed off by Director	To monitor the implementation of Council's approved and funded Workplace Skills Plan (WSP) aligned with the Continuous Professional Development Plans (CPD)	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	95%	81.00%	95%	81.77%
32	CORP	KPI 029	KPA 4	KFA 13	(NKPI - 5) - Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	Report (2022) submitted into reporting cycle by Jan 2023, signature and date of Committee Clerk, to Mayoral Committee, on verified number of appointed staff on the 3 highest levels (Section 56/57, Directors & Deputy Director) as per the municipality's Annual Employment Equity Plan	To monitor new appointments in terms of Council's Annual Employment Equity Plan	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	5	16	1	1

33	ENG	KPI 030	KPA 6	KFA 21	Percentage of electricity losses not to exceed target annually	Loss electricity kW purchase/kW accounted for due to loss	Percentage of electricity losses not to exceed target annually	P	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	-11.50%	-9.85%	-11.50%	-13.76%
34	PSR	KPI 031	KPA 6	KFA 22	Number of square meters of tarred roads resealed annually	Accumulative square meters of tar roads resealed with (1) Fog-spray and/or (2) Slurry Seal	To maintain and improve Council's roads	CP	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	150 000 m^2	432 191.61 m^2	25 000 m^2	84 495.9 m^2
35	ENG	KPI 032	KPA 6	KFA 23	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan per annum	kL water purchased divided by kL of water accounted for (Meter Reading & Technical Losses) & Calculation as per IWA Standards	To ensure by-law enforcement to benefit quality built environment and to ensure clean and transparent development through compliance	P	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	20%	-36.47%	-30.40%	-30.34%
36	ENG	KPI 033	KPA 6	KFA 23	(NKPI - 1b) - Percentage of households with access to basic sanitation	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic sanitation	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	67%	67.61%	67.61%	68.21%
37	ENG	KPI 034	KPA 6	KFA 23	Number of additional formal households with access to basic level of sanitation per annum	Number of additional formal houses connected to basic sanitation (Actual connections done according to completed Worksorders by the Sanitation Section)	To increase the access to basic sanitation to formal households	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	1 750	3 485	20	41
38	ENG	KPI 035	KPA 6	KFA 23	(NKPI - 1a) - Percentage of households with access to basic water	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic water	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	99%	84.27%	84.27%	85.25%
39	ENG	KPI 036	KPA 6	KFA 23	Number of additional formal households with access to basic level of water per annum	Number of additional formal houses connected to basic water (Actual connections done according to completed Worksorders by the Water Section)	To increase the access to basic water to formal households	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	1 750	4 898	119	203

40	ENG	KPI 037	KPA 6	KFA 21	(NKPI - 1c) - Percentage of households with access to basic electricity	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	To increase the percentage of households with access to basic electricity	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	79.30%	64.13%	64.13%	66.22%
41	ENG	KPI 038	KPA 6	KFA 21	Number of additional formal households with access to basic level of electricity per annum	Number of additional formal houses connected to basic electricity (a)Actual connections done according to completed Worksorders by the Electrical Section & (b) Actual connections done by a appointed contractor	To increase the access to basic electricity to formal households	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	750	4 438	466	590
42	FIN	KPI 039	KPA 5	KFA 17	Percentage Annual Total Borrowings to Total Revenue	Percentage calculated by adding the Debt (Short Term Borrowings, Bank Overdraft, Short Term Lease, Long Term Borrowing & Long Term Lease) and dividing it by the (Total Operating Revenue minus Operating Conditional Grant) x 100	This Ratio indicates that if it is less than 45% the Municipality still has capacity to take increase funding from borrowings. The Municipality should thread carefully if this ration reaches 40% and more	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	ALL	-	-	20%	11.00%
43	PSR	KPI 040	KPA 2	KFA 06	Percentage of fire services vehicles dispatched within 3 minutes of receiving call	Emergency vehicles dispatched within 3 minutes after receiving call (Priority 1-calls (fire related incidents (structural and vehicles), special services and MVA's), quarterly	To ensure compliance with relevant legislation and Council's protocols	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	-	-	90%	99.53%
44	PSR	KPI 041	KPA 2	KFA 05	Number of crime prevention statistic reports of CCTV monitoring reported to the Mayoral Committee quarterly	Submit report into the reporting cycle on the functioning of the CCTV Cameras, community cams for crime prevention and policing successes by the 15th working day, at the end of the quarter (proof of receipt by Committees)	To monitor and report on the functioning and successes on the Mayoral Project to enhance and reduce crime within Midvaal	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	20	52	4	4
45	COMM	KPI 042	KPA 3	KFA 09	Savanna City Sports Complex Business Plan completed	Savanna City Sports Complex Business Plan approved by Council by 30 Jun 2023 (Council Resolution) = 1 plan approved per Council Resolution	To create an ecosystem of sports and recreation activities within the ward	CP	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	11	1	-	1	-
46	COMM	KPI 043	KPA 3	KFA 10	Number of Gender, Elderly, Youth and Disabled Groups (GEYODI) programmes implemented	Gender, Elderly, Youth or Disabled Groups (GEYODI) implemented according to approved Annual Events Committee Planner	GEYODI, Gender, Elderly, Youth and Disabled Group programmes are focused on awareness and education of the community. It also creates a platform for early intervention where required	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	20	23	4	5

47	COMM	KPI 044	KPA 3	KFA 11	Number compliance visits conducted at formalised Early Childhood Development Centres	Compliance visits conducted at Formalised Early Childhood Development Centres (ECDs) = Register of Formalised ECDs versus ECD Monitoring Tool signed by the Council's Social Auxiliary Worker, quarterly	Early Childhood Development Centres are inspected to monitor child development milestones and growth. Outcomes of the Assessment Reports are signed off by the Executive Director: Community Services	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	-	-	46	53
48	COMM	KPI 045	KPA 3	KFA 11	Number of Day Mothers established	Signed contract per Day Mother, with implementing Non-Profit Organisation	A programme has been developed to assist with the establishment of day mothers and to encourage the signing of a contract with a Non-Profit Organisation	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	30	95	5	9
49	COMM	KPI 046	KPA 3	KFA 12	Kookrus Cemetery fence erected	Final Completion Certificate signed off by Director: SLRAC by 30 Jun 2023 = 1 signed off Completion Certificate	To provide accessible and adequate cemeteries and protect from damages	CP	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	3	1	-	1	1
50	COMM	KPI 047	KPA 6	KFA 24	(NKPI - 1d) - Percentage of households with access to basic level of solid waste removal	Definition of a household = "residential property contained in the Municipal Valuation Roll, categorised as Residential. "Access to basic level" = billed account	Provision of access to the basic level of solid waste removal	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	86%	86%	86%	86.98%
51	PSR	KPI 048	KPA 2	KFA 07	Review the Disaster Management Plan annually	Reviewed Disaster Management Plan by Acting Executive Director: Public Safety & Roads, approved with IDP for forth-coming year by 31 May 2023	The purpose is the compilation of a Disaster Management Plan complying with the Disaster Management Act, Act 57 of 2002, Section 48. Disaster Risk Management is defined as a continuous and integrated multi-sectorial and multi-disciplinary process of planning and implementation of measures aimed at disaster prevent, mitigation, preparedness, response, recovery and rehabilitation	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	5	6	1	1
52	COMM	KPI 049	KPA 2	KFA 08	Number of actions executed against 3 identified industrial high risk environmental contraveners	(1) Actions against the 3 identified high risk environmental contraveners (Approved by Mayoral Committee): (1.1) Inspection (1.2) Follow-up audits and (1.3) Compliance Inspections (2) Report inspection successes at approved high risk industries to the Council before 30 Jun 2023	Midvaal Environmental Health Section identified high risk environmental contraveners via compliance inspections. Training is provided to the identified Safety Officers, i.e. theoretical training, follow-up inspections to monitor the effectiveness of the training and to ensure sustainability	A	O	Measures a set of activities or processes yield the desired deliverables, i.e. measure effectiveness by doing things correctly, typically operational indicators and expressed in quantitative terms	All	45	65	10	12

53	DP	KPI 050	KPA 8	KFA 30	Percentage of land invasion complaints responded to within 48 hours	(1) Register = Calculation of average percentage of complaints responded to (Date complaint received from Call Centre) versus date responded to (Site Inspection Report signed off within 48 hours = achievement of target) (2) Verification (correctness of evidence) signed off by Executive Director by the 10th working day, quarterly	Prevention of illegal occupation of land, prompt response will assist in saving cost for legal fees and avoid MLM from having to provide alternative accommodation for land invaders	A	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	90%	100%	100%	100%
54	PSR	KPI 051	KPA 2	KFA 05	Percentage traffic camera speed tickets successfully downloaded captured for mailing	Percentage calculated = Number of traffic camera speed tickets successfully downloaded versus the number downloaded captured, reported to the Head of Department, by the 10th working day monthly	To monitor and report on the effectiveness of the established back office	A	O	The aim of this project is to process traffic fines internally, purchase the speed camera equipments TCS software, roadblock bus for warrant revenue collection and fill proposed vacant admin positions.	All	1	77.00%	80%	83.80%
55	COMM	KPI 052	KPA 6	KFA 24	Facilitate review of Section 24G outcome on Walkerville Landfill	1) Section 24G NEMA: Administrative fine received to be reviewed by MEC. 2) Landfill site: place for disposing general waste in terms of the National Environmental Management Act (Waste Management Act, Act 59 of 2008). A landfill site is but one type of waste disposal site.	To ensure the Walkerville Landfill Site is operated/legalised according to the new Regulations	CP	IM	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	1	1	1	1
56	ENG	KPI 053	KPA 6	KFA 22	Number of km/m of gravel road converted to tarred road	Q3: Site establishment by appointed contractor completed (Minutes of Site Meetings & Programme of Works) - 31 Mar 2022 Q4: Practical Completion Certificate signed off by the appointed consultant by 30 Jun 2023 (Total distance - Y1 - 800 m & Y2 - 1.2 km - Bronk Road)	To increase access to roads infrastructure services	CP	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	2 km	4.851 km	1.2 km	1.2 km
57	DP	KPI 054	KPA 8	KFA 29	Number of law enforcement compliance operations conducted	(1) Law enforcement compliance operations conducted monthly (measures the number of operations) including all relevant role-players (Environmental Health, Protection Services & Development & Planning (2) Outcome of operations reported to Mayoral Committee = Report submitted into the reporting cycle by the 15th working day quarterly	To improve land use and building developments in line with legislation and relevant policies of Council	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	-	-	12	61
58	DP	KPI 055	KPA 8	KFA 29	Conduct illegal building activities survey	Illegal building activities survey conducted as a multi-year project: (1.1) Year 1 (2022/2023) - Survey conducted to identify illegal building activities within the MLM jurisdiction (1.2) Report outcome of survey to Council by 30 Jun 2023 (Council Resolution) (2) Year 2 (2023/2024) Relevant remedial actions initiated in terms of non-compliance (3) Year 3 (2024/2025) Report progress quarterly to Council	To improve land use and building developments in line with legislation and relevant policies of Council	P	OC	Measures the impact of the service of the activity in terms of the achievement of the overall objective. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	-	-	1	1
59	DP	KPI 056	KPA 8	KFA 29	Percentage average turn-around time maintained to consider Certificates of Occupancy (COOs) for properties fully compliant to SANS 10400	Expected average turn-around time to issue Certificate of Occupancy (COO) not to exceed 14 calendar days. (1) Date of COO application received (2) Date of COO considered (signature by Assistant Director: Inspections Sub-Section) (3) Calculate average number of turn-around time maintained divided by number of COOs applications received = Average turn-around time maintained per quarter	Expected average turn-around time to issue Certificate of Occupancy (COO) not to exceed 14 days. (1) Date of COO application received (2) Date of COO considered (signature by Assistant Director: Inspections Sub-Section) (3) Calculate average number of turn-around time maintained divided by number of COOs applications received = Average turn-around time maintained per quarter	A	OC	Measures the impact of the service of the activity in terms of the overall objectives. Relationship between output and outcome. Does not always have full and complete control over aspects that measure outcome	All	14	100%	100%	100%

13. TARGETS NOT FULLY ACHIEVED DURING THE 2022/2023-FINANCIAL YEAR

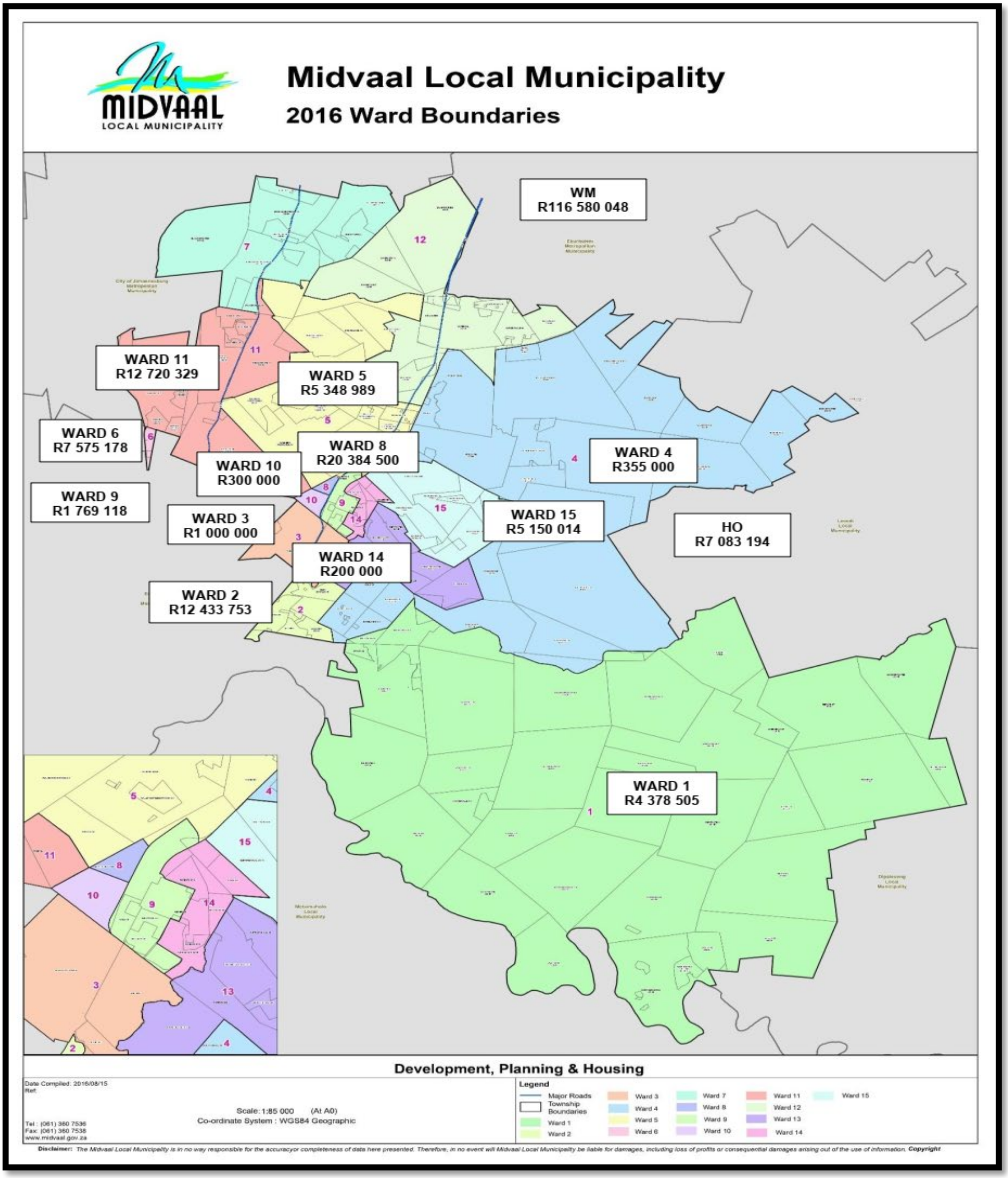
The targets of the following Key Performance Indicators were not fully achieved during the 2022/2023-financial year.

The relevant remedial actions were identified and included in the report:

#	RESPONSIBLE DEPARTMENT	KPI NO	KPA NO	KFA NO	KEY PERFORMANCE INDICATOR (KPI) 2022/2023	DEFINITIION	OBJECTIVE OF INDICATOR	2022 - 2027		REVIEWED SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN			
								YEAR 1		2022/2023			
								2022/2023		YtD	YtD	YtD	YtD
								TARGET	ACTUAL	ACTUAL	REASON FOR PERFORMANCE	REMEDIAL ACTION	MEASURE OF ATTAINMENT
1	MM	KPI 001	KPA 1	KFA 02	Number of quarterly Strategic & Operational Risk Register Reports submitted to Council	Quarterly reports submitted to Council (Council Resolution) with an analysis from the Chief Risk Officer and progress made on actions implemented to mitigate risks, submitted into the reporting cycle within 30 days after the end of the quarter (Proof of Submission)	To ensure compliance with Section 62 of the MFMA in terms of risk management and related matters	4	4	4	Quarterly reports were submitted and considered by Council inclusive of the analysis from the Chief Risk Officer, reporting progress made on actions to mitigate identified risks on both the Operational & Strategic Risk Registers	Although quarterly reports were submitted, the Q3 progress report was submitted on 10 May 2023, exceeding the 30 day turn-around time, due to the late submission by reporting departments. Inhouse corrective measures to be implemented	Not Fully Effective
2	MM	KPI 014	KPA 5	KFA 19	(NKPI - 3) - The percentage of a municipality's capital budget actually spent on capital projects, identified for a particular financial year, in terms of the municipality's IDP	Accumulative actual percentage expenditure incurred on the overall capital budget (all line items on capital budget)	The ratio indicates the proportion of the Municipality's Capital Budget actually spent. The target is 90% meaning the Municipality must have a spending level of at least 90% of the Capital Budget	90%	80.56%	80.56%	Target Not Achieved	Annual Procurement Plan compiled and finalised for implementation by the end-user departments and the Supply Chain Management Unit. Monthly monitoring and reporting to be done. Quarterly expenditure targets were aligned to the Procurement Plan expenditure projections	Not Fully Effective
3	FIN	KPI 015	KPA 5	KFA 19	Percentage of annual procurement spent awarded to Township Economics	Percentage calculated by dividing the total expenditure to township suppliers by the total procurement expenditure x 100	Expenditure to township suppliers (procurement to suppliers registered as township supplier based on their residential address) versus total procurement spent (all classes). Non-procurement spent is then removed based on the name of the supplier, i.e. Eskom (bulk electricity), Rand Water (bulk water) MLM (petty cash) and any employee related costs	6%	4.58%	4.58%	Target Not Achieved	SCM Function decentralised and local and youth is targeted in terms of PPPFA	Not Fully Effective

4	CORP	KPI 020.2	KPA 1	KFA 01	Percentage findings addressed on OPCA Plan	External findings on the OPCA Plan 2021/2022 addressed = OPCA Plan approved by the Municipal Manager on 31 Dec 2022 versus OPCA Plan audited and signed off by internal audit on 30 Jun 2023	The objective is to monitor the addressing of audit findings raised by the Auditor-General in the opinion expressed on the Annual Financial Statements (AFS), Predetermined Objectives (PDOs) and Compliance to relevant Laws & Regulations	95%	87.50%	87.50%	8 findings were reported, namely: (1) ICT - 5 Findings and (2) PMS - 3 Findings. One finding not yet fully implemented (70%).	The finding relates to the lack of management to monitor and review compliance with applicable laws and regulations, resulted in Unauthorised, Irregular, Fruitless & Wasteful Expenditure (UIFW Expenditure). Service Providers defaulting processes and procedures were drafted in consultation with the Office of the Municipal Manager and Supply Chain Management. Finalisation and approval pending, where-after training of end-users and initiation of consequence management to follow. Incidents of UIFW Expediture is monitored and reported as part of the Section 71-monthly financial report	Not Fully Effective
5	CORP	KPI 028	KPA 4	KFA 13	(NKPI - 6) - Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP)	Accumulative percentage of municipal budget allocated for training viz % spent reported as per the Solar print-out on Vote (All expenditure to include VAT) and signed off by Director	To monitor the implementation of Council's approved and funded Workplace Skills Plan (WSP) aligned with the Continuous Professional Development Plans (CPD)	95%	81.77%	81.77%	Target not achieved - Budgeted Amount: R2 764 830.00 vs YtD Actual Exp - R2 260 913.00 = 81.77%	Non-responsive bids to the value of R250 000 and non-responsive bids to the value of R100 000 on RFQ's = 12.65%	Not Fully Effective
6	ENG	KPI 030	KPA 6	KFA 21	Percentage of electricity losses not to exceed target annually	Loss electricity kW purchase/kW accounted for due to loss	Percentage of electricity losses not to exceed target annually	-11.50%	-13.76%	-14.35%	Target not achieved	Strategies to curb electricity losses to continue	Not Fully Effective
7	COMM	KPI 042	KPA 3	KFA 09	Savanna City Sports Complex Business Plan completed	Savanna City Sports Complex Business Plan approved by Council by 30 Jun 2023 (Council Resolution) = 1 plan approved per Council Resolution	To create an ecosystem of sports and recreation activities within the ward	1	-	-	Funding application submitted to the Department of Sport, Arts & Culture for purposes of a MIG-grant, which was rejected	The report in this regard to serve at Council for reconsideration	Not Fully Effective

The following is a summary of the total Capital Budget approved by Council per Ward for the 2022/2023-financial year:



CAPEX PER WARD	2019/2020	2021/2022	ADJUSTMENTS BUDGET 2021/2022	2022/2023
Ward 1 Vaal Marina Koolfontein Mooilande Koppiesfontein	14 740 524	700 000	1 914 125	**4 378 505**
Ward 2 Glen Donald Risiville Duncanville	2 600 000	8 100 000	17 529 544	**12 433 753**
Ward 3 Meyerton-Suid Kookfontein Rothdene	500 000	-	-	**1 000 000**
Ward 4 Boschhoek Schoongezicht Henley-on-Klip Slangfontein	400 000	200 000	200 000	**355 000**
Ward 5 Drumblade Pendale Valley Settlements Highbury Ophir Estates Walkers Fruit Farms	-	2 000 000	-	**-**
Ward 6 Doornkuil Schapenvreugd	2 900 000	11 463 959	6 427 014	**7 575 178**
Ward 7 Alewynspoort Eye of Africa Nooitgedacht Elandsfontein Walkerville	-	-	-	**-**
Ward 8 Meyerton Farms Klipriviersval	26 458 000	15 000 000	14 130 000	**20 384 500**
Ward 9 Meyerton Ext 2	-	4 300 000	3 800 000	**1 769 118**
Ward 10 Noldick Meyerton Ext 1& 3 Sybrand van Niekerk Park	1 800 000	750 000	3 105 035	**300 000**
Ward 11 Golfview De Deur Homestead Apple Orchard Small Holdings Ophir Estates	5 850 000	10 372 000	14 723 310	**12 720 329**
Ward 12 Garthdale Gardenvale Klipwater Rietspruit	-	-	-	**-**
Ward 13 Henley-on-Klip Vorsterpark Riversdale Buyscelia Homelands	700 000	-	-	**-**
Ward 14 Golf Park Meyerton X6	-	-	500 000	**200 000**
Ward 15	2 400 000	14 299 700	12 996 527	**5 150 014**
Head Office	2 372 000	25 130 309	10 675 525	**7 083 194**
Whole of Municipality	74 463 307	52 677 690	92 120 244	**116 580 048**
TOTAL	**135 183 831**	**144 993 658**	**178 121 324**	**189 929 639**

The actual expenditure, per Ward, is reported as follows:

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	07106420420F5K83ZZWM	WM	1000 LT DIESEL TANK TRAILER WITH PUMP	60 000	59 500	45 000	75.63%
2	07106473520F5J92ZZWM	WM	3 X CONTAINERS FOR TRAINING	100 000	100 000	92 000	92.00%
3	07106420420F5K85ZZWM	WM	C14 X 4 BAKKIE	500 000	443 000	442 872	99.97%
4	12056444420FNJ44ZZWM	WM	AGED BULK WATER PIPE REPLACEMENT	13 864 000	13 864 000	13 863 907	100.00%
5	07106456020GRK48ZZWM	WM	BA COMPRESSOR SYSTEM	-	728 180	627 434	86.16%
6	07106456020F5J90ZZWM	WM	BRAKING SYSTEM RETARDER - ENGINE 2	250 000	268 000	267 194	99.70%
7	12056444420FNJ46ZZWM	WM	BULK WATER METERS	2 000 000	2 000 000	1 999 260	99.96%
8	08056456020F5H08ZZWM	WM	CHAINSAWS	70 000	63 522	63 522	100.00%
9	07106600420F5G69ZZWM	WM	CHERRY PICKER	600 000	725 000	723 329	99.77%
10	10056600420F4C23ZZWM	WM	COMBINATION HIGH PRESURE JETTY MACHINE -	2 500 000	5 000 000	957 000	19.14%
11	03056474020NDJ43ZZWM	WM	ECONOMIC INFRASTR / URBAN REGENERATION	10 000 000	10 000 000	3 448 587	34.49%
12	13056430020FQH78ZZWM	WM	ELECTRICITY METERING	1 000 000	1 500 000	1 466 843	97.79%
13	11056456020F5K50ZZWM	WM	EQUIPMENT	-	419 987	418 650	99.68%
14	10056456420F5K05ZZWM	WM	EQUIPMENT & TOOLS	-	304 875	289 363	94.91%
15	13056430020F5K80ZZWM	WM	FESTIVE DECORATING LIGHTS	200 000	200 000	198 285	99.14%
16	07056456420F5K98ZZWM	WM	FOLDING & PRESSURE SEALER MACHINE FOR TR	250 000	200 000	149 500	74.75%
17	03056473520FGK75ZZWM	WM	FORMALISATION OF INFORMAL TRADING STALLS	4 500 000	670 344	670 344	100.00%
18	10056456020F5J79ZZWM	WM	GAS DETECTOR EQUIPMENT	500 000	195 125	194 600	99.73%
19	13056456420F5K37ZZWM	WM	GENERATOR	667 000	667 000	301 904	45.26%
20	11056472420F5K64ZZWM	WM	GRAVEL TO TAR	6 913 149	12 946 971	12 934 834	99.91%
21	11056472420FGD94ZZWM	WM	GRAVEL TO TAR (MIG)NEW	10 360 000	9 031 483	9 031 483	100.00%
22	13056430020FQK67ZZWM	WM	HIGHMAST & STREET LIGHTS:	500 000	500 000	430 500	86.10%
23	14056450020F5K93ZZWM	WM	KLIPRIVIER TRANSFER STATION REFURBISHMEN	350 000	224 500	224 500	100.00%
24	13056420420F4K30ZZWM	WM	LAND CRUISERS	750 000	750 000	-	0.00%
25	07106420420GRL02ZZWM	WM	MEDIUM PUMPER FIRE ENFINE	7 500 000	7 500 000	3 337 900	44.51%
26	15056460020FGG96ZZWM	WM	OFFICE FURNITURE	50 000	29 800	29 800	100.00%

27	12056456420F5D09ZZWM	WM	PORTABLE WATER PUMP	200 000	458 246	458 246	100.00%
28	12056446020FNR47ZZWM	WM	PRESSURE MANAGEMENT INFRASTRUCTURE	1 000 000	1 000 000	998 081	99.81%
29	10106449420FPD13ZZWM	WM	PUMPSTATION REFURBISHMENT AND UPGRADE -	1 000 000	1 000 000	901 129	90.11%
30	07106460020F5H41ZZWM	WM	RADIOS AND REPEATER	750 000	641 255	640 494	99.88%
31	07106460020GRL06ZZWM	WM	RADIOS AND REPEATERS	300 000	300 000	298 004	99.33%
32	12056444420FNJ45ZZWM	WM	REFURBISHMENT/REPLACEMENT-SUPPLY VALVES	1 000 000	1 000 000	998 135	99.81%
33	13056430020FPH82ZZWM	WM	REPLACE METERS FOR TID COMPLIANCE	3 500 000	2 803 460	2 799 460	99.86%
34	13056430020FPH84ZZWM	WM	REPLACE REDUNDANT SWITCHGEAR	-	987 391	689 848	69.87%
35	07106460020F5H29ZZWM	WM	CCTV CAMERAS & EQUIPMENT NEW	2 500 000	2 505 045	2 505 012	100.00%
36	12056444420F5H22ZZWM	WM	RESERVIOR REFURBISHMENT - W/L PROGRAMME	1 500 000	1 410 348	1 410 348	100.00%
37	08156456020F5H49ZZWM	WM	RIDE ON LAWNMOWERS WITH TRAILERS	200 000	155 177	155 176	100.00%
38	11056472420F5K44ZZWM	WM	ROADS REHABILITATION	500 000	107 013	107 013	100.00%
39	14056450020F5K94ZZWM	WM	SAVANNA TRANSFER STATIONS	600 000	438 000	438 000	100.00%
40	10056449420FQK68ZZWM	WM	SEWER CONNECTIONS NEW	3 000 000	3 000 000	2 999 154	99.97%
41	12056444420FGJ33ZZWM	WM	SICELO/HIGHBURY (VALLEY SETTLEMENTS) RES	5 348 989	5 957 989	5 948 553	99.84%
42	17056456020F5H50ZZWM	WM	SKIP BINS 6 CUBIC METERS	300 000	300 000	297 700	99.23%
43	08056456020F5H52ZZWM	WM	TELESCOPIC POLE PRUNERS	70 000	68 500	68 500	100.00%
44	13056456420F5K82ZZWM	WM	TOOLS FOR ELECTRICAL	700 000	350 000	295 970	84.56%
45	08056420420F4J02ZZWM	WM	TRACTORS (REPLACEMENTS)	350 000	350 000	319 200	91.20%
46	13056433020F5K61ZZWM	WM	TRANSFORMERS	1 000 000	1 000 000	801 594	80.16%
47	17056420420F4K12ZZWM	WM	TRUCK FOR LITTER PICKING TEAM	-	800 000	721 947	90.24%
48	11056472420F5L07ZZWM	WM	UPGRADING OF GRAVEL ROADS	12 000 000	10 739 178	10 631 019	98.99%
49	07056460020F5H43ZZWM	WM	VEHICLE & EQUIPMENT LAW ENFORCEMENT	300 000	264 720	229 670	86.76%
50	07056420420F4J04ZZWM	WM	VEHICLE REPLACEMENTS	-	600 000	511 093	85.18%
51	12056446020WKL04ZZWM	WM	WATER INFRASTRUCTURE	10 192 000	10 192 000	10 191 070	99.99%
52	12056446020F5D89ZZWM	WM	WATER METER REPLACEMENT PROGRAMME	250 000	250 000	250 000	100.00%
53	07056456020F5J85ZZWM	WM	MOBILE RADIO - NEW	-	33 670	27 998	83.15%
54	07106456420F5K06ZZWM	WM	NEW MACHINERY AND EQUIPMENT	-	5 000	-	0.00%
55	07106470020F5J82ZZWM	WM	LAPTOPS	-	10 000	-	0.00%
56	08056456020F5H47ZZWM	WM	BRUSH CUTTERS	-	52 801	50 000	94.70%

57	08056473520F5J65ZZWM	WM	PARKS & INFRASTRUCTURE DEVELOPMENT	-	630 000	623 241	98.93%
58	11056456420F5K99ZZWM	WM	ASPHALT CUTTING MACHINE	-	200 000	195 442	97.72%
59	11106456420F5L10ZZWM	WM	TOOLS FOR MECHANICAL	-	350 000	283 336	80.95%
60	13056456420F5K05ZZWM	WM	EQUIPMENT & TOOLS	-	228 968	222 407	97.13%
				Whole Municipality	**116 580 048**	**99 275 449**	**85.16**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	01356191420F5K87ZZHO	HO	DISASTER RECOVERY	500 000	500 000	488 600	97.72%
2	15056460020FGK39ZZHO	HO	EQUIPMENT	45 000	51 359	49 823	97.01%
3	02056456020F5K53ZZHO	HO	FUEL TANKS & PUMPS	-	1 068 500	204 000	19.09%
4	01456460020F5C48ZZHO	HO	FURNITURE & EQUIPMENT	-	2 000	1 651	82.57%
5	05406460020F5H32ZZHO	HO	FURNITURE & EQUIPMENT	20 000	20 000	19 043	95.21%
6	02056460020F5H37ZZHO	HO	FURNITURE AND EQUIPMENT	147 000	561 000	515 285	91.85%
7	03056460020F5H38ZZHO	HO	FURNITURE AND EQUIPMENT NEW	50 000	50 000	40 644	81.29%
8	01356470020F5K89ZZHO	HO	LAPTOPS & DESKTOPS (MOBILE DEV REFURBISH	700 000	698 000	683 040	97.86%
9	01356470020F5K90ZZHO	HO	MIDVAAL NETWORK INFRASTRUCTURE UPGRADE	700 000	700 000	679 916	97.13%
10	13056456020F5K46ZZHO	HO	RENEWABLE ENERGY	-	444 835	-	0.00%
11	02156191420F5G67ZZHO	HO	SCM SYSTEM	2 000 000	2 067 500	2 067 000	99.98%
12	05406420420F4J25ZZHO	HO	SMALL MOTOR VEHICLE	-	250 000	240 212	96.08%
13	01356456420F5K91ZZHO	HO	SOFTWARE MONITORING TOOL	300 000	300 000	288 789	96.26%
14	03056460020F5C11ZZHO	HO	AIRCONDITIONERS	-	160 000	110 294	68.93%
15	01106460020F5L09ZZHO	HO	RECORDING EQUIPMENT	-	210 000	157 680	75.09%
				Head Office	**7 083 194**	**5 545 976**	**78.30**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	05356473520GBH58ZZ01	01	BANTU BONKE LIBRARY BOOKS (DAC)	250 000	250 000	249 597	99.84%
2	05056420420GBK66ZZ01	01	MOBILE LIBRARY BUS	1 500 000	1 594 410	-	0.00%
3	12056448020F5L05ZZ01	01	REFURBISHMENT VAAL MARINA WATERTREATM	1 000 000	1 342 512	1 342 513	100.00%
4	07106420420F4J14ZZ01	01	RESCUE VEHICLE VAALMARINA	-	1 191 583	1 191 583	100.00%
				Ward 1	**4 378 505**	**2 783 692**	**63.58**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	13056430020FQH77ZZ02	02	CABLE FEEDERS-CONS EMFULENI CONNECT	100 000	700 000	698 989	99.86%
2	17056450020F5H19ZZ02	02	REFURBISHMENT-BLACKWOOD TRANFER STATION	-	2 336 080	2 336 080	100.00%
3	12056444420FPH89ZZ02	02	RISSIVILLE WATER NETWORK (NEW)	9 300 000	9 397 673	9 214 672	98.05%
				Ward 2	**12 433 753**	**12 249 742**	**98.52**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	08206473520F5H26ZZ03	03	EXTENTION OF KOOKRUS CEMETERY FENCING	1 000 000	448 000	448 000	100.00%
2	08206473520F5L11ZZ03	03	UPGRADE & EXT CEMETERIES IN MIDVAAL	-	552 000	161 983	29.34%
				Ward 3	**1 000 000**	**609 983**	**61.00**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	05206473520GBH63ZZ04	04	RANDVAAL LIBRARY BOOKS (DAC)	250 000	250 000	249 410	99.76%
2	05206474020GBL08ZZ04	04	RANDVAAL CARPORTS	-	105 000	105 000	100.00%
				Ward 4	**355 000**	**354 410**	**99.83**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	05306474020GBJ64ZZ06	06	EXT LAKESIDE LIB BUILDING - UPGRADING	500 000	500 590	500 590	100.00%
2	05306473520GBH61ZZ06	06	LAKESIDE LIBRARY BOOKS (DAC)	300 000	300 000	299 313	99.77%
3	08156473520FGJ42ZZ06	06	LAKESIDE SPORT CENTRE (MIG)	5 024 298	5 024 298	5 024 298	100.00%
4	12056446020F5H87ZZ06	06	PRE-PAID WATER METER PROJECT	2 000 000	1 750 290	1 750 290	100.00%
				Ward 6	**7 575 178**	**7 574 490**	**99.99**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	13056430020FTJ30ZZ08	08	SICELO ELECTRIFICATION NETWORK	14 000 000	20 384 500	20 378 565	99.97%
				Ward 8	**20 384 500**	**20 378 565**	**99.97**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	05056470020GBH68ZZ09	09	ITC HARDWARE (COMPUTORS) - NEW	1 000 000	1 119 118	1 115 695	99.69%
2	05056460020GBJ67ZZ09	09	LIBRARY FURN & EQUIPMENT - MEYERTON-NEW	250 000	250 000	232 702	93.08%
3	05056473520GBH62ZZ09	09	MEYERTON LIBRARY BOOKS (DAC)	400 000	400 000	399 441	99.86%
				Ward 9	**1 769 118**	**1 747 839**	**98.80**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	05256473520GBH64ZZ10	10	SICELO LIBRARY BOOKS (DAC)	300 000	300 000	299 623	99.87%
				Ward 10	**300 000**	**299 623**	**99.87**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	05156473520GBH59ZZ11	11	DE DEUR LIBRARY BOOKS (DAC)	250 000	250 000	249 000	99.60%
2	13056430020FGJ31ZZ11	11	HIGHMAST LIGHTS - SAVANNA CITY	4 430 670	4 079 829	4 079 829	100.00%
3	13056430020FTJ29ZZ11	11	SAVANNA CITY ELECTR. NETWORK	14 775 000	8 390 500	7 893 883	94.08%
				Ward 11	**12 720 329**	**12 222 712**	**96.09**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	05056460020GBH70ZZ14	14	MEYERTON LIBRARY FURNITURE	-	200 000	166 094	83.05%
				Ward 14	**200 000**	**166 094**	**83.05**

#	Vote Number	Ward	Project Description	Original Budget	Adjustments Budget	Year to Date	% of Budget
1	10056449420FGJ38ZZ15	15	EXTENSION TO HENLEY ON KLIP SEWER	-	4 900 014	4 900 015	100.00%
2	05106473520GBH60ZZ15	15	HOK LIBRARY BOOKS (DAC)	250 000	250 000	249 328	99.73%
				Ward 15	**5 150 014**	**5 149 343**	**99.99**

15. PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

Section 46(1)(a) of the Local Government: Municipal Systems Act, Act 32 of 2000, legislates the reporting of the performance of the municipality and of each external service provider during the financial year.

A “service provider” is defined as follows:

> *“service provider means a person or institution or any combination of persons and institutions which provide a municipal service”*

Midvaal has not appointed a service provider to provide a municipal service on its behalf.

However, in terms of Section 116 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, the Accounting Officer of a municipality or municipal entity must:

(a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;

(b) monitor on a monthly basis the performance of the contractor under the contract or agreement;

(c) establish capacity in the administration of the municipality or municipal entity:

- (i) to assist the Accounting Officer in carrying out the duties set out in Paragraphs (a) and (b); and
- (ii) to oversee the day-to-day management of the contract or agreement; and

(d) regularly report to the Council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

Midvaal has implemented monitoring and reporting mechanisms in order to comply with the legislated requirements.

In case of poor-, non- and/or under-performance appropriate and relevant remedial actions are implemented, monitored and reported.

In the case where poor-, non- and/or under-performance is not being addressed satisfactorily, contracts in this regard are cancelled, after due processes were followed.

16. GENERAL KEY PERFORMANCE INDICATORS / PERFORMANCE

The Local Government Municipal Systems Act, 2000 (Act 32 of 2000) prescribes certain general key performance indicators to be included in the performance management system. The results of these ratios are as follows:

Section	Indicator	2020	2021	2022	2023
10(a)	**Percentage of households with access to basic level of: Total Number of Households** (Access = Total Number of properties on Valuation Roll versus Total Number of properties Billed per relevant services)	**38 046**	**38 046**	**38 046**	**38 046**
	Water	82.76%	82.47%	83.70%	85.25%
	Sanitation	66.56%	66.93%	67.84%	68.21%
	Electricity	57.03%	62.08%	63.88%	66.22%
	Solid Waste Removal	86.30%	86.03%	86.76%	86.98%
10(b)	Percentage of households earning less than R1 100 per month with access to free basic services **Note:** The 100 % refers to number of households who have registered as indigents (earning less than R6 000 per month) and are entitled to free basic services.	98.01% of 5 330 registered indigents (earning less than R5 000 per month)	99.92% of 5 038 registered indigents (earning less than R5 000 per month)	99.91% of 4 536 registered indigents (earning less than R5 500 per month)	99.93% of 4 566 registered indigents (earning less than R6 000 per month)
10(c)	Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	76.84%	87.71%	92.34%	80.56%
10(d)	Number of jobs created through municipality's local economic development initiatives including capital projects • Work Opportunities • Full Time Equivalent (FTE)	1 782	1 855	2 759 221.73	2 959 221.91
10(e)	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved Employment Equity Plan	5	3	5	6

10(f)	Percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan	82.04%	99.10%	81%	81.77%
10(g)	**Financial Viability**				
	Debt Coverage	19.83 Times	21.00 Times	21.70 Times	20.98 Times
	Total (net) outstanding service debtors to revenue	41.84%	29.30%	35.48%	44.98%
	Cost Coverage	5.23 Months	5.51 Months	5.32 Months	5.19 Months

There were also several results which indicated that Midvaal Local Municipality remains a top performing municipality. The municipality gave access to basic municipal services to most of its community and can assist in local economic development projects that maintain the unemployment rate at below both Gauteng and National levels.

The Midvaal Local Municipality received awards in various categories and acknowledgements of various achievements.

2015 2016 2017 2018 2019 2020 2021	**Golden Arrow Award by PMR Africa - Midvaal received awards for the following categories** - Most pro-active mayor - Doing the most for job creation - Social upliftment - Combat Crime - Doing the most to attract foreign investment - Attract local investment - Clean the environment - Infrastructure development - Job Creation - 1st place in the category Overall Service to Residents
2013/2014 2014/2015 2015/2016 2016/2017 2017/2018 2018/2019 2019/2020 2020/2021 2021/2022	**Auditor-General (SA)** Midvaal achieved clean audits
2017 2021/2022	**SALGA** Midvaal received an award for Good Governance Clean Audit Opinion Improved Revenue Collection & Debt Management Good Record Keeping

2014 2015 2017 2018	**Annual Municipal Financial Sustainability Index compiled by Ratings Afrika** Midvaal ranked as the top performing municipality in Gauteng
2014	**Sedibeng Regional Survey Business Excellence Awards, conducted by PMR Africa** Midvaal won the award for "*The Institution doing the most to clean the environment*"
2014	Midvaal awarded Blue Drop Status
2018	**GCRO Survey** Best Performing Municipality in terms of Service Delivery Satisfaction

MIDVAAL LOCAL MUNICIPALITY RECEIVES 9TH CLEAN AUDIT

Midvaal Local Municipality has received its 9th unqualified audit outcome for the 2021/2022 financial year. The municipality was audited on its financial statements, performance management, internal controls, and compliance efficiency. The Auditor-General announced that the municipality was able to provide financial records that were valid, with no material findings or misrepresentations. This outcome is an assurance to our residents that public funds are spent towards service delivery. The municipality will continue to ensure that residents can touch, feel, see and reap the benefits of a well-run municipality with nine clean audits.

17. AUDIT OPINION

Midvaal has an excellent record of achieving unqualified audits. Since the establishment of the Midvaal Local Municipality in 2000, the municipality had two qualified audit opinions with unqualified audits in the other years.

The municipality achieved clean audits in 2013/2014, 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022-financial years.

A combination of factors allowed Midvaal to obtain a clean audit.

18. GENERAL

The Annual Performance Report, Annexure T, to the Annual Report (AR) consists of a combination of information contained in the Annual Financial Statements (AFS), Service Delivery & Budget Implementation Plan (SDBIP) and also the Annual Report (AR).

It is therefore recommended that these reports are all read together, as the one report supplements the other.

Alderman P.J. Teixeira **EXECUTIVE MAYOR**	Mr. A.M. Groenewald **MUNICIPAL MANAGER**

Midvaal Local Municipality
(Registration number GT422)
Annual Financial Statements
for the year ended 30 June 2023
Auditor-General of South Africa (AGSA)
Chartered Accountants (S.A.)
Registered Auditors

Table of Contents

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

General Information

Legal form of entity	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)
Nature of business and principal activities	The main business operations of the municipality is to engage in local government activities, which includes planning and promotion of integrated development planning, land use management, economic and environmental development and supplying of the following services to the community. General Services - All types of services rendered by the municipality, excluding the supply of housing to the community. Waste Management Services - the collection and disposal of waste. Electricity Services - Electricity is bought in bulk from Eskom and distributed to the consumers of the municipality in licensed areas. Waste Water Management - Collection and purification of waste water. Water Services - Supply of purified water.
Legislation governing the municipality's operations	Constitution of the Republic of South Africa (Act 108 of 1998) Municipal Finance Management Act (Act 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 of 6 2004) Division of Revenue Act (Act 1 of 2007)

Executive mayor and chairperson of mayoral commitee

Portfolio	**Councillor**
Executive mayor and chairperson of mayoral committee	Cllr. Peter John Teixira
Speaker	Cllr. Alan Ross McLoughlin
Chief WIP	Ald. Phil Pretorius
MMC - Corporate	Cllr. Chantal Lynette Gomes
MMC - Community	Cllr. Thembekile Martha Modiba
MMC - Engineering	Cllr. Reginald James Hubbard
MMC - Development and Planning	Cllr. Mokete Ishmael Motsamai
MMC - Finance	Ald. Patricia Daphne Pretorius

Executive management

Position	**Name**
Municipal Manager	Mr AM Groenewald
Chief Financial Officer (CFO)	Mr ZN Mhlongo
Executive Director: Engineering	Mr P Magodi
Director: Corporate Services	Mr S Cave

General Information

New Council Members

Nr	Surname	Initials	Nr	Surname	Initials
1	Brits	O	2	Dickinson	AH
3	Hoyane	SM	4	Janse van Rensburg	S
5	Jordaan	BJ	6	Kolisang	ML
7	Kruger	MC	8	Lehloka	PM
9	Maimane	MA	10	Mazibuko	J
11	Mboweni	MC	12	Modikeng	ML
13	Mofokeng	TS	14	Mokhomo	DT
15	Molakeng	ST	16	Myburgh	M
17	Ndebele	MM	18	Nkoe	GM
19	Peters	FW	20	Pypers	CG
21	Visser	LTH	22	Ramushu (from 15 December 2021)	I
23	Hubbard	RJ			

Grading of local authority	Grade 4 Local Municipality
Registered head office	25 Mitchell Street Meyerton Gauteng 1961
Postal address	P.O.Box 9 Meyerton 1960
Bankers	Nedbank
Auditors	Auditor-General of South Africa (AGSA)
Demarcation code	GT422
Legal representative	Panel of attorneys appointed for cost effectiveness: Lusenga Attorney Inc, Seleka Attorneys Inc, Madhlopa & Thenga Inc, Klopper Jonker Inc, AV Theron & Swanepoel, Madiba Motsai Masitemyame & Githiri Attorneys, Katlego Ralikhuvhana Mokgola Inc, Ramatshila-Mugeri Attorney, Mamatela Attorneys, Enderstein Malumbete Inc, Mkhabela Huntley Attorneys Inc, Blignaut Neerhoo Inc, Mudau & Netshipise Attorneys, Cheadle Thompson & Haysom Inc, Majang & Associates Inc, Mmakola Matsimela Inc, Matabena Inc

Abbreviations

AGSA	Auditor-General of South Africa
ASB	Accounting Standards Board
CIGFARO	Chartered Institute of Government, Finance, Audit and Risk Officers
COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DSACR	Department of Sport, Arts, Culture and Recreation
ED	Executive Director
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
INEP	Integrated Electrification Programme
IPSAS	International Public Sector Accounting Standards
LGSETA	Local Government Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSIG	Municipal System Improvement Grant
NDPG	Neighbourhood Development Partnership Grant
SALGA	South African Local Government Association
SAPS	South African Police Services
SARS	South African Revenue Services
SCM	Supply Chain Management
SRAC	Sports, Recreation, Arts and Culture
VAT	Value-Added Tax
WSIG	Water and Sanitation Infrastructure Grant

Accounting Officer's Responsibilities and Approval

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

The annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

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

I, as the accounting officer acknowledges that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable us to meet these responsibilities, we have set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. In the year under review , the systems of internal control have been boosted by municipal ICT infrastructure upgrade and migration. The improved firewall protections, access protocols, encryptions and password complexities have enabled the accounting officer to fulfil this responsibility. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operational risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. This assurance is further supported by the fact that all MSCOA version and patch upgrades were implemented in line with National Treasury's requirements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or deficit.

I have reviewed the municipality’s cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, I am satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future. An assessment to this effect has been confirmed by Gauteng Provincial Treasury, as an independant structure and Ratings Afrika being a ratings agency that specialises in ratings and gauging financial soundness and governance.

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

Although, I am primarily responsible for the financial affairs of the municipality, this is supported by the municipality's senior management team, external auditors and other oversight governance structures of Council.

I would like to bring the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in note 37 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Governments determination in accordance with the Act.

The external auditor, being the Auditor General of South Africa, is responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented separately.

The annual financial statements set out on pages 16 to 114, which have been prepared on the going concern basis, were approved and signed by the accounting officer:

Accounting Officer's Responsibilities and Approval

Accounting Officer
Mr. AM Groenewald

Meyerton

Thursday, 31 August 2023

Performance and Audit Committee Annual Report

REPORT OF THE CHAIRPERSON OF THE AUDIT, PERFORMANCE, INTEGRITY & RISK MANAGEMENT COMMITTEE TO COUNCIL (Hereinafter referred to as "the Committee")

(Item 4.18 of the Charter approved per Council **Resolution C3112/06/2023 dated 27 Jun 2023**)

REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

A. INTRODUCTION

Legislative Framework (Legislative Mandate)

Section 166(1) of the Local Government Municipali Finance Management Act, Act 56 of 2003 as amended), referred to as the MFMA, requires from each Municipality to have an Audit Committee.

In terms of Section 166(2)(a) of the MFMA, the Audit Committee is an **independant advisory** body which must amongst others advise the Municipal Council on matters relating to:

1. Internal financial control and internal audits

2. Risk management

3. Accounting policies

4. The adequacy, reliability and accuracy of financial reporting and information.

5. Performance management

6. Effective governance

7. Compliance with this Act, the Annual Division of Revenue Act, and any other applicable legislation

8. Performance evaluation, and

9. Any other issues reflected to it by the Municipality.

Audit, Performance, Integrity & Risk Management Committee Charter

The committee also functions in terms of the Charter, which is approved by Council. The Audit and Risk Committees were combined into one Committee and the scope of the Audit Committee now encompasses Audit, Performance, Integrity & Risk Management. The Charters of the Audit Committee and the Risk Committee were consolidated into a single Charter, which was approved by Council at it's meeting held on 27 Jun 2023.

Re-establishment of the Committee

The term of office of all the current members, expired on 30 Sep 2022 and the vacancies needed to be filled. Interviews were held, appointments made and the first meeting of the newly appointed Committee sat on the 28 November 2022, at which meeting I was elected as the Chairperson of the Committee.

B. SERVICE DELIVERY AS A STANDING ITEM IN THE AGENDA OF THE MEETINGS

As part of the oversight role to be played by the Committee, service delivery was included as a standing item in the agenda of all the meetings.

This is an effort to support and assist the Municipality to avoid unnecessary poor performance of maintenance of the infrastructure and in so doing avoid any uprisings, protests and unrests by members of the community.

The following matters will always be discussed under this item:

1. Maintenance of roads

2. Electricity shortage

3. Water shortage

Performance and Audit Committee Annual Report

4. Grass cutting

5. Beautifying of the municipal area

6. Implementation of new projects and monitoring thereof by members of the Audit Committee

7. Developments of significance in the Midvaal Local Municipality

8. Land invasions in the area of Midvaal Local Municipality

C. COMMITTEE MEETINGS HELD DURING THE PERIOD

1. Meeting held on 28 November 2022- 2nd Special Meeting

ITEM	LEGISLATIVE SECTION
i	**Auditor General (SA) – Referred to as the "AG"**

Reports considered

1. Report of the Auditor General to the Gauteng Provincial Legislature and the Council of the Midvaal Local Municipality: 30 June 2022
2. Auditor-General: Draft Management report : 30 June 2022

- The Committee was pleased with the audit outcome of *Unqualified with no negative findings* for the 9th consecutive year.
- The AG also commended Midvaal for its sustained achievement.
- The Committee requested the AG to reassess at their assessment of Financial Health Assessment of Midvaal.
- Management were to address all the findings by 30 June 2023 and Internal Audit will verify.

2. Meeting held on 13 April 2023- 1st Ordinary Meeting 2022/2023

ITEM	LEGISLATIVE SECTION
i	**Internal Financial Control & Internal Audits**

Reports considered

1. Contract Management (Expenditure)
2. Waste Management:
3. Building Control
4. Human Resources (Recruitment and Appointments)

Performance and Audit Committee Annual Report

- The Committee noted that some of the follow up findings were only partially addressed.
- The Committee emphasised that the outstanding issues should be closed out by management by 30 June 2023 and that the internal audit findings should be given the same urgency as is given to the AG findings.
- The Committee also expressed concern over the high error rates that the IA reports were yielding.
- There seemed to be a decline in the internal controls that needed to be addressed.

ii **Risk Management**

Reports considered

1. Water Loss Management Audit
2. Organisational and Operational Risk Register 2022/2023: Quarter 2 – Feedback Report
3. Risk Maturity Assessment Report 2022
4. Incident Register Progress Report 2022/2023: Quarters 1
5. Incident Register Progress Report 2022/2023: Quarters 2

- The municipality implemented most of the actions regarding reduction of water loss from the 2020 year to the 2023 financial year. There are still some actions that need to be implemented. The water loss was at 37% - which is above the national norm of 30%
- The Committee was pleased to see further progress being made with the Risk Maturity Assessment and also noted the favourable assessment made by GPT.
- The nature and quantum of the incidents has not reduced, with many incidents related to motor vehicles.

iii **Performance Management**

Reports considered

1. Performance Reports for Quarter 1 and Quarter 2
2. Annual Report 2021/2022 Assessment
3. Financial Performance Report in terms of Section 52(d) of the MFMA: Quarter 1
4. Financial Performance Report in terms of Section 52(d) of the MFMA: Quarter 2
5. Financial & Non-Financial Performance Report in terms of Section 52(d) of the MFMA: Quarter 1
6. Financial & Non-Financial Performance Report in terms of Section 52(d) of the MFMA: Quarter 2

Performance and Audit Committee Annual Report

- The Committee noted the assessment by GPT and COGTA on the 2021/22 Annual Report, which was very positive, with some recommendations made.

- The Committee made extensive inputs into the 2012/22 Annual Report. Most of the recommendations were taken on board. Some of the housekeeping matters will be taken into account for the 2023 Annual Report.

- The Annual Report was also reviewed by Internal Audit for legal compliance.

iv **Effective governance**

Reports considered

1. Integrity Management Strategy Implementation Plan 2021/2022: Quarter 4

2. Integrity Management Strategy: 2022/2023

- The Committee noted the new risks included

  - Vandalism and theft of municipal infrastructure

  - Community unrest

- High Risk

  The inadequate air space on landfill sites was escalated to a high risk, due to litigation received against the municipality.

v **Compliance with the MFMA, the Annual Division of Revenue Act and any other applicable legislation**

Reports considered

1. Grants/Dora requirements

2. Legislative Compliance Review

3. Report on the MFMA Compliance Audit for the period Oct 2022 – Dec 2022 (Q2)

- The Committee noted issues of non-compliance regarding the licence conditions of the Landfill sites. These must be addressed as a matter of urgency.

- The Committee noted that certain reports were not going through to the Executive Mayor nor included on the website timeously.

- The committee advised management that there should be better communication between departments as compliance issues cannot be rectified retrospectively.

vi **Performance Evaluation**

Reports considered

Performance and Audit Committee Annual Report

1. Internal Audit Action Plan: Progress
2. Operation Clean Audit (OPCA) Action Plan 2021/2022 in terms of Section 131 of the MFMA as of March 2023

- The Committee also expressed concern that the IA program may not be completed by year end as 49% of the work was still outstanding.
- Good progress has been made on the OPCA Plan with only 4 items remaining as at the end of Q3.

vii **Any other issues referred to it by the municipality**

- The committee noted the impact that the load shedding is having on the fuel budget.
- The Committee noted the additional 21% increase in overtime cost to address backlogs in grass cutting and pot holes repairs.
- The Committee expressed concern about the 3 vacancies that still existed at Senior Management Level.

Meeting held on 18 May 2023 – 2nd Ordinary Meeting 2022/2023

ITEM	LEGISLATIVE SECTION
i	**Internal Financial Control & Internal Audits**

Reports considered

1. Human Resources – Leave and attendance
2. Prepaid Electricity
3. Income – Cash management

- Although there were no critical matters – some weaknesses still existed that need to be addressed.
- The Committee was concerned that IA left the follow up reviews for such a long period of time. Follow ups should be done within 6 to 9 months.
- Management indicated that the outstanding issues will be closed out by 30 June 2023.

ii **Risk Management**

Reports considered

1. Organisational & Operational Risk Register 2022/2023: Quarter 3 Progress Report
2. Gauteng Provincial Government: Risk Management Framework
3. Progress Report on Risk Maturity Improvement Plan
4. Incident Register 2022/2023: Quarter 3 Progress Report

- The Committee noted the good progress made in managing the Organisational and Operational Risks.

- The Risk Improvement plan showed an improvement to a rating of 3.6. Management were encouraged to put in the extra effort to try and achieve a rating of 4.0 by 30 June 2023, which the Committee felt was achievable.

- The incident register showed similar trend of incidents – mainly motor vehicle related incidents.

iii **Performance Management**

Reports considered

1. Financial Performance Report in terms of Section 52(d) of the MFMA: Q3

2. Non-Financial Performance Report in terms of Section 52(d) of the MFMA: Q3

- The Committee noted that both Revenue and Expenditure were below budget at 71% and 61% respectively. Capital leases were very low at 29% and the grand funding expenditure was also very low. Repairs and maintenance at 64% and particularly the repairs at the pump stations, WWTW and roads were very low. The collection rate of 92% was commendable. Distribution losses for both water and electricity were above the norm.

- The Committee pointed out that capital expenditure on 5 projects should be prioritised and accelerated as this account for R59M of the Capex budget and only R8.5m has been spent on these projects.

iv **Effective governance**

Reports considered

1. Integrity Management Strategy & Implementation Plan: 2023/2024

- The Committee was pleased to note that there were no items in the High Risk or Severe Risk categories. Only 3 items were of Moderate Risk and were being monitored.

v **Performance Evaluation**

Reports considered

1. Internal Audit Action Plan

2. Operation clean audit (OPCA) action plan 2021/2022 in terms of section 131 of the MFMA: progress report – May 2023

Performance and Audit Committee Annual Report

- The Committee had serious reservations about IA completing their Audit Plan by 30 June 2023

- IA indicated that they will only complete by no later than August 2023

- There was progress noted on the OPCA plan with only 3 outstanding items remaining

- Management assured The Committee that these will be closed out by 30 June 2023

vi **Any other issues referred to it by the municipality**

1. Letter of Resignation: Member of the Committee

2. Report on the Public-private Partnership Electricity Project: Finance, Design, Management, Operation & Maintenance of the Electricity Distribution Services for Midvaal Local Municipality

3. Approval of the Audit, Performance, Integrity & Risk Management Committee Charter & Internal Audit Charter

4. Rendering of Internal Audit Services: Extension of Contract in terms of Section 116(3) of the MFMA & Draft Annual Operational Audit Plan

5. Gauteng Provincial Treasury: Report on the Functionality and Effectiveness of Internal Audit and Audit Committee for Quarters 1 and 2

- The resignation of a Committee Member has left a vacancy on the Committee

- The Committee was given the assurance that there would be no penalties or financial implications emanating with the way in which the PPP was progressing

- The Charter was noted for approval by Council

- It was noted that the municipality was moving towards establishing an in-house Internal Audit Function. The deliberations also had a negative impact on the work of Internal Audit and hence their work programme will only be completed after the 30 June 2023 year end. The Committee also advised on repriotising some of the more crucial and high risk areas of the IA Plan that still needed to be completed and also pointed out that the cost of establishing an in-house function should be carefully considered

- The Committee noted the outcome of the GPT assessment of both the Internal Audit Function and the Committee and were pleased to note the comments namely that:

  IA and the Committee are functioning effectively. IA is producing quality reports.

CONCLUSION

The newly constituted Committee hit the ground running and has worked hard to get all the reporting up to date.

Performance and Audit Committee Annual Report

The period under review has come with some challenges

A new Committee had to be established after the term of office of the existing Committee members expired at the end of September 2023;

The Audit and Risk Committees were combined into one Committee;

The Charters had to be reviewed and consolidated;

Induction for Committee members;

Resignation of a member of the Committee;

Three vacancies at Senior Management level had to be filled;

There was a change in the Mayoral Committee and a New Executive Mayor was elected

A new Municipal Manager was appointed;

The municipality considered bringing the Internal Audit function in-house.

Midvaal did well in managing all the challenges. As at the date of this report there exists one vacancy on the Committee that needs to be filled.

With so many important changes taking place in a short space of time, there is a risk that systems and controls may get neglected to some extent. This was borne out by the Internal Audit's Follow Up Audits and management agreed with the Committee that the policies, procedures, systems and controls must be strictly managed. Remedial action was taken in this regard.

The issue of load shedding which is symptomatic of a structural problem at a National level – impacts on the lives of households and businesses in a negative way. Alternative energy sources will have to be considered and Midvaal is proactively considering alternatives.

The situation is further exacerbated by the ongoing down-turn and worsening business conditions. The volatility of the rand dollar exchange rate nearing R20 to the dollar which has implications and the upward movement in interest rates.

The risk of social uprisings noted as a high risk is rightly placed considering the prevailing socio-economic climate combined with an upcoming election year.

Should the internal audit function be brought in-house, the enormous cost implication must be carefully considered and the transition must be properly managed so that nothing falls through the cracks.

Whilst the collection rate is commendable, Capital spending on grants and Council funding needs to be of top priority due to underspending during the year.

Whilst the municipality is performing well there is no room for any complacency. Systems and controls must be continuously managed and risks identified and mitigated.

Performance and Audit Committee Annual Report

I take this opportunity to thank the Management and staff of the municipality for their co-operation and dedication. I would like to also thank the Executive Mayor and Council for being supportive.

Finally, I thank the Committee members for working as a team and for the contributions that they have made to the Committee and to meeting the Vision and Mission of the Midvaal Local Municipality.

7 Aug 2023

Chairperson of the Audit Committee
Mr. A Lambat

Date: ______________________

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2023.

1. Review of activities

Main business and operations

Net surplus of the municipality was R 141 258 781 (2022: surplus R 74 724 787).

2. Going concern

I draw attention to the fact that at 30 June 2023, the municipality had an accumulated surplus of R 2 573 548 798 and that the municipality's total assets exceed its liabilities.

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

The municipality has assessed that no going concern issues have been noted and that the municipality can continue in operational existence for the foreseeable future.

The municipality assessed the impact of the COVID-19 pandemic by comparing the financial indicators as follows:

	2022/23	**2021/22**
Current ratio (norm 2:1)	3.23:1	2.91:1
Cost coverage ratio (norm 3 months or more)	5.3 months	5.3 months
Creditors days (norm 30 days)	30 days	30 days
Debtors collection rate	97%	92%

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year, that may need to be adjusted for or disclosed in the Annual Financial Statements.

4. Accounting policies

The annual financial statements are prepared in accordance with the South African Statements of Generally Recognised Accounting Practices (GRAP), including any interpretations of such Statements issued by the Accounting Practices Board and the Accounting Standards Board as the prescribed framework by National Treasury.

5. Integrity management

Council has a very strong attitude towards legislative compliance, specifically supply chain management principles, and also the proper functioning of the Performance and Audit Committee, Municipal Public Accounts Committee (MPAC) and the Financial Disciplinary Board. These structures are functioning without council and/or political interference. Where required, matters are reported to the relevant external authorities for further investigation. The appropriate and relevant consequence management is also instituted, as and when required

The reviewed Integrity Management Policy & Plan, 2020 has been approved by Council per Council Resolution C2359/08/2020 dated 27 Aug 2020.

Council's stance to fraud and corruption is zero tolerance and in line with this, the efficient application of instructions contained in the policies and procedures of Midvaal, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

The main principles, upon which this Plan of Midvaal is based, include the following:

1. Creating a culture which is ethical and intolerant to fraud and corruption;

Accounting Officer's Report

. Integrity management (continued)

2. Deterrence of fraud and corruption;

3. Preventing fraud and corruption which cannot be deterred;

4. Detection of fraud and corruption;

5. Investigating detected fraud and corruption;

6. Taking appropriate action in the event of such irregularities, e.g. disciplinary action (consequence management), recovery of losses, to the extent required, and prosecution; and

7. Applying sanctions, that includes blacklisting and prohibition from further employment.

The components of the Plan include:

1. Focus on the organisation;

2. Focus on employees;

3. Focus on other stakeholders;

4. Enforcement;

5. Implementation.

All staff, including senior management and councillors, are obliged to declare specific personal assets and private business interests on an annual basis, such as:

1. Shares and other financial interests (not bank accounts with financial institutions);

2. Directorships and partnerships (also those held by the spouse and close family members);

3. Remunerated work outside of the municipality;

4. Consultancies and retainerships;

5. Sponsorships;

6. Gifts and hospitality from a source other than a family member (exceeding the value of R350 over a 12 month period);

7. Land and property registered in their name;

8. Vehicle(s) owned (registered) in their name;

9. Participation in elections.

Accounting Officer's Report

. Integrity management (continued)
The status of reported cases is as follows:

	2019/2020	2020/2021	2021/2022	2022/2023
Total Number of Cases reported	31	39	37	38
Total Number of Cases resolved	31	34	26	24
Total Number of Cases pending	0	5	11	14
% Resolved	100%	87%	70%	63%

The primary transgressions are summarized as follows:

1. Illegal water/electricity meter tampering/by-passing;
2. Misuse/Abuse of Council vehicles;
3. Appointment of Irregularities;
4. Bribery;
5. Theft of Council owned property;
6. Non-compliance to tender specifications;
7. Possible incorrect journal entries;.
8. Transgression of the Code of Conduct for Municipal Staff Members;
9. Issuing of fraudulent zoning certificate;
10. Bribery;
11. Theft of Council owned property;
12. Non-compliance with Firearm Control Policy.

Matters referred to the Financial Disciplinary Board, included the following:

1. Overpayment on contracts (Irregular/ Unauthorised Expenditure);
2. Salary overpayment;

The relevant remedial actions, according to Council's Policies, were initiated, i.e. disciplinary action, criminal prosecution and recovery of money. Management reviewed controls and internal audit tested the effectiveness of the controls in order to prevent recurrence.

Matters reported to external authorities for further investigations in line with the MFMA are frequently monitored and positive results received.

Midvaal through its fraud hotline takes all matters very seriously by means of it's Integrity Management Strategy. As such Midvaal often receives tip-offs regarding possible irregularities which are not always confined to the definition of unauthorised, irregular, fruitless and wasteful expenditure.

6. Accounting Officer

The accounting officer of the municipality during the year and as at the date of this report is as follows:

Accounting Officer's Report

. Accounting Officer (continued)

Name	Changes
AM Groenewald	Appointed Friday, 01 July 2022

Statement of Financial Position as at 30 June 2023

Figures in Rand	Note(s)	2023	2022 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	495 402 407	487 962 486
Receivables from exchange transactions	4	203 843 848	167 585 011
Receivables from non-exchange transactions	5	126 032 795	106 114 872
VAT control	6	18 779 191	17 690 177
Inventories	7	23 802 244	14 333 161
		867 860 485	**793 685 707**
Non-Current Assets			
Property, plant and equipment	8	2 150 000 678	2 097 835 386
Investment property	9	49 234 032	49 281 032
Intangible assets	10	9 269 259	6 436 395
Heritage assets	11	18 701	18 701
		2 208 522 670	**2 153 571 514**
Total Assets		**3 076 383 155**	**2 947 257 221**
Liabilities			
Current Liabilities			
Payables from exchange transactions	12	203 235 685	204 663 438
Borrowings	13	17 315 599	35 069 761
Consumer deposits	14	22 374 777	21 153 173
Lease liabilities	15	7 457 720	8 356 770
Income received in advance from developer contribution	16	6 371 653	5 295 609
Unspent conditional grants	17	11 764 412	3 260 177
		268 519 846	**277 798 928**
Non-Current Liabilities			
Borrowings	13	110 098 645	112 694 241
Provisions	18	90 400 430	86 038 163
Employee benefits	19	19 317 785	20 623 190
Lease liabilities	15	14 497 658	17 859 555
		234 314 518	**237 215 149**
Total Liabilities		**502 834 364**	**515 014 077**
Net Assets		**2 573 548 791**	**2 432 243 144**
Net assets presented by:			
Accumulated surplus		2 573 548 798	2 432 243 132

* See Note 47

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022 Restated*
Revenue			
Exchange revenue			
Services charges - Electricity	20	438 811 085	461 979 452
Services charges - Water	20	246 089 449	214 564 820
Services charges - Waste water management	20	61 722 624	54 450 195
Services charges - Waste management	20	57 489 732	55 101 715
Interests on investments	21	32 524 620	18 247 859
Interest earned from receivables	22	16 074 126	13 009 023
Sales of goods and rendering of services	23	8 247 317	5 482 101
Operational revenue	24	3 876 901	1 641 179
Rental	25	1 092 755	1 097 997
Inventories (surplus)	40	23 422	-
Total exchange revenue		**865 952 031**	**825 574 341**
Non-exchange revenue			
Property Rates	26	296 169 086	273 313 528
Transfers and subsidies	27	276 799 125	247 343 205
Fines, penalties and forfeits	28	72 475 142	68 386 649
Interest on receivables	22	13 793 558	5 509 450
Total non-exchange revenue		**659 236 911**	**594 552 832**
Total revenue		**1 525 188 942**	**1 420 127 173**
Expenditure			
Bulk Purchases	29	515 748 660	522 689 969
Employee related cost	30	345 657 451	322 147 853
Contracted services	31	145 204 570	127 894 877
Depreciation and amortisation	32	103 731 053	127 288 656
Bad debts written off	33	128 262 405	123 245 010
Operating expenses	34	71 258 306	58 791 232
Finance costs	35	29 450 914	30 122 765
Inventory consumed	36	28 381 854	24 521 710
Remuneration of councillors	37	14 364 228	12 967 574
Loss on disposal of assets	38	358 597	7 809 213
Inventories (write-down)	40	-	232 184
Transfers and subsidies	39	1 465 277	1 533 588
Total expenditure		**1 383 883 315**	**1 359 244 631**
Surplus for the year		**141 305 627**	**60 882 542**

* See Note 47

Statement of changes in net assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2021	**2 371 322 546**	**2 371 322 546**
Surplus for the year	60 882 540	60 882 540
Total changes	60 882 540	60 882 540
Opening balance as previously reported	2 446 047 372	2 446 047 372
Adjustments		
Correction of errors	38 046	38 046
Restated* Balance at 01 July 2022 as restated*	**2 446 085 418**	**2 446 085 418**
Surplus for the year	141 305 625	141 305 625
Total changes	141 305 625	141 305 625
Adjustments		
Prior period correction of errors posted in current year	(13 842 245)	(13 842 245)
Balance at 30 June 2023	**2 573 548 798**	**2 573 548 798**

Note(s)

* See Note 47

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from non exchange transactions		639 318 988	521 885 586
Cash receipts from exchange transactions		829 693 194	739 587 450
Interest		32 524 620	18 247 859
Payments			
Employees		(358 716 274)	(333 826 113)
Finance charges		(15 771 510)	(16 519 764)
Suppliers		(929 166 054)	(719 264 210)
Net cash from(used) operating activities	41	**197 882 964**	**210 110 808**
Cash flows from investing activities			
Receipts			
Proceeds on disposal of fixed and intangible assets		2 368 397	-
Proceeds on disposal of Investment property		-	320 430
Payments			
Capital assets		(165 355 848)	(163 331 034)
Intangible assets		(2 844 389)	(1 296 145)
Net cash flows from investing activities		**(165 831 840)**	**(164 306 749)**
Cash flows from financing activities			
Receipts			
Increase in borrowing long-term		14 720 000	18 600 000
Increase in finance lease long-term		4 453 150	10 411 976
Payments			
Decrease in borrowing long-term		(35 069 758)	(30 720 633)
Decrease in finance lease		(8 714 595)	(7 437 849)
Net cash flows from financing activities		**(24 611 203)**	**(9 146 506)**
Net increase/(decrease) in cash		**7 439 921**	**36 657 553**
Cash and cash equivalents at year begin		487 962 486	451 304 933
		495 402 407	**487 962 486**

The accounting policies on pages 24 to 52 and the notes on pages 53 to 114 form an integral part of the annual financial statements.

* See Note 47

Accounting Policies

The annual financial statements of Midvaal Local Municipality for the year ended 30 June 2023 were authorised for issue by the Accounting Officer on 31 August 2023.

Basis of presentation

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

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

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

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

These accounting policies are consistent with the previous period.

The Statement of Financial Performance has been prepared to classify expenses by nature, whilst revenue is classified in a manner appropriate to the municipality's operations. The Cash Flow Statement has been prepared using the Direct Method.

1. Summary of significant accounting policies

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality and all values are rounded to the nearest rand.

1.2 Going concern assumption

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

1.3 Materiality

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

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

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Receivables

The municipality assesses its trade receivables, for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the 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 considered first for individually significant receivables and then calculated on a portfolio basis, for the remaining balance, including those individually significant receivables for which no indicators of impairment were found. For amounts due to the municipality, significant financial difficulties of the receivable, probabillity that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment of Traffic Fines

Assessing and recognising impairment of Receivables for Traffic Fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipaity assesses the probability of collecting revenue when accounts fall into arrears.

Allowance for slow moving, damaged and obsolete stock

An assessment is made of net realisable value or current replacement cost, where applicable, of inventory at the end of each reporting period. A write down of inventory to the lower of cost or current replacement cost, where applicable, is subsequently provided. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in surplus or deficit.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

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

Impairment testing

The municipality reviews and tests the carrying value of cash generating assets when events in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the discounted cash-flow projection assumption may change, which may then impact our estimations, and may then require a material adjustment to the carrying value of assets.

Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors such as inflation and interest.

Judgements are made by management in applying the criteria to designate assets as non-cash-generating units or cash-generating units. The designation is made on the basis as described in accounting policy 1.13 - Impairment of non-cash-generating assets.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. The provision is discounted when the time value of money is material. Additional disclosure of these estimates of provisions are included in note 18 - Provisions

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the best estimate or net present valueof the future expected cash flows to rehabilitate the landfill site at year-end. To the extent that the obligations relate to an asset, it is capitalised as part of the costof those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance. Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates (investment rate) linked to prime was used to calculate the effect of the time value of money.

Leave accrual

The provision for staff leave is based on accrued leave at year-end. The uncertainty is when the leave will be taken or if employment will be terminated.

Prepaid electricity

Pre-paid electricity is only recognised as income as electricity is consumed. The estimate is based on pre-paid electricity sold at year-end, but still unused.

Estimates of unused consumption of prepaid metered services, based on the consumption history, are made at year-end. Sales for prepaid metered services are recognised as revenue upon receipt of payment for these services, except at year-end when estimates for unused consumption up to reporting date are reversed from revenue and accrued as payment for services received in advance. These accruals are reversed in the new financial year to revenue again, deemed to be consumed after 30 June. In respect of estimates of consumption between the last date of purchase and the reporting date, an accrual for payments received in advance is made based on the average monthly consumption of consumers on the reporting date.

Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimate involves a matter of judgement based on the experience of the municipality with similar assets, and whether the assets will be sold or used to the end of their economic lives and the condition at the time. The municipality considers all the facts and circumstances estimating the useful lives of assets, which included the consideration of financial, technical and other facts. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than the previously estimated useful lives.

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 in what condition they will be at that time.

The policy is also applicable to certain intangible assets and investment property.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

The present value of the post-retirement and other long term benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement and long term benefit obligations. In determining the appropriate discount rate, the municipality considers the market yields at the reporting date on government bonds. Where there is no deep market in the government bonds with a sufficiently long maturity to match the estimated maturity of all the benefits paid, the municipality uses current market rates of the appropriate term to discount shorter payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Due to the long-term nature of the plan, the estimates are subjected to significant uncertainty.

Other key assumptions for post retirement and other long-term obligations are based on current market conditions. Additional information is disclosed in Note 19.

Effective interest rate

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

In the application of the municipality's accounting policies, which are described below, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered to reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Water inventory

The estimation of the water stock in the reserviours is based on the measurement of water via electronic level sensors, where the level indicates the depth of the water in the reserviour, which is then converted into volumes, based on the total capacity of the relevant reserviour. Furthermore, the length and width of all pipes are also considered in determining the volume of water on hand at year-end.

Offsetting

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

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.

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

Initial recognition and measurement

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

1.5 Investment property (continued)

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.

Management applies the category below to distinguish Investment Property from Property Plant and Equipment:
- 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 calssified as investment properties;
- Land held for a currently underterminded future use;
- A building owned (or held by under a finance lease) and leased out under one or more operating lease;
- Leased properties that are held to provide social (community) service or that are neccessay for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held;
- A building that is vacant but is held to be leased out under one or more operating lease;
- Property that is being constructed or developed for future use as investment property.

Subsequent measurement – cost model

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

Item	Useful life
	x years / indefinite

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Land is not depreciated as it is deemed to have an indefinite useful life. (If investment property include land)

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of the asets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition/Disposal

Investment properties are 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. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of financial performance.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value [or carrying amount if cost model is used] at the date of change in use. If owner-occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

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.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 9).

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 year.

Management applies the category below to distinguish Property, Plant and Equipment from Investment Property:

Accounting Policies

1.6 Property, plant and equipment (continued)

- Owner- occupied property (including held for future use);

- Owner-occupied property held for disposal;

- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation and;

- Property held by the municipality for a strategic purpose

Initial recognition

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

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

Initial measurement

Property, plant and equipment are initially recognised at cost on its acquisition date. 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 the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset 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.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

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

Subsequent measurement – cost model

Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property, plant and equipment, are measured at cost, less accumulated depreciation and accumulated impairment losses.

The measurement and recognition of impairment losses are indicated in accounting policies 1.13 Impairment of cash-generating assets and 1.14 Impairment of non-cash generating assets.

Accounting Policies

1.6 Property, plant and equipment (continued)

Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight line method, to allocate their cost less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the municipality. 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 rates are based on the following estimated useful lives:

Item	Depreciation method	Average useful life
Land		indefinite
Machinery and equipment		
• Office equipment	Straight-line	3 - 10
• Bins and containers	Straight-line	5 - 10
Furniture and office equipment	Straight-line	10
Transport assets		
• Specialised vehicles	Straight-line	10 -30
• Other vehicles	Straight-line	5
• Vehicles	Straight-line	5
IT equipment	Straight-line	3 - 10
• Water	Straight-line	5 - 55
Infrastructure		
• Buildings	Straight-line	30
• Water	Straight-line	5 - 55
• Water	Straight-line	5 - 55
• Water	Straight-line	5 - 55
• Sewerage	Straight-line	10 - 60
• Landfill site	Straight-line	17
Community		
• Buildings	Straight-line	30
• Recreational facilities	Straight-line	20 - 30
• Security	Straight-line	5
Other assets		
• Buildings	Straight-line	30
Motor vehicles leased	Straight-line	5

The useful lives, residual values and depreciation method are reviewed annually at the end of the financial year where there is any indication that the municipality's expectations about the residual amount and the useful life of an asset has changed since the preceding reporting date. Any adjustments arising from the annual review are applied prospectively.

The measurement and recognition of impairment losses are indicated in accounting policies 1.13 Impairment of cash-generating assets and 1.14 Impairment of non-cash generating assets.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

1.6 Property, plant and equipment (continued)

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit whenthe 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.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 8).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 8).

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or surplus when the compensation becomes receivable.

Site rehabilitation and restoration costs

The municipality has an obligation to rehabilitate and restore items of property, plant and equipment such obligations are referred to as "rehabilitation provisions". The cost of an item of property, plant and equipment includes the initial estimate of the costs of rehabilitation and restoring the site on which it is located, the obligation for which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period.

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

1.7 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services.

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

Initial recognition and measurement

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 entity.
- The cost or fair value of the asset can be measured reliably.

An intangible asset is measured initially at cost. 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.

1.7 Intangible assets (continued)

Subsequent measurement

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

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values. The amortisation charge for each period is recognised in surplus or deficit. Amortisation begins when the asset is available for use.

An intangible asset with an indefinite useful life shall not be amortised.

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

Derecognition

Intangible assets are derecognised:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is determined as the difference between the sales proceeds and the carrying value and is included in surplus or deficit when the asset is derecognised.

Item	Amortisation method	Average useful life
Computer software	Straight-line	3 - 5 years
Servitudes		Indefinite

1.8 Heritage assets

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and is held and preserved indefinitely for the benefit of present and future generations.

The municipality has classified the mayoral chain as a heritage asset.

Initial recognition and measurement

The cost of an item of heritage assets is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

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.

Dererecognition

The carrying amount of an item of heritage assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of financial performance as a gain or loss on disposal of heritage assets.

Impairment

1.8 Heritage assets (continued)

A heritage asset shall not be depreciated but an entity shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

In assessing whether there is an indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

External sources of information
- During the period, a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use
- The absence of an active market for a revalued heritage asset.

Internal sources of information
- Evidence is available of physical damage or deterioration of a heritage asset
- A decision to halt the construction of the heritage asset before it is complete or in a usable form

1.9 Financial instruments

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

Initial recognition and measurement

A financial instrument is recognised, when the Municipality becomes a party to the contractual provisions of the instrument and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value, transaction costs that are directy attributable to the acquisition or issue of the fiancial instrument are added or deducted from the fair value, as appropriate on initial recognition.

1.9.1 Classification of financial instruments

Financial assets

Financial assets are:
- Cash;
- a residual interest of another municipality; or
- a contractual right to:;
  - receive cash or another financial asset; or
  - exchange financial assets or financial liabilities under conditions that are potentially favourable to the municipality

The municipality has the following types of financial assets as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial asset	Classification in terms of GRAP 104
Receipts from exchange transactions	Financial assets at amortised cost
Receipts from non-exchange transactions	Financial assets at amortised cost
Cash and cash equivalents	Financial assets at amortised cost

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets at amortised cost.

Receipts from exchange transactions exclude prepayments and advances.

1.9 Financial instruments (continued)

Receivables from non-exchange transactions exclude Fines, Property rates, and VAT as these form part of statutory receivables (1.10)

Subsequent measurement for financial assets

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of Financial Performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of Financial Performance.

Financial liabilities

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

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

The municipality has the following types of financial liabilities as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial liability	Classification in terms of GRAP 104
Borrowings	Financial liability at amortised cost
Current portion of borrowings	Financial liability at amortised cost
Finance lease liability	Financial liability at amortised cost
Current portion of finance lease liability	Financial liability at amortised cost
Trade and other payables from exchange transactions	Financial liability at amortised cost
Consumer deposits	Financial liability at amortised cost

1.9.2 Initial and subsequent measurement

Initial recognition and measurement

A financial instruments is recognised, when the municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instruments not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instruments are added or deducted from the fair value, as appropriate on initial recognition.

Subsequent measurement – Financial liabilities

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of financial performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

1.9.3 Impairment of financial assets

Receivables

For receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition (if practically determinable). Where the effective interest rate at initial recognition is not practically determinable the government bond rate is used as the risk-free rate and adjusted for any risks specific to the receivables.

1.9 Financial instruments (continued)

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of financial performance.

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 through the Statement of financial performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.9.4 Derecognition

Financial assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

Financial liabilities

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.10 Statutory receivables

1.10.1 Identification

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

The municipality has the following major categories under the ambit of statutory receivables:
- VAT receivables
- Property rates debtors
- Traffic fine debtors

1.10.2 Recognition

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

1.10.3 Initial and subsequent measurement

The municipality initially measures statutory receivables at their transaction amount.

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:
- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

1.10.4 Impairment

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

1.10 Statutory receivables (continued)

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

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

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

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

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

Rates debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios,qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

Assessing and recognising impairment of receivabes for traffic fines is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears.

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 through the Statement of financial performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.10.5 Derecognition

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

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

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

1.10.6 Accrued interest

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

1.10 Statutory receivables (continued)

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable. (policy 1.20)

1.10.7 Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the municipality applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers) (policy 1.21).

1.11 Leases

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

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately. The leased assets are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses.

Municipality as lessee - Finance leases

Initial recognition and measurement

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. Any initial direct costs of the lessee added are added to the amount reconised as an asset. 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 municipality's incremental borrowing rate.

Subsequent measurement

Subsequent to the initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangible assets. The lease liability is reduced by the lease payments, which are allocated between the finance cost and the capital repayment using the municipalitiy's incremental borrowing rate. Finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated as per stated accounting policy applicable to property, plant and equipment on note 1.6.

Municipality as lessee - operating leases

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.

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

Any contingent rents are expensed in the period in which they are incurred.

1.12 Inventories

Inventories are assets in the form of materials or supplies to be consumed or distributed in the rendering of services or held for distribution in the ordinary course of operations.

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the municipality and the cost of the inventories can be measured reliably.

Initial recognition and measurement

Accounting Policies

1.12 Inventories (continued)

Inventories are initially measured at cost. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired through a non-exchange transaction, their costs are their fair value as at the date of acquisition.

Subsequent measurement

Subsequently inventories are measured at the lower of cost and net realisable value unless distributed through a non-exchange transaction or consumed in the production process of goods to be distributed at no charge or for a nominal charge, in which case they are measured at the lower of cost and current replacement cost.

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 carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset. The cost of inventories is assigned using the first-in, first-out (FIFO) formula, except for water which is determined at cost at the reporting date due to it being measured at the lower of cost and current replacement cost.

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.

Redundant and slow-moving inventories are identified and written down/written off. Inventories identified for write down/write offf, but for which a council resolution to authorise the write down/write off, has not yet been obtained, are provided for as a provision for obsolete stock. Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arise.

Water inventory

Water is regarded as inventory when the Municipality purhases 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 purcased and not yet sold at Satement 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 is valued by using the weighted average method, at the lowest of purified cost and net realisable value, insofar as it is stored and controlled in the reservoirs at year-end.

1.13 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.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Designation

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

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

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

Identification

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

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

In assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

External sources of information

(a) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.

(b) Significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, int he technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated.

(c) Market interest ratesor other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

Internal sources of information

(d) Evidence is available of obsolescence or physical damage of an asset.

(e) Significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changed include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.

(f) A decision to halt the construction of the asset before it is complete or in a useable condition.

(g) Evidence is available from internal reporting that indicates that the economic performance of an asset is,or will be, worse than expected.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

1.13 Impairment of cash-generating assets (continued)

Value in use

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

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

Basis for estimates of future cash flows

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

Composition of estimates of future cash flows

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

Estimates of future cash flows exclude:
- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

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

Discount rate

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

The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's lenght transaction adjusted for the incremental cost that would be directly attributable to the disposal af the asset.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

1.13 Impairment of cash-generating assets (continued)

Cash-generating units

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

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

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

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

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

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

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

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

1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

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.

1.14 Impairment of non-cash-generating assets

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

* Assets acquired by the municipality are mainly used as per the municipality's mandate for service delivery purposes to customers that pay for the services but also to indigents. As the assets that are used for service delivery are similar, assets that generate cash flows cannot be distinguished from the non-cash generating assets and therefor are distinguished as non-cash generating.
* In the event that the assets that generate cash flows can be clearly identified the assets will be designated as cash-generating.

Designation

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

Identification

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

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

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal.

Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

Value in use

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

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

Depreciated replacement cost approach

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

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

Restoration cost approach

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

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.

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

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

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

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

1.15 Disclosure in term of Section 45 of the municipal Supply Chain Management Regulation

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 such a person in the service of the state, or has been in the service of the state in the previous twelve months.

1.16 Employee benefits

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

Short-term employee benefits

Remuneration to employees is recognised in the Statement of financial performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

Post-employment benefits: Defined benefit plans

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out by independent qualified actuaries regularly, as may be required for fair presentation.

Actuarial gains or losses recognised immediately in the Statement of financial performance.

Long-service employee benefits

The municipality has an obligation to provide Long-service Employee Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the entity instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service.

Long service 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.

The municipality has an obligation to provide long term service allowance benefits to all of its employees.

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.
- Payments made by the municipality are set-off against the liability

The municipality 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; interest cost is disclosed as part of the employee related cost in the financial statements
- 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.

Leave pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end and is shown as an accrual in the Statement of financial position.

1.17 Provisions

Provisions are recognised when the municipality has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Accounting Policies

1.17 Provisions (continued)

The best estimate of the expenditure required to settle the present obligation is the amount that an Municipality 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 judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

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.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of financial performance as a finance cost as it occurs.

The discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. The discount rate(s) shall not reflect risks for which future cash flow estimates have been adjusted.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of financial performance.

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model

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

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

Unspent conditional grants

Unspend contidtional grants are liabilites that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grants are not considered to be financial insturments as there are no contractual arrangements as required by GRAP104. The revenue received is driven from legislation. Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent grant is reclassified as payables, which is considered a financial instrument. This liability always must be cash-backed.

The following provisions are set for the creation of utilisation of this creditor:
Unspent conditional grants are recognised as a liability when the grant is received. When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
The cash which backs up the creditor is invested until it is utilised.

Accounting Policies

1.18 Contingent assets and contingent liabilities

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 municipality.

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 municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the municipality.

1.19 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.20 Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from service charges and other operational activities.

Recognition and measurement

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. Services rendered are recognised by reference to the stage of completion of the transaction at the reporting date. Services rendered are recognised also when transaction costs and cost to complete can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.20 Revenue (continued)

1.20.1 Revenue from exchange transactions

Service charges

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 consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

Pre-paid electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

Interest earned and rentals received

Interest and rentals are recognised on a time proportion basis that takes into account the effective yield on the investment. .

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Tariff charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff.

Sale of goods

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

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

Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue.

1.20 Revenue (continued)

1.20.2 Revenue from non-exchange transactions

Property rates

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the municipality is entitled to collect.

Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

Government grants and subsidies

Unconditional grants

Equitable share allocations are recognised in revenue at the start of the financial year.

Conditional grants

Conditional grants recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of financial performance.

Revenue received from 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. To the extent where the obligations have not been met, a liability is recognised.

Services received in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and 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 the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

1.21 Borrowing costs

Borrowing costs are interest and other expenses incurred by an municipality in connection with the borrowing of funds.

Accounting Policies

1.21 Borrowing costs (continued)

Borrowing costs are recognised as an expense in the Statement of financial performance in the period in which they are incurred.

1.22 Current year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods, except where otherwise indicated.

1.23 Unauthorised expenditure

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA), defines Unauthorised expenditure as follows:

- Overspending of the total amount appropriated in the municipality's approved budget;
- Overspending of the total amount appropriated for a vote in the approved budget;
- Expenditure from a vote unrelated to the department or functional area covered by the vote;
- Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- Spending of an allocation referred to in the above paragraphs of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- A grant by the municipality otherwise than in accordance with this Act.

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) also defines a Vote as:

- One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The municipality uses the Municipal Standard Chart of Accounts (mSCOA) Functions and Sub-functions, previously the Government Finance Statistics (GFS) functions, as well as departments as the main groupings of segments of the municipality's budget segments within the municipality are grouped per department to facilitate greater accountability and budget implementation by the respective Executive Directors as well as per mSCOA classification to facilitate comparisons on a higher level.

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. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

1.24 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 preformance 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.

Additional disclosure for fruitless and wasteful expenditure is disclosed in note 49.

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 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 municipality's supply chain management policy.

Accounting Policies

1.25 Irregular expenditure (continued)

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.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Additional disclosure for irregular expenditure is disclosed in note 49.

1.26 Segment information

A segment is an activity of an entity:
- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met. Reports are used to identify reportable segments and the review thereof, eg. monthly section 71 reports.

The municipality reports a measure of assets and liabilities for each reportable segment if such an amount is regularly provided to management."

The municipality does not disclose the geographical areas in which it operates as it is not relevant for decision-making purposes.

Measurement

The municipality uses dection 71 reports to assess performance. The measurement basis per the monthly reports is the same as the annual financial statements.

1.27 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

1.27 Budget information (continued)

The approved budget covers the fiscal period from 2022/07/01 to 2023/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Comparative information is not required.

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the annual financial statements in determining whether a difference between the budgeted and actual amount is material.

All comparisons of the budget and actual amounts shall be presented on a comparative basis to the budget. Comparative information includes the following:
- the approved and final amounts;
- actual amounts and final budget amounts.

1.28 Related parties and related party transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Close members of the family of a individual are those family members who may be expected to influence or be influenced by that individual in their dealings with the municipality. An individual is considered to be a close member of the family of another individual if they are married or live together in a relationship similar to a marriage; or if they are separated by no more than two degrees of natural or legal consanguinity or affinity.

Remuneration of management includes remuneration derived for services provided to the municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration.

In the case of permanent employees acting in management positions, only the remuneration received additionally for acting in that position is disclosed.

Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the municipality.

The municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

Only transactions with related parties not at arm's lenght or not in the ordinary course of business are disclosed.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity’s financial statements to understand the effect of related party transactions on its annual financial statements.

1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:
- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

1.29 Events after reporting date (continued)

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.30 Value Added Tax

The municipality is registered with the South Afrcan Revenue Service (SARS) for Value Added Tax on the payments basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

Revenue, expenses and assets are recognised net of the amounts of value-added tax. The net amount of value-added tax recoverable from, or payable to SARS is included as part of receivables or payables in the Statement of Financial Position,

1.31 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surplus realised during a specific financial year is credited against the accumulated surplus.

Prior year adjustments, relating to income and expenditure are credited/debited against accumulated surplus/(deficit) when retrospective adjustments are made.

1.32 Consumer deposits

The municipality recognises consumer deposits as a current liability when the municipality becomes a party to the contract i.e. when the deposit is made. The consumer deposit is recognised as a liability as the municipality has an obligation to pay the money back to the consumer once the consumer account is closed. As the timing of when a consumer will close their account is unknown, the consumer deposits are classified as a current liability.

Consumer deposits are levied in line with council's policy to consumers when services are initially connected.

When services are terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date.Any excess deposit after all debt is settled is refunded to the specific consumer.

Figures in Rand	2023	2022

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The Municipality has not applied the following standards and interpretations, which have been published and are mandatory for the Municipality’s accounting periods beginning on or after 01 April 2021 or later periods:

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 April 2021 or later periods but are not yet effective:

Standard/ Interpretation:	**Effective date: Years beginning on or after**	**Expected impact:**
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2099	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	01 April 2099	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2099	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2099	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

3. Cash and cash equivalents

3.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

Call deposits and investments		
Bank guarantees	330 000	330 000
Cash at bank		
Bank account	495 069 687	487 629 766
Cash on hand	2 720	2 720
Total cash and cash equivalents	**495 402 407**	**487 962 486**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods, depending on the immediate cash requirements and earn interest at the respective short-term deposit rate.

Cash at banks include an amount of R11 764 412 (2022: R3 260 177) held to fund unspent conditional grants.

3.2 Bank accounts

The municipality has the following bank accounts:

ABSA Bank Limited	Cheque - Account Number 4053203845	27 342 932	90 041 810
ABSA Bank Limited	Cheque - Account Number 4091943582	-	1 857 785
Nedbank Limited	Cheque - Account Number 1224797477	1 035 784	20 714
Nedbank Limited	Cheque - Account Number 1224797469	466 690 971	395 709 457
Total		**495 069 687**	**487 629 766**

Credit quality of cash at bank and short term deposits (excluding cash on hand)

The credit quality of cash at bank and short-term deposits, excluding cash on hand, that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

3. Cash and cash equivalents (continued)

3.3 Difference between cash book and bank statement

2023

	Cash book	Bank statement	Difference
ABSA Bank Limited	27 342 932	27 342 932	-
Nedbank Limited	1 035 784	1 035 784	-
Nedbank Limited	466 690 971	466 024 299	666 672
	495 069 687	**494 403 015**	**666 672**

2022

	Cash book	Bank statement	Difference
ABSA Bank Limited	90 041 810	90 041 810	-
ABSA Bank Limited	1 857 785	1 857 785	-
Nedbank Limited	20 714	20 714	-
Nedbank Limited	395 709 457	409 517 017	(13 807 560)
	487 629 766	**501 437 326**	**(13 807 560)**

Guarantees held in lieu of electricity and water deposits

	2023	2022
Ontec Systems (Pty) Ltd	13 000 000	8 000 000
Heineken SA (Pty) Ltd	7 109 000	7 109 000
Bhawan Family Holdings	1 199 326	1 199 326
Nic Bris Vervoer (Pty) Ltd	-	120 000
	21 308 326	**16 428 326**

4. Receivables from exchange transactions

	Note	2023	2022
Consumer receivables from exchange transactions	4.1		
Electricity		37 893 656	28 037 333
Waste management		20 610 519	15 767 294
Waste water management		20 001 740	14 148 387
Water		95 532 811	80 660 842
Sundries		16 755 411	15 784 171
		190 794 137	**154 398 027**
Other receivables from exchange transactions	4.2		
Deposits held in trust		570 121	570 121
Sundry debtors		2 174 063	2 702 591
Prepayments and advances		10 305 527	9 914 272
		13 049 711	**13 186 984**
Total receivables from exchange transactions		**203 843 848**	**167 585 011**

The amount disclosed in this note is net of impairment. Refer to note 4.1 & 4.2 for the amount before the provision (gross) and the actual value of the provision.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

4. Receivables from exchange transactions (continued)

4.1 Consumer receivables

The average credit period for consumer receivables is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of consumer receivables.

The management of the municipality is of the opinion that the carrying value of consumer receivables approximate their fair values.

The fair value of consumer receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and consumer receivables as well as the current payment ratio's of the municipality's consumer receivables.

	2023			2022		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables from exchange transactions						
Electricity	44 373 067	(6 479 411)	37 893 656	43 256 143	(15 218 810)	28 037 333
Waste management	38 895 764	(18 285 245)	20 610 519	32 617 817	(16 850 523)	15 767 294
Waste water management	36 758 398	(16 756 658)	20 001 740	27 740 402	(13 592 015)	14 148 387
Water	149 157 943	(53 625 132)	95 532 811	137 358 147	(56 697 305)	80 660 842
Sundries	30 686 001	(13 930 590)	16 755 411	37 169 608	(21 385 437)	15 784 171
Total consumer receivables from exchange transactions	**299 871 173**	**(109 077 036)**	**190 794 137**	**278 142 117**	**(123 744 090)**	**154 398 027**

Notes to the Annual Financial Statements

Figures in Rand

4. Receivables from exchange transactions (continued)

4.1.1 Ageing of consumer receivables

2023

		Not due			Past due		
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables from exchange transactions							
Total by debt type							
Electricity	37 893 656	27 550 446	3 235 436	414 702	249 752	1 645 258	4 798 062
Waste management	20 610 519	5 478 233	1 528 272	1 346 537	1 210 228	6 594 150	4 453 099
Waste water management	20 001 740	5 537 680	1 465 288	1 300 731	1 164 370	6 028 036	4 505 635
Water	95 532 811	32 927 201	4 408 308	3 476 154	3 757 310	21 321 883	29 641 955
Sundries	16 755 411	2 814 261	685 872	574 306	676 200	2 849 055	9 155 717
Total by debt type	**190 794 137**	**74 307 821**	**11 323 176**	**7 112 430**	**7 057 860**	**38 438 382**	**52 554 468**
Aging per customer group							
Organs of state	20 291 385	1 378 054	394 442	378 321	365 252	2 485 283	15 290 033
Commercial customers	27 362 099	19 077 838	3 087 103	238 258	146 021	3 498 223	1 314 656
Households	143 140 653	53 851 929	7 841 632	6 495 852	6 546 588	32 454 877	35 949 775
Total by customer group	**190 794 137**	**74 307 821**	**11 323 177**	**7 112 431**	**7 057 861**	**38 438 383**	**52 554 464**

4. Receivables from exchange transactions (continued)

2022

		Not due	Past due				
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables from exchange transactions							
Total by debt type							
Electricity	28 037 333	104 188	3 305 394	7 079 419	11 990 477	1 571 844	3 986 011
Waste management	15 767 294	3 599 525	703 357	583 921	548 759	3 373 346	6 958 386
Waste water management	14 148 387	3 873 650	690 759	575 730	501 013	3 135 637	5 371 598
Water	80 660 842	26 947 537	1 948 534	1 638 889	1 736 498	11 994 363	36 395 021
Sundries	15 784 171	1 372 744	462 236	442 828	449 505	2 339 576	10 717 282
Total by debt type	**154 398 027**	**35 897 644**	**7 110 280**	**10 320 787**	**15 226 252**	**22 414 766**	**63 428 298**
Aging per customer group							
Organs of state	16 494 281	1 026 968	218 224	241 692	263 186	2 777 449	11 966 762
Commercial customers	29 677 010	1 354 305	3 242 142	7 043 120	12 016 037	1 993 035	4 028 371
Households	108 226 736	33 516 371	3 649 914	3 035 975	2 947 029	17 644 282	47 433 165
Total by customer group	**154 398 027**	**35 897 644**	**7 110 280**	**10 320 787**	**15 226 252**	**22 414 766**	**63 428 298**

4. Receivables from exchange transactions (continued)

4.1.2 Impairment reconciliation of consumer receivables

	2023				2022			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Consumer receivables from exchange transactions								
Electricity	(15 218 811)	7 811 331	928 069	(6 479 411)	(8 477 478)	(7 142 970)	401 638	(15 218 810)
Waste management	(16 850 524)	(7 176 810)	5 742 089	(18 285 245)	(13 566 112)	(4 946 308)	1 661 897	(16 850 523)
Waste water management	(13 592 015)	(5 873 329)	2 708 686	(16 756 658)	(10 317 940)	(4 470 770)	1 196 695	(13 592 015)
Water	(56 697 305)	(30 372 790)	33 444 963	(53 625 132)	(52 527 342)	(27 675 466)	23 505 503	(56 697 305)
Sundries	(21 385 436)	2 771 800	4 683 046	(13 930 590)	(22 405 603)	355 082	665 084	(21 385 437)
Total consumer receivables	**(123 744 091)**	**(32 839 798)**	**47 506 853**	**(109 077 036)**	**(107 294 475)**	**(43 880 432)**	**27 430 817**	**(123 744 090)**

4.1.3 Ageing of impaired consumer receivables

2023

		Not due	Past due				
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables from exchange transactions							
Aging by debt type							
Electricity	(6 479 411)	(572 580)	(1 208 600)	(161 317)	(153 058)	(721 860)	(3 661 996)
Waste management	(18 285 245)	(93 763)	(44 988)	(131 796)	(204 067)	(2 491 887)	(15 318 744)
Waste water management	(16 756 658)	(131 222)	(44 889)	(111 119)	(181 010)	(2 552 934)	(13 735 484)

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

4. Receivables from exchange transactions (continued)

Water	(53 625 132)	(1 577 043)	(541 268)	(546 601)	(637 083)	(6 912 388)	(43 41
Sundries	(13 930 590)	(31 599)	(40 798)	(93 182)	(111 535)	(1 052 462)	(12 60
Total by debt type	**(109 077 036)**	**(2 406 207)**	**(1 880 543)**	**(1 044 015)**	**(1 286 753)**	**(13 731 531)**	**(88 72**
Aging per customer group							
Organs of state	(4 488)	-	-	-	-	-	
Commercial customers	(4 141 637)	(569 123)	(1 152 672)	(40 566)	(26 079)	(306 976)	(2 04
Households	(104 934 574)	(1 837 084)	(727 870)	(1 003 451)	(1 260 674)	(13 424 554)	(86 68
Total by customer group	**(109 080 699)**	**(2 406 207)**	**(1 880 542)**	**(1 044 017)**	**(1 286 753)**	**(13 731 530)**	**(88 73**

Notes to the Annual Financial Statements

Figures in Rand

4. Receivables from exchange transactions (continued)

2022

		Not due			Past due		
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables from exchange transactions							
Aging by debt type							
Electricity	(15 218 810)	(2 531 067)	(870 593)	(1 880 320)	(3 107 306)	(1 531 447)	(5 298 077)
Waste management	(16 850 523)	(1 083 919)	(499 793)	(459 398)	(471 395)	(3 350 095)	(10 985 923)
Waste water management	(13 592 015)	(981 320)	(456 126)	(426 901)	(403 268)	(2 988 807)	(8 335 593)
Water	(56 697 305)	(3 027 818)	(1 394 262)	(1 287 867)	(1 455 403)	(10 004 573)	(39 527 382)
Sundries	(21 385 437)	(676 521)	(321 078)	(328 616)	(335 904)	(2 201 458)	(17 521 860)
Total by debt type	**(123 744 090)**	**(8 300 645)**	**(3 541 852)**	**(4 383 102)**	**(5 773 276)**	**(20 076 380)**	**(81 668 835)**

The impairment provision was calculated after individually assessing consumer receivables and by estimating the probability of future payment ratios, using a formula-based approach by considering the historical payment ratios and other characteristics found per groups of consumer debtors.

In determining the recoverability of a consumer receivables, the municipality considers any change in the credit quality of the consumer receivables 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 debt impairment.

4. Receivables from exchange transactions (continued)

4.1.4 Consumer receivables pledged as security

No consumer receivables were pledged as security.

4.1.5 Credit quality of consumer receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

4.2 Other receivables from exchange transactions

	2023		2022	
	Gross	Total	Gross	Total
Other receivables from exchange transactions				
Deposits held in trust	570 121	570 121	570 121	570 121
Sundry debtors	2 174 063	2 174 063	2 702 591	2 702 591
Prepayments and advances	10 305 527	10 305 527	9 914 272	9 914 272
Total	**13 049 711**	**13 049 711**	**13 186 984**	**13 186 984**

4.2.1 Ageing of other receivables from exchange transactions

2023

		Not due
	Total	Current
Other receivables from exchange transactions		
Deposits held in trust	570 121	570 121
Sundry debtors	2 174 063	2 174 063
Prepayments and advances	10 305 527	10 305 527
Total	**13 049 711**	**13 049 711**

2022

		Not due
	Total	Current
Deposits held in trust	570 121	570 121
Sundry debtors	2 702 591	2 702 591
Total	**3 272 712**	**3 272 712**

5. Receivables from non-exchange transactions

Consumer receivables			
	5.1		
Property Rates		109 068 196	88 817 254
Other receivables			
	5.1		
Fines		9 429 972	9 868 560
Provincial and district subsidies		7 534 627	7 429 058
		16 964 599	**17 297 618**
Total receivables		**126 032 795**	**106 114 872**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

5. Receivables from non-exchange transactions (continued)

5.1 Receivables from non-exchange transactions

	2023			2022		
	Gross	Impairment	Total	Gross	Impairment	Total
Consumer receivables						
Property rates	201 450 736	(92 382 540)	109 068 196	176 145 100	(87 327 846)	88 817 254
Other receivables						
Fines	250 261 860	(240 831 888)	9 429 972	185 301 548	(175 432 988)	9 868 560
Provincial and district subsidies	7 534 627	-	7 534 627	7 429 058	-	7 429 058
	257 796 487	**(240 831 888)**	**16 964 599**	**192 730 606**	**(175 432 988)**	**17 297 618**
Total	**459 247 223**	**(333 214 428)**	**126 032 795**	**368 875 706**	**(262 760 834)**	**106 114 872**

Notes to the Annual Financial Statements

Figures in Rand

5. Receivables from non-exchange transactions (continued)

5.1.1 Ageing of receivables from non-exchange transactions

2023

		Not due			Past due		
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables							
Property rates	109 068 196	28 569 060	7 785 703	5 804 196	5 308 498	27 403 376	34 197 363
Aging per customer group							
Organs of state	9 002 428	713 085	298 448	273 261	267 497	1 904 896	5 545 241
Commercial customers	10 749 390	4 562 357	1 427 700	471 854	285 366	1 608 433	2 393 680
Households	89 316 378	23 293 618	6 059 555	5 059 081	4 755 635	23 890 047	26 258 442
Total by customer group	**109 068 196**	**28 569 060**	**7 785 703**	**5 804 196**	**5 308 498**	**27 403 376**	**34 197 363**
Other receivables							
Fines	9 429 972	9 429 972	-	-	-	-	-
Provincial and district subsidies	7 534 627	7 534 627	-	-	-	-	-
	16 964 599	**16 964 599**	**-**	**-**	**-**	**-**	**-**
	126 032 795	**45 533 659**	**7 785 703**	**5 804 196**	**5 308 498**	**27 403 376**	**34 197 363**

5. Receivables from non-exchange transactions (continued)

2022

		Not due			Past due		
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables							
Property rates	88 817 254	20 556 962	7 127 602	2 931 613	2 681 600	16 191 980	39 327 497
Aging per customer group							
Organs of state	6 588 829	618 537	247 369	224 245	209 354	1 420 263	3 869 061
Commercial customers	8 074 457	3 749 268	322 113	264 674	213 486	963 682	2 561 234
Households	74 153 968	16 189 157	6 558 120	2 442 694	2 258 760	13 808 035	32 897 202
Total by customer group	**88 817 254**	**20 556 962**	**7 127 602**	**2 931 613**	**2 681 600**	**16 191 980**	**39 327 497**
Other receivables							
Traffic Fines	9 868 560	45 122	211 258	140 275	103 177	293 973	9 074 755
Provincial and district subsidies	7 429 058	7 429 058	-	-	-	-	-
	17 297 618	**7 474 180**	**211 258**	**140 275**	**103 177**	**293 973**	**9 074 755**
	106 114 872	**28 031 142**	**7 338 860**	**3 071 888**	**2 784 777**	**16 485 953**	**48 402 252**

Notes to the Annual Financial Statements

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5. Receivables from non-exchange transactions (continued)

5.1.2 Impairment reconciliation of receivables from non-exchange transactions

	2023				2022			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
Consumer receivables								
Property Rates	(87 327 845)	(17 727 170)	12 671 916	(92 382 540)	(74 049 974)	(14 633 150)	1 355 278	(87 327 846)
Other receivables								
Fines	(175 432 988)	(65 398 900)	-	(240 831 888)	(117 116 859)	(61 767 531)	3 451 402	(175 432 988)
Total	**(262 760 833)**	**(83 126 070)**	**12 671 916**	**(333 214 428)**	**(191 166 833)**	**(76 400 681)**	**4 806 680**	**(262 760 834)**

5. Receivables from non-exchange transactions (continued)

5.1.3 Ageing of impaired receivables from non-exchange transactions

2023

		Not due			Past due		
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables							
Property Rates	(92 382 540)	(365 612)	(326 896)	(782 048)	(1 357 382)	(10 144 414)	(79 406 188)
Other receivables							
Fines	(240 831 888)	(240 831 888)	-	-	-	-	-
	(333 214 428)	**(241 197 500)**	**(326 896)**	**(782 048)**	**(1 357 382)**	**(10 144 414)**	**(79 406 188)**

2022

		Not due			Past due		
	Total	Current	30 days	60 days	90 days	120 days	120+ days
Consumer receivables							
Property Rates	(87 327 846)	(4 909 759)	(2 476 412)	(1 997 415)	(1 987 723)	(15 053 705)	(60 902 832)
Other receivables							
Fines	(175 432 988)	(175 432 988)	-	-	-	-	-
	(262 760 834)	**(180 342 747)**	**(2 476 412)**	**(1 997 415)**	**(1 987 723)**	**(15 053 705)**	**(60 902 832)**

Property Rates

Property Rates receivables are statutory receivables and arise from property taxes levied on property owners based on the valuation of properties per the valuation roll in accordance with the Municipal Property Rates Act, No 6 of 2004 and Midvaal Local Municipality's Property Rates Policy. A general valuation is performed every x years, with supplementary valuations inbetween.

5. Receivables from non-exchange transactions (continued)

The average credit period for property rates receivables is 30 days. No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of property rates receivables.

The management of the municipality is of the opinion that the carrying value of property rates receivables approximate their fair values.

The impairment provision was calculated after individually assessing property rates receivables and by estimating the probability of future payment ratios, using a formula-based approach by considering the historical payment ratios and other characteristics found per groups of property rates debtors.

In determining the recoverability of a receivable, the municipality considers any change in the credit quality of the receivable 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 Allowance for Doubtful Debts.

Traffic fines

Traffic fines receivables are statutory receivables and arise from traffic infringements commited and fines issued as a result, in terms of the National Road Traffic Regulations of 2000 and the National Road Traffic Act 93 of 1996, as well as the Criminal Procedure Act, No 501 of 1977.

The Traffic fines must be issued within 30 days of offence, after which it is payable. No interest is charged.

The management of the municipality is of the opinion that the carrying value of Traffic fines receivables approximate their fair values.

The impairment provision was calculated after collectively assessing Traffic fines receivables and by calculating the historical payment ratios and assuming that future payment ratios would be similar to the historical payment ratios.

The provision for doubtful debts on traffic fines receivables exist predominantly due to the possibility that these debts will not be recovered were assessed individually for impairment.

6. VAT control

VAT receivable	18 779 191	17 690 177

VAT is received and paid as required by the Value Added Tax Act no. 89 of 1991 (VAT Act)

VAT is applied to all relevant goods and services as stated in the VAT Act and the amount thereof is determined in terms of the VAT Act.

VAT is submitted and paid on a monthly basis. Interest is charged on outstanding VAT amounts.

VAT receivable from SARS is not impaired as the SARS has sufficient funds to pay any outstanding amounts. VAT on output provision is assessed with the debtors impairment provision and included therein. Refer to note 5 for more detail on the impairment provision.

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

7. Inventories

Consumables		22 874 913	13 441 642
Water	7.1	927 331	891 519
Total Inventories		**23 802 244**	**14 333 161**

The amount of write-down of inventories recognised as an expense is R - (2022: R 232 184). Refer to note 36.1.

R 23 422 previously written-down was reversed during the current year. Refer to note 36.1)

The amount of inventories consumed was R28 381 854 (2022: R24 251 710). Refer to note 36.

7.1 Water

Opening balance	891 519	846 890
System input volume	137 768 087	135 419 989
Authorised consumption	(91 322 036)	(86 360 275)
Revaluation adjustment	35 812	44 629
Unavoidable annual real losses	(46 446 051)	(49 059 714)
Closing balance	**927 331**	**891 519**

7.2 Inventory pledged as security

No portion of inventories have been pledged as securities.

Notes to the Annual Financial Statements

Figures in Rand

8. Property, plant and equipment

8.1 Summary

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	116 531 564	-	116 531 564	116 531 564	-	116 531 564
Transport Assets	40 645 148	(24 375 088)	16 270 060	35 590 671	(22 379 471)	13 211 200
Machinery and Equipment	49 784 647	(25 340 213)	24 444 434	45 735 707	(23 967 380)	21 768 327
Furniture and Office Equipment	24 112 864	(11 743 010)	12 369 854	21 098 812	(9 812 315)	11 286 497
Computer Equipment	28 272 175	(15 417 245)	12 854 930	26 086 131	(12 463 813)	13 622 318
Infrastructure	3 326 679 803	(1 516 021 400)	1 810 658 403	3 200 371 879	(1 432 215 602)	1 768 156 277
Community Assets	174 952 291	(70 102 562)	104 849 729	167 162 579	(62 623 450)	104 539 129
Leased Assets	82 039 559	(43 509 258)	38 530 301	79 473 155	(40 272 007)	39 201 148
Other Assets	43 190 186	(29 698 783)	13 491 403	43 058 681	(33 539 755)	9 518 926
Total	**3 886 208 237**	**(1 736 207 559)**	**2 150 000 678**	**3 735 109 179**	**(1 637 273 793)**	**2 097 835 386**

Notes to the Annual Financial Statements

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8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	116 531 564	-	-	-	116 531 564
Transport Assets	13 211 200	7 152 381	(7 750)	(4 085 771)	16 270 060
Machinery and Equipment	21 768 327	5 764 352	(77 382)	(3 010 863)	24 444 434
Furniture and Office Equipment	11 286 497	3 535 262	(121 129)	(2 330 776)	12 369 854
Computer Equipment	13 622 318	2 474 831	(24 926)	(3 217 293)	12 854 930
Infrastructure	1 768 156 277	126 341 331	(18 439)	(83 820 766)	1 810 658 403
Community Assets	104 539 129	16 001 647	(8 205 918)	(7 485 129)	104 849 729
Leased Assets	39 201 148	3 941 038	(1 001 984)	(3 609 901)	38 530 301
Other Assets	9 518 926	131 506	-	3 840 971	13 491 403
	2 097 835 386	**165 342 348**	**(9 457 528)**	**(103 719 528)**	**2 150 000 678**

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Revaluations	Other changes, movements	Depreciation	Total
Land	116 464 619	66 945	-	-	-	-	116 531 564
Transport Assets	9 608 320	4 807 888	(27 457)	-	157	(1 177 708)	13 211 200
Machinery and Equipment	17 558 663	7 860 745	(2 190)	-	-	(3 648 891)	21 768 327
Furniture and Office Equipment	7 934 554	5 078 875	(17 869)	-	-	(1 709 063)	11 286 497
Computer Equipment	10 219 560	6 197 249	(94 390)	-	-	(2 700 101)	13 622 318
Infrastructure	1 776 305 681	108 021 380	(7 214 036)	-	37 889	(108 994 637)	1 768 156 277
Community Assets	89 797 820	19 818 962	(383 277)	-	-	(4 694 376)	104 539 129
Leased Assets	33 093 831	11 478 989	-	-	-	(5 371 672)	39 201 148
Other Assets	13 823 798	-	-	(5 323 404)	-	1 018 532	9 518 926
	2 074 806 846	**163 331 033**	**(7 739 219)**	**(5 323 404)**	**38 046**	**(127 277 916)**	**2 097 835 386**

8.2 Property, plant and equipment under construction

Reconciliation of Work in Progress (WIP) 2023

	Opening balance	Additions	Transferred to completed assets	Total
Community	30 464 956	13 864 299	(9 448 643)	34 880 612
Infrastructure	204 826 657	119 993 446	(10 656 553)	314 163 550
Intangible assets	303 631	-	-	303 631
IT equipment	1 640 140	3 825	-	1 643 965
Transport assets	2 224 137	3 337 900	(1 155 575)	4 406 462
Machinery	248 750	374 197	-	622 947
	239 708 271	**137 573 667**	**(21 260 771)**	**356 021 167**

Figures in Rand	2023	2022

8. Property, plant and equipment (continued)

Reconciliation of Work in Progress 2022	Opening balance	Additions	Transferred to completed assets	Total
Community	21 493 963	19 679 912	(10 708 919)	30 464 956
Infrastructure	160 197 449	98 601 571	(5 397 263)	253 401 757
Intangible assets	303 631	-	-	303 631
IT equipment	1 883 237	3 037 254	(3 280 351)	1 640 140
Transport assets	2 224 137	-	-	2 224 137
Machinery	-	248 750	-	248 750
	186 102 417	**121 567 487**	**(19 386 533)**	**288 283 371**

8.3 Property, plant and equipment pledged as security

No portion of property, plant and equipment has been pledged as security for liabilities, other than obligations under finance leases that are secured by the lessor's right over the leased assets.

8.4 Maintenance of property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment	2023	2022
Employee related costs	86 034 588	78 788 163
Contracted services	66 954 957	52 907 390
Sales of goods / inventory	73 470	146 477
Hire charges	7 455 306	3 302 586
	160 518 321	**135 144 616**

8.5 Funding of property, plant and equipment acquisitions

	2023	2022
Land and buildings		
Accumulated surplus	-	66 945
Infrastructure assets		
Accumulated surplus	25 543 331	16 800 394
Annuity loans	14 720 000	24 578 067
Developers contribution	3 500 000	2 251 918
INEP	28 775 000	22 871 503
MIG	35 909 000	23 524 903
WSIG	17 894 000	17 994 594
	126 341 331	**108 021 379**
Community assets		
Accumulated surplus	3 919 325	3 241 081
Annuity loans	3 165 145	2 927 023
DSCAR	3 055 590	2 045 142
MIG	-	4 018 595
NDPG	5 861 587	7 587 121
	16 001 647	**19 818 962**
Leased assets		
Accumulated surplus	-	8 496 711
Finance leases	3 941 038	2 982 278
	3 941 038	**11 478 989**
Transport assets		
Accumulated surplus	2 242 911	3 895 462
Functional Fire and Rescue Grant	4 909 470	912 427
	7 152 381	**4 807 889**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022
8. Property, plant and equipment (continued)		
Computer equipment		
Accumulated surplus	2 474 831	4 999 826
DSCAR	-	1 165 128
Functional Fire and Rescue Grant	-	32 294
	2 474 831	**6 197 248**
Furniture and equipment		
Accumulated surplus	3 535 262	3 450 805
DSCAR	-	1 628 070
	3 535 262	**5 078 875**
Plant and machinery		
Accumulated surplus	4 764 352	3 849 447
DSCAR	1 000 000	2 488 995
Functional Fire and Rescue	-	1 380 163
Finance leases	-	142 142
	5 764 352	**7 860 747**
Total	**165 210 842**	**163 331 034**

Borrowing costs capitalised

There are no borrowing costs that have been capitalised to the property, plant and equipment value.

Figures in Rand	2023	2022

8. Property, plant and equipment (continued)

Assets held as inventory

In addition to the property, plant and equipment above, the municipality has land on which RDP houses have been built. The land is still registered in the deeds office in the name of the municipality. The municipality does not have control over these properties and it is therefore not recognised as assets as it does not comply with the definition of assets as per GRAP 17. Total value: R 5 660 000 (2022: R5 660 000)

9. Investment property

9.1 Reconciliation of carrying value

	2023	2022
Opening carrying value		
Cost	49 281 032	49 351 032
Carrying value of disposals / transfers		
Cost	(47 000)	(70 000)
Closing carrying value	**49 234 032**	**49 281 032**
Cost	49 234 032	49 281 032
Accumulated depreciation and impairment losses	-	-
	49 234 032	**49 281 032**

Criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business is set out in the accounting policy note of investment property.

There are no restrictions on the realisability of investment property of the remittance of revenue and proceeds of disposal.

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality

Council resolved that land amounting to R355 000 be transferred, however, the property has not yet been transferred as at 30 June 2023.

9.1.1 Investment property under construction

No investment property is in the process of being constructed or developed.

9.2 Investment property pledged as security

All of the municipality’s investment property is held under freehold interests and no investment property had been pledged as security for any liabilities of the municipality.

10. Intangible assets

10.1 Reconciliation of carrying value

2023

		Computer software	Service, operating and land rights	Total
Opening carrying value as at 01 July 2022				
Cost		3 988 871	3 406 252	7 395 123
Accumulated depreciation and impairment		(958 728)	-	(958 728)
		3 030 143	**3 406 252**	**6 436 395**
Additions from acquisitions		2 844 389	-	2 844 389
Amortisation	32	(11 525)	-	(11 525)
		2 832 864	**-**	**2 832 864**
Closing carrying value as at 30 June 2023		**5 863 007**	**3 406 252**	**9 269 259**
Cost		6 833 260	3 406 252	10 239 512
Accumulated amortisation and impairment		(970 253)	-	(970 253)
		5 863 007	**3 406 252**	**9 269 259**

2022

		Computer software	Service, operating and land rights	Total
Opening carrying value as at 01 July 2021				
Cost		3 016 771	3 082 207	6 098 978
Accumulated depreciation and impairment		(947 988)	-	(947 988)
		2 068 783	**3 082 207**	**5 150 990**
Additions from acquisitions		972 100	324 045	1 296 145
Amortisation	32	(10 740)	-	(10 740)
		961 360	**324 045**	**1 285 405**
Closing carrying value as at 30 June 2022		**3 030 143**	**3 406 252**	**6 436 395**

Carrying value

Cost	3 988 871	3 406 252	7 395 123
Accumulated amortisation and impairment	(958 728)	-	(958 728)
	3 030 143	**3 406 252**	**6 436 395**

10.2 Intangible assets pledged as security

No portion of intangible assets has been pledged as security for liabilities.

A register containing information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

10.3 Funding of intangible asset additions

Additions to intangible assets were funded from the following sources:

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

10. Intangible assets (continued)

Computer software			
Accumulated surplus		2 844 389	972 100
Servitudes			
Accumulated surplus		-	297 217
Total		**2 844 389**	**1 269 317**

11. Heritage assets

11.1 Reconciliation of carrying value

2023

	Mayoral chain	Total
Opening carrying value as at 01 July 2022		
Cost	18 701	18 701
Cost	18 701	18 701

2022

	Mayoral chain	Total
Opening carrying value as at 01 July 2021		
Cost	18 701	18 701
Cost	18 701	18 701

11.2 Heritage assets pledged as security

No portion of heritage assets has been pledged as security for liabilities.

12. Trade and other payables from exchange transactions

Contractors	12.1	16 481 761	14 907 365
Employee benefits	12.2	19 980 783	18 050 052
Other payables	12.3	166 773 141	171 706 021
Total		**203 235 685**	**204 663 438**

12.1 Contractors

Retentions	16 481 761	14 907 365

12.2 Employee benefits

Leave accrual	19 980 783	18 050 052

12.3 Other payables

Payables and accruals	118 443 802	121 769 834
Unallocated deposits	4 831 937	3 073 531
Advance payments	43 497 402	46 862 656
Total	**166 773 141**	**171 706 021**

Figures in Rand	2023	2022

12. Trade and other payables from exchange transactions (continued)

The average credit period on purchases is 30 days from the receipt of the statement, as determined by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. 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 financial risk policies in place to ensure that all payables are paid within the credit time frame.

The management of the municipality is of the opinion that the carrying value of creditors approximate their fair values.

Payables are recognised net of trade discounts.

13. Borrowings

Total borrowings		
Annuity and Bullet Loans	127 414 244	147 764 002
Less: Current portion transferred to current liabilities		
Annuity and Bullet Loans	(17 315 599)	(35 069 761)
Non-current borrowings	**110 098 645**	**112 694 241**

13.1 Summary of arrangements

Annuity loans are repaid over periods varying from 10 to 30 (2022: 10 to 30) years and at interest rates varying from 6.75% to 13.54% (2022: 6.75% to 13.54%) per annum.

Annuity loans are not secured.

The fair value of borrowings was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

All loans were obtained in terms of section 45 and 46 of the MFMA.

Current Liabilities		
ABSA	1 373 064	1 242 291
First National Bank	1 243 816	1 112 198
Nedbank	697 688	-
Standard Bank	10 123 772	20 628 464
Development Bank of South Africa	3 877 259	12 086 808
	17 315 599	**35 069 761**

Non current liabilities		
ABSA	4 554 366	5 927 429
First National Bank	16 243 986	18 600 000
Nedbank	14 022 312	-
Standard Bank	65 406 356	74 417 929
Development Bank of South Africa	9 871 625	13 748 883
	110 098 645	**112 694 241**

13. Borrowings (continued)

Details of loans	Redeemable	Balance at 30 June 2022	Received during the period	Redeemed during the period	Balance at 30 June 2023
ABSA - 0387231331	12 000 000	7 169 721	-	1 242 291	5 927 430
DBSA - L-025-M-103047/1	13 100 000	1 622 135	-	1 622 135	-
DBSA - L-026-M-103047/2	38 150 000	4 718 628	-	4 718 628	-
DBSA - L-027-M-103047/3	4 950 000	617 661	-	617 661	-
DBSA - L-028-M-103047/4	13 800 000	1 707 697	-	1 707 697	-
DBSA - L-029-M-103600/1	15 700 000	4 966 407	-	1 794 082	3 172 325
DBSA - L-030-M-103600/2	12 650 000	8 056 365	-	718 697	7 337 668
DBSA - L-031-M-103600/3	1 500 000	1 306 539	-	25 234	1 281 305
DBSA - L-032-M-103600/4	8 800 000	2 119 914	-	806 041	1 313 873
DBSA - L-033-M-103600/5	1 350 000	720 345	-	76 631	643 713
Standard Bank - 220545881	20 000 000	2 933 305	-	2 933 305	-
Standard Bank - 220545882	34 000 000	4 743 970	-	4 743 970	-
Standard Bank - 220545883	26 000 000	3 747 736	-	3 747 736	-
Standard Bank - 22044108	43 700 000	28 692 074	-	4 132 701	24 559 373
Standard Bank - 009733922	21 900 000	17 376 598	-	1 828 305	15 548 293
Standard Bank - 009733923	21 500 000	18 539 797	-	1 682 791	16 857 006
Standard Bank - 009733924	21 500 000	20 125 111	-	1 559 655	18 565 456
FNB	18 600 000	18 600 000	-	1 112 198	17 487 802
Nedbank	14 720 000	-	14 720 000	-	14 720 000
	343 920 000	**147 764 003**	**14 720 000**	**35 069 758**	**127 414 244**

14. Consumer deposits

	2023	2022
Electricity	22 304 612	21 083 839
Rental properties	70 165	69 334
Total	**22 374 777**	**21 153 173**

Deposits are released on termination of the contract or when the contractual services are delivered.

Consumer deposits raised over time are invested in a ring-fenced account.

The carrying amount of consumer deposits approximates its fair value.

Guarantees held in lieu of electricity and water deposits are disclosed in note 3.

15. Lease liabilities

15.1 Carrying value of lease liabilities

2023

	Amortised cost	Total
Carrying value as at 30 June 2023		
Finance lease liability	14 497 658	14 497 658
Transferred to current liabilities	7 457 720	7 457 720
Total	**21 955 378**	**21 955 378**

Figures in Rand	2023	2022

15. Lease liabilities (continued)

2022

	Amortised cost	Total
Carrying value as at 30 June 2022		
Finance lease liability	17 859 555	17 859 555
Transferred to current liabilities	8 356 770	8 356 770
Total	**26 216 325**	**26 216 325**

15.2 Finance lease payable

The municipality as lessee

The obligations under finance leases are as follow:

	2023	2022
Total future minimum lease payments		
Within 1 year	9 156 500	10 181 612
2 to 5 years	16 355 767	19 843 516
Total minimum lease payments	**25 512 267**	**30 025 128**
Less: Unearned finance revenue	(3 556 889)	(3 808 803)
	21 955 378	**26 216 325**

	2023	2022
Present value of minimum lease payments		
Within 1 year	7 457 720	8 356 770
2 to 5 years	14 497 658	17 859 555
	21 955 378	**26 216 325**

It is the municipality's policy to lease certain motor vehicles and equipment under finance leases.

The average lease term is 5 years and the average effective borrowing rate is between 6.5% - 12.54% (2022: 6% - 10.75%). All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessors' charge over the leased assets. Refer to note 9.

Details of leases

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

15. Lease liabilities (continued)

Lease number	Redeemable	Balance at 30 June 2022	Received during the period	Redeemed during the period	Balance at 30 June 2023
Std Bank 19977492-0060	1 173 575	457 974	-	265 628	192 346
Std Bank 19977492-0061	1 173 575	457 974	-	265 628	192 346
Std Bank 19977492-0062	278 564	113 512	-	62 436	51 076
Std Bank 19977492-0063	146 116	59 638	-	32 803	26 835
Std Bank 19977492-0064	146 116	59 638	-	32 803	26 835
Std Bank 19977492-0065	146 116	59 638	-	32 803	26 835
Std Bank 19977492-0066	600 928	245 204	-	134 871	110 333
Std Bank 19977492-0067	600 928	245 204	-	134 871	110 333
Std Bank 19977492-0068	306 467	130 389	-	68 167	62 222
Std Bank 19977492-0069	306 467	130 389	-	68 167	62 222
Std Bank 19977492-0070	212 465	101 722	-	46 201	55 521
Std Bank 19977492-0071	202 024	96 723	-	43 931	52 792
Std Bank 19977492-0072	202 024	96 723	-	43 931	52 792
Std Bank 19977492-0073	652 042	334 904	-	139 641	195 263
Std Bank 19977492-0074	198 479	95 026	-	43 160	51 866
Std Bank 19977492-0076	316 222	151 275	-	68 707	82 567
Std Bank 19977492-0077	297 244	152 672	-	63 657	89 014
Std Bank 19977492-0080	1 309 645	696 007	-	278 640	417 367
Std Bank 19977492-0089	319 200	-	319 200	-	319 200
Nedbank 1727061-0006	162 950	106 320	-	31 389	74 931
Nedbank 1727061-0007	278 270	181 563	-	53 603	127 960
Nedbank 1727061-0008	278 270	181 563	-	53 603	127 960
Nedbank 1727061-0009	1 009 438	661 446	-	195 278	466 168
Nedbank 1727061-0011	373 652	243 797	-	71 976	171 821
Nedbank 1727061-0012	178 642	116 558	-	34 411	82 147
Nedbank 1727061-0013	162 950	106 320	-	31 389	74 931
Nedbank 1727061-0014	161 800	105 569	-	31 167	74 402
Nedbank 1727061-0015	162 950	106 320	-	31 389	74 931
Nedbank 1727061-0016	162 950	106 320	-	31 389	74 931
Nedbank 1727061-0017	162 950	106 320	-	31 389	74 931
Nedbank 1727061-0018	265 198	185 628	-	50 116	135 512
Nedbank 1727061-0019	265 198	185 628	-	50 116	135 512
Nedbank 1727061-0020	771 018	554 055	-	145 382	408 673
Nedbank 1727061-0021	265 198	190 572	-	50 006	140 566
Nedbank 1727061-0022	413 483	296 205	-	77 723	218 482
Nedbank 1727061-0023	1 848 738	1 324 373	-	347 512	976 862
Nedbank 1727061-0024	784 141	574 275	-	146 539	427 736
Nedbank 1727061-0025	232 366	191 594	-	41 806	149 788
Nedbank 1727061-0026	979 544	807 667	-	176 232	631 435
Nedbank 1727061-0027	232 519	191 594	-	41 806	149 788
Nedbank 1727061-0028	780 188	668 632	-	138 985	529 647
Nedbank 1727061-0029	705 512	604 634	-	125 682	478 952
Nedbank 1727061-0030	358 933	307 611	-	63 942	243 669
Nedbank 1727061-0031	334 407	286 592	-	59 573	227 019
Nedbank 1727061-0032	397 615	340 706	-	70 821	269 885
Nedbank 1727061-0033	325 636	279 029	-	58 001	221 028
Nedbank 1727061-0034	325 636	279 029	-	58 001	221 028
Nedbank 1727061-0035	170 038	147 930	-	30 031	117 899
Nedbank 1727061-0036	3 822 074	3 585 811	-	650 278	2 935 533
Nedbank 1727061-0037	315 033	315 033	-	54 566	260 467
Nedbank 1727061-0038	315 033	315 033	-	54 566	260 467
Nedbank 1727061-0039	434 303	434 303	-	68 201	366 102
Nedbank 1727061-0040	2 640 912	2 640 912	-	414 716	2 226 196
Nedbank 1727061-0041	417 482	417 482	-	66 433	351 049
Nedbank 1727061-0042	786 893	786 893	-	125 217	661 676
Nedbank 1727061-0043	1 510 208	1 510 208	-	212 253	1 297 955

Notes to the Annual Financial Statements

Figures in Rand				2023	2022

15. Lease liabilities (continued)

Nedbank 1727061-0044	830 239	-	830 239	91 028	739 211
Nedbank 1727061-0045	2 583 075	-	2 583 075	283 209	2 299 866
Nedbank 1727061-0046	240 212	-	240 212	22 923	217 289
Nedbank 1727061-0047	240 212	-	240 212	22 923	217 289
Nedbank 1727061-0048	240 212	-	240 212	22 431	217 781
Absa 90361142	3 504 100	433 246	-	433 246	-
Absa 90360537	1 046 400	129 476	-	129 476	-
Absa 90716668	1 150 738	197 991	-	197 991	-
Absa 90720541	1 150 738	197 991	-	197 991	-
Absa 91008969	581 349	132 837	-	122 108	10 729
Absa 91009191	581 349	132 837	-	122 108	10 729
Absa 91052780	442 036	115 269	-	105 959	9 310
Absa 91053034	191 139	49 843	-	45 817	4 026
Absa 91053190	155 403	40 524	-	37 251	3 273
Absa 91053271	155 403	40 524	-	37 251	3 273
Absa 91053379	355 633	92 738	-	85 248	7 490
Absa 91053492	143 966	37 542	-	34 510	3 032
Absa 91692355	126 286	36 835	-	25 465	11 370
Absa 91694170	455 489	132 857	-	91 847	41 010
Absa 91693939	135 278	39 458	-	27 278	12 180
Absa 91694455	184 848	53 917	-	37 274	16 643
Absa 91710230	184 848	53 817	-	37 205	16 612
Absa 91693459	455 489	132 857	-	91 847	41 010
Absa 91693076	754 381	242 844	-	148 962	93 882
Absa 91952667	2 331 625	794 792	-	461 223	333 569
	49 600 773	**26 216 332**	**4 453 150**	**8 714 103**	**21 955 378**

16. Income received in advance from developer contribution

Unspent developer contribution	6 371 653	5 295 609

17. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies

		2023				2022			
		Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
Capital									
Monetary allocations	17.1	3 260 177	120 848 000	(112 343 765)	11 764 412	5 015 752	90 004 859	(91 760 434)	3 260 177
Total		**3 260 177**	**120 848 000**	**(112 343 765)**	**11 764 412**	**5 015 752**	**90 004 859**	**(91 760 434)**	**3 260 177**

Notes to the Annual Financial Statements

Figures in Rand

17. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)

17.1 Capital monetary allocations

	2023				2022			
	Opening balance	Funds received	Funds utilised	Closing balance	Opening balance	Funds received	Funds utilised	Closing balance
National government								
Integrated National Electrification Programme Gran	-	28 775 000	(28 775 000)	-	890 335	22 072 000	(22 962 335)	-
Municipal Infrastructure Grant	-	35 909 000	(35 909 000)	-	-	31 807 859	(31 807 859)	-
Neighbourhood Development Partnership Grant	2 412 879	10 000 000	(5 861 587)	6 551 292	-	10 000 000	(7 587 121)	2 412 879
Water Services Infrastructure Grant	-	18 864 000	(18 864 000)	-	-	18 000 000	(18 000 000)	-
Total	**2 412 879**	**93 548 000**	**(89 409 587)**	**6 551 292**	**890 335**	**81 879 859**	**(80 357 315)**	**2 412 879**
Provincial government								
Gauteng	847 298	27 300 000	(22 934 178)	5 213 120	4 125 417	8 125 000	(11 403 119)	847 298
Provincial government								
DSACR	119 118	19 500 000	(18 024 708)	1 594 410	3 052 238	6 125 000	(9 058 120)	119 118
Functional Fire Rescue Grant	728 180	7 800 000	(4 909 470)	3 618 710	1 073 179	2 000 000	(2 344 999)	728 180
Total	**847 298**	**27 300 000**	**(22 934 178)**	**5 213 120**	**4 125 417**	**8 125 000**	**(11 403 119)**	**847 298**
Total capital monetary allocations	**3 260 177**	**120 848 000**	**(112 343 765)**	**11 764 412**	**5 015 752**	**90 004 859**	**(91 760 434)**	**3 260 177**

17. Trade and other payables from non-exchange transactions – Unspent transfers and subsidies (continued)

Department of sport, arts, culture and recreation - A roll over application was submitted to Provincial Treasury on the 31 July 2023.

Functional Fire Rescue Grant - A roll over application was submitted to Provincial Treasury on the 31 July 2023 and the funds are committed.

Neighbourhood Development Partnership Grant - Roll over application submitted on 31 August 2023 and the funds are committed.

18. Provisions

Landfill sites	18.1	90 400 430	86 038 163
Non-current		90 400 430	86 038 163

18.1 Landfill sites

Opening Balance	86 038 163	77 758 465
Increases (Passage of Time/Discounted Rate)	13 679 404	13 603 101
Reversals -Adjustment for change in discount rate	(9 317 137)	(5 323 403)
Closing balance	**90 400 430**	**86 038 163**

The landfill rehabilitation provision is intended for the rehabilitation of the current operational sites which are evaluated at each year-end to reflect the best estimate at reporting date. The sites under consideration are the Henley on Klip, Vaal Marina and Walkerville landfill sites. The valuation for the landfill sites was performed by Mr. Rofhiwa Khaukanani B Eng (Hons) Technology management employed by Infratec (Pty) Ltd. Mr. Khaukanani is a registered member of the Engineering Council of South Africa (ECSA), World Partner in Asset Management (WPiAM) as well as The Association of Energy Engineers (AEE).

Key financial assumptions used in this calculation were as follows:

	Henley on Klip landfill	Vaal Marina landfill	Walkerville landfill
CPI	5.4 %	5.4 %	5.4 %
Discount rate	10.3 %	10.3 %	10.3 %
Nett effective discount rate	4.9 %	4.9 %	4.9 %

The 2023 amount of the discounted landfill closure provision of R90 400 429 (2022: R86 038 162) represents an increase of R4 362 267 (2022: increase R8 279 698). Composition of this change relate to changes in the CPI, discount rate and unit costs. The interest charge relating to the assessment amounts to R13 679 404 (2022: R13 603 101). The 2023 amount is a discounted amount based on the expected remaining life of the landfill site and based on the size of the area that had been used for waste disposal as at 30 June 2023. The size of the landfill sites used up until now and estimated remaining useful lives are as follows:

	Henley on Klip landfill	Vaal Marina landfill	Walkerville landfill
Approximate size used until 30 June 2023	1 112 034 cubm	29 842 cubm	283 462 cubm
Remaining useful lives	1 year	4 years	5 years

19. Employee benefits

Non-current employee benefits			
Post employment health care benefits	19.1	4 539 106	5 738 074
Long-service awards benefits	19.2	14 778 679	14 885 116

Figures in Rand	2023	2022

19. Employee benefits (continued)

19.1 Post employment health care benefits

The municipality provides certain post-retirement medical 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 aged 55 or older on 1 January 2005 with atleast 25 years of service is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for 50% of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2023 by Mr DT Mureriwa of One Pangaea. 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 Post Employee Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follow:

	Number	Number
Continuation members (Retirees)	11	14

The liability in respect of past service has been estimated as follow:

Continuation members (Retirees)	4 539 106	5 738 074
Non-current	4 539 106	5 738 074

The principal assumptions used for the purposes of the actuarial valuations were as follow:

Rates of interest

Discount rate	11.38%	11.58%
Consumer Price Inflation (CPI)	6.58%	7.38%
Health care cost inflation rate	8.08%	8.88%
Net effective discount rate	3.47%	2.48%

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follow:

The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

The Actuaries used the nominal and real zero curves as at 30 June 2023 supplied by the JSE to determine the discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, they used the prevailing yield at the time of performing their calculations. The methodology was changed from a point estimate to that of a curve in order to present a more accurate depiction of the liability. Previously only one discount rate was used to value all the liabilities. This changed methodology would be seen as a change in estimate basis.

Normal retirement age

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements. The normal retirement age (NRA) for all active employees was assumed to be 65 years.

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position is as follows:

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

19. Employee benefits (continued)

Opening balance		5 738 074	5 818 890
Interest cost		671 733	498 389
Actual employer benefit payments		(500 404)	(525 431)
Actuarial (loss) / gain recognised in the year		(1 370 297)	(53 774)
Total benefit liability		**4 539 106**	**5 738 074**

Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance is as follows:

Interest cost		671 733	498 389
Actuarial loss/ (gain) recognised in the year		(1 370 297)	(53 774)
Total post-retirement benefit included in employee related costs	30	**(698 564)**	**444 615**

Movements in the present value of the defined benefit obligation

Opening balance		5 738 074	5 818 890
Interest cost		671 733	498 389
Actual employer benefit payments		(500 404)	(525 431)
Actuarial loss/ (gain) recognised in the year		(1 370 297)	(53 774)
Present value of fund obligation at the end of the year		**4 539 106**	**5 738 074**

History of experienced adjustments

The effect of a 1% movement in the assumed rate of health care cost inflation is as follow:

	+1% Increase	-1% Decrease
Effect on the defined benefit obligation	4 907 777	4 208 925
Effect on the aggregate of the interest cost	537 136	466 748

19.2 Long-service awards benefits

Provision for long-service awards	19.2.1	14 778 679	14 885 116
Non-current		14 778 679	14 885 116

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

19. Employee benefits (continued)

Long-service awards

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2023 by Mr DT Mureriwa of One Pangaea. 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.

At year end 774 (2022: 758) employees were eligible for Long Services Awards.

The principal assumptions used for the purposes of the actuarial valuations were as follow:

Discount rates used	10.86%	11.58%
Consumer price inflation	5.94%	7.38%
Salary increase rate	6.94%	8.38%
Net discount rate	3.67%	2.95%

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follow:

The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

The Actuaries used the nominal and real zero curves as at 30 June 2023 supplied by the JSE to determine the discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, they used the prevailing yield at the time of performing their calculations.

Amounts recognised in the statement of financial position

The amounts recognised in the statement of financial position are as follow:

Present value of unfunded obligations	14 778 679	14 885 116

Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance are as follow:

Current service cost		1 581 855	1 457 291
Interest cost		1 599 087	1 087 750
Actuarial losses / (gains) recognised		(1 547 786)	127 596
Total expense included in employee related costs	30	**1 633 156**	**2 672 637**

19.2.1 Provision for long service awards

Movements in the present value of the defined benefit obligation		
Opening Balance	14 885 116	13 514 986
Increases	1 581 855	1 457 291
Increases (Passage of Time/Discounted Rate)	(1 547 786)	127 596
Reductions (Payments, remeasurement etc.)	(1 739 593)	(1 302 507)
Reversals	1 599 087	1 087 750
Closing balance	**14 778 679**	**14 885 116**

The effect of a 1% movement in the withdrawal rates are as follow on the ensuing years assumptions:

Figures in Rand		2023	2022

19. Employee benefits (continued)

	1% Decrease	1% Increase
Effect on the defined benefit obligation	13 885 285	15 761 492
Effect on the aggregate of the current service cost	1 405 382	1 644 153
Effect on the aggregate of the interest cost	1 410 503	1 613 528

The Future-service Cost for the ensuing year is estimated to be R - whereas the Interest Cost is estimated to be R -.

20. Service charges

	2023	2022
Electricity		
Other - Electricity	438 811 085	461 979 452
Waste management		
Other - Waste management	57 489 732	55 101 715
Waste water management		
Other - Waste water management	61 722 624	54 450 195
Water		
Other - Water	246 089 449	214 564 820
Total service charges	**804 112 890**	**786 096 182**

21. Interests on investments

	2023	2022
Short-term investments and call accounts	32 524 620	18 247 859

22. Interest earned from receivables

	Note	2023	2022
Exchange receivables	22.1	16 074 126	13 009 023
Non-exchange receivables	22.2	13 793 558	5 509 450
Total		**29 867 684**	**18 518 473**

22.1 Interest earned from exchange receivables

	2023	2022
Consumer receivables		
Electricity	2 082 563	1 087 164
Service charges	(2 902 753)	2 096 563
Waste management	2 975 825	1 450 560
Waste water management	2 546 724	1 207 916
Water	11 371 767	7 166 820
	16 074 126	**13 009 023**
Total	**16 074 126**	**13 009 023**

22.2 Interest earned from non-exchange receivables

	2023	2022
Consumer receivables		
Property rates	13 793 558	5 509 450

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

23. Sales of goods and rendering of services

Advertisements	30 252	26 695
Building Plan Approval	364 655	352 422
Cemetery and Burial	791 877	1 062 307
Grass cutting income	598 875	-
Clearance Certificates	206 945	209 164
Entrance Fees	130 921	124 202
Fire Services	1 149 497	697 284
Photo copies, Faxes and Telephone charges	3 433	4 686
Sale of Goods	82 137	131 709
Auction proceeds	1 476 641	-
Town Planning and Servitudes	3 412 084	2 873 632
Total	**8 247 317**	**5 482 101**

24. Operational revenue

Administrative Handling Fees	1 094 876	435 139
Breakages and Losses Recovered	1 344	1 611
Collection Charges	-	(954)
Incidental Cash Surpluses	3 918	7 217
Insurance Refund	1 999 513	230 116
Merchandising, Jobbing and Contracts	129 473	-
Request for information	2 666	4 940
Sale of Property	-	309 126
Skills Development Levy Refund	581 414	541 565
Staff and Councillors Recoveries	63 697	112 419
Total	**3 876 901**	**1 641 179**

25. Rental

Market related	1 092 755	1 097 997

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

26. Property Rates

	2023	2022
Agricultural Property	6 643 668	5 664 753
Business and Commercial Properties	21 184 607	19 111 837
Industrial Properties	55 065 786	51 302 552
Mining Properties	29 091	27 445
Public service purposes properties	11 157 171	9 874 000
Residential Properties	144 262 032	131 842 054
Vacant land	57 826 731	55 490 887
Total	**296 169 086**	**273 313 528**

Residential properties

The valuation roll was compiled in terms of the Municipal Property Rates Act, Act 6 of 2004 (MPRA) which is used as a basis to levy property rates. The valuation came into effect on 1 July 2018. All objections were referred to the valuer for his comments and letters of outcome. Supplementary valuations are attended to in line with the MPRA. Reconciliations between the valuation roll and billing are completed on a monthly basis.

Valuations on and and buildings are performed every 5 years. The current valuation roll is effective until 30 June 2025. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on a monthly basis and interest is levied after due date.

Valuation '000 as at 30 June 2023

	2023	2022
Business and commercial properties	3 953 590	3 946 052
Municipal properties	446 226	443 610
Other categories	3 132 652	3 395 670
Residential properties	20 250 781	20 015 581
Small Holdings	3 236 540	3 236 216
State-owned properties	553 978	544 564
Total property valuations	**31 573 767**	**31 581 693**

A uniform rate for the same class and type of property was applied with the implementation of the Property Rates Act. A rate on different categories was applied to property valuations to determine assessment rates. Rebates of 85% are applied to pensioners.

Rates are levied for property owners on a monthly basis for monthly rate payers and are payable on the 7th of each month.

27. Transfers and subsidies - Revenue

	Note	2023	2022
Operational			
Monetary allocations	27.1	167 661 307	150 862 456
Capital			
Allocations in-kind	27.2	10 191 070	-
Monetary allocations	27.3	98 946 748	96 480 749
Total transfers and subsidies: Capital		**109 137 818**	**96 480 749**
Total		**276 799 125**	**247 343 205**

Figures in Rand		2023	2022

27. Transfers and subsidies - Revenue (continued)

27.1 Monetary allocations: Operational

District municipalities		3 814 804	7 878 315
National governments		6 832 503	4 710 141
National revenue fund		143 164 000	124 899 000
Provincial government		13 850 000	13 375 000
Total		**167 661 307**	**150 862 456**

National government

Expanded Public Works Programme Integrated Grant		2 553 000	1 539 000
Local Government Financial Management Grant		1 550 000	1 550 000
Municipal Infrastructure Grant		1 729 503	1 621 141
Water Services Infrastructure Grant		1 000 000	-
		6 832 503	**4 710 141**

Provincial government

DSARC		13 850 000	13 375 000

27.2 Allocations in-kind: Capital

Provincial government		10 191 070	-

27.3 Monetary allocations: Capital

National government		84 267 084	80 357 316
Private enterprises		5 595 486	5 407 518
Provincial governments		9 084 178	10 715 915
Total		**98 946 748**	**96 480 749**

National government

Integrated National Electrification Programme		28 775 000	22 962 335
Municipal Infrastructure Grant		34 179 497	31 807 859
Neighbourhood Development Partnership Grant		3 448 587	7 587 121
Water Services Infrastructure Grant		17 864 000	18 000 001
		84 267 084	**80 357 316**

Provincial government

DSARC		4 174 708	8 370 916
Functional Fire Rescue Grant		4 909 470	2 344 999
		9 084 178	**10 715 915**

28. Fines, penalties and forfeits

Fines	28.1	72 475 142	68 386 649

Figures in Rand	2023	2022

28. Fines, penalties and forfeits (continued)

28.1 Fines

Traffic fines		
Municipal fines	72 284 158	68 245 900
Other fines		
Overdue books	146 265	117 286
Pound fees	44 719	23 463
	190 984	**140 749**
Total	**72 475 142**	**68 386 649**

29. Bulk Purchases

Electricity: Eskom	378 052 198	387 269 980
Water	137 696 462	135 419 989
Total	**515 748 660**	**522 689 969**

29.1 Electricity losses

	2023		2022	
	KHW	Amount	KHW	Amount
Units purchased	234 497 707	378 052 198	270 826 171	387 269 980
Units sold	(197 240 330)	(317 986 651)	(242 060 074)	(346 135 677)
Total loss	**37 257 377**	**60 065 547**	**28 766 097**	**41 134 303**
Comprising of:				
Technical losses	16 195 782	26 110 493	15 821 353	22 623 867
Non-technical losses	21 061 595	33 955 054	12 944 744	18 510 437
Total	**37 257 377**	**60 065 547**	**28 766 097**	**41 134 304**
Percentage loss:				
Technical losses	- %	6.91 %	- %	6.00 %
Non-technical losses	- %	8.98 %	- %	5.00 %
Total	**- %**	**15.89 %**	**- %**	**11.00 %**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

29. Bulk Purchases (continued)

Water losses

	2023		2022	
	ML	Amount	ML	Amount
Opening balance of water stock	84 907	891 519	80 046	846 890
Units purchased	13 122 725	137 768 087	13 009 270	135 419 989
Units sold	(8 698 633)	(91 322 036)	(8 293 195)	(86 360 275)
Revaluation adjustment on unit price of stock on hand	-	35 812	-	44 629
Closing balance of water stock	(81 007)	(92 732)	(84 907)	(891 519)
Total loss	**4 427 992**	**47 280 650**	**4 711 214**	**49 059 714**
Comprising of:				
Technical losses	2 435 463	26 004 358	3 203 626	33 360 606
Non-technical losses	1 988 630	21 276 292	1 507 588	15 699 108
Total	**4 424 093**	**47 280 650**	**4 711 214**	**49 059 714**
Percentage loss:				
Technical losses	- %	19.00 %	- %	25.00 %
Non-technical losses	- %	15.00 %	- %	12.00 %
Total	**- %**	**34.00 %**	**- %**	**37.00 %**

	2023	2022
Percentage Loss:		
Technical losses	19 %	25 %
Non-technical losses	15 %	12 %
Total	**34 %**	**37 %**

	2023	2022
Cost of free basic services		
Cost of free basic water	1 459 099	4 375 811
Cost of free basic electricity	3 757 344	2 957 439
	5 216 443	**7 333 250**

	2023	2022
Electricity bulk purchases		
Cost of electricity billed	314 229 307	343 178 238
Electricity technical losses	26 110 493	22 623 867
Electricity non-technical losses	33 955 054	18 510 437
Free basic electricity	3 757 344	2 957 438
	378 052 198	**387 269 980**

	2023	2022
Water bulk purchases		
Cost of water billed	89 862 937	81 984 464
Water technical losses	25 568 551	33 360 606
Water non-technical losses	20 877 500	15 699 109
Free basic water	1 459 099	4 375 810
	137 768 087	**135 419 989**

The Municipality is required to report on water losses in terms of MFMA Circular 71 issued by National Treasury, and has been reported accordingly.

The Municipality is of the view that the methodology outlined in MFMA Circular 71 is an over simplification and does not take into account various components in the calculation.

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

29. Bulk Purchases (continued)

The Municipality has also disclosed the water loss calculation as outlined by the International Water Association (IWA) which is a more detailed and comphrehensive calculation. The calculations have been varified by expects in the field, in line with the IWA guideline which is a more reliable and accurate calculation:

Water Loss (Based on IWA guidelines)	29.61 %	34.00 %

Notes to the Annual Financial Statements

Figures in Rand

30. Employee related cost

Senior management	30.1	5 426 441	5 109 909
Municipal staff	30.2	340 231 010	317 037 944
Total		**345 657 451**	**322 147 853**

30.1 Senior management costs

2023

	Municipal manager	Chief financial officer	ED Corporate Services	ED Development & Planning	ED Community Services	ED Enineering Services	Total
Basic salary	1 536 703	703 102	663 102	275 782	204 484	930 893	4 314 066
Bonuses	-	-	-	171 898	-	112 490	284 388
Allowances	84 000	97 179	136 000	42 864	20 000	204 000	584 043
Bargaining council	130	86	86	43	43	130	518
Medical	20 482	-	-	15 012	2 099	-	37 593
Pension	-	-	-	32 400	27 060	137 340	196 800
Unemployment insurance	2 303	1 771	1 417	1 240	177	2 125	9 033
	1 643 618	**802 138**	**800 605**	**539 239**	**253 863**	**1 386 978**	**5 426 441**

30. Employee related cost (continued)

2022

	Municipal manager	Chief financial officer	ED Development & Planning	ED Community Services	ED Engineering Services	Total
Basic salary	130 117	231 817	803 949	1 423 231	793 190	3 382 304
Bonuses	7 739	-	87 538	71 797	-	167 074
Service-related benefits	124 350	-	-	-	-	124 350
Allowances	45 000	64 230	168 000	240 000	204 000	721 230
Bargaining council	21	52	124	124	124	445
Medical	-	12 492	57 277	24 631	-	94 400
Pension	23 040	47 700	100 800	307 736	132 840	612 116
Unemployment insurance	552	1 063	2 125	2 125	2 125	7 990
	330 819	**357 354**	**1 219 813**	**2 069 644**	**1 132 279**	**5 109 909**

30.2 Municipal staff costs

Basic salary	212 963 130	200 951 644
Service-related benefits	51 320 810	42 658 946
Pension	39 058 983	37 428 664
Medical	17 437 708	17 624 152
Allowances	17 650 270	16 615 875
Unemployment insurance	1 644 543	1 600 249
Group life insurance	141 773	147 614
Bargaining council	97 383	91 758
Post-retirement benefit: Medical	(83 590)	(80 958)
Total	**340 231 010**	**317 037 944**

Acting allowances for Sec 56 appointments		
Chief Financial Officer	24 267	10 011
Executive Director Corporate Services	24 017	11 815
Executive Director Development and Planning	47 983	-
Executive Director Roads and Public Safety	70 094	-
Executive Directors Comminity Services	65 332	-

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

30. Employee related cost (continued)

		231 693	**21 826**

Related party disclosure:

Executive Director Community Services - account not in arrears

Contracted services

31. Contracted services

Consultants and professional services	31.1	14 742 315	17 330 021
Contractors	31.2	68 745 128	55 466 991
Outsourced services	31.3	61 717 127	55 097 865
Total		**145 204 570**	**127 894 877**

31.1 Consultants and professional services

Business advisory services		
Accounting and auditing	964 255	313 051
Business and financial management	6 827 859	8 874 629
Communications	16 050	-
Forensic investigators	484 443	-
Human resources	2 607 711	2 383 508
Project management	339 883	63 750
Research and advisory	1 147 103	2 008 054
Total business advisory services	**12 387 304**	**13 642 992**
Legal services		
Collection	197 159	453 786
Legal advice and litigation	1 734 145	2 605 943
Total legal services	**1 931 304**	**3 059 729**
Engineering services		
Electrical engineering	122 457	-
Infrastructure and planning services		
Geoinformatic services infrastructure and planning	-	607 500
Town planner infrastructure and planning	301 250	19 800
Total infrastructure and planning services	**301 250**	**627 300**
Total consultants and professional services	**14 742 315**	**17 330 021**

31.2 Contractors

General services		
Artists and performers	46 073	1 950
Catering services	337 909	145 801
Employee wellness	28 210	13 900
Fire services	9 110	4 998
Medical services	23 467	14 600
Pest control and fumigation	181 438	82 037
Plants, flowers and other decorations	99 960	48 851
Safeguard and security	26 571	19 137
Sports and recreation	206 736	71 490
Stage and sound crew	16 750	21 441
Tracing agents and debt collectors	732 947	2 074 359
Transportation	81 000	-
Total general services	**1 790 171**	**2 498 564**

Figures in Rand		2023	2022
31. Contracted services (continued)			
Maintenance services			
Maintenance of buildings and facilities		9 463 624	11 872 191
Maintenance of equipment		1 431 632	1 777 205
Maintenance of unspecified assets		56 059 701	39 319 031
Total maintenance service		**66 954 957**	**52 968 427**
Total contractor		**68 745 128**	**55 466 991**

31.3 Outsourced services

Business and advisory services			
Occupational Health and Safety		154 366	340 234
Research and Advisory		145 287	-
Valuer		362 544	295 566
Total business and advisory services		**662 197**	**635 800**
General services			
Burial Services		1 134 976	1 291 451
Call Centre		2 574 875	1 262 621
Catering Services		562 944	302 115
Clearing and Grass Cutting Services		4 368 146	4 037 753
Hygiene Services		1 347 319	1 387 278
Litter Picking and Street Cleaning		518 700	414 523
Meter Management		1 075 778	967 927
Personnel and Labour		8 299 437	8 340 336
Refuse Removal		3 148 358	1 917 275
Removal of Structures and Illegal Signs		2 582 045	2 398 671
Traffic Fines Management		420 907	218 009
Transport Services		21 100	30 000
Total general services		**26 054 585**	**22 567 959**
Trading services			
Connection/Dis-connection: Electricity		2 748 510	3 225 714
Connection/Dis-connection: Restricted water flow		998 535	-
Connection/Dis-connection: Water		7 383 071	7 539 600
Security Services		23 870 229	21 128 792
Total trading services		**35 000 345**	**31 894 106**
Total outsourced services		**61 717 127**	**55 097 865**

32. Depreciation and amortisation

Amortisation			
Intangible assets	10.1	11 525	10 740
Depreciation			
Property, plant and equipment	8	103 719 528	127 277 916
Total		**103 731 053**	**127 288 656**

33. Debt Impairment

Impairment provision		128 262 405	123 245 010

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

34. Operating expenses

Achievements and Awards		25 506	21 800
Advertising, Publicity and Marketing		6 247 303	6 646 112
Assets less than the Capitalisation Threshold		557	-
Bank Charges, Facility and Card Fees		1 137 018	1 112 877
Bargaining Council		3 701 229	3 300 001
Bursaries (Employees)		1 682 880	999 025
Cleaning Services		8 099	11 918
Commission		3 236 554	4 432 474
Communication		2 631 627	1 406 180
Courier and Delivery Services		325 604	276 912
Entertainment		24 839	22 115
External Audit Fees		3 491 046	3 777 817
External Computer Service		15 232 228	9 859 001
Hire Charges		12 882 087	8 303 805
Indigent Relief		-	323 393
Insurance Underwriting		7 040 742	6 646 169
Licences		1 142 958	1 076 187
Printing, Publications and Books		821 060	1 265 243
Professional Bodies, Membership and Subscription		142 879	96 450
Registration Fees		283 682	240 865
Remuneration to Ward Committees		841 000	611 000
Skills Development Fund Levy		2 983 228	2 755 330
Toll Gate Fees		13 654	46 503
Travel and Subsistence		582 369	122 941
Uniform and Protective Clothing		4 484 687	3 177 794
Vehicle Tracking		712 737	819 204
Workmen's Compensation Fund		1 582 733	1 440 116
Total		**71 258 306**	**58 791 232**

Comparative figures have been restated, refer to note 45 for more detail information.

35. Interest, dividends and rent on land

Interest	35.1	29 450 914	30 122 765

35.1 Interest cost

Financial liabilities			
• Annuity loans		13 594 842	14 918 332
Finance leases		2 176 668	1 601 332
Interest costs non-current provisions	18	13 679 404	13 603 101
Total		**29 450 914**	**30 122 765**

36. Inventory consumed

Consumables		20 658 607	15 144 864
Materials and supplies		7 723 247	9 376 846
Total		**28 381 854**	**24 521 710**

36.1 Inventory adjustments

Inventory		23 422	(232 184)

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

37. Remuneration of councillors

Executive mayor	37.1	996 840	923 841
Chief whip	37.2	440 737	415 350
Speaker	37.3	803 361	740 937
Mayoral committee	37.4	4 501 513	3 416 535
Section 79 committee members	37.5	1 716 148	1 815 808
All other councillors	37.6	5 905 629	5 655 103
Total		**14 364 228**	**12 967 574**

37.1 Executive mayor

Allowances and service related benefits		
Basic salary	952 440	879 071
Cell phone allowance	44 400	44 770
	996 840	**923 841**

37.2 Chief whip

Allowances and service related benefits		
Travelling allowance	99 014	90 380
Basic salary	297 323	280 570
Cell phone allowance	44 400	44 400
	440 737	**415 350**

37.3 Speaker

Allowances and service related benefits		
Basic salary	758 961	697 737
Cell phone allowance	44 400	43 200
	803 361	**740 937**

37.4 Mayoral committee

Allowances and service related benefits		
Basic salary	4 029 060	2 873 090
Cell phone allowance	291 545	211 640
Travelling allowance	180 908	331 805
	4 501 513	**3 416 535**

37.5 Section 79 committee members

Allowances and service related benefits		
Basic salary	1 250 221	1 295 902
Cell phone allowance	177 600	200 170
Travelling allowance	288 327	319 736
	1 716 148	**1 815 808**

37.6 All other councillors

Allowances and service related benefits		
Basic salary	4 114 056	4 173 514
Cell phone allowance	754 800	765 069
Travelling allowance	1 036 773	716 520
	5 905 629	**5 655 103**

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

37. Remuneration of councillors (continued)

List the name of the councillor which at any time during the relevant financial year was in arears for more than 90 days	Amount outstanding for more than 90 days	
Councillor PM Lehloka	29 179	49 777
Councillor CM Mboweni	7 575	16 006
Councillor JG Viljoen	-	28 502
Councillor FW Peters	1 720	-
	38 474	**94 285**

38. Gain/(Loss) on disposal of fixed and intangible assets

Gains/(losses) on disposals	38.1	(358 597)	(7 809 213)

38.1 Gains/(losses) on disposals

Investment property	-	(70 000)
Property, plant and equipment	(358 597)	(7 739 213)
Total	**(358 597)**	**(7 809 213)**

39. Transfers and subsidies - Expenditure

Operational			
Monetary allocations	39.2	1 465 277	1 533 588

39.1 Allocations in-kind: Operational

39.2 Monetary allocations: Operational

Mayoral donations	1 465 277	1 533 588

40. Inventory (write down)

Inventory	23 422	(232 184)

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

41. Net cash from/(used) operating activities

	2023	2022
Surplus after capital transfers and contributions	141 305 627	60 882 542
Adjustments for:		
Depreciation and amortisation	103 731 053	127 288 656
Bad debts written off	50 566 968	109 375 032
Actuarial (Gains) / Losses	2 331 720	-
(Gains) / Losses on disposal of assets	358 597	7 809 213
Donations	-	(2 000)
Movement in provisions	18 041 671	(8 279 698)
Movement in empoyee benefits	(1 305 405)	1 289 314
Inventory losses	(23 422)	232 184
Movement in working capital		
(Increase) / Decrease in receivables from non-exchange transactions	(90 371 517)	(80 890 719)
(Increase) / Decrease in inventory	(9 445 661)	(252 806)
(Increase) / Decrease in receivables from exchange transactions	(25 591 783)	(37 970 302)
VAT receivable	(1 089 014)	(1 885 238)
Increase / (Decrease) in trade and other payables	(1 427 753)	35 119 432
Increase / (Decrease) in unspent conditional grants and receipts trade and other payable non-exchange transactions	8 504 235	(1 755 575)
Increase / (Decrease) in consumer deposits	1 221 604	1 290 686
Increase / (Decrease) in income in advance	1 076 044	(2 139 913)
Net cash flows from operating activities	**197 882 964**	**210 110 808**

42. Financial instruments

42.1 Fair value of financial instruments

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the annual financial statements approximate their fair values. In accordance with GRAP 104 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of financial position, are as follow:

		2023		2022	
		Carrying amount	Amortised cost	Carrying amount	Amortised cost
Financial assets					
Amortised cost					
Trade and other receivables from exchange transactions	4	203 843 848	203 843 848	181 427 256	181 427 256
Trade and other receivables from non-exchange transactions	5	126 032 795	126 032 795	106 114 872	106 114 872
Cash and cash equivalents	3	495 402 407	495 402 407	487 962 486	487 962 486
		825 279 050	**825 279 050**	**775 504 614**	**775 504 614**
Financial liabilities					
Amortised cost					
Unsecured bank facilities:					
Financial liabilities		124 596 303	124 596 303	130 553 797	130 553 797
Trade and other payables:					
Consumer deposits	14	22 374 777	22 374 777	21 153 173	21 153 173
Trade and other payables from exchange transactions	12	203 235 685	203 235 685	204 663 446	204 663 446
Current portion of financial liabilities		24 773 319	24 773 319	43 426 531	43 426 531
		250 383 781	**250 383 781**	**269 243 150**	**269 243 150**
Total financial liabilities		**374 980 084**	**374 980 084**	**399 796 947**	**399 796 947**
Total financial instruments		**450 298 966**	**450 298 966**	**375 707 667**	**375 707 667**

42. Financial instruments (continued)

42.2 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by effectively managing its working capital, capital expenditure, external borrowings and cash flows. Standby credit facilities are available with the municipality's main banker to cater for any unexpected temporary shortfall in operating funds.

30 June 2023

	Within 1 year	2 to 5 years	5 years +	Total
Maturity analysis				
Trade and other payables from exchange transactions	203 235 685	-	-	203 235 685
Borrowing	17 315 599	66 153 933	43 944 703	127 414 235
Consumer deposits	22 374 777	-	-	22 374 777
Finance lease obligation	7 457 720	14 497 658	-	21 955 378
	250 383 781	**80 651 591**	**43 944 703**	**374 980 075**

30 June 2022

	Within 1 year	2 to 5 years	5 years +	Total
Maturity analysis				
Trade and other payables from exchange transactions	204 663 446	-	-	204 663 446
Borrowing	35 069 761	67 342 015	45 352 228	147 764 004
Consumer deposits	21 153 173	-	-	21 153 173
Finance lease obligations	8 356 770	17 859 555	-	26 216 325
	269 243 150	**85 201 570**	**45 352 228**	**399 796 948**

The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain its current debt to equity ratio. This will be achieved through the annual increase in tariffs to maintain the accumulated surplus, as well as the increased use of unsecured bank loan facilities.

42.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality manages credit risk in its borrowing and investing activities by only dealing with well established financial institutions of high credit standing, and by spreading its exposure over a range of such institutions in accordance with its approved investment policies. Credit risk relating to consumer debtors is managed in accordance with the municipality's credit control and debt collection policy. The municipality's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of consumer debtors is given in the accounting policies and Note 5 to the annual financial statements.

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. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The carrying amount of financial assets recorded in the annual financial statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follow:

Notes to the Annual Financial Statements

Figures in Rand		2023	2022

42. Financial instruments (continued)

Trade and other receivables from non-exchange transactions		126 032 795	106 114 872
Trade and other receivables from exchange transactions	4	203 843 848	167 585 011
Bank and cash balances	3	495 402 407	487 962 486
Maximum credit and interest risk exposure		**825 279 050**	**761 662 369**

43. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Infrastructure	48 963 006	27 731 498
Total capital commitments		
Already contracted for but not provided for	48 963 006	27 731 498

Authorised operational expenditure

Already contracted for but not provided for		
• Expenditure	28 088 965	24 649 317
Total operational commitments		
Already contracted for but not provided for	28 088 965	24 649 317

Total commitments

Total commitments		
Authorised capital expenditure	48 963 006	27 731 498
Authorised operational expenditure	28 088 965	24 649 317
	77 051 971	**52 380 815**

This committed expenditure relates to property, plant and equipment and will be financed by retained surpluses backed by existing cash resources, funds internally generated, grant funding and borrowings..

Figures in Rand	2023	2022

44. Contingent liabilities

PL Khadebe / Ncube Case # 29665/15	525 000	525 000
Applied for rescission of judgement regarding a transfer of property back into her name.The matter is currently dormant.		
Mr and Mrs Fereira Erf 702 Golf park Case # 158465 - 842641	9 250 917	9 250 917
Property damages by a abroken sewer pipe. Insurer awaiting further updates from attorney.		
Outsurance / C Bosschieter Case # 857/2021	40 000	40 000
Car damaged as a result of a ditch / pothole. Plaintiff submitted incomplete discovery affidavit		
King Price Insurance / MA Makhananise Case # 166791 - 850230	122 494	122 494
An employee applied for default judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that he/she is being unfairly discriminated against.		
Outsurance / L Bodemer Case # 168680 - 851884	247 647	247 647
Car damaged by ditch. Awaiting trial date.		
King Price Insurance / Wynand Bezuidenhout Case # 711/2020	20 000	20 000
Claim for damage as a result of alleged pothole. Order rescinded and awaiting cost for the aaplication.		
A Tsukudu Case # 144656	-	26 000 000
Defamation case - claim closed as no further developments.		
Luigi Giacomozzi Case # 158465 - 842641	9 470 000	9 470 000
Property damaged as a result of leaking sewer pipes and sinkholes. .		
Nkewu Transport CC Case # 171601 - 854231	288 291	288 291
Vehicle damaged by potholes. Insurer advised a a non return was received on third party notice and they are trying to trace the plaintiff's driver.		
M Gomba Case # 174717 - 856349	-	2 000 000
Incorrect municipal account and reputational damage. Case closed - matter settled as per court order		
Toptrack Thirty Five (Pty) Ltd Case # 158465 - 842641	11 730 000	11 730 000
Property damages as a result of leaking sewer pipes / sinkholes. Awaiting attorneys further updates.		
DV Brussouw and JMM Brussouw Case # 158465 - 842641	2 000 000	2 000 000
Property damages as a result of leaking sewer pipe / .		

Figures in Rand	2023	2022
44. Contingent liabilities (continued)		
C Khan Case # AON001-000055356	25 012	25 012
Vehicle damaged on gravel road. No feedback received from third party		
Alarn Concrete (Pty) Ltd Case # 144234 - 829808	165 851	165 851
Municipal vehicle collided with the third party vehicle. Final negotiations.		
IP Barber Case # 869499	139 336	-
Vehicle damaged by a pothole. Awaiting third party to respond.		
Wesizwe Risk Solutions (Pty) Ltd Case # AIP322075	119 308	-
Municipal vehicle collided with the third party's vehicle.		
Dimakatso Letanta	5 032	-
Grass-cutting tractor drove into the wall and damaged ity.		
Raymond Symington	3 744	-
Vehicle damaged by potholes.		
GDARD	5 000 000	-
Fine issued for Walkerville Landfill site. Matter at appeal stage.		
	-	-
	39 152 632	**61 885 212**

45. Related party disclosures

45.1 Nature of related party relationships

Related party	Nature of relationship
Accounting Officer	Refer to accounting officer's report note
Councillors	Refer to General information page for Councillor names The remuneration to Councillrs have been included in note 37
Close family member of key management	There were no transactions between close family members of key management
Joint venture of key management	None
Associate of close family member of key management	None
Post employment benefit plan for employees of entity and/or other related parties	Refer to note 19
Members of key management	No other payments were made outside the contractual employment payments from employment. Refer to note 30 for remuneration

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

46. Deviations from SCM regulations - SCM Regulation 36

Emergency	8 921 526	3 192 529
Sole providers / accredited agents	628 956	411 352
Impractical or impossible to follow process	420 178	2 627 116
Arts and historical objects	20 000	-
Total amount approved by the accounting officer and noted by council	**9 990 660**	**6 230 997**

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 audited annual financial statements.

The majority of items mentioned had to be addressed to emergency circumstances. The balance of items were due to circumstances where it was impractical or impossible to follow a competetive bidding process.

47. Prior year error and reclassification

The municipality has changed its template in preparing the annual financial statements this financial year in accordance with the prescripts issued by National Treasury. In doing so multiple naming conventions has changed and consequently reclassifactions have been passed in terms of GRAP 1 para 49. No other reclassifications took place in the current financial year.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has been in compliance with the mSCOA ever since adoption but this year it also voluntarily adopted to partially implement the NT mSCOA AFS Template, which aligns the item segment as per mSCOA to the AFS of a municipality. This did not result in the municipality changing any accounting policies, accounting estimates or the correction of prior period errors but did give rise to a process of reclassification and re-naming of items in the financial statements in terms of mSCOA item classification, as per the NT mSCOA Template. The reclassification of 2022 audited amounts is summaries in the reclassification column below.

The following restatements and adjustments occurred which are set out below:

Notes to the Annual Financial Statements

47. Prior year error and reclassification (continued)

47.1 Adjustments of Statement of financial position items

2023

	Note	As previously reported	Correction of error	
			5	**5**
Assets				
Current assets				
Cash and cash equivalents	3	487 962 486	-	487 962 486
Receivables from exchange transactions	4	181 427 256	(13 842 245)	167 585 011
Receivables from non-exchange transactions	5	106 114 872	-	106 114 872
VAT control	6	17 690 177	-	17 690 177
Inventories	7	14 333 162	-	14 333 162
		807 527 953	**(13 842 245)**	**793 685 708**
Non-current assets				
Investment property	9	49 281 032	-	49 281 032
Property, plant and equipment	8	2 097 835 386	-	2 097 835 386
Intangible assets	10	6 436 395	-	6 436 395
Heritage assets	11	18 701	-	18 701
		2 153 571 514	**-**	**2 153 571 514**
Total assets		**2 961 099 467**	**(13 842 245)**	**2 947 257 222**
Net assets and liabilities				
Current liabilities				
Consumer deposits	14	21 153 173	-	21 153 173
Payables from exchange transactions	12	204 663 438	-	204 663 438
Unspent conditional grants	17	3 260 177	-	3 260 177
Borrowings	13	35 069 761	-	35 069 761
Lease liabilities	15	8 356 770	-	8 356 770
Income received in advance from developer contribution	16	5 295 609	-	5 295 609
		277 798 928	**-**	**277 798 928**
Non-current liabilities				
Borrowings	13	112 694 241	-	112 694 241
Lease liabilities	15	17 859 555	-	17 859 555
Employee benefits	19	20 623 190	-	20 623 190
Provisions	18	86 038 163	-	86 038 163
		237 215 149	**-**	**237 215 149**
Total net assets				
Accumulated surplus		2 446 085 377	(13 842 245)	2 432 243 132
Total net assets and liabilities		**2 961 099 454**	**(13 842 245)**	**2 947 257 209**

Notes to the Annual Financial Statements

47. Prior year error and reclassification (continued)

47.2 Adjustments of Statement of financial performance items

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Revenue					
Non-exchange revenue					
Property Rates	26	273 313 528	-	-	273 313 528
Transfers and subsidies	27	247 343 205	-	-	247 343 205
Fines, penalties and forfeits	28	68 386 649	-	-	68 386 649
Interest on receivables	22	5 509 450	-	-	5 509 450
		594 552 832	**-**	**-**	**594 552 832**
Exchange revenue					
Services charges - Electricity	20	475 821 696	(13 842 244)	-	461 979 452
Services charges - Water	20	214 564 820	-	-	214 564 820
Services charges - Waste water management	20	54 450 195	-	-	54 450 195
Services charges - Waste management	20	55 101 715	-	-	55 101 715
Interest on investments	25	18 247 859	-	-	18 247 859
Interest earned from receivables	21	13 009 023	-	-	13 009 023
Sales of goods and rendering of services	22	5 482 101	-	-	5 482 101
Operational revenue		1 641 179	-	-	1 641 179
Rental		1 097 997	-	-	1 097 997
		839 416 585	**(13 842 244)**	**-**	**825 574 341**
Total revenue		**1 433 969 417**	**(13 842 244)**	**-**	**1 420 127 173**
Expenditure					
Employee related cost	30	(322 147 853)	-	-	(322 147 853)
Remuneration of councillors	37	(12 967 574)	-	-	(12 967 574)
Contracted services		(127 894 877)	-	-	(127 894 877)
Depreciation, amortisation and impairment	32	(127 288 656)	-	-	(127 288 656)
Debt impairment	35	(123 245 010)	-	-	(123 245 010)
Bulk Purchases - Electricity	29	(522 689 969)	-	-	(522 689 969)
Operational cost	36	(58 791 232)	-	-	(58 791 232)
Finance costs	31	(30 122 765)	-	-	(30 122 765)
Inventory consumed	39	(24 521 710)	-	-	(24 521 710)
Loss on disposal of assets		(7 809 213)	-	-	(7 809 213)
Inventories (write-down)		(232 184)	-	-	(232 184)
Transfers and subsidies		(1 533 588)	-	-	(1 533 588)
Total expenditure		**(1 359 244 631)**	**-**	**-**	**(1 359 244 631)**

48. Going concern

We draw attention to the fact that at 30 June 2023, the municipality had an accumulated surplus of R 2 573 548 798 and that the municipality's total assets exceed its liabilities by R 2 573 548 798.

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

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality and that the subordination agreement referred to in note of these annual financial statements will remain in force for so long as it takes to restore the solvency of the municipality.

Notes to the Annual Financial Statements

49. Events after the reporting date

No events after the reporting date were identified by management that will affect the operations of the municipality or the results of those operations significantly.

50. Unauthorised, irregular, fruitless and wasteful expenditure

50.1 Irregular expenditure

Opening balance as previously reported	513 521	-
Add: Irregular expenditure - current	-	139 079
Add: Irregular expenditure – prior period	1 505 024	513 521
Less: Amounts written-off – current	-	(139 079)
Closing balance	**2 018 545**	**513 521**

Incident	Disciplinary steps/criminal proceedings		
Supplier was appointed with and there was a few minor errors in the process followed as the tender was not evaluated according to the specifications		1 505 024	513 521
Supplier appointed to provide training, however the contract ended 30 June 2021, and the services were still used for the months of July and August 2021		-	139 079
Total		**1 505 024**	**652 600**

50.2 Fruitless and wasteful expenditure

Opening balance as previously reported	1 315 873	1 315 873
Add: Fruitless and wasteful expenditure expenditure – prior period	723 260	-
Less: Amounts written-off – prior period	723 260	-
Closing balance	**2 762 393**	**1 315 873**

Incident	Disciplinary steps/criminal proceedings		
Relates to pump repairs and a missing asset. Disciplinary process underway.		-	1 315 873
The amount was erroneously paid to a supplier. Some of the monies were recovered. Council resolved to write off the unrecoerable amount		723 260	-
Total		**723 260**	**1 315 873**

There are investigations which are still pending finalisation as at the date of audit submission. These matters will be reported on as part of the submission of the next audit, pending the completion during the financial year ending 30 June 2023.

51. In kind donations and assistance

2022/2023

None

2021/2022

None.

52. Additional disclosure in terms of Municipal Finance Management Act

Figures in Rand	2023	2022
Contributions to SALGA		
Current year subscription / fee	3 701 229	3 300 001
Amount paid - current year	(3 701 229)	(3 300 001)
	-	-
Audit fees		
Current year subscription / fee	3 491 046	3 777 817
Amount paid - current year	(3 491 046)	(3 777 817)
	-	-
PAYE and UIF		
Amount paid - current year	52 825 551	50 752 069
Pension and Medical Aid Deductions		
Amount paid - current year - pension	55 105 749	52 828 599
Amount paid - current year - medical	31 286 061	29 881 471
	86 391 810	**82 710 070**

53. Budget information

The budget has been prepared on the accrual basis of accounting in accordance with the prescripts of the Municipal budget regulations as well as MFMA budget circulars. In accordance with the Municipal budget regulations, the classification basis the municipality presents its budget is per economic as well as per functional classification (per Vote (Department) and GFS classification). It should be noted that minor budget differences between the basis the budget is prepared (accrual basis and prescripts of NT guidance) and actual financial results (accrual basis in accordance with GRAP) exists, mainly related to technical GRAP adjustments required. These differences are not material and as the basis of preparation is the same (accrual basis) no restatements have been made to the financial information compared to the budgeted amounts, but where found to be material is explained below:

Explanation of variances between approved and final budget amounts

The reason for the variances between the approved and final budgets are mainly due to reallocations made within the approved budget parameters allowed for by the Virement Policy of Midvaal Local Municipality as approved by Council.

Explanation of variances greater than 10%: Final Budget and Actual Amounts.

54. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE) is included in the Annual Report under the section titled Employment Equity.

55. Segment information

2023

55. Segment information (continued)

	Community and public safety	Economic and environmental services	Trading services	Unallocated	Total
Segment revenue					
External revenue from non-exchange transactions	100 890 163	2 236 738	162 143 340	380 173 112	645 443 353
External revenue from exchange transactions	2 803 312	3 809 716	804 184 076	6 532 759	817 329 863
Interests on investments	-	-	-	32 524 620	32 524 620
Interest earned from receivables	-	-	-	29 867 684	29 867 684
Total	**103 693 475**	**6 046 454**	**966 327 416**	**449 098 175**	**1 525 165 520**
Segment expenses					
Total segment expenses	121 940 437	80 407 389	733 083 291	212 779 204	1 148 210 321
Depreciation and amortisation	10 974 538	27 676 004	59 964 955	5 115 556	103 731 053
Loss on disposal of assets	211 151	1 619	24 484 815	74 024	24 771 609
Impairment losses on financial assets	65 398 900	-	12 297 096	-	77 695 996
Interest expense	547 159	2 241 688	24 745 637	1 916 430	29 450 914
Total	**199 072 185**	**110 326 700**	**854 575 794**	**219 885 214**	**1 383 859 893**
Surplus for the year	**(95 378 710)**	**(104 280 246)**	**111 751 622**	**229 212 961**	**141 305 627**
Other information					
Segment assets	117 917 895	539 524 979	1 458 442 335	962 173 130	3 078 058 339
Segment liabilities	3 618 710	25 513 272	80 338 118	395 039 448	504 509 548
Total capital expenditure	22 742 037	45 175 430	102 539 802	6 223 175	176 680 444

Directive 3 transitional provisions for GRAP 18 (Segment reporting) allows comparative figures not to be disclosed in the first year of adoption. The Municipality has elected to take advantage of the provisions of Directive 3.

2022

	Community and public safety	Economic and environmental services	Trading services	Unallocated	Total
Segment revenue					
External revenue from non-exchange transactions	106 957 387	10 809 569	129 258 256	342 018 170	589 043 382
External revenue from exchange transactions	1 935 194	3 257 689	786 015 580	3 108 996	794 317 459
Interests on investments	-	-	-	18 247 859	18 247 859
Interest earned from receivables	-	-	-	18 518 473	18 518 473
Total	**108 892 581**	**14 067 258**	**915 273 836**	**381 893 498**	**1 420 127 173**
Segment expenses					
Total segment expenses	110 636 621	70 591 154	718 750 745	198 273 601	1 098 252 121
Depreciation and amortisation	9 594 197	32 174 090	80 799 929	4 720 440	127 288 656
Loss on disposal of assets	198 337	2 948	38 023 172	625 206	38 849 663
Impairment losses on financial assets	64 731 406	-	20	-	64 731 426
Interest expense	225 568	4 094 000	21 268 893	4 534 304	30 122 765
Total	**185 386 129**	**106 862 192**	**858 842 759**	**208 153 551**	**1 359 244 631**
Surplus for the year	**(76 493 548)**	**(92 794 934)**	**56 431 077**	**173 739 947**	**60 882 542**

Notes to the Annual Financial Statements

Figures in Rand	2023	2022

55. Segment information (continued)

Other information					
Segment assets	101 704 417	528 109 103	1 432 208 664	886 951 067	2 948 973 251
Segment liabilities	728 180	18 024 769	101 876 976	396 100 182	516 730 107
Total capital expenditure	22 271 014	23 543 152	111 208 984	7 604 030	164 627 180

Directive 3 transitional provisions for GRAP 18 (Segment reporting) allows comparative figures not to be disclosed in the first year of adoption. The Municipality has elected to take advantage of the provisions of Directive 3.