5th TERM

DRAFT ANNUAL REPORT 2023/2024



Executive Mayor
Cllr Minah Bahula

www.sekhukhunedistrict.gov.za

The Executive Mayor of Sekhukhune

LIVE

2030 NDP

30 YEARS OF FREEDOM

SEKHUKHUNE
District Municipality

GENERAL INFORMATION

1. **MEMBERS OF THE MAYORAL COMMITTEE (From 01 July 2023 to 16 November 2023)**

NO.	SURNAME AND INITIALS	DESIGNATION
1.	Cllr. Mokganyetji M.J.	Executive Mayor
2.	Cllr. Mohlala M.J	Member of the Mayoral Committee (MMC): Budget & Treasury
3.	Cllr. Kupa C.R	1st Member of the Mayoral Committee (MMC): Infrastructure & water Services
4.	Cllr. Lekoatsipa L	2nd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
5.	Cllr. Malatji M N	3rd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
6.	Cllr. Ratau M.F	Member of the Mayoral Committee (MMC): Corporate Services
7.	Cllr. Leshaba M.B	Member of the Mayoral Committee (MMC): Planning & Economic Development
8.	Cllr. Mafefe O.H	Member of the Mayoral Committee (MMC): Community Services
9.	Cllr. Sefala R.E	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)
10	Cllr. Nkosi S.M	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)

The Table below illustrates the Members of the Mayoral Committee as at 17 November 2023 to 30 June 2024

NO.	SURNAME AND INITIALS	DESIGNATION
1.	Cllr. Maitula B.M	Executive Mayor

2.	Cllr. Sefala R.E	Member of the Mayoral Committee (MMC): Budget & Treasury
3.	Cllr. Kupa C.R	1st Member of the Mayoral Committee (MMC): Infrastructure & water Services
4.	Cllr. Mabatane M.C	2nd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
5.	Cllr. Mathipa M.P	3rd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
6.	Cllr. Mafefe O.H	Member of the Mayoral Committee (MMC): Corporate Services
7.	Cllr. Mashilo M.S	Member of the Mayoral Committee (MMC): Planning & Economic Development
8.	Cllr. Leshaba M.B	Member of the Mayoral Committee (MMC): Community Services
9.	Cllr. Leokana M.D	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)
10	Cllr. Nkosi S.B	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)

2. ADDRESS

Sekhukhune District Municipality

3 West Street

Groblersdal

0470

Tel: (013) 262 7300

Fax: 013 262 3688

Website: www.sekhukhunedistrict.gov.za

3. CONTACTS

Mr M.M. Kgwale : Municipal Manager : 013 262 7312

ACRONYMS

NO.	ABBREVIATIONS	ABBREVIATION IN FULL
1.	AFS	Annual Financial Statement
2.	A.G.	Auditor General
3.	AGSA	Auditor General South Africa
4.	AIDS	Acquired Immune Deficiency Syndrome
5.	ANC	African National Congress
6.	AC	Audit Committe
7.	APR	Annual Performance Report
8.	AR	Annual Report
9.	BLSV	Bolshevic
10.	CAC	Chid Advisory Council
11.	CDW	Community Development Worker
12.	CFO	Chief Financial Officer
13.	CLLR.	Councillor
14.	COGHSTA	Co-operative Governance, Human Settlement and Traditional Affairs
15.	CPMD	Certificate Programme in Management Development
16.	DA	Democratic Alliance
17.	DOE	Department of Energy
18.	DSAC	Department of Sport, Arts & Culture
19.	EFF	Economic Freedom Fighters
20.	EPWP	Expanded Public Works Programme
21.	ESKOM	Electricity Supply Commission
22.	FMG	Financial Management Grant
23.	GRAP	General Recognised Accounting Practice
24.	HIV	Human Immune Virus

25.	HH	Households
16.	ICT	Information Communication Technology
26.	IDP	Integrated Development Plan
27.	IGR	Integovernmental Relations
28.	INEP	Integrated National Electricity Programme
29.	Km	Kilometre
30.	KPA	Key Performance Area
31.	KPI	Key Performance Indicator
32.	LED	Local Economic Development
33.	LEDET	Limpopo Economic Development Environment Tourism
34.	LGSETA	Local Governement Sector Education & Training Authority
35.	MEC	Member of Executive Council
36.	MFMA	Municipal Finance Management Act
37.	MIG	Municipal Infrastructure Grant
38.	MM	Municipal Manager
39.	MPAC	Municipal Public Accounts Committee
40.	MSA	Municipal Systems Act
41.	MTREF	Medium Term Revenue & Expenditure Framework
42.	N/A	Not Applicable
43.	No.	Number
44.	PMS	Performance Management System
45.	PMU	Project Management Unit
46.	PPP	Public Privite Partnership
47.	PR	Proportional Representative
48.	OHS	Occupational Health & Safety
49.	R	Rand

50.	RBIG	Regional Infrastructure Grant
51.	RDP	Reconstruction & Development Plan
52.	RRMS	Rural Roads Assets Management System Grant
53.	RSA	Republic of South Africa
54.	SCM	Supply Chain Management
55.	SDBIP	Service Delivery & Budget Implementation Plan.
56.	SDM	Sekhukhune District Municipality
57.	SETA	Sector Education & Training Authority
58	SODA	State of the District Adress
59.	STATSSA	Statistics South Africa
60	STI	Sexually Transmitted infection
61.	TB	Tuberculosis
62.	TOR	Terms of Reference
63.	TVR	Treasury Views and Recommendation
64..	WSP	Work Skills Plan
65.	VIP	Ventilated Improved pit
67.	WSIG	Water Services Infrastructure Grant

Glossary

Annual Financial Statement: the statement that reflects the financial position of the municipality regarding the revenue and expenditures, the statement also shows whether the municipality will be able to operate in the next twelve months based on its assets and liabilities using a formula on financial ratio to determine health.

Annual Report: report that is compiled by the municipality indicating overall performance of the organisation in all key areas of service delivery and institutional performance, the report is compiled in terms of Local Government Municipal Finance Management Act, 2003 and submitted in the beginning of the third quarter of the municipal financial year to Council and other legally established structures for review and consideration.

Governance: refers to establishment and implementation of systems, processes, and procedures to ensure that the municipality and/or organisation complies with the laws, protocols, codes, standards for the purposes of managing risk and internal controls which applies here in South Africa and internationally

Integrated Development Plan (IDP): A five-year strategic plan undertaken by a municipality outlining the key projects and programmes to be implemented by the Council which is prepared in accordance with the Local Government Municipal Systems Act, 2000 (Act 32 of 2000). The IDP can be reviewed annually in accordance with a prescribed process.

Risk Assessment: overall process of risk identification, risk quantification and risk evaluation in order to identify potential opportunities and minimise loss

Risk management: the identification and evaluation of actual and potential risk areas as they pertain to the organisation as a total entity, followed by a process of either avoidance, termination and transfer, tolerance, exploitation, or mitigation of each risk, or a response that is a combination or *integration.*

Service Delivery and Budget Implementation Plan **(SDBIP)**: this refers to a detailed plan compiled by a municipality indicating the processes, measurement, indicators and targets that will be followed in implementing the IDP.

Supply Chain Management: known and recorded systems and procedures for procurement of goods and services that are being followed by the municipality in line with the Preferential Procurement Framework Act.

Municipal Infrastructure Grant (MIG): The MIG aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting. The Department of Cooperative Governance is responsible for managing and transferring the MIG and provides support to provinces and municipalities on implementing MIG projects.

Regional Bulk Infrastructure Grant (RBIG): The infrastructure required to connect the water resources, on a macro or subregional scale (over vast distances), with internal bulk and reticulation systems. Macro is defined as infrastructure serving extensive areas across multi-municipal boundaries. Sub-regional is defined as large bulk infrastructure serving numerous communities over a large area normally within a specific district or local municipal area.

Water Service Infrastructure Grant (WSIG): Facilitate the planning and implementation of various water and on-site sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities. Provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection and groundwater development. Support municipalities in implementing water conservation and water demand management (WC/WDM) projects. Support the

existing Bucket Eradication Programme intervention in formal residential areas. Support drought relief projects in affected municipalities Outcome statements. An increased number of households with access to reliable, safe drinking water and sanitation services

Expanded Public Works Programme (EPWP): is one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The EPWP is a nationwide programme covering all spheres of government and SOEs. The programme provides an important avenue for labour absorption and income transfers to poor households, in the short to medium-term.

EPWP projects employ workers on a temporary or ongoing basis with government, contractors, or other non-governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

The EPWP creates work opportunities in four sectors, namely infrastructure, non-State, environment, and culture and social, by:

- increasing the labour intensity of government-funded infrastructure projects
- creating work opportunities through the Non-Profit Organisation programme and Community Work Programme
- creating work opportunities in public environment and culture programmes
- creating work opportunities in public social programmes.

Financial Municipal Grant (FMG): to address the unemployment of young graduate who has qualifications in finance related matters. It is also used to capacitate employees in the Budget and Treasury department.

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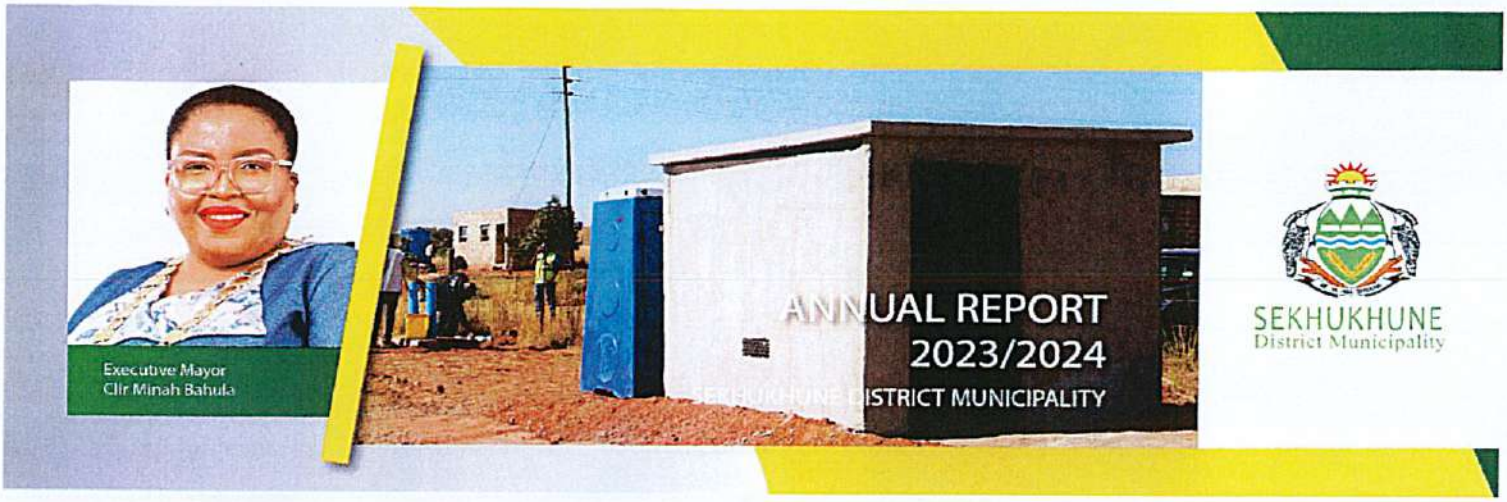
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CHAPTER ONE:

1.1. MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

It is my privilege to present the Sekhukhune District Municipality's Annual Report for the 2023/24 financial year. This Annual Report is a result of the implementation of the municipality's Integrated Development Plan (IDP), Annual Budget and Service Delivery and Budget Implementation Plan (SDBIP) as adopted by Council for the financial year 2023/2024. It is an account of the municipality's achievements and assists in identifying other areas needing improvement.

Our Vision remains focused and committed to the:

"Sekhukhune District Municipality – an innovative leader in integrated economic development and sustainable service delivery".

Our Mission is to improve the quality of life for all communities through:

- Provision of a democratic and accountable government
- Promotion of inclusive and egalitarian economic transformation
- Promotion of a safe and healthy environment
- Fostering of community involvement and stakeholder engagement
- Strengthening institutional capacity
- Promotion of social cohesion

This Annual Report sets out the financial performance highlights and financial position for the 2023/2024 financial year, along with the achieved milestones of its administration. As a political leadership we aimed all we could to work with an end in mind as we activate the operation "TLEMA TEKI RE NWE MEETSE" to ensure:

1. Provision of water and sanitation services in a sustainable manner,

2. Local economic development, growth and job creation through agrarian reform, mining, tourism, and repositioning of SDA,
3. Good governance and sound financial management,
4. Sustainable land use management and spatial transformation,
5. Community development, social cohesion, and nation building, and
6. Public participation, stakeholder engagements and partnerships.

Key Service Delivery Improvements

We must first acknowledge that the provision of Water and Sanitation as our core mandate has been a challenge to our communities. As a successor in title, we adopted the campaign dubbed **"Operation tlema tekkie, renwe meetsi"** which is a call to all-including government officials and members of the community to work together to realize the provision of clean drinkable water to our communities.

We initiated a Special Mayoral Project to drill boreholes in all the Traditional Authorities in the district. Some traditional authorities have already benefitted and the households within the proximity of the traditional authorities. We also embarked on the drilling and equipping of boreholes including the installation of Jojo tanks as a short-term strategy to provide water to the villages in the district. We have also signed a Memorandum of Understanding on devolution of Operation and Maintenance functions with our local Municipalities. The MOU is intending to bring services closer to the people.

We are currently implementing the Turnaround Strategy for The Integrated and Aligned Delivery of Water Services in the District. We have seriously revived our bulk projects and are optimistic that they will give a lasting solution to the water problems in the district. Nebo Plateau Bulk Water Supply Scheme, Malekana to Jane Furse Bulk Water Supply is currently under commissioning to perform conditional assessment for the pipelines that were constructed in 2011, Groblersdal to Luckau Bulk Water Pipeline is currently being upgraded including the capacity of the water treatment plant, and Mooihoek Water Treatment Works as the water source of Lebalelo Bulk Water Supply Scheme is been upgraded from the current capacity of 12Ml/d (12 Megalitres per day) to 24Ml/d.

Sound financial management practices are the cornerstone of every municipality that wants to remain sustainable and continually provide services. A municipality that has weak financial management is open to corruption and the misdirection of financial resources. We have always been in the news for wrong reasons, but we are happy to announce that Sekhukhune District Municipality has fundamentally improved on its financial systems. We are reporting an incident free financial year. The municipality is currently utilising its internal capacity to do the Annual Financial Statements in

compliance with the National Treasury Regulations. The municipality is improving on MIG spending.

We have progressed from returning the money back to Treasury to 86% spending in 2023/2024 financial year compared to the 46% in 2022/2023 financial year.

We have filled all senior managers' positions. The municipality appointed Municipal Manager Mr Meshack Mahlagaume Kgwale, who started his employment on the 1st of October 2023 and the Director of Community Services Ms Khomotso Robinson from the 1st May 2024. Every department in the municipality has got a director. We have no reason to be complacent in taking strategic decisions and providing sound, efficient, effective, transparent and accountable administration.

To capacitate administration, we have a newly designed organisational structure in which we have identified critical positions that are vacant. Critical and funded posts will be filled to manage and stabilise personnel costs and keep them to the 37% limit of total operating expenditure.

We have managed to reduce expenditure on non-priority spending including uncontrolled overtime, travelling costs, security, and fleet management.

For this municipality to remain sustainable and increase the scope of service delivery, it must reduce over-reliance on government subsidies and grants. We should be able to generate our own revenue.

Our governance challenges in the district municipality are a matter of public knowledge. We are working towards resolving all the issues that were raised by the Auditor-General, leading to us attaining a Qualified Audit opinion for the past financial year.

We have also put in measures to root out corruption, maladministration, and nepotism. Anti-fraud and Corruption initiatives put in place include.

The review of a credible and implementable revenue enhancement strategy is now underway and will be implemented in the next financial year. This strategy will empower us to recover these millions of rands that households, businesses, and government departments currently owing us. We want to achieve this proactively and timeously, to avoid a costly accumulation.

We clamped up Law Enforcement of section 56 notices for businesses. All Environmental Health Practitioners have been trained as peace officers in terms of section 56 of the criminal procedures Act. Section 56 fine notice book is in place, so business that does not comply with our regulations will be closed or fined. Our Environmental Health Practitioners will continue to monitor all spaza shops to make sure that the goods being sold to our communities have not passed their sell by date.

We have developed Draft Terms of Reference for a Mining Multi-Stakeholders engagement forum, The mines operating in Sekhukhune are the mainstay of not only our district, but of the country's economy.

We have also reactivated the Fetakgomo - Tubatse SEZ (Special Economic Zone) political steering committee which will enhance a growth engine that has been earmarked to catalyse economic activities in pursuance of government's strategic objectives of industrialization, regional development, and employment creation. The procurement processes of the fencing of the FTSEZ site are being concluded.

Our flagship Learner Contractor development programme has been amicably concluded. We held meeting with all leaner contractors, ironed out matters that were outstanding and a graduation ceremony was held.

We continued to acknowledge the mammoth task at hand of ensuring that government is reasonable to its citizens by striving to provide to our people with various service, including water and sanitation infrastructure, electricity, and roads etc. This conviction to serve must be based on the obligation to fulfil human rights.

We operated under difficult macro – economic challenges which have constantly affected government's ability to allocate sufficient funding for social projects. In the main, this negative impact is felt by the poor.

The situation is worsened by a combination of factors, including that our revenue collection base is generally small, because a lot of people in our district are battling to make ends meet. We are also still reeling from the devastating effects of the COVID-19 pandemic on many fronts. Some of the businesses that went under, during the hard lockdown, have not been able to re-open.

Unemployment remains another headache for our country. A growing unemployment rate eats into tax revenue. This hampers government's ability to broaden the scope of services to communities.

In pursuit of meeting their constitutional obligations to developing local economies and job creation, our municipalities will focus on prioritizing the local economic development mandates, service delivery and most of all, we must never forget maintenance of the infrastructure and systems we have succeeded to build. Tlema Teki Re Nwe Meetse, we are soldiering on as Sekhukhune District municipality.

On behalf of the Sekhukhune District Municipality Council, I hereby present this Annual Report for the financial year 2023/2024

Cllr Minah Bahula

Executive Mayor

1.2. EXECUTIVE SUMMARY: MUNICIPAL MANAGER'S OVERVIEW

Sekhukhune District Municipality (SDM) herein presents Annual Report for 2023/2024 financial year. The Annual Report is a statutory requirement for all municipalities in South Africa, primarily to report on performance during the year under review. The municipality has five departments excluding the Municipal Manager and the COO. The departments are headed by Senior Managers. For the year under review the municipality had All senior management positions were filled.

The municipality obtained Qualified Audit Opinion for the financial year 2023/2024, which is stagnant for the past six years. The municipality has developed an action plan which will address the critical issues that were raised by the Auditor General.

1.3. STRUCTURE OF THE ANNUAL REPORT OF SEKHUKHUNE DISTRICT MUNICIPALITY

Guided by Municipal Finance Management Act (MFMA) Circular 63 of 2012, contents of this Annual Report are set out as below:

Chapter 1: Introduction

Chapter 2: Governance.

Chapter 3: Service Delivery Performance.

Chapter 4: Organisational Development Performance.

Chapter 5: Financial Performance.

Chapter 6: Auditor General's Findings.

Appendices; and

Volume II: Annual Financial Statements (AFS)

However, this introductory chapter begins by presenting the legislative background, powers and functions of SDM, overviews on demographic, service delivery and financial health, and a summary of the Annual Report process.

1.4. LEGISLATIVE FRAMEWORK FOR ANNUAL REPORTING

Requirement for a Municipal Annual Report

Section 46 (2) of the Local Government: Municipal Systems Act (MSA) 56 of 2000 recognizes that a municipality shall have an Annual Report as a component of performance management, which shall consist of annual performance report.

Section 121 of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003 requires that every municipality must prepare an Annual Report for each financial year. This section outlines the purposes of Annual Report, which are:

- To provide a record of activities of the municipality or its entity for that particular year
- To provide a report on performance against the budget of the municipality or entity for that year
- To promote accountability to the local community

The above section also specifies the contents of Annual Report in detail, which include annual financial statements, auditor general's audit report, annual performance report, and other issues.

Submission and tabling of Annual Report.

Section 127(2) of Local Government: Municipal Finance Management Act (MFMA) 56 of 2003 provides details on the requirements of submission and tabling of Annual Reports. The section requires that within 7 months after a financial year the mayor of a municipality must submit an Annual Report of that particular year to Council. In addition to this requirement, Circular 11 of MFMA states that Annual Report must be tabled on 31 January and considered by Council on 31 March of the following financial year.

However, MFMA Circular 63 of 2012 requires that the draft Annual Report must be prepared and submitted to internal auditing, combined audit/performance committee, Auditor General, and Council of the municipality whereas Council submits the

unaudited Annual Report to MPAC. The latest MFMA circular of 2012 (No.63) provides the latest guidelines that should be followed.

Section 127 also says the Accounting Officer of the municipality must make public the Annual Report according to section 21A of the Municipal Systems Act and invite the local community to contribute towards the Annual Report. Finally, Section 127 of MFMA requires the Accounting Officer to submit the Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of local government (Coghsta).

Preparation of Annual Report

There are two MFMA circulars which were made to guide preparation of Annual Reports of municipalities and their entities: Circular 11 of 2005 and Circular 63 of 2012. The two circulars are supposed to be read concurrently (in conjunction with each other).

MFMA Circular No.11 (2005) was made to provide guidance on preparation of Annual Report. The circular re-emphasise the requirements of Annual Report stated in the MFMA and the MSA, and supplements two documents which were produced earlier in the same year of 2003, namely the National Treasury "Budget Circular 2" and Annual Report Guidelines.

However, the circular goes further to describe the timelines required to produce the Annual Report, and accordingly states that the Annual Report must be tabled on 31 January and considered by Council on 31 March of the following financial year. At the same time the Council is required to adopt an oversight report over the Annual Report.

Circular 11 also prescribed the format which an Annual Report must have, namely:

Chapter 1: Introduction and Overview

Chapter 2: Performance Highlights

Chapter 3: Human Resource and other Organisational Management

Chapter 4: Audited Statements and Related Financial Information

Chapter 5: Functional Area Service Delivery Reporting

Also mentioned in the same circular 11 are the requirements on Annual Report according to Division of Revenue Act (DORA), which requires inclusion of certain issues in the Annual Report, including:

- How the municipality met the requirements of the use of conditional grants
- Use of donor funding.
- Information on long-term contracts

MFMA Circular No.63 of 2012 builds on Circular 11, and its main aim is to provide guidance to municipalities and municipal entities on new Annual Report Format and its contents. This particular circular state that over and above the purposes of Annual Report stated above, also aims to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions. The specific goals of the new Annual Report format are the following:

- Standardise reporting to enable municipalities / municipal entities to submit comparable Annual Reports.
- Align financial and non-financial reporting in the Annual Report.
- Create a standardised reporting structure that will enhance comprehensive oversight, meaningful evaluation and improved understanding of service delivery output.
- Ensure the standardisation of terminology used in Annual Reports; and
- Support the internal and external audit process.

Circular 63 of 2012 requests that the format of the Annual Report for municipalities and municipal entities be set out as below:

Chapter 1: Mayor's Foreword and Executive Summary.

Chapter 2: Governance.

Chapter 3: Service Delivery Performance.

Chapter 4: Organisational Development Performance.

Chapter 5: Financial Performance.

Chapter 6: Auditor General's Findings.

Appendices; and

Volume II: AFS

The format as prescribed by the latest MFMA circular (No.63) was used for preparation of the Annual Report for Sekhukhune District Municipality for 2023/2024 financial year.

Circular No. 104 of the Municipal Finance Management Act 56 of 2003 outlines the extension to timelines for the submission of the annual financial statements, Annual Reports, audits, and related matters. The Annual Report will be tabled to Council by the 31st of January 2025 and further be subjected to public for comments.

1.5. MUNICIPAL POWERS AND FUNCTIONS

The powers and functions of Sekhukhune District Municipality are determined in terms of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) Schedule 4 Part B as follows:

- Fire fighting
- Local Tourism
- Municipal Airports except for Ephraim Mogale and Elias Motsoaledi
- Municipal Planning
- Municipal Health Services
- Municipal Public Transport
- Markets
- Municipal Abattoirs
- Regional Land Fill Sites
- Water

- Sanitation

1.6. DEMOGRAPHIC OVERVIEW

Population

Statistics South Africa indicated during the 2016 Community Survey that the total population of Sekhukhune district is 1 169 762. In Census 2011, the population of Sekhukhune District Municipality stood at 1 076 830 persons. The SDM total population increased by 8, 6% over the past five years. The youth population, which consists of mostly unemployed persons, increased by 30% over the same five years. The table below displays the official numbers:

Municipality	POPULATION		AS % of district population 2016	YOUTH POPULATION	
	2011	2016		2011	2016
Fetakgomo Tubatse	429 471	490 381	42%	160 413	223 214
Makhuduthamaga	274 358	283 956	24%	88 663	107 577
Ephraim Mogale	123 648	127 168	11%	42 964	51 829
Elias Motsoaledi	249 363	268 256	23%	86 165	109 022
Sekhukhune	**1 076 840**	**1 169 762**	**100%**	**378 205**	**491 642**

Source: Census (2011), Community Survey (2016)

However, Statistics South Africa indicated during the 2011 census figures that the annual population growth rate in the district was at 1% per annum. Based on that statement, it can be seen that the population growth rate was projected to be slower as the district population was to reach 1, 130, and 670 in 2016. However, this projected number has been exceeded in 2016 community survey as demonstrated in the above table.

Stats SA – Recent data available as per Source: Mid-year Population Estimates 2021: District Projections 2022 – 2026

Population for Sekhukhune District in 2023 = 1 225 866

Households

Households in the district have also increased from a total of 263 802 in 2011 to 290 489 in 2016 according to the Community Survey of 2016. This is an increase of 10% over the last five years. It can thus be inferred that households have a possible average increase of 2% per annum. The table below presents the official numbers provided by Statistics South Africa through its normal studies:

MUNICIPALITY	HOUSEHOLDS 2011	HOUSEHOLDS 2016	AS PERCENTAGE
Fetakgomo Tubatse	106 050	125 454	43%
Makhuduthamaga	65 217	64 769	22%
Elias Motsoaledi	60 251	66 330	23%
Ephraim Mogale	32 284	33 936	12%
Sekhukhune	**263 802**	**290 489**	**100%**

Source: Census (2011), Community Survey (2016)

The average growth rate of Sekhukhune population and households per annum (1, 7% and 2% respectively) imply that there will be a continual increase in demand for services in future, particularly water, sanitation, and electricity. Future resource allocation for these services by the SDM need to increase accordingly, which must be considered through its planning processes.

Stats SA – latest available data

Number of households for Sekhukhune District in 2024 = **313 509**

Source: Mid-year Population Estimates 2021: Household Estimates 2002 – 2032

1.7. SERVICE DELIVERY OVERVIEW

Sekhukhune District Municipality (SDM) is a Water Services Authority (WSA) and Water Services Provider (WSP) in accordance with its powers and functions in terms of in terms of Water Services Act, Act 108 of 1997.

The Department of Infrastructure and Water Services is responsible for delivery of water and sanitation services in the entire SDM area. The municipality planned to review its Water Services Development Plan (WSDP) and Water & Sanitation Master Plan (WSMP) in the financial year (2023/2024). Both WSDP and WSMP are used as the guiding tool to ensure effective and efficient implementation of various water schemes and provide a blueprint of providing water sustainably in the district.

The Municipality is currently providing full water and sanitation services in the main towns such as Burgersfort (12 815 people), Marble Hall (4 025 people), Groblersdal (6 312 people), Steelpoort (3 374 people) and Ohrigstad (1 520 people). These areas have access to other high-level services such as refuse removal and roads.

The most villages in the vast rural areas are being provided with ground water as alternative sources and water tankers where necessary. Most of the rural villages in the Flag Boshielo Water Scheme are receiving water services in a much more improved way than most rural other villages.

Under the Municipal Infrastructure Grant (MIG), Sekhukhune managed to implement fourteen (14) water infrastructure projects.

The Water Services Infrastructure Grant (WSIG) enabled us to implement Eleven (11) water projects as we intervened in areas that required urgent attention and One (1) VDIP sanitation projects.

Based on the Regional Bulk Infrastructure Grant (RBIG), Five (05) bulk water projects were implemented.

The SDM is currently implementing a massive sanitation programme and providing Ventilated Improved Pit latrines (VIP's) to various households. From 2015/2016 to 2020/2021, financial year's 41 385 VIP Sanitation units were built across the district as part of providing communities with sanitation. In 2022/2023 8389 units were

provided for which add up to 49774 VIP units provided. For 2023/2024 774 units were provided for which add up to 50548 VIP units provided to date.

NO.	PROJECT NAME	EXPENDITURE TO DATE	ACTUAL PROGRESS
1.	Feasibility studies and technical reports - Praktiseer	R0.00	Inception meeting. Field data collection and analysis. Conditional assessment. Compilation of assessment report.
2.	Feasibility studies and technical reports - Mapodile	R0,00	Inception report to be revised
3.	Feasibility studies and technical reports – Jane Furse RDP	R0.00	Inception meeting. Field data collection and analysis. Conditional assessment. Compilation of assessment report
4.	Feasibility studies and technical reports - Leeuwfontein	R566808,55	Inception meeting. Field data collection and analysis. Conditional assessment. Compilation of assessment report. Concept and execution report submitted
5.	Feasibility studies and technical reports - Monsterlus	R566808,55	Inception meeting. Field data collection and analysis. Conditional assessment. Compilation of assessment report. Concept and execution report submitted.

6.	Feasibility studies and technical reports - Waalkraal RDP	R0.00	Inception meeting. Field data collection and analysis.
7.	Feasibility studies and technical reports - Motetema	R566808,55	Inception meeting. Field data collection and analysis. Conditional assessment. Compilation of assessment report. Concept and execution report submitted.
8.	Feasibility study and technical Report - District Municipality Sanitation Program	R0,00	Prepared Concept tender documentation report

1.8. FINANCIAL HEALTH OVERVIEW

Sekhukhune District Municipality has a number of assets in the form of water and sanitation infrastructure (immovable assets) as well as those assets that are movable (office furniture and vehicles). In the 2023/2024 financial year the Property, plant and equipment was reported at R5 062 344 543 as compared to R4 712 518 087 in 2023/2024 financial year.

There was overall increase in the SDM assets as the most WIP project were completed in 2023/2024 financial year.

Furthermore, the total liabilities for the 2023/2024 financial year were reported at R748 803 288 as compared to R687 153 355 in the 2022/2023 financial year.

The net asset position of the municipality stands at R748 803 288 in 2023/2024 compared to R4 897 430 105 in the 2022/2023 financial year.

Revenue

The total revenue realised by the SDM for the 2023/2024 financial year reported at R1 761 991 614 compared to R1 482 055 773 for the 2022/2023 financial year. Revenue from exchange items is summarised as follows:

Service charges which are sale of water and sewer services stood at R104 342 357 as compared to R94 213 108 in the 2022/2023 financial year.

Interest received debtors reported at R 34 069 586 in 2023/2024 as compared to R 26 068 995 in the 2022/2023 financial year.

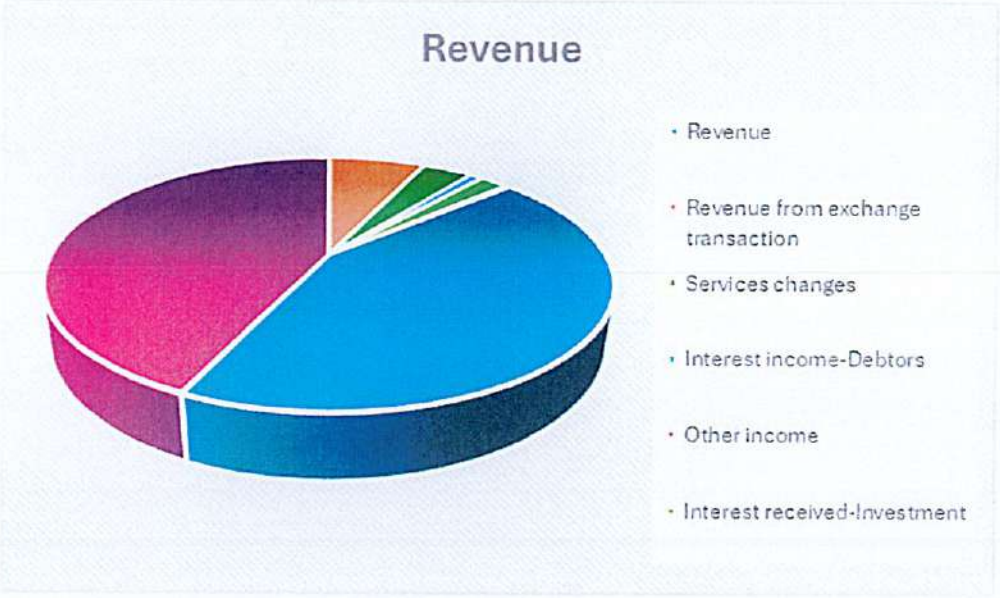
Whilst the total revenue from exchange items reported at R 1 082 941 for 2023/2024 as compared to R 1 404 470 in the 2022/2023 financial year.

Revenue from non-exchange items reported at R1 570 998 704 as compared to R 1 282 070 027 in the 2022/2023 financial year.

The greater part of the revenue from non-exchange items is the government subsidies and grants which clearly indicate that we are a grant dependent municipality.

TABLE 1: REVENUE FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue	2024	2023	Change in %
Revenue from exchange transaction	**190 983 584**	**199 985 746**	
Services changes	71 551 840	104 342 357	-46%
Interest Income-Debtors	34 069 586	26 068 995	23%
Other income	1 082 941	1 404 470	-30%
Interest received-Investment	81 206 793	57 878 945	29%
Fair value adjustment	63 198	-	100%
Acturial gains	3 009 226	10 290 979	-242%
Revenue from non-exchange transactions	**1 571 008 030**	**1 282 070 027**	
Government grants & subsidies	1 570 998 704	1 282 065 599	18%
Fines, Penalties and forfeits	9 326	4 428	53%



Expenditure

The total expenditure for the municipality in 2023/2024 was at R1 602 683 841 as compared to R1 219 845 709 in 2022/2023 financial year.

Employee related cost is the highest contributor amounting to R432 791 920 compared to R391 822 556 in 2022/2023 financial year.

The contracted services is the second highest contributor amounting to R315 658 520 as compared to R153 563 049 in 2022/2023 financial year.

The General expenses are the fourth contributor at R220 224 627 in 2023/2024 as compared to R 179 226 529 in 2022/2023 financial year. Bulk purchases are the fourth contributors at R231 345 755 compared to R142 103 580 in 2022/2023 financial year. Depreciation and amortization is the fifth highest contributor at R144 961 078 compared to R135 410 223.

Debt impairment is also one of the major contributors at R 117 262 131 as compared to R83 091 600 and lastly is lease rentals on operating lease reported at R45 782 700 as compared to R 52 604 272 in 2022/2023 financial year.

TABLE 2: 2023/2024 EXPENDITURE

	2024	2023	Change in %
Expenditure	**1 602 683 841**	**1 219 845 710**	
Employee related cost	432 791 920	391 822 557	9%
Remuneration of councillors	17 935 498	17 649 118	2%
Depreciation and amortisation	144 961 078	135 410 223	7%
Impairment loss	7 348 419	15 470 661	-111%
Finance costs and interest on overdue accounts	5 765 833	6 834 076	-19%
Lease rentals on operating lease	45 782 700	52 604 272	-15%
Debt impairment	117 262 131	83 091 600	29%
Bulk purchases	231 345 755	142 103 580	39%
Contracted services	315 658 520	153 563 049	51%
Transfer and subsidies	10 663 989	8 514 290	20%
Loss on disposal of assets and liabilities	-	254 480	0%
Inventories losses/write-downs	182 086	1 482 021	-714%
Acturial losses	1 685 611	-	100%
General expenses	220 224 627	179 226 529	19%
Repairs and maintenance	51 075 674	31 819 254	38%

1.9. STATUTORY ANNUAL REPORT PROCES

NO.	ACTIVITY	TIMEFRAMES
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.	July
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3.	Finalise 4th quarter Report for previous financial year	
4.	Submit draft Annual Performance Report to Internal Audit	
5.	Municipal entities submit draft annual performance reports to MM	
6.	Audit/Performance committee considers draft Annual Performance Report of municipality and entities (where relevant)	
7.	Mayor tables the unaudited Annual Performance Report	

8.	Municipality submits draft Annual Performance Report including consolidated annual financial statements and performance report to Auditor General.	August
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10.	Auditor General assesses draft Annual Performance Report including consolidated Annual Financial Statements and Performance data	
11.	Municipalities receive and start to address the Auditor General's comments	September - October
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	November - December
13.	Annual Report is made public, and representation is invited	January
14.	Oversight Committee assesses Annual Report	February
15.	Council adopts Oversight report	March
16.	Oversight report is made public	
17.	Oversight report is submitted to relevant provincial councils	March - April
18.	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	

CHAPTER TWO: GOVERNANCE

2.1. INTRODUCTION TO GOVERNANCE

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

"a municipality is-

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

Consists of –

The political structures and administration of the municipality; and

The community of the municipality"

Section 152 of the Constitution of the Republic of South Africa provides for the following as objectives of local government.

Section 152 (1) the objectives of local government are.

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment and.
- To encourage the involvement of communities and community organisations in the matters of local government

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

2.2. INTRODUCTION TO POLITICAL GOVERNANCE

In our resolve to enhance good governance and accountability, the Municipality adopted separation of powers model, marking a new dispensation in the history of Sekhukhune, which sees the legislative arm of council being separated from the executive arm. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened, and that effective public service delivery takes place to benefit the communities of Sekhukhune.

2.3. POLITICAL GOVERNANCE

2.3.1. INTRODUCTION TO POLITICAL GOVERNANCE

The district municipality is a category C municipality with an executive system of mayoral committee. The municipality has 20 councillors which are proportional representative councillors.

2.3.2. POLITICAL STRUCTURES

2.3.2.1. The Executive Mayor: Cllr. Minah Bahula

Duties of the Executive Mayor as per section 56 of the Municipal Structures Act No 117 of 1998.

- Identify the needs of the municipality.
- Review and evaluate those need in order of priority.
- Recommend to the municipal Council strategies, programmes, and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans and,
- Recommend or determine the best way, including partnership and approaches, to deliver those strategies, programmes, and services to the maximum benefit of the community.
- Evaluate progress against the key performance indicators.
- Review the performance of the municipality in order to improve.
- The economy, efficiency, and effectiveness of the municipality
- The efficiency of credit control and revenue and debt collection services and
- The implementation of the municipality's by-laws
- Monitor the management of the municipality's administration in accordance with the directions of the municipal council.

- Oversee the provision of services to the communities in sustainable manner.
- Perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of section 59 of Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Annually report on the involvement of communities and community organisations in the affairs of the municipality; and
- Ensure that regard is given to public views and report on the effect of consultation on the decisions of council.

2.3.2.2. The Speaker: Cllr. Kgwediebotse David Chego

Duties of the Speaker as per section 56 of the Municipal Structures Act No 117 of 1998.

- Presides at meetings of the council.
- Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Must ensure that council meets at least quarterly.
- Must maintain order during meetings.
- Must ensure compliance in the council and council committees with the code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Must ensure that council meetings are conducted in accordance with the rules and orders of the council.

2.3.2.3. The Chief Whip Cllr. Maudu Johannes Phokane

Duties of the Chief Whip

- Informs councillors of Council and Mayoral Committee of meetings called by the Speaker and Executive Mayor respectively.

- Ensures that the meetings of the Council and committees quorate.
- Inform councillors of the Council and Mayoral Committee of the important items on the relevant agenda
- Advise the Speaker on the amount of time allocated to speakers and the order of such the speaker's in addressing Council.
- Ensures that councillors' motions are prepared and timeously tabled in council in terms of Rules of Order
- Advises the Speaker and the Mayor on how to deal with important items not disposed of at a Council meeting pending its resolution.
- Advises the Speaker and the Executive Mayor of agenda of Council.
- Advises the Speaker and the Executive Mayor of urgent motions in writing prior the commencement of the meeting.
- Assists the Speaker with counting of votes, and
- Prepare for special debates on the state of the municipality.

2.3.2.4. The Mayoral Committee

The Executive Mayor is the political head of the Institution and is assisted by Mayoral Committee. The Executive accounts to Council on a regular basis on the work of the municipality.

1. **MEMBERS OF THE MAYORAL COMMITTEE (From 01 July 2023 to 16 November 2023)**

NO.	SURNAME AND INITIALS	DESIGNATION
1.	Cllr. Mokganyetji M.J	Executive Mayor
2.	Cllr. Mohlala M.J	Member of the Mayoral Committee (MMC): Budget & Treasury

3.	Cllr. Kupa C.R	1st Member of the Mayoral Committee (MMC): Infrastructure & water Services
4.	Cllr. Malatji M N	2nd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
5.	Cllr. Lekoatsipa R	3rd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
6.	Cllr. Ratau M.F	Member of the Mayoral Committee (MMC): Corporate Services
7.	Cllr. Leshaba M.B	Member of the Mayoral Committee (MMC): Planning & Economic Development
8.	Cllr. Mafefe O.H	Member of the Mayoral Committee (MMC): Community Services (1 July 2022 to 15 July 2022)
9.	Cllr. Sefala R.E	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)
10	Cllr. Nkosi S.M	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)

2. MEMBERS OF THE MAYORAL COMMITTEE (From 17 November 2023 to 30 June 2024)

NO.	SURNAME AND INITIALS	DESIGNATION
1.	Cllr. Maitula B.M	Executive Mayor
2.	Cllr. Sefala R.E	Member of the Mayoral Committee (MMC): Budget & Treasury
3.	Cllr. Kupa C.R	1st Member of the Mayoral Committee (MMC): Infrastructure & water Services

4.	Cllr. Mabatane M.C	2nd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
5.	Cllr. Mathipa M.P	3rd Member of the Mayoral Committee (MMC): Infrastructure & Water Services
6.	Cllr. Mafefe O.H	Member of the Mayoral Committee (MMC): Corporate Services
7.	Cllr. Mashilo M.S	Member of the Mayoral Committee (MMC): Planning & Economic Development
8.	Cllr. Leshaba M.B	Member of the Mayoral Committee (MMC): Community Services
9.	Cllr. Leokana M.D	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)
10	Cllr. Nkosi S.B	Member of the Mayoral Committee (MMC): Office of the Executive Mayor (Special Programmes)

2.3.2.5. Directly Elected Councillors

DIRECTLY ELECTED COUNCILLORS			
Council Members	**Full Time / Part Time (FT/PT)**	**Position held**	**Party Represented**
CLLR. Maitula BM	FT	Executive Mayor	ANC
CLLR. Phokane MJ	FT	Council Whip	ANC
CLLR. Chego DK	FT	Speaker	ANC
CLLR. Leshaba MB	FT	MMC	ANC
CLLR. Ratau MF	F. T	N/A	ANC

DIRECTLY ELECTED COUNCILLORS			
Council Members	**Full Time / Part Time (FT/PT)**	**Position held**	**Party Represented**
CLLR.Kupa CR	F. T	MMC	ANC
CLLR. Mohlala MJ	F. T	N/A	ANC
CLLR. Sefala K.R.E	P.T	MMC	ANC
CLLR. Mabatane MC	F. T	MMC	ANC
CLLR. Mafefe OH	F. T	MMC	ANC
CLLR Nkosi SM	P.T	MPAC Chairperson	ANC
CLLR Mokganyetji MJ	P.T	N/A	ANC
CLLR. Mathebe J .L	P. T	N/A	ANC
CLLR. Kgwedi JL	P. T	N/A	SADA
CLLR. Mogotji FM	P. T	N/A	BOLSHEVIKS
CLLR. Tshivhula MP	P. T	N/A	DA
CLLR. Matsetela ML	P. T	N/A	EFF
CLLR. Maloba A	P. T	N/A	EFF
CLLR. Tladi M.D	P. T	N/A	EFF
CLLR Mogofe A	P.A.	N/A	EFF

2.3.2.6. Traditional Leaders in Council

The district has 75 traditional leaders. In 2023/2024 financial year, there were no traditional leaders in council.

2.3.2.7. Political Decision Making

The District municipality has adopted a separation of powers model wherein Council is vested with the legislative authority and plays an oversight role on the Executive.

The Executive on the other hand led by the Executive Mayor is responsible for execution and accounts to Council on the implementation of council decisions.

2.3.3. SECTION - 79 STANDING COMMITTEES OF COUNCIL

Section 79 committees

Council established section 79 committees to play oversight role and monitor the work of the executive and administration. The established committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors.

BUDGET AND TREASURY (BTO) MEMBERS	**COMMUNITY SERVICES (CMS) MEMBERS**
Cllr. Mosoane E.M (chairperson)	Cllr. Nkosi SB (chairperson)
Cllr. Magatla N.L	Cllr.Mathebe JL
Cllr.Ngwatle A.D	Cllr.Leokana MD
Cllr.Makutu T.S	Cllr.Kgwedi JL
Cllr.Mokgotho K.	Cllr.Mathipa MP
Cllr.Mokomane LM	Cllr.Magatla LN
Cllr.Molapo W	Cllr.mabelane JM
Cllr.Tladi M	Cllr.Tshivhula MP
Cllr. Tshivhula M.P	Cllr. Maibelo LS
MMC Mohlala M J	MMC Mafefe O.H

CORPORATE SERVICES (CPS) MEMBERS	**INFRASTRUCTURE AND WATER SERVICES (IWS) MEMBERS**
Cllr.Thokwane T.Z (Chairperson) ANC	Cllr. Mashilo MS (chairperson)
Cllr.Mathebe J L	CLLR Makobe A

Cllr.Thobejane L M	Cllr.Magabe MS
Cllr.Makutu T.	Cllr.Mgiba N.P
Cllr.Magatla N.L	Cllr.Mathipa MP
Cllr.Makobe P.A	Cllr. Mathebe JL
Cllr.Tshivhula M.P	Cllr.Matsetela ML
Cllr.Mohlamonyane LM	Cll Maloba A
Cllr. Maelane K.M	Cllr.Makofane IT
Cllr Mashegoana M.C	MMC Kupa CR
MMC Ratau M.F	Deputy MMC Lekoatsipa L.R
	Deputy MMC Malatji MN

PLANNING AND ECONOMIC DEVELOPMENT(PED) MEMBERS
Cllr. Tlape M.M (Chairperson)
Cllr.Mogotji F.M
Cllr.Mohlamonyane TS
Cllr.Mathipa M.P
Cllr.Mokomane LM
Cllr.Mokgotho K.
Cllr.Makofane I.T
Cllr.Machai M.J
Cllr Sithole M.E
MMC Leshaba M.B

2.3.4. SPECIAL COMMITTEES OF COUNCIL

COUNCIL WHIPPERY

1. Cllr Phokane M.J (Chairperson)
2. Cllr Makofane IT
3. Cllr.Maloba A
4. Cllr. Mogotji FM
5. Cllr. Kgwedi JL

2.3.5. MUNICIPAL PORTFOLIO COMMITTEES

MUNICIPAL COMMITTEES	PURPOSE OF COMMITTEE
Corporate Services	Committee plays oversight and ensures department implements Human resources development strategy/policy and other related policies and that staff establishment is in line with IDP objectives
Community Services	Committee plays oversight and ensures that the department functions properly and implement core mandate such as disaster management and emergency services
Planning and Economic Development	Committee plays oversight and ensures that department deliver on its mandate of economic growth, job creation, poverty, and proper spatial planning
Budget and Treasury	Committee plays ensures that financial resources of the municipality are managed in line with legislation and accounting of fiancés takes place
Infrastructure and Water Services	Committee plays oversight and ensures that department provides basic services to communities and capital budget is spend in line with council priorities
The Section 79 Committees are contributing effectively to the overall functioning of Council wherein they meet monthly. They receive reports from Members of the Mayoral Committee who make recommendations to Council for approval. Based on the Portfolio Committee recommendations Council is able to take decisions as the matter tabled by the Executive Mayor would have been reviewed by the Portfolio Committee to advice council appropriately.	

2.3.6. Municipal Public Account Committee (MPAC) (Oversight committee)

In line with legislation the district has established an oversight committee made up of non-executive councillors to provide an opinion on the Annual Report before tabling to council. The oversight report will be published separately as per the MFMA guidance. The following are members of MPAC:

Cllr. Mabatane MC (Chairperson)
Cllr. Leokana MD
Cllr. Malau TS
Cllr. Thobejane LM
Cllr. Makofane T
Cllr. Magabe MS
Cllr. Letsela NS
Cllr. Matsetela ML
Cllr. Mogofe A

2.3.7. Meetings held as per each committee.

NAME OF THE COMMITTEE	NO OF MEETINGS HELD	DATE OF MEETINGS
Infrastructure & water services	10	• 20July 2023 • 23 August 2023 • 20 September 2023 • 06 October 2023 • 17 October 2023 • 23 October 2023 • 24 January 2024 • 19 February 2024 • 23 April 2024 • 18 June 2024
Corporate services	10	• 21 July 2023 • 21 August 2023 • 21 September 2023 • 19 October 2023 • 23 October 2023 • 11 December 2023

		• 23 January 2024 • 19 February 2024 • 22 April 2024 • 21 June 2024
Planning & economic development	09	• 22 July 2023 • 20 August 2023 • 19 September 2023 • 19 October 2023 • 24 October 2023 • 23 January 2024 • 19 April 2024 • 22 April 2024 • 21 June 2024
Budget & treasury	10	• 21 July 2023 • 23 August 2023 • 25 August 2023 • 28 September 2023 • 25 October 2023 • 11 December 2023 • 24 January 2024 • 24 April 2024 • 18 June 2024 • 25 June 2024
Community services	08	• 20 July 2023 • 20 August 2023 • 29 September 2023 • 23 October 2023 • 23 January 2024 • 19 March 2024 • 24 April 2024 • 21 June 2024
Council Meetings	15	• 28 July 2023 • 29 August 2023 • 13 September 2023 • 26 September 2023 • 31 October 2023 • 26 October 2023 • 17 November 2023 • 13 December 2023 • 30 January 2024 • 27 February 2024 • 27 March 2024 • 29 April 2024 • 30 April 2024 • 23 May 2024 • 27 June 2024

2.3.8 ATTENDANCE OF COUNCIL MEETINGS AND MPAC MEETINGS

ATTENDANCE REGISTER FOR COUNCIL MEETING 2023-2024															
Note:															
P=Present															
A= Absent															
N/A= Not applicable															
	Q1				**Q2**			**Q3**				**Q4-**			
	July - September				**October - December**			**January - March**				**Apr- Jun**			
	28/07/2023	29/08/2023	13/09/2023	26/09/2023	31/10/2023	17/11/2023	13/12/2023	1/30/2024		27/02/2024	2703/2024	29/04/2024	30/04/2024	23/05/2024	27/06/2024
Cllr. Bahula B.M	N/A	N/A	N/A	N/A	N/A	P	P	A		P	P	P	P	P	P
Cllr. Chego D.K	P	P	P	P	P	P	P	A		P	P	P	P	P	P
Cllr. Mokganyetji M.J	A	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Phokane M.J	P	P	P	A	P		P	P		P	P	A	P	P	A

Cllr. Malatji M.N	P	A	P	P	A	P	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A
Cllr. Mafefe O.H	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Kupa C.R	A	P	P	A	P	P	P	P		P	P	P	P	P	A
Cllr. Mathebe J.L	P	P	P	P	P	P	P	P		P	P	P	P	A	A
Cllr. Ratau M.F	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Mabatane M.C	P	P	A	P	P	P	P	P		A	P	P	P	P	P
Cllr. Mohlala M.J	P	P	P	A	P	P	P	A		P	P	P	P	P	P
Cllr. Leshaba M.B	P	A	P	P	P	P	P	P		P	P	P	P	A	P
Cllr. Sefala R.E	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Lekoatsipa L.R	P	P	P	P	A	P	P	A		P	P	P	P	P	A
Cllr. Nkosi S.M	A	P	P	A	P	P	P	A		P	P	P	P	P	P
Cllr. Mokgotji F.M	P	P	P	A	P	A	P	P		P	P	P	P	P	P
Cllr. Tshivhula M.P	A	P	P	A	P	A	P	P		P	P	P	P	P	P
Cllr. Maloba A	P	P	P	P	P	P	P	P		P	P	P	A	P	P
Cllr. Mogofe A.	P	P	P	P	P	P	P	P		P	P	A	A	P	P
Cllr.Tladi M.D	A	P	P	A	P	P	P	A		P	P	A	A	A	P
Cllr. Matsetela M.L	P	P	P	A	P	P	P	P		P	P	A	A	P	P

Cllr. Kgwedi J.L	A	P	A	A	P	A	A	P		A	A	A	A	A	P
Cllr. Magabe M.S	A	P	P	P	P	P	P	P		A	P	P	P	P	A
Cllr. Makofane T	P	P	P	P	P	P	P	P		A	P	P	P	P	P
Cllr. Makutu T.S	P	P	P	P	P	P	P	P		A	A	A	A	A	P
Cllr. Mathipa M.P	P	P	P	P	P	P	P	P		P	A	P	P	A	A
Cllr. Mgiba N.P	P	A	A	P	P	P	P	P		P	P	P	P	P	P
Cllr. Mokgotho K	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Thobejane L.M	P	P	P	P	P	P	P	A		P	P	P	P	P	P
Cllr. Tlape M.M	P	P	P	P	P	P	P	P		A	P	P	P	P	P
Cllr. Molapo W.S	P	P	P	P	P	P	P	P		P	P	A	P	A	A
Cllr. Mabelane J.M	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Ngwatle A.D	A	P	A	A	P	A	P	P		P	P	A	A	A	P
Cllr. Makofane I.T	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Leokana M.D	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Rankoe T.B	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Mosoane E.M	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Mokomane M.L	P	P	P	P	P	P	P	P		P	P	P	P	P	P

Cllr. Thokwane K.Z	P	P	P	A	P	P	P	P		P	P	P	P	A	P
Cllr. Machai M.J	P	P	P	P	P	P	P	P		P	A	P	A	A	P
Cllr. Mashegoana M.C	P	P	P	P	P	P	P	A		P	A	P	A	A	P
Cllr. Makobe P.A	P	P	P	P	P	P	A	A		A	A	A	A	A	A
Cllr. Malau T.S	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Mashilo M.s	A	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Mathabate T.S	P	P	P	P	P	P	P	A		P	P	A	P	P	P
Cllr. Nkosi S.B	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Maibelo L.S	A	P	A	P	P	P	P	P		A	A	A	A	A	A
Cllr. Sithole M.E	P	A	P	P	P	P	P	P		P	P	A	A	P	P
Cllr. Matsomane S.T	P	P	P	P	P	P	P	A		P	P	A	P	A	P
Cllr. Magatla N.L	P	P	P	P	A	P	P	P		P	A	P	A	P	P
Cllr. Letsela N.S	P	P	P	P	P	P	P	P		P	P	P	P	P	P
Cllr. Maelane K.M	P	P	P	A	P	P	P	P		P	A	P	A	P	P

2.4. ADMINISTRATIVE GOVERNANCE

2.4.1. Introduction

The Management of the institution is entrusted with role of advising Council as well as for the implementation of council resolutions. It is led by the Municipal Manager who is the overall Accounting Officer (AO). The Management is further complemented by line function Managers who are responsible for management of various municipal departments.

The Management functions as a collective through regular monthly management meetings and accounts to the Executive through Mayoral Committee meetings.

2.4.2. TOP ADMINISTRATIVE STRUCTURE

Position	Name	Comments
Municipal Manager	Mr MM Kgwale	Served from 01 October 2023 to 30 June 2024
Chief Operation Officer	Ms N.M Rampedi	Served from 01 July 2023 to 30 June 2024
Chief Financial Officer	Mr H. Nkadimeng	Served from 01 July 2023 to 30 June 2024
Director Corporate Services	Mr D. Matumane	Served from 01 July 2023 to 30 June 2024
Director Planning and Economic Development	Ms K Shongwe	Served from 01 July 2023 to 30 June 2024
Acting Director Community Services	Mr. R Mangoato	Served from 01 September 2023 to 30 April 2024
Director Community Services	Ms K Robinson	01 May 2024 to 30 June 2024.

Director Infrastructure & Water Services	Mr F Mashele	01 July 2023 to 30 June 2024
Acting Chief Audit Executive	Ms. J. Makgolane	Served from 01 July 2023 to 30 August 2023
Chief Audit Executive	Ms SR Mahlangu	Served from 01 September 2023 to 30 June 2024

2.5. COMPONENT B: INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations and Framework Act make provision for establishment of intergovernmental structures. Moreover, it makes provision for establishment of Intergovernmental Technical Support structures. Sekhukhune District Municipality has established Mayor's Forum as an Intergovernmental Relations Structure to deal with issues of common interest within the district. The Mayor's Forum is chaired by the Executive Mayor of the district and also attended by Mayors of the four local municipalities.

There are also two technical support structures that have also been established to support the Mayor's Forum namely the Municipal Managers' Forum and Technical Clusters. There are four technical clusters dealing with key Local Government Key Performance Indicators

ITEM	**Cluster**	**Focus areas.**	**Chair**
Resuscitation of clusters	Development planning	Development planning: Spatial /SPLUMA Economic Strategic planning Housing	Director Planning and Economic Development

	Corporate services	Job evaluation ICT Governance Framework LLF Functionality Legal services Policy and by-law bench marking Political administrative interface Minimum competencies	Director Corporate Services
	Internal audit/Risk and performance	Risk assessment Performance auditing Internal audit	Chief Audit Executive
	Financial Services	Revenue enhancement Free basic services Financial statements Grant performance	Chief Financial Officer
	Basic services	Capital grant performance. Disaster management Emergency services Refuse removal. Operations and maintenance Municipal health services Roads and storm water	Director Infrastructure and Water Services

		Electricity Public transport Environmental management	
	Communicati on and public participation	Customer care Hotline issues Stakeholder engagement Council meetings calendar	Deputy Director Office of Executive Mayor

2.5.1. DISTRICT INTERGOVERNMENTAL STRUCTURE

Sekhukhune District Municipality as a custodian of inter-governmental relations structures in the district has facilitated the establishment of the following forums for better coordination with the four local municipalities.

Mayors Forums which are a strategic political forum for all the five (05) mayors in the district and meets on a regular basis to provide overall governance leadership.

Speakers Forum which is constituted by all speakers in the district to share information and knowledge on how to conduct council activities as well as develop common perspective around issues of governance.

Chief Whip's Forum is a forum chaired by the district chief whip and includes all chief whips from local municipalities which meets on a regular basis to share experiences on developing common ground around issues of code of conduct for councillors and related issues.

Municipal Managers Forum which is a platform for all five municipal managers in the district to interact on a regular basis and provide administrative leadership to all municipalities in the district.

Inter-Governmental Relations Clusters which are inclusive of all the five municipalities in the district and meets on a regular basis to share experiences and strategies in various technical areas.

The district working together with the four local municipalities have been able to derive the following benefits from coordinated IGR efforts.

- Minimize duplication of resources
- Encouraged local horizontal learning.
- Sharing of scares resources
- Enhanced government cohesion

For 2023/2024 the following IGR meetings were convened:

IGR STRUCTURE	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTAL NUMBER OF FORA HELD
Mayor's Forum	None	None	None	None	0
Speaker's Forum	None	Special Speakers forum 25/10/2023 14/11/2023	14 /03/2024	11/06/2024	4
Chief Whip's Forum	30/06/2023	14/12/2023	13/07/2024	13/09/2024	4
Municipal Manager's Forum	12/09/2023	None	18/03/2024	08/05/2024	3
Technical Director's Forum	20/09 2023	11/12/2023	14/03/2024	26/06/2024	4
CFO's Forum	26/09/2023	None	None	20/06/2023	2
Community Services Social	13/09/2023	None	22/04/2024	25/06/2024	3

Cluster Forum					
Planning & Economic Cluster Forum	20/09/2023	11/12/2023	14/03/2024	26/06/2024	4
Corporate Services Directors forum	28/09/2023	07/12/2024	12/03/2024	26/06/2024	4

2.5.2. PROVINCIAL INTERGOVERNMENTAL STRUCTURE

In the year under review, Sekhukhune District Municipality participated in the following provincial Inter-Governmental Relations Structures

Premier Inter-Governmental Forum attended by the Executive Mayors and Municipal Managers which provides strategic direction in aligning the work of government in the province.

Governance and Administration Cluster attended by the Municipal Manager which interfaces with the work of the Provincial Executive

Provincial Communicators Forum which focuses on enhancing communication between government, communities, and social partners

The Sekhukhune District Municipality has benefited a lot from attending provincial IGR structures as it gives the municipality an opportunity to plan in line with provincial priorities and objectives. Some of the interventions have resulted in tangible programmes and projects on the ground.

2.6. RELATIONSHIPS WITH MUNICIPAL ENTITIES

Sekhukhune Development Agency (SDA) is wholly owned by the Sekhukhune District Municipality as a municipal entity according to Section 86B of the Municipal Systems Act 32 of 2000 on the establishments of municipal entities. The core mandate of SDA as outlined in the provincial gazette is to serve as the vehicle to identify, initiate and

implement high impact economic projects and create sustainable job opportunities. Among its high its deliverables the SDA is leading the investment facilitation, business development and support services. SDA is also required to comply with the basic requirements of the Local Government Municipal Systems Act 32 of 2000 read together with the provision of the Local Government Municipal Finance Management Act of 2003. The SDA prepares its annual performance report in terms of the same guidelines and provisions of the legislative framework.

Sekhukhune Development Agency does not have its own Performance Management Unit and Risk/Audit Management Units as such a Service Level Agreement was signed with the parent municipality to utilise the Audit/Risk and Performance Management Units for performance monitoring, management, and audit services.

The current composition of the Board for 2023/2024 financial year is as follows:

	Names	**Expertise**	**Portfolio**
1.	Mr Tshabedi Serote	• Internal Audit • Risk Audit • Project management • Financial management • Human Resource and remuneration	Board Chairperson
2.	Mr Freddy Raseote	• Project management • Administration Legal Aid • Supply Chain Management • Records Management • Internal Audit	• Chairperson of Remuneration and Human resource sub-committee • Member of Finance sub-committee
3.	Mr Geoffrey Mariri	• Statistic SA Management	• Member of Remuneration and Human resource sub-committee • Member of Finance sub-committee • Member of Economic Development sub-committee
4.	Mr Lethabo Pheeha	• Forensic and Audit • Internal Audit	• Chairperson of Finance sub-committee • Member of Economic Development sub-committee

5.	Mr David Chesir	• Property, Facilities and Assets management • Project Management • Architectural professional	• Chairperson of Economic Development sub-committee • Member of Remuneration and Human resource sub-committee

NO. OF BOARD SPECIAL MEETINGS HELD	DATES OF MEETINGS
3	1. 31 August 2023 2. 19 September 2023 3. 16 – 17 October 2023
NO. OF BOARD MEETINGS HELD	**DATES OF MEETINGS**
4	1. 08 December 2023 2. 17 January 2024 3. 22 March 2024 4. 27 June 2024

2.7. COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.7.1. INTRODUCTION

Municipalities are by law required to foster public participation and ensure its citizenry is engaged in matters of governance. Sekhukhune District Municipality places public participation and accountability at the centre of its work. The Municipality has adopted the following reviewed policies to ensure that public participation programmes are properly guided and effective;

- Communication strategy
- Public Participation Policy Framework
- Stakeholder Management Policy Framework
- Petitions Policy
- Incentive Policy Framework for Ward Committee Members

Communication channels that were used to engage communities include.

- Quarterly Mayoral Outreach Programs
- Council outreach – public consultation on 2023/2024 Draft Annual Report and 2024/2025 IDP/Budget public consultations
- Regular interactions and stake-holders engagement such as Mining communities, business formations and Non-Governmental Organisations
- Monthly Internal newsletters and quarterly external newsletters publications
- Radio-Interviews with Executive Mayor and Members of the Mayoral Committee.

2.7.2. PUBLIC PARTICIPATION MEETINGS HELD

In the 2023/2024 financial year, the Municipality managed to arrange eleven 2022/2023 Draft Annual Report and fourteen 2024/2025 Draft IDP/Budget public consultation meetings reaching out to many residents and stakeholders in the district.

Public consultation programmes for Draft Annual Report and IDP/budget were conducted during the months of February and April 2024, the programmes are stated below:

JOINT 2022/2023 DRAFT ANNUAL REPORT PUBLIC PARTICIPATION PROGRAMME

MUNICIPALITY/ VENUE	DATE	TIME	STAKEHOLDER
SEKHUKHUNE DISTRICT SDM Chamber, Bareki Mall, Groblersdal	01/02/2024	14h00	**Staff**
Fetakgomo Tubatse, Thaba Moshate Resort, Burgersfort	06/02/2024	11h00	**Magoshi**
Makhuduthamaga, Municipal Chamber, Jane Furse	12/02/2024		
Elias Motsoaledi, Municipal Chamber, Groblersdal	14/02/2024		
Ephraim Mogale, Town Hall, Marble Hall	20/02/2024		
ELIAS MOTSOALEDI Abraham Serote Sports Ground, Tafelkop	08/02/2024	11h00	**General public**
EPHRAIM MOGALE Matlala Ramoshebo Community Hall, Matlala Ramoshebo	15/02/2024	11h00	**General public**
MAKHUDUTHAMAGA	22/02/2024	11h00	**General public**

Sewulawele Sports Ground, GaMoloi			
FETAKGOMO TUBATSE Moses Mabotha Civic Hall, GaNkwana	29/02/2024	11h00	**General public**
SEKHUKHUNE DISTRICT Bosele, Monsterlus	01/03/2024	11h00	**Special groups**
SEKHUKHUNE DISTRICT SDM Council Chamber, Bareki Mall, Groblersdal	01/03/2024	18h00	**Rate payers**

JOINT DRAFT 2024/2025 IDP/BUDGET PUBLIC PARTICIPATION PROGRAMME

MUNICIPALITY/ VENUE	DATE	TIME	STAKEHOLDER
Fetakgomo Tubatse Local Municipality	Thursday, 11/04/2024	10h00	Magoshi
Makhuduthamaga Council Chamber, Jane Furse	Thursday, 11/04/2024		
Elias Motsoaledi Council Chamber, Groblersdal	Friday, 12/04/2024		
Ephraim Mogale Council Chamber, Marble Hall	Friday, 12/04/2024		
Sekhukhune District Ephraim Mogale Local Municipality, Town Hall, Marble Hall	Tuesday, 16/04/2024	10h00	Special groups
Fetakgomo Tubatse Pelangwe Community Hall, Pelangwe Village	Thursday, 18/04/2024	10h00	General public
Makhuduthamaga Phatantswane Community Hall, Phatantswane Village	Thursday, 18/04/2024	10h00	General public
Ephraim Mogale Manapyane Community Hall, Manapyane Village	Friday, 19/04/2024	10h00	General public
Elias Motsoaledi Brains Sports Ground, Vezinyawo, Mpheleng	Friday, 19/04/2024	10h00	General public
Sekhukhune District		18h00	Rate payers

Ephraim Mogale Council Chamber, Marble Hall Elias Motsoaledi Council Chamber, Groblersdal Makhuduthamaga, Kgaula Mafiri, Jane Furse Fetakgomo Tubatse Council Chamber, Burgersfort	Friday, 12/04/2024 Wednesday, 24/04/2024 Thursday, 25/04/2024 Thursday, 25/04/2024		
Sekhukhune District SDM Council Chamber, Bareki Mall, Groblersdal	Friday, 26/04/2024	09h00	Staff

The Municipality also arranged annual State of the District Address (SODA) and Budget Speech to provide a platform for the Council to account to the public on the affairs of the Municipality.

2.7.3. WARD COMMITTEES

In terms of the Municipal Structures Act 117 of 1998, Ward Committees are established to enhance participatory democracy in local government.

Working together with the district and local municipalities, 117 ward committees in the district are established and have been able to play a significant role in the following areas:

- Sensitising the municipality on developmental challenges and pressures within local communities.
- Communicated government messages to the communities.
- Participated in public participation programmes.
- Contributed inputs on shaping public participation policies.

2.8. COMPONENT D: CORPORATE GOVERNANCE

2.8.1. OVERVIEW OF CORPORATE GOVERNANCE

Section 165 and 166 of Municipal Finance Management Act no 56 of 2003 requires municipalities to establish Internal Audit unit and Audit Committee. The Internal Audit unit advises the accounting officer and reports to audit committee and prepares a risk -based audit plan and audit programme for each financial year.

The district municipality has appointed Audit Committee. Risk management committee was not in place for 3 quarters for the financial year under review. The reports of Risk were presented to Audit Committee.

2.8.2. AUDIT COMMITTEE

The Municipality has established an Audit Committee under the provision of **Municipal Finance Management Act No 56 of 2003** section 165 and **Municipal Planning and Performance Management Regulation of 2001** regulation 9. The Audit Committee of the municipality considers and makes recommendations on matters provided under section 165 and regulation 9 of the MFMA and MPPR respectively while among other matter advice Management and Council on matters pertaining to the Annual Financial Statements before submission to Auditor General of South Africa.

In terms of legislative prescripts, the Audit Committee members should meet at least 4 times per annum as per its approved charter. During the current financial year twelve

The Members of the Audit Committee that served for the period 1st July 2023 to 30 June 2024, and their attendance were as follows:

Name of member	Status	Number of Meeting Held	Number of meetings attended
Mr. S Mofokeng	Audit Committee Chairperson	8	8
Ms. T Mathabathe	Member	8	8
Ms. S Ngoetjana	Member	8	7
Adv. L Thubakgale	Member	8	6
Mr. V Manyisane	Member	8	8

PERFORMANCE AUDIT COMMITTEE

The Members of Performance Audit Committee that served for the period 01 July 2023 to 30 April 2024, and their attendance were as follows:

NAME OF MEMBER	STATUS	NUMBER OF MEETING HELD	NUMBER OF MEETINGS ATTENDED

Mr. T Mathabathe	Performance Audit Committee Chairperson	4	4
Mr. S Mofokeng	Member	4	4
Ms. S Ngoetjana	Member	4	3
Adv. L Thubakgale	Member	4	4
Mr. V Manyisane	Member	4	4

Section 62(1)(c)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) stipulates that the Accounting Officer is responsible for managing the municipality financial administration and for this purpose the Accounting Officer must take all reasonable steps to ensure amongst others that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control. To give effect to the above the Accounting Officer (AO) in consultation with the Municipal Council has established the Risk Management Committee as an oversight structure to deal with the risk management responsibilities.

The Risk Management Committee (RMC) is an oversight committee responsible to the Accounting Officer (AO) for the monitoring of risk management which includes assisting in designing, implementing, and coordinating the institution's risk management initiatives. Its constitution is made up of both an independent member/chairperson appointed by the Municipal Manager as delegated by Council and members of Senior Management. It assists the AO in addressing its oversight requirements of managing, evaluating, and monitoring the organizational performance with regards to risk management.

2.8.3 RISK STEERING MANAGEMENT COMMITTEE

Section 62(1)(c)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) stipulates that the Accounting Officer is responsible for managing the municipality financial administration and for this purpose the Accounting Officer must take all reasonable steps to ensure amongst others that the municipality has and maintains effective, efficient, and transparent systems of

financial and risk management and internal control. To give effect to the above the Accounting Officer (AO) in consultation with the Municipal Council has established the Risk Management Committee as an oversight structure to deal with the risk management responsibilities.

The Risk Management Committee (RMC) is an oversight committee responsible to the Accounting Officer (AO) for the monitoring of risk management which includes assisting in designing, implementing, and coordinating the institution's risk management initiatives. Its constitution is made up of both an independent member/chairperson appointed by the Municipal Manager as delegated by Council and members of Senior Management. It assists the AO in addressing its oversight requirements of managing, evaluating, and monitoring the organizational performance with regards to risk management.

3.8.3.1. STRATEGIC VALUES OF RISK MANAGEMENT COMMITTEE (RMC)

The RMC must advise the municipal council, the political office-bearers, the accounting officer, and the management staff of the municipality on matters relating to-

- Risk management.
- Fraud and corruption
- Fraud Prevention and detection
- Effectiveness of proposed management interventions.
- Effectiveness of the internal control system relevant to risk identified.
- Any other issues referred to it by the municipality.

The role of the RMC is to formulate, promote and review the institution's Enterprise Risk Management (ERM)objective, strategy and policy and monitor the process at strategic, Management and operational levels.

The principles of King IV, customised to municipal environment advise that the audit committee should:

- Ensure that combined assurance model is applied to provide a coordinated approach to all assurance activities.
- Satisfy itself of the expertise, resources, and experience of the

municipality's finance function.

- Be responsible for overseeing of risk management; and
- Be an integral component of the risk management process.

All risk management reports are being processed quarterly meetings. The reports were presented to the Audit Committee.

NB. The Committee planned four (04) sittings/meetings for the year of which all did take place as scheduled.

CURRENT STATUS

Strategic and Operational Risks

The above risks are monitored and reviewed monthly to track the municipality's performance in respect of implementation of mitigations. The resultant reports culminate in the compilation of quarterly reports that get tabled at the Risk Management Committee and ultimately Audit Committee as the risk management oversight structures.

Set out in the below table is the municipality's Strategic Risks identified for the period 2023/2024 FY.

Strategic risks are regarded as top risks.

2.8.3.2. STRATEGIC RISKS

KPA	RISK DESCRIPTION
Local Economic Development (LED)	Inadequate capacity (Infrastructure/financial & human) to support LED
Basic Service Delivery	1.Inadequate water sources and infrastructure 2.Insufficient operations and maintenance of existing infrastructure
Spatial Rationale	1.Uncoordinated land use practices
Good Governance and Public Participation	1.Ineffective leadership and Management 2.Collusive practices and Fraud

Financial Viability	Inability to meet financial obligation (Weak Liquidity position)
Institutional Development and Organisational Transformation	Limited Organisational capacity to materialise institutional mandate
Basic Service Delivery	Possible litigation and class action due to non-provision of mandatory services

2.8.3.3. LIQUIDITY RISK MANAGEMENT

Liquidity in Sekhukhune District Municipality is managed by senior management and Councillors (Executive Authority) through the Budget Steering Committee and the Mayoral Committee at pre-determined intervals.

The primary intention of management is to always review the short-term cash flow forecast, mid-term, and long-term financial plans.

The current liquidity ratio of **1.04:1** as of the 30th of June 2024 (2023/2024FY) signals a slight decrease in financial position that the municipality find itself in as compared with the previous financial year (2022/2023FY) of which stood at **1.31:1**

	2024	2023
	R	R
Current assets	742 581 309	871 513 256
Current liabilities	716 831 287	662 043 355
Current ratio	1,04	1,31

Council is steadfast in ensuring previous financial years improvements at all times to bring about an improvement.

2.8.3.4. FRAUD AND CORRUPTION STRATEGY

The municipality has a Council approved Anti-Fraud and Corruption, and Whistleblowing policies respectively which makes provision for strategies to counter fraud and corruption as well as providing platforms for reporting of allegations and protection of whistle blowers. The Fraud and Corruption Strategy has been developed because of the expressed commitment of government to fight corruption. It is also an important contribution to the National Anti-Corruption Strategy of the Republic of South Africa, and therefore supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy.

The administration has undertaken the following initiatives to raise awareness of fraud and corruption:

- Publicised an Anti-Fraud and Corruption article on the municipality's website.
- In conjunction with the Provincial Treasury, Coghsta, SALGA, Auditor General (AG) & the Directorate for Priority Crime Investigation (Hawks) conducted an institution -wide Anti-Fraud and Corruption workshop.

2.8.4 SUPPLY CHAIN MANAGEMENT

Section 112 of the MFMA states that the supply chain management policy must be fair, equitable, transparent competitive, cost effective and comply with all SCM regulations. The district municipality has developed a policy that complies with the Constitution and MFMA.

For the financial year 2023/2024 the municipality has incurred the following deviations, irregular, fruitless, and wasteful expenditure.

ANNUAL DEVIATION REPORT FOR THE YEAR ENDED 30 JUNE 2024.

ANNEXURE A

Irregular expenditure

No.	Name of Service Provider	Project Number	Nature of Irregular Assessment	Total as at 30 June 2024
1	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	2165250,18
2	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1488609,50
3	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1285617,29
4	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1302533,31
5	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	2165250,18
6	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1302533,31
7	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1488609,50
8	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1285617,29
9	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	2165250,18

10	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1302533,31
11	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1488609,50
12	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1285617,29
13	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1302533,31
14	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1285617,29
15	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1488609,50
16	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	2165250,18
17	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1302533,31
18	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1285617,29
19	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	1488609,50
20	Tubatse Security	SK8/3/1-01/2021/2022	Tender Invitation does not indicate whether the tender will be evaluated on functionality or not.	2165250,18
21	Black Sky Investments	SK8/3/1-05/2021/2022	Management had agreed to the finding and the irregular appointment of Black Sky Investment on tender SK8/3/1- 05/2021/2022 for panel for the Provision of Event	3045003,09

			Management services. From inception of the contract SK8/3/1-05/2021/2022, Black Sky Investment have been awarded work to the value of R3 045 003.09	
22	Morwamogale Trading Enterprise	SK8/3/1-04/2023/24	bidder was non-responsive and should have been disqualified. This was due to the bidder's failure to submit the three years' audited annual financial statements, which were mandatory administrative documents required for evaluating the pre-qualification criteria and confirming the bidder's responsiveness	47137512,84
23	Fito and sons constructions and projects	SK8/3/1-03/2023/2024	Supplier was awarded work (contracts) which is outside their CIDB grading and related range of tender value.	6218993,00
24	Bogoshi Magoshi Trading and Projects	SK8/3/1-03/2023/2024	Supplier was awarded work (contracts) which is outside their CIDB grading and related range of tender value.	905117,00
25	1. WINTERBACH FAMILY TRUST 2.NJ VAN DER WAL	BULK WATER SUPPLY	Awards made to suppliers who did not submit declaration of interests (MBD 4)	5065462,19
26	Malau A Maso	SK8/2/1-036/2023/24	Bidder was not responsive and should have been disqualified as the bidder did not provide proof of resident and affidavit that the director and the company stay in rural areas where no rate and taxes were not submitted. Only affidavit of director without proof of resident was submitted	169500,00
27	Mogoshadi Investment	SK8/2/1-100/2023/24	Bidder was not responsive and should have been disqualified as the bidder did not submit the proof resident from local authority of the director and the company indicating that there are no municipal rates payable, and the affidavit under oath that there are no municipal rates payables was also not submitted.	191187,50

Current year expenditure 2023/2024	93 942 827,00
	1 378 969 896,00
Opening balance 01 July 2023	
Closing balance 30 June 2024	**1 472 912 723,00**

ANNEXURE B

Fruitless and Wasteful Expenditure

1	Interest on Elias Motsoaledi	1553,75
2	Interest on Elias Motsoaledi	1553,75
	Amount paid to Sheriff Groblersdal	78363,17
	Interest on Elias Motsoaledi	203,76
	Interest on Elias Motsoaledi	248,20
	Interest on Elias Motsoaledi	157169,10
	Interest payment of elec a/c Marble Hall reservoir	1474,66
	Interest payment of M/Hall wtw	45481,93
	Interest payment on rates account Marble Hall	146,76
	Interest on late payment for renewal of motor licenses Ephraim Mogale	13352,40

	Interest payment of elec a/c G/dal wwtw	2554,06
	Interest on late payment for renewal of motor licenses Elias motsoaledi LM	20028,60
	Interest payment on elec a/c Elias Motsoaledi LM	235,79
	Interest payment on elec a/c Elias Motsoaledi LM	111,34
	Interest payment on elec a/c Elias Motsoaledi LM	153451,20
	Interest payment on elec a/c Elias Motsoaledi LM	104,07
	Interest on Elias Motsoaledi	309,84
	Interest on late payment of Samwu pension fund	2856,01
	Erratum on tender on fuel card	8300,00
	Penalties & arrears on Late paymeny on Elias LM	52555,50
	Interest on Elias Motsoaledi	1355,06
	Arrears on payment of Elias Motsoaledi	28,00
	Interest on Elias Motsoaledi	59,06
	Interest on Elias Motsoaledi	153245,00
	Interest on Elias Motsoaledi	100234,00
	Interest on Elias Motsoaledi	10,58
	Interest on Elias Motsoaledi	35,36
	Interest on Elias Motsoaledi	91,24
	Interest on Ephraim Mogale	14,32

3	Interest on Ephraim Mogale	37,54
	Interest on Ephraim Mogale	68,87
	Interest on Ephraim Mogale	1651,45
	Interest on Ephraim Mogale	632,59

2023/2024	Current year	797 517,00
01 July 2024	Opening balance	**72 425 486,00**
30 June 2024	Closing Balance	**73 223 003,00**

ANNEXURE C

Unauthorised Expenditure as at 30 June 2023

1	None	0,00
		0,00
		432 323 261,00
	Closing balance as at 30 June 2024	432 323 261,00

ANNUAL DEVIATION REPORT JULY 2023-- JUNE 2024

Impractical to follow SCM process.

Date	IMPLEMENTING DEPARTMENT	SERVICES REQUIRED	SERVICE PROVIDER	AMOUNT	AREAS OF DEVIATION /WASTEFUL	REASONS FOR DEVIATION / WASTEFUL
20230712	Infrastructure & Water Services	Provision of water services	Winterbach Familie	389 413,05	Impractical to follow SCM processes	The sole provider of the service within the area
20230707	Municipal Manager	Payment of excess on insurance claim	Supreme Autobody	35 000,00	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed through a competitive bidding process
20230707	Municipal Manager	Payment of excess on insurance claim	Supreme Autobody	5 000,00	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed through a competitive bidding process
20230707	Municipal Manager	Payment of excess on insurance claim	Supreme Autobody	5 000,00	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed through a competitive bidding process
20230707	Municipal Manager	Payment of excess on insurance claim	Supreme Autobody	144 565,15	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed through a competitive bidding process

20231111	Municipal Manager	Payment of excess on insurance claim	Supreme Autobody	15 000,00	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed through a competitive bidding process
20231123	Municipal Manager	Payment of excess on insurance claim	Suoreme Autobody	7 500,00	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed through a competitive bidding process
20231128	Municipal Manager	Payment of excess on insurance claim	PG Glass	3 409,78	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed through a competitive bidding process
20240222	Municipal Manager	Payment of excess on insurance claim	Supreme Autobody	5 000,00	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed through a competitive bidding process
20240228	Municipal Manager	Payment of excess on insurance claim	Supreme Autobody	5 000,00	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed through a competitive bidding process
20240613	Municipal Manager	Payment of excess on insurance claim	PG Glass	1 084,43	Impractical to follow SCM processes	Goods get referred to the service provider by the insurer, who has been appointed

							through a competitive bidding process

GRAND TOTAL **615 972,41**

Tenders report as at 30 June 2024

No	Project No	Project Name	Date Of Specified on	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
1	SK8/3/1-61/2023/2025	Re-advert Land Surveying and for District Office	27&28/06/2024	16/07/2024	27&28/06/2024	27&28/06/2024	N/A	N/A	N/A	N/A	
2	SK8/3/1-62/2023/2025	Appointment of a service provider for the asset insurance policy for a period of three (03) years	27&28/06/2024	16/07/2024	27&28/06/2024	27&28/06/2024	N/A	N/A	N/A	N/A	

No	Project No	Project Name	Date Of Specification	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
3	SDA8/3/1-02/2023/2024	Request for proposal on regulating access,maximising protection and recreational use of the De-Hoop Dam and refurbishment of building for a period of Three years	27/03/2024	27/03/2024	08/05/2024	08/05/2024	N/A	To be Re-advert	N/A	N/A	
4	SDA8/3/1-03/2023/2024	Appointment of a service provider to Assist SDA AFS with the preparation of AFS and	02/05/2024	22/05/2024	07/06/2024	07/06/2024	N/A	In-progress	N/A	N/A	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Award e Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
		audit support (once off)									
5	SDA8/3/1-04/2023/2024	Appointment of apanel of professional fundraisers for period of three years	02/05/2024	07/05/2024	24/05/2024	24/05/2024	N/A	Re-Advert	N/A	N/A	
6	SDA8/3/1-05/2023/2024	Appointment of a Proffessional service provider for cloud-based ERD System that is MSCOA	13/05/2024	14/05/2024	10/06/2024	10/06/2024	N/A	In-progress	N/A	N/A	
7	SK8/3/1-24/2023/2024	(Re-Advert) Appointment of service provider to supply fire	07/03/2024	15/03/2024	11/04/2024	11/04/2024	N/A	To be Re-advert	N/A	N/A	

No.	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder / Pro gress Details	30% Sub-Contractor
		station tools (once-off)									
8	SK8/3/1-47/2023/2024	(Re-Advert)Appointment of panel of contractors to supply ,delivery and installation of small schemes and civil works material within SDM for a period of 36 months	20/03/2024	30/03/2024	26/04/2024	26/04/2024	N/A	In-progress	N/A	N/A	
9	SK8/3/1-20/2023/2024	Appointment for SDA website and online enterpreneurship hub for 3 years	29/08/2024	05/09/2023	17/10/2023	17/10/2023	N/A	To be Re-advert	N/A	N/A	

No	Project No	Project Name	Date of Specification	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
10	SK8/3/1-30/2023/2024	Appointment of a professional Services provider to Develop SDM Regional Industrial Develoment Master Plan	30/11/2023	06/12/2023	24/01/2024	24/01/2024	N/A	To be Re-advert	N/A	N/A	
11	SK8/3/1-35/2023/2024	Appointment of a service provider for the lease of photocopy machines for a period of three (03) years	13/05/2024	15/05/2024	**30/01/2024**	**30/01/2024**	N/A	In-progress	N/A	N/A	
12	SK8/3/1-40/2023/2024	Appointment of a panel for the Supply and Delivery of Consumables Inventory	23/02/2024	27/02/2024	09/04/2024	09/04/2024	N/A	In-progress	N/A	N/A	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
13	SK8/3/1-51/2023/2024	Internal bulk water supply reticulation to Makhudutham aga Local Municipality-Marishane.	12/04/2024	12/04/2024	02/05/2024	02/05/2024	N/A	In-progress	N/A	N/A	
14	SK8/3/1-52/2023/2024	Infrastructure rural household sanitation project Cluster 01-Construction of VIP sanitation toilets within Elias Motsoaledi Local Municipality	14/04/2024	15/04/2024	06/05/2024	06/05/2024	N/A	In-progress	N/A	N/A	
15	SK8/3/1-53/2023/2024	Infrastructure rural household sanitation	14/04/2024	15/04/2024	06/05/2024	06/05/2024	N/A	In-progress	N/A	N/A	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
		project Cluster 02- Construction of VIP sanitation toilets within Elias Motsoaledi Local Municipality									
16	SK8/3/1-54/2023/2024	Infrastructure rural household sanitation project Cluster 03- Construction of VIP sanitation toilets within Elias Motsoaledi Local Municipality	14/04/2024	15/04/2024	06/05/2024	06/05/2024	N/A	In-progress	N/A	N/A	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
17	SK8/3/1-55/2023/2024	Infrastructure rural household sanitation project Cluster 04- Construction of VIP sanitation toilets within Elias Motsoaledi Local Municipality	14/04/2024	15/04/2024	06/05/2024	06/05/2024	N/A	In-progress	N/A	N/A	
18	SK8/3/1-56/2023/2024	Appointment of service provider for the supply and delivery of asset scanner mobile including the installation of Asset management	12&15/04/2024	24/04/2024	14/05/2024	14/05/2024	N/A	In-progress	N/A	N/A	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
		and provider skills training (once off)									
19	SK8/3/1-57/2023/2024	Appointment of service provider for supply,delivery and installation of steel heavy duty shelves for Stores and depot (once off)	12&15/04/2024	24/04/2024	14/05/2024	14/05/2024	N/A	Withdrawn due to wrong specification (10/05/2024)	N/A	N/A	
20	SK8/3/1-58/2023/2024	Appointment of servce provider of medical surveliance programme for three years.	02/05/2024	07/05/2024	13/06/2024	13/06/2024	N/A	In-progress	N/A	N/A	
21	SK8/3/1-59/2023/2024	Appointment of service provider to	13/05/2024	15/05/2024	10/06/2024	10/06/2024	N/A	In-progress	N/A	N/A	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder / Pro gress Details	30% Sub-Contractor
		replace bay doors for Groblersdal and Tubatse fire station									
22	SK8/3/1-60/2023/2024	Appointment of a service provider for the lease of photocopy machines for a period of three (03) years (Re-Advert)	13/05/2024	15/05/2024	21/06/2024	21/06/2024	N/A	In Progress	N/A	N/A	
23	sk8/3/1-62/2022/2023	Provision of laboratory services	14/02/2023 /08/03/2023	28/03/2023	15/05/2023	15/05/2023	07/07/2023	07/07/2023	R93 456. 38	Muratho Laboratory Services and Consulting	
	SK8/3/1-01/2023/24	Upgrading of De hoop/Malekane Treatment	11/11/2024	04/12/2022	16/01/2023	16/01/2023	08/09/2023	15/09/2023		Bo Mamohlal	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
24		works: Construction of a 12ml/day water treatment works at Ga-Malekane (Re-Advert)							R14475142 4,99	a Projects CC	
25	SK8/3/1-03/2023/2024	Appointment of Service Providers for Electro-Mechanical term Contractors for 3 Years					25/07/2023	30/09/2023		*Ntshiana Trading Enterprise *Kgwadi a Madiba General Trading*Black Bullet Services *Chumba Rocks *Black Sky Investment and Holdings *Mulbert	

No	Project No	Project Name	Date Of Specificat ion	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
										Pump Repairs cc *Picabiz 367 cc *Fito and Sons Constructi on *Bogoshi Magoshi Trading and Projects *Good Example Trading and Projects 197 *Ngoato le Nareadi Constructi on *Keewave Trading	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
										334 (Pty) Ltd *Mphegoll e Trading Enterprise *Sechaka gi Enterprise (Pty) Ltd *Putuku Trading and Projects *Creative Mining and Engineerin g *Tubatse Art Designer cc *Maunyatl ala Shakwana	

No	Project No	Project Name	Date Of Specificati on	Date Of Advertisement	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
										(Pty) Ltd *Hloska Groups *Levivi 22 Engineering and projects	
26	SK8/3/1-04/2022/2024	Groblersdal Luckau Bulk Water Supply-Contract 1A	07/06/2023	26/05/2023	04/07/2023	04/07/2023	13/09/2023	03/10/2023	R47137512,84	Morwamogale Trading Enterprise	
27	SK8/3/1-05/2023/2024	Groblersdal Luckau Bulk Water Supply-Contract 1B	07/06/2023	26/05/2023	04/07/2023	04/07/2023	10/07/2023	03/10/2023	R30304852,33	Madipadi Construction	
28	SK8/3/1-06/2023/24	Groblersdal Luckau Bulk Water Supply-Contract 1C	07/06/2023	26/05/2023	04/07/2023	04/07/2023	19/09/2023	03/10/2023	R93807343,80	Eternity Star Investment 231	
29	SK8/3/1-07/2023/24	Groblersdal Luckau Bulk	07/06/2023	26/05/2023	04/07/2023	04/07/2023	19/09/2023	03/10/2023		Maunyatla la	

No	Project No	Project Name	Date Of Specification	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
		Water Supply-Contract 1D							R88746810,30	Shakwana pty LTD	
30	SK8/3/1-08/2023/24	Groblersdal Luckau Bulk Water Supply-Contract 1E	07/06/2023	28/05/2023	04/07/2023	04/07/2023	19/09/2023	03/10/2023	R49303893,02	Mmege Construction and Projects	
31	SK8/3/1-09/2023/2024	Moutse East & West water Reticulation - Contract A - Ntwane	07/06/2023	09/062023	17/07/2023	17/07/2023	15/11/2023	13/12/2023	R42272898.17	SDVK Construction & Projects	
32	SK8/3/1-10/2023/2024	Moutse East & West Water Reticulation-Contract B-Thabakhubedu	07/06/2023	09/062023	17/07/2023	17/07/2023	15/11/2023	13/12/2023	R35656402,42	Pheladi Noko B1 Funerals & Construction	
33	SK8/3/1-11/2023/2024	Moutse east & West Water Reticulation Contract C-Elokhishini	07/06/2023	09/062023	17/07/2023	17/07/2023	15/11/2023	13/12/2023	R39492423,34	Loaded Life Trading	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
34	SK8/3/1-12/2023/2024	Moutse East & West Water Reticulation Contract D-Marapong	07/06/2023	09/06202 3	17/07/202 3	17/07/202 3	15/11/2 023	13/12/20 23	R16611858 ,23	Casnan Civils	
35	SK8/3/1-13/2023/2024	Moutse East & West water Reticulation Contract D-Mzimdala	07/06/2023	09/06202 3	17/07/202 3	17/07/202 3	15/11/2 023	13/12/20 23	R26039474 ,84	Mangadi// Madikeng JV	
36	SK8/3/1-14/2023/2024	Tukakgomo Water Intervention (Phase 5) (WSIG)	22/06/2023	23/06/20 23	12/07/202 4	12/07/202 4	10/08/2 023	28/08/20 23	R4805648, 92	Keewave Trading 334 PTY LTD	
37	SK8/3/1-16/2023/2024	Data cleansing and verification of indigent register for Sekhukhune District municipality for	20&27/06/ 2023	17/07/20 23	22/08/202 3	22/08/202 3	16/10/2 023	16/11/20 23	R9 700 000 .00	LK Centrix Solutions	

No	Project No	Project Name	Date Of Specification	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
		a period of 3 years									
38	SK8/3/1-17/2023/2024	Appointment of service provider for Meter reading and maintenance for a period of three (3) years	20&27/06/2023	17/07/2023	22/08/2023	22/08/2023	16/10/2023	16/11/2023	R12 653 050,75	Africa Meter Reader	
39	SK8/3/1-18/2023/2024	Appointment of Publications, Marketing, Media and Advertising Services for 3 Years	20&27/06/2023	17/07/2023	22/08/2023	22/08/2023	16/10/2023	13/12/2023	Rates	*Deunice Trading *Agang Batau General Trading and Projects *Yetsagala PTY (Ltd) *Visition	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Rte Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
										Print (Pty) Ltd	
40	SK8/3/1-21/2023/2024	Appointment for service provider to repair and maintenance of SDM emergency vehicles (red fleet)	29/08/2023	05/09/2023	17/10/2023	17/10/2023	18/05/2023	10/01/2024	Rates	Makgonatsohle Trading Enterprise	
	SK8/3/1-22/2023/2024	Appointment for panel of civil engineering consultants for 3 years	21/08/2023	11/09/2023	17/10/2023	17/10/2023	19/03/2024	15/02/2024	Rates	*Anology Pty Ltd *Orbitals Projects & Trading *Baitsean ape Consulting Engineers *AES Consulting CC *HWA Engineers	

No	Project No	Project Name	Date Of Specification	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarding Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
41										& Projects managers * Mangethe Group Pty Ltd *Grandmonde Consulting Engineers *Kgosihadi Consulting Engineers *Kutlo Consulting Engineers Pty Ltd *Onboard Consulting Engineers *Rema Consulting Enginerrs * Maranje Consulting	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
										* Marumo Consulting Engineers * Tlou Consultin *Mamolok o & Associate s Engineers *Sea Projects Engineers *Zenkcon Engineers *Skotane Developm ent Consultant s *Project Intellects Consulting * Infraplan	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
										Engineers Pty Ltd	
42	SK8/3/1-25/2023/2024	Appointment of service provider for supply and deliver assemble of office equipment asset at SDM offices (once off)	19/0/2023	08/09/2023	19/10/2023	19/10/2023	19/12/2023	10/01/2024	R1358125,00	G Mot Holdings Pty (Ltd)	
43	SK8/3/1-28/2023/2024	Appointment of service provider for hydrological services,drilling ,testing,equiping and rehabilating of boreholes	22/09/2023	11/10/2023	21/11/2023	21/11/2023	16/02/2024	19/02/2024	Rates	Morwamogale Trading Enterprise *Keewave Trading 334 PTY ltd * Black Sky Investment &	

No	Project No	Project Name	Date Of Appointment	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
										Holdings *Picabiz 367 CC * Precious Malatji Advisory & Consultant *Ben Structural Steel Erecting & Projects PTY LTD *Ditlou Supplies & Services *Mashige Bulding Construction & Consultant *Katlego Ya Sentsho Projects	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
										Pty Ltd * Mulbert Pump Repairs CC * Tubatse Art Design CC * Ntshiana Trading Enterprise * Maunyatla la Shakwana Pty Ltd *Ngoato Le Nareadi Constructi on * Putuku Trading & Projects * Nkoto	

No	Project No	Project Name	Date Of Specification	Date Of Agreem	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contracto
										Catering & Projects *Bogoshi Magoshi Trading & Projects Ltd Pty *Kgwadi Ya Madiba General Trading & Projects* Mphegolle Trading Enterprise Pty Ltd *Truminded Enterprise *T4 Reasons Trading Enterprise *Lefatshe Minerals &	

No	Project No	Project Name	Date Of Submission	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
										Consuting Pty Ltd *Fito & Sons Construction & Projects Pty Ltd *Khumo & Anati Civils Pty Ltd *Sogane Business Enterprise	
44	SK8/3/1-29/2023/2024	Appointment of service provider for Laersdrift water source development projects	22/09/2023	11/10/2023	22/11/2024	22/11/2024	16/02/2024	14/03/2024	R12 770 399.75	Casnan Civils	

No	Project No	Project Name	Date Of Specification	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Award Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
45	SK8/3/1-31/2023/2024	Appointment of a service provider for the development of ICT master Systems Plan for a period of three(03) months	30/11/2023	0612/2023	21/01/2024	21/01/2024	03/04/2024	05/04/2024	R822 250,00	Open Kindom Technology Consulting CC	
46	SK8/3/1-33/2023/2024	Appointment of a service provider for the provision of fuel banking through cards services for a period of three(3) years	08/12/2023	24/01/2024	04/03/2024	04/03/2024	01/04/2024	05/04/2024	Rates	Standard Bank	
47	SK8/3/1-34/2023/2024	Appointment of a service provider for tracking System of SDM owned	30/11/2023	0612/2023	30/01/2024	30/01/2024	01/04/2024	05/04/2024	R15 004 552,64	Mminatlou Future Fleet	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
		vehicles for a period of three(03) years									
48	SK8/3/1-36/2023/2024	**(Re-advert)** Panel of Contractors for the Supply of Water and Waste Treatment work Chemicals for 3 years	06/12/2023	06/12/2023	31/01/2024	31/01/2024	07/03/2024	25/04/2024	Rates	*Mamish Group Pty Ltd * Tshambila ENV Consultant Pty Ltd *White Rock 75 Investment *Pheladi Chuene Maintanance & General Supplier * Agang Batau General Trading	

No	Project No	Project Name	Date Of Specification	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
										*Nomshado & Setatana Construction & Projects *Tau Lucid Pty Ltd *Bothlabatsatsi Group 001*Hlabirwa Boleke Trading *Mphegolle Trading Enterprise Pty Ltd *Bra Mesh Group Pty Ltd *Mothakge Phadima Construction *T	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
										Seloana Trading *Tlou Yako Hlaka Projects *Sekgogo me Trading & Project *Democrat ic Constructi ons & Security Security *Seldana Projects Pty Ltd *Makgoshi Trading 84 JV Trymph Constructi on &	

No.	Project No.	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
										Projects *Canaan Projects *JEM Corporate s Pty Ltd *Leyamo Trading & Projects *Ngoato Le Nareadi *Rantshi Plant & Mchinery *Mashige Building Constructi on & Consultant s *Double K G roup Pty Ltd *Wingsize Pty Ltd	

No	Project No	Project Name	Date Of Specification	Date Of Advert	Closing Date	Evaluation Date	Adjudication Date	Awarded Date	Bid Amount	Awarded Bidder/Progress Details	30% Sub-Contractor
										*Nkazimulo Resources Pty Ltd * Putuku Trading & Projects Pty Ltd * Pheladi Noko B1 Funeral & Construction *Bowelakalane Security & General Projects Pty Ltd *Imtaflo Pty Ltd *Metsi Chem International Pty Ltd	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
										*Bogoshi Magoshi Trading & Projects Pty Ltd *Colligo Trading Pty Ltd	
49	SK8/3/1-37/2023/2024	Appointment of service provider for sucking,emptying and cleaning of 1057 VIP toilets at Waltet Sisulu RDP.	08/12/2023	25/01/2024	12/02/2024	12/02/2024	13/03/2024	19/04/2023	R890 000,00	lets of Mach	
50	SK8/3/1-38/2023/2024	Appointment of a professional Services provider to Develop/review SDM Spatial					03/04/2024	05/04/2024		Matete & Associates Consultants	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
		Development Framework 2018 (once off)	17/01/2024	31/01/20 24	20/02/202 4	20/02/202 4			R1 174 322 ,50		
51	SK8/3/1-39/2023/2024	Appointment of service provider to supply,deliver,r epair,install and refurbish Tafelkop (Bapeding) bulk pipeline and associated fittings.	02/02/2024	06/02/20 24	23/02/202 4	23/02/202 4	03/04/2 024	05/04/20 24	R1520783, 00	Morana Trading Enterprise	
52	SK8/3/1-45/2022/2023	Appointment of Service Provider for the Production, Equipment, and Inputs for the Support to SMME's and Cooperatives	17/05/2023	18/05/20 23	08/06/202 3	08/06/202 3	11/07/2 023	25/08/20 23	R1992504, 26	Dimpho Khomotso	

No	Project No	Project Name	Date Of Specificati on	Date O Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
53	SK8/3/1-45/2023/2024	Appointment of service provider to unblock existing 160mm sewage pipe,construction and connect 100m to existing160mm sewege pipe at Rossenekal	19/02/2024	07/03/2024	25/03/2024	25/03/2024	28/03/2024	05/04/2024	R951 620,00	T4 Reasons Trading Enterprise CC	
54	SK8/3/1-63/2022/2023	Appointment of Service Provider for the Supply and Delivery of Water Meters and Meter Fittings for a Period of 3 years	14/02&08/03/2023	28/03/2023	15/05/2023	15/05/2023	11/07/2023	03/08/2023	R58566,06	Kgathole Geohydrological	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder /Pro gress Details	30% Sub Contractor
55	SK8/3/1-67/2022/2023	Appointment of Service Provider for Fencing Materials to Thakadu Tsa Naga Farmers Association (once Off)	24/04/2024	15/05/2023	31/05/2023	31/05/2023	11/07/2023	25/08/2023	R382200,00	Limpopo Floor Care	
56	SK8/3/1-68/2022/2023	Appointment of Service Provider for Tjate Heritage Site Fencing Project Development (Once Off)	24/04/2024	15/05/2023	31/05/2023	31/05/2023	11/07/2023	25/08/2023	R456550,00	Fito and Sons	
57	SK8/3/1-71/2022/2023	Appointment of Service Provider for Internet Services for Domain Hosting for a	30/05/2023	07/06/2023	26/06/2023	26/06/2023	26/06/2023	08/09/2023	R1599880,00	Jireh technologies	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
		Period of 6 Months									
58	SK8/3/1-41/2023/2024	Appointment of Groblersdal Luckau Bulk water supply_Contract 2A	20/02/2024	07/03/2024	12/04/2024	12/04/2024	19/06/2024	21/06/2024	R59 998 230,56	Tshiamiso Trading 135	
59	SK8/3/1-42/2023/2024	Appointment of Groblersdal Luckau Bulk water supply_Contract 2B	20/02/2024	07/03/2024	12/04/2024	12/04/2024	19/06/2024	21/06/2024	R31 404 806,11	Deunice Trading Pty Ltd	
60	SK8/3/1-43/2023/2024	Appointment of Groblersdal Luckau Bulk water supply_Contract 2C	23/02/2024	07/03/2024	12/04/2024	12/04/2024	19/06/2024	21/06/2024	R29 769 792,36	Ngoato Le Nareadi	
	SK8/3/1-44/2023/2024	Appointment of Groblersdal	23/02/2024	07/03/2024	12/04/2024	12/04/2024	19/06/2024	21/06/2024	R32 599 186,80	Mwelase Thobs	

No	Project No	Project Name	Date Of Specificat ion	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
61		Luckau Bulk water supply_Contra ct 2D								Constructi on	
62	SK8/3/1-50/2023/2024	Appointment of service provider to supp and deliver fencing material as well as installation of fence to Tjate Heritage site fencindg development (once off)	27/03/2024	28/03/20 24	19/04/202 4	19/04/202 4	19/06/2 024	21/06/20 24	R544 496,44	Nvoso Trading Entreprise	
63	SK8/3/1-48/2023/2024	Appointment of service provider for assets management support and O&M tagging	07/03/2024	15/03/20 24	07/05/202 4	07/05/202 4	19/06/2 024	21/06/20 24	R17 884 222,93	Lincounts	

No	Project No	Project Name	Date Of Specificati on	Date Of Advert	Closing Date	Evaluatio n Date	Adjudic ation Date	Awarde d Date	Bid Amount	Awarded Bidder/Pro gress Details	30% Sub-Contractor
		service provider for three years.									
64	SK8/3/1-46/2023/2024	(Re-Advert) Appointment of of Phokwane /Brooklyn water supply project	01/03/2024	14/03/2024	03/04/2024	03/04/2024	13/06/2024	14/06/2024	R5 503 471,35	Dirane Trading Pty Ltd	
65	SK8/3/1-49/2023/2024	Appointment of service provider to supply and deliver fencing material as well as installation of fence to Thakadu tsa Naga Farmers.(once off)	27/03/2024	28/03/2024	19/04/2024	19/04/2024	09/05/2024	21/06/2024	R592 969,20	TDHM Investment Pty Ltd	

2.8.5 BY-LAW

For the year under review the municipality did not gazette any by-law.

2.8.6 WEBSITE

The website of the Municipality is functional (www.sekhukhunedistrict.gov.za) and updated on a regular basis especially the component where compliance issues must be adhered to such as publishing of Annual Report, tenders and vacancies.

The website for the finanicial year 2023/2024 was functional with mandatory updates having been done, namely, IDP, Budget, SDBIP, Annual Report. From content management point of view for general information dessimination, the communication Unit updated the website through posting of official statements and speeches. However challenges still remain for the website to function optimally, some of the challenges are regular updating of content.

he follwing were published on the website:

- 2023/2024 SDBIP
- Quarterly SDBIP reports done every end of the quarter.
- 2023/2024 BUDGET
- Process Plan and Framework for IDP Review 2023/2024
- 2023/2024 MIDTERM Reports
- Performance agreements of senior managers.
- Quarterly SDBIP reports done every end of the quarter.
- 2023/2024 Annual Report
- 2023/2024 Policies
- Internal and external vacancies
- Public Notices of disruption of water supply to all communities

Research has been done on products that will offer the following to the communities:-

- Touch-screen kiosks that can be used for inter alia the following:
- Customer Complaints
- Customer Compliments

- Customer Comments
- General Survey Interaction
- Information Centre.

2.8.7 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Sekhukhune District Municipality in her customer satisfaction survey conducted in 2015, revealed that majority of citizens in Sekhukhune (approximately 62%) is reasonably satisfied with provision of services by the municipality. In between the year the municipality has a dedicated customer care unit which processes day to day community complaints and monitor adherence to Batho-Pele principles by municipal officials.

Batho Pele Forum as a platform to engage with government service points to assess the delivery of services. The Municipality through its council has adopted important policies and guidelines to guide Batho Pele and customer management processes. The policies include Batho-Pele service standards, Dingongorego/Complaints policy, Standard Operating Procedure and service charter.

The municipality has the following platforms to receive and manage queries from communities and stakeholders,

- Suggestion boxes in all offices
- 24-hour call centre
- Regular outreach for face-to-face interaction
- Premier hotline
- Presidential hotline
- Group what's up
- Emails

BATHO PELE PRINCIPLES

COURTESY PRINCIPLE:

SDM should give Citizens full, accurate information about the public services they are entitled to receive. This means making it easy for our customers to benefit from the services we provide.

- **Nametags**

Name tags provide personal identity and with a logo, they expand corporate branding as well.

All SDM permanent employees including depots received their name tags

- **Frontline:**

SDM frontline desk is operated by 1 permanent employee and sometimes accompanied by interns at Bareki Mall. West Street does not have a Receptionist since the contract has ended. We are in a prosses of getting at least 2 extra permanent staff at Bareki offices, 2 receptionists at West street offices and Fire station. (Status quo unchanged)

- **Signage/Way finding.**

There is no signage/way finding in the entrances of Groblersdal to SDM Offices. We partnered with Public works department that will assist us in terms of the correct specification for procurement processes. (Status quo unchanged)

- **Suggestion boxes**

The boxes are available in our main entrances. New padlocks have been purchased. On weekly basis the boxes are opened, queries and complements are dispatched to the relevant department/unit. (Status quo unchanged)

- **Monitoring of 3-rings (telecommunication/ Call Centre)**

Our Call Centre is operating 24/7. The Call Centre toll free number is

0800 33 00 22

The Office of the Premier and the management of Customer Care are monitoring the telephone rings of our call centre phones on ad hoc basis.

Challenges:

Our call centre is still experiencing a serious challenge in terms of the ageing telephone system that is used and lack of tools of trade.

Calls that manually recorded during the period 2023/24 are as follows:

INCIDENT	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Motor Vehicle Accident	08	08	06	03	04	08	09	04	04	02	06	04
Structural fire	08	05	10	06	03	05	03	06	02	04	00	06
Special services						05						
Veld fire	16	08	22	02	01	05	04	03	04	13	10	00
Water related	07	08	02	09	07	08	04	04	06	02	04	06
Total	**39**	**37**	**40**	**20**	**15**	**31**	**20**	**17**	**16**	**21**	**20**	**16**

PRESIDENT'S AND PREMIER'S HOTLINES

Below is an analysis report from OTP.

Non-Cumulative: July to Sept 2023						
Quarter	Months	No of Open Calls	No of Resolved Calls	Total Calls	% Resolution Rate	Resolution Trends
1	July	8	22	30	73.3%	79.76%
	Aug	18	90	108	83.33%	
	Sept	9	26	35	74.28%	

Months	No of Open Calls	No of Resolved Calls	Avg. Time to Resolve (Gov. bus. hours)	Total Calls	% Resolution Rate	Resolution Trends
Oct	414	7,380	1,328	7,794	94.69%	-0.28%
Nov	295	7,513	1,378	7,808	96.22%	1.53%
Dec	269	7 549	1 385	7 818	96.56%	0.34%

CUMULATIVE REPORT: Oct – Dec 2023

Non-Cumulative: Limpopo Province January to March						
Quarter	Months	No of Open Calls	No of Resolved Calls	Total Calls	% Resolution Rate	Average Quarterly Resolution Rate
	January	19	3	22	13.63%	12.24%
	Feb	13	1	14	7.14%	
	March	11	2	13	15.38%	

District / Local Municipality	No of Open Calls	No of Resolved Calls	Avg. Time to Resolve (Gov. bus. hours)	Total Calls	% Resolved 31 May 2024	% Resolved 30 April 2024
Capricorn District Municipality	15	962	1813	977	98,46%	98,55%
Sekhukhune District Municipality	14	1248	1671	1262	98,89%	99,21%
Mopani District Municipality	7	1002	1328	1009	99,31%	99,3%
Waterberg District Municipality	2	615	1164	617	99,68%	99,84%
Vhembe District Municipality	3	1564	1489	1567	99,87%	99,87%

ACCESS PRINCIPLE

All citizens should have equal access to services.

- **Accessibility to Municipal Buildings**

SDM buildings are accessible.

- **Thushong Service Centres**

A Thusong Service Centre is a one-stop service centre providing Government information and services to communities based on the needs of the specific community.

SDM has 3 Thushong services centres that are located in different Local Municipalities. The strategic objectives of the Thushong service centre can be summarized as follows: -

- Ensure better communication between government and the people.
- Provide services to people at close proximity (reducing travel distance for people to access services)

- Thushong Centres to serve as centres for community events and democratic processes.

Thushong Centres	Municipality	Services Providers	Launched	Centre Manager
Fetakgomo - Atok (Hub)	Fetakgomo	Tele Centre, Home affairs, SASSA, Social Development, SAPS, Agriculture, Victim Empowerment Centre and ANGLO-Zimela.	Yes	Mr. Silence Mahlatji (Appointed) 071 714 3934
Leboeng (Hub)	Tubatse	Home Affairs, SAPS, Labour, Health, Social Development, Justice, Correctional services, Telecentre, SASSA and EMS	Yes	Captain Mogoane 082 565 7135
Kgautswana (Satellite)	Tubatse	SASSA, Health, social development, SAPS, Post Office (lobby box), Agriculture, Telecentre, Library services, Development and Tourism projects and ECD	Yes	Ms. Clara Masinga (NGO volunteer) 078 616 6796
Zamenkomste (Cluster)	Ephraim Mogale	Water Affairs, SASSA, Home Affairs, Social Development, SAPS, Municipality Agriculture and Sekhukhune District Municipality	No	Mr. Manyaka (Municipal secondment) 082 456 7693
Tafelkop (Cluster)	Elias Motsoaledi	SASSA, Social Development, GCIS, Coghsta (operate in a cluster form within a walking distance)	No	Ms. Ntepane Mathunyane
Mapodile (Hub)	Tubatse	Social Development, SASSA, Agriculture, SAPS, Municipality (library services), Health, Community Work Programme, Sekhukhune District Water Affairs, Tele Centre & Coghsta	Yes	Mr. Lazarus Tau (Municipal secondment) 072 185 2031

CONSULTATION PRINCIPLE

We can only assume to know what customers want. The only way we can find out for certain is by asking them. This can be done through surveys, questionnaires, meetings, suggestion boxes, imbizo/Outreach and by talking to our customers.

Mass Service Provision (Batho Pele Outreach)

Batho Pele Mass Service Provision has been the most effective consultation mechanism in districts. The rationale of these events is to popularize government services at district level, these types of events are rolled-out and budgeted for by respective Local Municipalities and the District municipality. Government departments, SOEs and businesses show-case their services. The events are led by Mayors of the LM and Batho Pele Coordinators.

SERVICE STANDARDS PRINCIPLE

The standards we set are the tools we can use to measure our performance, and therefore need to be realistic depending on and ensure that resource are available.
In order for SDM to be able to assess the quality of the services that are being provided, precise and measurable service standards should be developed, and the Service Charter made available to public.

- **Service Standards**

Service standards are in place. They are in a process of being reviewed. The workshop for Managers, District and Local Batho Pele committee will take place in September.
A workshop for Directors, Manangers, Secretaries and Batho Pele committees has been held in June 2024. Service Standards were reviewed and are in a process of being approved by the Council.

Health and safety

Customer Care has developed a monitoring tool to be utilised by the Batho Pele committee when conducting a Service delivery surprise visit within different institution. This is done in consultation and partnering with the LMs and sector departments.

INFORMATION PRINCIPLE

Citizens should be given full accurate information about the public services they are entitled to receive. Information must reach all our customers to make sure they are well informed about the services our department provides. Our internet is up and running despite challenges at West street. The website is updated regularly. We have continuous radio slots. Internal and external newsletters are distributed.

The following are the means of communication:

- **Newsletters**
- **Electronic mails (Emails)**
- **Meetings**
- **Group What's up.**
- **Outreaches**

OPENNESS AND TRANSPARENCY PRINCIPLE

This principle allows citizens to have access to timely and reliable information about decisions and the performance of our municipality.

- **IDP**
- **Hotlines /Toll-Free Lines**
- **Audit reports**

REDRESS PRINCIPLE

Redress is making it easy for people to tell us if they are unhappy with our service. In Customer Care Unit we have 3 Staff members that are trained on a process plan to handle queries that are received and registered via the Premier/ Presidential Hotline and also our Customer walk in queries. They have been trained to deal with complaints in a friendly, helpful manner.

Our query management system is still manually operated. We have a query management register that is placed at our Reception desk and Suggestion/Complement Box (Status quo unchanged)

VALUE FOR MONEY

For SDM to reap on the_Return on investment, We need to make the best use of available resources. Avoid wastage of time, money, and other resources. It also means eliminating waste, fraud and corruptions and finding new ways of improving at little or no cost.

CHALLENGES:

- A notable disjuncture in terms of recording water and sanitation related queries is still a challenge with multiple reporting lines and lack of integrated approach which will enable proper and reliable reporting.
- Manual, Outdated and ageing system of recording and processing queries due to lack of modern technology system and modern call centre facility.
- Both Presidential and Premier hotline's reports are now analysed and reported in arrears (once per quarter) that makes it difficult to align our reporting with the monthly Portfolio and Mayoral Committee

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

3.1. INTRODUCTION

The district municipality as per section 152 (1) (b) of the Constitution of the Republic of South Africa mandates local government to ensure provision of services to communities in a sustainable manner. Municipalities are expected to strive within its financial and administrative capacity to achieve the objectives as set in the section 152 (2) of the Constitution of the Republic of South Africa. The district municipality is WSA (Water Service Authority) and WSP (Water Service Provider) as per the Water

COMPONENT A: BASIC SERVICES

3.2. WATER SERVICES PROVISION

The Department of Infrastructure and Water Services is responsible for delivery of water and sanitation services in the entire SDM area. The municipality planned to review its Water Services Development Plan (WSDP) and Water & Sanitation Master Plan in the Current financial year **(2024/2025)** and has requested assistance from DBSA. Both WSDP and BWSMP are used as the guiding tool to ensure effective and efficient implementation of various water schemes and provide a blueprint of providing water sustainably in the district. The municipality managed to finalise the 5-year reliability plan and started with the update of WSDP in November 2024 through the Assistance of DWS provincial department.

The Municipality is currently providing full water and sanitation services in the main towns such as Burgersfort (12 815 people), Marble Hall (4 025 people), Groblersdal (6 312 people), Steelpoort (3 374 people) and Ohrigstad (1 520 people). These areas have access to other high-level services such as refuse removal and roads.

The most villages in the vast rural areas are being provided with ground water as alternative sources and water tankers where necessary. Most of the rural villages in the Flag Boshielo Water Scheme are receiving water services in a much more improved way than most rural in other villages.

Several villages are currently benefitting from water provided by a main pipe from De Hoop dam, namely: Mpelegane, Maepa, Ratau, Maphopha, Rantho, Masha,

Malekana and Maseven. This is a notable progress as De Hoop dam's provision is beginning to reach villages.

3.2.1. INVESTMENTS ON INFRASTRUCTURE DEVELOPMENT DURING 2023/24 FINANCIAL YEARS:

During 2023/2024 Financial Year, the following infrastructure grants were spent on water projects:

Municipal Infrastructure Grant (GRANT): R 393 723 335,15, 91% of the total allocated budget of R 434 127 000,00.

- The SDM has implemented 14 water infrastructure project projects during 2023/24 financial year.
- Water Services Infrastructure Grant (WSIG): R 36 013 680, 94% of the total allocated budget of R38 464 680.
- The SDM has implemented 11 intervention water projects and 01 VDIP sanitation projects during 2023/24 financial year.
- Regional Bulk Infrastructure Grant (RBIG): R 51 952 541.00, 100% of the total allocated budget of R R51 952 541.00.
- The SDM has implemented 05 bulk water projects during 2023/24 financial year.
- Rural Roads Assets Management System (RRAMS): R1 883 771, 77% of the total allocated budget of R 2,460,000.00
- Development of road asset management system, GIS centreline development, Road Visual assessment, Traffic counts, Bridge and culvert inspection and Data cleaning and submission lastly appointment of Student for training and data collection.
-

BACKLOG IN ACCESS WATER AND SANITATION IN 2023/24

The Sekhukhune District Municipality has the total population of 1 169 762 with 194 962 number of households.

The Sanitation -Ventilated improved double Pit-latrine (VIP) infrastructure backlog was reduced by 774 in 2022/23 financial year. In 2023/2024 440 (VDIP) sanitation units were constructed.

KEY WATER INFRASTRUCTURE DEVELOPMENT SCHEMES IMPLEMENTED DURING 2022/23 TO DATE

- The SDM continued with the implementation of Malekana Regional Water Supply Scheme. On completion the scheme will supply villages adjacent to DeHoop Malekana WTW.

- The conditional assessment for commissioning and testing of Bulk pipeline from Malekana Water Treatment Works to Jane Furse command reservoir under (Nebo Plateau Bulk Water Scheme) will be done 2023/2024 **and to be completed in the 2024/25 FY**

- **Moutse conditional assessment for commissioning and testing of Bulk pipeline from phase 2 to 4, has commenced and project to be completed during December 2025.**

- **The Implementation Readiness' Study (IRS) has commenced with the feasibity study currently being investigated for supply of Bulk water from Jane furse to Zaaiplaas and its surrounding villages**

- The implementation of phase 4 for Mooihoek-Tubatse Bulk Water Scheme is continuing in the current financial, which includes the bulk pipelines and concrete reservoirs. These projects will be completed in the next two financial years of 2022/23 to 2023/24 and commission in the 2024/25.

- The Groblersdal Luckau Bulk Water Supply Phase 2 commenced with construction in the financial year 2023/2024 and to be completed by June 2025.

- The Moutse East & West Reticulation Phase 1 commenced in 2023/24 financial year and to be completed in June 2025.

- Moutse East and West Bulk Water supply is currently under implementation and will be completed in 2024/2025.

The following projects were implemented in the 2023-2024 financial year.

MUNICIPAL INFRASTRUCTURE GRANT

NO.	PROJECT NAME	EXPENDITURE TO DATE	ACTUAL PROGRESS
1.	Malekana Regional Water Scheme	R85,560,119.96	**Contract A: Overall progress = 96%**
			Contract B: Overall progress = 98% Contractor busy with fencing. Practical Completion certificate has been issued to the contractor.
			Contract C: Overall progress = 100% 44661m out of 41898m completed. **Completion and close-out Stage**
			Contract D: Overall progress = 100% 31623m out of 31755m completed. **Defect Liability Period**
			Contract E: Overall progress = 100% 13827m out of 13681m completed. **Defect Liability Period**
			Contract F: Overall progress = 88% 39327m out of 43447m completed
			Contract G: Overall progress = 100% 26425m out of 23125m completed. **Completion and close-out Stage**
			Contract H: Overall progress = 90% 25246m out of 25558m Completed.
			Contract J: Overall progress = 68% 32624m out of 34171m completed.

2.	Lebalelo South Phase 3(Ga Maroga & Motlolo reticulation, bulk and reservoir)	R14 093 916.49	**Reservoirs (Ga-Maroga and Motlolo)** Physical Progress =90% 7 out of 8 reservoirs completed, 1 reservoir on the 2nd lift. **Bulk and Reticulation (Motlolo)** Physical Progress =100% 69 km out of 69 km of pipeline has been completed, 1 Water package plant constructed,1510 out of 1510 house connections completed ,3 out of 3 boreholes refurbished. Pressure testing done sectionally as the project proceeds. **Bulk and Reticulation (Maroga)** Physical progress=96% 52.1km of reticulation pipeline constructed,7.5km of bulk line constructed, package plant slab completed, 1 elevated steel tank completed, 2 boreholes completed 683 out of 719 house connections completed, and pipe pressure testing is done sectionally as the project proceeds.
3.	Groblersdal to Luckau BWS (Phase 1)	R165,335,048.46	**Contract A: Progress is at 47%.** Contractor currently busy with the construction of Plinth and Installation of Pumps at the Groblersdal WTW and also busy with the foundation for the pump station in Motetema. **Contract B: Progress is at 15%.** Contractor has appointed a sub contractor for piling. **Contract C: Progress is at 61%.** Contractor has laid 3180m of 500mm DN Steel pipes out of 3260 and 3825m out of 4200m of 300mm DN steel pipes. Delivery of pipes is ongoing. **Contract D: Progress is at 51% ,** Contractor has laid 5037m of 6900m of 500mm DN Steel pipes.

			Contract E: Progress is at 43%. Contractor has excavated 2600m and laid 1433 of 500mm DN Steel pipes.
4.	Groblersdal to Luckau BWS (Phase 2)	R13,849,194.47	Contractor appointed. Busy with contractual documents.
5.	Moutse East and West Water Reticulation phase 1	R36,584,426.73	**Contract A: Progress is at 21%.** 32,291km reticulation pipeline constructed.
			Contract B: Progress is at 16%. 9,646km reticulation pipeline laid.
			Contract C: Progress is at 17.56%. 20,547km of reticulation pipeline constructed
			Contract D: Progress is at 89%. 35,388km reticulation pipeline constructed. 550 house connections constructed.
			Contract E: Progress is at 27%. 24,887km reticulation pipeline laid.
6.	Moutse East and West Water Reticulation phase 2	R2,761,628,03	Service level agreement signed. Busy with detailed design.
7.	Upgrading of De Hoop WTW	24,759,533.17	Site establishment completed; the contractor is currently busy with the earthworks (exposing services), construction of Retaining wall and excavations for sludge dams, Demolishing old and Building New Dept of agriculture offices. **Physical Percentage 17%**
8.	Mampuru Bulk Water Scheme	R8,195,333.54	Detailed designs stage at 85 %
9	Ga Ratau, Makgeru and Matekane.	R 1,107,009.40	Casting of concrete for Scour inlet and outlet 70% 300 metered standpipes complete.
10.	Motlailana and Makgemeng Water Supply	R3,573,212.97	Motlailana Village Practical completion done on the 28 September 2023
			Makgemeng Village Overall Progress = 90%
11.	Lebalelo South connector pipes and reticulation	R0.00	**<u>Bulk Pipelines</u>** **The overall progress is at 98%.** System 1 – 84.39km of Bulk pipeline constructed. Contractor to Finalize the outstanding pipework, installation of Valve chambers and pipe testing – **Physical Progress = 99%** System 2 – 93.6km of Bulk pipeline constructed, one Steel tank erected, currently busy with the erection of Valve chambers –**Physical Progress = 98.5%** System 3 - 35km of Bulk pipeline constructed, Two Steel tanks erected and valve chambers completed. Project practically completed- **Physical Progress 100%.** **<u>Reticulation</u>.** **<u>The overall progress is at 99%.</u>**

			System 1 – 87km of reticulation constructed including water meters- **Physical Progress 100%.** System 2 – 118km of reticulation network constructed, currently busy with the installation of the water meters and standpipes **–Physical Progress 99%.** System 3 - 15km of reticulation network constructed, contractor is currently busy with the erection of standpipes. **–Physical Progress 99%** **Reservoir** **The overall progress is at 95%.** Package A All platforms completed. No reservoir erected. Physical **progress is at 88%.** Package B All the 5 steel tanks have been erected, only the connections, pumps and Fencing is still outstanding. **Physical progress is at 99%.** Package C All 6 steel tanks have been erected and fencing is completed. Project practical completed. **Physical progress is at 99%.**
12	Ga-Mogashoa (Senkgapudi) and Ga-Mogashoa (Manamane) Water Reticulation	R1 500 280.32	**71.3km pipeline constructed.** Currently there are no activities on site. **Overall progress 98%**
			28.8 kilometres of pipeline constructed. Project has reached practical completion stage. **Overall progress is at 99%**
13	NSD07 Regional Water Scheme Construction of Concrete Reservoirs	R0.00	**0km pipeline constructed and 0 reservoir completed**. **Overall progress at 48%.** Platform preparations completed, installation of drainage pipes completed, cast-in pipes completed, the reinforcement of the ring beam completed and the casting of concrete for the ring beam is completed, casting of floor no-fines completed and the floor reinforcement underway
			0.1 km pipeline constructed. **Overall progress at 70%.** Senkgapudi: ring beam,floor slab completed and 50% of steel & shuttering is completed. Manamane: ring beam and floor slab completed, the removal of the excessive soil material is almost complete, steel fixing and formwork of first lift completed for Senkgapudi reservoir completed
14	PMU OVERHEADS	R16,303,553.82	Ongoing administration

	TOTAL	**R373,623,521.94**

R20 099 813,21 = (ACCRUALS)

WATER SERVICES INFRASTRUCTURE GRANT

NO	PROJECT NAME	EXPENDITURE	ACTUAL PROGRESS
1	Tukakgomo water Supply Phase V	**R2 203 688,87**	Site establishment at 100%, construction of rising main at 100%, Refurbishment of abstraction at 100%, Refurbishment Water source development at 100% and meter installation at 0%. **Overall progress at 85%**
2	Maebe Water Intervention Project-Phase V	**R15 299 265,86**	**Overall progress is 85%** Install submissible pumps 70% Galvanised steel pipe 100% Palisade fence 100%. Pump houses 75%. Installation of RO Plant 80%
3	Phokwane / Brooklyn Water Supply	R 0	Project on adjudication stage.
4	Mabulela Water Supply	**R1 173 454,69**	Site establishment is at 100%, Borehole drilling and testing is at 100%. Borehole equipping is at 100%, Construction of 0.5km is at 100% and installation of 2*10kl elevated steel tank is at 100%. **Overall Progress is at 100%**
5	Legolaneng 440 VDIP Toilets	**R4 450 810,50**	Site establishment is at 100%. Ground Water Protocol is at 100%. Excavation of the 440 VIDP Toilets pit is at 100%.

			Pit lining of the 440 VIDP Toilets is at (100%). Installation of the top toilet super structures is at (100%) **Overall Progress is at 100%**
6	Nkosini Water Supply	**R4 359 137,52**	Site establishment is at 100%, Package plant at 15%, Reticulation network at 80%, Steel Tank works at 90% and Telemetric at 0%. **Overall progress at 68%**
7	Rutseng Water Intervention	**R1 308 967,08**	Site establishment is at 100%, Construction of bulk pipeline is at 100%, Construction of the reinforced concrete wall at abstraction100%, sealing of the leaks on the existing concrete reservoir 100%. Project reached practical completion stage. **Overall progress at 100%**
8	Commissioning of Moutse bulk pipeline	**R0**	100% inception report 90%condition Assessment and system inspections
9	Ga-Marishane Village Water Supply	**R652 436,21**	Tender closed on the 02 May 2024. Currently at Bid Evaluation stage
10	Laersdrift Water Supply	**R5 056 184,12**	Site establishment is 100%. Construction of 80kl elevated steel tank at 0%, refurbishing of boreholes 100%, constructing of 11.6km of reticulation pipeline at 60% and 810 house connections at 0%. **Overall Progress at 54%**
11	Eenzaam water supply (Work Package 1)	**R0.00**	Project currently at planning/design stages Sub consultant conducting specialized services are on site to finalise data required for final designs

12	Kgotlopong water supply (Work Package 1)	**R1 254 272,46**	Project currently at planning/design stages DWS has transferred to SDM the amount incurred under expenditure Sub consultant conducting specialized services are on site to finalise data required for final designs
13	Uitspanning Water Intervention Ph4	**R255 463,08**	Progress at 100%, retention paid out.
	TOTAL	**R36 013 680,39**	

REGIONAL BULK INFRASTRUCTURE GRANTS

PROJECT NAME	EXPENDITURE TO DATE	PROGRESS TO DATE
Mooihoek bulk water supply phase 4G1.1	**R43 414 782,48**	**Physical progress on site is 82%.** 2980m/3000m length of pipeline laid. (Pressure testing 87%, bridge crossing 100% and Manholes 80%.)Fittings to manholes 0% Package Plant at Mooihoek WTW 98% Complete. Contractor busy with final earthworks and connections to main plant.
Mooihoek bulk water supply phase 4G1.2	**R1 602 209,31**	4,7 km pipeline constructed. Overall progress 100%. Project on 12 months liability period.
Mooihoek bulk water supply phase 4G2	**R2 401 962,50**	4,9km of bulk water supply pipeline constructed in Alverton. 500KL Concrete reservoir in Alverton completed and tested for KL Concreteness. Overall progress at 100%. Project on 12 months liability period.
Nebo BWS Makgeru to Schooncord BWS	**R2 392 040,51**	23,2km of bulk pipeline completed at 97% 10ML reservoir structure completed, only water tightness testing outstanding at 99%

		Contractor completed the T-off connection to the mainline from Malekana WTW, busy with T-off to Makgeru on gravity. **Overall project progress at 97%**
Nebo Commission Jane Furse Pipeline	**R1 885 670,35**	Inception report by appointed consultant approved by SDM and payment processed.
Moutse BWS Project 13 & 14	**R255 876,30**	Clarifier completed. Raw water pumps are in for repairs Clear water tank has been aligned Overall progress at 92%
Moutse BWS Project (7 to 12)		Testing complete Engineer to issue completion certificate for project 12 Overall progress 98%
TOTAL	**R51 952 541,45**	

3.3. SANITATION SERVICES PROVISION

The Sanitation -Ventilated improved double Pit-latrine (VIP) infrastructure backlog was reduced by 774 in 2022/23 financial year. In 2023/2024 440 (VDIP) sanitation units were constructed.

3.4 MUNICIPAL HEALTH SERVICES 2023 / 2024 SUMMATIVE STATISTICS

Section 24 of the Constitution of RSA Act 108 of 1996 states that everyone has a right to an environment that is not harmful to their health or well-being. The Constitution allocates Municipal Health Services (MHS) as a Local Government function under section 156(1) (a) and Part B of Schedule 4. Section 237 provides that all Constitutional obligations must be performed diligently and without delay.

MHS functions are performed by professionals who register with the Health Professions Council of South Africa (HPCSA). The Health Professions Act, 1974 (Act no 56 of 1974) states that:

All health professionals required to register as provided for in section 17 of the Act, should register to be able to practice.
Only Environmental Health Practitioners registered with HPCSA and in good standing can be appointed to serve a Municipality in section 80 of the National Health Act of 2003.

ENVIRONMENTAL HEALTH

No	Component	Activities		Challenges	Remedial Action
1	Food safety control	1506 food premises were evaluated.	1089 premises complied while 430 were non-compliant.	Premises contravening legislation.	Issued fines and notices to deter non-compliance.
		167 certificates were issued to complying premises.		None.	None.

		5599 unsound chicken pieces, 2 bovine carcasses, 117,98 litres milk, and 12,1 tons foodstuff were condemned.		Fridge failure resulting in spoilage.	Food stuff condemned and properly disposed off.
2	Health Surveillance of Premises	1509 premises were evaluated for compliance with minimum health requirements.	1404 were complying and 105 were non-compliant.	Premises contravening legislation.	Issued fines and notices to non-compliant premises
		348 Health Certificate issued		None	None
3	Surveillance and prevention of contagious diseases.	6 Cases of Food poisoning investigated. 101 Awareness campaigns for prevention of Communicable diseases conducted on Food Safety		Communities lack information to make informed decisions.	Continuous health education
4	Vector control	1506 Premises inspected for effective abatement and control of vectors.	1087 were complying and 413 were found non-compliant.	None	None
5	Disposal of the dead	118 Funeral undertakers' premises were evaluated.	116 premises complied while 2 were non-compliant. .	Premises contravening legislation.	Issued notices and fines.
		7 Certificates of Competency were issued			

6	Chemical Safety	308 Chemical handling facilities were inspected.	295 premises complied while 13 were non-compliant. .	Premises contravening legislation.	Issued notices and fines.

ENVIRONMENTAL MANAGEMENT

No	Activity	Progress	Challenges	Remedial actions
1	Atmospheric Emission Licence (AEL)	6x AELs applications on the system 1 AEL issued to Tubatse Chrome. 1x AEL issued (Annesley Andalusite) Processing 1 from Glencore 4 sent back (Duho drying, Tubatse Alloys, Annesley Andalusite and Loge Asphalt	Facilities not returning applications in time after being sent back for amendment	Follow-up all the facilities where applications were sent back
2	Reporting	10 National Atmospheric Emission Inventory System (NAEIS) reports submitted on the system. 5 quarterly compliance reports were submitted by facilities.	None	None
3	Awareness Campaigns and	28 x Air Quality Awareness Campaigns were conducted.	None	Ongoing awareness campaign

	community outreach	Earth programme award ceremony was attended and education on waste management was imparted to school representatives.	Poor waste management	Educate communities about importance of waste Management
		53 indigenous trees were planted at two waste disposal sites namely 4 landfill sites and Hlogotlou transfer station to reduce carbon footprint and progressively rehabilitate the sites.	Prevalence of carbon emissions	Plant more trees when available
		1 Awareness campaign on conservation and protection of Sehlakwana wetland		
		3X Environmental awareness campaign on waste separation and recycling were held at Tafelkop and Phaahlamanoge. Tree planting at Makhuduthamaga	Waste dumping and littering	Educate communities to separate waste to ease illegal dumping
		3 Awareness on waste management and 2 clean-up campaigns conducted	Waste dumping and littering.	Educate communities about waste management practices.
4	Ambient Air Quality Monitoring station	Analysers operational 41 station visits conducted. Back-up system for power outage installed	Analysers are old. Loss of data due to loadshedding	Procurement of new analysers Assessment for power utilisation of the station conducted for the purpose of solar panels installation

5	Monitoring of medical waste management	101 health care premises generating risk waste were evaluated. 6X hospitals namely Dilokong, Philadelphia, Groblersdal, Jane Furse, Mecklenburg and Matlala	None All facilities did not comply with waste management legislations.	None Engaged officials responsible for waste management to adhere to sound waste management practices.
6	Compliance monitoring	7x Air Quality management compliance monitoring	2 Facilities operating without permits	Section 22A of NEMAQA notice issued.
		7 Environmental management inspections at Agrochemical facilities were done in collaboration with LEDET and DFFE.	All facilities did not comply.	Compliance notices issued.
		12 Facilities audited on National Atmospheric Emission Inventory System (NAEIS)	9 facilities have passed, and 3 failed	Awaiting resubmission from failed facilities
		Extensive waste dump next to a farm at Leeuwfontein was identified. Dumping of sewage effluent was inspected at an open field Moretsele village	Scattered litter Land pollution	Engaged Ephraim Mogale LM and community for a clean-up. Issue non-compliance notice and a fine.
		22X schools were inspected for management of waste within their premises and 3 found to be in non-compliance	Waste burning and littering.	To encourage schools to separate waste for recycling.

7	Clean up campaign	1x Waste dumping at Leeuwfontein was cleaned in collaboration with Ephraim Mogale LM and 250 refuse bags utilised for collection. 1x clean-up campaign at Monsterlus. 1x Clean-up campaign and tree planting during Arbor celebrations was held at Ditwebeleng village. 68 refuse bags and 56 bags of recyclable waste were collected.	Extensive waste dumping	To engage community members to develop a park.
8	Landfill site inspection	15x Landfill sites inspections to monitor compliance with permit conditions	Lack of water quality testing in all facilities. Ineffective waste compaction and no fencing	Continue inspecting landfill sites for compliance and issue notices
9	Waste recycling	1x Waste recycling forum meetings for EMLM. 3x meetings for Ephraim Mogale recycling forum	Waste dumping and littering	Coordination of environmental issues across the district
		553 kg of waste was collected for processing by waste picker at SDM Bareki Mall.	Lack of recycling bins at premises	Avail recycling bins
10	Waste transport permits	85 x Waste transportation inspection conducted, and permit issued.	None	None

3.5 EMERGENCY MANAGEMENT SERVICES 2023 / 2024 SUMMATIVE STATISTICS

3.5.1. FIRE AND RESCUE OPERATIONS

Station	Incident	1St Q	2ND Q	3RD Q	4th Q	TOTAL
AB Sikhosana Fire Station (Elias Motsoaledi L.M)	Structural Fire	4	6	11	7	28
	Veld Fire	20	2	2	29	53
	Motor Vehicle Crashes	27	20	7	14	68
	Vehicle Fire	1	0	0	0	1
	Hazmat Response	0	0	0	0	0
	Special Service	0	3	6	6	15
Ephraim Mogale Fire Station (Ephraim Mogale L.M)	Structural Fire	6	6	2	4	18
	Veld Fire	6	0	1	3	10
	Motor Vehicle Crashes	6	12	6	6	30
	Vehicle Fire	0	0	0	0	0
	Hazmat Response	0	0	0	0	0
	Special Service	1	0	2	0	3
Makhuduthamaga Fire Station (Makhuduthamaga L.M)	Structural Fire	7	1	3	7	18
	Veld Fire	3	0	0	17	20
	Motor Vehicle Crashes	5	6	4	4	19

	Vehicle Fire	0	0	0	0	0
	Hazmat Response	0	0	0	0	0
	Special Service	0	2	1	3	6
TM Nchabeleng Fire Station (Fetakgomo Tubatse L.M)	Structural Fire	7	10	12	10	39
	Veld Fire	8	1	1	4	14
	Motor Vehicle Crashes	13	10	5	12	40
	Vehicle Fire	0	0	0	0	0
	Hazmat Response	0	1	0	0	1
	Special Service	1	3	3	1	8
Mashilabele (Fetakgomo Tubatse L.M)	Structural Fire	3	2	2	5	12
	Veld Fire	1	0	1	5	7
	Motor Vehicle Crashes	1	5	3	6	15
	Vehicle Fire	0	0	0	0	0
	Hazmat Response	0	0	0	0	0
	Special Service	0	0	2	3	5
TOTAL		**120**	**90**	**74**	**146**	**430**

3.5.2. EMERGENCY MANAGEMENT SERVICES TRAINING ACADEMY 2023/2024

TRAININGS

a. During the first quarter of 2023/2024 First Aid course was facilitated
b. During second quarter of 2023/2024 Fire fighter1
c. Hazardous Material Level course during the third quarter.

3.5.3. FIRE SAFETY AND PREVENTION 2023 / 2024 SUMMATIVE STATISTICS

The annual fire safety and prevention unit summative stats on the table below cover all the twelve months proactive, preventative and mitigation approaches to ensure compliance prior construction, during construction and to existing constructions.

2023/2024 STATS

		1st Q	2nd Q	3rd Q	4th Q	TOTAL
Inspections						
Meetings		17	17	24	25	83
Reports generated	Yes(1)N/A(0)	21	32	23	16	92
Number of inspections	Request	25	21	19	22	87
	Compliant	2	13	4	0	19
	Routine	1	1	8	3	13
Type of inspection	F/L	8	12	6	6	32
	Gas	6	13	15	3	37
	Building	10	29	24	24	67
	Transport Dangerous Goods	13	1	2	1	17
	2nd hand	0	0	1	0	1
	Fire investigation	1	0	2	1	4
	F/Works	0	0	0	1	1
	Warnings	1	8	10	3	22
	COC	3	3	5	6	17
Plan review						
Reports	Yes(1)N/A(0)	15	40	38	25	118
Type of plan	F/L	0	3	0	7	10
	Gas	2	1	1	0	4

	Building	14	33	37	26	110
	F/Works	0	0	0	0	0
Approved	C(1) NYC (0)	4	15	15	22	56
Discussion						
TOTAL		**143**	**242**	**234**	**191**	**790**

3.6 DISASTER MANAGEMENT SERVICES 2023 / 2024 SUMMATIVE STATISTICS

Disaster Management is an integrated and coordinated function, that focuses on preventing and reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters, and post disaster recovery and rehabilitation.

Disaster Management is further guided by the disaster management Act 57 of 2002 as amended, as well as the disaster management framework of 2005 under the four KPA`s and three enablers, namely:

KPA 1 : **Institutional Capacity**

The main objective is to establish integrated institutional capacity within the district to enable the effective implementation of disaster risk management policies and legislations.

KPA 2 : **Disaster Risk Assessment**

The objective is to establish a uniform approach to assessing and monitoring disaster risks that will inform disaster risk management planning and reduction undertaken by disaster management within the Sekhukhune district and other role players.

District disaster risk assessment is conducted as and when disaster incident is reported, and it is through these assessments that relief is provided to the assessed disaster victims.

KPA 3 : **Disaster Risk reduction**

Disaster Management plans for Sekhukhune District Municipality were reviewed and adopted by council structures and are implemented as per each local municipality to prevent and mitigate disaster risks. The plan is serving as the guiding and coordinating policy instrument for insuring an integrated and uniform approach to disaster risk management by all organs of state and other institutional role players.

KPA 4 : **Response and Recovery**

The key objective is to ensure effective and appropriate disaster response and recovery such as:

Implementing a uniform approach to the dissemination of early warnings and implementing immediate integrated and appropriate response and relief measures when disasters occur or threatening to occur.

Enabler 1 : **Information Management and communication**

Objective: to guide the development of a comprehensive information management, communication management and communication system as well as establishing integrated communication links with all disaster management role players.

Sekhukhune district disaster management centre currently does not have communication systems in place to provide an institutional resource database, facilitate information, and provide risk analysis for disaster risk assessments and mapping for the district.

Enabler 2 : **Education, Training, Public awareness and Research.**

Objective– to promote a culture of risk avoidance among stakeholders by capacitating role players through awareness campaigns.

Enabler 3 : **Funding Arrangements**

Objective– To establish mechanisms for the funding of disaster risk management.

3.6.1. AWARENESS CAMPAIGNS

NO	VENUE	MUNICIPALITY	PROGRAMME	DATE
1.	Manotwane Clinic	FetakgomoTubatse Local Municipality	Fire Prevention Practical's	25/07/2023
2.	Matsegeng Clinic	FetakgomoTubatse Local Municipality	Fire Prevention Practical's	28/07/2023
3.	Kwarrielaagte	Elias Motsoaledi Local Municipality	Emergency Fire Prevention and Evacuation Plan	15/08/2023

4.	Schoonoord Dept. of Education (Malegale Claster)	Makhuduthamaga Local Municipality	Nutrition, Education and Fire Safety Workshop	17/08/2023
5.	Sango Home Base Care	Elias Motsoaledi Local Municipality	Disaster Risk Reduction Awareness Campaign	07/09/2023
6.	Moroke	Fetakgomo Tubatse Local Municipality	Road Safety Awareness and Education on Pedestrian Safet	15/09/2023
7.	Mountain View Sports Ground	Elias Motsoaledi Local Municipality	Disaster Risk Reduction Awareness and Education	11/10/2023
8.	Spitzpunt Clinic	Ephraim Mogale Local Municipality	Emergency Evacuation Plan and Fire Prevention	18/10/2023
9.	Marble Hall N-11	Ephraim Mogale Local Municipality	Disaster Risk Reduction on Road Safety awareness (NDAZI)	03/11/2023
10.	Dept. of Public Works	Fetakgomo Tubatse Local Municipality	Disaster Risk Reduction Awareness on Fire Safety	08/11/2023
11.	Witfontein Clinic	Ephraim Mogale	Emergency Evacuation plan and Fire Prevention	07/12/2023
12.	Apel-Cross Junction	Makhuduthamaga Local Municipality	Disaster Risk Reduction of Road Safety Campaign	12/12/2023
13.	Apel- Cross Junction	Makhuduthamaga	District road safety awareness campaign Festive Season Arrive Alive	08/01/2024
14.	Marblehall N11	Ephraim Mogale	District road Safety awareness Campaign/NDAZI operation	26/01/2024
15.	Motetema Clinic	Elias Motsoaledi	Emergency evacuation and Fire Prevention	21/02/2024
16.	Marulaneng Clinic	Ephraim Mogale	Emergency evacuation and Fire Prevention	28/02/2024

17.	Atok	Fetakgomo Tubatse	District road Safety awareness campaign for Easter Arrive Alive	28/03/2024
18.	Apel- Cross	Makhuduthamaga	District road Safety awareness campaign for Easter Arrive Alive	31/03/2024
19.	Matsepe Clinic	Elias Motsoaledi	Fire prevention and Emergency evacuation	17/04/2024
20.	Moeding Clinic	Ephraim Mogale	Fire prevention and emergency evacuation	26/04/2024
21.	Uitkyk(Stoffburg)	Elias Motsoaledi	Awareness campaign on Veldt fires	20/05/2024
22.	Mmotoaneng Clinic	Ephraim Mogale	Fire prevention and emergency evacuation	24/05/2024

DISASTER MANAGEMENT RELIEFS

FETAKGOMO TUBATSE -LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
1.	Patric Khoza	01	Orghisdad	Structural Fire	Not yet legally determined	02 Blankets 01 Sponge	Relief provided by local municipality	0824474619	01 room shack burned
2.	Mamorake Mamsy Sikhwae	05	Leboeng Makgalane	Structural Fire	Not yet legally determined	08 Blankets 04 Sponges	Relief provided by local municipality	0824474619	01 room of RDP house caught fire
3.	Kabishi Elmon Tselane	08	Ga Selala	Structural Fire	Not yet legally determined	16 Blankets 08 Sponges	Relief provided by local municipality	0824474619	07 roomed house caught fire, only 01 room affected

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
4.	Marcus Mosoma	02	Ga-Mashamothana	Structural Fire `	Not yet legally determined	06 Blankets 02 Sponges	Relief provided by local municipality	0824474619	04 roomed house caught fire, only 01 room affected
5.	Elias Tjie	02	Driekop (Ga-Ragopola)	Structural Fire	Not yet legally determined	04 Blankets 02 Sponges	Relief provided by local municipality	0824474619	01 room house and caught fire
6.	Mmagale Pitsi	03	Ga-Kgoete Village	Structural Fire	Not yet legally determined	06 Blankets 03 Sponges	Relief provided by local municipality	0824474619	03 roomed house caught fire
7.	Prince Komane	04	Tukakgomo Village	Structural Fire	Not yet legally determined	08 Blankets 04 Sponges	Relief provided by local municipality	0824474619	O1 room shack caught fire
8.	Christinah Makgokga	04	Ga-Mashamothana	Structural Fire `	Not yet legally	08 Blankets 04 Sponges	Relief provided by	0648422994	02 roomed house caught fire

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
					determine d		local municipality		
09.	Maggy Phasha	06	Ga-Phasha Selatole	Structural Fire	Not yet legally determine d	12 Blankets 06 Sponges	Relief provided by local municipality	0637891176	06 roomed house caught fire
10.	Japhta Papi Mashilo	07	Makgemeng Village	Structural Fire	Not yet legally determine d	14 Blankets 07 Sponges	Relief provided by local municipality	0796265036	04 roomed house caught fire
11.	Olga Madime	05	Bothashoek – Dithabaneng	Structural Fire	Not yet legally determine d	10 Blankets 05 Sponges	Relief provided by local municipality	0769401701	07 roomed house caught Fire
12.	Maroga Keletso	03	Ga Maroga Village	Structural Fire	Not yet legally determine d	06 Blankets 03 Sponges	Relief provided by local municipality	0662837975	06 roomed house caught fire

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
13.	Pinky Hilda Malepe	05	Leboeng	Structural Fire	Not yet legally determined	10 Blankets 05 Sponge	Relief provided by local municipality	0826066716	02 room shack caught fire
14.	Ronald Magabe	03	Ga-Manoke	Structural Fire	Not yet legally determined	04 Blankets 02 Sponges	Relief provided by local municipality	0764658584	04 roomed house caught fire
15.	Elvis Moeng	02	Ga Maroga	Structural Fire	Not yet legally determined	04 Blankets 02 Sponges	Relief provided by local municipality	0636217487	02 roomed house caught fire
16.	Tiny Sekome	05	Praktiseer	Structural Fire	Not yet legally determined	10 Blankets 05 Sponges	Relief provided by local municipality	0824474619	02 room of RDP house caught fire
17.	Lettie Sefohlane	07	Ga Magopola (Thabaneng Section)	Structural Fire	Not yet legally	14 Blankets 07 Sponges	Relief provided by	0824474619	04 room house caught fire

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
					determined		local municipality		
18.	Shirley Morema	05	Riba-Cross	Structural Fire	Not yet legally determined	08 Blankets 05 Sponges	Relief provided by local municipality	0764382685	07 roomed house caught fire
19.	Deborah Mosoma	01	Ga-Kgwete	Structural Fire	Not yet legally determined	02 Blankets 01 Sponge	Relief provided by local municipality	0821767068	01 roomed house caught fire
20.	Hellen Malatji	04	Riba Cross	Storm	Natural	No relief material provided	No relief material provided	0673020860 0792836274	62 roomed house blown away
21.	Dorothy Maphanga	02	Atock Machakaneng	Structural Fire	Not yet legally determined	No relief material provided	No relief material provided	0824474619	02 room house caught fire

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
22.	Masha Phillistus	04	Ga- Masha	Structural Fire	Not yet legally determined	No relief material provided	No relief material provided	0824474619	Garage caught fire
23.	Nhlanhla Nzimande	05	Ga- Maroga Moeng Section	Structural Fire	Not yet legally determined	No relief material provided	No relief material provided	0646171167	01 roomed shack caught fire
24.	Padisho Mabilu	07	Ga- Makgopa Village	Structural Fire	Not yet legally determined	No relief material provided	No relief material provided	0824474619	06 roomed house caught fire
25.	Mogoba Monicca	03	Ga- Matebane	Structural Fire	Not yet legally determined	06 sponges	Relief provided by local municipality	0794874393	01 roomed shack caught fire
26.	Herry Mabilu	02	Mahlashi Village	Storm	Natural	No relief material provided	No relief material provided	0824474619	01 roomed house blown away

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
27.	Agnes Mosoma	04	Mahlashi Village	Storm	Natural	No relief material provided	No relief material provided	0824474619	02 roomed house blown away
28.	Moriri Baratang	05	Mahlashi Village	Storm	Natural	No relief material provided	No relief material provided	0824474619	05 roomed house blown away
29.	Widney Mahlaku	04	Mahlashi Village	Storm	Natural	No relief material provided	No relief material provided	0824474619	05 roomed house blown away
30.	Thabang Motswane	05	Praktiseer-Segorong	Structural Fire	Not yet legally determine d	05 sponges	Relief provided by local municipality	0648182167	01 roomed shack caught fire
31.	Rassie Mosoma	05	Makgemeng village	Storm	Natural	05 sponges 05 blankets	Relief provided by local municipality	0824474619	02 roomed house blown away

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
32.	Dolly Malatjie	02	Sehuntane village	Storm	Natural	No relief provided	No relief provided	0649352945	RDP house blown away by storm and family recovered
33.	Lucas Maroga	07	Legabeng	Structural fire	Not yet legally determined	14 blankets 07 sponges	Relief provided by local municipality	0824474619	1 room of a 3 roomed house caught fire
34.	Betha Thobejane	03	Magobading Village	Storm	Natural	03 blankets	Relief provided by local municipality	0824474619	1 roomed shack blown away
35.	Beauty Maphori	02	Magobading Village	Storm	Natural	03 blankets	Relief provided by local municipality	0798602688	2 roomed shack blown away

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
36.	Marry Moagi	04	Magobading Village	Storm	Natural	04 blankets	Relief provided by local municipality	0724043434	1 roomed shack blown away

N	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
37.	Alfred Moraba	03	Magobading Village	Storm	Natural	No relief provide	No relief provided	0824474619	1 roomed shack blown away, family recovered
38.	Letty Phasha	06	Magobading Village	Storm	Natural	No relief provided	No relief provided	0663692268	2 rooms of a 4 roomed shack blown away by storm, family recovered

N	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
39.	Minky Matlakala	03	Moroke village	Storm	Natural	No relief provided	No relief provided	0711619277	2 roomed shack blown away by storm, family recovered
40.	Thabang Nkoana	01	Magobading Village	Storm	Natural	02 blankets	Relief provided by local municipality	0824474619	2 roomed shack blown away by storm
41.	Tiky Mahlangu	05	Magobading Village	Storm	Natural	05 blankets	Relief provided by local municipality	0824474619	1 roomed shack blown away by storm
42.	Selinah Maebane	09	Magobading Village	Storm	Natural	07 blankets	Relief provided by local municipality	0824474619	1 roomed shack blown away by storm
43.	Jeanet Mashabela	05	Magobading Village	Storm	Natural	05 blankets	Relief provided by	0637948062	1 roomed shack blown away

N	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
							local municipality		
44.	Busy Moela	04	Magobading Village	Storm	Natural	04 blankets	Relief provided by local municipality	0824474619	2 roomed shack blown away by storm.
45.	Mametja Christinah	05	Magobading Village	Storm	Natural	05 blankets	Relief provided by local municipality	0824474619	1 room of a 3 roomed shack blown away by storm
46.	Rebotile Makola	05	Magobading Village	Storm	Natural	05 blankets	Relief provided by local municipality	0824474619	1 roomed shack blown away by storm.
47.	Mokgadi Phasha	06	Seokodibeng	Structural fire	Not yet legally determined	12 blankets 06 sponges	Relief provided by local municipality	0729033467	3 roomed shack caught fire

N	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
48.	Makola Tryphinah	02	Magobading Village	Storm	Natural	03 blankets	Relief provided by local municipality	0824474619	1 roomed shack blown away by storm
49.	Mogoba Frans	03	Mohlaletse Village	Structural fire	Not yet legally determine d	Relief provided by district municipality	06 blankets 03 sponges	0842202891	3 rooms of a 5 roomed house caught fire

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
50.	Alfred Moraba	03	Magobading Village	Storm	Natural	No relief provide	No relief provided	0824474619	1 roomed shack blown away, family recovered

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
51.	Letty Phasha	06	Magobading Village	Storm	Natural	No relief provided	No relief provided	0663692268	2 rooms of a 4 roomed shack blown away by storm, family recovered
52.	Minky Matlakala	03	Moroke village	Storm	Natural	No relief provided	No relief provided	0711619277	2 roomed shack blown away by storm, family recovered
53.	Thabang Nkoana	01	Magobading Village	Storm	Natural	02 blankets	Relief provided by local municipality	0824474619	2 roomed shack blown away by storm
54.	Tiky Mahlangu	05	Magobading Village	Storm	Natural	05 blankets	Relief provided by local municipality	0824474619	1 roomed shack blown away by storm

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
55.	Selinah Maebane	09	Magobading Village	Storm	Natural	07 blankets	Relief provided by local municipality	0824474619	1 roomed shack blown away by storm
56.	Jeanet Mashabela	05	Magobading Village	Storm	Natural	05 blankets	Relief provided by local municipality	0637948062	1 roomed shack blown away
57	Busy Moela	04	Magobading Village	Storm	Natural	04 blankets	Relief provided by local municipality	0824474619	2 roomed shack blown away by storm.
58..	Mametja Christinah	05	Magobading Village	Storm	Natural	05 blankets	Relief provided by local municipality	0824474619	1 room of a 3 roomed shack blown away by storm
59.	Rebotile Makola	05	Magobading Village	Storm	Natural	05 blankets	Relief provided by	0824474619	1 roomed shack blown away by storm.

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
							local municipality		
60.	Mokgadi Phasha	06	Seokodibeng	Structural fire	Not yet legally determined	12 blankets 06 sponges	Relief provided by local municipality	0729033467	3 roomed shack caught fire
61.	Makola Tryphinah	02	Magobading Village	Storm	Natural	03 blankets	Relief provided by local municipality	0824474619	1 roomed shack blown away by storm
62.	Mogoba Frans	03	Mohlaletse Village	Structural fire	Not yet legally determined	Relief provided by district municipality	06 blankets 03 sponges	0842202891	3 rooms of a 5 roomed house caught fire
63.	Dolly Mosoma	02	Maahlashi village	Structural fire	Not yet legally determined	04 blankets 02 Sponges	Relief provided by local municipality	0824474619	3 roomed house caught fire

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
64.	Joyce Phasha	04	Mashagosebo-Nokaneng	Structural fire	Not yet legally determined	No relief provided	No relief provided	0824474619	2 roomed shack caught fire, family recovered.
65.	Francina Mashweu	04	Riba -Cross Stasie	Structural fire	Not yet legally determined	08 blankets 04 Sponges	Relief provided by local municipality	0824474619	2 roomed house caught fire
66.	Mmapule Shai	06	Madubeng Village	Structural fire	Not yet legally determined	12 blankets 06 Sponges	Relief provided by local municipality	0798887246	5roomed house caught fire
67.	Moses Nkosi	02	Atok Matjakaneng Section	Structural fire	Not yet legally determined	No relief provided	No relief provided	0824474619	2 roomed house caught fire, family recovered.
68.	Solly Mohlala	02	Kgautswana	Structural fire	Not yet legally	No relief provide	No relief provided	0824474619	1 roomed shack caught fire, family recovered

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
					determine d				
69.	Elmon Mdebele Tebele	05	Mashamothan e	Structural fire	Not yet legally determine d	10 blankets 05 sponges	Relief provided by local municipality	0824474619	08 roomed house caught fire.

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
70.	Minky Matlakala	03	Moroke New Stands	Structural fire	Not yet legally determine d	06 blankets 03 sponges	Relief provided by local municipality	0711619277	1 roomed house caught fire.

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
71.	Letty Phasha	03	Seokodibeng Village	Structural fire	Not yet legally determined	06 blankets 03 sponges	Relief provided by local municipality	0824474619	1 room of a 4 roomed house caught fire.
72.	Albert Masemola	03	Ditwebeleng	Structural fire	Not yet legally determined	06 blankets 03 sponges	Relief provided by local municipality	0824474619	1 room of a seven roomed house caught fire
73.	Sarah Lingwathi	05	Driekop mGa-Mohlophi	Structural fire	Not yet legally determined	06 blankets 04 sponges	Relief provided by local municipality	0824474619	1 room of RDP house caught fire.
74.	Mogofe Alfred	01	Mashamothane Zone 7	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0824474619	1 room of RDP house caught fire.

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
75.	Thsimanyana Makofane	06	Ga- Makofane Phefong Sec.	Structural fire	Not yet legally determined	Relief provided by District Municipality	08 Blankets 04 sponges	0720866270	RDP house caught fire completely
76.	Cristabelle Mnisi	05	Dresden Village	Structural fire	Not yet legally determined	10 blankets 05 sponges	Relief provided by local municipality	0824474619	11 roomed house caught fire completely
77.	Jan Nkuna	01	Kgautswana-Legokgwaneng Sec	Structural fire	Not yet legally determined	02 blankets 01 sponges	Relief provided by local municipality	0824474619	2 roomed mud house caught fire
78.	Soul Malebe	10	Mashifane	Structural fire	Not yet legally determined	20 blankets 10 sponges	Relief provided by local municipality	0798887246	8 roomed house caught fire

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
79.	Masango Johanna	02	Vlakfontein Village (Ward 23)	Structural Fire	Not yet legally determined	2 Blankets 1 Sponge	Relief provided by local municipality	0723310743	04 roomed house caught fire, only 01 room affected
79.	Rakgalakane Dinah	06	Sovolo Village (Ward 16)	Structural Fire	Not yet legally determined	4 Blankets 2 Sponge Food parcels and Clothes from disaster unit	Relief provided by local municipality	0791463816	08 roomed house caught fire, only 02 room affected

80.	Josephina Mahlako	04	Phudukane Village (ward 6)	Structural Fire	Not yet legally determined	6 Blankets 3 Sponges Food parcels and clothes from disaster unit Temporary tin house Wheelchair from Municipal Manager's Office	Relief provided by local municipality	0794770197	10 roomed house completely burned down

81.	Lora Mavuso	06	Masakaneng	Structural Fire	Not yet legaliy determined	4 Blankets 2 Sponges Food Parcel and Clothes from disaster unit	Relief provided by local municipalit y	0766304099	02 roomed Shack caught a fire, only 01 room affected
82.	Masombuka Lindokuhle	01	Nyakelang (Ward 27)	Structural Fire	Not yet legally determined	4 Blankets 1 Sponge	Relief provided by local municipalit y	0664669710	01 room shack completely burned down
83.	Millicent Mahladisa	05	Tafelkop Mashimong	Structural Fire	Not yet legally determined	04 Blankets 02 Sponges	Relief provided by local municipalit y	0764511488	05 roomed house caught fire, only 01 room affected

85.	Madiseng Dimakatso	04	Mpheleng (Ward 05)	Structural Fire	Not yet legally determined	02 Blankets 1 Sponge School uniform Food Parcels	Relief provided by local municipality	0726537976	02 roomed house caught fire, only 1 room affected
86.	Lehlogonolo Masimula	08	Motetema	Structural Fire	Not yet legally determined	Relief provided by District municipality	04 Blankets 03 Sponges	0729613688	08 roomed house caught fire, only a kitchen affected
87.	Kotelo David	01	ThabaKhubedu (Ward 12)	Structural Fire	Not yet legally determined	2 Blankets 1 Sponge	Relief provided by local municipality	0661625192	01 room house caught fire
88.	Mabotwane Thobejane	03	Tafelkop (Ward 26)	Structural Fire	Not yet legally determined	2 Blankets 1 Sponge	Relief provided by local municipality	0607689279	04 roomed house caught fire, only 01 room affected

89.	Petros Mashilwane	03	Moteti (ward 02)	Structural Fire	Not yet legally determined	02 Blankets 1 Sponges Food parcel	Relief provided by local municipality	0797508368	01 room shack completely burned down
90.	Fikile Maseko	06	Phuduthane Village (Ward 06)	Structural Fire	Not yet legally determined	4 Blankets 2 Sponges Food Parcel Clothes and part of School Uniform	Relief provided by local municipality	0713991660	02 roomed house caught a fire
91.	Nkadimeng Boitumelo	06	Phomola Village (Ward 22)	Structural Fire	Not yet legally determined	2 Blankets 1 Sponge Food parcel	Relief provided by local municipality	0826877310	01 room shack completely blown away by a shack

92.	Mmakola Jemie	02	Kwa-Ngolovane (Ward 07)	Structural Fire	Not yet legally determined	2 Blankets 1 Sponge Food parcel from Disaster Unit. Food parcel from SASSA.	Relief provided by local municipality	0792827388	07 roomed house caught fire, only 02 room affected
93.	Maphoso Sophie	07	Moteti C (Ward 07)	Structural Fire	Not yet legally determined	2 Blankets 1 Sponge	Relief provided by local municipality	0722439320	02 roomed house caught fire, only 01 room affected
94.	Refilwe Kgwedi	05	Dorlog Village (ward 02)	Storm	Strong Wind	Food parcel from Disaster Unit. Food parcel from SASSA	Relief provided by local municipality	0607934659	5 roomed house partially blown away by a strong wind

95.	Malesa Laiza	04	Slovo (Ward 01)	Storm	Strong Wind	Food parcel from Disaster Unit. Food parcel from SASSA	Relief provided by local municipality	0727569195	3 roomed house partially blown away by a strong wind
96.	Mokolane Paulous	06	Holmeek (Ward 15)	Structural Fire	Not yet legally determined	2 Blankets 1 Sponge	Relief provided by local municipality	0763779875	01 room shack completely burned down
97.	Mohlamonyane Matau	03	Ntwane Village (Ward 10)	Strong Wind	Storm	Plastic Sheeting	Relief provided by local municipality	0714386349	A roof of RDP house partially blown away by a strong wind.
98.	Lorraine Moroko	03	Ntwane, Lenkwaneng Village (Ward 10)	Strong Wind	Storm	Plastic Sheeting	Relief provided by local municipality	0721882887	A roof of a five roomed house partially blown away by a strong wind, only three rooms affected.

99.	Ramphisa Joyce	05	Ntwane, Lenkwaneng Village (Ward 10)	Strong Wind	Storm	Plastic Sheeting	Relief provided by local municipality	0797592161	A roof of a seven-roomed house partially blown away by a strong wind, only five rooms affected.
100.	Magame Lebo	06	Ntwane, Lenkwaneng Village (Ward 10)	Strong Wind	Storm	Plastic Sheeting	Relief provided by local municipality	0607544429	A roof of a seven-roomed house partially blown away by a strong wind, only four rooms affected.
101.	Magauta Maitse	03	Ntwane Village (Ward 10)	Strong Wind	Storm	Food parcels	Relief provided by local municipality	0763088140	A roof of a three roomed house partially away by a strong wind, only two room affected
102.	Rampisa Elsie	07	Ntwane, Lenkwaneng Village (Ward 10)	Strong Wind	Storm	Plastic Sheeting	Relief provided by local municipality	0716136827	A roof of a three roomed mud house partially blown off by a strong wind, the family has alternative accommodation

103	Madhliwa Elsie Julia	07	Moteti B	Structural fire	Not yet legally determined	Temporary shelter	Relief provided by local municipality	0795250465	01 roomed shack caught fire
104	Rapoto Hlabjago	10	Kgaphamadi Village	Heavy rain	Storm	Temporary shelter	Relief provided by local municipality	0799749432	01 room of a 02 roomed mud house collapsed.
105.	Jeffrey Setlawane	01	Mareleng Village	Structural fire	Not yet legally determined	Temporary shelter	Relief provided by local municipality	0795250465	01 roomed shack caught fire
106.	Mokone Granny	05	Ntwane village	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0761031881 0720823850	01 room of a RDP house caught fire
107.	Thipa Magreth Moitiri	03	Kgaphamadi village	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0790111061	01 room of a 07 roomed house caught fire

108.	Doris Mokhari	04	Naganeng village	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0725745649 0794639160	01 room of a 09 roomed house caught fire
109.	Mailula Moloko	01	Ntswelemotse Mpheleng village	Structural fire	Not yet legally determined	02 blankets 01 sponge Food parcels	Relief provided by local municipality	0712022205	01 roomed shack caught fire
110.	Tau Christinah	07	Ramogwerane village	Mud house collapsed	Heavy rain	Temporary shelter Food parcels	Relief provided by local municipality	0725405385 0720228089	02 bedrooms of a 05 roomed house collaped.

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
111.	Mokgadi Monageng	01	Ntwane Lesehleng	Thunderstorm	Natural	Relief provided by local municipality	02 blankets 01 sponge	0727794501 0672325905	3 roomed thatch roof house struck by lightning
112.	Sefoka Thabo	02	Tafelkop-Dipakapakeng	Structural fire	Not yet legally determined	02 blankets 01 Sponge	Relief provided by local Municipality	0790752607	1 room of a 5 roomed house caught fire.
113.	Magampa Nomsa	05	Tafelkop Stadium view	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0606808191	1 room of a 7 roomed house caught fire

114.	Mashabela Mokari	05	Maphepha village-Mogaung	Hailstorm	Natural	Food Parcels	02 blankets	0648011582 0712907462	2 rooms of a 4 roomed house blown away
115.	Radingwane Peter	05	Legolaneng Village	Hailstorm	Natural	Food Parcels	Relief provided by local municipality	0724955073	2 rooms of a 6 roomed house partially blown away.
116.	Sisko tekane	01	Legolaneng village	Hailstorm	Natural	Food Parcels	Relief provided by local municipality	0660683317 0728426364	1 roomed shack blown away

117.	Maredi Andrew	05	Legolaneng Village	Hailstorm	Natural	Food Parcels	Relief provided by local municipality	0606909355 0609397841	1 room of a 2 roomed house blown away.
118.	Mohlala Mane	09	Legolaneng Village	Hailstorm	Natural	No relief provided	No relief provided	0765095280	1 room of 8 roomed house blown away. Family recovered
119.	Mampuru Maggie	07	Legolaneng Village	Hailstorm	Natural	Food Parcels	Relief provided by local municipality	0721579684	2 roomed house blown away. Mother injured.
120.	Jane Lerobane	07	Mogaung Village	Hailstorm	Natural	Food Parcels Salvage sheet	02 blankets	0818349877	2 roomed shack blown away
121.	Portia Baloyi	02	Mogaung Village	Hailstorm	Natural	No relief provided	No relief provided	0764680104	4 roomed house completely blown away
122.	Skhosana Plaai	06	Posa Village	Hailstorm	Natural	Food Parcels	02 blankets	0790556876 0728382189	2 roomed shack blown away
123.	Mofokeng Morena P.	04	Posa Village	Hailstorm	Natural	Food Parcels Temporary shelter	02 blankets	0734335550	1 roomed shack blown away
124.	Makubung Nkote E.	03	Posa Village	Hailstorm	Natural	Food Parcels	02 blankets	0795466878	2 roomed shack blown away

125.	Moukangwe Gladys	06	Posa Village	Hailstorm	Natural	No relief provided	No relief provided	0762512740	2 rooms of 8 roomed house blown away, family recovered.
126.	Nkadimeng Elissa	02	Posa Village	Hailstorm	Natural	No relief provided	No relief provided	0796766804	1 roomed shack blown away, family recovered
127.	Lekala N. Hilda	03	Posa Village	Hailstorm	Natural	No relief provided	No relief provided	0713289681	2 roomed shack blown away, family recovered.
128.	Malaka Eunica	04	Magana go bushwa Village	Hailstorm	Natural	Relief provided by district municipality	03 blankets	0829575298 0715705621	1roomed shack blown away.
129.	Patricia Mashokoe	04	Magana go bushwa Village	Hailstorm	Natural	Food parcels Temporary shelter	03 blankets	0818483625	1 roomed shack blown away with 1 injury.
130.	Makeke Betty	07	Mandela Village	Hailstorm	Natural	No relief provided	No relief provided	0711177609	1 room of 4 roomed house blown away, family recovered

131.	Mokoena Andrew	03	Sephaku Village	Hailstorm	Natural	Relief provided by district municipality	02 blankets	0825419083	1 roomed shack blown away.
132.	Ramphisa Samuel	07	Zenzele Village	Structural Fire	Not yet legally determined	04 blankets 02 Sponges	Relief provided by local municipality	0711907668	1 room of a 4 roomed house caught fire
133.	Mashabela Concelia	03	Kgobokwane	Hailstorm	Natural	Food parcels Temporary shelter	03 blankets	0647740432 0820612595	1 roomed house collapsed.
134.	Makota Lerato	04	Kgobokwane -Latau section	Hailstorm	Natural	Food parcels	02 blankets	0822573925 0661082203	2 rooms of a 3 roomed house blown away.
135.	Mtsweni Johannes	11	Walkraal A	Hailstorm	Natural	Food parcels Temporary shelter	03 blankets	0763244713 0761184821	3 roomed shack blown away.
136	Rebotile Mathibeng	03	Masakaneng	Hailstorm	Natural	Relief provided by district municipality	03 blankets	0728859925	2 rooms of a 5 roomed house blown away

137	Gloria Nkosi	07	Masakaneng	Hailstorm	Natural	Relief provided by district municipality	02 blankets 04 sponges	0714979365	4 rooms of a 7 roomed house blown away
138.	Lekola Linah M.	05	Khaphamadi village ward 3	Storm	Natural	Food Parcels	Relief provided by local municipality	0665233392	1 roomed shack blown away.
139.	Radingwane Motubatse	01	Stadium view	Structural fire	Not yet legally determined	02 blankets 01 sponge Food parcels	Relief provided by local municipality	0822895231	1 roomed shack caught fire.

EPHRAIM MOGALE LOCAL MUNICIPALITY

No	**Name and Surname**	**Family members**	**Village/Ward**	**Type of Incident**	**Cause of incident**	**Relief Provided local Mun**	**Relief provided District Mun**	Contact number	FINDINGS
140.	Kwakwa Sengema Johannes	01	Uitvlugh	Structural fire	Not yet legally determined	2 Blankets 1 Sponge	Relief provided by	0715678197	An RDP House caught fire, only

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
							local municipality		one room affected
141.	Mogaladi Francina	08	Klopper	Structural fire	Not yet legally determined	05 Blankets	Relief provided by local municipality	0715678197	06 roomed house caught fire, only one room affected
142.	Vinolia Masheanyane	04	Moganyaka	Structural fire	Not yet legally determined	04 Blankets 02 Sponges 1 Tin house	Relief provided by local municipality	0829689237	04 roomed house caught fire, only 1 room affected
143.	Foster Solly Tlaka	04	Makgatle village	Strong wind	Storm	02 blankets	Relief provided by local municipality	0799848097	One room of a two roomed house blown away
144.	Rhina Seage Kopane	04	Leeuwfontein Mshongoville	Structural fire	Not yet legally determined	03 blankets	Relief provided by local municipality	0648292699	One roomed shack caught fire

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
145.	Mampana Ephraim	01	Leeuwfontein	Structural fire	Not yet legally determined	03 blankets	Relief provided by local municipality	0648292699	One roomed shack caught fire
146.	Moswathupa Nancy	01	Makgatle village	Storm	Natural	No relief provided by Local Municipality	No relief provided by District Municipality	0724402070	1 roomed shack blown away, family recovered.
147.	Monama Makgale Johannes	04	Makgatle Village	Storm	Natural	02 blankets	Relief provided by Local Municipality	0725475257	02 rooms of a 04 roomed house affected by storm.

EPHRAIM MOGALE LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
148.	Riba Collen	03	Leeuwfontein	Structural fire	Not yet legally determined	03 blankets	Relief provided by local municipality	0712254016	1 room of RDP house caught fire
149.	Monama Makgale Johannes	04	Mamphokgo	Storm	Natural	02 blankets	Relief provided by local Municipality	0725475257	2 rooms of a 4 roomed house blown away by storm

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
150.	Mogajane Jonas Mokotedi	03	Keerom	Storm	Natural	03 blankets	Relief provided by local municipality	0760942500	4 roomed house blown away.
151.	Mashiloane John	04	Mmotwaneng	Storm	Natural	Temporary shelter	Relief provided by local municipality	0827011159	2 roomed house collapsed.
152.	Maile Kabelo	04	Mmotwaneng	Storm	Natural	02 blankets Temporary shelter	Relief provided by local municipality	0715678197	1 roomed house blown away and collapsed.
153.	Makweng Jankey	01	Klopper	Storm	Natural	02 blankets	Relief provided by local municipality	0647768089	2 roomed house blown away
154.	Tibane Lindiwe	07	Dichoeung	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0761487541	1 room of RDP house caught fire

155.	Malapane Klaas	01	Klopper	Storm	Natural	02 blankets	Relief provided by local municipality	0765592100	4 roomed house partially blown with 2 rooms affected
156.	Matlala Daisy	03	Klopper	Storm	Natural	03 blankets	Relief provided by local municipality	0637526099	4 rooms of 8 roomed house blown away.
157.	Maibelo Tukelo Martha	05	Klopper	Storm	Natural	02 blankets	Relief provided by local municipality	0768404209	2 roomed shack blown away
158.	Mahlakola Doris	05	Klopper	Storm	Natural	02 blankets	Relief provided by local municipality	0636700039	1 roomed shack blown away
159.	Maluleka Maria Anna	05	Malebisa	Structural fire	Not yet legally determined	04 blankets 02 sponges	Relief provided by local municipality	0792682401	2 roomed shack caught fire

MAKHUDUTHAMAGA LOCAL MUNICIPALITY:

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
160.	Lipson Malaka	01	Leeukraal	Storm	Natural	Temporary Shelter	Relief provided by local municipality	0822399231	One room shack blown away by a storm
161.	Isaac Maputi Matladi	01	Leeukraal	Storm	Natural	Temporary Shelter	Relief provided by local municipality	0791665485	Three room shack blown away by thunderstorm
162.	Kenneth Mampuru	01	Mamone	Structural Fire	Not yet legally determined	03 blankets	Relief provided by local municipality	0729345743	Five roomed house caught fire, only one room affected
163.	Jerry Komane	01	Leeukraal	Storm	Natural	Temporary Shelter	Relief provided by local municipality	0765255863	One room shack blown away by a storm
164.	Mapule Makua	03	Leeukraal	Storm	Natural	Temporary Shelter	Relief provided by local municipality	0665499956	Two room shack blown away by a storm

165.	Rampedi Dolly	05	Leeukraal	Storm	Natural	Temporary Shelter	Relief provided by local municipality	0713972836	Three room shack blown away by a storm
166.	Matladi Josephina	06	Leeukraal	Storm	Natural	Temporary Shelter	Relief provided by local municipality	0827618814	Two room house blown away by a storm
167.	Joyce Ncube	08	Leeukraal	Storm	Natural	Temporary Shelter	Relief provided by local municipality	0728279730	Two room house blown away by a storm
168.	Mokgaditsi Francinah	09	Mamatjekele Ga-Phaahla	Structural Fire	Not yet legally determined	Temporary Shelter	Relief provided by local municipality	0663404441	A mud house collapsed
169.	Matenche Linky	05	Kotsiri New Stand	Structural Fire	Not yet legally determined	10 blankets Temporary Shelter	Relief provided by local municipality	0767035057	Three roomed house caught a fire
170.	Nkotsana Lorina Ntjana	03	Madibong-Landfill Site	Structural Fire	Not yet legally determined	Blankets 06 Sponges 01	Relief provided by local municipality	0797212293	02 roomed Zinc house caught Fire

MAKHUDUTHAMAGA LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
171.	Mankwana Remolwetsi Maria	02	Mogorwane	Structural fire	Not yet legally determined	04 blankets 02 sponges	Relief provided by local municipality	0715468961	I room of a 6 roomed house
172.	Nkadimeng Matau Rebecca	03	Madibong	Structural fire	Not yet legally determined	06 blankets 03 sponges	Relief provided by local municipality	0608157368	5 roomed house caught fire
173.	Moswathupa Paulinah	02	Kgarethuthu	Storm	Natural	02 blankets	Relief provided by local municipality	0799225875	3 roomed house blown away.
174.	Evah Madinoge Mamaile	05	Mathebemg Marolo	Storm	Natural	3 blankets 02 sponges Temporary shelter	Relief provided by local municipality	0769397169	1 roomed shack blown away.

175.	Komana Bethuel	02	Mathebeng Marolo	Storm	Natural	02 blankets 01 sponge	Relief provided by local municipality	0722808771	2 roomed shack blown away.
176.	Alfred Segopane Mapeya	02	Marishane Junction	Structural fire	Not yet legally determined	02 blankets 02 sponges	Relief provided by local municipality	0824852947	1room garage caught fire

MAKHUDUTHAMAGA LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	Findings
177.	Choma Julia Matlabaile	02	Mogorwane	Structural fire	Not yet legally determined	04 blankets 01 sponge	Relief provided by local municipality	0828983553	1 roomed shack caught fire
178.	Ramushu Mongatane	03	Vlaakplaas-Ga-Masemola	Structural fire	Not yet legally determined	06 blankets 02 sponges	Relief provided by local municipality	0829286493	1 room of a 5 roomed house caught fire
179.	Malele Lishen	01	Thoto	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0606754176	1 room of a 2 roomed house caught fire
180.	Mokomane Annah	02	Malope Ga-Masemola	Structural fire	Not yet legally determined	02 blankets 02 sponges	Relief provided by local municipality	0828202261	1 room of a 3 roomed house caught fire

181.	Nkadimeng Mabjane	02	Marishane Junction	Storm	Natural	02 blankets 02 sponges	Relief provided by local municipality	0661370736	1 room of a 5 roomed house blown away.

FETAKGOMO TUBATSE -LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
182.	Sarah Masha	02	Sehuntane village	Structural fire	Not yet legally determined	No relief provided	No relief provided	0824474619	RDP house blown away by storm and family recovered
183.	Mashele Dorcas	03	Legabeng Atok Bogalatladi	Structural fire	Not yet legally determined	No relief provided	No relief provided	0824474619	1 room (Kitchen) of a 3 roomed house caught fire
184.	Kgobaile Mashabela	07	Ga- Phasha Makgolanoto	Structural fire	Not yet legally determined	12 blankets 07 Sponges	Relief provided by local municipality	0792368544	8 roomed house completely burnt with no injuries

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
185.	Shabangu Emily	04	Mareseleng	Structural fire	Not yet legally determined	08 blankets 04 sponges	Relief provided by local municipality	0712298134	4 roomed house completely burnt
186.	Kedibone Racheal Selane	04	Alvertone Lebowa Section	Structural fire	Not yet legally determined	08 blankets 04 sponges	Relief provided by local municipality	0726171951	1 roomed shack completely burnt

ELIAS MOTSOALEDI LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
187.	Mokomane Phineus	04	Moteti C	Structural fire	Not yet legally determined	02 blankets 01 sponge	Relief provided by local municipality	0795945148	1 room of 8 roomed thatch house caught fire.

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
188.	Sebothoma Geniffer	02	Rathoke	Structural fire	Not yet legally determined	04 blankets 02 sponges	Relief provided by local municipality	0796634263	2 roomed shack caught fire
189.	Maria Maluleke	05	Malebitsa	Structural fire	Not yet legally determined	04 blankets 02 sponges		0728925860	01 roomed shack caught fire
190.	Itumeleng Mokone	04	Moteti Ramaphosa	Structural fire	Not yet legally determined	04 blankets 02 sponges	Relief provided by local municipality	0769651703 0814353821	1 room of 4 roomed house caught fire.
191.	May Eddy Skosana	01	Maganagobushwa	Structural fire	Not yet legally determined	02 blankets 01 sponge Food parcels	Relief provided by local municipality	0820517899	1 room shack caught fire.

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
192.	Modiga Dinah	08	Kgaphamadi ward 22	Structural fire	Not yet legally determined	No relief provided	No relief provided	0722043127 0608031168	1 room of 5 roomed house caught fire, family recovered.
193.	Khutso Senamela	02	Dindela	Structural fire	Not yet legally determined	03 blankets 01 sponge Food parcels	Relief provided by local municipality	0715867824 0646969606	3 roomed shack caught fire.
194.	Mogoba Kagiso	01	04	Structural fire	Not yet legally determined	Relief provided by district municipality	08 blankets 02 sponges	0721381839	2 rooms of a 4 roomed shack caught fire.
195.	Madiseng Thibane	01	Mohlalaotwane	Structural fire	Not yet legally determined	04 blankets 02 sponges	Relief provided by local municipality	0794479803	2 roomed house caught fire

MAKHUDUTHAMAGA LOCAL MUNICIPALITY

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
196.	Joseph Themi Thokoane	01	Leeuwkraal	Structural fire	Not yet legally determined	03 blankets 01 sponge Temporary shelter	Relief provided by local municipality	0824328789 0760909757	1 roomed shack caught fire
197.	Masemola Maswiswane Andries	03	Phushulang (Molapong Section)	Structural fire	Not yet legally determined	06 blankets 02 sponges Temporary shelter	Relief provided by local municipality	0763464034	1 roomed shack caught fire
198.	Manape Nathalia Lefentse	06	Moripane	Storm	Natural	12 blankets 03 sponges	Relief provided by local municipality	0608852275	1 roomed shack blown away

No	Name and Surname	Family members	Village/Ward	Type of Incident	Cause of incident	Relief Provided local Mun	Relief provided District Mun	Contact number	FINDINGS
						01 temporary shelter			
199.	Mahlare Thembi Malehwele	04	Mabintwane (Zuma Section)	Structural fire	Not yet legally determined	06 blankets 02 sponges	Relief provided by local municipality	0764534104	1 roomed shack caught fire
200	Mathabathe Justice	04	Mashishing Section	Structural fire	Not yet legally determined	08 blankets 03 sponges	Relief provided by local municipality	0636617281	1 roomed house caught fire
201.	Puoane Mphulo	08	Mokgoma Section Phokoane	Structural fire	Not yet legally determined	12 blankets 05 sponges	Relief provided by local municipality	0723249366	2 roomed shack caught fire

COMPONENT B: PLANNING AND ECONOMIC DEVELOPMENT

3.7. LOCAL ECONOMIC DEVELOPMENT

3.7.1. INTRODUCTION

Sekhukhune District Municipality (SDM) is responsible for facilitation and coordination of Local Economic Development (LED) in the district as provided for in the legislation. Section 26 (c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) provides core components of integrated development plans, it states that an Integrated Development Plan must reflect Council's development priorities and objectives for its elected term, including its local economic development aims and internal transformation needs. Council's LED priorities and objectives are packaged in the form of LED Strategy. SDM LED Strategy was developed and approved by Council in 2019, it is currently under implementation and is due for review in 2024/2025 financial year.

3.7.2. STATE OF THE DISTRICT ECONOMY

Economic growth is one of the main indicators of a progressing and developing district. The main sectors of Sekhukhune District that contribute to the growth of the economy in the district are Mining and Community Services and Finance. Mining is the biggest contributor in the economy of the district. Tourism although it has not reached its full potential and needs to be fully developed is however identified together with Agriculture and Mining as the main pillars of the economy of Sekhukhune.

The economic state of Sekhukhune District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Limpopo Province and South Africa. The sections below allude to the economic composition and contribution of the regions within Sekhukhune District Municipality and highlight the how the district is ferrying both economically and developmentally.

GROSS DOMESTIC PRODUCT BY REGION (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Gross domestic product (GDP) - Sekhukhune, Limpopo and National Total, 2013-2023 [R billions, Current prices]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
2013	31.5	281.7	3,868.6	*11.2%*	*0.82%*
2014	33.0	299.0	4,133.9	*11.0%*	*0.80%*
2015	34.7	319.8	4,420.8	*10.9%*	*0.79%*
2016	37.8	351.9	4,759.6	*10.7%*	*0.79%*
2017	39.8	371.3	5,078.2	*10.7%*	*0.78%*
2018	42.1	396.2	5,363.2	*10.6%*	*0.78%*
2019	44.2	418.7	5,625.2	*10.6%*	*0.79%*
2020	44.5	422.4	5,562.8	*10.5%*	*0.80%*
2021	52.3	488.2	6,220.2	*10.7%*	*0.84%*
2022	55.7	520.5	6,655.5	*10.7%*	*0.84%*
2023	56.4	535.6	7,024.0	*10.5%*	*0.80%*

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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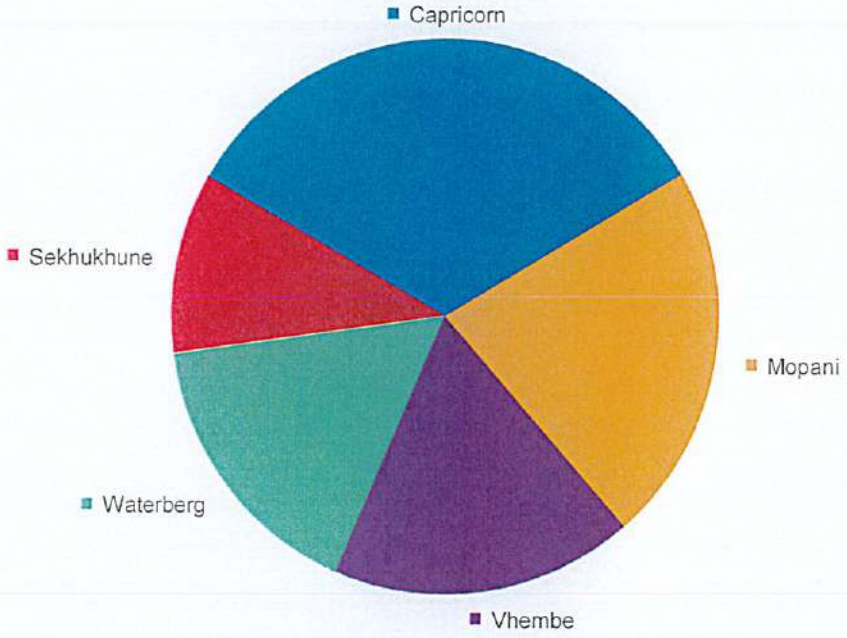
With a GDP of R 56.4 billion in 2023 (up from R 31.5 billion in 2013), the Sekhukhune District Municipality contributed 10.52% to the Limpopo Province GDP of R 536 billion in 2023 increasing in the share of the Limpopo from 11.20% in 2013. The Sekhukhune District Municipality contributes 0.80% to the GDP of South Africa which had a total GDP of R 7.02 trillion in 2023 (as measured in nominal or current prices).It's contribution to the national economy stayed similar in importance from 2013 when it contributed 0.82% to South Africa, but it is lower than the peak of 0.84% in 2021.

Gross domestic product (GDP) - Sekhukhune, Limpopo and National Total, 2013-2023 [Annual percentage change, Constant 2010 prices]

	Sekhukhune	Limpopo	National Total
2013	1.8%	2.5%	2.5%
2014	0.2%	1.1%	1.4%
2015	2.2%	1.9%	1.3%
2016	-1.6%	0.1%	0.7%
2017	1.1%	1.4%	1.2%
2018	-0.3%	1.1%	1.6%
2019	-0.9%	0.1%	0.3%
2020	-9.5%	-6.4%	-6.2%
2021	5.0%	5.6%	5.0%
2022	-0.5%	0.9%	1.9%
2023	2.2%	0.6%	0.7%
Average Annual growth 2013-2023	***-0.27%***	***0.61%***	***0.74%***

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, the Sekhukhune District Municipality achieved an annual growth rate of 2.22% which is a significantly higher GDP growth than the Limpopo Province's 0.65%, and is higher than that of South Africa, where the 2023 GDP growth rate was 0.70%. Contrary to the short-term growth rate of 2023, the longer-term average growth rate for Sekhukhune (-0.27%) is significantly lower than that of South Africa (0.74%). The economic growth in Sekhukhune peaked in 2021 at 5.04%.



Gross domestic product (GDP) - Sekhukhune District Municipality and the rest of Limpopo, 2023 [Percentage]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The Sekhukhune District Municipality had a total GDP of R 56.4 billion and in terms of total contribution towards Limpopo Province the Sekhukhune District Municipality ranked lowest relative to all the regional economies to total Limpopo Province GDP. This ranking in terms of size compared to other regions of Sekhukhune remained the same since 2013. In terms of its share, it was in 2023 (10.5%) slightly smaller compared to what it was in 2013 (11.2%). For the period 2013 to 2023, the average

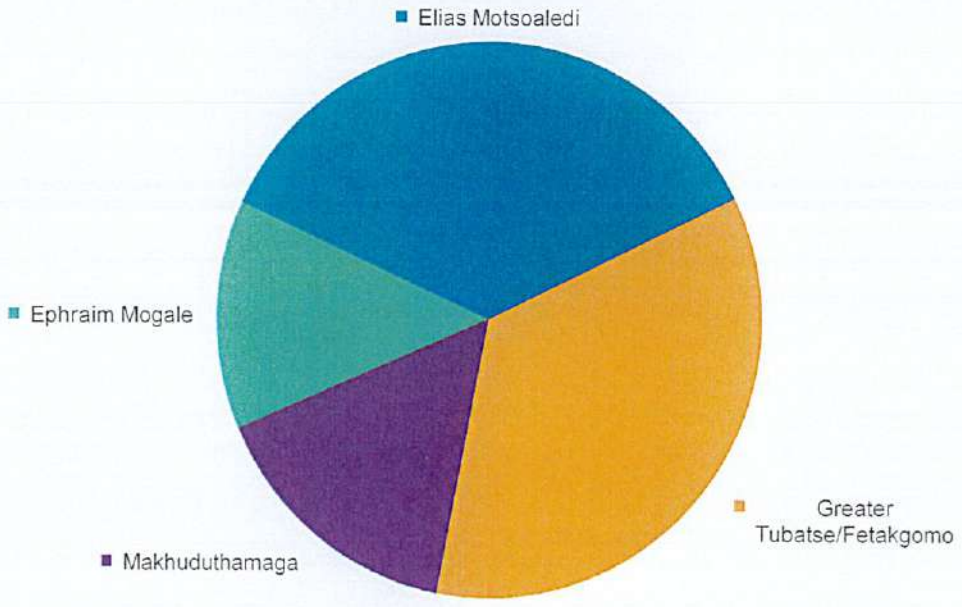
annual growth rate of -0.3% of Sekhukhune was the fourth relative to its peers in terms of growth in constant 2010 prices.

Gross domestic product (GDP) - local municipalities of Sekhukhune District Municipality, 2013 to 2023, share and growth

	2023 (Current prices)	Share of district municipality	2013 (Constant prices)	2023 (Constant prices)	Average Annual growth
Ephraim Mogale	7.54	*13.38%*	4.46	4.84	***0.83%***
Elias Motsoaledi	20.20	*35.84%*	11.51	12.75	***1.03%***
Makhuduthamaga	8.75	*15.52%*	5.46	5.23	***-0.43%***
Greater Tubatse/Fetakgomo	19.87	*35.26%*	12.60	10.30	***-1.99%***
Sekhukhune	56.36		34.02	33.12	

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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Elias Motsoaledi had the highest average annual economic growth, averaging 1.03% between 2013 and 2023, when compared to the rest of the regions within the Sekhukhune District Municipality. The Ephraim Mogale Local Municipality had the second highest average annual growth rate of 0.83%. Greater Tubatse/Fetakgomo Local Municipality had the lowest average annual growth rate of -1.99% between 2013 and 2023.



GDP contribution - local municipalities of Sekhukhune District Municipality, 2023 [Current prices, percentage]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The greatest contributor to the Sekhukhune District Municipality economy is the Elias Motsoaledi Local Municipality with a share of 35.84% or R 20.2 billion, increasing from R 10.1 billion in 2013. The economy with the lowest contribution is the Ephraim Mogale Local Municipality with R 7.54 billion growing from R 3.91 billion in 2013.

Economic Growth Forecast

It is expected that Sekhukhune District Municipality will grow at an average annual rate of 2.54% from 2023 to 2028. The average annual growth rate of Limpopo Province and South Africa is expected to grow at 2.01% and 1.92% respectively.

Gross Value Added by Region (GVA-R)

The Sekhukhune District Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

Gross value added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Sekhukhune District Municipality.

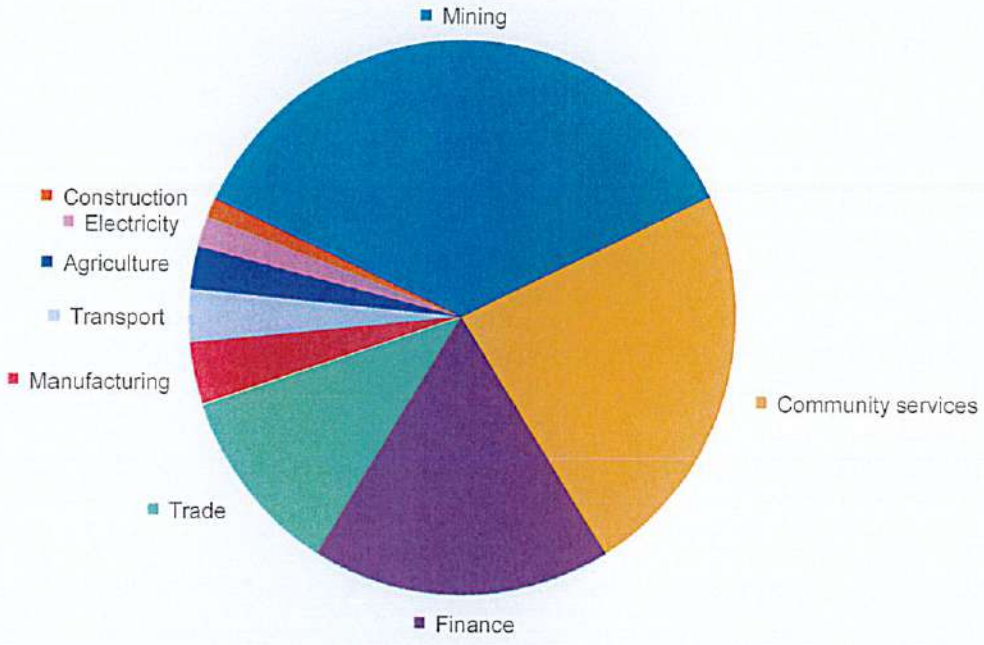
Gross value added (GVA) by broad economic sector - Sekhukhune District Municipality, 2023 [R billions, current prices]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
Agriculture	1.3	14.8	183.8	*8.6%*	*0.69%*
Mining	18.3	109.5	444.2	*16.7%*	*4.12%*
Manufacturing	1.9	18.7	910.5	*9.9%*	*0.20%*
Electricity	0.9	13.4	219.4	*6.6%*	*0.41%*
Construction	0.6	9.3	155.2	*6.3%*	*0.37%*
Trade	5.6	65.3	877.7	*8.6%*	*0.64%*
Transport	1.6	22.9	495.0	*6.9%*	*0.32%*
Finance	9.0	70.0	1,471.8	*12.9%*	*0.61%*
Community services	11.9	157.4	1,553.2	*7.6%*	*0.77%*
Total Industries	**51.0**	**481.2**	**6,310.8**	***10.6%***	***0.81%***

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, the mining sector is the largest within Sekhukhune District Municipality accounting for R 18.3 billion or 35.9% of the total GVA in the district municipality's

economy. The sector that contributes the second most to the GVA of the Sekhukhune District Municipality is the community services sector at 23.3%, followed by the finance sector with 17.7%. The sector that contributes the least to the economy of Sekhukhune District Municipality is the construction sector with a contribution of R 581 million or 1.14% of the total GVA.



Gross value added (GVA) by broad economic sector - Sekhukhune District Municipality, 2023 [percentage composition]

Source: South Africa Regional eXplorer v2540.
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The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the district municipality, the Elias Motsoaledi Local Municipality made the largest contribution to the community services sector at 48.60% of the district municipality. As a whole, the Elias Motsoaledi Local Municipality contributed R 18 billion or 35.24% to the GVA of the Sekhukhune District Municipality. The region within Sekhukhune District Municipality that contributes the most to the GVA of the district municipality was the Greater Tubatse/Fetakgomo Local Municipality with a total of R 18.7 billion or 36.58%.

Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

Total employment - Sekhukhune, Limpopo and National Total, 2013-2023 [numbers]

	Sekhukhune	Limpopo	National Total
2013	116,000	992,000	14,700,000
2014	126,000	1,080,000	15,300,000
2015	135,000	1,160,000	15,800,000
2016	139,000	1,220,000	16,100,000
2017	143,000	1,270,000	16,400,000
2018	144,000	1,280,000	16,600,000
2019	142,000	1,280,000	16,600,000
2020	127,000	1,190,000	15,800,000
2021	115,000	1,130,000	15,100,000
2022	122,000	1,190,000	15,700,000
2023	135,000	1,300,000	16,700,000
Average Annual growth			
2013-2023	*1.55%*	*2.74%*	*1.30%*

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, Sekhukhune employed 135 000 people which is 10.42% of the total employment in Limpopo Province (1.3 million), 0.81% of total employment in South Africa (16.7 million). Employment within Sekhukhune increased annually at an average rate of 1.55% from 2013 to 2023.

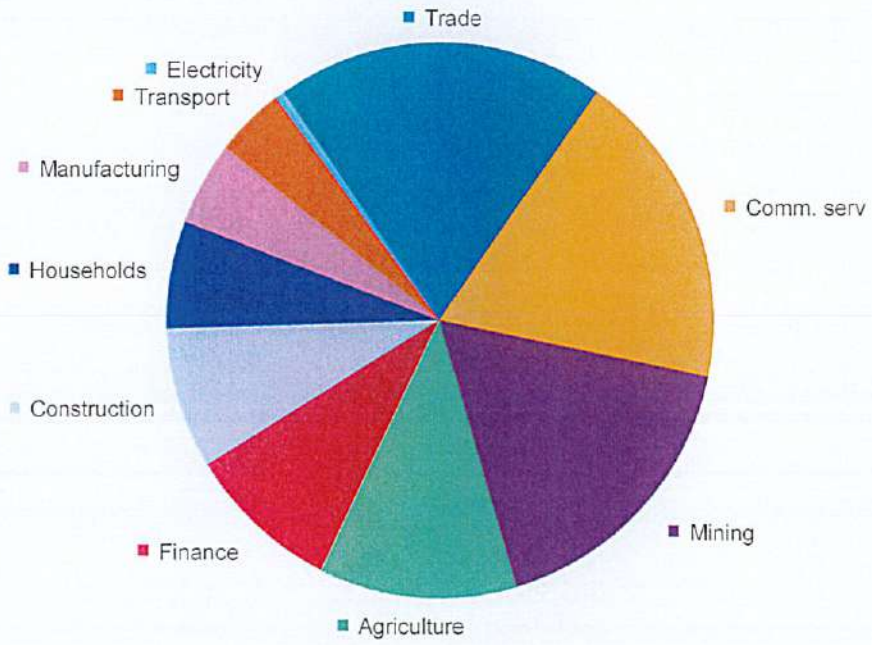
Total employment per broad economic sector - Sekhukhune and the rest of Limpopo, 2023 [Numbers]

	Sekhukhune	Mopani	Vhembe	Capricorn	Waterberg	Total Limpopo
Agriculture	15,900	30,300	36,500	24,400	23,500	130,575
Mining	23,300	27,200	3,780	7,280	28,500	89,972
Manufacturing	6,560	12,900	12,000	20,300	11,600	63,446
Electricity	749	1,320	1,880	2,340	2,630	8,916
Construction	11,200	23,800	29,800	32,100	24,400	121,238
Trade	26,300	61,000	73,300	83,200	44,600	288,404
Transport	5,560	8,730	13,300	16,000	7,070	50,687
Finance	12,300	26,300	29,600	46,700	20,000	135,007
Community services	25,100	63,600	94,700	102,000	41,600	326,963
Households	8,480	16,900	21,000	21,300	16,800	84,635
Total	**135,000**	**272,000**	**316,000**	**356,000**	**221,000**	**1,299,842**

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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Sekhukhune District Municipality employs a total number of 135 000 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Limpopo Province is Capricorn district municipality with a total number of 356 000. Sekhukhune District Municipality also employed the lowest number of people within Limpopo Province.

In Sekhukhune District Municipality the economic sectors that recorded the largest number of employment in 2023 were the trade sector with a total of 26 300 employed people or 19.4% of total employment in the district municipality. The community services sector with a total of 25 100 (18.6%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 749 (0.6%) is the sector that employs the least number of people in Sekhukhune District Municipality, followed by the transport sector with 5 560 (4.1%) people employed.



Total employment per broad economic sector - Sekhukhune District Municipality, 2023 [percentage]

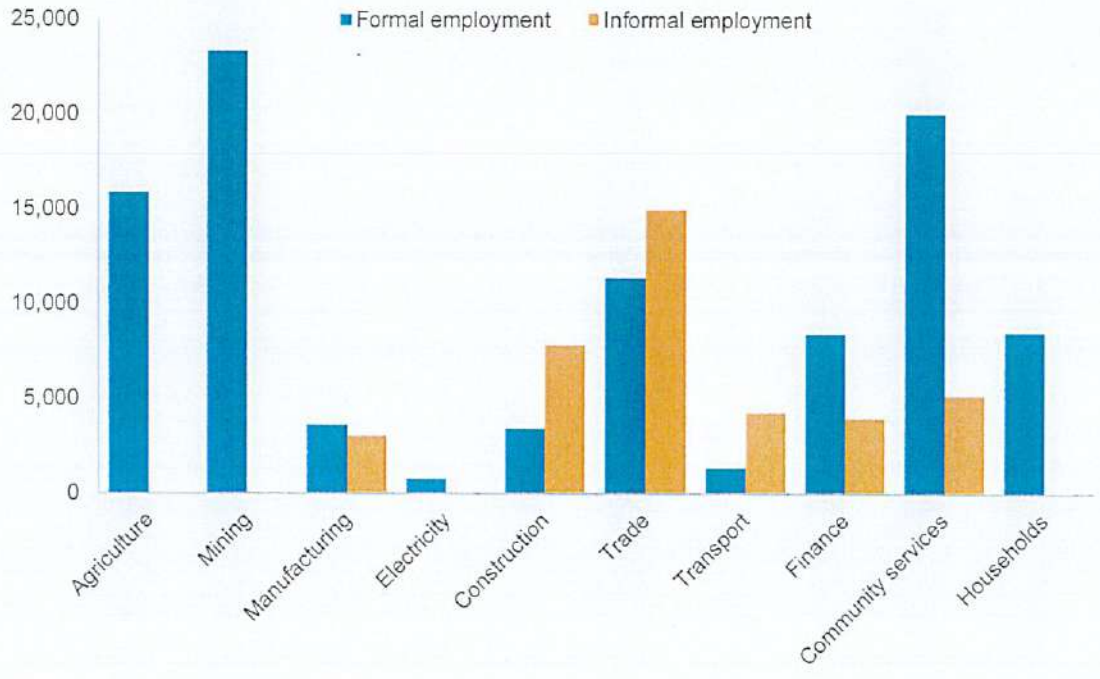
Source: South Africa Regional eXplorer v2540.
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Formal and Informal Employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Sekhukhune District Municipality counted 96 500 in 2023, which is about 71.29% of total employment, while the number of people employed in the informal sector counted 38 900 or 28.71% of the total employment. Informal employment in Sekhukhune increased from 33 800 in 2013 to an estimated 38 900 in 2023.



Formal and informal employment by broad economic sector - Sekhukhune District Municipality, 2023 [numbers]

Source: South Africa Regional eXplorer v2540.
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Some of the economic sectors have little or no informal employment:

Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading.

In 2023 the Trade sector recorded the highest number of informally employed, with a total of 14 900 employees or 38.38% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 2 960 and only contributes 7.62% to total informal employment.

Formal and informal employment by broad economic sector - Sekhukhune District Municipality, 2023 [numbers]

	Formal employment	Informal employment
Agriculture	15,900	N/A
Mining	23,300	N/A
Manufacturing	3,600	2,960
Electricity	749	N/A
Construction	3,400	7,760
Trade	11,400	14,900
Transport	1,350	4,210
Finance	8,410	3,920
Community services	20,000	5,100
Households	8,480	N/A

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

Unemployment

The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who

are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

"Without work", i.e. not in paid employment or self-employment;
"Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and
"Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

Unemployment (official definition) - Sekhukhune, Limpopo and National Total, 2013-2023 [Number percentage]

	Sekhukhune	Limpopo	National Total	Sekhukhune as % of province	Sekhukhune as % of national
2013	61,600	246,000	4,940,000	*25.0%*	*1.25%*
2014	63,600	250,000	5,150,000	*25.4%*	*1.23%*
2015	70,900	275,000	5,410,000	*25.7%*	*1.31%*
2016	82,700	311,000	5,800,000	*26.6%*	*1.43%*
2017	88,800	329,000	6,130,000	*27.0%*	*1.45%*
2018	90,800	329,000	6,240,000	*27.6%*	*1.45%*
2019	101,000	362,000	6,600,000	*28.0%*	*1.53%*
2020	120,000	421,000	6,880,000	*28.5%*	*1.75%*
2021	152,000	526,000	7,660,000	*28.9%*	*1.99%*
2022	174,000	601,000	8,000,000	*29.1%*	*2.18%*
2023	187,000	635,000	8,130,000	*29.5%*	*2.31%*
Average Annual growth					
2013-2023	***11.76%***	***9.94%***	***5.11%***		

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023, there were a total number of 187 000 people unemployed in Sekhukhune, which is an increase of 126 000 from 61 600 in 2013. The total number of unemployed people within Sekhukhune constitutes 29.51% of the total number of unemployed people in Limpopo Province. The Sekhukhune District Municipality experienced an average annual increase of 11.76% in the number of unemployed people, which is

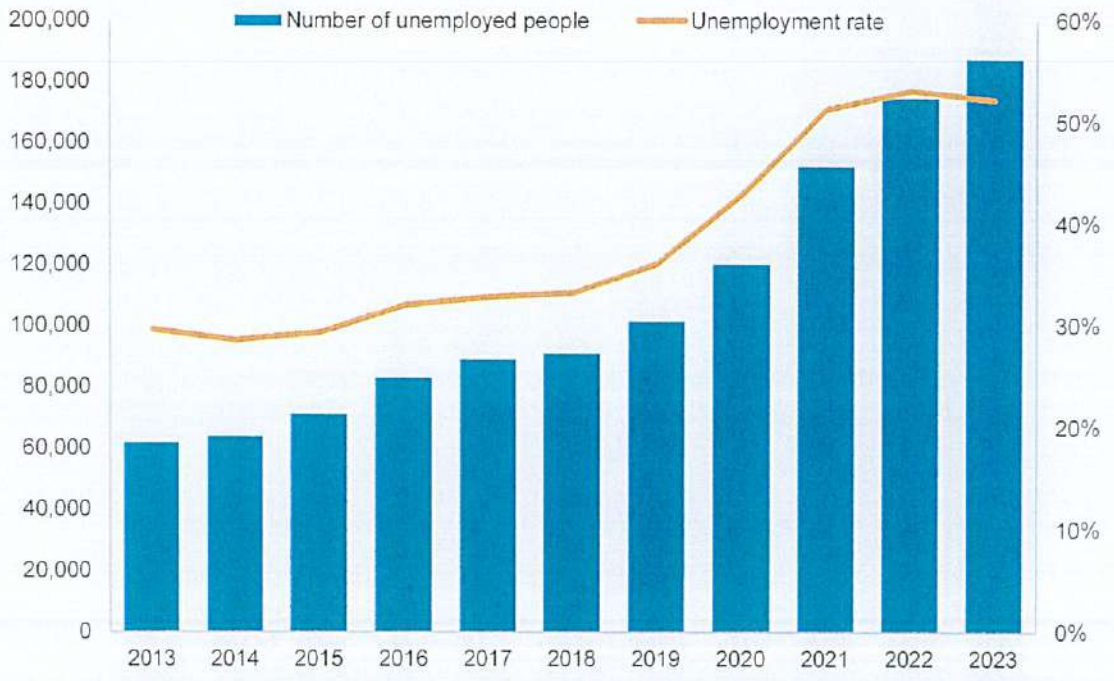
worse than that of the Limpopo Province which had an average annual increase in unemployment of 9.94%.

Unemployment rate (official definition) - Sekhukhune, Limpopo and National Total, 2013-2023 [Percentage]

	Sekhukhune	Limpopo	National Total
2013	29.5%	19.3%	25.2%
2014	28.5%	18.2%	25.2%
2015	29.2%	18.6%	25.5%
2016	31.9%	19.7%	26.4%
2017	32.7%	20.0%	27.2%
2018	33.2%	19.8%	27.4%
2019	36.0%	21.4%	28.4%
2020	42.8%	25.4%	30.3%
2021	51.2%	30.9%	33.6%
2022	53.0%	32.7%	33.7%
2023	52.2%	32.0%	32.7%

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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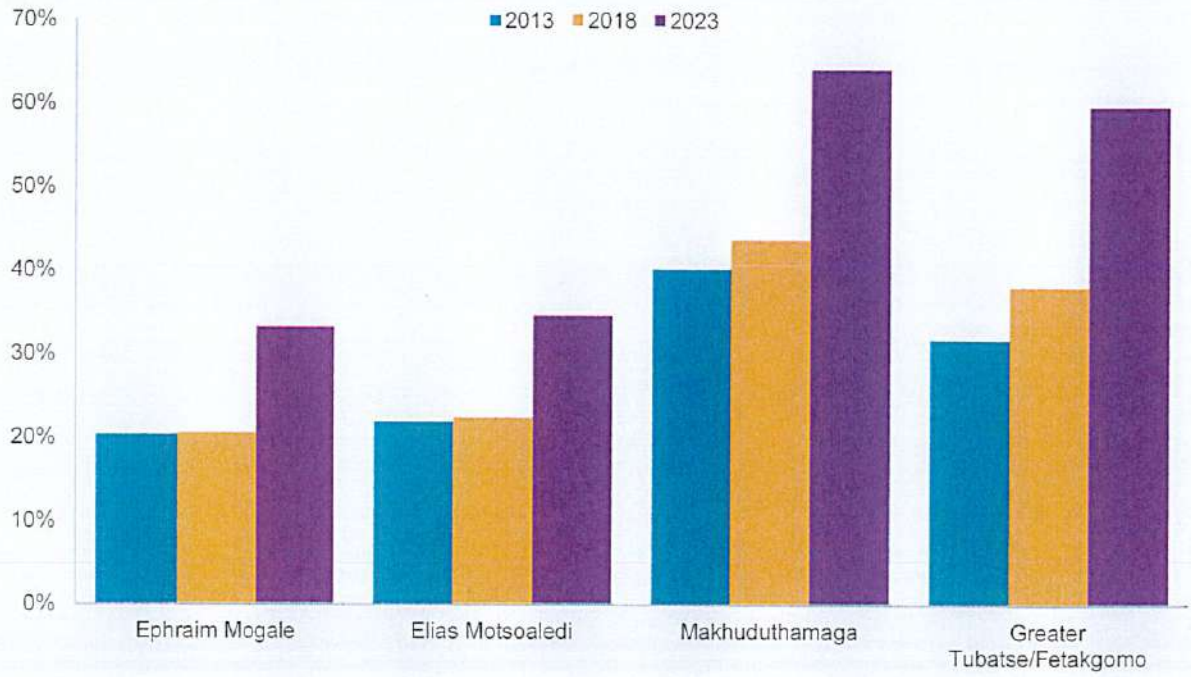
In 2023, the unemployment rate in Sekhukhune District Municipality (based on the official definition of unemployment) was 52.18%, which is an increase of 22.7 percentage points. The unemployment rate in Sekhukhune District Municipality is higher than that of Limpopo. The unemployment rate for South Africa was 32.71% in 2023, which is a increase of -7.56 percentage points from 25.15% in 2013.



Unemployment and unemployment rate (official definition) - Sekhukhune District Municipality, 2013-2023 [number percentage]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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When comparing unemployment rates among regions within Sekhukhune District Municipality, Makhuduthamaga Local Municipality has indicated the highest unemployment rate of 64.0%, which has increased from 40.2% in 2013. It can be seen that the Ephraim Mogale Local Municipality had the lowest unemployment rate of 33.1% in 2023, which increased from 20.3% in 2013.



Unemployment rate - local municipalities and the rest of Sekhukhune District Municipality, 2013, 2018 and 2023 [percentage]

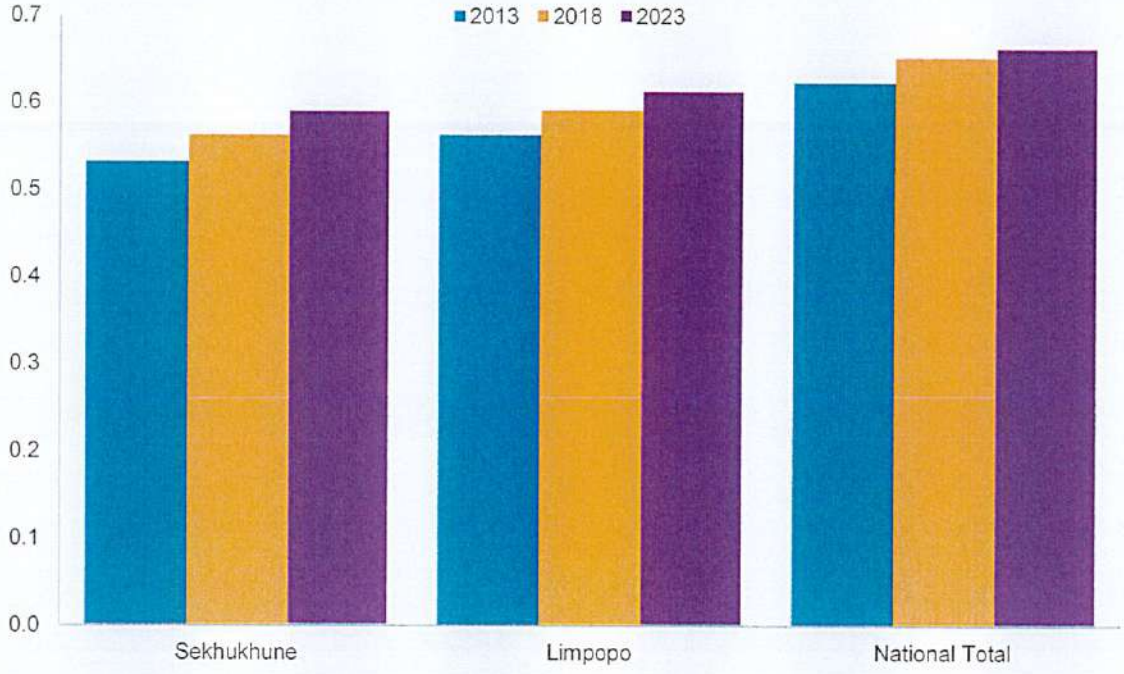
Source: South Africa Regional eXplorer v2540.
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Human Development Index (HDI)

The human development index (HDI) is a composite relative index used to compare human development across population groups or regions.

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is

typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.



Human development index (HDI) - Sekhukhune, Limpopo and National Total, 2013, 2018, 2023 [Number]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In 2023 Sekhukhune District Municipality had an HDI of 0.589 compared to the Limpopo with a HDI of 0.612 and 0.662 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2023 when compared to Sekhukhune District Municipality which translates to worse human development for Sekhukhune District Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 0.61% and this increase is lower than that of Sekhukhune District Municipality (1.03%).



Human development Index (HDI) - local municipalities and the rest of Sekhukhune District Municipality, 2023 [Number]

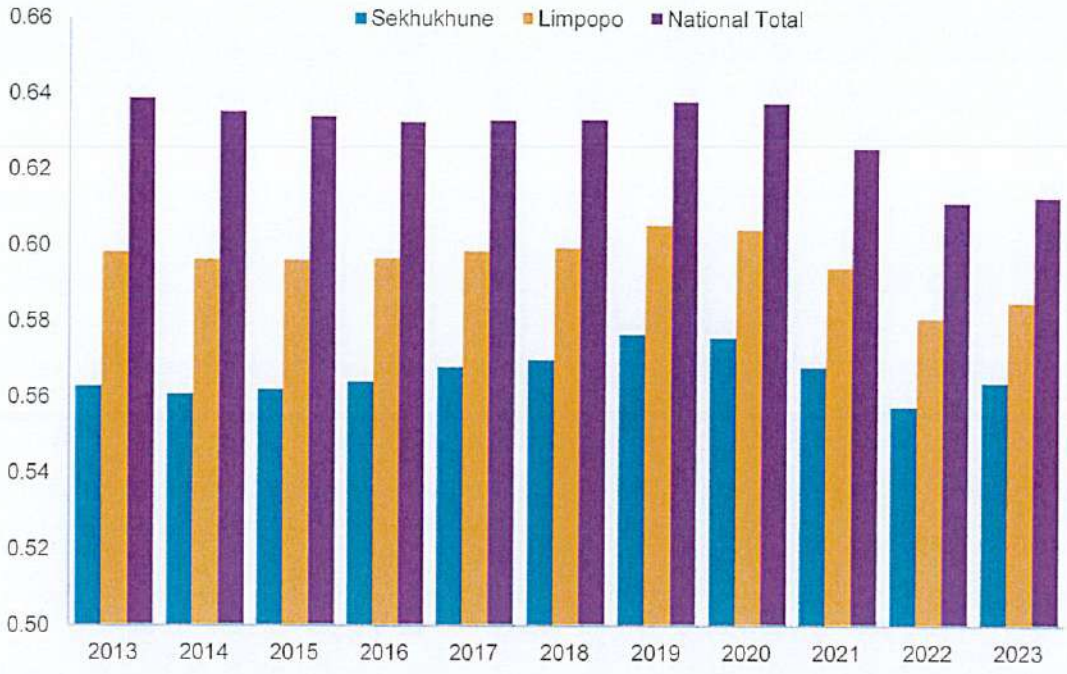
Source: South Africa Regional eXplorer v2540.
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In terms of the HDI for each the regions within the Sekhukhune District Municipality, Ephraim Mogale Local Municipality has the highest HDI, with an index value of 0.599. The lowest can be observed in the Makhuduthamaga Local Municipality with an index value of 0.568.

Gini Coefficient

The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.



Gini coefficient - Sekhukhune, Limpopo and National Total, 2013-2023 [Number]

Source: South Africa Regional eXplorer v2540.
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In 2023, the Gini coefficient in Sekhukhune District Municipality was at 0.564, which reflects a marginal increase in the number over the ten-year period from 2013 to 2023. The Limpopo Province and South Africa, both had a more unequal spread of income amongst their residents (at 0.585 and 0.613 respectively) when compared to Sekhukhune District Municipality.

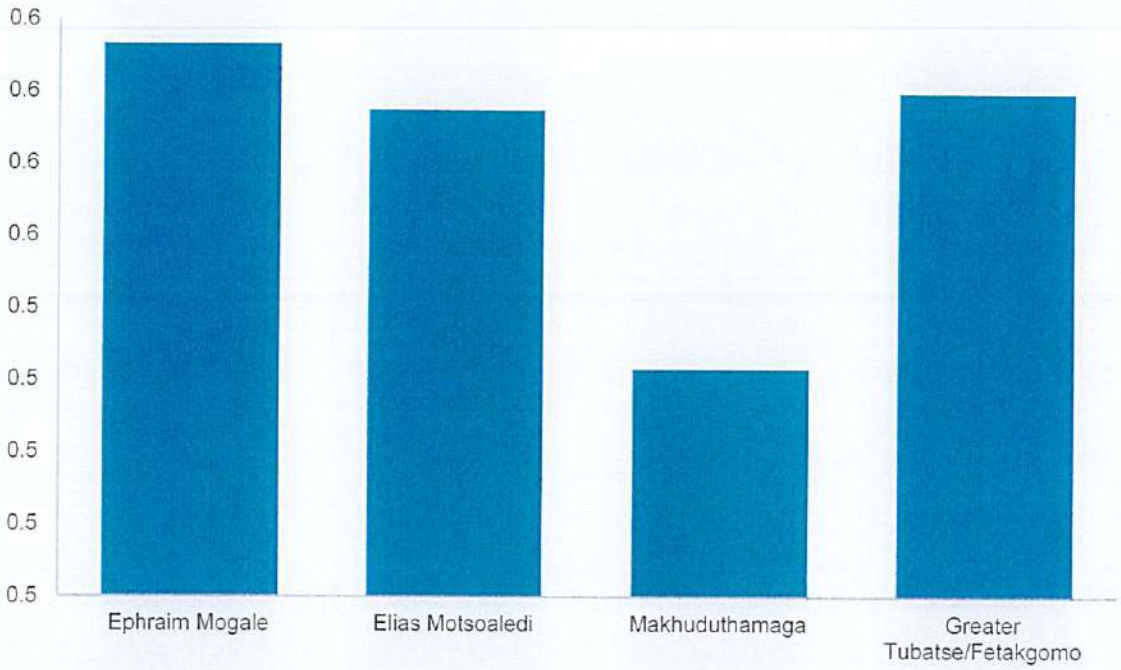
Gini coefficient by population group - Sekhukhune, 2013, 2023 [Number]

	African	White
2013	0.55	0.42
2023	0.55	0.43
Average Annual growth		
2013-2023	*0.11*%	*0.15*%

Source: South Africa Regional eXplorer v2540.
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When segmenting the Sekhukhune District Municipality into population groups, it can be seen that the Gini coefficient for the White population group increased the most amongst the population groups with an average annual growth rate of 0.15%. The Gini

coefficient for the African population group increased the least with an average annual growth rate of 0.11%.



Gini coefficient - local municipalities and the rest of Sekhukhune District Municipality, 2023 [Number]

Source: South Africa Regional eXplorer v2540.
Data compiled on 4 Oct 2024.
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In terms of the Gini coefficient for each of the regions within the Sekhukhune District Municipality, Ephraim Mogale Local Municipality has the highest Gini coefficient, with an index value of 0.577. The lowest Gini coefficient can be observed in the Makhuduthamaga Local Municipality with an index value of 0.531.

3.8. LOCAL ECONOMIC DEVELOPMENT INITIATIVES

The following is progress made in terms of coordination and facilitation of local economic development from 01 July 2023 to 30 June 2024:

3.8.1. TOURISM DEVELOPMENT

3.8.1.1. Sekhukhune District Tourism Forum

Sekhukhune District Tourism Forum was one of the economic development fora planned to held in the 2023/2024 financial as per the Department of Planning and Economic Development Service Delivery and Budget Implementation Plan (SDBIP). Sekhukhune District Tourism Forum meeting was held on the 5th March 2024 to amongst others review progress on tourism development in the district and plan the upcoming tourism activities such as Yellow Arum Lily Festival, Inauguration of Local Tourism Associations, Africa Travel Indaba and Inaugural Sekhukhune District Tourism Indaba.

3.8.1.2. Installation of Tourism Signages

District Tourism Signage for Tourism Establishments and Products is one of the 2023/2024 Local Economic Development (LED) Service Delivery and Budget Implementation Plan (SDBIP) projects. The project was allocated R100 000 in the period under review based on the approved SDBIP. The municipality planned to install 9 signages and achieved the target. Signages were installed at the following establishments:

- King Mamapuru 11 Statue (3).
- Sekhukhune Lodge (3)
- Esibayeni Guest House (3)

3.8.1.3 Africa Travel Indaba

Africa Travel Indaba and Trade Show is an iconic African leisure trade show, owned by South African Tourism, with specific objective of creating market access for the country's vast array of African leisure tourism products. Limpopo Tourism Agency arranged and secured a space to accommodate Limpopo District Municipalities and other Limpopo tourism stakeholders. This served to forge unity in the participation of Limpopo at the Trade Show. Sekhukhune District Municipality supported 10 SMMEs

who were identified with the help of Sekhukhune District Tourism Association to participate in the event and below is the list of SMMEs:

Makhuduthamaga Local Municipality
- Boeketlong Guest House & Lodge
- African Treasure Travel Agency
- Pitsi Grafters

Fetakgomo Tubatse Local Municipality
- Sekhukhune Lodge & Guest House
- BKT Lodge
- Pretty Travel Agency

Ephraim Mogale Local Municipality
- Baroka Fashion
- Setsong Tea

Elias Motsoaledi Local Municipality
- Ashcor Travel Agency
- Esibayeni Guest House

3.8.2. AGRICULTURE DEVELOPMENT

3.8.2.1. Agri Park Programme

Farmers Support through the Vleeschboom Farmer Production Support Unit (FPSU)

During the 2015 State of the Nation Address, the President of the Republic of South Africa announced the establishment of Agri Parks in committing government to transforming rural economies. The Agri-Parks concept is designed to support farmers and grow rural economies. It is also meant to drive job creation, generate revenue as well as to empower women and youth in the country. 27 districts where identified and Sekhukhune District Municipality (SDM) was one of the districts identified to benefit from this multi-year programme. A decision was later taken by Cabinet to establish Agri-Parks in all 44 district municipalities.

In its essence, the creation of Agri Parks will assist the districts with amongst others, to contribute to economic growth with the Department of Agriculture, Land Reform and Rural Development (DALRRD), Provincial Departments of Agriculture and districts being leaders of the programme. Agri-Parks are areas designed for multiple activities that accommodate small farmers, commercial farmers, public area, processing area and natural habitat. They will allow small farmers access to local markets, provide

fresh food and are an educational, environmental, and aesthetic amenity for nearby communities.

Agri-Parks have three components through which it seeks to deliver on the mandate on rural economic transformation namely; (a) Farmer Production Support Unit (FPSU) which is mainly about supporting production by farmers with inputs, ploughing units, capacity building, skills development, marketing services, etc. (b) The second component is Agri-hub which is about processing, packaging, logistics and training, whilst the third one is the (c) Rural Urban Market Centre (RUMC) and its focus is on market linkages and
information feedback to Agri-hub and FPSU. This one will probably be situated at a strategic location to support farmers in various districts.
In the district, the Vleeschboom FPSU has been constructed at Vleeschboom village, on Portion 0 (R/E) of the farm Vierfontein 871 KS. It is currently being operationalized with some further construction work under phase 2 infrastructure development. The Agri-hub site is in Groblersdal and was fenced off in December 2021.

Milestones achieved as at the end of the financial year 2023/2024:
Construction of Vleeschboom FPSU Phase 2

The professional service provider (PSP) was appointed in November 2022 to design phase 2 projects and the finalised list of projects as per the designs are:

- Pavement around the building to enable smooth movement of trucks.
- Installation of burglar proofing around the building to protect assets such as boreholes, air conditioners, water tanks, backup-generator, etc.
- Construction of the wash-bay, refuse disposal site and storm water drainage.
- Supply and installation of a backup generator.
- Installation of flood lights on site and building of storm water reticulation.
- Installation of boom and security sliding gates.
- Installation of ceiling in the training and board rooms.
- Installation of weigh bridge, and some landscaping.
- Relocation of outside steel containers to the site and
- Installation of signage, in and outside the building.

The project was advertised, and the site was handed over to the appointed contractor on the 19th of September 2023. The construction budget is R 9 303 006.44.

The table below outline the list of projects/farmers that have been supported with production inputs (fertilizers at 2x50kg bags/ha for both planting and top-dressing, seeds at 10kg/ha & pesticides at 1kg/ha) through the Agri-Park Programme (Vleeschboom FPSU) for maize production in the 2023/24 FY by DALRRD (SRSSC-CED) as of 24 November 2023:

Seq	Project name	Farm Name & Village	Local Municipality & Ward	Distance to the FPSU	Commodity	Ha for support	Value of the Support (R)	Beneficiaries
1	Linti Agricultural Primary Cooperative	Vierfontein 871 KS	Makhuduthamaga Ward 4	1	Grain (maize)	60	R462 000.00	**60** (W-48 M-12 Y-01 PwD-0)
2	Mabintane Temo Nkhumishe Agricultural Primary Cooperative	Platklip 867 KS	Makhuduthamaga Ward 2	15	Grain (maize)	216	R1 664 874.00	**216** (W-149 M-67 Y-03 PwD-0)
3	Maserum Park Agricultural Primary C	Maserumule Park 872 KS	Makhuduthamaga Ward 5	4	Grain (maize)	79	R608 300.00	**79** (W-54 M-25 Y-08 PwD-0)
4	Reja Kamoka Mmotwaneng Cooperative	Syferfontein 136 KS	Elias Motsoaledi Ward 18	7	Grain (maize	177	R1 483 083.00	**177** W-98 M-79 Y-29 PwD-0
Totals						**532**	**R4 218 257.00**	**532** (W-349 M- 183 Y– 41

			PwD-0)

Farmers Support by Limpopo Department of Agriculture and Rural Development

Limpopo Department of Agriculture and Rural Development (LDARD) supported farmers with mechanization for 1 hectares each in January 2024. Adding to the 532 farmers which were supported by Department of Agriculture, Land Reform and Rural Development in quarter 2, the total amount of farmers supported during financial year amount to **606.** LDARD also supported **389** farmers in the grain commodity between January and June 2024. Cumulative farmers supported during 2023/2024 financial year is **995**.

3.8.3. MINING DEVELOPMENT

3.8.3.1. Facilitation of Fetakgomo Tubatse Special Economic Zone (FTSEZ)

The following milestones have been achieved in the facilitation of FTSEZ as at the end of the 2023/2024 financial year:

- **SEZ Designation:**

✓ The application for the designation of the FTSEZ was submitted on the 24th of October 2023, outlining the readiness to operate as a Special Economic Zone, and the Limpopo government, including Provincial Treasury, has committed to support the development of the SEZ financially and otherwise.

✓ The application was assessed by the Technical Team at the Dtic on the 8th November 2023, and a submission was prepared by the Dtic and presented to the Director General (Dtic) in December 2023. **The submission is still awaiting a decision by the Minister and Cabinet for final approval and granting of the licence to operate as an SEZ.**

- **Capacitation of the Project Management Unit:**

✓ It terms of Capacitation of F-TIP, 5 personnel have been appointed to-date and 4 interns have been allocated to the project.

- **Land Ownership:**

✓ Notarial Deed of Lease was approved by the FTIP Board and the lease has been signed between FTSEZ and Dithamaga Trust. It is awaiting finalisation of

registration of layout plan in preparation of registration with the Master of Supreme Court.

- **Township Establishment Progress:**
  - ✓ The Joint Tribunal sat on the 29th November 2023 to assess the application and approval has been granted.
  - ✓ The following activities would then resume;
  - ✓ After the Tribunal meeting (approval by Tribunal), all pre-proclamation conditions will be complied with (incl. General Plan) prior to the opening of the township register. This will cover the surveyor General and deeds office.
  - ✓ Layout approval and registration at Deed Office
  - ✓ Subdivisions
  - ✓ Opening of a Township Register sub-section
  - ✓ In terms of section 16(4)(e) of the bylaw an application must be lodged with the registrar of deeds within 12 months from the date of approval of the general plan by the Surveyor-General (SG) or within a period of extension granted by the Municipality.
  - ✓ In terms of section 16(8)(b) the Registrar of Deeds shall not accept the application for the opening of a township register and registration of a general plan without a certificate by the Municipality that the applicant has complied with conditions imposed in terms of Section 16(7)(b).
  - ✓ **Proclamation is expected around March2025 and April 2025**

- **SMMEs and Skills Development Plan:**
  - ✓ The Skills Development Strategic Framework has been finalised and would guide the roll-out programme for skills development in the District
  - ✓ Partnership with the SETAs is very crucial for skills development, and processes are underway to finalise such partnerships
  - ✓ Partnerships are in the process of being finalised with institutions on the development and capacitation of SMMEs

- **District-wide community stakeholder consultations on SEZ:**
  - ✓ A stakeholder engagement plan has been finalised

- ✓ The stakeholders have been mapped and categorised accordingly.
- ✓ Steelpoort/Ngwaabe Cluster will be the key focus area (target area 1) for the roll-out of the programme. The FTLM has delegated a team of 4 officials to work with the FTSEZ to roll-out the programme.
- ✓ The community consultations were completed in the Steelpoort/Ngwaabe cluster.
- ✓ There is planned District-wide Roadshows to disseminate more information on the SEZs
- ✓ Radio media campaigns around the SEZ commenced in June 2024. The local radio stations that FTSEZ has partnered with are Tubatse FM, Sekhukhune FM and Moutse Radio station. This campaign is meant to disseminate more information on the SEZ, touching on opportunities that are available and mainly to indicate the long-term benefits and spillovers that the SEZ would create in the District and the Province at large.

- **Investment commitment:**

- ✓ 11 companies have been assessed as ready to locate in the SEZ and are mainly South African companies.
- ✓ 11 Companies have signed investment assessment forms with a projected
- ✓ 7 companies (out of 11) have signed pre-lease agreements as commitment to locate in the SEZ
- ✓ Four of the 11 companies are geared towards export markets
- ✓ Some have completed building design plans while others are in process of doing their designs
- ✓ R10.01 billion combined investment and potential to create 1250 jobs.

- **Construction of Perimeter Fence:**

- The contractor for the construction of the perimeter fence was appointed in April 2024, and the construction of the fence is underway, and the estimated date of completion is January 2025.

3.8.4. ECONOMIC INFRASTRUCTURE DEVELOPMENT

Malekana Steel Bridge Replacement Project

Department of Mineral Resources and Energy (DMRE) facilitated an initiative to replace Malekana Steel Bridge. The initiative is a joint collaboration of DMRE, Mining Companies operating in Sekhukhune District, Sekhukhune District Municipality (SDM), Sekhukhune Development Agency (SDA), Fetakgomo Tubatse Local Municipality (FTLM), Limpopo Department of Public Works, Roads and Infrastructure (LDPWRI) and Road Agency Limpopo (RAL). The project includes construction of a new bridge and refurbishment of the old bridge as a pedestrian bridge and a monument. The project obtained financial assistance from mining companies. RAL and the following mining companies contributed towards the Steel Bridge Replacement Project fund:

- Dwarsrivier Chrome Mine (Pty) Ltd
- Rakhoma Mining Resources (Pty) Ltd
- Glencore South Africa (Pty) Ltd
- Rustenburg Platinum Mines (De Brochen) (Pty) Ltd
- Samancor Chrome (Pty) Ltd
- Booysendal Platinum (Pty) Ltd
- Tjate Platinum Corporation (Pty) Ltd
- Two Rivers Platinum

- RAL was appointed the implementing agent of the project starting from design, procurement of service providers to monitoring and evaluation of the construction process. The project commenced on the 1st March 2023 the expected completion date the 23rd September 2024. **Contract amount is R117 461 631.92. The following is the progress made with construction of the bridge:**
- Physical progress: 65.35%
- Financial progress: 41.43%

3.8.5. SMMES AND COOPERATIVES DEVELOPMENT

Support to SMMEs and Cooperatives is one of the 2023/2024 Local Economic Development (LED) Service Delivery and Budget Implementation Plan projects. The council approved Sekhukhune District Municipality (SDM) Local Economic Development 2021/2022 Funding Policy on the 27th January 2022. This meant that Department of Planning and Economic Development was allowed to implement the

project Support to SMMEs and Cooperatives. R2 000 000 was budgeted for the implementation of the project in the 2023/2024 financial year. A call for applications was advertised and closed on the 11th April 2022 from which 127 applications were received.

A Service Provider was appointed on the 25th August 2023 to provide the required goods and services requested by the selected SMMES and Cooperatives. The Service Provider completed delivery of goods and services to 41 SMMEs and Cooperatives on the 06th May 2024.

FACILITATION OF ECONOMIC DEVELOPMENT FORUMS

Section 4 of the Intergovernmental Relations Framework Act 2005 (Act No.13 of 2005) read together with Chapter 3 of the Constitution of the Republic of South Africa provides for the establishment of Intergovernmental Relations (IGR) Forums. Departments of Planning and Economic Development quarterly hold IGR Forum meetings. The municipality successfully facilitated 4(Agriculture, Tourism, Mining and LED) Economic Development Forums as planned.

3.9. JOB CREATION THROUGH VARIOUS PROJECTS AND EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The National Department of Public Works (NDPW) annually incentivize implementing bodies with incentive grant allocation to augment job creation efforts. The municipality was allocated a total incentive grant amounting to R16 264 000.00 for 2023/2024 financial year. The municipality through its various projects and programmes including EPWP incentive grant managed to cumulatively create 2690 job opportunities as at the end of 2023/2024 financial year. Out of the 2690 jobs that were created, 1478 were males and 1212 were females. Youth comprised 1192 job opportunities and there were 4 persons living with disabilities that were employed as at the end of the financial year.

REFERENCE:

1. *South Africa Regional eXplorer v2540.*

3.10. SPATIAL RATIONALE

3.10.1 SPATIAL PLANNING AND LAND USE MANAGEMENT ACT (SPLUMA) IMPLEMENTATION

The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) has been developed to provide broad principles that regulate planning. It therefore sets parameters for different economic development initiatives in ensuring that the development principles are adhered to. The district has further reestablished the Planning Tribunal during the financial year 2023/23 in terms of section 34 (1, 2 & 3) and 36 (1) (b) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) read together with regulation 7 (1, 4 & 5) of the Spatial Planning and Land Use Management and General Matters, 2013 to ensure that all economic development initiatives comply with SPLUMA principles. The district's joint district planning tribunal became effective in June 2022 and all four Local Municipalities within the District formed part of the re-established Joint District Municipal Planning Tribunal (JDMPT).

For the 2023/2024 Financial year, a total of 31 Development Applications were received, where 17 applications were approved, 10 deferred and 4 postponed in line with the Spatial Development Framework. Below is summary of applications received:

Description	**No. of Application received**	**No. of Application received**
Ephraim Mogale	4 applications received	2 application approved and 2 deferred
Fetakgomo Tubatse	20 applications received	15 Application approved and 5 deferred
Elias Motsoaledi	7 Applications received	3 deferred and 4 postponed
Makhuduthamaga	No applications were received for the year	None

Total Sekhukhune	**31 Applications received**	**17 Applications approved, 10 deferred, 4 postponed**

During this financial year, the District Municipality facilitated the Spatial Planning and Land Use Management Act (SPLUMA) workshop for Portfolio members of both district and local municipalities as well as Planners in the district on appraisal for matters relating to land development Applications because the Land Development applications are re-summited time and again.

3.10.2 LAND FOR MUNICIPAL OFFICES

As of the end of the 2022/2023 financial period, significant progress had been made on the relocation of district offices to Jane Furse. The Department of Agriculture, Land Reform and Rural Development (DALRRD) had completed its submission to the Department of Social Security Coordination (DSSC) committee for recommendation in August 2023. It was anticipated that, following the committee's endorsement, the application would be submitted to the National DALRRD office for ministerial consideration in September 2023.

responsibility of appointing a service provider for land surveyor services, a critical step in the relocation process. Furthermore, the Makhuduthamaga Local Municipality was tasked with appointing a town planner, with this responsibility set to be fulfilled within the 2023/2024 financial year. These developments reflect a coordinated effort between municipal and national stakeholders to advance the relocation project and ensure the necessary administrative and planning measures are in place.

1) **Progress on Department of Agriculture Land Reform and Rural Development (DALRRD)**

The technical Inter Ministerial Committee (IMC) for the relocation of Government offices from Lebowakgomo to Jane Furse and held several meetings in the 2024 financial year for the relocation of Sekhukhune District Municipality offices. Progress for 2023/2024 entailed Makhuduthamaga has appointed a Town Planning Consultant

to attend to the township establishment process and topography map, draft layout plan and some studies are completed.

The Minister of DALRRD approved 10 hectares for the donation of portion 3 of the farm Vergelegen 819 KS for government office establishment in April and further approved another 10 hectares for establishment of government office for Makhuduthamaga and Sekhukhune District Municipalities on **11 June 2024**. The initial request was 32 ha for Public Works and 21 hectares for both Makhuduthamaga and Sekhukhune District which is translated into 15 ha and 6 ha respectively.
Pedi Mamone traditional authority, the DPWRI and Makhuduthamaga have all accepted the approval of transfer of 20ha land by the Minister (DLRRD) as stated above.

2) Progress on Township Establishment for Government Offices

The municipalities (Makhuduthamaga and Sekhukhune District) have appointed a service provider (Town and Regional Planning Consultant) for the establishment of a township in Jane Furse in **October 2023** and Sekhukhune District progress on appointed Professional Land Surveyor was placed in Sowetan newspaper on the **7th June 2024** and to close on the **16 July 2024**. Town and Regional Planning Consulting firm has prepared topographical map and submitted draft layout plan and application to the Municipality. The Municipality sent comments to Town Planner for correction and finalization of application to be served on the Sekhukhune JDMPT.

3) Challenges

The subdivision of diagrams for 20 hectares from 53 hectares diagrams on portion 47, 48 and 49 of portion 3 of the farm Vergelegen 819 KS, will be required before commencing with transfer of land, meaning that the appointed Professional Land Surveyor will subdivide 20ha out of 53ha for approval by Surveyor General office.

4) Interventions

The Sekhukhune District Municipality will appoint the professional land surveyor who will also assist with the subdivision of 14 ha diagrams, where the initial approved 6ha

will be allocated to Makhuduthamaga Municipality. The decision follows the approval of 20ha by the Minister DLRRD, the allocation size of land will be as follows;

GOVERNMENT STAKEHOLDER DONEE	
DPWRI	10ha.
Makhuduthamaga Local Municipality	6ha
Sekhukhune District Municipality	4ha
TOTAL	**20ha**

The Department of Public Works, Roads and Infrastructure to conduct an assessment on the impact of 10ha. The assessment will consider the blueprint and alternative building designs to ascertain if 10 ha will accommodate all government offices or should there be a need to further request more space of land.

3.10.3 SPATIAL DEVELOPMENT FRAMEWORK (SDF)

The Spatial Development Framework (SDF) is a fundamental component of the Municipality's vision, encompassing its economic, sectoral, spatial, social, institutional, and environmental aspirations. This vision seeks to unlock the full potential of the District, fostering prosperity in a manner that is socially cohesive, sustainable, and peaceful. Achieving this vision involves a focus on participatory leadership that promotes excellence, encourages an entrepreneurial spirit, and supports enhanced service delivery alongside the facilitation of decent job creation.

In alignment with these goals, Sekhukhune District Municipality's SDF was scheduled for review during the 2023-2024 financial year, where service provider was appointed in May 2024. The process began with the presentation of the Inception Report in June 2024, marking a key milestone in the District's continued efforts toward strategic and sustainable development planning.

Challenges on Spatial Development

- Unresolved and competing land claims in the area threaten to destabilize future development.

- Growing of Informal settlements and housing backlog as mining activities intensify.
- Competing land uses (i.e., the mining and agriculture, Commercial, etc.) cause spatial, social, environmental, and economic constraints.
- Poor implementation of sector plans (SDF, LUS) and Polices by the municipalities.

CHAPTER FOUR: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The Municipality had planned to achieve a total of **197** targets for the 2023/2024 financial year. The Municipality managed to achieve **137** of the **197** set targets which is an equivalence of **70%** and **59** set targets were not achieved. This translates to 30% underachievement of the 2023/2024 financial year.

The municipality has improved performance with 8% compared with the previous financial year which was at 62% achievement against the planned targets. The Department of Infrastructure and Water Services as the key Department of the district with **50** targets and only achieved **22** targets which translate to **44% were achievement against 2023/2024 financial year targets.** This poses a challenge to the municipality to improve in providing basic services to communities. The issue of late appointment of service providers and community unrest caused by business forums continue to affect the performance of the municipality. The municipality is devising plans to address the root causes of underachievement.

The following table outline the performance as per key performance area for the 2023/2024 financial year.

TABLE 1:

KEY PERFORMANCE AREAS	2022/2023 ANNUAL PERFORMANCE	2023/2024 ANNUAL PERFORMANCE			
	% ACHIEVED	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED
BASIC SERVICE DELIVERY AND INFRASTRUCTURE					
Infrastructure & Water Services	10%	50	22	28	44%

Community Services	100%	16	16	00	100%
TOTAL	**35%**	**66**	**38**	**28**	**58%**
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Office of the Speaker	80%	18	12	06	66%
Office of the Executive Mayor	80%	23	18	05	78%
Office of the Municipal Manager	80%	22	17	04	77%
TOTAL	**80%**	**62**	**42**	**19**	**74%**
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL DEVELOPMENT					
Corporate Services	71%	28	22	06	79%
IDP, PMS & Legal Services	87%	14	13	01	93%
TOTAL	**80%**	**42**	**35**	**07**	**83%**
FINANCIAL MANAGEMENT AND VIABILITY					
TOTAL	**73%**	**10**	**06**	**04**	**60%**
SPATIAL RATIONALE					
TOTAL	**100%**	**06**	**04**	**02**	**40%**
LOCAL ECONOMIC DEVELOPMENT					
TOTAL	**36%**	**10**	**07**	**03**	**70%**
TOTAL Performance	**62%**	**197**	**137**	**59**	**70%**

SEKHUKHUNE DEVELOPMENT AGENCY	**55%**	**09**	**05**	**04**	**56%**

TABLE 2: 2023/2024 ANNUAL PERFORMANCE AS PER DEPARTMENTS

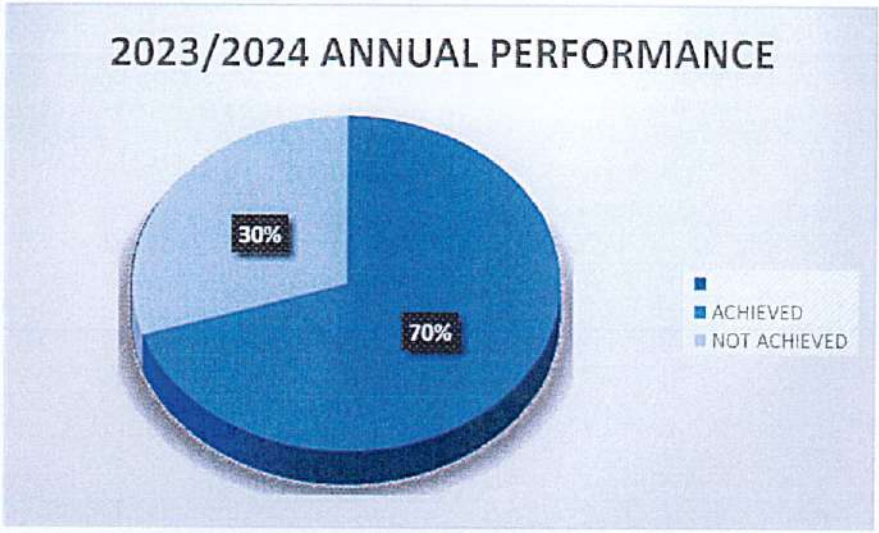
DEPARTMENT	NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED
Infrastructure & Water Services	50	22	28	**44%**
Community Services	16	16	00	**100%**
Corporate Services	28	22	06	79%
Municipal Manager's Office	25	20	04	80%
Office of the Executive Mayor	23	18	05	78%
Office of the Speaker	18	12	06	66%

Budget & Treasury Office	10	06	04	60%
Planning & Economic Development	27	21	06	78%
Total	**197**	**137**	**59**	**70%**

Excel reports with full explanation of challenges and remedial actions for targets not achieved are attached as (**Annexure APR-1)**

Below is a graphical depiction of the overall performance of the Municipality in the financial year 2023/2024.

Figure1



There are number of challenges as to why some targets could not be achieved by the municipality. The challenges are outlined in the Annual Performance Report per KPA. These can be summarised as follows:

Measures to improve performance.

Challenge	Measures to improve performance
The poor quality of technical reports due to lack of technical capacity within the Municipality	MISA has deployed two Engineers and a student Engineer to support the Municipality.
Inadequate application of Project Management Techniques in Planning & Implementation of projects	Continuous technical skills training & development through SAICE training programme.

	MISA is providing training combined with on-the-job training.
Disagreement between Traditional Leaders on land where projects are to be implemented. One village does not agree to share with neighbouring community.	Extensive consultation before the approval of the project by DWS. Obtain prior approval of Traditional Leaders for the projects to continue.
Lack of water source in some areas within the region. Sometimes the quality of water cannot be used for consumption which compels the Municipality to stall the projects. Additional funding will therefore be required to build a package plant. This funding acquisition process takes time.	At planning stage, the quality and quantity of underground water must be determined before the technical report to drill a borehole is submitted for funding.
Structuring of the RBIG to be paid to the Municipality via DWS whereas the DORA allocates it directly to the Municipality. DWS delays the payment of service providers funded from this grant.	Continuous engagement with the DWS to transfer the RBIG grant directly to the municipality. DWS is monitoring the municipality's performance to review the status of Schedule 6B to schedule 5B.

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4.1.1 INTRODUCTION

In terms of the White Paper on Human Resource Management in the Public Service, HR management will result in diverse competent and well-managed workforce; capable of and committed to delivering the high-quality services to the people of South Africa. It should be a model of excellence in which service to society stems from individual commitment instead of compulsion. The mission of the White Paper also emphasises that the management of people should be regarded as a significant task for those who have been charged with the responsibility and should be conducted in a professional manner. In the same breath, Section 57 of the Municipal Systems Act, 32 of 2000 requires the municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration. The above legislations direct Municipalities to put in place HR policies, procedures, practices and strategies that will enable the attainment of the organizational strategic objectives. Human Resource is an important role player and an enabler in this regard. In order to succeed the mission and vision of Human Resource unit should be aligned to those of SDM and the IDP.

4.1.2. Human Resource Vision and Mission

4.1.2.1. HR Vision

To be a unit that champions effective, efficient, and economic human resource support service.

4.1.2.2. HR Mission Statement

To provide human resource service through high impact, sustainable and strategic objectives to attain shared growth and productivity through:

- Provision of recruitment, selection and appointment of staff
- Provide staff retention and terminations.
- Provision of leave administration
- Provision of employees benefits administration.
- Provision of HR policies and procedures development
- Implementation of Employment equity Act
- Provision of training and development
- Provision of performance management system
- Provision of employee database

4.1.3. Legal Framework

Human resource derives its mandate from, inter-alia, the following legislative prescriptions:

- The Constitution of RSA (Act, 108 of 1996)
- The Basic Conditions of Employment Act, 75 of 1997
- Employment Equity Act, 55 of 1998
- Skills Development Act, 97 of 1998
- Labour Relations Act, 66 of 1995
- Municipal Systems Act, 32 of 2000
- The White Paper on Human Resource Management in the Public Service.

4.2. EMPLOYEES

4.2.1. TOTAL NUMBER OF EMPLOYEES, STAFF TURN- OVER AND VACANCIES

As per Organizational structure of the 2023/2024, 716 out of 1028 positions that were approved on the organisational structure, were filled. Forty-one (41) employees were terminated due to various reason ranging from retirement, resignation, death,

dismissal, etc. A break-down of the posts in the organization is reflected in the table below:

4.2.2. Total Number of Employees

Name of Department	Number of Posts filled	Males	Females
Executive Mayor's Office	38	19	19
Office of the Speaker	20	12	8
Municipal Manager's Office	12	7	5
Corporate Services	55	23	32
Budget & Treasury	**47**	**17**	**30**
Planning	8	4	4
Community Services	100	39	61
Infrastructure/Water	411	279	132
MIG	18	8	10
Section 57	7	4	3
TOTAL	**716**	**412**	**304**

4.2.3 Senior management posts vacancy rate in comparison with the SDM local municipalities

Municipality	Number of Posts	Filled	Vacant	Vacancy rate
Fetakgomo Tubatse	**07**	**04**	**03**	**43%**
Makhuduthamaga	**06**	**04**	**02**	**33%**
Ephraim Mogale	**06**	**06**	**0**	**0%**
Elias Motsoaledi	**06**	**04**	**02**	**33%**

Sekhukhune	**07**	**07**	**0**	**0%**
Total	**32**	**25**	**07**	**22%**

4.3 HR ORGANISATIONAL POLICIES

A policy is defined as a system of principles to guide decision making and achieve rational outcomes. In order for human resource practices to be fair, transparent, effective, efficient, consistent and economic, the policies, guidelines and Standard Operating Procedures should be developed in line with the applicable legislations for attainment of the organizational imperatives as enshrined in the IDP. In compliance with the above, the following CPS policies were developed/reviewed:

- Individual Performance Management Policy
- Training and Development Policy
- Standby and Overtime Policy
- Substance Abuse Policy
- Sexual Harassment Policy
- Job Evaluation Policy
- Recruitment and Selection Policy
- Bursary Policy
- Local Labour Forum Policy
- Scarce Skills Policy
- Secondment Policy
- Acting Policy
- Cost Containment Policy
- Succession Planning Policy
- Employee Assistance Programme Policy
- ICT Firewall Policy
- ICT Disaster Recovery Policy
- ICT Data Backup and Recovery Policy
- Data Centre Access Control and Environment Policy
- Subsistence and Travelling Allowance

Human Resource Unit has identified policies that are necessary in the practice and are considered for development and also the Standard Operating Procedures for all the developed/reviewed:

- Official Working Hours
- Business Code of Ethics Policy
- Human Resource Development Strategy
- Personal Clothing and Equipment Policy
- Remuneration Policy
- Managing Underperformance Policy
- Fraud and Bribery Policy
- Equality and Diversity Policy
- Fleet Management Policy
- Facility Management Policy
- Personal File Access Policy

- Bereavement and Funeral Policy
- Gift Policy

NB Human Resource Unit has developed the HR Strategic Plan and it is on the consultation process.

4.4. INJURY ON DUTY REPORT

Injury On Duty Report

INJURY ON DUTY (IOD) ANNUAL REPORT (2023 – 2024 FINANCIAL YEAR)

The following is the Injury on duty report (accidents/ incidents) from July 2022 to June 2023. This is done in terms of Compensation for Occupational Injuries and Diseases Act 130 of 1993. The report is categorized as follows: (a) name of the employee, (b) claim number, (c) employee identity number, (d) date of the injury, and (e) case progress.

No	Name of the Employee	Claim	Date	Case Progress
01	Mohlala MR	11904117	06.09.2023	Waiting for final medical report
02.	Matlala MS	11903902	05.09.2024	Waiting for final medical report
03.	Manyaka MD	1199550	13.03.2023	Waiting for final medical report
04.	Chili KS	Liability accepted	25.04.2024	Waiting for final medical report
05	Tlamama MM	1192589	12.03.2024	Waiting for final medical report
06	Mtshweni MS	11967533	11.02.2024	Waiting for final medical report

07	Aphane M	11873289	24.05.2024	Waiting for final medical report
08	Masoikananeng MA	Liability accepted	21.10.2024	Undergoing treatment as outpatient
09	Mashaba TL	11903770	30.08.2023	Claim closed with no Permanent disablement.
10	Malapane LT	11885520	19.07.2023	Final medical report with Permanent disablement processed to Compensation Fund.

4.5 LABOUR RELATIONS CASES

In the year under review (2023-2024) we had to deal with the following cases affecting our employees.

Misconduct cases are dealt with in terms of s23 of the Constitution, Labour Relations Act, and Disciplinary Procedure Collective Agreement, Municipal Systems Act (code of conduct for municipal staff members), SDM policies, SDM Circulars and other labour legislations.

Eight (07) misconduct cases were facilitated and Three (3) finalized and Four are still outstanding.

Warning/s issued.

There were no warnings issued in terms of the Schedule 8 of the Labour Relations Act and Disciplinary procedure collective agreement.

Grievance cases

Grievance cases are dealt with in terms of s23 of the Constitution and Section C, Clause 13 of the SALGBC Main Collective Agreement.

There were Three (3) Grievances lodged and facilitated during the period under review.

Dispute resolution

Dispute resolutions are dealt with in terms of the Labour Relations Act, SALGBC Main Collective Agreement, Commission for Conciliation, Mediation & Arbitration (CCMA) rules and other labor legislations.
Three (03) labor disputes were received and facilitated.

4.6. SKILLS DEVELOPMENT AND TRAINING

The following table indicates various programmes as well as budget commitments undertaken by the Municipality to address the skills of its employees as well as the general communities.

4.7. TRAINING SPEND IN 2023/2024

PROJECTS	BUDGET ALLOCATED	REVIEWED BUDGET
External bursaries	R 459 301. 00	-R300 000 (The R300 000 was adjusted to the accommodation vote which depleted)
Staff bursaries	R720544.24	399.00
WSP Implementation	R600 000	+ R392.250 R794
Experiential learning	None	None
Internship	None	None

4.8. BURSARIES

In the 2023/2024 financial year Sekhukhune District Municipality has been supporting students financially to study for various programmes at universities.

The municipality is currently providing financial assistance to needy students who are attending various tertiary institutions. There are **thirty-two (33)** students that are currently in the programme through the internal bursary scheme that we provide. These employees study in the various fields. There three students who are catered through external bursaries.

CHAPTER FIVE: FINANCIAL PERFORMANCE

COMPONENT A

5.1. STATEMENT OF FINANCIAL PERFORMANCE

The total revenue realised by the SDM for the 2023/2024 financial year reported at R1 761 991 614 compared to R1 482 055 773 for the 2022/2023 financial year. Revenue from exchange items is summarised as follows:

Service charges which are sale of water and sewer services stood at R71 551 840 as compared to R94 213 108 in the 2022/2023 financial year.

Interest received debtors reported at R 34 069 586 as compared to R 26 068 995 in the 2022/2023 financial year. Other sources of revenue such as sale of tender documents contributed R 1 082 941 as compared to R 1 404 470 in the 2022/2023 financial year.

Interest on investments reported at R 81 206 793 as compared to R 57 878 945 the 2022/2023 financial year. Actuarial gains stood at R 3 009 226 while previous year we had reported at R 10 290 979.

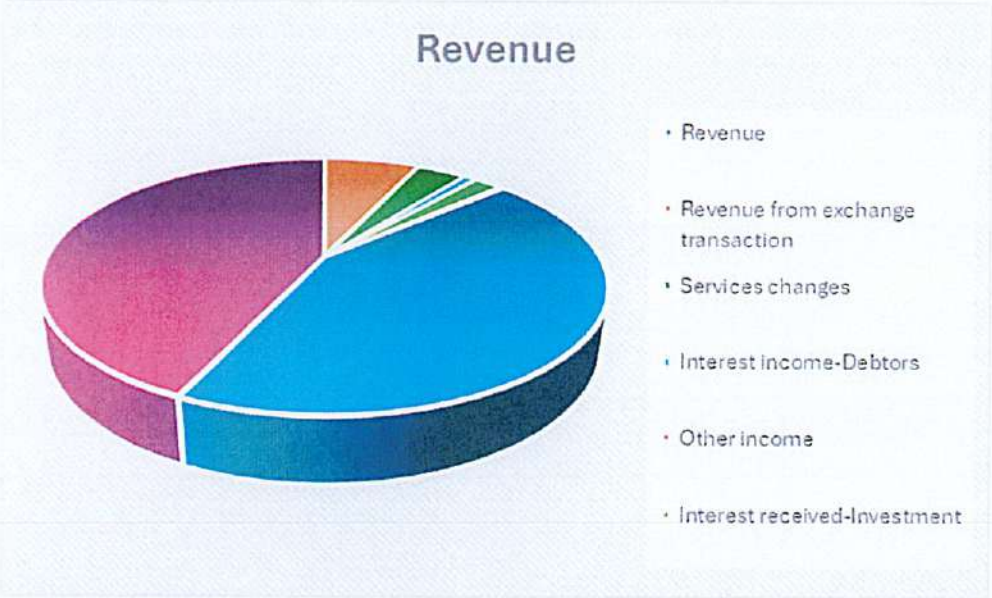
Revenue from non-exchange items reported at R1 570 998 704 as compared to R 1 282 070 027 in the 2022/2023 financial year. The revenue from non-exchange is the government subsidies and grants represent 89% of the total revenue as of 30 June 2024 and clearly that indicates dependency on grants.

5.2. Revenue sources

The chart below shows the proportions of revenue for 2023/2024 amount to R1 761 991 614. The chart indicates that the municipality is still receiving a large chunk of its revenue from government subsidies and grants at 89% R1 570 998 704. Service charges had decreased by 31%, which represent R71 551 840 compared to the R104 342 357 of the previous financial year and Interest received from debtors which is at 31% amounting to R34 069 586 compared to R26 068 995 of the previous financial year. Furthermore, interest on investment is stated at 40% which represent R81 206 793 as compared to previous year at R57 878 945.

TABLE 1: 2023/2024 REVENUE FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue	2 024	2 023	Change in %
Revenue from exchange transaction	**190 983 584**	**199 985 746**	
Services changes	71 551 840	104 342 357	-46%
Interest income-Debtors	34 069 586	26 068 995	23%
Other income	1 082 941	1 404 470	-30%
Interest received-Investment	81 206 793	57 878 945	29%
Fair value adjustment	63 198	-	100%
Acturial gains	3 009 226	10 290 979	-242%
Revenue from non-exchange transactions	**1 571 008 030**	**1 282 070 027**	
Government grants & subsidies	1 570 998 704	1 282 065 599	18%
Fines, Penalties and forfeits	9 326	4 428	53%



5.3. Expenditure

The total expenditure for the municipality in 2023/2024 was at R 1 594 686 554 as compared to R 1 219 845 709 in 2022/2023 financial year.

The contracted services is the highest contributor amounting to R 278 941 930 as compared to R 128 283 298 in 2022/2023 financial year.

Bulk purchases is the second contributor at R 231 345 755 compared to R 142 103 580 in 2022/2023 financial year

Debt impairment is the third contributors at R 117 262 131 as compared to R 83 091 600 and

Repairs and maintenance is the fourth highest contributors at R 44 763 997 compared to R 31 819 254 in 2022/2023 financial year.

The General expenses are the fifth contributor at R 257 141 202 in 2023/2024 as compared to R 204 506 280 in 2022/2023 financial year.

Transfer and subsidies are the sixth contributors at R 10 663 989 in 2023/2024 as compared to R 8 514 290 in 2022/2023 financial year

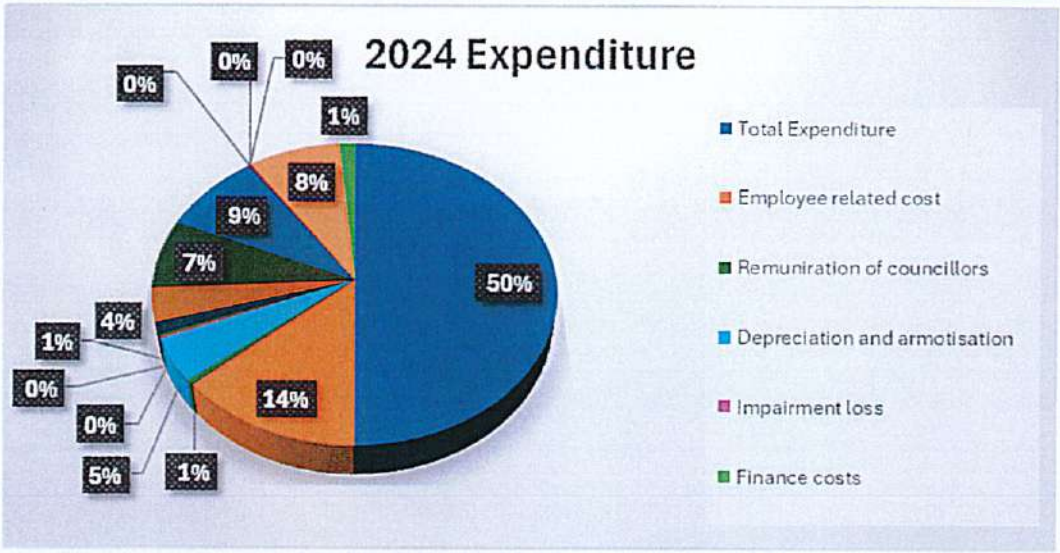
Employee related cost is the seventh contributor amounting to R 432 791 920 compared to R 391 822 556 in 2022/2023 financial year.

While the depreciation and amortization is the eighth contributor at R 144 961 078 compared to R 135 410 223.

Lastly is remuneration of councillors reported at R 17 935 498 as compared to R 17 649 118 in 2022/2023 financial year.

TABLE 2: 2023/2024 EXPENDITURE

Column1	2024	2023	Change in %
Total Expenditure	1 594 686 554,00	1 219 845 709,00	31%
Employee related cost	432 791 920,00	391 822 556,00	10%
Remuniration of councillors	17 935 498,00	17 649 118,00	2%
Depreciation and armotisation	144 961 078,00	135 410 223,00	7%
Impairment loss	7 348 419,00	15 470 661,00	-53%
Finance costs	5 565 849,00	6 834 076,00	-19%
Lease rentals on operating lease	45 782 700,00	52 604 272,00	-13%
Debt Impairment	117 262 131,00	83 091 600,00	41%
Bulk purchases	231 345 755,00	142 103 580,00	63%
Contracted services	278 941 930,00	128 283 298,00	117%
Transfers and subsidies	10 663 989,00	8 514 290,00	25%
Loss on disposal of assets and liabilities	-	254 480,00	-100%
Inventories losses/ write-down	182 086,00	1 482 021,00	-88%
General Expenses	257 141 202,00	204 506 280,00	26%
Repairs and Maintenance	44 763 997,00	31 819 254,00	41%



5.4. Asset management

The Municipality has during 2023/2024 financial year used the appointed service provider to deal with asset management matters over the 12 months. During 2023/2024 all the movable assets have been dealt with, 100% of immovable assets were verified and accounted for. The municipality is continuing the process to clean-up immovable assets during 2023/2024 and beyond. It must be emphasised that these immovable assets are mainly the water services infrastructure that were transferred to the district municipality during the establishment of water services authority and provider functions.

Thus, the municipality has several assets in the form of water and sanitation infrastructure (immovable assets) as well as those assets that are movable (office furniture and vehicles). In the 2023/2024 financial year the total assets were at R5 811 852 845 as compared to the 2022/2023 financial year at R5 584 583 460. Thus, 4% overall increase in assets.

The total liabilities for the 2023/2024 financial year were at R748 803 288 compared to 2022/2023 financial year which stood at R687 153 355.

5.5. Net asset position = Assets: Liabilities

The Municipality has during 2024/2023 financial year used the appointed service provider to deal with asset management matters on a three (3) years contract. During 2023/2024 all the movable assets have been dealt with, 100% of immovable assets were verified and accounted for.

The municipality is continuing the process to clean-up immovable assets during 2023/2024 and beyond. Thus, far the municipality has number of assets in the form of water and sanitation infrastructure (immovable assets) as well as those assets that are movable (office furniture and vehicles). In the 2023/2024 financial year the total assets were at R5 811 852 845 as compared to the 2022/2023 financial year at R5 584 583 460.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6. Grants received.

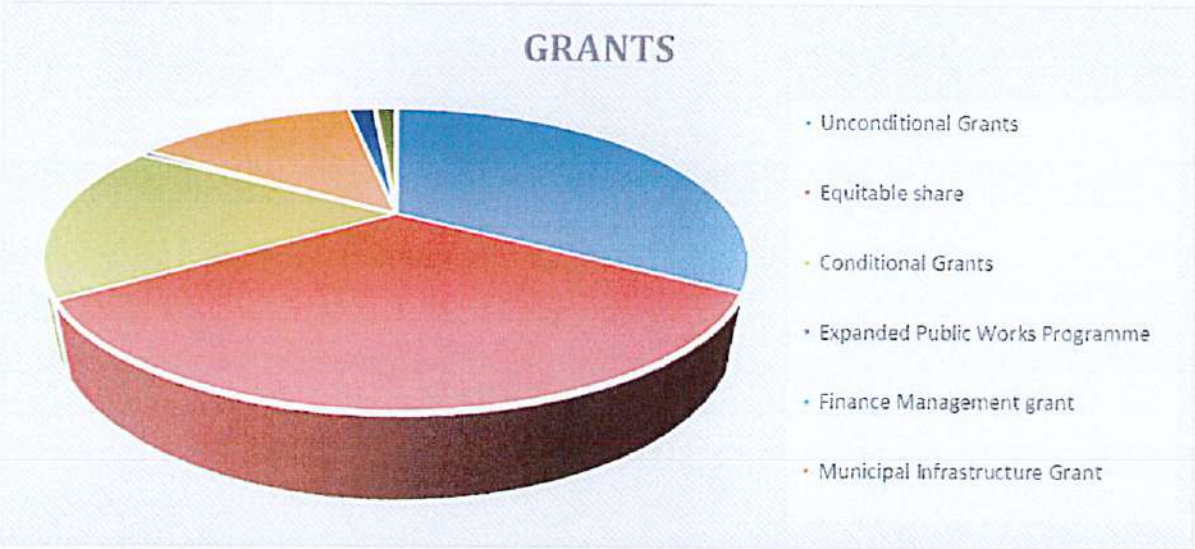
- Sekhukhune District Municipality received an amount of R1 570 998 704 for 2023/2024 financial year as compared to R1 282 070 027 for 2022/2023 financial year. The grants were received as follows:
- Equitable share R1 065 825 000 (2023: R989 171 905)
- Municipal Infrastructure Grant R393 723 335 (2023: R241 034 811)
- Expanded Public Works Program R15 355 000 (2023: R13 009 981)
- Finance management grant R 2 400 000 (2023: R2 400 000)
- Water Services Infrastructure Grant R 36 013 680 (2023: R9 788 789)
- Regional Bulk Infrastructure Grant R51 952 541(2023: R22 885 825)

- National Department of Labour: SETA R3 845 377 (2023: R2 790 804)

5.7. Sources of finance for capital funding

TABLE 3

Grant Type	2023/24	Unspent Opening Balance	Expenditure	Unspent to date
Unconditional Grants	1 065 825 000,00	-	1 065 825 000,00	-
Equitable share	1 065 825 000,00	-	1 065 825 000,00	-
Conditional Grants	548 604 598,00	256 416 741,00	504 873 447,00	300 147 892,00
Expanded Public Works Programme	15 355 000,00	19,00	15 355 000,00	19,00
Finance Management grant	2 400 000,00	-	2 400 000,00	-
Municipal Infrastructure Grant	434 127 000,00	232 965 189,00	393 723 335,00	273 368 854,00
Regional Bulk Infrastructure Grant	51 952 541,00	-	51 952 541,00	-
Rural Roads Assets Management System Grant	2 460 000,00	1 467 516,00	1 883 771,00	2 043 745,00
Water Services Infrastructure Grant	38 464 680,00	21 984 017,00	36 013 680,00	24 435 017,00
National Department of Labour: SETA	3 845 377,00	-	3 545 120,00	300 257,00



COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

5.9. Cash equivalents

By the end of the financial year 2023/2024 Sekhukhune District Municipality closed cash and cash equivalents of R552 691 059 as compared to R732 695 367 in 2022/2023 financial year.

Cash flow from investing activities (purchase of plant and equipment) stood at R508 447 627 financial year 2023/2024 as compared to R248 096 878 financial year 2022/2023 financial year.

5.10. Borrowing and investments

By the end of the 2023/2024 financial year the municipality had a short-term investment of R 546 219 352 compared to R730 884 004 in 2022/2023 financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11. Supply Chain Management

Procurement of goods and services done during the year were following supply chain management policy and regulations. All SCM issues reported under corporative governance.

5.12. Bid Committees

It is the competency of the Municipal Manager to appoint bid committees in the municipality. All bid committees were established and functioned well. The following committees were established:

- Specification
- Quotation
- Evaluation
- Adjudication

5.13. Oversight role of Council

The municipality has the following committees to play oversight role to Council and its committees:

- Rules committee enforces council rules during council meetings.
- Petition committee attend to petitions submitted to the municipality and reports to council.
- Ethics committee investigates the conduct of councillors.
- Municipal Public Account Committee (MPAC) ensures accountability of administration to council and Audit committee which advice the municipal council, the political office bearers the accounting officer and the management staff of the municipality as reflected in section 166(2) of MFMA.

5.14. GRAP Compliance

The annual financial statements (AFS) have been prepared according to GRAP standards as required by the Municipal Finance Management Act, of 2003.

CHAPTER SIX: AUDITOR GENERAL FINDINGS AND OPINION

COMPONENT A: 2023/2024 AUDITOR GENERAL OPINION AND FINDINGS

6.1 2023/2024 financial year Auditor General South Africa (AGSA) Report and findings

During the 2023-2024 financial year the Auditor General of South Africa issued a Qualified Audit opinion. The municipality did not improve on the opinion as it is the same as the previous year.

Basis for opinion

1. Employee benefits
2. Irregular expenditure

EMPHASIS OF MATTERS

1. Underspending of conditional grant
2. Material impairment -Trade debtors
3. Restatement of comparative figures
4. Water losses
5. Unauthorised expenditure
6. Uncertainty relating to the future outcome litigation

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

1. Annual Financial Statements, Performance and Annual Report
2. Expenditure Management
3. Procurement and Contract Management
4. Consequences Management
5. Strategic planning and budgeting

REPORT ON ANNUAL PERFORMANCE REPORT (APR)

1. Supporting evidence provided did not agree with the reported achievement (IWS and LED)
2. Non achievement of targets

COMPONENT B: 2022/2023 AUDITOR GENERAL OPINION AND FINDINGS

6.2 2022/2023 financial year Auditor General South Africa (AGSA) Report and findings

During the 2022-2023 financial year the Auditor General of South Africa issued a Qualified Audit opinion.

6.3 Progress on 2022/2023 financial year Auditor General South Africa findings

During the 2022-2023 financial year the Auditor General of South Africa issued a Qualified Audit opinion with 8 matters for the basis for the qualified opinion and 3 matters of emphasis.

In terms of audit of performance information only Basic Service Delivery key performance area was audited.

The municipality had 123 Audit Findings inclusive of management report. As at June 2024 106 Findings were addressed and 17 were in progress

CONCLUSIONS

The Annual Report for 2023/2024 financial year is hereby presented to reflect the performance of the municipality during the period under review. Many challenges remain to be resolved and it requires the collaboration of all stakeholders to put their shoulders behind the wheel to ensure that service delivery is achieved whilst at the same time proper administrative systems and processes are also put in place to comply with best practices.

This Annual Report must not be read in isolation, the annexures to the Annual Report as stated below are also central towards overall understanding of the Annual Report namely:

Annexure A: Audited Annual Financial Statement 2023/2024

Annexure B: Audit Report SDM & SDA 2023/2024

Annexure C: SDBIP Cumulative Performance Report 2023/2024

: Performance of Service Providers Report 2023/2024

Annexure D: Sekhukhune Development Agency Annual Report 2023/2024

Annexure E: Audit Committee Report 2023/2024

Annexure F: Audit Action Plan 2023/2024

Annexure G: Community consultation Report 2023/2024

Annexure H: Oversight Report 2023/2024.

SEKHUKHUNE
District Municipality

Private Bag X8611
Groblersdal
0470
3 West Street
Groblersdal 0470
Tel: (013) 262 7300
Fax: (013) 262 3688
E-Mail: sekinfo@sekhukhune.co.za

CERTIFIED COUNCIL RESOLUTION

The Council at its Ordinary Meeting held on 30 January 2025 under:

OC 19/01/2025 DRAFT ANNUAL REPORT 2023/2024 F/Y

RESOLVED AS FOLLOWS:

1. Council noted the Annual Report and its supporting documents for the 2023/2024 financial year .
2. Council noted the public participation draft joined programme.

CERTIFIED AS TRUE RESOLUTION
MUNICIPAL MANAGER
KGWALE MM

5/02/2025
DATE

Annexure A: 2023/2024 Audited Annual Financial Statement: SDM



SEKHUKHUNE
District Municipality

Sekhukhune District Municipality
Financial statements
for the year ended 30 June 2024
Auditor General (SA)

General Information

Legal form of entity	A district municipality in terms of section 1 of the Local Government: Municipal Structures Act 11 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 provision of services (water and sanitation) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.
Mayoral committee	
Executive Mayor	Cllr Mokganyetji MJ (Executive Mayor: 1st July 2023 - 16th November 2023) Cllr Maitula BM (Executive Mayor: 17th November 2023 - 30th June 2024)
Councillors	Cllr Chego KS (Council speaker) Cllr Phokane K (Chief Whip of council) Cllr Sefala RE Cllr Kupa CR Cllr Ratau MF Cllr Nkosi SM Cllr Malatji MN Cllr Lekwatsipa LR Cllr Mafefe O Cllr Leshaba B Cllr Mohlala MJ Cllr Mabatane MC Cllr Mogofe A Cllr Tladi MD Cllr Maloba AM Cllr Machai MJ Cllr Maelane KM Cllr Letsela NS Cllr Magatla LN Cllr Makobe PA Cllr Mashegoana MC Cllr Thokoane KZ Cllr Mokomane ML Cllr Mosoane E Cllr Rankoe TP Cllr Leokana MD Cllr Matsomane SD Cllr Sithole ME Cllr Nkosi SB Cllr Maibelo LS Cllr Mohlamonyane TE Cllr Mashilo MS Cllr Malau TS Cllr Makofane IT Cllr Ngwatle AT Cllr MAbelane JM Cllr Molapo WS Cllr Tlape MM Cllr Thobejane LM

General Information

	Cllr Mokgoto K Cllr Mgiba NP Cllr Mathipa MP Cllr Makutu TS Cllr Makofane T Cllr Magabe MS Cllr Senong MR Cllr Mosotho MT Cllr Matsetela ML Cllr Komane LM Cllr Kgwedi JL Cllr Tshivhula MP Cllr Mogotji FM
Grading of local authority	Grade 4 Municipality
Accounting Officer	Ms. Rampedi MN (1st July 2023 - 30 September 2023) Mr. Kgwale MM (1st October 2023 - 30 June 2024)
Chief Finance Officer (CFO)	Mr. Nkadimeng HL
Registered office	03 West Street Groblersdal 0470
Postal address	Private Bag X8611 Groblersdal 0470
Bankers	Standard Bank
Auditors	Auditor General (SA)

Sekhukhune District Municipality
Financial Statements for the year ended 30 June 2024

Index

The reports and statements set out below comprise the financial statements presented to the provincial legislature:

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Audit Committee Report	5
Accounting Officer's Report	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	10 - 16
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Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MIG	Municipal Infrastructure Grant
WSIG	Water Services Infrastrucutre Grant
SALGA	South African Local Government Association

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 financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the 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 financial statements and were given unrestricted access to all financial records and related data.

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

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

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

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

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

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

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's financial statements. The financial statements have been examined by the municipality's external auditors. 6.

The financial statements set out on page 8 to 83, which have been prepared on the going concern basis, were approved by the accounting officer on 30 June 2024 and were signed on its behalf by:

Accounting Officer
Designation

Audit Committee Report

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

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. The meetings held by the audit committee are listed here under:

Name of member	Number of meetings attended
Mr. Mofokeng LS (Chairperson)	12
Ms. Ngoetjana S	11
Adv. Thubakgale L	11
Mr. Manyisane V	12
Mr. MAthabatha M	12

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the Municipal Finance Management Act.

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

The effectiveness of internal control

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the municipality during the year under review.

Evaluation of financial statements

The audit committee has:

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

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

Internal audit

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

Auditor-General of South Africa

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

_____

Chairperson of the Audit Committee

Date: _____

Accounting Officer's Report

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

1. Review of activities

Main business and operations

Net surplus of the 2023/2024 financial year was R 159 307 773.00 as at 30 June 2024 (30 June 2023 - R 262 210 064.00)

2. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplurs of R 5 056 737 878.00

The 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 municipality to ensure that all matters of compliance are adhered to so as to ensure that all the conditional and unconditional grants allocated to the municipality are received in full as the municipality is currently grant dependent to fund its operations. The municipality is currently implementing the revenue strategy that is aimed as enhacing the its reveue base over time to ensure that there is financial sustainability without having to rely heavily on government grants and subsidies.

The municipality has adopted a voluntary financial recovery plan with the assistance of the National Treasury, the plan is aimed at improving the financial position of the municipality by enhancing its revenue base while also unlocking service delivery backlogs. Implementation of the plan is to be monitored by the provincial treasury on a monthly basis.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

4. Accounting policies

The financial statements were prepared in accordance with the prescribed standards of Generally Accepted Accounting Practice (GRAP), including any interpretations of such Statements issued by the Accounting Standard Board as the prescribed by the Municipal Finance Management Act.

5. Bankers

The Standard Bank South Africa is the primary banker of the municipality for a period of five years.

6. Auditors

Auditor General (SA) will continue in office for the next financial period.

7. Provincial and National Treasury

The municipality is required, in terms of section 126(1)(a) of the MFMA, to submit its annual fiancial statements and those of the Sekhukhune Development Agency to the Auditor General South Africa within two months of the end of the annual financial year.

The financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the accounting officer on 30 June 2024 and were signed on its behalf by:

Accounting Officer
Designation

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	10	18 081 243	18 154 154
Other financial assets	5	1 000	1 000
Receivables from non-exchange transactions	11&14	7 723 137	2 577 805
VAT receivable	12	111 700 905	78 296 838
Prepayments	9	5 090 073	5 105 341
Receivables from exchange transactions	13	47 293 892	34 682 751
Cash and cash equivalents	15	552 691 059	732 695 367
		742 581 309	**871 513 256**
Non-Current Assets			
Property, plant and equipment	3	5 062 344 543	4 712 518 087
Heritage assets	4	615 316	552 117
		5 062 959 859	**4 713 070 204**
Total Assets		**5 805 541 168**	**5 584 583 460**
Liabilities			
Current Liabilities			
Operating lease liability	6	199 409	483 598
Payables from exchange transactions	7	619 439 174	378 248 146
Consumer deposits	8	5 508 777	5 213 578
Unspent conditional grants and receipts	16	57 482 927	254 103 033
Employee benefits	17	34 201 000	23 995 000
		716 831 287	**662 043 355**
Non-Current Liabilities			
Employee benefits	17	31 972 001	25 110 000
Total Liabilities		**748 803 288**	**687 153 355**
Net Assets		**5 056 737 880**	**4 897 430 105**
Accumulated surplus		5 056 737 878	4 897 430 104
Total Net Assets		**5 056 737 878**	**4 897 430 104**

* See Note 43 & 42

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	19	71 551 840	104 342 357
Interest received - Debtors		34 069 586	26 068 995
Other income		1 082 941	1 404 470
Interest - Investments	23	81 206 793	57 878 945
Fair value adjustments		63 198	-
Actuarial gains		3 009 226	10 290 979
Total revenue from exchange transactions		**190 983 584**	**199 985 746**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	25	1 570 998 704	1 282 065 599
Fines, Penalties and Forfeits	20	9 326	4 428
Total revenue from non-exchange transactions		**1 571 008 030**	**1 282 070 027**
Total revenue	18	**1 761 991 614**	**1 482 055 773**
Expenditure			
Employee related costs	26	(432 791 920)	(391 822 557)
Remuneration of councillors	27	(17 935 498)	(17 649 118)
Depreciation and amortisation	28	(144 961 078)	(135 410 223)
Impairment loss	29	(7 348 419)	(15 470 661)
Finance costs and interests on overdue accounts	30	(5 765 833)	(6 834 076)
Lease rentals on operating lease	21	(45 782 700)	(52 604 272)
Debt Impairment	32	(117 262 131)	(83 091 600)
Bulk purchases	34	(231 345 755)	(142 103 580)
Contracted services	35	(315 658 520)	(153 563 049)
Transfers and Subsidies	24	(10 663 989)	(8 514 290)
Loss on disposal of assets and liabilities		-	(254 480)
Inventories losses/write-downs		(182 086)	(1 482 021)
Actuarial losses		(1 685 611)	-
General Expenses	33	(220 224 627)	(179 226 529)
Repairs and maintenance		(51 075 674)	(31 819 254)
Total expenditure		**(1 602 683 841)**	**(1 219 845 710)**
Surplus for the year		**159 307 773**	**262 210 063**

* See Note 43 & 42

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	4 509 391 590	4 509 391 590
Adjustments		
Prior year adjustments 43	125 828 451	125 828 451
Balance at 01 July 2022 as restated*	**4 635 220 041**	**4 635 220 041**
Changes in net assets		
Surplus for the year	262 210 063	262 210 063
Total changes	262 210 063	262 210 063
Restated* Balance at 01 July 2023	**4 897 430 105**	**4 897 430 105**
Changes in net assets		
Surplus for the year	159 307 773	159 307 773
Total changes	159 307 773	159 307 773
Balance at 30 June 2024	**5 056 737 878**	**5 056 737 878**

Note(s)

* See Note 43 & 42

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		71 551 840	52 712 473
Grants		1 376 829 598	1 483 803 690
Interest income		81 045 953	57 734 127
Other receipts		1 082 941	1 404 470
		1 530 510 332	1 595 654 760
Payments			
Employee costs		(412 724 645)	(388 476 303)
Suppliers		(777 718 547)	(604 655 197)
Finance costs and interest on overdue accounts		(17 935 498)	(17 649 118)
		(1 208 378 690)	(1 010 780 618)
Net cash flows from operating activities	36	**322 131 642**	**584 874 142**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(502 135 950)	(248 096 878)
Net increase/(decrease) in cash and cash equivalents		**(180 004 308)**	**336 777 264**
Cash and cash equivalents at the beginning of the year		732 695 367	395 918 102
Cash and cash equivalents at the end of the year	15	**552 691 059**	**732 695 366**

The accounting policies on pages 17 to 39 and the notes on pages 40 to 87 form an integral part of the financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	109 059 226	(536 666)	**108 522 560**	71 551 840	**(36 970 720)**	
Interest received (Outstanding debtors)	16 027 930	2 100 000	**18 127 930**	34 069 586	**15 941 656**	
Other Income	2 286 656	(950 591)	**1 336 065**	1 082 941	**(253 124)**	
Interest received - Investments	26 991 908	42 000 000	**68 991 908**	81 206 793	**12 214 885**	
Actuarial gains	452 812	-	**452 812**	3 009 226	**2 556 414**	
Total revenue from exchange transactions	**154 818 532**	**42 612 743**	**197 431 275**	**190 920 386**	**(6 510 889)**	

* See Note 43 & 42

Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	1 118 180 411	(3 013 465)	**1 115 166 946**	1 089 309 148	**(25 857 798)**
Fines, Penalties and Forfeits	52 789	(4 000)	**48 789**	9 326	**(39 463)**
Total revenue from non-exchange transactions	**1 118 233 200**	**(3 017 465)**	**1 115 215 735**	**1 089 318 474**	**(25 897 261)**
Total revenue	**1 273 051 732**	**39 595 278**	**1 312 647 010**	**1 280 238 860**	**(32 408 150)**
Expenditure					
Personnel	(478 529 270)	14 811 652	**(463 717 618)**	(432 791 920)	**30 925 698**
Remuneration of councillors	(19 082 579)	1 800 000	**(17 282 579)**	(17 935 498)	**(652 919)**
Depreciation	(99 840 051)	110 000	**(99 730 051)**	(144 961 078)	**(45 231 027)**
Impairment of assets	-	-	**-**	(7 348 419)	**(7 348 419)**
Finance costs	(105 300)	-	**(105 300)**	(5 765 833)	**(5 660 533)**
Lease rentals on operating lease	(52 000 000)	-	**(52 000 000)**	(45 782 700)	**6 217 300**
Debt Impairment	-	-	**-**	(117 262 131)	**(117 262 131)**
Inventory consumed - Bulk Water Supply	(185 066 733)	(22 200 001)	**(207 266 734)**	(231 345 755)	**(24 079 021)**
Contracted Services	(150 768 071)	(21 564 006)	**(172 332 077)**	(315 658 520)	**(143 326 443)**
Transfers and Subsidies	(5 306 699)	-	**(5 306 699)**	(10 663 989)	**(5 357 290)**
Actuarial losses	-	-	**-**	(1 685 611)	**(1 685 611)**
General expenses	(220 048 100)	(722 232)	**(220 770 332)**	(220 224 627)	**545 705**
Repairs and maintenance	-	-	**-**	(51 075 674)	**(51 075 674)**
Total expenditure	**(1 210 746 803)**	**(27 764 587)**	**(1 238 511 390)**	**(1 602 501 755)**	**(363 990 365)**
Operating deficit	**62 304 929**	**11 830 691**	**74 135 620**	**(322 262 895)**	**(396 398 515)**
Transfers and subsidies - Capital	551 608 010	(34 451 535)	**517 156 475**	481 689 556	**(35 466 919)**
Fair value adjustments	-	-	**-**	63 198	**63 198**
Inventories losses/write-downs	-	-	**-**	(182 086)	**(182 086)**
	551 608 010	**(34 451 535)**	**517 156 475**	**481 570 668**	**(35 585 807)**
Surplus before taxation	**613 912 939**	**(22 620 844)**	**591 292 095**	**159 307 773**	**(431 984 322)**
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**613 912 939**	**(22 620 844)**	**591 292 095**	**159 307 773**	**(431 984 322)**

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Revenue from exchange transactions
Service charges - The total approved annual budget on services charges was R 108 522 560 for the 2023/2024 finanical year, total annual billing on service charges amounts to R 71 551 840 with a negative variance of R 36 970 720, the budgeted quantities of water supply couldn't be achieved due to breakdowns of the infrastructure network in some areas, disconnections of water supply were also implemented to non-paying customers during the year.

Interest Received (Outstanding Debtors) - The actual interest on outstanding debtors of R 34 069 586.00 was significantly higher than the annual budgeted amount by R 15 941 656 due to the non-payment of the current and old debts by the customers.

Other income - The actual annual revenue from other income sources of R 1 082 941.00 was less than the annual budgeted income by R 253 124.00 due to the lower quatities of bid documents sold in the 2023/2024 financial year.

Interest Received - Investments - The R 81 205 205.00 actual interest earned from the short-term investments was more than the annual budgeted amount by R 12 213 297.00 as the municipality had more than enough surplus funds to invest throughout the financial year. Cash surplus not currently committed are invested on a short-term basis to earn the municipality interests that are part of the own revenue sources for the municipality.

Actuarial Gains - The R 3 009 226.00 actuarial gains where more than the total budgeted gains by R 2 556 414.00 as per the actuarial extimatimations of the 30th June 2024 performed by a professional actuarist on behalf of the municipality.

Revenue from non-exchange transactions
Government Grants & Subsidies - The municipality received in total R 1 570 998 704.00 in government grants and subsidies during the 2023/2024 financial year, the actual amount received was less than the total approved annual budget by R 61 324 717 due the the adisapproval of the appllication to roll-over the spent grants for the 2023/2023 financial year.

Fines and Penalties - The actual revenue from fines and penalties amounts to R 9 326.00 in the 2023/2024 financial year, with about R 39 463.00 under collection as compared to the annual approved budget. The animal impounding programs budgeted for could not be implemmented as planned due to the delays in the feasibility studies which were planned for implementation in the current year.

Expenditure
Employee related cost - The actual employee related cost was recorded at R 432 791 920.00 for the 2023/2024 financial year, R 30 925 698.00 less than the annual budget due to the vacancies which could not be filled as budgeted for.

Remuneration of councillors - No material variances on the remuneration of counciloors for tin the 2023/2024 financial year.

Finance costs - The actual finance costs incurred amounts to R 5 565 849.00 with a ,material variance of R 5 460 549.00 adue to the finance costs relating to the actuarial estimations which were not budgeted for int hin the 2023/2024 financial year.

Operating lease rentals - No material variances on the operating lease rentals reported for the 2023/2024 financial year.

Debt Impairment - R 117 262 131.00 material variance reported in the 2023/2024 financial year, no budget provision for the non-cash item expenditure on provision of doundful debts in the 2023/2024 financial year as the muicipality planned to collect more of the long overdue debts on service charges.

Inventory consumed - The bulk water purchases had a negative variance of R 24 079 021.00 in the 2023/2024 financial year, the municipality did enter into a settlement agreement with the Lepelle Northern Water Board for the settlement of the long outstanding debt on the bulk water account, part of the agreement was that the municipality do settle the previously disputed invoices while maintaining the current balances.

Contracted services - No material variances on contracted services in the 2023/2024 financial year, the repairs and manitenance was budgeted for as contracted services interms of the Municipal Budgeting and Reporting Regulations.

Transfers and subsidies - No material variances on the transfers and subsidies in the 2023/2024 financial year.

Actuarial losses - There is R 1 685 611.00 expenditure on actuarial losses in the 2023/2024 financial year being the estimated

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

actuarial losses as at 30th June 2024.There were no budget provision on actuarial losses as per the eactuarial estimations oin the prior year.

General expenses - The general expenditure incurred in the 2023/24 financial year amounts to R 220 224 627.00, the municipality budgeted in total R 220 770 332 and a negative variance of R 36 370 870.00 was recorded.

Current Assets
Inventories - The R 94 482 367.00 variance on inventory was due to the estimated closing stock in water inventory as at 30th June 2024, the municipality did noperform aa water inventory count which confirmed the water levels which were lower than the closing estimations.

Other financial assets - No material variances on other financial assets in the 2023/2024 financial year.

Receivables from non-exchange transactions - There is a R 83 967 093.00 material variance on the receivables from non-exchagnge transactions, the variance is made of the outstanding claims by the provincial Department of Water and Sanitation for the implementation of the Regional Bulk Infrastructure projects and Water Services Infrastructure projects funded through the schedule 6B grants.The municipality did investigate the amounts and concluded based on the findings that the amounts should be impaired as the department did not agree to be owing the municiplaity, there was no budget provision in the 2023/2024 pending the outcome of the investigations.

VAT receivable- There is a material variance on VAT receivable, the variance is a result of impairment of the long outstanding debtors on service charges based on their payment history and the impanirment of the same debtors in the prior year, thre is history of the non-payment of accounts by clinets which is very historical and the municipality is currently implementing the collection measures to try and collect the long outstanding debts. The accrued receivables on the VAT input also contribution to the variance.

Prepayments - No material variances on prepayments in the 2023/2024 financial year.

Receivables from exchange transactions - There is a R 496 700 279 material variance on the receivables from exchange transactions due to the current year expenditure on the provision of long outstanding debts as compared to the expenditure in the prior year. The annual budget on thereceivables from exchange transactions did not consider the impairment of the long outstanding debts.

Cash and cash equivalents - The R 364 931 138.00 material variance on the cash balances at yer end is due to the lesser amounts of short term investments held by the year end.

Non-current assets
Property, plant & equipment - The material variance on property, plant & equipment was due to the completed projects which were capitalized and depreciated in the 2023/2024 financial year, the current year additions on work in progress of the infrastructure projects also contributed to the metarial variance.

Haritage assets
Mayoral chain - The R 63 197.50 material variance on the mayoral chain was due to the fair value adjustment of the chain as at end of the current year to recognise its appreciation in value during the current year.

Current liabilities
Operating lease liability - No material variances on the lease liabilities in the 2023/2024 financail year.

Payables from exchange transactions - The R 179 232 201 material varinace on payables from exchange transactions was due to the creditor's balances on both the capital projects and bulk water purchases as at end of the 2023/2024 financial year.

Consumer deposits - R 41 229 597.00 metarial variance on consumer deposits was due to the increase in the deposits related to the service charges not yet allocated as at the end of the 2023/2024 financial year.

Unspent conditional grants and receipts - The R 42 517 073.00 metarial variance on the unspent conditional grants was as a result of the improvement in the spending on capital grants in the 2023/2024 financial year`

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Provisions on long service awards and unused leave - The current portion of the provisions on long service awards and unused leave days had a material variance of R 12 198 329.00 due to the new actuarial estimations on both provisions as at end of the 2023/2024 financial year. No material variance on the long term portion of bothe long service awards and unsed leave days in the 2023/2024 financial year.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	212 731 334	(99 985 638)	**112 745 696**	18 081 243	**(94 664 453)**	
Other financial assets	-	-	-	1 000	**1 000**	
Receivables from non-exchange transactions	91 582 263	-	**91 582 263**	7 723 137	**(83 859 126)**	
VAT receivable	50 850 653	-	**50 850 653**	111 700 905	**60 850 252**	
Prepayments	-	-	-	5 090 073	**5 090 073**	
Receivables from exchange transactions	544 395 263	(401 092)	**543 994 171**	47 293 892	**(496 700 279)**	
Cash and cash equivalents	406 789 922	510 830 688	**917 620 610**	552 691 059	**(364 929 551)**	
	1 306 349 435	**410 443 958**	**1 716 793 393**	**742 581 309**	**(974 212 084)**	
Non-Current Assets						
Property, plant and equipment	3 875 563 470	(24 125 452)	**3 851 438 018**	5 062 344 543	**1 210 906 525**	
Intangible assets	1 500 000	-	**1 500 000**	-	**(1 500 000)**	
Heritage assets	-	-	-	615 316	**615 316**	
	3 877 063 470	**(24 125 452)**	**3 852 938 018**	**5 062 959 859**	**1 210 021 841**	
Total Assets	**5 183 412 905**	**386 318 506**	**5 569 731 411**	**5 805 541 168**	**235 809 757**	
Liabilities						
Current Liabilities						
Operating lease liability	-	-	-	199 409	**199 409**	
Payables from exchange transactions	155 000 000	100 000 241	**255 000 241**	619 439 174	**364 438 933**	
Consumer deposits	4 209 180	-	**4 209 180**	5 508 777	**1 299 597**	
Unspent conditional grants and receipts	100 000 000	-	**100 000 000**	57 482 927	**(42 517 073)**	
Employee benefits	22 002 671	-	**22 002 671**	34 201 000	**12 198 329**	
	281 211 851	**100 000 241**	**381 212 092**	**716 831 287**	**335 619 195**	
Non-Current Liabilities						
Employee benefits	32 000 000	-	**32 000 000**	31 972 001	**(27 999)**	
Total Liabilities	**313 211 851**	**100 000 241**	**413 212 092**	**748 803 288**	**335 591 196**	
Net Assets	**4 870 201 054**	**286 318 265**	**5 156 519 319**	**5 056 737 880**	**(99 781 439)**	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	4 870 201 054	286 318 265	**5 156 519 319**	5 056 737 880	**(99 781 439)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	65 249 109	(135 574)	**65 113 535**	71 551 840	**6 438 305**	
Grants	1 669 785 000	(39 265 002)	**1 630 519 998**	1 376 829 598	**(253 690 400)**	
Interest income	22 612 418	46 379 490	**68 991 908**	81 045 953	**12 054 045**	
Other receipts	2 219 319	1 421 769	**3 641 088**	1 082 941	**(2 558 147)**	
	1 759 865 846	**8 400 683**	**1 768 266 529**	**1 530 510 332**	**(237 756 197)**	
Payments						
Suppliers and employee cost	(1 026 187 581)	(132 593 759)	**(1 158 781 340)**	(1 208 378 690)	**(49 597 350)**	
Net cash flows from operating activities	**733 678 265**	**(124 193 076)**	**609 485 189**	**322 131 642**	**(287 353 547)**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(593 743 325)	24 125 452	**(569 617 873)**	(502 135 950)	**67 481 923**	
Proceeds from sale of property, plant and equipment	452 812	-	**452 812**	-	**(452 812)**	
Net cash flows from investing activities	**(593 290 513)**	**24 125 452**	**(569 165 061)**	**(502 135 950)**	**67 029 111**	
Net increase/(decrease) in cash and cash equivalents	140 387 752	(100 067 624)	**40 320 128**	(180 004 308)	**(220 324 436)**	
Cash and cash equivalents at the beginning of the year	275 962 309	652 430 005	**928 392 314**	732 695 367	**(195 696 947)**	
Cash and cash equivalents at the end of the year	**416 350 061**	**552 362 381**	**968 712 442**	**552 691 059**	**(416 021 383)**	
Reconciliation						

Cash Flows From Operating Activities
Sale of goods and services - No metarial vairance on the sale of goods and services.

Grants - The R 256 141 400.00 variance on the government grants and subsidies was reported during the 2022/2023 financial year. The municipality's application to roll over 2022/23 unspent conditional grants was not approved and as a result the unspent monies were paid back to the National Treasury.

Interest income - R 12 214 885.00 variance on interest from short-term investments was reported in the 2023/2024 financial year, the municipality has enough cash surplus available for investments on a short term basis during the yrear.

Other receipts - The receipts from other income sources has a R 2 558 147.00 due to the lower sales of tender documents.

Payments to suppliers and employees - No metarial variances on payments to suppliers during the 2023/2024 financial year.

Cash Flows From Investing Activities
Purchase of property, plant and equipment - The cash flows from investing activities reported a R 61 170 246.00 during the year, some of the budgeted capital projects could not be implemented as budgeted for.

Accounting Policies

Figures in Rand	Note(s)	2024	2023

1. Presentation of Financial Statements

The 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 financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

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

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including [list entity specific variables, i.e. production estimates, supply demand], together with economic factors such as [list economic factors such as exchange rates inflation interest].

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined the estimations through the assistance of a qualified professional actuarist. Additional disclosure of these estimates of provisions are included in note 17 - Provisions.

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Indifinite lifespan

1.4 Property, plant and equipment (continued)

Community assets	Straight-line	15 to 30 years
Machinery and Equipment	Straight-line	2 to 19 years
Transport assets	Straight-line	5 to 15 years
Furniture and office equipment	Straight-line	3 to 10 years
IT equipment	Straight-line	2 to 17 years
Leasehold improvements	Straight-line	5 to 10 years
Infrastructure	Straight-line	5 to 80 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

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

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

1.5 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

Accounting Policies

1.5 Heritage assets (continued)

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note).

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

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its revalued amount as at end of the reporting period.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

Accounting Policies

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one municipality and a financial liability or a residual interest of another municipality.

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

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

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

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

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

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

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

Accounting Policies

1.6 Financial instruments (continued)

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

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Pre-payments	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at amortised cost

The entity has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Interest in the Sekhukhune District Municipality	Measured at fair value

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

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

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

Accounting Policies

1.6 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

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

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

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

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

Accounting Policies

1.6 Financial instruments (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

1.7 Statutory receivables

Identification

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

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

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

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

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- If the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- If the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- If the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable (where applicable);
- Impairment losses; and
- Amounts derecognised.

Impairment losses

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

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

Accounting Policies

1.7 Statutory receivables (continued)

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

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

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Accounting Policies

1.9 Inventories (continued)

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are distributed, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.11 Impairment of cash-generating assets

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

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

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

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Designation

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

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

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

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

Identification

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

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

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

Value in use

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

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

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

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.

Discount rate

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.12 Impairment of non-cash-generating assets

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

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

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

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

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Accounting Policies

1.12 Impairment of non-cash-generating assets (continued)

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

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

Designation

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

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

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

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

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

Identification

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

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.12 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Accounting Policies

1.13 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.14 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

1.14 Provisions and contingencies (continued)

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

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

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

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

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

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

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

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

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

Accounting Policies

1.15 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Sale of goods

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

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

Accounting Policies

1.16 Revenue from exchange transactions (continued)

Rendering of services

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

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

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

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

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

Interest, royalties and dividends

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

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

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

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

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

1.17 Revenue from non-exchange transactions

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

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

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

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

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Accounting Policies

1.18 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.20 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.22 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.23 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.24 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.

Accounting Policies

1.24 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.25 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 functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.26 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

Accounting Policies

1.26 Related parties (continued)

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Notes to the Financial Statements

Figures in Rand	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	The impact of the is not material.
GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact of the is notmaterial.
iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	The impact of the is notmaterial.
GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	The impact of the is notmaterial.
GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	The impact of the is notmaterial.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 103 (as revised): Heritage Assets	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

Notes to the Financial Statements

Figures in Rand

3. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	14 460 000	-	14 460 000	14 460 000	-	14 460 000
Plant and machinery	10 187 806	(6 642 233)	3 545 573	9 855 232	(5 140 340)	4 714 892
Furniture and office equipment	10 097 390	(6 162 917)	3 934 473	8 659 276	(5 632 108)	3 027 168
Transport assets	60 347 141	(26 064 782)	34 282 359	55 724 771	(18 764 274)	36 960 497
IT equipment	26 405 170	(16 262 431)	10 142 739	24 255 700	(12 010 606)	12 245 094
Leasehold improvements	7 309 495	(7 087 077)	222 418	7 309 495	(4 796 911)	2 512 584
Roads Infrastructure	66 882 669	(44 770 856)	22 111 813	65 704 027	(43 362 926)	22 341 101
Community assets	26 142 910	(21 065 081)	5 077 829	26 142 911	(20 473 756)	5 669 155
Wastewater network	107 225 528	(50 075 731)	57 149 797	107 225 528	(47 270 324)	59 955 204
Water network	5 013 592 339	(1 248 390 104)	3 765 202 235	4 736 183 540	(1 117 405 015)	3 618 778 525
Assets under construction (WIP)	1 146 215 307	-	1 146 215 307	942 507 508	(10 653 641)	931 853 867
Total	**6 488 865 755**	**(1 426 521 212)**	**5 062 344 543**	**5 998 027 988**	**(1 285 509 901)**	**4 712 518 087**

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	14 460 000	-	-	-	-	-	14 460 000
Plant and machinery	4 714 892	332 574	-	-	(1 484 543)	(17 350)	3 545 573
Furniture and office equipment	3 027 168	2 082 657	-	-	(1 103 505)	(71 847)	3 934 473
Transport assets	36 960 497	4 622 370	-	-	(7 300 508)	-	34 282 359
IT equipment	12 245 094	2 149 469	-	-	(4 241 589)	(10 235)	10 142 739
Leasehold improvements	2 512 584	-	-	-	(2 289 990)	(176)	222 418
Roads Infrastructure	22 341 101	-	1 178 642	-	(1 407 930)	-	22 111 813
Community assets	5 669 155	-	-	-	(512 183)	(79 143)	5 077 829
Wastewater network	59 955 204	-	-	-	(2 558 085)	(247 322)	57 149 797
Water network	3 618 778 525	57 661 905	219 746 894	-	(124 062 743)	(6 922 346)	3 765 202 235
Assets under construction (WIP)	931 853 867	435 286 975	-	(220 925 535)	-	-	1 146 215 307
	4 712 518 087	**502 135 950**	**220 925 536**	**(220 925 535)**	**(144 961 076)**	**(7 348 419)**	**5 062 344 543**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Impairment loss	Total
Land	14 460 000	-	-	-	-	-	-	14 460 000
Plant and machinery	5 096 848	1 389 109	-	-	-	(1 398 998)	(372 067)	4 714 892
Furniture and office equipment	3 900 806	199 806	-	-	-	(1 019 366)	(54 078)	3 027 168
Transport assets	35 140 604	8 364 014	(254 480)	-	-	(6 284 114)	(5 527)	36 960 497
IT equipment	11 884 797	4 454 229	-	-	-	(3 974 473)	(119 459)	12 245 094
Leasehold improvements	4 812 254	-	-	-	-	(2 294 965)	(4 705)	2 512 584
Roads Infrastructure	23 736 880	-	-	-	-	(1 395 779)	-	22 341 101
Community assets	5 509 653	503 770	-	-	-	(344 268)	-	5 669 155
Wastewater network	60 906 488	1 554 000	-	-	-	(2 421 212)	(84 072)	59 955 204
Water network	3 525 202 726	16 311 987	-	207 610 087	-	(116 277 048)	(14 069 227)	3 618 778 525
Assets under construction (WIP)	959 936 059	215 320 175	-	-	(243 402 367)	-	-	931 853 867
	4 650 587 115	**248 097 090**	**(254 480)**	**207 610 087**	**(243 402 367)**	**(135 410 223)**	**(14 709 135)**	**4 712 518 087**

Notes to the Financial Statements

Figures in Rand	2024	2023

3. Property, plant and equipment (continued)

Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment		
Infrastructure - Water	1 146 215 307	931 853 867
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
Water Infrastructure - Projects were delayed by protests members of the community.	166 304 665	118 419 793
	166 304 665	**118 419 793**
Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)		
Water Infrastructure - Projects were previously funded through conditional grants, funded was later withdrawn and the municipality had to source funding from the own revenue sources The contractor withdrew from the project and there was also no sufficient funding for the project.	143 013 659	134 832 337
	143 013 659	**134 832 337**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Repairs and maintenance - Water Infrastructure	51 075 674	31 819 254

Notes to the Financial Statements

Figures in Rand

4. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Mayoral Chain	615 316	-	615 316	552 117	-	552 117

Reconciliation of heritage assets 2024

	Opening balance	Revaluation increase/(decrease)	Total
Mayoral chain	552 117	63 199	615 316

Reconciliation of heritage assets 2023

	Opening balance	Additions	Total
Mayoral chain	-	552 117	552 117

Revaluations

Mayoral Chains

Heritage assets held by the municipality have an unlimited lifespan. The materials utilised in the manufacturing process are the true value of these items and the municipality valued these materials on the following. The effective date of the revaluation was 2024/06/25. Revaluations were performed by independent valuer, Messer's Benjamin Jewellers of Groblersdal.

The valuations were performed utilising standards set by the Jewellery Council of South Africa of which the company is a member of.

5. Other financial assets

Residual interest at cost

Notes to the Financial Statements

Figures in Rand	2024	2023
5. Other financial assets (continued)		
Investment in Sekhukhune Development Agency	1 000	1 000
Current assets		
Residual interest at cost	1 000	1 000
Financial assets at cost		
Nominal value of financial assets at cost		
The municipality did contact an assessment as at the 30 June 2024 on whether there is an objective evidence that the residual interest in the Sekhukhune Development Agency should be impaired or not, the results of the assessment were not indicative of any objective evidence that there is impairment on the residual interest in the entity. Terms and conditions	1 000	1 000
6. Operating lease asset (liability)		
Current liabilities	199 409	483 598
7. Payables from exchange transactions		
Trade payables	358 678 084	151 261 994
Other payables	17 382 306	8 343 277
Retention and sessions	222 083 961	199 638 772
Deposits received	11 557 609	9 884 163
Bonus provision	9 737 214	9 119 940
	619 439 174	**378 248 146**
8. Consumer deposits		
Water	5 508 777	5 213 578

9. Prepayments

The municipality is a member of the South African Local Government Association. An annual membership fee is payable in advance for each financial year at a rate of 1% of the total annual employee related cost budget.

Prepayments	5 090 073	5 105 341

Notes to the Financial Statements

Figures in Rand		2024	2023
10. Inventories			
Water inventory		1 522 163	1 583 349
Consumable stores		12 562 180	11 366 569
Maintenance mateirals		3 996 900	5 204 236
		18 081 243	**18 154 154**
Inventory reconciliation			
Opening balance		18 154 154	18 898 982
Issues (Inventory recognized as expenditure during the year)		(24 003 170)	(24 572 345)
Purchses		24 173 531	25 745 978
Water losses	34	-	(436 440)
Write-down to net realizable value (Fair value less cost to sell)		(182 087)	(1 482 021)
Inventory opening balance adjustments		(61 185)	-
Closing balance		**18 081 243**	**18 154 154**
11. Receivables from non-exchange transactions			
Government grants - RBIG Funds		5 747 825	-
Sundry debtors		1 975 312	2 577 805
		7 723 137	**2 577 805**
Receivables from non-exchange transactions pledged as security			
Receivables from non-exchange transactions were not pledged as security.			
12. VAT receivable			
VAT		111 700 905	78 296 838
Reconciliation			
Balance at the beggining of the year		78 296 839	96 462 540
Add: Net refunds as per VAT receivable		67 234 196	41 077 516
Add: Current year VAT suspense account		54 919 545	48 720 410
Less: Prior-year suspense account		(48 720 409)	(94 257 478)
Less: Payments received from SARS		(84 495 974)	(50 925 471)
Adjustment: Impairment of doubtful debts		44 466 708	37 219 322
		111 700 905	**78 296 839**
13. Receivables from exchange transactions			
Gross balances			
Water		477 103 669	381 105 264
Waste water		38 093 970	28 824 839
Other		3 775 948	2 964 134
Water consumption from the last readings		2 719 361	5 430 868
		521 692 948	**418 325 105**
Less: Allowance for impairment			
Water		(451 150 000)	(370 588 702)
Waste water		(22 176 901)	(12 734 981)
Other		(1 072 155)	(318 671)
		(474 399 056)	**(383 642 354)**

Notes to the Financial Statements

Figures in Rand	2024	2023
13. Receivables from exchange transactions (continued)		
Net balance		
Water	25 953 669	10 516 562
Waste water	15 917 069	16 089 858
Other	2 703 793	2 645 463
Water consumption from the last readings	2 719 361	5 430 868
	47 293 892	**34 682 751**
Water		
Current (0 -30 days)	13 244 526	49 696 362
31 - 60 days	16 209 543	11 066 319
61 - 90 days	11 089 770	5 890 920
91 - 120 days	12 929 207	6 786 232
121 - 365 days	423 630 623	307 665 431
> 365 days	(438 761 981)	(358 200 683)
	38 341 688	**22 904 581**
Waste water		
Current (0 -30 days)	1 460 925	1 332 853
31 - 60 days	1 237 645	923 407
61 - 90 days	1 160 957	800 386
91 - 120 days	1 104 416	770 094
121 - 365 days	33 130 027	24 998 099
> 365 days	(32 195 938)	(22 754 017)
	5 898 032	**6 070 822**
Other		
Current (0 -30 days)	31 638	41 660
31 - 60 days	170 036	21 841
61 - 90 days	101 477	121 030
91 - 120 days	133 500	24 336
121 - 365 days	3 339 297	2 755 267
> 365 days	(3 441 138)	(2 687 654)
	334 810	**276 480**
Other (specify)		
Current (0 -30 days)	2 719 361	5 430 868
Reconciliation of allowance for impairment		
Balance at beginning of the year	(383 642 354)	(295 111 659)
Contributions to allowance	(83 509 317)	(80 309 277)
Debt impairment written off against allowance	(7 247 385)	(8 221 418)
	(474 399 056)	**(383 642 354)**
14. Receivables from non-exchange transactions		
Gross balances		
Other debtors	1 975 312	2 577 805
RBIG deposits	39 500 639	30 970 490
	41 475 951	**33 548 295**
Less: Allowance for impairment		
RBIG deposits	(33 752 814)	(30 970 490)

Notes to the Financial Statements

Figures in Rand	2024	2023

14. Receivables from non-exchange transactions (continued)

Net balance		
Other debtors	1 975 312	2 577 805
RBIG deposits	5 747 825	-
	7 723 137	**2 577 805**
Other debtors		
91 - 120 days	1 975 312	2 577 805
RBIG deposits		
> 365 days	39 500 639	30 970 490
Less: allowances for impairment		
> 365 days	(33 752 814)	(30 970 490)
Net balances		
91 - 120 days	7 723 137	2 577 805

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	552 691 059	732 695 367

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
Standard Bank Primary Cheque account: 271149418	8 906 570	34 879 119	23 288 035	6 470 120	1 806 363	6 570 120
FNB Call Account: 62858613980	319 180 975	177 403 537	119 787 946	319 180 975	177 403 537	119 787 946
Standard Bank Call Account: 238890708008	3 612 147	151 855 260	75 092 576	3 613 734	151 855 260	75 092 576
ABSA Call Account: 9368456281	222 446 230	400 722 310	193 621 096	222 446 230	400 722 310	193 621 096
Nedbank Call Account:03/7881071850/000019	980 000	907 897	844 044	980 000	907 897	844 044
Total	**555 125 922**	**765 768 123**	**412 633 697**	**552 691 059**	**732 695 367**	**395 915 782**

16. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Municipal Infrastructure Grant (MIG)	48 999 224	232 965 189
Water Services Infrastructure Grant (WSIG)	12 620 401	21 984 017
Rural Roads Asset Management System Grant (RRAMS)	627 991	1 467 516
	62 247 616	**256 416 722**

Movement during the year

The nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Notes to the Financial Statements

Figures in Rand	2024	2023

16. Unspent conditional grants and receipts (continued)

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note for reconciliation of grants from National/Provincial Government

Notes to the Financial Statements

Figures in Rand	2024	2023

17. Employee benefits

Reconciliation of employee benefits - 2024

	Opening Balance	Past service cost	Current service cost	Interest cost	Benefits paid	Actuarial Loss/(Gain)	Total
Unused leave benefit	27 074 000	-	2 931 000	2 935 000	(2 149 774)	(3 009 225)	27 781 00
Long service award benefit	22 031 000	14 055 000	1 757 000	2 289 000	(3 425 611)	1 685 611	38 392 00
	49 105 000	**14 055 000**	**4 688 000**	**5 224 000**	**(5 575 385)**	**(1 323 614)**	**66 173 00**

Reconciliation of employee benefits - 2023

	Opening Balance	Additions	Utilised during the year	Change in discount factor	Reduction due to re-measurement or settlement without cost to entity	Total
Unused leave benefit	29 535 000	3 363 000	(1 926 024)	3 073 000	(6 970 976)	27 074 000
Long service award benefit	22 543 000	1 929 000	(1 446 997)	2 326 000	(3 320 003)	22 031 000
	52 078 000	**5 292 000**	**(3 373 021)**	**5 399 000**	**(10 290 979)**	**49 105 000**

Non-current liabilities	31 972 001	25 110 000
Current liabilities	34 201 000	23 995 000
	66 173 001	**49 105 000**

Notes to the Financial Statements

Figures in Rand	2024	2023

17. Employee benefits (continued)

Long service award benefit

This is the present value of the total LSA expected to become payable under the employer's current arrangements and based on the assumptions made. This may be regarded as the amount of money that should be set aside in present-day terms to cover all expected LSA for current employees.The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service.In the month that each "Completed Service" milestone is reached, the employee is granted an LSA. Working days awarded are valued at 1/261th of annual earnings per day.In the month that each "Completed Service" milestone is reached, the employee is granted an LSA. Working days awarded are valued at 1/261th of annual earnings per day.

In estimating the unfunded liability for LSA of the Municipality a number of actuarial assumptions are required.

1. Key Financial Assumptions

Assumption	Value p.a
Discount rate	10.52%
CPI Inflation rate	4.82%
General earnings inflation rate	5.82%

The next general earnings increase was assumed to take place on 1 July 2023.

2. Key Demographic assumptions

Assumption	Value p.a		
Average retirement age	62		
Mortality during employment	SA 85-90		
Withdrawal from service (sample annual rates)	Age	Female	Male
	20	9%	9%
	30	6%	6%
	40	5%	5%
	50	3%	3%
	55	0%	0%

Figures in Rand	2024	2023

17. Employee benefits (continued)

Unused leave benefit

This is the present value of the total Unused Leave benefit expected to become payable under the employer's current arrangements and based on the assumptions made. This may be regarded as the amount of money that should be set aside in present-day terms to cover all expected Unused Leave benefit for current employees.It is apparent that most employees accumulate a portion of their total annual leave allocation, in which case they become entitled to a benefit payable on withdrawal or retirement.

Employees are granted two days ordinary leave per month. This implies that a maximum of 24 days leave can be accumulated in any given year. Employees may accumulate Unused Leave up to a maximum of 48 days after which further leave is forfeited. All Unused Leave at the date of retirement or withdrawal is payable as a cash lump sum.The value of the Unused Leave (the benefit being valued) at the date of receipt is determined as follows:

- Estimated Unused Leave days at date of retirement or withdrawal; multiplied by
- Expected monthly salary at date of retirement or withdrawal; divided by
- 21.67

Employees' leave days are based on basic salary.

In estimating the unfunded liability for Unused Leave benefits of the Municipality a number of actuarial assumptions are required.

1. Key Financial Assumptions

Assumption	Value p.a
Discount rate	11.57%
General slalry inflation(long term)	6.66%
Net effective discount rate	4.6%

2. Key Demographic Assumptions

Assumption	Value
Average retirement age	62
Mortalitity during employment	SA 85-90
Rate of leave accumulation	Appendix A2.4
Withrawal from service (sample annual rates)	See Table A2.2 of the actuarial

There were no expecyted reimburments as at the 30th of June 2024.

18. Revenue

Service charges	71 551 840	104 342 357
Interest received (trading)	34 069 586	26 068 995
Other income	1 082 941	1 404 470
Interest received - investment	81 206 793	57 878 945
Government grants & subsidies	1 570 998 704	1 282 065 599
Fines, Penalties and Forfeits	9 326	4 428
Actuarial gains	3 009 226	10 290 979
Fair value adjustments	63 198	-
	1 761 991 614	**1 482 055 773**

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	71 551 840	104 342 357
Interest received (trading)	34 069 586	26 068 995
Other income	1 082 941	1 404 470
Interest received - investment	81 206 793	57 878 945
	187 911 160	**189 694 767**

Notes to the Financial Statements

Figures in Rand	2024	2023

18. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Government grants & subsidies	1 570 998 704	1 282 065 599
Fines, Penalties and Forfeits	9 326	4 428
Actuarial gains	3 009 226	10 290 979
Fair value adjustments	63 198	-
	1 574 080 454	**1 292 361 006**

19. Service charges

Sale of water	55 379 163	89 545 013
Sewerage and sanitation charges	16 172 677	14 797 344
	71 551 840	**104 342 357**

20. Fines, Penalties and Forfeits

Building Fines	9 326	4 428

21. Lease rentals on operating lease

Premises		
Contractual amounts	32 638 944	41 000 964
Equipment		
Contractual amounts	13 143 756	11 603 308
	45 782 700	**52 604 272**

The municipality did not enter into any sublease contracts with another party, as a result there were no future minimum sublease payments expected to be received under non-cancellable sublease payments as at the 30th of June 2024.

Significant Leasing Arrangements

(i) The contingent rentals are based on the variable units of consumables as per the rental agreement.
(ii) The existence and terms of renewal or purchase options and escalations clauses.
- Opearting lease contracts exist for the duration of the lease term as per the lease agreement, unless otherwise terminated before expire date. Extentions on operating lease contracts are implemented within the provisions of the supply chain management regulations in applicable to local government. Escalations and purchase options on operating leases are implemented through the contract management of the municipality.

Future minimum payments		
Not later than one year	24 432 902	22 255 961
Later than one year but not later than five years	21 939 133	24 448 219
	46 372 035	**46 704 180**

22. Other revenue

Other income - (rollup)	1 082 941	1 404 470

Notes to the Financial Statements

Figures in Rand	2024	2023

23. Investment revenue

Interest revenue		
Short term investments	77 045 262	54 255 839
Primary bank account	4 161 531	3 623 106
	81 206 793	**57 878 945**

24. Transfer and subsidies

Other subsidies		
Sekhukhune District Development Agency Grants	10 663 989	8 514 290

Notes to the Financial Statements

Figures in Rand	2024	2023

25. Government grants & subsidies

Operating grants		
Equitable share	1 065 825 000	989 171 905
Expanded Public Works Program	15 355 000	13 009 981
Finance Management Grant	2 400 000	2 400 000
RRAMS	1 883 771	983 484
LG SETA	3 845 377	2 790 804
	1 089 309 148	**1 008 356 174**
Capital grants		
Municipal Infrastructure Grant	393 723 335	241 034 811
Regional Bulk Infrastructure Grant	51 952 541	22 885 825
Water Services Infrastructure Grant	36 013 680	9 788 789
	481 689 556	**273 709 425**
	1 570 998 704	**1 282 065 599**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	505 173 704	273 709 425
Unconditional grants received	1 065 825 000	1 008 356 174
	1 570 998 704	**1 282 065 599**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. R 1 065 825 000 was received by the municipality as the Equitable Share grant for the 2023/24 financial year.

Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	232 965 189	41 524 905
Current-year receipts	434 127 000	474 000 000
Conditions met - transferred to revenue	(393 723 335)	(241 034 810)
Unapproved roll-over funds	(224 369 630)	(41 524 906)
	48 999 224	**232 965 189**

Conditions still to be met - remain liabilities (see note 16).

The Municipal Infrastructure Grant aims to eradicate municipal infrastructure backlogs in within the Sekhukhune District to ensure the provision of basic services such as water and sanitation. R 434 127 000 was received as a Municipal Infrastructure Grant in the 2023/24 financial year, spending on the grant was 86% as at 30 June 2024.

Expanded Public Works Programme (EPWP)

Balance unspent at beginning of year	19	-
Current-year receipts	15 355 000	13 010 000
Conditions met - transferred to revenue	(15 355 000)	(13 009 981)
Unapproved roll-over funds	(19)	-
	-	**19**

Conditions still to be met - remain liabilities (see note 16).

Figures in Rand	2024	2023

25. Government grants & subsidies (continued)

The Expanded Public Works Programme is one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed residents of the Sekhukhune District. The programme provides an important avenue for labour absorption and income transfers to poor households, in the short to medium-term. R 15 355 000 was received as a grant for the Expanded Public Works Program grant in the 2023/24 financial year, spending on the grant was 100% as at 30 June 2024.

Water Services Infrastrucuture Grant (WSIG)

Balance unspent at beginning of year	21 984 017	7 211 312
Current-year receipts	38 464 680	29 122 588
Conditions met - transferred to revenue	(36 013 680)	(9 788 589)
Unapproved roll-over funds	(11 814 616)	(4 561 294)
	12 620 401	**21 984 017**

Conditions still to be met - remain liabilities (see note 16).

The main goal of the Water Services Infrastructure Grant is to assist the municipality as the water authority to reduce the backlogs faced by the municipality in the provision of water and sanitation services within the district. There were no receipts of the Water Services Infrastructure Grant in the 2023/24 financial year.

Finance Management Grant (FMG)

Current-year receipts	2 400 000	2 400 000
Conditions met - transferred to revenue	(2 400 000)	(2 400 000)
	-	-

Conditions still to be met - remain liabilities (see note 16).

The main purpose of the finance management grant is to promote and support reforms to municipal financial management and the implementation of the Municipal Finance Management Act (MFMA).The Grant is meant specifically to capacitate the officials in the budget and treasury office of the municipality through various training programms in financial management and also to maintain the systems of financial management employed by the municipality in managing its finances. R 2 400 000.00 was received as a Finance Management Grant in the 2023/24 financial year, spending on the grant was 100% as at 30 June 2024.

Rural Roads Assets Management System Grant (RRAMS)

Balance unspent at beginning of year	1 467 516	2 341 000
Current-year receipts	2 460 000	2 451 000
Conditions met - transferred to revenue	(1 883 771)	(983 484)
Unapproved roll-over funds	(1 415 753)	(2 341 000)
	627 992	**1 467 516**

Conditions still to be met - remain liabilities (see note 16).

The Rural Roads Asset Management System Grant seeks to assist the municipality to set up rural roads asset management systems, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa. R 1 722 000 was received during the 2023/24 financial year, 21% was the spending percentage as at 30 June 2024.

Regional Bulk Infrastructure Grant (RBIG)

Current-year receipts	51 952 541	22 885 828
Conditions met - transferred to revenue	(51 952 541)	(22 885 828)
	-	-

Notes to the Financial Statements

Figures in Rand	2024	2023

25. Government grants & subsidies (continued)

Conditions still to be met - remain liabilities (see note 16).

The main goal of the Regional Bulk Infrastructure Grant is to assist the municipality in facilitating the successful execution and implementation of bulk projects which are characterized by regional significance. The implementation of the grant is currently administered by the Department of Water and Sanitation on behalf on the municipality since the 2019/2020 financial year wherein the municipality will incur expenditure on projects funded through the grant and claim such expenditures from the department on a monthly basis. There were no receipts of the Regional Bulk Infrastructure Grant during the 2023/24 financial year.

National Department of Labour:SETA

Current-year receipts	3 845 377	2 790 804
Conditions met - transferred to revenue	(3 845 377)	(2 790 804)
	-	-

Conditions still to be met - remain liabilities (see note 16).

The main aim of this grant is to encourage the municipality to contribute to skills development, address critical and scarce skills shortages, and create jobs and employment opportunities for its employees. R 3 845 376.75 is the amount received as the LG:SETA grant for the 2023/24 financial year, R 3 845 377.00 is the expenditure of the grant in the 2023/2024 financial year.

Notes to the Financial Statements

Figures in Rand	2024	2023

26. Employee related costs

Basic	287 670 959	275 647 519
Medical aid - company contributions	15 045 179	14 331 790
UIF	1 856 393	1 717 487
SDL	3 267 845	3 064 969
Bargaining council	99 894	210 879
Leave pay provision charge	-	205 449
Group life insurance	1 338 611	1 261 255
Pension Fund	41 246 907	40 200 295
Travel, motor car, accommodation, subsistence and other allowances	32 979 085	30 604 632
Overtime payments	20 191 945	12 399 534
Current service cost: Long service awards and unpaid leave provision expense	18 743 000	5 292 000
Housing benefits and allowances	2 121 509	2 357 640
Cellphone allowance	2 288 781	1 886 620
Shift and standby allowance	5 911 812	2 612 488
Uniform allowance	30 000	30 000
	432 791 920	**391 822 557**

Remuneration of municipal manager

Annual Remuneration	909 729	409 941
Travel Allowance	113 776	112 082
Cellphone allowance	23 400	10 400
Contributions to UIF, Medical and Pension Funds	205 093	6 570
Leave payout	-	72 684
	1 251 998	**611 677**

The position for the municipal manager was filled and occupied from the 1st of October 2023, one of the senior managers was acting as the municipal manager from the 1st of July 2023 till the 30th of September 2023.

Remuneration of chief finance officer

Annual Remuneration	1 013 261	729 489
Travel Allowance	34 216	26 347
Cellphone allowance	23 988	23 988
Contributions to UIF, Medical and Pension Funds	67 262	46 977
Acting allowance	-	13 900
	1 138 727	**840 701**

Director - Community Services

Annual Remuneration	139 123	345 425
Travel Allowance	7 056	49 503
Performance Bonuses	3 998	66 497
Contributions to UIF, Medical and Pension Funds	14 855	5 941
Cellphone allowance	-	5 997
Leave payout	-	59 677
	165 032	**533 040**

The position for the community services director remained vacant for the most part of the 2023/24 financial year, the appointment of a suitable candidate was finalized towards end of the financial year and the position was filled from 1st May 2024.

Director Infrastructure and Water Services

Notes to the Financial Statements

Figures in Rand	2024	2023
26. Employee related costs (continued)		
Annual Remuneration	998 202	518 746
Travel Allowance	205 355	129 686
Cellphone allowance	23 988	15 992
Contributions to UIF, Medical and Pension Funds	13 212	8 242
	1 240 757	**672 666**

Director Planning and Economic Development

Annual Remuneration	973 861	246 810
Cellphone allowance	23 988	5 997
Travel claims	84 615	6 553
Contributions to UIF, Medical and Pension Funds	206 779	55 309
Leave payout	-	3 995
	1 289 243	**318 664**

Director Corporate Services

Annual Remuneration	1 059 451	729 486
Cellphone allowance	23 988	17 991
Travel claims	9 726	7 295
Contributions to UIF, Medical and Pension Funds	13 038	9 127
	1 106 203	**763 899**

Chief Operating Officer

Annual Remuneration	817 507	257 079
Car Allowance	262 145	74 904
Cellphone allowance	23 988	7 996
Contributions to UIF, Medical and Pension Funds	12 345	3 945
	1 115 985	**343 924**

27. Remuneration of councillors

Executive Mayor	1 128 346	676 040
Chief Whip of council	779 041	761 860
Mayoral Committee Members	6 214 628	6 701 296
Council Speaker	871 580	999 628
Other Councillors	8 941 903	8 510 294
	17 935 498	**17 649 118**

Notes to the Financial Statements

Figures in Rand	2024	2023

27. Remuneration of councillors (continued)

Additional information

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

Executive Mayor: Cllr Mathebe JL		
Annual remuneration	-	327 398
Cellphone allowance	-	13 900
Contributions to UIF, Medical and Pension	-	74 104
	-	**415 402**
Executive Mayor: Cllr Mokganyetji MJ		
Annual remuneration	536 832	603 303
Cellphone allowance	48 136	30 900
Contributions to UIF, Medical and Pension	86 348	41 837
	671 316	**676 040**
Executive Mayor: Cllr Maitula BM		
Annual remuneration	545 778	-
Cellphone allowance	31 336	-
Contributions to UIF, Medical and Pension	56 488	-
	633 602	**-**
Council Speaker: Cllr Chego DK		
Annual remuneration	738 166	901 953
Cellphone allowance	48 136	34 600
Contributions to UIF, Medical and Pension	62 577	61 167
Backpay	-	1 908
	848 879	**999 628**
Chief Whip: Cllr Phokane MJ		
Annual remuneration	684 575	652 555
Travel allowance	-	19 263
Cellphone allowance	45 484	41 100
Contributions to UIF, Medical and Pension	55 495	48 942
	785 554	**761 860**
Mayoral Committee Members		
Annual remuneration	4 347 994	4 726 192
Travel allowance	986 486	1 076 666
Cellphone allowance	352 583	356 300
Contributions to UIF, Medical and Pension	483 708	542 138
	6 170 771	**6 701 296**
Other councillors		
Annual remuneration	4 635 094	3 596 374
Travel allowance	2 752 139	3 739 701
Cellphone allowance	1 187 027	1 075 100
Contributions to UIF, Medical and Pension	178 456	99 119
	8 752 716	**8 510 294**

Notes to the Financial Statements

Figures in Rand	2024	2023
28. Depreciation and amortisation		
Property, plant and equipment	144 961 078	135 410 223
29. Impairment loss		
Impairments		
Property, plant and equipment During the physical verification of asset evidence of damage was noted which led to the change in the condition of the assets and assessment of impairment, this could also be evident by the verification report and the picture taken during verification. The recoverable amount of the asset could not be determined	7 348 419	15 470 661
30. Finance costs and Interest on overdue accounts		
Interest on overdue accounts	541 833	1 435 076
Discounting of provisions	5 224 000	5 399 000
	5 765 833	**6 834 076**
31. Auditors' remuneration		
Fees	8 407 049	8 143 304
32. Debt impairment		
Debt impairment	117 262 131	83 091 600

Notes to the Financial Statements

Figures in Rand	2024	2023
33. General expenses		
Advertising	9 888 252	2 419 777
Auditors remuneration	8 407 049	8 143 304
Bank charges	2 229 548	2 556 096
Cleaning	1 029 184	941 444
Computer expenses	477 353	199 530
Audit committee expenses	1 603 263	1 222 707
IT support	2 477 871	3 631 980
Entertainment	372 437	219 828
Town planning expenses	82 275	154 331
Accommodation	1 806 249	1 633 000
Hire charges	6 203 226	5 006 579
Insurance	9 239 378	5 838 241
Worksman Compensation fund	20 072 097	10 024 773
Fuel and oil	24 462 168	25 872 418
Printing and stationery	3 474 051	3 247 469
Protective clothing	4 617 186	229 368
Software expenses	1 432 670	5 916 706
Staff welfare	1 253 265	403 967
Subscriptions and membership fees	5 105 341	4 481 840
Telephone and fax	5 425 552	4 398 821
Transport and freight	116 130	841 449
Training	1 328 046	700 515
Travel - local	3 979 266	1 748 339
Electricity	75 308 850	65 147 749
Other expenses	18 941 383	17 708 944
Catering services	4 702 819	4 421 288
Staff recruitment	280 562	512 938
Meter reading	5 181 352	1 150 308
Bursaries	426 268	354 820
Audio-visual services	301 536	98 000
	220 224 627	**179 226 529**
34. Bulk purchases		
Water	231 345 755	142 103 560
35. Contracted services		
Outsourced Services		
Security Services	65 167 316	48 051 901
Sewerage Services	4 620 300	3 933 633
Water Takers	208 131 390	66 821 012
Consultants and Professional Services		
Business and Advisory	11 844 356	26 538 403
Legal Cost	25 895 158	8 219 100
	315 658 520	**153 564 049**

Notes to the Financial Statements

Figures in Rand	2024	2023

36. Cash generated from operations

Surplus	159 307 773	262 210 063
Adjustments for:		
Depreciation and amortisation	144 961 078	135 410 223
Loss on disposal of assets	-	254 480
Fair value adjustments	(63 198)	-
Impairment loss	7 348 419	15 470 661
Debt Impairment	117 262 131	83 091 600
Movements in operating lease assets and accruals	(284 189)	63 895
Movements in provisions	(17 078 001)	(2 973 000)
Actuarial gains	(3 009 226)	(10 290 979)
Finance cost: Actuarial	5 224 000	5 399 000
Inventory losses or write-downs	(162 086)	(1 482 021)
Current year service cost	18 743 000	5 292 000
Accrued interest income	(159 252)	(144 817)
Loss on sale of assets and liabilities	79 143	1 060 092
Changes in working capital:		
Inventories	72 911	683 642
Receivables from exchange transactions	(12 611 141)	(85 240 264)
Receivables from non-exchange transactions	(5 145 332)	(2 665 080)
Prepayments	15 268	(623 501)
Payables from exchange transactions	137 379 318	3 075 116
VAT	(33 404 067)	(29 397 421)
Unspent conditional grants and receipts	(196 620 106)	205 343 233
Consumer deposits	295 199	337 220
	322 131 642	**584 874 142**

37. Operating leases

Operating lease charges		
Premises		
• Contractual amounts	32 638 944	41 000 964
Equipment		
• Contractual amounts	13 143 756	11 603 308
	45 782 700	**52 604 272**

38. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At amortised cost	Total
Cash and cash equivalents	552 691 059	552 691 059
Receivables from exchange transactions	47 293 892	47 293 892
Receivables from non-exchange transactions	7 723 137	7 723 137
VAT receivables	111 700 905	111 700 905
Other receivables - prepayments	5 090 073	5 090 073
Residual interest in Sekhukhune Development Agency	1 000	1 000
	724 500 066	**724 500 066**

Financial liabilities

Notes to the Financial Statements

Figures in Rand	2024	2023

38. Financial instruments disclosure (continued)

	At amortised cost	Total
Trade and other payables from exchange transactions	(619 439 174)	(619 439 174)
Consumer deposits	(5 508 777)	(5 508 777)
	(624 947 951)	**(624 947 951)**

Notes to the Financial Statements

Figures In Rand	2024	2023

38. Financial instruments disclosure (continued)

2023

Financial assets

	At amortised cost	Total
Cash and cash equivalents	732 695 367	732 695 367
Receivables from exchange transactions	34 682 751	34 682 751
Receivables from non-exchange transactions	2 577 805	2 577 805
Residual interest in Sekhukhune Development Agency	1 000	1 000
Other receivables from non-exchange transactions	5 105 341	5 105 341
	775 062 264	**775 062 264**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	(378 248 146)	(378 248 146)
Consumer deposits	(5 213 578)	(5 213 578)
	(383 461 724)	**(383 461 724)**

39. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Property, plant and equipment	823 040 765	640 572 214
Not yet contracted for and authorised by accounting officer		
• Property, plant and equipment	-	6 900 000
Total capital commitments		
Already contracted for but not provided for	823 040 765	640 572 214
Not yet contracted for and authorised by accounting officer	-	6 900 000
	823 040 765	**647 472 214**

Authorised operational expenditure

Total commitments

Total commitments		
Authorised capital expenditure	823 040 765	647 472 214

Figures in Rand	2024	2023

40. Contingent Liabilities and assets

The following are the contingent liabilities of the municipality as at 30 June 2024. The municipality's management has individually assessed each liability and there was no indication of any probability on outflow of resources embodying economic benefits or service potential at year end.

Mfumelelo Business Enterprise vs Sekhukhune District Municipality Nature of the liability: dispute of a claim for retention amount by Mpfumelelo Business Enterprise , the claim is valued at R 2 789 267.50 as at 30 June 2024. The municipality has a strong case against the claimant.	2 789 267	2 789 267
• Makone Consulting Engineers vs Sekhukhune District Municipality Nature of the liability: The consultant claims to have rendered services to the municipality and demands compensation. The financial effect of the claim as at 30 June 2024 could be estimated at about R 573 298.62. The matter was settled during the 2023/24 financial year.	-	573 298
• Lebaka Construction (pty) ltd vs Sekhukhune District Municipality Nature of the liability: dispute of a claim by the contractor of interest on a claim for works which the contractor claims to have done for the municipality. The financial effect of the claim as at 30 June 2024 could be estimated at about R 167 735.66. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as highly unlikely with over 90% probability of no success. The company is also claiming an amount of R 10 419 385.20 in retentions from the municipalty on the Lebalelo South project, the municipality did file an application to review the arbitration award and the court is yet to rule on the application by the municipality.The R 4.8 million claim on the variation order was paid and the interest amounts remain disputed by the municipality.	10 587 120	10 587 120
• Dynamic Integrated Geoydro Environmental Services vs Sekhukhune District Municipality Nature of the liability: claim by the supplier for works which the supplier claims to have done for the municipality. The financial effect of the claim as at 30 June 2024 could be estimated at about R 911 543.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely. The company is also claiming an amount of R 23 256 465.27 in services rendered to the municipality and the municipality has submitted the required discovery documents to defend the matter, as at 30 June 2024 it was uncertain as to when the ruling on the matter will be provided. The plaintiff served notices and the municipality has entered a defence. The date of finalization of the matter was uncertain as at 30 June 2024 as the municipality is to submit more discovery documents on the matter. As at the reporting date, there was no indication of any possibility of a reimbursement on this matter.	24 168 008	24 168 008
• LBM Consulting vs Sekhukhune District Municipality Nature of the liability: dispute of a claim by the consultant for works which the consultant claims to have done for the municipality. The financial effect of the claim as at 30 June 2024 could be estimated at about R 973 835.97. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The plaintiff served the municipality with summons and a notice to defend was served by the municipality. Opposing affidavit and counter claim are to be served by the municipality. A date to conclude on the proceedings of this matter is yet to be provided by the court.	973 835	973 835
• Mr Tumelo Modisane vs Sekhukhune District Municipality Nature of the liability: a claim in delict by Mr Modisane to the municipality. The financial effect of the claim as at 30 June 2024 could be estimated at about R 1 000 000.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The paintiff served summons to the municipality. The municipality entered defence and filed pleadings.A date to finaliza the matter is yet to be provided by the court.	1 000 000	1 000 000

Figures in Rand	2024	2023
40. Contingent Liabilities and assets (continued)		
• Mothoa vs Sekhukhune District Municipality Nature of the liability: a claim in delict by Mr Mothoa to the municipality. The financial effect of the claim as at 30 June 2024 could be estimated at about R 1 648 133.70. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The paintiff served summons to the municipality. The municipality entered defence and filed pleadings. A pre-trial conference was held and a date to finaliz the matter is yet to be provided by the court.	1 648 133	1 648 133
• Mr Solomon Phasha vs Sekhukhune District Municipality Nature of the liability: a claim in delict was submitted. The financial effect of the claim as at 30 June 2024 could be estimated at about R 2 000 000.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The plaintiff served summons to the municipality. The municipality entered defence and filed pleadings. A date to finaliza the matter is yet to be provided by the court.	2 000 000	2 000 000
• Nedbank vs SDM, Nature of the liability: a claim by Nedbank for the legal costs from the municipality for an amount of R 34 235.01. The matter was settled during the 2023/24 financial year.	-	34 235
• Ms Julia Dibilong vs Selkhukhune District Municipality Nature of the liability: claim in delict by Ms Julia Dibilong. The financial effect of the claim as at 30 June 2024 could be estimated at about R 1 500 000.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability. The paintiff served summons to the municipality. The municipality entered defence and filed pleadings. A date to finaliza the matter is yet to be provided by the court.	1 500 000	1 500 000
• Ethokga Consulting and Projects vs Sekhukhune District Municipality Nature of the liability: a claim for services the company claims to have rendered to the municipality. The financial effect of the claim as at 30 June 2024 could be estimated at about R 20 490 616.12. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The plaintiff transmitted a letter of demand and issued summons to the municipality. A court date is yet to be provided to conclude for the municipality to defend the matter.	20 490 616	20 490 616
• Mr Kgopane MM vs Sekhukhune District Municipality Nature of the liability: a claim in delict by Mr Kgopane to the municipality. The financial effect of the claim as at 30 June 2024 could be estimated at about R 3 713183.00. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The paintiff served summons to the municipality. The municipality entered defence and filed pleadings. A date to finaliza the matter is yet to be provided by the court.	3 717 183	3 713 183
• Mr Tladi SJ vs Sekhukhune District Municipality Nature of the liability: a claim in delict by Mr Tladi to the municipality. The financial effect of the claim as at 30 June 2024 could be estimated at about R 10 345.22. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success. The plaintiff served summons to the municipality. The municipality entered defence and filed pleadings. A date to finaliza the matter is yet to be provided by the court	10 345	10 345
• Ratale Mashifane Attorneys vs Sekhukhune District Municipality Nature of the liability: claim by Ratale Mashifane Attorneys for services rendered to the municipality whereby the company claims three amounts (R 202 561.91, 172 047.50 & 52 331.45) from the municiplaity for services which they allege to have rendered. The matter was settled through a court order in the current financial year.	-	426 941
• SGL Engineering Projects (pty) ltd vs Sekhukhune District Municipality Nature of the liability: a claim by SGL Engineering (pty) ltd for consulting services, the company alleges to have rendered to the municipality consulting engineering services amounting to R 2 304 545.94 for the design and management of the Zaaiplaas bulk water and reticulation project. The municiplaity was served with summons, Pleas was served to the plaintif and are awaiting a notice of set down.	2 304 545	2 304 545

Notes to the Financial Statements

Figures in Rand	2024	2023
40. Contingent Liabilities and assets (continued)		
• Zutari (pty) ltd vs Sekhukhune District Municipality Nature of the liability: dispute over a claim by Zutari (pty) ltd for consulting services, the company alleges to have rendered to the municipality consulting engineering services amounting to R 875570.73 for the De Hoop/Nebo Plateau/Mampuru bulk water project. Summons received on the 2nd of June 2023 and municipality did serve and file the intention to defend. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success.	875 570	875 570
• Structa Technology vs Sekhukhune District Municipality, Nature of the liability: a claim was instituted against the municipality by Structa Technology pty ltd for steel tank, pump house and borehole equipment for Mahlokwena village, the claim was settled by the municipality. The matter was settled during the 2023/24 financial year.	-	2 155 447
• Mzamo V Group vs Sekhukhune District Municiplaity, litigation is against the municipality for a claim on a performance tendered by Mzamo V Group where the municipality is currently disputing, the claim is valued at R 180 000, the municipality's lawyers and management consider the likelihood of the action agaisnt the municipality being successful as unlikely with over 90% probability of no success and the case should be resolved in the next twenty four months.	180 000	180 000
• Lydia Tabudi Makeke vs Sekhukhune District Municipality, litigation was registered in the regional court by Ms Lidia Tabudi Makeke for her legal costs in defence of a case against the municipality, the claim amounts to R 32 239 and was settled in the current year.	-	32 239
• Dr JS Moroka Local Municipality vs Sekhukhune District Municipality Nature of the liability, a dispute between the Sekhukhune District Municipality and Dr JS Moroka Local Municipality on a claim by the local municipality on a supply of water which it is claimed to have been supplied on behalf of the district municipality at a tariff that was not approved by the council of the local municipality and without a service level agreement between the two municipalities. The financial effect of the claim was estimated at R 203 085 127.00 as at 30th June 2024. The dispute is currently serving in a court of law and it was uncertain as at 30th June 2024 as to how court may rule on the matter. There was however a possibility of reimbursement by the district municipality should it be proven that indeed there was a supply of water by the municipality, the remibursement would only be effected within the limits of the approved tarrif structures of the local municipality.	203 085 127	203 085 127
• Department of Water & Sanitation vs Sekhukhune District Municipality Nature of the liability, a dispute between the municipality and Department of Water and Sanitation on their tariff for the extraction of raw water, the disputed invoices amount to a total of R 25 263 426.63 as at 30th June 2024. There are discussions currently between the municipality and department on the disputed amounts and it is highly probable based on the discussions that the conclusions will favour the municipality.	-	25 263 427
	275 329 749	**303 811 336**

Notes to the Financial Statements

Figures in Rand	2024	2023

40. Contingent Liabilities and assets (continued)

The Following are contigent liabilities reported as at 30 June 2024 where it was impracticable for management to attach the estimated cost of each possible liability.

Afri-Forum NPC vs Sekhukhune District Municipality
Nature of the liability: A claim by Afri-Forum NPC against the municipality in the Polokwane High Court for non-compliance in terms of the maintenance of the waste water plant in Marble Hall. The matter is yet to be heard before the court though the municipality is currently refurbishing the waste water treatment plant and it was not practical for management to attach a reliable estimate to the claim as at 30 June 2024. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success, and the case should be resolved within the next twelve month of the reporting period.

Mabotwane Security Services vs Sekhukhune District Municipality
Nature of the liability: A claim against the municipality by Mabotwane Security Services, the security company claims that the municipality appointed irregularlarly one other security company in four different clusters instead of appointing four different companies in all four clusters, the matter is currently heard before the court of law. It was impractical for management to attach a reliable estimated cost of the claim as at 30 June 2024. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success, and the case should be resolved within the next twelve months of the reporting period.

Concerned residents of Flag Boshielo vs Sekhukhune District Municipality
Nature of the liability: A claim was instituted by the concerns citizens of Flag Boshielo that the municipality must supply certain qunatities of water to the Flag Boshielo community. The value of the claim could not be quantified as at 30th June 2024. The concerned residents obtained a structured mandamus and the municipality do report to the court via the represnting attorney.

The following labour matters were also reported as at 30 June 2024

Mr Rupert Matabane vs Sekhukhune District Municipality
Litigation is in progress against Mr Rupert Matabane relating to a charge of gross misconduct by the municipality, it was impracticable to determine the financial effect of the claim as at 30 June 2024. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success, and the case should be resolved within the next twenty four months. The proceedings were postponed to allow the cross-examination of the final witness.

As at the reporting date, there was no indication of any possibility of a reimbursement on this matter.

Ms Busisiwe Matjie vs Sekhukhune District Municipality
Litigation is in progress against Ms Busisiwe Matjie relating to a charge of gross misconduct by the municipality, it was impracticable to determine the financial effect of the claim as at 30 June 2024. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely with over 90% probability of no success, and the case should be resolved within the next twenty four months.

The chairperson of the hearing postponed the hearing subject to confirmation of a future date to finalize the matter.

As at the reporting date, there was no indication of any possibility of a reimbursement on this matter.

The following are the contingent assets of the municipality as at 30 June 2024

Notes to the Financial Statements

Figures in Rand	2024	2023
40. Contingent Liabilities and assets (continued)		
Sekhukhune District Municipality vs Maadima (pty) ltd Nature of the contingent asset: a claim by the municipality to Maadima (pty) ltd as an underwriter of a guarantee to a contractor, the contractor did fail to complete the construction works on behalf of the municipality as per its appointment and the guaranteed monies were due to complete the remaining works. The financial effect of the claim as at 30 June 2024 could be estimated at about R 4 714 054.73. The municipality's lawyers and management consider the likelihood of the action against the Maadima (pty) ltd with 80% chances of success for the municipality. The letter of demand already served. Municipal attorney instructed to issue summons while the complainant intends to defend, the matter is currently on discovery phase.	4 714 054	4 714 054
• Sekhukhune District Municipality vs Betrams & Standard Bank Nature of the contingent asset: a claim by the municipality to Betrams (pty) ltd and Standard Bank on guarantees issued by the Standard Bank SA on behalf of Betrams (pty) ltd. The financial effect of the claim as at 30 June 2024 could be estimated at about R 25 080 622.05. The municipality's lawyers and management consider the likelihood of the action against Betrams (pty) ltd and Standard Bank SA with 80% chances of success for the municipality, and the case should be resolved within the next twenty-four months. Summons served on defendants. Notice of exception received and plea amended. Defendant served Rule 35(12 & 14) and the municipality provided the required documentation.	25 080 622	25 080 622
• Sekhukhune District Municipality vs Advocate Ngutshane Nature of the contingent asset: a claim by the municipality to Advocate Ngutshane on a payment erronously paid into his bank account by the municipality. The financial effect of the claim as at 30 June 2024 could be estimated at about R 239 131.55. The municipality's lawyers and management consider the likelihood of the action against with 80% chances of success for the municipality. Summons served to the defendent. Plea received from the defendent. The municipality also lodged a claim with the legal practice council.	239 131	239 131
• Sekhukhune District Municipality vs Ndamakho Trading (Mapondo Tanks) Nature of the contingent asset: a claim by the municipality to Ndamakho Trading (Mapondo Tanks) for an advance payment on the installation of water tanks which were never installed valued at around R 6 500 000.00. The municipality's lawyer's and management consider the likelihood of the action against Ndamakho Trading (Mapondo Tanks) with around 80% probability of success. Summons were issued to Ndamakho Trading (Mapondo Tanks) and company is yet to respond to the summons as at 30th June 2024	6 500 000	6 500 000
• Hexagon Technologies and Projects vs Sekhukhune District Municipality Nature of the contingent asset: dispute on a claim of a consumer price index adjustment by Hexacon Technologies to the municipality.The financial effect of the claim as at 30th June 2024 could be estimated at about R 7 421 365.80. The plaintiff transmitted a letter of demand and issued summons to the municipality. The municipality continues to dispute the matter though the municipal account was attached for about R 6 000 000 with 9% inetrest from 2015 in the prior year, the municipality has since discovered that there was a mispresentation of facts by Hexacon and the amounts claimed from the municipality were not justifiable and correct, the management of the municipality has since concluded that the attached amounts are possible receivevables to the municipality pending the outcome of the current investigations on the matter.	7 421 365	7 421 365
• Sekhukhune District Municipality vs Officials Nature of the contingetn asset: A claim by the municipality to a total of R 12 084 011 in invoices which were incorrectly and fraudulently paid into an incorrect bank account by officials of the municipality. The invoices were meant to pay the monthly instalments towards the cumulative debt on occupational health and safety membership with the department of labour. The matter in currently handled by the South African Police Service and it is expected to be concluded in the next twenty-four months. The municipality's lawyers and management consider the likelihood of the action against the officials with around 80% probability of success. As at the 30 June 2024 the municipality was awaiting a report from the South African Police Service on how the matter is to be concluded	12 084 011	12 084 011
	56 039 183	**56 039 183**

Notes to the Financial Statements

Figures in Rand	2024	2023

41. Related parties

Relationships

Accounting Officer	Municipal Manager
Controlled entities	Sekhukhune Development Agency
Members of the municipal council	
Members of key management	

Related party balances

Transfers and subsidies		
Sekhukhune Development Agency	5 663 367	3 217 479
Members of key management		
Municipal Manager	1 251 997	611 676
Chief Financial Officer	1 138 727	844 834
Director: Corporate Services	1 106 203	763 899
Director: Infrastructure and Water Services	1 240 757	672 666
Director: Community Services	165 033	533 039
Director: Planning and Economic Planning	1 289 243	314 688
Chief Operating Officer	1 115 985	343 924
Acting Director: Planning and Economic Development	-	3 995

Remuneration of councillors 2023/24	Annual remuneration	Travel allowance	Cellphone allowance	Pension, Medical, UIF & SDL	Sitting allowance & travel claims	Total
Cllr Maitula BM (Executive Mayor)	545 778	-	31 336	56 488	-	633 602
Cllr Mokhanyetji MJ (Executive Mayor)	536 832	-	48 136	86 348	-	671 316
Cllr Chego DK (Council speaker)	738 166	-	48 136	62 577	-	848 879
Cllr Phokane MJ (Chief Whip)	684 575	-	45 484	55 495	-	785 554
Cllr Nkosi SM	715 121	-	46 800	46 054	-	807 975
Cllr Mafefe OH	774 565	-	48 136	118 206	-	940 907
Cllr Leokana MD	237 580	-	21 200	1 607	2 359	262 746
Cllr Sefala KRE	670 306	-	48 136	106 926	-	825 368
Cllr Leshaba MB	862 353	-	48 136	59 341	-	969 830
Cllr Kupa MR	824 668	-	45 484	56 022	-	926 174
Cllr Malatji MN	228 835	-	20 717	13 456	-	263 008
Cllr Nkosi SB	141 467	-	21 200	1 173	-	163 840
Cllr Mashilo MS	177 615	-	21 200	1 359	-	200 174
Cllr Mabatane MC	826 640	-	48 136	58 501	-	933 277
Cllr Mogofe A	457 029	-	45 200	25 219	-	527 448
Cllr Tladi MD	304 635	-	45 200	24 723	-	374 558
Cllr Maloba AM	308 795	-	45 200	3 476	-	357 471
Cllr Mathebe JL	339 720	-	48 136	83 892	-	471 748
Cllr Ratau MF	572 940	-	48 136	39 913	-	660 989
Cllr Mohlala MJ	563 657	-	48 136	40 898	-	652 691
Cllr Mogotji FM	319 735	-	48 136	3 619	-	371 490
Cllr Tshivhula MP	323 230	-	48 136	25 045	-	396 411
Cllr Kgwedi JL	291 550	-	45 600	25 020	-	362 170
Cllr Matsetela ML	452 989	-	48 136	25 641	-	526 766
Cllr Magabe MS	273 235	-	21 200	1 346	-	295 781
Cllr Makofane T	164 926	-	21 200	713	33 774	220 613
Cllr Makutu TS	54 496	-	21 200	504	23 245	99 445
Cllr Mathipa MP	245 949	-	21 200	1 453	25 474	294 076
Cllr Mgiba NP	157 075	-	21 200	1 108	-	179 383
Cllr Mokgotho K	137 053	-	21 200	725	32 680	191 658
Cllr Thobejane LM	118 372	-	21 200	563	25 646	165 781

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41. Related parties (continued)						
Cllr Tlape MM	121 247	-	21 200	1 130	-	143 577
Cllr Molapo WS	23 062	-	19 981	322	18 656	62 022
Cllr Mabelane MJ	116 667	-	21 200	564	25 646	164 077
Cllr Ngwatle AD	2 291	-	21 200	305	14 067	37 863
Cllr Makofane IT	144 054	-	21 200	960	38 534	204 748
Cllr Malau TS	118 328	-	21 200	815	20 756	161 099
Cllr Mathabathe TS	2 334	-	21 200	329	18 742	42 605
Cllr Maibelo LS	17 843	-	21 200	289	10 442	49 774
Cllr Sithole LL	46 010	-	21 200	436	26 869	94 515
Cllr Matsomane ST	25 214	-	21 200	353	22 194	68 960
Cllr Rankoe TP	91 965	-	21 200	844	20 052	134 061
Cllr Mosoane E	80 751	-	21 200	722	16 513	119 186
Cllr Mokomane ML	105 659	-	21 200	761	20 052	147 672
Cllr Thokwane KZ	82 750	-	21 200	613	15 333	119 896
Cllr Mashegoana MC	80 514	-	21 200	686	11 795	114 195
Cllr Makobe PA	16 830	-	21 200	416	7 077	45 523
Cllr Lekoatsipa LN	142 124	-	21 200	815	-	164 138
Cllr Magatla LN	98 967	-	21 200	854	-	121 021
Cllr Letsela NS	68 685	-	21 200	342	-	90 227
Cllr Maelane KN	59 380	-	21 200	409	-	80 989
Cllr Machai MJ	75 734	-	21 200	718	8 256	105 908
Council remuneration: operational cost	-	-	-	-	282 313	282 313
	14 570 296	**-**	**1 604 634**	**1 040 094**	**720 475**	**17 935 498**

Remuneration of councillors 2022/23	**Annual remuneration**	**Travel allowance**	**Cellphone allowance**	**Pension, Medical, UIF & SDL**	**Sitting allowance**	**Total**
Cllr Mokganyetji MJ (Executive Mayor)	744 400	22 770	41 100	104 730	-	913 000
Cllr Mathebe JL (Executive Mayor)	327 398	-	13 900	74 104	-	415 403
Cllr Chego DK (Council speaker)	682 565	-	41 100	72 155	-	795 819
Cllr Phokane MJ (Chief whip)	640 165	51 456	41 100	67 834	-	800 554
Cllr Ramaila KS	39 514	-	3 700	39 055	-	82 269
Cllr Malatji MN	298 611	153 987	34 000	25 562	-	512 160
Cllr Mafefe OH	524 552	95 133	41 100	114 745	-	775 260
Cllr Kupa CR	640 149	279 949	41 100	68 821	-	1 030 020
Cllr Ratau MF	640 149	144 104	41 100	68 310	-	893 662
Cllr Mabatane	621 755	132 923	41 100	56 333	-	852 101
Cllr Mohlala MJ	861 185	213 235	57 400	56 747	-	1 188 567
Cllr Leshaba MB	640 335	248 486	41 100	66 465	-	996 386
Cllr Sefala KR	304 191	170 561	40 800	85 062	-	600 614
Cllr Mogofe A	48 559	11 646	7 400	4 040	-	71 645
Cllr Tladi MD	48 559	2 790	7 400	541	-	59 291
Cllr Maloba AM	48 559	-	7 400	560	-	56 519
Cllr Mathebe JL	169 958	-	23 800	43 078	-	236 836
Cllr Nkosi SM	273 264	178 956	33 600	39 109	-	524 929
Cllr Machai MA	10 440	52 354	20 400	483	-	83 677
Cllr Maelane KM	10 440	39 261	20 400	386	-	70 488
Cllr Letsela NS	10 440	81 098	20 400	337	-	112 275
Cllr Magatla LN	10 440	51 822	20 400	417	-	83 079
Cllr Lekoatsipa LR	83 666	84 747	17 000	1 019	-	186 432
Cllr Makobe PA	10 440	-	20 400	308	-	31 148
Cllr Mashegoana MC	10 440	62 740	20 400	422	-	94 002
Cllr Thokoane KZ	13 399	36 624	20 400	380	-	70 803
Cllr Mokomane ML	10 440	91 888	20 400	486	-	123 214
Cllr Mosoane E	13 399	68 803	20 400	518	-	103 120
Cllr Rankoe TP	2 820	43 591	20 400	242	-	67 052
Cllr Leokana MD	10 440	83 063	20 400	446	-	114 349

Notes to the Financial Statements

Figures in Rand					2024	2023
41. Related parties (continued)						
Cllr Matsomane ST	-	16 494	20 400	363	31 718	68 975
Cllr Sithole ME	-	46 346	20 400	456	34 023	101 225
Cllr Nkosi SB	80 147	35 135	20 400	1 006	-	136 688
Cllr Maebelo LS	-	15 619	20 400	308	20 420	56 748
Cllr Mohlamonyane TE	-	12 673	20 400	278	14 739	48 090
Cllr Mashilo MS	80 147	65 029	20 400	1 189	-	166 765
Cllr Malau TS	-	52 610	20 400	518	58 956	132 484
Cllr Makofane IT	-	163 027	20 400	1 129	52 172	236 727
Cllr Ngwatle AD	-	11 957	20 400	306	16 978	49 641
Cllr Mabelane JM	-	122 811	20 400	615	27 206	171 032
Cllr Molapo WS	-	121 403	20 400	616	30 581	173 000
Cllr Tlape MM	80 147	48 984	20 400	1 070	-	150 600
Cllr Thobejane ML	-	103 638	20 400	645	41 945	166 628
Cllr Mokgotho K	-	179 686	20 400	892	45 453	246 431
Cllr Mgiba NP	80 147	110 147	20 400	1 015	-	211 709
Cllr Maphipa MP	-	100 867	20 400	710	47 725	169 702
Cllr Makutu TS	-	98 495	20 400	761	36 230	155 887
Cllr Makofane T	-	155 366	20 400	342	52 172	228 564
Cllr Magabe MS	80 147	78 785	20 400	1 181	-	180 513
Cllr Senong	224 944	75 719	34 300	23 615	-	358 578
Cllr Mosotho MT	214 079	92 910	34 300	18 641	-	359 929
Cllr Matsetela ML	270 002	374 607	41 100	30 430	-	716 138
Cllr Komane LM	230 135	63 763	34 300	6 473	-	334 670
Cllr Kgwadi JL	270 115	13 121	41 100	27 149	-	351 485
Cllr Tshivhula MP	270 115	39 939	41 100	27 142	-	378 296
Cllr Mogotji FM	290 649	10 960	41 100	7 020	-	349 729
Cllr Matseke RT	-	-	-	1 645	-	1 645
Cllr Mnisi SP	-	-	-	2 565	-	2 565
	9 921 446	**4 612 078**	**1 454 500**	**1 150 775**	**510 318**	**17 649 118**

42. Prior period errors

Figures in Rand	2024	2023

42. Prior period errors (continued)

Property, Plant and Equipment
The carrying value of property, plant and equipment that is taking significantly longer period of time to complete than expected was disclosed per the individual project in the prior year, the disclosure was aggregated both in the current year and prior year, and as such a correction of a prior period error was effected in the prior year to ensure that both disclosures are comparable.The total carrying value of the property, plant and equipment remained R 118 419 793 as disclosed and there was no mistatement of the amounts disclosed.

Property, Plant and Equipment
The carrying value of the property, plant and equipment where the construction or development has been hlated either during the current or previous years was disclosed per the individual project in the prior year, the disclosure was aggregated both in the current year and prior year, and as such a correction of a prior period error was effected in the prior year to ensure that both disclosures are comparable.The total carrying value of the property, plant and equipment remained R 134 832 337 as disclosed and there was no mistatement of the amounts disclosed

Deviations
The deviations were erroneously disclosed as 'Sole Provider" in the prior year, a prior period error was effected and the deviations were disclosed correctly as deviations from instances where it was impractical or impossible to follow the normal procurement processes. The total amount disclosed remains R 4 647 010 and there was no mistatement of the amounts disclosed.

Deviations
The deviations were erroneously disclosed as 'Impractical" in the prior year, a prior period error was effected and the deviations were disclosed correctly as deviations which resulted from emergency situations where normal processes pf procurement could not be ideal to follow or apply. The total amount disclosed remains R 13 531 018 and there was no mistatement of the amounts disclosed.

Contigent Liabilities
The matter betwen the Sekhukhune District Municipality and Mzamo V Group was erroreously ommitted as a disclosure in the 2022/23 annual financial statements and the contingent liabilities note was understated by R 180 000.00, the error was corrected by disclosing a contingent liabilitiy in the prior year. The amount dislosed is R 180 000.00

Contigent Liabilities
The matter betwen the Sekhukhune District Municipality and Lydia Tabudi Makeke was erroreously ommitted as a disclosure in the 2022/23 annual financial statements, the contingent liabilities disclosure note was undersated by R 32 239.00, the error was corrected by disclosing a contingent liability in the prior year. The amount dislosed is R 32 239.00

Contigent Liabilities
The matter betwen the Sekhukhune District Municipality and Nedbank was erroreously ommitted as a disclosure in the 2022/23 annual financial statements, the contingent liabilities disclosure note was understated by R 34 235.00, the error was corrected by disclosing a contingent liability in the prior year. The amount dislosed is R 34 235.00

Irregular Expenditure
The disclosure on the irregular expenditure in the 2022/23 financial year was erroreously understated by R 19 038 704.27 being the irregular expenditure amounts incurred in the prior year. The error was corrected by disclosing the amounts in the prior year and the total irregular expenditure amount disclosed in the prior year was restated accorndingly.

Payables from Exchange Transactions
The total amount on the accruals in the prior year was overstated by the accruals relating to the prior years which were paid, the error was corrected restrospectively by restating the payables from the exchange transactions in the prior year by R 237 836 566.00.

Property, plant and equipment - Cost
The municiplaity did also effect a prior period error correction on the cost of the property, plant and equipment amount disclosed in the 2022/23 annual financial statements that were completed in the prior year amounting to R R 35 792 279.73 and the reversal of the project that was incorrectly capitalised amounitng to R 29 762 979.47. The total cost amount was understated by R 6 029 300 as disclosed, the carrying value of the property, plant and equipment was understated together with WIP register being overstated.

Property, plant & equipment - Accumulated Depreciation

Figures in Rand	2024	2023

42. Prior period errors (continued)
The municipality did effect a prior period error correction on the accumulated depreciation of the property, plant & equipment disclosed in the 2022/23 financiall year, the error was for the assets that were fully depreciated but they were still in use and of the items of property, plant and equipment at zero amounts or approaching zero net carrying amounts whilst being used and are in good condition, the net carrying value of the property, plant and equipment was previously understated and accumulated surplus also understated as a result, the error was corrected and both the carrying value of the property, plant and equipment together with the accumulated surplus were adjusted by R 14 083 186.51 to correct the error. The correct depreciation was also corrected by increasing Accummulated depreciation of R 6 775 304.57 and prior year depreciation.

The municiplaity did also effect a prior period error correction on the accummulated depreciation of the property, plant and equipment amount disclosed in the 2022/23 annual financial statements. The total depreciation amount was overstated by R 832 314.77 as disclosed in the carrying value of the property, plant and equipment was overstated and the accumulated surplus was also overstated by the same amount. The error was corrected by restating both the accumulated depreciation and the carrying value of the property, plant and equipment, as a result the accumulated surplus in the prior year was also restated by R832 314.77

The municiplaity did also effect a prior period error correction on the accumumulated depreciation of the property, plant and equipment amount disclosed in the 2022/23 annual financial statements. The total accummulated depreciation amount was understated by R R1 949 803.33 as disclosed i the carrying value of the property, plant and equipment wasunderstated and the accumulated surplus was also understated by the same amount. The error was corrected by restating both the accummulated depreciation amount and the carrying value of the property, plant and equipment, as a result the accumulated surplus in the prior year was also restated by R1 949 803.33. Together with the comparative amount of R 67 041.05 to depreciation and Accummulated depreciation.

Property, plant and equipment - Depreciation and impairment loss
The municiplaity did also effect a prior period error correction on the depreciation of the property, plant and equipment amount disclosed in the 2022/23 annual financial statements. The total depreciation amount was understated by R 6 775 304.57 as disclosed, the carrying value of the property, plant and equipment was overstated and the accumulated surplus was also overstated by the same amount. The error was corrected by restating both the depreciation amount and the carrying value of the property, plant and equipment, as a result the accumulated surplus in the prior year was also restated by R 6 775 304.57.

The municiplaity did also effect a prior period error correction on the impairment loss of the property, plant and equipment amount disclosed in the 2022/23 annual financial statements. The total impairment loss amount was understated by R 7 666 376.60 as disclosed, the carrying value of the property, plant and equipment was overstated and the accumulated surplus was also overstated by the same amount. The error was corrected by restating both the depreciation amount and the carrying value of the property, plant and equipment, as a result the accumulated surplus in the prior year was also restated by R 7 666 376.60.

Expenditure - Cut off
An expenditure amounting to R 16 915 598 relating to the 2021/22 financial year was incorrectly accounted and reported in the 2022/23 financial year, the 2022/23 expenditure on bulk purchases was overstated and the error was corrected, the opening accumulated surplus in the prior year was also restated to correct the error.

Expenditure - Misclassification
An expenditure amounting to R 23 587 217.00 on bulk purchases was incorrectly disclosed as contracted services in the 2022/23 financial year, the total expenditure on bulk purchases was understated whilst the exepnditure on contracted services was overstated by R 23 587 217.00. The error was corrected by increasing the total bulk purchases exepnditure and reducing the total contracted services expenditure by the same amount in the prior, the disclosures on both amounts were restated accordingly.

Expenditure - Misclassification
An expenditure amounting to R 12 041 566.00 on bulk purchases was incorrectly disclosed as repairs and manitenance in the 2022/23 financial year, the total expenditure on bulk purchases was understated whilst the expenditure on repairs and maintenance was overstated by R 12 041 566.00. The error was corrected by increasing the total bulk purchases exepnditure and reducing the total repairs and maintenance expenditure by the same amount in the prior year, the disclosures on both amounts were restated accordingly.

MFMA disclosure - PAYE, UIF & SDL
The opening balance on the contributions for the Pay As You Earn, Unemployment Insurance Fund and Skills Development Levy was mistated in the prior year, the opening balance was understated and the error was corrected by restating the opening balance to (R 284 537.14) in the prior year. The closing balance was also restated to (R 302 253.76) as at end of the prior

Notes to the Financial Statements

Figures in Rand	2024	2023

42. Prior period errors (continued)
year.

MFMA disclosure - MEDICAL, PENSION
The opening balance on the contributions for the Pension and Medical Aid was mistated in the prior year, the opening balance was understated and the error was corrected through a restatement of the opening balance to R 210 824.17 in the prior year. The closing balance was also restated to R 217 848.00 in the prior year.

Fruitless and wasteful expenditure
The disclosure note on the fruitless and wasteful expenditure in the prior year did not include the details of the expenditure incurred with short descriptions of each incident of fruitless and wasteful expenditure. The error was corrected by a detailed disclosure of the details of the expenditure in the prior year. There was no mistatement of the disclosed amounts of fruitless and wasteful expenditure

Contingent Liabilities
The disclosure note on the contingent liabilities in the prior year was understated by R 25 263 426.63, the disclosure note did not include the claims by the Department of Water and Sanitation on expenditures that the department claims to be total biulling by their satillete offices and they 're currently investigating the amomunts as a department, though the department already invoced the the municipality and most amounts were billed in the prior years. There was no dispute on the amounts billed the department billed the municipality during the 2023/24 financial year. The total disputed claims by the department amount to R 25 263 426.63.

Contingent Liabilities
The disclosure note on contingent liabilities was understated by R 203 085 127. There is a dispute between the Sekhukhune District Municipality and Dr JS Moroka Local Municipality on a claim by the local municipality for the supply of water in which the local municipality claims to have supplied on behlaf of the district municipality water at a tariff that was not approved by the council of the local municipality and without a service level agreement between the two municipalities. The financial effect of the claim was estimated at R 203 085 127.00 as at 30th June 2023. The dispute is currently serving in a court of law and it is uncertain as to how the court may rule on the matter.

VAT receivable
The VAT receivable disclosure in the 2022/23 prior year was overstated by R 50 128 310.00 amount of the opening. The error was corrected retrospyectively in the prior period by reducing the VAT receivable and the accumulated surplus was also adjusted accordingly.

Receivables from exchange transactions
The receivables from exchange transactions disclosure in the 2022/23 prior year was overstated by R 26 162 294.00 amount of the opening balance. The error was corrected retrospectively in the prior period by reducing the receivables from exchange transactions discloresure by R 26 162 294.00.

Capital Commitments
The capital commitments disclosure in the 2022/23 prior year was understated by R 255 774 019.06. The error was corrected by correctly restating the disclosed amount to R 640 572 213.96 in the prior year.

Unspent conditional grants - Water Services Infrastructure Grant
The closing balance of the unspent conditional grant on the Water Services Infrastruture Grant was understated and incorrectly disclosed as R 19 670 308.00 in the 2022/2023 prior year. The error was corrected restropectively by restating the closing balance to R 21 984 017.00 in the prior year.

Expenditure - cut off
The total operational expenditure in the 2022/23 financial year was overstated and did incorrectly include expenditure on amounts accrued and invoiced in the 2021/2022 prior year. The total expenditure of all invoices affected amounts to R 5 399 262.58 inclusive of the Value Added Tax. The error was corrected restrospectively by reducing both the expenditure and payables from exchange transactions in the 2022/23 financial year, the expenditure was recognized the 2022/2023 financial year. The following expenditure disclosure amounts affected by the correction:

- Repairs and manitenance increased by R 10 681 226.00
- Consulting and professional fees increased by R 168 747.00
- Accomodation increased by R 189 968.00
- Advertising increased by R 15 300.00
- Auditor's remuneration increased by R 122 818.00
- IT support increased by R 281 126.00

Figures in Rand	2024	2023

42. Prior period errors (continued)

- Telephone and fax increased by R 174 245.00
- Training increased by R 98 600.00
- Electricity increased by R 17 683.00
- Other expenses increased by R 785 553.00
- Catering increased by R 508 164.00
- Staff recruitment increased by R 12 240.00
- Audio visuals increased by R 2 928.00
- Opearting leases increased by R 745 411.00

Contracted Services
The water tankering expenditure was understated in the 2022/2023 financial year, the expenditure was incorrectely disclosed as bulk water purchases, the total misallocation was R 52 025 634. The error was corrected retrospectively by reducing the bulk water expenditure in the prior year and increasing the contracted services expenditure in the same year by the R 52 025 634 amount.

Transfers and subsidies
The municipality established an entity to advance some of the goals of the Municipality as part of the service delivery to the community as such a grant with restrictions is awarded on a early basis to the entity to advance the objectives of the Municipality.This grant represents an obligation by the Municipality to the municipal entity on an annual basis and therefore represents an expense to the Municipal entity ,in that regard a payable has been raised by the Municipality and a corresponding expense (Grant expense) was raised to account for the error in the prior years.The grant is not refundable to the Municipality and hence can be appropriated for the Municipal entity expenses.At each financial year the Municipal entity is obliged to submit a budget for the funds to utilized in a particular financial year which is approved by the parent municipality ,the submission of the budget represents a restrictive condition which is not a condition and as such should be reflected as a full expense and a corresponding payable to the entity.The restatement has been adjusted to the earliest possible period. The transfers and subsidies disclosure amount was understated by R 5 296 811.00 in the 2022/23 financial year. The error was corrected retrospectively by disclosing the correct amount for transfers and subsidies in the prior year.

Contracted services
Expenditure on consultants was incorrectly classified as general expenditure, as a result the contracted servicesexpenditure was understated by R 34 757 503.00 in the prior year.The errors were corrected retrospectively and the total expenditure on contracted services was restated accordingly.

Related Parties
The municipality has errorneously disclosed the annual membership to the South African Local Government Association as a related party in the prior year. The amounts in the disclosure note were overstated and has since been corrected. An amount of R 4 481 840.00 was disclosed in the prior year, the disclosure amount was eliminated completely to correct the error.

Employee benefits
The municiplaity did incorrectly disclose the long-service awards and unused leave days as provisions in the prior year. There was no mistatement of the amounts disclosed.The error was corrected by disclosing both the long-service awards and unused leave days as employee benefits in the prior year. R 23 995 000.00 was correctly disclosed as short-term employee benefits, R 25 110 000.00 was correctly disclosed as long-term employee benefits.There was no mistatement of the amounts disclosed.

Financial instruments
The disclosure note on financial instruments in the prior year was understated by R 5 213 578.00, the note did not include the consumer deposits to an amount of R 5 213 578.00. The error was corrected by disclosing the amount in the prior year under the financial instruments disclosure note.

Impairment loss
The amount disclosed for the impairment loss was undersated by R 7 666 376.00 in the 2022/23 prior year. The error was corrected retrospectively by disclosing the corrected amount of R 15 470 661.00 as the total impairment loss in the prior year.

Notes to the Financial Statements

Figures in Rand	2024	2023

43. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated
Property, plant & equipment		4 713 927 030	(1 408 943)	4 712 518 087
Payables from exchange transactions		(574 983 395)	196 735 249	(378 248 146)
VAT receivables		128 425 149	(50 128 311)	78 296 838
Receivables from exchange transactions		60 845 045	(26 162 294)	34 682 751
Heritage assets		-	552 117	552 117
Accumulated surplus		(4 509 391 591)	(125 828 451)	(4 635 220 041)
		(181 177 762)	**(6 240 633)**	**(187 418 394)**

Notes to the Financial Statements

Figures in Rand	2024	2023

43. Prior-year adjustments (continued)

Statement of financial performance

2023

	Note	As previously reported	Correction of error	Restated
Depreciation		129 806 551	5 603 672	135 410 223
Bulk purchases		194 129 214	(52 025 634)	142 103 580
Impairment loss		7 804 285	7 666 376	15 470 661
Contracted services		81 131 695	72 537 602	153 669 297
Repairs and maintenance		42 500 480	(10 681 226)	31 819 254
Consulting and professional fees		25 111 004	(25 111 004)	-
Accommodation		1 443 032	189 968	1 633 000
Advertising		2 404 477	15 300	2 419 777
Auditor's remuneration		8 020 486	122 818	8 143 304
IT support		3 350 854	281 126	3 631 980
Telephone and fax		4 224 576	174 245	4 398 821
Training		601 915	98 600	700 515
Electricity		65 130 066	17 683	65 147 749
Other expenses		12 394 549	785 553	13 180 102
Catering		3 913 124	508 164	4 421 288
Staff recruitment		500 698	12 240	512 938
Audio visuals		4 517 664	2 928	4 520 592
Operating leases		51 858 861	745 411	52 604 272
Transfers and subsidies		3 217 479	5 296 811	8 514 290
Surplus for the year		**642 061 010**	**6 240 633**	**648 301 643**

Cash flow statement

2023

	Note	Correction of error	Re-classification

44. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Notes to the Financial Statements

Figures in Rand	2024	2023

44. Risk management (continued)

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

45. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus of R 5 056 737 878

The 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 financial statements will remain in force for so long as it takes to restore the solvency of the municipality.

46. Events after the reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date the financial statements are authorized for issue. The two types of events can be identified, (i) those that provide evidence of events that existed at the reporting date being the adjusting events after the reporting date and (ii) those that are indicative of conditions that arose after the reporting date as the non-adjusting events after the reporting date.

Management was not aware of any events after the reportjnd date, those which provided evidence of events that existed at the reporting date being the adjusting events aand/or those that were indicative of conditions that arose after the reporting date being non-adjusting events after the reporting date.

47. Unauthorised expenditure

Opening balance as previously reported	410 590 826	410 590 826
Add: Unauthorised expenditure - current	21 732 435	-
Closing balance	**432 323 261**	**410 590 826**

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Cash	21 732 435	-

Analysed as follows: cash

Contracted services (Security services)	21 732 435	-

Unauthorised expenditure: Budget overspending – per municipal department:

Office of the Municipal Manager	21 732 435	-

Recoverability steps taken/criminal proceedings

The municipality did incur in total R 21 732 435.37 in unauthorized expenditure during the 2023/24 financial year.The expenditure is currently under investigation by the Municipal Public Accounts Committee.

Notes to the Financial Statements

Figures in Rand	2024	2023

47. Unauthorised expenditure (continued)

Recoverability of unuathorised expenditure

The expenditure incurred was in related to the security services which were certified to have been rendered to the satisfaction of the user department and had no element of fruitless and wasteful expenditure that would require any measures of recovery.

48. Fruitless and wasteful expenditure

Opening balance as previously reported	72 425 486	58 456 147
Add: Fruitless and wasteful expenditure identified - current	797 517	13 969 339
Closing balance	**73 223 003**	**72 425 486**

The municipality did incur in total R 797 517.28 in fruitless and wasteful expenditure as at 30 June 2024.

Details of fruitless and wasteful expenditure

	Disciplinary steps taken/criminal proceedings
Legal claim insituted against the municipality	Deciplinary measures implemented by the municipality
Interest on overdue account: COIDA	Expenditure under investigation
Interest on overdue supplier accounts	Expenditure under investigation
Interest on overdue supplier accounts	Deciplinary measures implemented by the municipality
Sheriff expenses	Deciplinary measures implemented by the municipality
Expenditure on abondoned capital project	Deciplinary measures implemented by the municipality
Penalties on late renewal of motor licenses	Expenditure under investigation
Interest on overdue accounts	Expenditure under investigation
Expenditure on erratum for re-advertisement	Expenditure under investigation

Amount recovered

No amounts of fruitless and wasteful expenditure were recovered during the 2023/24 financial year, investigations by the Municipal Public Accounts Committee were not yet finalized while some desciplinary measures were implemented in other cases.

Amount written-off

No amounts of fruitless and wasteful expenditure were written-off during the 2023/24 financial year.

49. Irregular expenditure

Opening balance as previously reported	1 398 008 600	1 344 599 237
Add: Irregular expenditure - current	74 904 123	34 370 659
Add: Irregular expenditure - prior period adjustments	-	19 038 704
Closing balance	**1 472 912 723**	**1 398 008 600**

The municipality did report the following instances of irregular expenditure during the 2023/24 financial year, in comparisan to the 2022/23 financial year

Cases related to non-compliance with procurement process requirements	74 904 123	61 332 759

Amounts recoverable

All amounts reported as irregular expenditure in both the current and prior periods were reported to council, council did refer all reported 30th June 2024, all investigations were not concluded on the reported amounts. A determination as to whether the amounts were recove

Notes to the Financial Statements

Figures in Rand	2024	2023

49. Irregular expenditure (continued)

Amount written-off

No amounts of reported irregular expenditure were written off during the 2023/24 financial year as investigations were ongoing.

Recoverability steps taken/criminal proceedings

The Municipal Public Accounts Committee investigations were not concluded as at 30 June 2024, as a result no steps or criminal proceedings were taken as yet.

50. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	5 105 341	4 481 840
Amount paid - current year	(5 105 341)	(4 481 840)
	-	-

Water losses

Water losses	38 120 360	59 310 437

The municipality is experiencing water distribution losses due to the high number of illegal water connections to the municipality's water infrastructure network. Management has implemented measures to monitor the water infrastructure constantly to detect and address any illegal water connections. Management has is also in a process to procure a pre-paid water vending system that will assist in monitoring and detecting water leaks and any unsual water distributions within the municipality's water network.

Details of the water losses

Units purchased (9.1 ML in 2023/24 and 5.7 ML in 2022/23)	12 844 073	35 117 837
Units sold (1.9 ML in 2023/24 and 3.5 ML in 2022/23)	25 276 287	24 192 600
	38 120 360	**59 310 437**

Audit fees

Current year subscription / fee	8 407 049	8 143 304
Amount paid - current year	(8 407 049)	(8 143 304)
	-	-

PAYE, UIF and SDL

Opening balance	(302 253)	(284 537)
Current year subscription / fee	71 089 188	64 588 007
Amount paid - current year	(71 063 198)	(64 605 723)
	(276 263)	**(302 253)**

Notes to the Financial Statements

Figures in Rand	2024	2023

50. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Opening balance	128 321	210 824
Current year subscription / fee	88 458 170	84 999 817
Amount paid - current year	(88 369 411)	(84 992 793)
	217 080	**217 848**

VAT

VAT receivable	1 087 834 332	864 655 570
VAT payable	(976 133 427)	(786 358 732)
	111 700 905	**78 296 838**

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr Ratau MF	359	4 318	4 677
Cllr Ratau MF	2 817	32 216	35 033
Cllr Matsetela ML	15 733	3 100	18 833
Cllr Matsetela M	447	-	447
Cllr Phokane MJ	665	-	665
	20 021	**39 634**	**59 655**

30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr Phokane	72	-	72
Cllr Matsetela M	1 412	-	1 412
Cllr Matsetela ML	2 685	3 897	6 582
Cllr Ratau MF	318	3 308	3 626
	4 487	**7 205**	**11 692**

During the year the above listed councillors' had arrear accounts outstanding for more than 90 days.

Supply chain management regulations

Section 36 of the Municipal Supply Chain Management Regulations states that the accounting officer may dispense with the official procurement processes established by the applicable supply chain policy and procure any required goods or services through any convenient process which may include direct negotiations, but only (i) In an emergency , (ii) if such goods or services are produced or available from a single service provider, (iii) for the acquisition of special works of art or historical objects where specifications are difficult to complete, (iv) acquisitions of animals for zoos or (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

Incident		
Deviations as per section 36(1)(i) of the municipal supply chain regulations	-	13 531 018
Deviations as per section 36(1)(v) of the municipal supply chain regulations	6 017 199	4 647 010
	6 017 199	**18 178 028**

Notes to the Financial Statements

Figures in Rand	2024	2023

51. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of three major functional areas: Water services, Waste Water Services & Other. The segments were organised around the type of service delivered. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates throughout the Sekhukhune District of the Limpopo Province. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout the district were sufficiently similar to warrant aggregation.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Water services	Water services for households and businesses
Waste water services	Sanitation
Other	Community services, Local Economic Development & Support Services

Notes to the Financial Statements

Figures in Rand

51. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Other	Water	Waste Water	Total
Revenue				
Revenue from exchange transactions	71 551 840	-	-	71 551 840
Interest received - Debtors	34 069 586	-	-	34 069 586
Other Income	1 082 941	-	-	1 082 941
Interest - Investments	81 206 793	-	-	81 206 793
Actuarial Gains	3 009 226	-	-	3 009 226
Government Grants and Subsidies	1 072 070 377	482 755 650	16 172 677	1 570 998 704
Fines, penalties & forfeits	9 326	-	-	9 326
Fair value adjustments	63 198	-	-	63 198
Total segment revenue	**1 263 063 287**	**482 755 650**	**16 172 677**	**1 761 991 614**
Total revenue				**1 761 991 614**
Expenditure				
Employee related cost	166 214 823	197 783 006	68 794 090	432 791 919
Remuneration of councillors	17 935 498	-	-	17 935 498
Depreciation and amortisation	144 961 078	-	-	144 961 078
Impairment loss	7 348 419	-	-	7 348 419
Finance cost	5 565 849	-	-	5 565 849
Lease rentals on operating lease	45 782 700	-	-	45 782 700
Debt Impairment	117 262 131	-	-	117 262 131
Bulk Purchases	231 345 755	-	-	231 345 755
Contracted services	285 253 607	-	-	285 253 607
Transfers and subsidies	10 663 989	-	-	10 663 989
General expenses	257 141 202	-	-	257 141 202
Repairs and maintenance	44 763 997	-	-	44 763 997
Inventory write-down	182 086	-	-	182 086
Actuarial losses	1 685 611	-	-	1 685 611
Total segment expenditure	**1 336 106 745**	**197 783 006**	**68 794 090**	**1 602 683 841**

Notes to the Financial Statements

Figures in Rand

	Other	Water	Waste Water	Total
51. Segment information (continued)				
Total segmental surplus/(deficit)				**159 307 773**
Assets				
Property, plant & equipment	93 777 204	4 911 417 542	57 149 797	5 062 344 543
Heritage assets	615 316	-	-	615 316
Total segment assets	**94 392 520**	**4 911 417 542**	**57 149 797**	**5 062 959 859**
Total assets as per Statement of financial Position				**5 062 959 859**
Liabilities				
Trade and other payables	619 439 174	-	-	619 439 174
Provisions	66 173 001	-	-	66 173 001
Other 2	1 571 488	61 619 625	-	63 191 113
Total segment liabilities	**687 183 663**	**61 619 625**	**-**	**748 803 288**
Total liabilities as per Statement of financial Position				**748 803 288**

Measurement of segment surplus or deficit, assets and liabilities

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

The nature of differences between the measurements of the reportable segments' surplus or deficit and the entity's surplus or deficit and discontinued operations

Inter-segment transfers: segment revenue and segment expense include revenue and expense arising from transfers between segments.

Notes to the Financial Statements

Figures in Rand	2024	2023

51. Segment information (continued)

The nature of differences between the measurements of the reportable segments' assets or liabilities and the entity's assets or liabilities

Investments in associates are accounted for using the equity method: the municipality owns 100% of the parenting intrerests of the Sekhukhune Development Agency, an agency with a manadate to promote and develop the economy of the Sekhukhune District..

Annexure A: 2023/2024 Audited Annual Financial Statement: SDA



SEKHUKHUNE DEVELOPMENT AGENCY

The Sekhukhune Development Agency (SDA) is an economic development entity wholly owned by Sekhukhune District Municipality

Ignite • Inspire • Invest

Sekhukhune Development Agency
Annual Financial Statements
for the year ended 30 June 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Municipal entity to implement high impact economic projects
Directors	Ms Mantwa Makanyane (CEO) Mr Tshabedi Serote (Chairpersonof Board) Mr Kgopelo Phasha Ms Mathabo Mosia Mr Tladi Ditshego Ms Promise Akani Baloyi
Registered office	Bareki Mall Groblersdal 0470
Auditors	Auditor General South Africa
Secretary	Maseilane Kgaogelo Mahlatji

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts

Accounting Officer's Responsibilities and Approval

The directors are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are 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 directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

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

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

The directors have reviewed the entity's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

Although the accounting officer are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 5.

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024 and were signed on its behalf by:

Ms Mantwa Makanyane (CEO)

Audit Committee Report

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

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year 12 number of meetings were held.

Name of member	Number of meetings attended
Mr Mofokeng LS (Chairperson)	12
Ms Ngoetjana S	11
Adv .Thubakgale L	12
Mr Manyisana V	12
Mr Mathabatha M	12

Audit committee responsibility

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

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

The effectiveness of internal control

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

Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices (delete if not applicable);
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

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

Internal audit

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

Auditor-General of South Africa

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

Chairperson of the Audit Committee

Date: _____

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	3	835 261	821 156
Current Assets			
Receivables from non-exchange transactions	4	13 064 106	7 565 265
Cash and cash equivalents	5	850 074	850 749
		13 914 180	**8 416 014**
Total Assets		**14 749 441**	**9 237 170**
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	1 369 164	261 369
Total Liabilities		**1 369 164**	**261 369**
Net Assets		**13 380 277**	**8 975 801**
Share capital / contributed capital	7	1 000	1 000
Accumulated surplus		13 379 276	8 974 800
Total Net Assets		**13 380 276**	**8 975 800**

* See Note 21 & 20

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Other income		950	-
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	10	10 814 935	8 608 059
Total revenue	8	**10 815 885**	**8 608 059**
Expenditure			
Employee related costs	11	(3 511 733)	(1 385 402)
Administration	12	(441 062)	(462 458)
Depreciation and amortisation	13	(29 461)	(17 392)
Reversal of impairments		-	(37 562)
General Expenses	15	(2 429 154)	(1 016 887)
Total expenditure		**(6 411 410)**	**(2 919 701)**
Surplus for the year		**4 404 475**	**5 688 358**

* See Note 21 & 20

Statement of Changes in Net Assets

Figures in Rand	Share capital / contributed capital	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	1 000	998 313	999 313
Adjustments			
Prior year adjustments 21	-	2 288 129	2 288 129
Balance at 01 July 2022 as restated*	**1 000**	**3 286 442**	**3 287 442**
Changes in net assets			
Surplus for the year as previously reported	-	404 024	404 024
Prior year adjustments	-	5 284 334	5 284 334
Net income (losses) recognised directly in net assets	-	-	-
Surplus for the year as restated*	-	5 688 358	5 688 358
Total recognised income and expenses for the year	-	5 688 358	5 688 358
Total changes	-	5 688 358	5 688 358
Restated* Balance at 01 July 2023	**1 000**	**8 974 801**	**8 975 801**
Changes in net assets			
Surplus for the year	-	4 404 475	4 404 475
Total changes	-	4 404 475	4 404 475
Balance at 30 June 2024	**1 000**	**13 379 276**	**13 380 276**
Note(s)	7		

* See Note 21 & 20

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Grants		5 632 121	3 311 247
Other receipts		950	-
		5 633 071	3 311 247
Payments			
Employee costs		(3 295 588)	(1 506 467)
Suppliers		(2 294 593)	(1 728 146)
		(5 590 181)	(3 234 613)
Net cash flows from operating activities	16	**42 890**	**76 634**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(43 566)	(82 000)
Net increase/(decrease) in cash and cash equivalents		**(676)**	**(5 366)**
Cash and cash equivalents at the beginning of the year		850 749	856 116
Cash and cash equivalents at the end of the year	5	**850 073**	**850 750**

The accounting policies on pages 10 to 19 and the notes on pages 20 to 32 form an integral part of the annual financial statements.

* See Note 21 & 20

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income 1	-	-	-	950	**950**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	10 814 935	-	**10 814 935**	10 814 935	-	
Total revenue	**10 814 935**	-	**10 814 935**	**10 815 885**	**950**	
Expenditure						
Personnel	(3 659 745)	-	**(3 659 745)**	(3 511 733)	**148 012**	27.1
Administration	(700 000)	-	**(700 000)**	(441 062)	**258 938**	27.2
Depreciation and amortisation	(100 600)	-	**(100 600)**	(29 461)	**71 139**	27.3
General Expenses	(4 854 590)	-	**(4 854 590)**	(2 429 154)	**2 425 436**	27.4
Total expenditure	**(9 314 935)**	-	**(9 314 935)**	**(6 411 410)**	**2 903 525**	
Surplus before taxation	**1 500 000**	-	**1 500 000**	**4 404 475**	**2 904 475**	
Surplus for the year from continuing operations	**1 500 000**	-	**1 500 000**	-	**(1 500 000)**	
Capex	(1 500 000)	-	**(1 500 000)**	-	**1 500 000**	27.5
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	**4 404 475**	-	

Accounting Policies

Figures in Rand	Note(s)	2024	2023

1. Significant account policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparations

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

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipal entity and they are rounded off to the nearest Rand.

1.3 Going concern assumption

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

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:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

Accounting Policies

1.5 Property, plant and equipment (continued)

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

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

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for X,X and X which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Accounting Policies

1.5 Property, plant and equipment (continued)

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight-line	29 to 30
Furniture and fixtures	Straight-line	8 to 10
Office equipment	Straight-line	3 to 5
IT equipment	Straight-line	3 to 5
Communication equipment	Straight-line	13 to 15

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

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

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

1.6 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.

Accounting Policies

1.6 Financial instruments (continued)

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

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

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

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

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

Accounting Policies

1.6 Financial instruments (continued)

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

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

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

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost..

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

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

1.6 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises a financial asset only when:

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

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

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

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

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

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

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

Financial liabilities

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

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

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

Accounting Policies

1.7 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.8 Employee benefits

Short-term employee benefits

Accrual leave
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.

Bonus Provisions
The Municipality recognises the expected cost of bonuses as a provision only when the Municipal Entity has a present legal or constructive obligation to make such payment and a rellable estimate can be made at reporting date.

1.9 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Accounting Policies

1.10 Revenue from non-exchange transactions

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

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

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Accounting Policies

1.10 Revenue from non-exchange transactions (continued)

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

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

1.11 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. 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."

1.12 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.13 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.14 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.15 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Accounting Policies

1.15 Related parties (continued)

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.16 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 entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

2.2 Standards and interpretations early adopted

The entity has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

2.3 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

2.4 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2024 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	600 000	-	600 000	600 000	-	600 000
Buildings	300 000	(234 304)	65 696	300 000	(231 951)	68 049
Furniture and fixtures	59 428	(55 299)	4 129	59 429	(54 707)	4 722
Office equipment	32 911	(32 199)	712	32 911	(31 961)	950
IT equipment	204 817	(87 802)	117 015	161 251	(65 512)	95 739
Communication equipment	161 404	(113 695)	47 709	161 403	(109 707)	51 696
Total	**1 358 560**	**(523 299)**	**835 261**	**1 314 994**	**(493 838)**	**821 156**

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Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Land	600 000	-	-	600 000
Buildings	68 049	-	(2 353)	65 696
Furniture and fixtures	4 722	-	(593)	4 129
Office equipment	950	-	(238)	712
IT equipment	95 739	43 566	(22 290)	117 015
Communication equipment	51 696	-	(3 987)	47 709
	821 156	**43 566**	**(29 461)**	**835 261**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	600 000	-	-	-	600 000
Buildings	70 479	-	-	(2 430)	68 049
Furniture and fixtures	6 874	-	(1 504)	(648)	4 722
Office equipment	1 190	-	(2)	(238)	950
IT equipment	59 752	82 000	(36 246)	(9 767)	95 739
Communication equipment	56 005	-	-	(4 309)	51 696
	794 300	**82 000**	**(37 752)**	**(17 392)**	**821 156**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the entity. An appropriate estimate of the useful lives, residual values and depreciation method of an asset based on the information available at the previous reporting dates was made, however the entity continues to measure the assets at R1, these assets are still in use and the entity derives economic benefits and the service potential.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. Receivables from non-exchange transactions

Receivables from non-exchange transactions

A grant is awarded to SDA by SDM on an annual basis to fund the operational and capital expenditure of the Agency , the grant represents an unconditional as the are no conditions attached neccessiating the return of the donated asset; and therefore no liability will be recognised and an asset should be recognized for the amount receivable.

Grant
We aged our debt receivables as 365 days and above as at the financial year-end because the amount is payable at the beginning of the financial year when the budgets are approved.

Government grants and subsidies	12 960 673	7 565 265
VAT receivable	103 433	-
	13 064 106	**7 565 265**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	850 074	850 749

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
ABSA - Cheque - 40 7480 3357	850 074	850 748	856 116	-	-	-

6. Payables from exchange transactions

Trade payables	891 651	-
Accrued leave pay	452 029	222 316
Accrued bonus	25 484	39 053
	1 369 164	**261 369**

7. Share capital / contributed capital

Issued		
Ordinary	1 000	1 000

8. Revenue

Sale of tender documents	950	-
Government grants & subsidies	10 814 935	8 608 059
	10 815 885	**8 608 059**

The amount included in revenue arising from exchanges of goods or services are as follows:		
Other income	950	-

The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Government grants & subsidies	10 814 935	8 608 059

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

9. Other revenue

Sale of tender documents	950	-

10. Government grants & subsidies

Operating grants		
Government grants & subsidies	10 814 935	8 608 059

Conditional and Unconditional

Conditional grants are only utilised to fund programmes approved by the funders. Operation grant from SDM is used to fund day to day operations of the agency:

The grant is received from the Municipality as per the approved budget by the council for the particular year ,the total budget represents a receivable to SDA however the Municipality SDM does not transfer the funds in SDA accounts but however pay expenses directly to suppliers providing any goods or services to SDA.The amount not paid on behalf of SDA by SDM represents a receivable payable to SDA by SDM.

Invoices for services rendered to SDA by third parties is addressed to SDM (Municipality) and paid for by SDM (Municipality).

11. Employee related costs

Basic	2 477 356	1 014 972
Bonus	88 891	83 465
Medical aid - company contributions	123 023	92 592
UIF	7 262	4 605
SDL	25 397	11 774
Travel, motor car, accommodation, subsistence and other allowances	187 632	60 811
SALGBC levy	273	260
Pension fund	372 187	189 492
Acrued leave	229 712	(72 569)
	3 511 733	**1 385 402**

12. Administrative expenditure

Board fees	441 062	462 458

13. Depreciation and amortisation

Property, plant and equipment	29 461	17 392

14. Auditors' remuneration

Fees	510 398	537 022

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

15. General expenses

Advertising	73 364	56 036
Auditors remuneration	510 398	537 022
Bank charges	1 625	5 367
Consulting and professional fees	784 846	134 782
IT expenses	-	4 200
Travel - local	34 232	-
Accommodation	556 805	201 627
Catering	467 884	77 853
	2 429 154	**1 016 887**

16. Cash generated from operations

Surplus	4 404 475	5 688 358
Adjustments for:		
Depreciation and amortisation	29 461	17 392
Impairment deficit	-	37 562
Changes in working capital:		
Other receivables from non-exchange transactions	(5 498 841)	(5 928 047)
Payables from exchange transactions	1 107 795	261 369
	42 890	**76 634**

17. Financial instruments disclosure

Categories of financial instruments

2023

Financial assets

	At amortised cost	Total
Government grant and subsidies receivable	12 960 674	12 960 674
Vat Receivable	103 432	103 432
Cash and cash equivalents	850 074	850 074
	13 914 180	**13 914 180**

18. Contingencies

Civil proceedings have commenced against the entity's previous employees concerned to recover an amount of R341 981 as a result of material losses incurred in the previous year. SDA has opened a criminal case with SAPS commercial crime unit Polokwane with an endeavor to recover the monies from the previous employee. The agency will continue to pursue the matter with SAPS. According to the entity's legal advisors, it is probable that the proceedings will result in the recovery of the full amount. There are investigations under way for this matter and as at year end it had not been concluded.

Figures in Rand	2024	2023

19. Related parties

Relationships	
Controlling entity	Sekhukhune District Municipality
Members of key management	Ms Mantwa Makanyane (Appointment 19 October 2023) Mr Patric Mathale (appointed 01 April 2023)
Members of Board	Tshabedi Serote (Chairperson of Board) Tladi Ditshego (Appointment date 26 August 2023) Kgopelo Phasha (Appointment date 26 August 2023) Mathabo Mosia (Appointment date 26 August 2023) Akani Baloyi (Appointment date 26 August 2023) Mr David Chesir (Terminated on 26 August 2023) Mr Lethabo Pheeha (Terminated on 26 August 2023) Mr Freddy Raseote (Terminated on 26 August 2023) Mr Geoffrey Mariri (Terminated on 26 August 2023)

Related party balances

Grants received from related parties		
Sekhukhune District Municipality	10 814 935	8 608 059
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Sekhukhune District Municipality	12 975 268	7 565 265

During the current financial year, the acting CEO was seconded for 4 months to SDA by a related party (SDM) resulting in a service in kind.

Services in kind

The Agency has received the following services from the parent municipality
Payroll services
SCM services
Office space including the use of Municipal furniture
IT services
Audit committee services

SDA does not pay for these services and these services are are significant to its operations and/or service delivery objectives.

Due to the uncertainties surrounding these services in-kind, including the ability to exercise control over the service, and measuring the fair value of the services, SDA not required to recognise services in-kind

The parent Municipality is invoiced for expenses relating to SDA and settles the invoice using the allocated grant to SDA.

Service in kind in the form of a website is being developed for SDA by an external third party, the website is 90% complete as at year end with a domain secured and content being uploaded at year end. The value of the benefit could not be accurately measured at 30 June 2024.

Key management information

Notes to the Annual Financial Statements

Figures in Rand

19. Related parties (continued)

Remuneration of management

Management class: Board members

2024

Name	Basic salary	SDL and UIF	Pension	Medical	Total
Ms Mantwa Makanyane (Appointment 19 October 2023)	762 174	8 474	80 294	24 491	875 433

2023

Name	Basic salary	SDL and UIF	Termination benefits	Total
Ms Mantwa Makanyane Acting CEO from 01 December to 31 July 2022	85 026	1 754	54 931	141 711

Board of directors

2024

Name	Sitting fees	Allowances	Total
Tshabedi Serote	114 073	1 300	115 373
Tladi Ditshego	111 184	1 908	113 092
Mathabo Mosia	110 797	-	110 797
Akani Baloyi	94 910	2 273	97 183
Mr Geoffrey Mariri	4 616	-	4 616
	435 580	**5 481**	**441 061**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

19. Related parties (continued)

2023

Name	Sitting fees	Allowances	Total
Tshabedi Serote (Chairperson of Board)	126 271	14 381	140 652
David Chesir	85 371	7 888	93 259
Lethabo Pheeha	88 816	9 182	97 998
Freddy Raseote	97 338	7 888	105 226
Geoffrey Marini	14 767	3 710	18 477
Victor Madulo Mampuru	2 266	4 580	6 846
	414 829	**47 629**	**462 458**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

20. Prior period errors

1.Property Plant and Equipment
During the asset verification SDA we identified assets that could not be located in the previous financial year ,prior amounts were restated to account for the assets written off in the prior year.

2.Receivables from non exchange transactions and Revenue
A grant is awarded to SDA by SDM on an annual basis to fund the operational and capital expenditure of the Agency , the grant represents an unconditional as the are no conditions attached neccessiating the return of the donated asset; and therefore no liability will be recognised and an asset should be recognized for the amount receivable.The grant was not accounted for as an unconditional grant but was however accounted for as a conditional grant which is incorrect, prior year amounts were restated .

3.Payables from exchange transactions and employee related costs
The Bonus provision was incorrectly calculated ,a correct calculation was performed and the prior year comparatives were restated.

4.Consulting and Professional fees
In the prior year an amount that had been accrued for was incorrectly accounted for as an expense and this overstated the expenditure.The prior period error was adjusted by reducing the expenditure.

5 Board fees.
Board fees was not adequately accounted for to include amounts paid as sitting fees and reimbursive allowances claimed by the members.

6. Accomodation
Expenses relating to accommodation of the board members was accounted for as board fees instead of accommodation as the expenses were not amounts claimed as reimbursive

The correction of the error(s) results in adjustments as follows:

21. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated
Property Plant and Equipment	1	820 021	1 135	821 156
Receivables from non-exchange transactions	2	-	7 565 265	7 565 265
Payables from exchange transactions	4	(267 385)	6 016	(261 369)
		552 636	**7 572 416**	**8 125 052**

Statement of financial performance

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

21. Prior-year adjustments (continued)

2023

	Note	As previously reported	Correction of error	Restated
Revenue	2	(3 575 900)	(5 032 159)	(8 608 059)
Employee related cost	3	1 391 387	(5 986)	1 385 401
Consulting and professional fees	4	388 162	(253 379)	134 783
Board fees	5	513 699	(51 242)	462 457
Accommodation	6	143 196	58 432	201 628
Surplus for the year		**(1 139 456)**	**(5 284 334)**	**(6 423 790)**

Statement of changes in net assets

2023

	Note	As previously reported	Correction of error	Restated
Accumulated surplus		(998 313)	(2 288 129)	(3 286 442)

Reclassifications

The following reclassifications adjustment occurred:

22. Risk management

Liquidity risk

The Municiplaity's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

23. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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 municipal entity from Sekhukhune District Municipality.

24. Events after the reporting date

The accounting officer is not aware of any events after the reporting period..

25. Fruitless and wasteful expenditure

Opening balance as previously reported	460 000	460 000

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

25. Fruitless and wasteful expenditure (continued)

An allegation was raised in the media in regards to a payment of R460 000 which came as a result of a court judgement which had compelled the municipal entity to pay the amount to a complainant on the 20th of August 2020. The matter is still under investigation by the Financial Misconduct Board and hadn't been finalised as at the date of these financial statements.

26. Irregular expenditure

Opening balance as previously reported	1 226 927	1 003 376
Opening balance as restated	**1 226 927**	**1 003 376**
Add: Irregular Expenditure - current	159 986	136 735
Add: Irregular Expenditure - prior period	-	86 816
Closing balance	**1 386 913**	**1 226 927**

Irregular expenditure is presented inclusive of VAT

Cases under investigation

This matter is still being investigated by the Financial Misconduct Board and hasn't been finalised as at the date of these financial statements.

27. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Amount paid - current year	510 398	537 023

Pension and Medical Aid Deductions

Amount paid - current year	495 210	282 084

28. Segment information

General information

Identification of segments

Management assessed the requirements of Segment reporting GRAP 18 and concluded the following: SDA does not have an activity 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.

29. Budget differences

Material differences between budget and actual amounts

Notes to the Annual Financial Statements

Figures In Rand	2024	2023

29. Budget differences (continued)

27.1 Some of the benefits which include housing benefits,telephone allowance,long service awards, motor vehicle allowance and group life insurance.

27.2 SDA has cut special meetings and there was no need to hold special meetings.

27.3The assets useful life was reassessed which reflected an increased useful life for all the assets.

27.4 General expenses consist of accommodation, advertising ,auditors remuneration,catering,Consulting and professional staff,travel,subsistence and legal fees.
Accommodation
The increase in spent of the actual against the budget was because there was accomodation for CEO for 1month, and Company Secretary for 1 month after appointment, which was not previosly budgeted for.
Catering
One of the ESD Programmes could not take place were catering was needed due to unavailaibility of Facilitator.
Consulting and professional staff
Policy reviews not take place as all Policy reviews and development were done in house.
Financial statements preparation were only performed after year end and services were provided after year end.
Legals fees
Transfer of land conveyancer was appointed in June 2024 , still not done hence they did not claim.
Legal opinion in regards to the irregular expenditure has not been obtained.
Building maintenance
The PO for clearing the bush and cleaning the facility for ERF 488 was only issued after the financial year

27.5 Appointment took place on 11 July 2024..

Annexure B: 2023/2024 Audit Report: SDM

Report of the auditor-general to Limpopo Provincial Legislature and council on Sekhukhune District Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Sekhukhune District Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Sekhukhune District Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Financial Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (DoRA).

Basis for qualified opinion

Employee benefits

3. I was unable to obtain sufficient appropriate audit evidence for various leave days taken. Adequate internal controls were not in place as there were no sufficient and appropriate audit evidence for leave days taken. I was unable to confirm the leave days taken by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the unutilised leave benefit stated at R27 781 000 (2023: R27 074 000) in note 17 to the financial statements.

Irregular expenditure

4. Not all irregular expenditure was included in note 52 to the financial statements, as required by section 125(2)(d) of the MFMA. Expenditure incurred in contravention of supply chain management requirements, which resulted in irregular expenditure of R137 549 269 was not included in note 52. In addition, I was unable to obtain sufficient appropriate audit evidence to confirm the irregular expenditure included in note 52 to the financial statements as sufficient appropriate audit evidence was not provided. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure stated at R74 904 123.

Context for opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

6. 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.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material impairment - trade debtors

9. As disclosed in note 13 to the financial statements, material losses of R474 399 056 and R33 752 814 were incurred as a result of non-payment by consumers and non-collection of revenue by the municipality.

Underspending of the conditional grants

10. As disclosed in note 16 to the financial statements, conditional grants were unspent by R62 247 635, we noted a significant underspending on the Municipal Infrastructure Grant.

Uncertainty relating to the future outcome of litigation

11. In reference to note 40 to the financial statements, the municipality is the defendant in various litigations. The municipality is opposing these claims, as it believes there are reasonable grounds to defend each claim. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Restatement of corresponding figures

12. As disclosed in note 42 and 43 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Unauthorised expenditure

13. As disclosed in note 47 to the financial statements, the municipality incurred unauthorised expenditure of R21 732 435 due to overspending of the budget for contracted services.

Material losses - water

14. As disclosed in note 50 to the financial statements, material water losses of R38 120 360 were incurred. The losses were due to illegal connections and pipe leakages.

Other matter

15. I draw attention to the matters below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

16. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

17. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the 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.

18. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

19. 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.

20. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 15 of the annexure to the auditor's report, forms part of our auditor's report.

Report on the audit of the annual performance report

21. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported

performance against predetermined objectives for the selected development priorities presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

22. I selected the following development priorities presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected development priorities that measure[s] the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priority	Page numbers	Purpose
Basic service delivery and infrastructure	xx	Basic service delivery and infrastructure is the core mandate of the municipality. The development priorities were selected for audit because of significant importance to the public.
Local economic development	xx	Local economic development contributes to economic growth

23. I evaluated the reported performance information for the selected development priorities against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

24. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

25. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

26. The material findings on the reported performance information for the selected development priorities are as follows:

Basic service delivery and infrastructure

Percentage of water incidents registered resolved within 14 days

27. The achievement of 86% of percentage of registered water incidents resolved within 14 days was reported against a target of 80% percentage of incidents resolved within 14 days in the annual performance report. However, the supporting evidence provided did not agree to the reported achievement

Local economic development

Number of job opportunities created through EPWP

28. An achievement of 2 690 jobs opportunities created through EPWP was reported against a target of 2 788 number of jobs opportunities created through EPWP. However, the supporting evidence provided did not agree to the reported achievement

29. I draw attention to the matters below.

Achievement of planned targets

30. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

31. The tables that follow provides information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Basic service delivery and infrastructure

Targets achieved: 47.06% *Budget spent: 104%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of kilolitres of water provided through water tankers	243 000 kl	166670,5KL
Number of feasibility studies conducted (Praktiseer)	1 WTW	0 WTW
Number of feasibility studies conducted (Mapodile)	1 WTW	0 WTW
Number of feasibility studies conducted (Waalkraal RDP)	1 WTW	0 WTW

Number of km of bulk pipeline constructed	4KM	2,4KM
Number of feasibility study ready for implementation.	1	0
Percentage of conditions assessment report and remedial works for damaged and vandalised components done	100%	80%
Number of Km for bulk pipeline constructed	3KM	0KM
Number of Km for bulk pipeline constructed	21KM	13.5KM
Percentage of concrete reservoirs and booster pump station constructed.	50%	0%
Number of detailed designs water reticulation	1	0
Number of 3 kilometres of water pipeline constructed	3KM	0KM
Number of steel tanks erected	3	0
Number of reticulation pipeline constructed, and refurbishment of package plant and steel tank.	1KM Pipeline 1 Package & steel tank	2KM Pipeline 0 Package & steel tank
Number of km of pipeline constructed and water metres installed, refurbish the existing boreholes and refurbish the low lift pump station.	2,4KM Pipeline 185 Water meter	3KM Pipeline 0 Water meter
number of elevated steel tank erected, borehole refurbished, drilled and equipped reticulation pipeline a constructed and house connections done	60kl Elevated steel tank 1 Borehole refurbished 1 Borehole drilled 5.6km Reticulation pipeline 810 House connections	0kl Elevated steel tank 1 Borehole refurbished 0 Borehole drilled 5.6km Reticulation pipeline 0 House connections
Number of Km of bulk and reticulation pipeline constructed, and number of steel tanks installed	102KM of bulk pipeline 1 Steel tank	102KM of bulk pipeline 1 Steel tank
Number of Km of bulk pipeline constructed number of packaged plants installed, number of boreholes refurbished.	5.6 bulk pipeline 24km Reticulation pipeline 1 Package water treatment plant 912 water meter 3 Boreholes refurbished	4.560 bulk pipeline 1.566km Reticulation pipeline 0 Package water treatment plant 930 water meter 3 Boreholes refurbished
Number of sludge dams and chemical dosing building constructed.	2 sludge dams 1 Chemical dosing building	0 sludge dams 1 Chemical dosing building

Number of pipelines 1 hydraulically tested and commissioned, a number of self-supportive borehole solar Installation	1 pipeline Hydraulically tested 8 self-supportive boreholes solar installations 1 KM of bulk pipeline 2 Concrete reservoirs	0 pipeline Hydraulically tested 0 self-supportive boreholes solar installations 0 KM of bulk pipeline 0 Concrete reservoirs
Number of boreholes, pipeline and elevated steel tank constructed	1 Borehole 2,4 KM Pipeline 60KL Elevated steel tank	0 Borehole 0 KM Pipeline 0 KL Elevated steel tank
Number of km of bulk pipelines constructed and concrete reservoirs completed	1KM Bulk pipeline 2 Concrete reservoirs	0KM Bulk pipeline 0 Concrete reservoirs
Number of reverse osmosis plant and wastage line to specified discharge point constructed	1 Reverse osmosis 1 wastage line	0.8 Reverse osmosis 0.8 wastage line
Number of mechanical and electrical (M & E) components tested and commissioned for the extensions to the Groblersdal Water Treatment Works and pump station. Civil works for clarifier and filter. Rebuilding of walls.	2 M & E components tested 1 clarifier works 1 filter rebuilding	0 M & E components tested 1 clarifier works 1 filter rebuilding
Number of Kilometres of bulk water supply pipeline tested and commissioned and reservoir tested and commissioned	31KM Of bulk pipeline tested 31 KM of bulk pipeline commissioned 1 Command reservoir tested and commissioned	0 KM Of bulk pipeline tested 0 KM of bulk pipeline commissioned 0 Command reservoir tested and commissioned
Number of km of roads assessed, traffic counting stations completed and road asset management plan developed.	3000KM Of roads assessed 200 traffic counting station 1 road asset management plan	175 KM Of roads assessed 0 traffic counting station 1 road asset management plan

Local economic development

Targets achieved: 83.33% *Budget spent: 54%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of jobs opportunities created through EPWP	2788	2690

Material misstatements

32. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure and local economic development. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

33. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting policy is responsible for the municipality's compliance with legislation.

34. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

35. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

36. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance and annual report

37. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

    Material misstatements of non-current assets, current assets, current liabilities, expenditure and disclosures identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

38. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

39. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with 2022 preferential procurement regulations.

40. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R797 517, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was as a result of interest on historic debts and litigation.

Procurement and contract management

41. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by supply chain management (SCM) regulation 17(1)(a) and (c).

42. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.

43. Some of the quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.

44. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

45. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. Similar non-compliance was also reported in the prior year.

46. The preference point system was not applied some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA). Similar non-compliance was also reported in the prior year.

47. Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of section 2(1)(a) of the PPPFA and its regulations.

48. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the PPPFA and 2022 preferential procurement regulation 4(4) and 5(4). Similar non-compliance was also reported in the prior year.

49. Some of the construction contracts were awarded to contractors that were not registered with the CIDB and/or did not qualify for the contract in accordance with section 18(1) of the CIDB Act [and CIDB Regulations 17 and 25(7A).

50. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

51. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.

52. Awards were made to providers who were in the service of other state institutions in contravention of MFMA 112(1)(j) and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

Consequence management

53. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.

54. Irregular expenditure, fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

55. Allegations of financial misconduct laid against officials of the municipality were not investigated, as required by section 171(4)(a) of the MFMA.

56. Cases of financial misconduct, which constitute a crime committed by officials, were not always reported to the South African Police Service, as required by the municipal regulations on financial misconduct procedures and criminal proceedings 10(1).

57. Allegations of theft, fraud, extortion, forgery and uttering a forged document which exceeded R100 000 were not reported to the South African Police Service, as required by section 34(1) of the Prevention and Combating of Corrupt Activities Act 12 of 2004.

Strategic planning and budgeting

58. The service delivery budget implementation plan (SDBIP) for the year under review did not include monthly revenue projections by source of collection and/or the monthly operational and capital expenditure by vote.

59. Annual performance objectives and indicators were not established for the Sekhukhune Development Agency's annual performance plan, as required by section 93B(a) of the MSA.

Other information in the annual report

60. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.

61. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included

in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

62. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

63. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

64. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

65. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

66. Leadership did not adequately exercise effective monitoring over the implementation of the audit action plan resulting in recurring prior year findings.

67. Senior management did not adequately oversee the operations of the municipality, as the financial statements and annual performance report contained material misstatements not detected by the municipality's own system of internal control.

68. Internal controls for monitoring compliance with legislation were ineffective as it did not detect and prevent instances of non-compliance with legislation.

69. The municipality's reactive approach in addressing inadequate systems of internal control indicates that mitigating processes are not effective.

Material irregularities

70. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Payments into incorrect bank account

71. In terms of section 65 (2)(a) of MFMA, the accounting officer of a municipality is responsible for the management of the expenditure of the municipality. The accounting officer must take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds.

72. The municipality received an assessment statement and instalment plan from the Department of Labour, reference number 2000532591. The statement/instalment plan indicated that the municipality has outstanding payments amounting to R12 084 011, due by 30 June 2019. The outstanding amount was to be settled in 12 equal annual instalments of R1 007 011 commencing on 30 July 2018 and completed by 30 June 2019.

73. An email purported to be from an official at Department of Labour was sent to an official at the municipality indicating that payments made by the municipality towards the outstanding balance will only reflect on the municipality's Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA) statement once all the payments are made.

74. Once all the payments were made, it came to the attention of the municipality that the payments were made into an incorrect bank account. This resulted in non-compliance with section 65 (1)(2) of the MFMA.

75. The non-compliance resulted in a material financial loss of R12 084 011 due to the payments made into an incorrect bank account.

76. The accounting officer was notified of the material irregularity on 30 January 2023 and invited to make a written submission on the actions taken and that will be taken to address the material irregularity. The accounting officer responded on 12 April 2023 and the following actions have been taken to address the material irregularity:

    - A bilateral meeting was arranged between the municipality and the Department of Labour (COIDA) for purposes of obtaining and verifying banking details. The municipality submitted the correct banking details which was verified.
    - Controls for payments of supplier invoices and third parties were strengthened. New controls were also introduced within the accounts payable unit. The municipality's banker has also introduced additional controls such as the verification of banking details.

77. The matter is currently subject to a criminal investigation by the South African Police Service (SAPS) CAS 119/12/2019. The expenditure was reported as fruitless and wasteful expenditure in the annual financial statements. Upon the conclusion of the criminal investigation by the SAPS, recovery will be made from any person or persons found liable of the theft/ fraud in a court of law. As of the date of this report, the case was still under investigation by the SAPS and still waiting for a decision by the Director of Public Prosecutions to pursue the matter further.

78. Council directed the Executive Mayor and the accounting officer on 8 December 2020, SC 02/12/20 to ensure that the full amount of R12 084 132 is recovered, in terms of section 32(2) of the MFMA, from any person or persons convicted of the theft/fraud in a court of law upon the conclusion of the criminal investigation by the SAPS.

79. I received the written submission from the accounting officer on 7 December 2023 and the supporting evidence was provided on 31 October 2024. I considered the representations made and the substantiating documents provided and concluded that appropriate actions have been taken to address the material irregularity. Therefore, I will not pursue this matter any further.

Use of consultants

80. In terms of section 62 (1)(b) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.

81. The municipality appointed consultants to assist them with operational and maintenance material tagging, recording and asset management support which included work in progress assets.

82. The municipality has been qualified on work-in-progress since the 2018-19 (including 2019-20 and 2020-21) financial year, due to differences identified between the amount as per the work-in-progress register and the last payment certificates for various projects. Similar differences were identified in 2019-20 and 2020-2021 financial years which resulted in modification paragraphs in the audit reports, as a result of the absence of individual payment certificates to support the total amount as per the last payment certificate per project.

83. The non-compliance with section 62 (1)(b) of the MFMA is a likely material financial loss of R3 291 913 due to poor record keeping controls which resulted in the failure by the municipality to provide records and information to consultants to do their work properly

84. The accounting officer was notified of the material irregularity on 23 March 2023 and invited to make a written submission on the actions taken and that will be taken to address the material irregularity. The accounting officer responded on 12 April 2023 and the following actions have been taken to address the material irregularity.

    - The accounting officer indicated that the municipality filing storage burnt down and this resulted that the work in progress register balance does not agree to the remaining available supporting documents. The municipality appointed service providers to assist with justification compiling and reconciling the work in progress register balance, as the filing storage facility burnt down and employees responsible for the upkeep of the register, resigned from the municipality. It became difficult for the municipality to produce the supporting documents to support the expenditure incurred to date. In 2018-19 and 2019-20 the service provider, together with the municipality, tried to resolve the misstatements but it did not bear fruit up until the service provider's contract expired.
    - The accounting officer took steps to address the material irregularity by developing an approach during the 2021-2022 financial year, which was shared with the department of co-operative governance, human settlements and traditional affairs (Coghsta) and with the

provincial treasury. Another service provider was appointed on a three year contract on 6 May 2021 to assist the municipality to resolve the matter on the work in progress register and the misstatement was reduced in the first year of appointment and then in 2021-22 financial year the material misstatement was 100% resolved. Therefore, there was value for money in the use of the consultants over the period to assist the municipality with the asset management. The municipality managed to capitalize and unbundle projects amounting to R700 million. The challenges relating to the legacy matters on work in progress is well documented and was provided to the auditor general, the provincial treasury and Coghsta.

85. The municipality took steps to prevent a re-occurrence by ensuring that monthly reconciliations are done for both the movable and immovable fixed asset registers and that physical verifications are done every quarter. The municipality continued to improve its controls over record keeping management of both movable and immovable assets. Processes are also in place to ensure the transfer of skills from the consultants to the municipal officials.

86. I received the written submission from the accounting officer on 28 September 2023 and the supporting evidence provided. I have considered the representations made and the substantiating documents provided and concluded that appropriate actions have been taken to address the material irregularity. Therefore, I will not pursue this matter any further.

Auditor - General

Polokwane

30 November 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a),56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1),96(b) **Parent municipality with ME:**

Legislation	Sections or regulations
	Sections: 93B(a), 93B(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

Annexure B: 2023/2024 Audit Report: SDA

Report of the auditor-general to Limpopo Provincial Legislature and the council on Sekhukhune Development Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Sekhukhune Development Agency set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Sekhukhune Development Agency as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act 5 of 2023 (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the [consolidated and separate] financial statements section of my report.

4. I am independent of the municipal entity 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.

Restatement of corresponding figures

7. As disclosed in note 20 and 21 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipal entity at, and for the year ended, 30 June 2024.

Fruitless and wasteful expenditure

8. As disclosed in note 25 to the financial statements, fruitless and wasteful expenditure of R460 000 that was incurred in the previous years was still under investigation.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

10. In terms of section 125(2)(e) of the MFMA, particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirements 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

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the 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.

12. In preparing the financial statements, the accounting officer is responsible for assessing the municipal entity'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 municipal entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

13. 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.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 8 of the annexure to the auditor's report, forms part of our auditor's report.

Report on the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material

performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

16. I selected the following material performance indicators related to Local Economic Development presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipal entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Number of trainings facilitated through enterprise supplier development (ESD) programme
    - Number of tourism awareness campaigns
    - Number of feasibility studies on land development of erf 488 studies conducted
    - Number of skills development intervention programme facilitated
    - Number of panel for professional fundraisers appointed
    - Number of websites and online entrepreneurial hub developed and maintained
    - Number of financial systems developed and maintained.

17. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipal entity's planning and delivery on its mandate and objectives.

18. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the municipal entity's mandate and the achievement of its planned objectives
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner
    - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance

19. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

20. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

23. The table that follow provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets / measures taken to improve performance are included in the annual performance report on pages 5 to 7.

Targets achieved: 66% *Budget spent: 8%*		
Key indicators not achieved	**Planned target**	**Reported achievement**
Number of awareness campaigns on De Hoop RMP identified projects facilitated.	2	1
Number of panels for professional fundraisers appointed.	1	0
Number of financial systems developed and maintained.	1	0

Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipal entity's compliance with legislation.

25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the

municipal entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual report

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

    Material misstatements of current assets; liabilities; revenue; expenditure and disclosure items identified by the auditors in the submitted annual financial statements were subsequently corrected and/or the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

29. Money owed by the municipal entity was not always paid within 30 days, as required by section 99(2)(b) of the MFMA.

Procurement and contract management

30. The preference point system was not applied some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000.

31. The performance of a provider was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA

Strategic planning and budgeting

32. A multi-year business plan was not developed for inclusion in the budget, as required by section 87(5)(d) of MFMA.

Consequence management

33. Some of the irregular, fruitless and wasteful expenditure incurred by the entity were not properly investigated to determine if any person is liable for the expenditure, as required by municipal budget and reporting regulations 75(1).

Other information in the annual report

34. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to does not include the separate financial statements, the auditor's report and those selected material indicators in the scoped-in objective presented in the annual performance report that have been specifically reported on in this auditor's report.

35. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included

in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the separate financial statements and the selected material indicators in the scoped-in objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

37. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

38. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

40. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

41. The accounting officer did not adequately review the financial statements prior to submission for audit resulting in material misstatements identified during the audit.

42. The accounting officer did not adequately review and monitor compliance with applicable procurement legislation and the MFMA. Supply chain management processes were inadequate resulting in material irregular expenditure.

43. The accounting officer did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

44. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls within the current financial year.

Other reports

45. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

46. The entity paid an amount of R460 000 in the previous financial year as a result of the court judgement. A preliminary investigation was conducted by the financial misconduct board to determine the factual correctness of the allegations into the unlawful and/or improper conduct. The preliminary investigation recommended council to approve a full investigation into the matter. An investigation is currently being conducted by the financial misconduct board to determine if there are any parties that can be held liable. The investigation was still in progress at the conclusion of the audit report.

Auditor-General

Polokwane

29 November 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipal entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipal entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipal entity 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 municipal entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 87(5)(b), 87(5)(d), 87(5)(d)(i), 87(5)(d)(iii), 87(6)(c), 87(8), 88(1)(a),95(d), 97(e), 97(f), 97(h), 97(i), 99(2)(a), 99(2)(b), 99(2)(c), 102(1), 102(2)(a), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 122(1), 126(2)(b), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 172(3)(a), 172(3)(b)
MFMA: Municipal Supply Chain Management Regulations, 2005	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 73(1)(a), 73(1)(b), 73(2)(a), 73(2)(b), 73(2)(d), 75(1), 75(2)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(b), 10(1)
Companies Act 71 of 2008	Sections: 46(1)(a), 46(1)(b), 46(1)(c)
Construction Industry Development Board Act 38 of 2000	Section:18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Municipal Systems Act 32 of 2000	Section: 93B(a), 93C(a)(iv)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)

Annexure C: 2023/2024 SDBIP Cumulative Report and Performance of Service Providers

ANNUAL PERFORMANCE REPORT 2023/2024



2030 NDP

30 YEARS OF FREEDOM

SEKHUKHUNE
District Municipality

2023/2024

ANNUAL PERFORMANCE REPORT

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1. LEGISLATIVE MANDATE

Annual Performance Report preparation

The Annual Performance Report (APR) of Sekhukhune District Municipality (SDM) for the financial year 2023/2024 has been prepared in compliance with the provisions of the Local Government Municipal Finance Management Act 56 of 2003 which provides as follows:

Section 121 (3) (c) of the Local Government Municipal Finance Management Act, 2003 (Act no. 56 of 2003):

"the annual report of the municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the municipal Systems Act"

Section 46 (1) of the Local Government Municipal Systems Act, 2000

"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 of service delivery priorities and performance targets set by the municipality for the following financial year, and

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

In preparing the APR for 2023/2024, Sekhukhune District Municipality (SDM) has taken into account all the provisions of the relevant local government legislation to ensure that the APR complies with the requirements as set out by the law. The APR will also form part of the Annual Report (AR) which shall be tabled before council in January 2025. The APR will form part of bundle of documents that will be submitted together with the Annual Financial Statements of the SDM for 2023/2024 financial year to the Auditor General South Africa.

2. SUMMARY OF MUNICIPAL PERFORMANCE FOR 2023/2024 AS PER KPA

The Municipality had planned to achieve a total of **197** targets for the 2023/2024 financial year. The Municipality managed to achieve **137** of the **197** set targets which is an equivalence of **70%** and **59** set targets were not achieved. This translates to 30% underachievement of the 2023/2024 financial year.

The municipality has improved performance with 8% compared with the previous financial year which was at 62% achievement against the planned targets. The Department of Infrastructure and Water Services as the key Department of the district with **50** targets and only achieved **22** targets which translate to **44% were achievement against 2023/2024 financial year targets.** This poses a challenge to the municipality to improve in providing basic services to communities. The issue of late appointment of service providers and community unrest caused by business forums continue to affect the performance of the municipality. The municipality is devising plans to address the root causes of underachievement.

The following table outline the performance as per key performance area for the 2023/2024 financial year.

TABLE 1:

KEY PERFORMANCE AREAS	2022/2023 ANNUAL PERFORMANCE	2023/2024 ANNUAL PERFORMANCE			
	% ACHIEVED	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED
BASIC SERVICE DELIVERY AND INFRASTRUCTURE					
Infrastructure & Water Services	10%	50	22	28	44%
Community Services	100%	16	16	00	100%
TOTAL	**35%**	**66**	**38**	**28**	**58%**
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Office of the Speaker	80%	18	12	06	66%
Office of the Executive Mayor	80%	23	18	05	78%
Office of the Municipal Manager	80%	22	17	04	77%
TOTAL	**80%**	**62**	**42**	**19**	**74%**
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL DEVELOPMENT					
Corporate Services	71%	28	22	06	79%

IDP, PMS & Legal Services	87%	14	13	01	93%
TOTAL	**80%**	**42**	**35**	**07**	**83%**
FINANCIAL MANAGEMENT AND VIABILITY					
TOTAL	**73%**	**10**	**06**	**04**	**60%**
SPATIAL RATIONALE					
TOTAL	**100%**	**06**	**04**	**02**	**40%**
LOCAL ECONOMIC DEVELOPMENT					
TOTAL	**36%**	**10**	**07**	**03**	**70%**
TOTAL Performance	**62%**	**197**	**137**	**59**	**70%**

SEKHUKHUNE DEVELOPMENT AGENCY	**55%**	**09**	**05**	**04**	**56%**

TABLE 2: 2023/2024 ANNUAL PERFORMANCE AS PER DEPARTMENTS

DEPARTMENT	NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED
Infrastructure & Water Services	50	22	28	**44%**
Community Services	16	16	00	**100%**
Corporate Services	28	22	06	79%
Municipal Manager's Office	25	20	04	80%
Office of the Executive Mayor	23	18	05	78%
Office of the Speaker	18	12	06	66%
Budget & Treasury Office	10	06	04	60%
Planning & Economic Development	27	21	06	78%
Total	**197**	**137**	**59**	**70%**

Excel reports with full explanation of challenges and remedial actions for targets not achieved are attached as (**Annexure APR-1)**

Below is a graphical depiction of the overall performance of the Municipality in the financial year 2023/2024.

Figure1

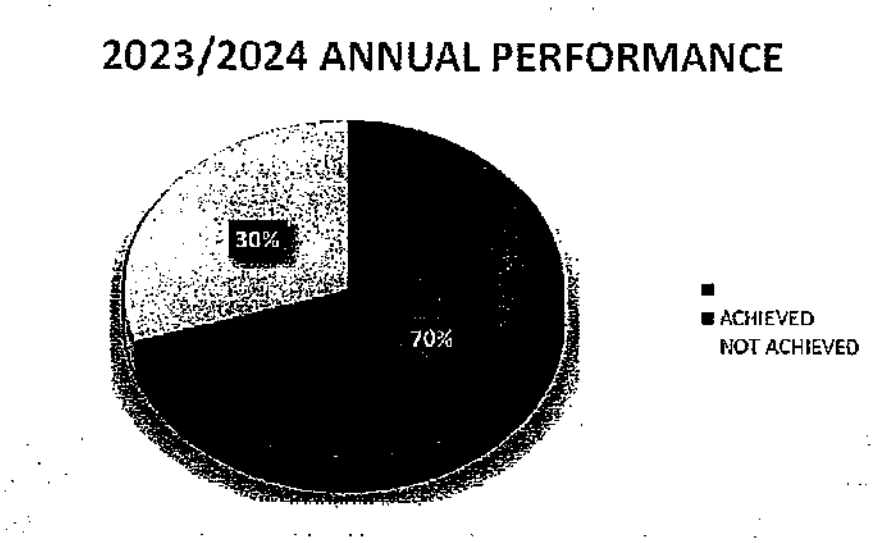


TABLE 3. 2023/2024 BUDGET AND EXPENDITURES PER DEPARTMENTS

DEPARTMENT	BUDGET	EXPENDITURE	BALANCE
Infrastructure & Water Services	R1 056 137 143.00	R1 097 951 135.21	R-41 813 992.21
Community Services	R75 908 437.00	R71 041 654.57	R 866 782.43
Corporate Services	R187 183 181.00	R167 302 020.50	R19 881 160.50
Municipal Manager's Office	R107 993 706.00	R126 768 031.04	R-187 743 25.37
Office of the Executive Mayor	R57 494 292.00	R54 465 829.21	R3 028 462.79
Office of the Speaker	R48 168 512.00	R45 671 110.47	R2 497 401.53
Budget & Treasury Office	R180 748 551.00	R175 211 757.00	R5 536 794.00
Planning & Economic Development	R18 357 519.00	R9 855 750.37	R8 501 768.63

3. MUNICIPAL ANNUAL PERFORMANCE REPORT FOR 2022/2023 FINANCIAL YEAR

The Municipality had planned to achieve a total of **188** targets for the 2022/2023 financial year. The Municipality managed to achieve **117** of the **188** set targets which is an equivalence of **62%** and **76** set targets were not achieved.

TABLE 4:

KEY PERFORMANCE AREAS	2021/2022 ANNUAL PERFORMANCE	2022/2023 ANNUAL PERFORMANCE			
	% ACHIEVED	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED
BASIC SERVICE DELIVERY AND INFRASTRUCTURE					
Infrastructure & Water Services	17%	46	05	41	10%
Community Services	100%	17	17	00	100%
TOTAL	**40%**	**63**	**22**	**41**	**35%**
GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Office of the Speaker	76%	15	12	03	80%
Office of the Executive Mayor	72%	22	18	04	88%
Office of the Municipal Manager	83%	20	16	04	80%
TOTAL	**77%**	**57**	**46**	**11**	**81%**
INSTITUTIONAL DEVELOPMENT AND ORGANISATIONAL DEVELOPMENT					
Corporate Services	80%	21	14	07	67%
IDP, PMS & Legal Services	93%	15	14	01	87%
TOTAL	**84%**	**36**	**28**	**08**	**80%**
FINANCIAL MANAGEMENT AND VIABILITY					
TOTAL	**53%**	**15**	**08**	**07**	**53%**
SPATIAL RATIONALE					
TOTAL	**75%**	**06**	**06**	**00**	**100%**
LOCAL ECONOMIC DEVELOPMENT					
TOTAL	**40%**	**11**	**04**	**07**	**36%**
TOTAL Performance	**59%**	**188**	**117**	**71**	**62%**

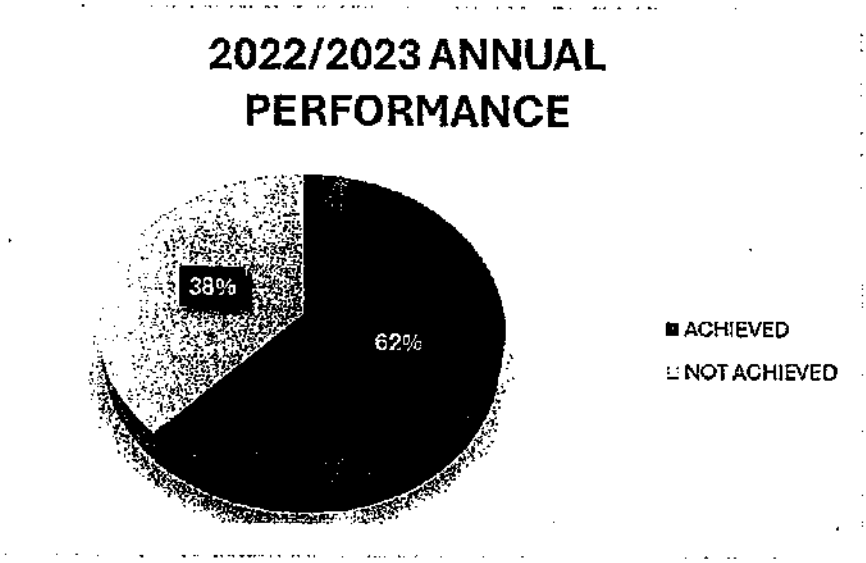
SEKHUKHUNE DEVELOPMENT AGENCY	**53%**	**09**	**05**	**04**	**55%**

TABLE 5: 2022/2023 ANNUAL PERFORMANCE AS PER DEPARTMENTS

DEPARTMENT	NO. OF TARGETS	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	% ACHIEVED
Infrastructure & Water Services	46	05	41	10%
Community Services	17	17	00	100%
Corporate Services	21	14	07	67%
Municipal Manager's Office	15	31	26	84%
Office of the Executive Mayor	22	18	04	88%
Office of the Speaker	15	12	03	80%
Budget & Treasury Office	15	08	07	53%
Planning & Economic Development	21	14	07	67%
Total	**188**	**117**	**71**	**62%**

Below is a graphical depiction of the overall performance of the Municipality in the financial year 2022/2023:

Figure 2



4. DETAILED CHALLENGES AND REMEDIAL ACTIONS OF NON-PERFORMANCE FOR THE FINANCIAL YEAR 2023/2024

The table below outlines the challenges and remedial actions per Key Performance Area

BASIC SERVICE DELIVERY AND INFRASTRUCTURE

PROJECT NAME	KPI	ANNUAL TARGET	ACTUAL PROGRESS	CHALLENGES	REMEDIAL ACTIONS
Provision of water through water tankers	Number of Kilolitres of water provided through water tankers	243 000 kl of water provided through water tankers	166 670.5 kl of water provided through water tankers	Maintenance and service process of water carts. most water tankers were not working during the transition of bringing the fleet service provider to replace old ones. tankers capacity reduced. Broken water tankers and burst bulk pipelines affected the supply of water through tankers	Expedite the maintenance and service process. clear program to be developed. Repair timeously the broken trucks and bulk pipelines
Feasibility studies - Praktiseer	Number of feasibility studies conducted (Praktiseer)	1 feasibility study conducted (Praktiseer)	0 feasibility study conducted (Praktiseer)	Poor planning due to S-Build drawings	To develop S-Build drawings
Feasibility studies - Mapodile	Number of feasibility studies conducted (Mapodile)	1 feasibility study conducted (Mapodile)	0 feasibility study conducted (Mapodile)	Under performing service provider	To expedite re allocation to another service provider should underperforming persist
Feasibility studies - Waalkraal RDP	Number of feasibility studies conducted (Waalkraal RDP)	1 feasibility study conducted (Waalkraal RDP)	0 feasibility study conducted (Waalkraal RDP)	Under performing service provider	To expedite re allocation to another service provider should underperforming persist

Registration of servitudes	Number of Servitudes Registered	1 Servitude Registered	0 Servitude Registered	Delayed appointment of panel of consultant	Appointment of PSP
Development of Rural Roads Asset Management System	Number of km of Roads assessed traffic counting; stations completed and Road Asset Management Plan developed.	3 000km of Roads assessed,200 traffic counting stations completed and1 Road Asset Management Plan developed.	175km of Roads assessed, 0 traffic counting stations completed and 1 Road Asset Management Plan developed"	late start of activities due to delayed transfer of grant by DoT	Accelerate rate of progress on site
Nebo BWS Commission Malekana to Jane Furse Pipeline	Number of Kilometres of bulk water supply pipeline tested and commissioned	31 Kilometers of bulk water supply pipeline tested 31 Kilometers of bulk water supply pipeline commissioned. 1 Command reservoir tested and commissioned	0 Kilometers of bulk water supply pipeline tested 0 Kilometers of bulk water supply pipeline commissioned 0 Command reservoir tested and commissioned"	Delays on implementation of project due to scope confirmation between SDM and PSP and delays in the approval of inception report	Inception report approved by SDM and payment also processed, PSP to proceed with the next steps of project.
Nebo BWS Makgeru to Schoornoord BWS	Number of km of bulk pipeline constructed.	4km of bulk pipeline constructed.	2,4 km of bulk pipeline constructed.	Stoppage of project by community of Ward 14 on the 3rd October 2023 demanding that in their area there should be a reticulation project implemented ASAP	Project resumed with construction in February 2024 and progress has improved since then, project to be completed soon.
Nebo BWS Carbonites/Spitskop	Number of feasibility study ready for implementation.	1 feasibility study ready for implementation.	0 feasibility study ready for implementation.	Project with the same scope of work due to poor planning	Feasibility study to be incorporated in the scope for the PSP appointed to do the IRS
Moutse BWS Project 13 & 14	Number of mechanical and Electrical (M & E) components	2 Mechanical and Electrical (M & E) components tested and commissioned	0 Mechanical and Electrical (M & E) components tested and commissioned	Delay in finalisation of project 2-4 which was not envesaged	Contractor appointed sub-contractor to refurbish pumps and motors. Contractor presently working on

	installed for the extensions to the Groblersdal Water Treatment Works and pump station. Number of Civil works for clarifier and filter	for the extensions to the Groblersdal Water Treatment Works and pump station. Civil works for 1 clarifier and 1 filter. Rebuilding of walls.	for the extensions to the Groblersdal Water Treatment Works and pump station. Civil works for 1 clarifier and 1 filter. Rebuilding of walls.		plant evaluation (develop processing assessment) Accelerate the commissioning of project 2-4 by submitting business plan for approval to DWS under WSIG."
Maebe Water Intervention Project – Phase IV	Number of Reverse Osmosis Plant and Wastage Line to specified discharge point constructed	1 Reverse Osmosis Plant and Wastage Line to specified discharge point constructed	0.8 Reverse Osmosis Plant and Wastage Line to specified discharge point constructed	Lack of forward planning in terms of application to Eskom for commissioning	Engage with Eskom to fast-track application processes and installation of electrical transformers
Phokwane/Brooklyn Water Supply	Number of boreholes, pipeline and elevated steel tank constructed	1 borehole, 2.4 km pipeline and 80kl elevated steel tank constructed	0 borehole, 0 km pipeline and 0 elevated steel tank installed and implemented	Late appointment of the contractor which led to re-advertisement of the project due to nonresponsive tender	Project was re-advertised and currently under final stages of adjudication. Contractor to be appointed soon.
Commissioning of Moutse bulk pipeline	Percentage of Conditions assessment report and Remedial works for damaged and vandalised components done	100% of Conditions assessment report and 30% Remedial works for damaged and vandalised components done	80% of Conditions assessment report and 0% Remedial works for damaged and vandalised components done	Delay in the finalisation of appointing the contractor	SDM to finalise the appointment of contractor ASAP for the remedial works to commence
Enkosini Water Supply Project	Number of reticulation pipeline constructed, and refurbishment of package plant and steel tank.	1km reticulation pipeline constructed, and 1 package plant and steel tank refurbished	2km reticulation pipeline constructed, refurbishment of steel tank complete and 0 package plant refurbished	There was a gap between the approval of the designs and the implementation which led to material price escalation	The VO was approved by council to be put on advert for 14 days public notice in terms of section 116 of the MFMA, on 6th of June 2024.

Ga-Marishane Village water supply	Number of km of reticulation network constructed and number of boreholes equiped.	3 km of reticulation network constructed. 2 Boreholes equipped	0 km of reticulation network constructed. 0 Boreholes equipped	Delay in the appointment of professional service provider and finalisation of tender document	Expedite the works once the contractor is appointed
Tukakgomo Water Intervention	Number of km of pipeline constructed and water metres installed, Refurbish the existing boreholes and refurbish the low lift pump station.	2.4 km of pipeline constructed and 185 water metres installed. Refurbish the existing three boreholes and refurbish the low lift pump station.	3km of pipeline constructed and 0 water metres installed. Refurbish the existing three boreholes and refurbish the low lift pump station not yet done	Delay in the introduction of the contractor due to protest by community	Contractor has fast tracked the works on site and Project to be completed in 2024/25 f/y
Laersdrift Water supply	Number of elevated steel tank erected, borehole refurbished, drilled and equiped, reticulation pipeline constructed and house connections done.	60kl elevated steel tank erected, 2 boreholes refurbished, drilled and equipped, 5,6km of reticulation pipeline constructed and 810 house connections done.	0 elevated steel tank erected, 1 borehole refurbished and 0 borehole drilled and equipped, 4,8km of reticulation pipeline constructed and 0 house connections done.	Delay in the introduction of the contractor due to protest by community	Contractor has fast tracked the works on site and Project to be completed in 2024/25 f/y
Malekana Regional Water Scheme	Km of bulk and reticulation pipeline constructed, and number of steel tanks installed	102 Km of bulk and reticulation pipeline constructed. 1 Steel tank installed	102Km of bulk and reticulation pipeline constructed. 0 Steel tank installed	Delay during implementation of the project due to protest by community	Contractor has fast tracked the works on site and Project to be completed in 2024/25 f/y

Lebalelo South Phase 3(Ga -Maroga & Motlolo)	Km of bulk pipeline constructed number of packaged plants installed, number of boreholes refurbished.	5.6km bulk and 24km reticulation pipeline constructed. 1 packaged water treatment plant and 912 water meters and house connections constructed. 3 boreholes refurbished	Construction of 4,560km bulk, 1,566km reticulation, refurbishment of 3 boreholes, 0 packaged water treatment plant and 930 water meters and house connections	There are illegal mining activities taking place in the area and damaging the pipes already laid	To explore adjustment of scope to exclude the areas affected by the illegal mining
Upgrading of De Hoop WTW	Number of sludge dams and km of chemical building constructed.	2 sludge dams and 1 chemical dosing building constructed.	2 sludge dams: construction of Retaining wall A-B and Exposing of services. Chemical dosing building earthworks completed	Underperforming service provider	Engagement with the contractor to ensure completion of the project within 2024/25 f/y
Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 1	Number of Km for bulk pipeline constructed	21 Km of bulk pipeline constructed	13.5 Km of bulk pipeline constructed	Delays in the appointment of contractors.	Contractors appointed and expected to complete the project within 2024/25 f/y
Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 2	Number of Km for bulk pipeline constructed	3Km of bulk pipeline constructed	0Km of bulk pipeline	Delays in the appointment of contractors.	Contractors appointed and expected to complete the project within 2024/25 f/y
Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 2	Percentage reservoirs and booster pump station constructed.	50% of concrete reservoir and booster pump station constructed	0% of concrete reservoir and booster pump station constructed	Delays in the appointment of contractors.	Contractors appointed and expected to complete the project within 2024/25 f/y

Moutse East and West Water Reticulation phase 2	Number of Detailed Designs Water Reticulation	1 Detailed Designs Completed for Water reticulation	1 draft Detailed Designs Completed for Water reticulation	There was a gap between signing of SLA and approval of designs due to change in top Management	Expedite the approval of detail design
NSD07 Regional Water Scheme Construction of reservoirs	Number of bulk pipelines constructed and concrete reservoirs completed	1km of bulk pipelines constructed and 2 concrete reservoirs completed	0km of bulk pipelines constructed and 0 concrete reservoirs completed	Contractor abandoned site due to stolen materials for the reservoirs	Apply contract conditions to remedy the situation.
De Hoop/Nebo Plateau/Schoonoord Water Scheme Villages: Ga –Mogashoa (Senkapudi) and Ga-Mogashoa (Manamane)	Number of water reticulation pipeline constructed	3 kilometres of water pipeline constructed	0 kilometres of water pipeline constructed	Contractor currently not on site due to cash flow challenges	Apply contract conditions to remedy the situation.
Lebalelo South connector pipes and reticulation	Number of steel tanks erected	3 Steel tank erected	0 Steel tank erected	The matter is sub judice	Awaiting outcome of the legal processes
Olifantspoort South RWSS Phase-Completion of Contract 16, 19, 22	Number of pipelines hydraulically tested and commissioned. Number of self-supportive borehole solar installation	1 X pipeline hydraulically tested and commissioned. 8 X self-supportive borehole solar installation	0 x pipeline hydraulically tested and commissioned. 0 x self-supportive borehole solar installations	Change of scope delayed the implementation of project	VO approved to ensure implementation of the project in 2024/25 f/y

GOOD GOVERANCE AND PUBLIC PARTICIPATION

PROJECT	INDICATORS	ANNUAL TARGET 2021/2022	ANNUAL ACTUAL PROGRESS	CHALLENGES	REMEDIAL
OFFICE OF THE EXECUTIVE MAYOR					
Newsletters and Publications	Number of Newsletters produced	8 Newsletters produced	4 Newsletters produced	Delay in appointment of Service Provider for production of newsletters	Service Provider for production of newsletters recently appointed
Special Mayoral Strategic Events	Number of Strategic Events facilitated	3 Mayoral strategic events facilitated	Mampuru Day Commemoration could not be held because it was rescheduled to November 2024	Mampuru Day Commemoration new date for celebration is November annually	Mampuru Day will be commemorated annually in November
State of the District Address	Number of State of the District Address coordinated	1 State of the District Address coordinated	1 State of the District Address coordinated	Competing activities in the office of the executive	To be held on the 2024/25 first quarter
Mayor's forum	Number of Mayor's forum facilitated	4 Mayor's forum facilitated	1 Mayor's forum facilitated	Due to hectic schedule of activities for Executive Mayor	To be facilitated in the next financial year
Mayoral Sports activities	Number of Mayoral Sport activities facilitated	1 Mayoral Sport activities and 1 indigenous games facilitated	Indigenous Games held at Mapodile 16/07/2023: Executive Mayor's Cup Not Coordinated	Due to hectic schedule of activities for Executive Mayor	To be facilitated in the next financial year
INTERNAL AUDIT					

Financial Misconduct Disciplinary Board	Number of Financial Disciplinary Board meetings coordinated	6 Financial Disciplinary Board meetings coordinated	5 Financial Disciplinary Board meetings coordinated	Change in Financial Management Disciplinary Board members affected the committee's effectiveness.	The meeting will be convened in July 2024.
External quality assessment	Number of external quality assessment performed	1 external quality assessment performed	0 External Assessment performed	The municipality requested Treasury to assist with the QAR.	The municipality will develop specification to advertise in the 2024-25 financial year.
RISK MANAGEMENT					
Processes Risk Assessments	Number of Processes risk assessments conducted	7 x Processes risk assessments conducted	1 x Processes risk assessment conducted	Capacity constraints	To discontinue the project.
Security Safeguards Improvement	Number of Operational sites Safeguards improved	4 Operational sites Safeguards improved	0 Operational sites Safeguards improved	Budget constraints	Raise budget for security improvement for 2025/2026 FY
OFFICE OF THE SPEAKER					
Council Whippery meetings	Number of Council Whippery meeting facilitated.	4 Council Whippery meeting facilitated.	3 Council Whippery meeting facilitated.	Council Whippery meetings were not convened after the Chief Whip resigned from Council.	Council Whippery meeting will be facilitated once a new Chief Whip is appointed.
Strategic planning sessions for Section 79 Portfolio Committees	Number of Strategic planning sessions (Section 79 Portfolio Committees	1 Strategic planning sessions (Section 79 Portfolio Committees) facilitated	0 Strategic planning sessions (Section 79 Portfolio Committees) facilitated	Budget constrains	To be implemented in the next financial year
Training and development of Councillors	Number of councillors enrolled for training and development	7 Councillors enrolled for training and development.	5 Councillors enrolled for training and development	2 Councillors were not enrolled for training and development due to financial constraints.	The remaining Councillors to be enrolled in the 2024/2025 financial year.

State of the District Address & Budget Day	Number of State of the District Address and Budget days facilitated	1 State of the District Address, 1 Budget Day facilitated	1 Extra Special Council Meeting (State of the District Address) not facilitatedQ4: Extra Special Council Meeting (Budget Speech) not facilitated.	Conflicting schedule.	To be facilitated in the next financial year 2024/2025.
MPAC Public hearings	Number of MPAC public hearings facilitated	2 MPAC public hearings facilitated	0 MPAC public hearings facilitated	Conflicting schedule	To be facilitated in the next quarter

PLANNING AND ECONOMIC DEVELOPMENT

PROJECT	INDICATORS	ANNUAL TARGET 2021/2022	ANNUAL ACTUAL PROGRESS	CHALLENGES	REMEDIAL ACTIONS
LOCAL ECONOMIC DEVELOPMENT					
Implementation of EPWP	Number of jobs opportunities created through EPWP	2788 jobs created through EPWP (Infrastructure 2564, Environment and Culture 36 and Social Sector 188)	2690 job opportunities were created during the financial year, cumulative from 1 July 2023 to June 2024. The target was not achieved with a deficit of 98 job opportunities.	Work opportunities created through infrastructure projects could not manage to assist in the achievement of the target set	Early appointment of Service Providers
Farmers support	Number of farmers supported with production infrastructure (Fencing).	2 farmers supported with production infrastructure (Fencing)	0 farmers supported with production infrastructure (Fencing)	Delayed procurement process.	Service provider appointed on 21 June 2024, Infrastructure (Fence) to be

					installed in the new financial year (2024/25)
Fencing off Tjate Heritage Site	Number of Tjate Heritage Sites fenced off	1 Tjate Heritage Site fenced off	Delayed appointment of service provider	Delayed procurement process	Service provider appointed, Infrastructure to be installed in the new financial year (2024/25)

PROJECT	INDICATORS	ANNUAL TARGET 2021/2022	ANNUAL ACTUAL PROGRESS	CHALLENGES	REMEDIAL ACTIONS
SPATIAL RATIONAL					
Spatial referencing of IDP capital projects	Number of IDP capital projects spatially referenced	144 IDP capital projects spatially referenced	72 IDP capital projects spatially referenced in the fourth quarter	Delayed appointment of service provider	The service provider was appointed in April 2024 and software licenses are now renewed and the capturing of projects have commenced
Workshop for Councillors	Number of Workshop for Councillors on SPLUMA Appeal Authority	1 Workshop for Councillors on SPLUMA Appeal Authority	SPLUMA Workshop scheduled for the fourth quarter, was not facilitated.	Conflicting schedules	Training to be offered in new financial year

SEKHUKHUNE DEVELOPMENT AGENCY

PROJECT	INDICATORS	ANNUAL TARGET 2021/2022	ANNUAL ACTUAL PROGRESS	CHALLENGES	REMEDIAL
Facilitation of ESD	Number of trainings	4 Trainings facilitated	3 Trainings facilitated	Delayed appointment	Project is put on hold due to

Programme	facilitated through ESD Programme	trough ESD programme	trough ESD programme	of service provider	budgetary constrains
To facilitate implementation of Dehoop RMP identified projects	Number of awareness campaign on Dehoop RMP identified projects facilitated	2 awareness campaign on Dehoop RMP identified projects facilitated	1 awareness campaign on Dehoop RMP identified projects facilitated	Un availability of stakeholders	To be facilitated in the new f/y
To facilitate the appointment of panel of professional fundraisers	Number of panel for professional fundraisers appointed	1 panel for professional fundraisers appointed	0 panel for professional fundraisers appointed	Panel for professional fundraisers could not be appointed due to the non-responsive of fundraisers	Advertised for calls for expression of interest and includes a wider pool of potential fundraisers, leveraging local and international networks to attract more responsive and qualified candidates.
Financial system development and maintenance	Number of financial systems developed and maintained	1 financial system developed and maintained	0 financial system developed and maintained	Delay in appointing the Service provider	Fastrack process of appointing the service provider

BUDGET AND TREASURY

PROJECT	INDICATORS	ANNUAL TARGET 2021/2022	ANNUAL ACTUAL PROGRESS	CHALLENGES	REMEDIAL
Unqualified Audit opinion with no matters of emphasis	% Finance related Audit findings resolved	100% Finance related Audit findings resolved	85% Finance related Audit findings resolved	UIFWe investigation still pending. Some COMAFs will be addressed by the AFS which will be submitted on the 31 August 2024	Ensure that submitted AFS address the outstanding matters. MPAC to fastrack the investigations to address the UIFWe
Revenue enhancement Strategy	% revenue collected against the billing	75% revenue collected against the billing	32% revenue collected against the billing	Not enough personnel for monthly credit control and disconnections not done to none paying consumers	Service provider is appointed to do both meter reading and disconnections

Conventional meter reading	% of water meters read	80% of water meters read	35% of water meters read	Some areas were short of water supply readings and could not be obtained as a result. Access was denied in some areas	Consistent supply of water
Procurement plan	% Procurement plan implemented	100% Procurement plan implemented	89% Procurement plan implemented	The target was centralised at BTO in the current year. Some processes could not be implemented at the departmental level	Decentralisation of the target. Every department is to have the target on implementation of annual procurement plan. Department are to be monitored monthly through Management engagement

INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT					
PROJECT	**INDICATORS**	**ANNUAL TARGET 2021/2022**	**ANNUAL ACTUAL PROGRESS**	**CHALLENGES**	**REMEDIAL ACTION**
Local labour Forums (LLF)	Number of LLF meetings facilitated	12 LLF meetings facilitated	7 Local Labour Forum facilitated.	failure to meet quorum.	LLF workshop facilitated, and members encouraged to observe scheduled meetings.
Procurement of IWS machinery (yellow vehicles)	Number of Vehicles and machinery acquired through RT57	5 Vehicles and machinery acquired through RT57	3 Vehicles and machinery acquired through RT57	Delayed appointment of RT57 service providers. The budget only allows purchase of three Machinery	Fastrack appointment of service provider. Allocate budget in 2024/25 f/y.
Cascade IPMDS from level 2 to 3	Number of performance Appraisals up to level 3	35 employees appraised up to level 3	35 employees not appraised up to level 3	Capacity Constraints.	Prioritise and fastrack the filling of Snr Individual PMS Officer.
Recruitment and Selection	Number of funded and vacant positions filled	49 funded and vacant positions filled	3 funded and vacant positions filled	Implementation of National Treasury norm to ensure that employee related cost remain within 40% of operating budget	Prioritise critical position to be filled
Establishment of Institutional IGR Clusters	Number of Functional Institutional IGR Structures coordinated	20 Functional Institutional IGR Structures coordinated (4 CFO, 4 technical, 4 economic, 4 social, 4 MM, 0, Mayor's Forum)	20 Functional Institutional IGR Structures coordinated (4 CFO, 4 technical, 4 economic, 4 social, 4 MM, 0, Mayor's Forum)	Mayor's Forum was unsuccessful due to tight schedule	Mayor's forum to be held together with Performance Lekgotla
Occupational Health and Safety elements	Number of Occupational Health and Safety elements conducted	53 Occupational Health and Safety elements conducted *36 workplace inspections, *4 project audits, *6 safety awareness campaigns, *4 safety committee meetings, *1 servicing of fire extinguishers, *1	53 Occupational Health and Safety elements conducted *44 workplace inspections, *4 project audits, *13 safety awareness campaigns, 9 safety committee meetings, *0 servicing of fire extinguishers and fire	Delayed appointment of service provider. And budgetary constrains	Medical Surveillance service provider to be appointed in 2024/25 f/y. Budget provided for servicing of Fire extinguishers and fire hose reels in 2024/2025 f/y

		servicing of fire hose reels, *1 medical surveillance programme)	hose reels, *0 medical surveillance programme		
Individual Performance assessments for Snr Managers	Number of performance assessments for Snr Managers conducted	2 performance assessments for Snr Managers conducted (2022/2023 Annual & 2023/24 Midterm)	1 performance assessments for Snr Managers conducted (2022/23 Annual)	1 performance assessments for Snr Managers not conducted (2023/24 Midterm) due to tight schedule	Reschedule the date of assessment

5. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2024/2025

Section 53 (1) (ii) of the Local Government Municipal Systems Act, 2003 provides that the Mayor of the Municipality is charged with the responsibility to consider and approve the Service Delivery and Budget Implementation Plan for 2024/2025 financial year.

The preparation of the 2024/2025 SDBIP is against the backdrop of the findings of the Auditor General on Performance information. Measures were taken to ensure that issues raised by Auditor General are being addressed in preparation of the audit for 2023/2024 financial year. It must however be noted that as with all audit processes, the results can only be measured in 2023/2024 audit opinion.

The following is a summary of targets and budgets for implementation of programmes by Municipal Departments as per Departmental allocations:

The Executive Mayor has approved the SDBIP for the six key performance areas as per the Local Government priorities with its entity with 194 targets: The table below outline the target as per key performance area together with the entity:

KEY PERFORMANCE AREA	NO OF TARGETS
Basic infrastructure and Service Delivery	
Infrastructure & Water Services	42
Community Services	16
TOTAL	58
Institutional Development and Organisational transformation	
Corporate Services	29
PMS, IDP and Legal Services	15
TOTAL	44
Good governance and public participation	
Office of the Municipal Manager	23
Office of the Executive Mayor	21
Office of the Speaker	16
TOTAL	60
Financial Viability	10
Spatial Rationale	11
Local Economic Development	11
TOTAL	194

Sekhukhune Development Agency	13

SDBIP TARGETS AS PER DEPARTMENTS

DEPARTMENT	**NO. OF TARGETS**
Infrastructure & Water Services	42
Community Services	16
Corporate Services	29
Office of the Speaker	16
Office of the Executive Mayor	21
Municipal Manager's Office	26
Planning & Economic Development	34
Budget & Treasury	10
TOTAL	**194**

Sekhukhune Development Agency	**13**

The operational budget for the 2024/2025 financial year is **R 1 249 308 846, 72** and capital budget R **688 963 397,37** In total budget for the 2024/2025 financial year is **R1 939 327 437, 23.**

6. PERFORMANCE OF SERVICE PROVIDERS FOR 2023/2024 FINANCIAL YEAR PER KPA

BASIC SERVICE DELIVERY

INFRASTRUCTURE AND WATER SERVICES

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	DESCRIPTION
HWA Engineers and Project Managers	Consultants (Malekana RWS)	4	Performs above expectations
Mulalo Business Enterprise	Consultants (Malekana RWS)	3	Performs as expected
Zacks Business Enterprise	Consultants (Malekana RWS)	4	Performs above expectations
Kgwadi ya Madiba	Consultants (Malekana RWS)	5	Excellent performance
Maunyaka Shakwana	Consultants (Malekana RWS)	4	Performs above expectations
Maletebogo	Consultants (Malekana RWS)	2	Performs above expectations
Double Hot Spot JV	Consultants (Malekana RWS)	3	Performs as expected
Mwelase Thobs	Consultants (Malekana RWS)	2	Performs below expectations
Madipadi	Consultants (Malekana RWS)	5	Excellent performance
Engineerex	Consultant: Maebe Water Intervention phase iv	4	Performs above expectations
Ntshiana	Consultant: Maebe Water Intervention phase iv	4	Performs above expectations
Phatsimo Management Consultants	Rural Roads Assets Management	4	Performs above expectations
Zutari Impact Engineers	Consultants: Maphopha command reservoir	2	Performs below expectations
Zutari Impact Engineers	Consultants: Mampuru Bulk Water Scheme	4	Performs above expectations
MGM Bluhray Engineers	Consultants: Lebalelo connector pipes	2	Performs below expectations

Eternity Star and Zacks Business Enterprise	Consultants: Lebalelo connector pipes	3	Performs as expected
Babinatiou	Consultants: Lebalelo connector pipes	3	Performs as expected
Mulalo Business Enterprise	Consultants: Lebalelo connector pipes	4	Performs above expectations
MGM Bluhray Engineers	Consultant: Lebalelo South phase 3	2	Performs below expectations
20 Elevation construction and Landscaping	Consultant: Lebalelo South phase 3	1	Poor performance
Bo Mamohlala projects	Consultant: Lebalelo South phase 3	4	Performs above expectations
Reandeals 4 Consulting	Consultants: Moutse Reticulation	3	Performs as expected
Loaded Life	Contractor: Moutse Reticulation Contract C	3	Performs as expected
Casnan	Contractor: Moutse Reticulation Contract D	4	Performs above expectations
Mangadi JV Modikeng	Contractor: Moutse Reticulation Contract E	3	Performs as expected
Moepagauta JV Mafoko JJ	Contractor: Makgemeng	2	Performs below expectations
Mont Consulting	Consultant: Makgemeng	3	Performs as expected
SDVK	Contractor: Moutse Reticulation Contract A	2	Performs below expectations
Pheladi NOKO	Contractor: Moutse Reticulation Contract B	3	Performs as expected
Aphane Consulting	Consultant : Dehoop GaRatau, Makgeru, Matekane	4	Performs above expectations
Ntshiana and Maunyatlala JV	Consultant : Dehoop GaRatau, Makgeru, Matekane	3	Performs as expected
SDVK	Consultant : Dehoop Ga Ratau, Makgeru, Matekane	3	Performs as expected

Tubatse Consulting	Consultants: Upgrading of Dehoop WTW	4	Performs above expectations
Bo Mamohlala Projects	Contractor: Upgrading of Dehoop WTW	3	Performs as expected

COMMUNITY SERVICES

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	DESCRIPTION
Mdluli bhekshop	Supply of MHS stamps	3	Performs as expected
Muratho lab service	Water sampling services	3	Performs as expected
Tshepang marketing	Arrive alive launching	2	Performs below expectation
Kothibe holding	Supply and delivery of 750 blue jik bottle	3	Performs as expected
Mekadi a maleka	Supply and delivery of MHS gazebos	3	Performs as expected
Theomei projects	Supply and delivery of 7th edition of ess firefighting books	3	Performs as expected
Bashoroma business enterprise	Supply and delivery of section 56 notice	3	Performs as expected
Euroma trading cc	Supply and delivery of decontamination shower and level a suit	3	Performs as expected
Agang batau	Supply and delivery of gazebos and banners for disaster management services	3	Performs as expected
Great focus media	Calibration of noise level meter	3	Performs as expected
Saesi	Licence fee for 2024	3	Performs as expected
Lefa trading business	Supply and delivery of food and sampling equipment	3	Performs as expected
Kulasisebenze trading and	Supply and delivery of EMS gazebos	3	Performs as expected

project	and banners		
Maropeng a matala	Supply and delivery of MHS camping chairs	3	Performs as expected
Zindala transport	Supply and delivery of MHS foldable tables	3	Performs as expected
Aqua rich	Supply and delivery of SDM logo branded tablecloths for MHWS	3	Performs as expected
Masheleba projects	Supply and delivery of bottled water for festive season arrive alive	3	Performs as expected

GOOD GOVERNANCE AND PUBLIC PARICIPATION

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	DESCRIPTION
OFFICE OF THE EXECUTIVE MAYOR			
Unathi Catering and Cleaning Services	Events Management	4	Performs Above Expectations
TK. Sound and Visual Solutions (Pty)Ltd.	Events Management	4	Performs Above Expectations
Pheladi Noko B1 Funerals and Constructions	Events Management	3	Performs as expected
Tshepang Marketing Solutions cc	Events Management	2	Performs below expectation
Black Sky Investments Holdings Event Management	Events Management	3	Performs as expected
INTERNAL AUDIT			
K.T Mogano	Review of Annual Financial	2	Performs below expectations

	Statement and Consolidated AFS for 2022-2023 Financial Year		
RISK MANAGEMENT			
Kunene – Makopo Risk Solutions	Insurance Brokerage	3	Performs as expected
Tubatse Security Services	Physical security	2	Performs below expectation
Loskop Alarms	Security armed response	3	Performs as expected
OFFICE OF THE SPEAKER			
Ashcor Travel	Accommodation	4	Performs above expectations
KDM Travel Express	Accommodation and conference package	4	Performs above expectations
Minstrain Projects	Mass catering	4	Performs above expectations
Salafish Trading	Catering and Transport	4	Performs above expectations
Maretelego Holdings PTY (LTD)	Transport	4	Performs above expectations

INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	DESCRIPTION
TELKOM	Telephone and internet	4	Performs above expectations
BCX	Financial system	4	Performs above expectations
SAGE 300 VIP	Payroll system	3	Performs as expected
TK Sounds	For Sounds	3	Performs as expected
Kgoshigadi Trading and Projects	Renovation of Tubatse and Groblersdal Fire station	3	Performs as expected
Jane Furse Memorial Hospital	Office lease (IWS and EMS)	1	Poor performance

Double Barrel	Office lease (IWS Ephraim region)	2	Performs below expectations
Bareki Mall	Office lease	3	Performs as expected
Bumaza Properties	Lease of offices Bareki Mall	3	Performs as expected
SF NDALA	Office lease	2	Performs below expectations
Euro trading	Supply of cleaning Material	4	Performs above expectations
NMP	IWS and Executive vehicle lease	2	Performs below expectations
Mogale trading solutions	Implementing of new venture creation programme for 18 unemployed learners	5	Excellent performance
Mahube trading and development	Implementing the following Programmes -Apprenticeship Plumber (23 Unemployed learners) -Water and Wastewater treatment operation process (30 Unemployed learners) RPL Plumber employed old (28)	5	Excellent performance
PERFORMANCE MANAGEMENT			
IGS solution	Automated system	3	Performs as expected
LEGAL SERVICES			
Josse Associates Attorneys	Legal Services	3	Performs as expected
MI Mateme Attorneys	Legal Services	2	Performs below expectations
PK Legodi Attorneys	Legal Services	4	Performs above expectations
Verveen Attorneys	Legal Services	3	Performs as expected
SC Mdhuli Attorney	Legal Services	4	Performs above expectations

SPATIAL RATIONAL

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	DESCRIPTION
Limpopo Floor Care and Trading	Supply and delivery of fencing	3	Performs as expected

	material		
Fito and Sons Projects (Pty) Ltd	Supply and delivery of fencing material	3	Performs as expected
Dimpho Khomotso (Pty) Ltd	Supply and delivery of production inputs and equipment's	3	Performs as expected
Ashcor Travels	SMMEs and Cooperatives participation at Africa Travel Indaba	4	Performs Above Expectation
Ashcor Travels	SMMEs and Cooperatives participation at Limpopo Holiday Fair	4	Performs above expectation

LOCAL ECONOMIC DEVELOPMENT

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	DESCRIPTION
Matete and Associates	Review of SDF	3	Performs as expected
Rena ba Tswako transport and construction	Catering IDP	3	Performs as expected
Hlapeadi a Nape	Catering IDP	3	Performs as expected
Baphokane Construction	Catering IDP	3	Performs as expected
Byivirile Trading (PTY) LTD	Catering LED	3	Performs as expected
Thutse projects (PTY) LTD	Catering LED	3	Performs as expected
Precious Cuisine	Catering LED	3	Performs as expected
MITSTRAIM projects	Catering LED	3	Performs as expected
Poyisano Muliti projects (PTY) LTD	Catering LED	3	Performs as expected
Nthokoseng	Catering LED	3	Performs as expected

FINANCIAL MANAGEMENT AND VIABILITY

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	DESCRIPTION
MORAR INC.	Asset Management (Expired contact)	3	Performs as expected
LIMCOUNTS PTY LTD	Asset Management (New contract)	3	Performs as expected
LK Centrix	Data cleansing & Updating of the Indigent Register	3	Performs as expected
AMR	Meter reading	2	Perform below expected
Standard Bank	Banking services	3	Performs as expected

SEKHUKHUNE DEVELOPMENT AGENCY

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	DESCRIPTION
Unathi	Catering	4	Performs above expectations
Agang Batau general trading	Printing	4	Performs above expectations
Dikgole Malesolo trading and projects	Printing	3	Performs as expected
MNB Chartered Accountants	AFS and audit support	4	Performs above expectations
ASHCOR travels PTY LTD	Accommodation	4	Performs above expectations
Blacksky investments and holdings	Catering	3	Performs as expected
Ebony and IVORY advertising marketing promotion	Advertising	4	Performs above expectations
Explohill advertising and Media PTY LTD	Advertising	4	Performs above expectations

7. MEASURES TO IMPROVE PERFORMANCE

Challenge	Measures to improve performance
The poor quality of technical reports due to lack of technical capacity within the Municipality	MISA has deployed two Engineers and a student Engineer to support the Municipality.
Inadequate application of Project Management Techniques in Planning & Implementation of projects	Continuous technical skills training & development through SAICE training programme. MISA is providing training combined with on-the-job training.
Disagreement between Traditional Leaders on land where projects are to be implemented. One village does not agree to share with neighbouring community.	Extensive consultation before the approval of the project by DWS. Obtain prior approval of Traditional Leaders for the projects to continue.
Lack of water source in some areas within the region. Sometimes the quality of water cannot be used for consumption which compels the Municipality to stall the projects. Additional funding will therefore be required to build a package plant. This funding acquisition process takes time.	At planning stage, the quality and quantity of underground water must be determined before the technical report to drill a borehole is submitted for funding.
Structuring of the RBIG to be paid to the Municipality via DWS whereas the DORA allocates it directly to the Municipality. DWS delays the payment of service providers funded from this grant.	Continuous engagement with the DWS to transfer the RBIG grant directly to the municipality. DWS is monitoring the municipality's performance to review the status of Schedule 6B to schedule 5B.

8. CONCLUSION

The Annual Performance Report (APR) reflects the performance of Sekhukhune District Municipality during 2023/2024 financial year. The APR also contrasts the performance of the year under review with the performance of the prior year which is 2022/2023. The APR also highlights the performance of service providers that were contracted by the municipality to provide services as part of fulfilling the municipal powers and functions.

9. APPENDIX A: PERFORMANCE RATING FOR SERVICE PROVIDERS

Level	Description	Rating
Level 5 **Outstanding performance**	Performance far exceeds the standard expected for the job in all areas of the project. The company has achieved exceptional results against all performance criteria and indicators specified in the service level agreement/contract and maintained this in all areas of responsibility throughout the year.	5

Level 4 **Performance significantly above expectations**	Performance is significantly higher than the standard expected for the job in all areas. The service provider has achieved above fully effective results against more than half of the performance criteria and indicators specified in the service level agreement /contract and fully achieved all others throughout the year	**4**
Level 3 **Fully effective**	Performance fully meets the standard expected for the job in all areas. The service provider has achieved effective results against all significant performance criteria and indicators specified in the service level agreement/contract and may have achieved results significantly above expectations in one or two less significant areas throughout the year	**3**
Level 2 **Performance not fully satisfactory**	Performance is below the standard required for the job in key areas. The service provider has achieved adequate results against many key performance areas and indicators specified in the service level agreement/contract but did not fully achieve adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected.	**2**
Level 1 **Unacceptable performance**	Performance does not meet the standard required for the job. The service provider has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The service provider has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement.	**1**

10. APPROVAL

MR KGWALE M.M
MUNICIPAL MANAGER
DATE: 30/08/2024

ANNEXURE APR1: EXCEL DETAILED ANNUAL PERFORMANCE REPORT

SEKHUKHUNE
District Municipality

Private Bag X8611 Groblersdal 0470, 3 West Street Groblersdal 0470
Tel : (013) 262 7300, Fax: (013) 262 3688
E-Mail : sekinfo@sekhukhune.co.za

2023/2024 ANNUAL PERFORMANCE REPORT

BASIC SERVICE DELIVERY

2023 - 2024

Annual

SEKHUKHUNE
District Municipality

Infrastructure and Water Services										
Basic Services Delivery										
Project Name	KPI	Baseline	Target Description	Annual Target Description	Actual performance description	Variance Reason	Correctives Measurement	POE	Strategic Objective	Auditor Status
Water Incidents	Percentage of registered water incidents resolved within 14 days	4600 registered water incidents resolved within 14 days	80% registered water incidents resolved within 14 days	80% registered water incidents resolved within 14 days	86% registered water incidents resolved within 14 days	None	None	Incidents report	To improve water service provisioning by June 2024	Achieved
Bulk Water Purchases	Number of Mℓ water purchased	2515,5Mℓ of water purchased	2515,5Mℓ of water purchased	2515,5Mℓ of water purchased	19994Mℓ of water purchased	None	None	Summary meter readings report	To improve water service provisioning by June 2024	Achieved
Borehole Development	Number of boreholes developed	20 boreholes developed	20 boreholes developed	20 boreholes developed	24 boreholes developed	None	None	Signed report	To improve water service provisioning by June 2024	Achieved
Provision of water through water tankers	Number of Kilolitres of water provided through water tankers	315 360 kl of water provided through water tankers	243 000 kl of water provided through water tankers	243 000 kl of water provided through water tankers	166 670.5 kl of water provided through water tankers	Maintenace and service process of water carts. most water tankers were not working during the transition of bringing the fleet service provider to replace old ones. tankers capacity reduced. Broken water tankers and burst bulk pipelines affected the supply of water through tankers.	Expedite the maintenance and service process. clear program to be developed. Repair timeously the broken trucks and bulk pipelines.	Signed report	To improve water service provisioning by June 2024	Not Achieved

Sanitation incidents	Percentage of registered sanitation incidents resolved within 14 days	800 registered sanitation incidents resolved within 14 days	90% registered sanitation incidents resolved within 14 days	90% registered sanitation incidents resolved within 14 days	98% registered sanitation incidents resolved within 14 days	None	None	Incidents report	To improve water service provisioning by June 2024	Achieved
Electricity Usage	Number of KWH electricity used	246 399,312 KWH of electricity used	261 399,312 KWH of electricity used	261 399,312 KWH of electricity used	506 787.73 KWH Electricity used	None	None	Summary meter readings report	To improve water service provisioning by June 2024	Achieved
Refurbishment of Praktiseer WTW	Number of WTW (Praktiseer) refurbished	Dilapidated WTW	1 WTW (Praktiseer) refurbished	1 WTW (Praktiseer) refurbished	1 WTW (Praktiseer) refurbished	None	None	Signed report	To improve water service provisioning by June 2024	Achieved
Feasibility studies - Praktiseer	Number of feasibility studies conducted (Praktiseer)	New project	1 feasibility study conducted (Praktiseer)	1 feasibility study conducted (Praktiseer)	0 feasibility study conducted (Praktiseer)	Poor planning due to lack of S-Build drawings	To develop S-Build drawings	Feasibility study & Technical report	To improve water service provisioning by June 2024	Not Achieved
Feasibility studies - Leeuwfontein	Number of feasibility studies conducted (Leeuwfontein)	New project	1 feasibility study conducted (Leeuwfontein)	1 feasibility study conducted (Leeuwfontein)	1 feasibility study conducted (Leeuwfontein)	None	None	Feasibility study & Technical report	To improve water service provisioning by June 2024	Achieved
Feasibility studies - Monsterlus	Number of feasibility studies conducted (Monsterlus)	New project	1 feasibility study conducted (Monsterlus)	1 feasibility study conducted (Monsterlus)	1 feasibility study conducted (Monsterlus)	None	None	Feasibility study	To improve water service provisioning by June 2024	Achieved
Feasibility studies - Mapodile	Number of feasibility studies conducted (Mapodile)	New project	1 feasibility study conducted (Mapodile)	1 feasibility study conducted (Mapodile)	0 feasibility study conducted (Mapodile)	Under performing service provider	To explore reallocation to another service provider should under performance persist	Feasibility study	To improve water service provisioning by June 2024	Not Achieved
Feasibility studies - Waalkraal RDP	Number of feasibility studies conducted (Waalkraal RDP)	New project	1 feasibility study conducted (Waalkraal RDP)	1 feasibility study conducted (Waalkraal RDP)	0 feasibility study conducted (Waalkraal RDP)	Under performing service provider	To explore reallocation to another service provider should under performance persist	Feasibility study & Technical report	To improve water service provisioning by June 2024	Not Achieved

Feasibility studies - Motetema	Number of feasibility studies conducted (Motetema)	New project	1 feasibility study conducted (Motetema)	1 feasibility study conducted (Motetema)	1 feasibility study conducted (Motetema)	None	None	Feasibility study & Technical report	To improve water service provisioning by June 2024	Achieved
Feasibility studies – Jane Furse RDP	Number of feasibility studies conducted(Jane Furse RDP)	New project	1 feasibility study conducted (Jane Furse RDP)	1 feasibility study conducted (Jane Furse RDP)	1 feasibility study conducted (Jane Furse RDP)	None	None	Feasibility study	To improve water service provisioning by June 2024	Achieved
Registration of servitutes	Number of Servitudes Registered	Water Service Infrastructure	1 Servitude Registered	1 Servitude Registered	0 Servitude Registered	Delayed appointment of panel of consultant	Appointment of PSP	Proof of registration	To comply with regulations by June 2024	Not Achieved
Awareness paign	Number of Awareness Campaigns conducted	New Project	08 Awareness Campaigns conducted	08 Awareness Campaigns conducted	08 Awareness Campaigns conducted	None	None	Progress reports	To comply with regulations by June 2024	Achieved
Water use licence	Number of Water Use Licenses applied	05 Water Use Licences in place	01 Water Use Licenses applied	01 Water Use Licenses applied	01 Water Use Licenses applied	None	None	Proof of applications	To comply with regulations by June 2024	Achieved
Development of Rural Roads Asset Management System	Number of km of Roads assessed,traffic counting stations completed andRoad Asset Management Plan developed.	Desk top studies and the first rounds of Visual Conditions Assessments	3 000km of Roads assessed,200 traffic counting stations completed and1 Road Asset Management Plan developed.	3 000km of Roads assessed,200 traffic counting stations completed and1 Road Asset Management Plan developed.	175km of Roads assessed, 0 traffic counting stations completed and 1 Road Asset Management Plan developed.."	late start of activities due to delayed transfer of grant by DoT	Accelerate rate of progress on site	Progress Reports	To develop Road Asset Management Plan by June 2024	Not Achieved
Construction of Mooihoek bulk water supply Phase G1.1	Number of km of bulk water pipeline and package plant type clarifier constructed	1 X 5 Ml concrete reservoir completed Phase 4BA	Construction of 3 Kilometres of bulk water supply pipeline. Construction of 1 package plant type clarifier constructed	Construction of 3 Kilometres of bulk water supply pipeline. Construction of 1 package plant type clarifier constructed	Construction of 3 Kilometres of bulk water supply pipeline. Construction of 1 package plant type clarifier constructed	None	None	Progress Reports	To reduce water services backlog with 90% by June 2024	Achieved

Nebo BWS Commission Malekana to Jane Furse Pipeline	Number of Kilometres of bulk water supply pipeline tested and commissioned. Number of command resevoir tested and commissioned	Nebo Phase1A completed and not commissioned	31 Kilometers of bulk water supply pipeline tested 31 Kilometers of bulk water supply pipeline commissioned. 1 Command resevoir tested and commissioned	31 Kilometers of bulk water supply pipeline tested 31 Kilometers of bulk water supply pipeline commissioned. 1 Command resevoir tested and commissioned	0 Kilometers of bulk water supply pipeline tested 0 Kilometers of bulk water supply pipeline commissioned 0 Command resevoir tested and commissioned"	Delays on implementation of project due to scope confirmation between SDM and PSP and delays in the approval of inception report	Inception report approved by SDM and payment also processed, PSP to proceed with the next steps of project.	Progress Reports	To reduce water services backlog with 90% by June 2024	Not Achieved
Nebo BWS Makgeru to Schoornoord BWS	Number of km of bulk pipeline constructed.	18.2 Km of Schoornoord bulk water supply pipeline in Makgeru. 10ML Command Concrete Reservoir in Schoornoord constructed	4km of bulk pipeline constructed.	4km of bulk pipeline constructed.	2,4 km of bulk pipeline constructed.	Stopage of project by community of Ward 14 on the 3rd October 2023 demanding that in their area there should be a reticulation project implemented ASAP	Project resumed with construction in February 2024 and progress has improved since then, project to be completed soon.	Progress Reports	To reduce water services backlog with 90% by June 2024	Not Achieved
Nebo BWS Carbonites/Spitskop	Number of feasibility study ready for implementation.	25km gravitational bulk pipeline and pump station	1 feasibility study ready for implementation.	1 feasibility study ready for implementation.	0 feasibility study ready for implementation.	Projects with the same scope of work due to poor planning	Feasibility study to be incorporated in the scope for the PSP appointed to do the IRS	Feasibility study & Technical report	To reduce water services backlog with 90% by June 2024	Not Achieved
Moutse BWS Project (7 to 12)	Number of Kilometres of bulk water supply pipeline tested and commissioned	30 Kilometres of bulk water supply pipeline constructed and tested	10 km of bulk water supply pipeline tested and commissioned	10 km of bulk water supply pipeline tested and commissioned	10 km of bulk water supply pipeline tested and commissioned	None	None	Progress Reports	To reduce water services backlog with 90% by June 2024	Achieved

Moutse BWS Project 13 & 14	Number of mechanical and Electrical (M & E) components installed for the extensions to the Groblersdal Water Treatment Works and pump station. Number of Civil works for clarifier and filter.	1 WTW in Groblersdal extended in Project 1 and 1 pump station constructed in Project 6	2 Mechanical and Electrical (M & E) components tested and commissioned for the extensions to the Groblersdal Water Treatment Works and pump station. Civil works for 1 clarifier and 1 filter. Rebuilding of walls.	2 Mechanical and Electrical (M & E) components tested and commissioned for the extensions to the Groblersdal Water Treatment Works and pump station. Civil works for 1 clarifier and 1 filter. Rebuilding of walls.	0 Mechanical and Electrical (M & E) components tested and commissioned for the extensions to the Groblersdal Water Treatment Works and pump station. Civil works for 1 clarifier and 1 filter. Rebuilding of walls.	Delay in finalisation of refurbishment of project 2-4 which was not envesaged.	Contractor appointed sub-contractor to refurbish pumps and motors. Contractor presently working on plant evaluation (develop processing assessment) Accelerate the commissioning of project 2-4 by submitting business plan for approval to DWS under WSIG."	Progress Reports	To reduce water services backlog with 90% by June 2024	Not Achieved
Maebe Water Intervention Project - Phase IV N	Number of Reverse Osmosis Plant and Wastage Line to specified discharge point constructed	4 kilometres of water pipeline and 2 boreholes completed	1 Reverse Osmosis Plant and Wastage Line to specified discharge point constructed	1 Reverse Osmosis Plant and Wastage Line to specified discharge point constructed	0.8 Reverse Osmosis Plant and Wastage Line to specified discharge point constructed	Lack of forward planning in terms applicastion to Eskom for commissioning	Engage with Eskom to fast-track application processes and installation of electrical transformers	Progress Reports	To implement scope through tender contracting strategy by June 2024	Not Achieved
Phokwane/Brooklyn Water Supply	Number of boreholes, pipeline and elevated steel tank constructed	Approved Business Plan	1 borehole, 2.4 km pipeline and 80kl elevated steel tank constructed	1 borehole, 2.4 km pipeline and 80kl elevated steel tank constructed	0 borehole, 0 km pipeline and 0 elevated steel tank installed and implemented	Late appointment of the contractor which led to re-advertisement of the project due to none responsive tender	Project was re-advertised and currently under final stages of adjudication. Contractor to be appointed soon.	Progress Reports	To implement scope through tender contracting strategy by June 2024	Not Achieved
Commissioning of Moutse bulk pipeline	Percentage of Conditions assessment report and Remedial works for damaged and vandalised components done	Moutse bulk pipeline	100% of Conditions assessment report and 30% Remedial works for damaged and vandalised components done	100% of Conditions assessment report and 30% Remedial works for damaged and vandalised components done	80% of Conditions assessment report and 0% Remedial works for damaged and vandalised components done	Delay in the finalisation of appointing the contractor	SDM to finalise the appointment of contractor ASAP for the remedial works to commence	Progress Reports	To implement scope through tender contracting strategy by June 2024	Not Achieved

Mabulela Water Supply Project	Number of water sources developed and elevated tanks installed	1 borehole drilled, equipped and tested. 2 10kl storage tanks installed	1 Water Source developed, and 2 x 10 kl elevated tanks installed.	1 Water Source developed, and 2 x 10 kl elevated tanks installed.	1 Water Source developed, and 2 x 10 kl elevated tanks installed.	None	None	Progress Reports	To implement scope through tender contracting strategy by June 2024	Achieved
Legolaneng VIDP Sanitation Project	Number of VDIP sanitation units constructed	0 VDIP Constructed	440 VDIP sanitation units constructed	440 VDIP sanitation units constructed	440 VDIP sanitation units constructed	None	None	Progress Reports	To implement scope through tender contracting strategy by June 2024	Achieved
Enkosini Water Supply Project	Number of reticulation pipeline constructed, and refurbishment of package plant and steel tank.	Refurbishment of 1 Package Plant	1km reticulation pipeline constructed, and 1 package plant and steel tank refurbished	1km reticulation pipeline constructed, and 1 package plant and steel tank refurbished	2km reticulation pipeline constructed, refurbishment of steel tank complete and 0 package plant refurbished	There was a gap between the approval of the designs and the implementation which led to material price escalation	The VO was approved by council but to be put on advert for 14 days public notice in terms of section 116 of the MFMA, on 6th of June 2024.	Progress Reports	To implement scope through tender contracting strategy by June 2024	Not Achieved
Ga-Marishane Village water supply	Number of km of reticulation network constructed and number of boreholes equiped.	1.1ML Reservoir, Water Treatment Plant and 3.6-kilometre bulk pipeline	3 km of reticulation network constructed. 2 Boreholes equipped	3 km of reticulation network constructed. 2 Boreholes equipped	0 km of reticulation network constructed. 0 Boreholes equipped	Delay in the appointment of professional service provider and finalisation of tender document	Expedite the works once the contractor is appointed	Progress Reports	To implement scope through tender contracting strategy by June 2024	Not Achieved
Tukakgomo Water Intervention	Number of km of pipeline constructed and water metres installed, Refurbish the existing boreholes and refurbish the low lift pump station.	3.5 km of pipeline and water abstraction point	2.4 km of pipeline constructed and 185 water metres installed. Refurbish the existing three boreholes and refurbish the low lift pump station.	2.4 km of pipeline constructed and 185 water metres installed. Refurbish the existing three boreholes and refurbish the low lift pump station.	3km of pipeline constructed and 0 water metres installed. Refurbish the existing three boreholes and refurbish the low lift pump station not yet done	Delay in the introduction of the contractor due to protest by community	Contractor has fast tracked the works on site and Project to be completed in the 2024/25 financial year.	Progress Reports	To implement scope through tender contracting strategy by June 2024	Not Achieved

Laersdrift Water supply	Number of elevated steel tank erected, borehole refurbished, drilled and equiped, reticulation pipeline constructed and house connections done.	Feasibility studies and business plan	80kl elevated steel tank erected, 2 boreholes refurbished, drilled and aquiped, 5.6km of reticulation pipeline constructed and 810 house connections done.	80kl elevated steel tank erected, 2 boreholes refurbished, drilled and equiped, 5,6km of reticulation pipeline constructed and 810 house connections done.	0 elevated steel tank erected, 1 borehole refurbished and 0 borehole drilled and equiped, 4,8km of reticulation pipeline constructed and 0 house connections done.	Delay in the introduction of the contractor due to protest by community	Contractor has fast tracked the works on site and Project to be completed in the 2024/25 financial year.	Progress Reports	To Implement scope through tender contracting strategy by June 2024	Not Achieved
Rutseng Water Intervention	Number of reticulation pipeline constructed, and refurbishment of existing concrete resevoir and steel tank.	Rutseng water network	0,6m reticulation pipeline constructed, and 1 concrete reservior refurbished and steel tank refurbished	0,6m reticulation pipeline constructed, and 1 concrete reservior refurbished and steel tank refurbished	0,6m reticulation pipeline constructed, and 1 concrete reservior refurbished and steel tank refurbished	None	None	Progress Reports	To Implement scope through tender contracting strategy by June 2024	Achieved
Eenzam Water Supply (work package 1)	Number of Business Plan developed and ready for implementation.	Eenzam water network	1 Business Plan developed and ready for implementation.	1 Business Plan developed and ready for implementation.	1 Business Plan developed and ready for implementation.	None	None	Progress Reports	To Implement scope through tender contracting strategy by June 2024	Achieved
Kgotlopong Water Supply (work package 1)	Number of Business Plan developed and ready for implementation.	Kgotlopong water network	1 Business Plan developed and ready for implementation.	1 Business Plan developed and ready for implementation.	1 Business Plan developed and ready for implementation.	None	None	Progress Reports	To Implement scope through tender contracting strategy by June 2024	Achieved
Malekana Regional Water Scheme	Km of bulk and reticulation pipeline constructed, and number of steel tanks installed	14 kilometres of water pipeline and 4 reservoirs completed	102 Km of bulk and reticulation pipeline constructed. 1 Steel tank installed	102 Km of bulk and reticulation pipeline constructed. 1 Steel tank installed	102Km of bulk and reticulation pipeline constructed. 0 Steel tank installed	Delay during implementation of the project due to protest by community	Contractor has fast tracked the works on site and Project to be completed in the 2024/25 financial year.	Monthly Progress Reports	To Implement scope through tender contracting strategy by June 2024	Not Achieved

Lebalelo South Phase 3(Ga -Maroga & Mollolo)	Number of km bulk and reticulation pipeline constructed. Number of packaged water treatment plant and water meters and house connections constructed. Number of boreholes refurbished	10 Kilometers of bulk line constructed.	5.6km bulk and 24km reticulation pipeline constructed. 1 packaged water treatment plant and 912 water meters and house connections constructed. 3 boreholes refurbished.	5.6km bulk and 24km reticulation pipeline constructed. 1 packaged water treatment plant and 912 water meters and house connections constructed. 3 boreholes refurbished	Construction of 4,560km bulk, 1,566km reticulation, refurbishment of 3 boreholes, 0 packaged water treatment plant and 930 water meters and house connections	There are illegal mining activities taking place in the area and damaging the pipes already laid.	To explore adjustement of scope to exclude the areas affected by the illegal mining.	Progress Reports	To implement scope through tender contracting strategy by June 2024	Not Achieved
Upgrading of De Hoop WTW	Number of sludge dams and km of chemical building constructed.	Ga Malekana 12Ml Water Treatment Works	2 sludge dams and 1 chemical dosing building constructed..	2 sludge dams and 1 chemical dosing building constructed..	2 sludge dams not constructed Chemical dosing building earthworks constructed	Under performing service provider	Engagement with the contractor to ensure completion of the project within 2024/25 financial year.	Progress Reports	To implement scope through tender contracting strategy by June 2024	Not Achieved
Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 1	Number of Km for bulk pipeline constructed	Groblersdal 12Ml Water Treatment Works	21 Km of bulk pipeline constructed	21 Km of bulk pipeline constructed	13.5 Km of bulk pipeline constructed	Delays in the appointment of contractors.	Contractors appointed and expected to complete the project within 2024/25 financial year	Monthly Progress Reports	To implement scope through tender contracting strategy by June 2024	Not Achieved
Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 2	Number of Km for bulk pipeline constructed	Groblersdal 12Ml Water Treatment Works	3Km of bulk pipeline constructed	3Km of bulk pipeline constructed	0 km of bulk pipeline constructed	Delays in the appointment of contractors.	Contractors appointed and expected to complete the project within 2024/25 financial year	Monthly progress report	To implement scope through tender contracting strategy by June 2024	Not Achieved
Upgrading of Groblersdal – Luckau Bulk Water Scheme Phase 2	Percentage reservoirs and booster pump station constructed.	Groblersdal 12Ml Water Treatment Works	50% of concrete reservoir and booster pump station constructed	50% of concrete reservoir and booster pump station constructed	0% of concrete reservoir and booster pump station constructed	Delays in the appointment of contractors.	Contractors appointed and expected to complete the project within 2024/25 financial year	Monthly progress report	To implement scope through tender contracting strategy by June 2024	Not Achieved
Moutse East and West Water Reticulation phase 1	Number of Km of reticulation pipeline constructed	Groblersdal 12Ml Water Treatment Works	21 Km of reticulation pipeline constructed	21 Km of reticulation pipeline constructed	109,69km of reticulation pipeline constructed.	None	None	Monthly progress report	To implement scope through tender contracting strategy by June 2024	Achieved

Moutse East and West Water Reticulation phase 2	Number of Detailed Designs Water Reiculation	Groblersdal 12Ml Water Treatment Works	1 Detailed Designs Completed for Water reticulation	1 Detailed Designs Completed for Water reticulation	1 draft Detailed Designs Completed for Water reticulation	There was a gap between signing of SLA and approval of designs due to change in top Management	Expedite approval of detail designs	Detailed Desings report	To implement scope through tender contracting strategy by June 2024	Not Achieved
Mampuru Bulk Water Scheme	Percentage preliminary Designs completed	Ga-Malekana 12Ml Water Treatment Works	100% Preliminary Designs Completed	100% Preliminary Designs Completed	100% Preliminary Designs Completed	None	None	Signed progress report	To implement scope through tender contracting strategy by June 2024	Achieved
Motlallana and Makgemeng Water supply	Number of Km of bulk & reticulation pipeline , yard connections and concrete reservoirs constructed.	5,16 Kilometers bulk line constructed	2,3 Km of bulk & reticulation pipeline, 317 yard connections and 2 concrete reservoirs constructed.	2,3 Km of bulk & reticulation pipeline, 317 yard connections and 2 concrete reservoirs constructed.	2,3 Km of bulk & reticulation pipeline, 317 yard connections and 2 concrete reservoirs constructed.	None	None	Monthly Progress report	To implement scope through tender contracting strategy by June 2024	Achieved
NSD07 Regional Water Scheme Construction of reservoirs	Number of kmof bulk pipelines constructed and concrete reservoirs completed	13 Kilometres of bulk pipeline constructed; 3 reservoirs completed	1km of bulk pipelines constructed and 2 concrete reservoirs completed	1km of bulk pipelines constructed and 2 concrete reservoirs completed	0km of bulk pipelines constructed and 0 concrete reservoirs completed	Contractor abandoned site due to stolen materials for the reservoirs	Apply contract conditions to remedy the situation.	Monthly progress report	To implement scope through tender contracting strategy by June 2024	Not Achieved
De Hoop/Nebo Plateau/Schoonoord Water Scheme Villages:Ga -Mogashoa (Senkapudi) and Ga-Mogashoa (Manamane)	Number fof km of water reticulation pipeline constructed	100.1 kilometres of water pipeline constructed	3 kilometres of water pipeline constructed	3 kilometres of water pipeline constructed	0 kilometres of water pipeline constructed	Contractor currently not on site due to cash flow challenges	Apply contract conditions to remedy the situation.	Monthly progress report	To implement scope through tender contracting strategy by June 2024	Not Achieved
Lebalelo South connector pipes and reticulation	Number of steel tanks erected	11 Steel tank erected	3 Steel tank erected	3 Steel tank erected	0 Steel tank erected	The matter is sub judice	Awaiting outcome of legal processes	Monthly progress report	To implement scope through tender contracting strategy by June 2024	Not Achieved

Olifantspoort South RWSS Phase-Completion of Contract 16, 19, 22	Number of pipeline hydraulically tested and commissioned. Number of self supportive borehole solar installation	8 x boreholes developed and and 6505m bulk pipeline constructed	1 X pipeline hydraulically tested and commissioned. 8 X self supportive borehole solar installation	1 X pipeline hydraulically tested and commissioned. 8 X self supportive borehole solar installation	0 x pipeline hydraulically tested and commissioned. 0 x self supportive borehole solar installations	Change of scope delayed the implementation of the project	VO approved to ensure implementation of the project in 2024/25 F/Y	Monthly progress report	To implement scope through tender contracting strategy by June 2024	Not Achieved

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SEKHUKHUNE
District Municipality

Basic Services Delivery										
Community Services										
Project Name	KPI	Baseline	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
Environmental Pollution Prevention	Number of awareness Campaigns on Air Quality conducted	13 Awareness Campaigns on Air Quality conducted	36 Awareness Campaigns on Air Quality conducted	36 Awareness Campaigns on Air Quality conducted	36 Awareness Campaigns on Air Quality conducted	None	None	Report and Attendance register	Achieved	To conduct awareness campaigns on Environmental Pollution Prevention by June 2024
Environmental Pollution Prevention	Number of enforcement and compliance inspection conducted	New Project	24 enforcement and compliance inspection conducted	24 enforcement and compliance inspection conducted	24 enforcement and compliance inspection conducted	None	None	Signed assessment forms including the agent signature	Achieved	To conduct awareness campaigns on Environmental Pollution Prevention by June 2024
Food Safety control	Number of Food Premises evaluated	765 Food Premises evaluated	1500 Food Premises evaluated	1500 Food Premises evaluated	1525 Food Premises evaluated	None	None	Signed Assessment forms including the agent signature	Achieved	To conduct food premises evaluation by June 2024
Waste Management	Number of landfill sites inspections conducted	51 Health care risk waste monitored	24 landfill sites inspections conducted	24 landfill sites inspections conducted	24 landfill sites inspections conducted	None	None	Signed Assessment forms including the agent signature	Achieved	To assess management of health care risk waste at health care facilities by June 2024

Health Surveillance of premises	Number of health surveillance at public premises evaluated	757 premises evaluated	1500 health surveillance at public premises evaluated	1500 health surveillance at public premises evaluated	1522 health surveillance at public premises evaluated	None	None	Signed Assessment forms including the agent signature	Achieved	To conduct health surveillance at all public premises. By June 2024.
Surveillance and prevention of communicable diseases	Number of awareness campaigns on Communicable diseases conducted	51 awareness campaigns on Communicable diseases held	100 awareness campaigns on Communicable diseases conducted	100 awareness campaigns on Communicable diseases conducted	127 awareness campaigns on Communicable diseases conducted	None	None	Report and attendance register	Achieved	To conduct awareness campaigns to prevent communicable diseases by June 2024
Vector Control	Number of Inspections on Vector Control on premises conducted	756 Inspections on Vector Control on premises conducted	1500 Inspections on Vector Control on premises conducted	1500 inspections on Vector Control on premises conducted	1521 inspections on Vector Control on premises conducted	None	None	Reports	Achieved	To monitor vector control maintenance on premises by June 2024
Disposal of the dead	Number of inspections on Disposal of the Dead facilities conducted	50 evaluations on Disposal of the Dead facilities conducted	100 inspections on Disposal of the Dead facilities conducted	100 inspections on Disposal of the Dead facilities conducted	105 inspections on Disposal of the Dead facilities conducte	None	None	Signed Assessment forms including the agent signature	Achieved	To evaluate disposal of the dead facilities by June 2024.
Chemical safety	Number evaluations on safety to chemical handling premises conducted	154 evaluations on safety to chemical handling premises conducted	300 evaluations on safety to chemical handling premises conducted	300 evaluations on safety to chemical handling premises conducted	311 evaluations on safety to chemical handling premises conducted	None	None	Signed Assessment forms including the agent signature	Achieved	To evaluate premises to assess chemical safety by June 2024.
Fire and Rescue Operations	Percentage of reported emergency incidents attended	100% of (200) reported emergency incidents attended	100% reported emergency incidents attended	100% reported emergency incidents attended	100% (430) reported emergency incidents attended	None	None	Call Register and Report	Achieved	To respond to all reported emergency incidents by June 2024.

Emergency Management Services Training Academy	Number of firefighting courses facilitated	2 firefighting courses facilitated	3 firefighting course facilitated	3 firefighting course facilitated	3 firefighting course facilitated	None	None	Attendance Register and Report	Achieved	To provide firefighting training by June 2024.
Fire Safety and Prevention	Percentage of reported fire prevention and safety services provided	100% of (437) reported fire prevention and safety services provided	100% reported fire prevention and safety services provided	100% reported fire prevention and safety services provided	100% (844) reported fire prevention and safety services provided	None	None	Call Register and Report	Achieved	To evaluate plans and conducting inspections on all facilities by June 2024.
Disaster risk assessment	Percentage of reported disaster risk Management Incidents conducted	100% of (96) reported disaster risk management incident conducted	100% reported disaster risk Management Incidents conducted	100% reported disaster risk Management incidents conducted	100% (195) reported disaster risk Management Incidents conducted	None	None	Register of disaster risks assessments	Achieved	To conduct disaster risk assessment by June 2024.
Disaster risk reduction	Number of Disaster risk reduction awareness campaigns conducted	26 disaster risk reduction awareness campaigns conducted	24 disaster risk reduction awareness campaigns conducted	24 disaster risk reduction awareness campaigns conducted	24 disaster risk reduction awareness campaigns conducted	None	None	Register of risk reduction awareness campaigns	Achieved	To conduct awareness campaigns to prevent disasters by June 2024.
Disaster response and recovery	Percentage of reported disaster relief materials provided to affected disaster victims	100% of (96) reported disaster relief materials provided to affected disaster victims	100% reported disaster relief materials provided to affected disaster victims	100% reported disaster relief materials provided to affected disaster victims	100% reported disaster relief materials provided to affected disaster victims	None	None	Register of relief materials provided and report	Achieved	To coordinate provision of relief material to affected disaster victims by June 2024.
Special Operations on High Density Day	Number of special high density days campaigns coordinated	2 special operations high density campaigns coordinated	2 special operations on high density days campaigns coordinated	2 special operations on high density days campaigns coordinated	2 special operations on high density days campaigns coordinated	None	None	Operational plan and attendance register	Achieved	To coordinate campaigns during the special high density days by June 2024.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2023 - 2024

Annual

SEKHUKHUNE
District Municipality

Good Governance And Public Participation

Executive Mayor's Office

Project Name	KPI	Baseline	Target	Annual Target	Actual Performance	Variance Reason	Corrective	POE	Auditor Status	Strategic Objective
Mayoral Outreaches and Sectorial Engagements	Number of stakeholder & sectorial engagements facilitated	12 Programmes facilitated	8 stakeholder & sectoral engagement facilitated	8 stakeholder & sectoral engagement facilitated	8 stakeholder & sectoral engagement facilitated	None	None	Attendace Register & Signed Exit report	Achieved	To facilitate stakeholder & sectorial engagement by June 2024
Newsletters and Publications	Number of Newsletters produced	8 newsletters produced	8 Newsletters produced	8 Newsletters produced	4 Newsletters produced	Delay in appointment of Service Provider for production of newsletters	Service Provider for production of newsletters recently appointed	Newsletters	Not Achieved	To produce newsletters by June 2024
Executive Support to Mayoral Committee	Number of Mayoral Committee meetings supported	12 Mayoral Committee meetings supported	12 Mayoral Committee meetings supported	12 Mayoral Committee meetings supported	12 Mayoral Committee meetings supported	None	None	Attendace Registers and Minutes	Achieved	To provide support to Mayoral Committee by June 2024
Website Management	Numberof Website Updates undertaken	20 Website Updates undertaken	12 Websites Updates undertaken	12 Websites Updates undertaken	12 Websites Updates undertaken	None	None	Screenshots	Achieved	To undertake website updates by June 2024
Media Relations and Marketing	Number of events Marketed and branded	12 Events marketed and Branded	12 events marketed and branded	12 events marketed and branded	12 events marketed and branded	None	None	Pictures\publications	Achieved	To market and brand events by June 2024
Executive Support and Traditional Leadership Affairs	Number of Traditional Leadership meetings facilitated	2 Traditional Leadership meetings facilitated	4 Traditional Leadership meetings facilitated	4 Traditional Leadership meetings facilitated	4 Traditional Leadership meetings facilitated	None	None	Attendance registers and exit reports	Achieved	To facilitate meetings for Traditional Leaders by June 2024

Special Mayoral Strategic Events	Number of Strategic Events facilitated	7 strategic events facilitated	3 Mayoral strategic events facilitated	3 Mayoral strategic events facilitated	Mampuru Day Commemoration could not be held because it was rescheduled to November 2024	Mampuru Day Commemoration new date for celebration is November annually.	Mampuru Day will be commemorated annually in November.	Attendance registers and exit reports	Not Achieved	To facilitate strategic events by June 2024
Moral Regeneration Movement Committee	Number of MRM committee programme facilitated	MRM committee established	4 MRM committee programme facilitated	4 MRM committee programme facilitated	4 MRM committee programme facilitated	None	None	Attendance registers and exit reports	Achieved	To facilitate Moral Regeneration Movement committee programmes by
Customer Care Services	Number of queries/ complains reports on customer care generated	24 reports generated	18 queries/ complains reports on call centre generated	18 queries/ complains reports on call centre generated	18 queries/ complains reported on customer care generated	None	None	Reports	Achieved	To generate queries/ complains on Customer Care reports by June 2024
Premier/President hotline query report	Number of Premier/ President hotline queries report generated	24 reports generated	4 Premier/ President hotline queries report generated	4 Premier/ President hotline queries report generated	6 Reports . (3 Call Centre Reports and 3 President/Premier Reports)	None	None	Reports	Achieved	To generate queries/ complains on Customer Care reports by June 2024
Batho Pele programmes	Number of Batho Pele Programmes conducted	6 Bathopele Programmes conducted	8 Batho Pele Programmes conducted	8 Batho Pele Programmes conducted	8 Batho Pele Programmes conducted	None	None	Attendance register and exit reports	Achieved	To conduct Batho Pele programmes by June 2024
State of the District Address	Number of State of the District Address coordinated	2022/2023 State of the District Address coordinated	1 State of the District Address coordinated	1 State of the District Address coordinated	1 State of the District Address coordinated	Competing activities in the office of the executive	To be held on the 2024/25 first quarter	Attendance register and exit report	Not Achieved	To co-ordinate SODA by June 2024
Aged care	Number of Aged Care campaigns facilitated	2 aged care campaigns facilitated	2 elderly campaign facilitated	2 elderly campaign facilitated	2 elderly campaign facilitated	None	None	Attendance registers and signed exit reports	Achieved	To facilitate campaigns for the elderly by June 2024
Children's Care	Number of children's campaigns facilitated	2 children's campaign facilitated	2 children's campaigns facilitated	2 children's campaigns facilitated	2 children's campaigns facilitated	None	None	Attendance registers and signed exit reports	Achieved	To facilitate campaigns for the children by June 2024.

Woman Development Initiative	Number of woman development initiatives facilitated	4 woman development initiatives facilitated	3 woman development initiatives facilitated	3 woman development initiatives facilitated	3 woman development initiatives facilitated	None	None	Attendance registers and exit reports	Achieved	To facilitate woman development initiatives by June 2024
People with disability	Number of awareness campaigns for people with disability facilitated	3 awareness campaigns for people with disability facilitated	3 awareness campaigns for people with disability facilitated	3 awareness campaigns for people with disability facilitated	3 awareness campaigns for people with disability facilitated	None	None	Attendance registers and exit reports	Achieved	To facilitate Awareness campaigns for people with disability by June 2024
Cultural Heritage Celebrations and Language Promotions	Number of Heritage and promotions of indigenous languages and theatre workshop facilitated	3 Programmes facilitated	1 Heritage Day and 2 promotions of indigenous languages and Theatre workshop facilitated	1 Heritage Day and 2 promotions of indigenous languages and Theatre workshop facilitated	1 Heritage Day and 2 promotions of indigenous languages and Theatre workshop facilitated	None	None	Attendance registers and exit reports	Achieved	To facilitate Heritage day,art and culture programmes by June 2024
Health calendar days activities	Number of health calendar days activities coordinated	3 health calendar days activities coordinated	3 Health calendar days activities coordinated	3 Health calendar days activities coordinated	3 Health calendar days activities coordinated	None	None	Exit report with pictures	Achieved	To coordinate health calendar days activities by June 2024
District Aids Council	Number of district aids council activities coordinated	4 district aids council activities coordinated	4 district aids council activities coordinated	4 district aids council activities coordinated	4 district aids council activities coordinated	None	None	Attendance registers and signed exit reports	Achieved	To coordinate district aids council activities by June 2024
Mayoral IMBIZOS Activities	Number of Mayoral Imbizos coordinated	4 Mayoral Imbizos coordinated	4 Mayoral Imbizo coordinated	4 Mayoral Imbizo coordinated	4 Mayoral Imbizo coordinated	None	None	Exit reports and attendance registers	Achieved	To coordinate and facilitate Mayoral IMBIZOS
Youth development programmes	Numberof Youth development programmes facilitated	3 Youth development Programmes facilitated	3 Youth development programme facilitated	3 Youth development programme facilitated	3 Youth development programme facilitated	None	None	Attendance registers and exit reports	Achieved	To facilitate Youth development programmes by June 2024
Mayor's forum	Number of Mayor's forum facilitated	4 Mayor's forum facilitated	4 Mayor's forum facilitated	4 Mayor's forum facilitated	1 Mayor's forum facilitated	Due to hectic schedule of activities for Exeutive Mayor	To be facilitated in the next financial year	Attendance registers and exit reports	Not Achieved	To facilitate Mayor's forum by June 2024

Mayoral Sports activities	Number of Mayoral Sport activities facilitated	2 Mayoral Sport activities facilitated	1 Mayoral Sport activities and 1 indigenous games facilitated	1 Mayoral Sport activities and 1 indigenous games facilitated	Indigenous Games held at Mapodile 16/07/2023Q4 : Executive Mayor's Cup Not Coordinated.	Due to hectic schedule of activities for Exeutive Mayor	To be facilitated in the next financial year	Attendance registers and exit reports	Not Achieved	To facilitate Mayoral sports activities by June 2024

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Department Executive Mayor's Office

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KPA Good Governance And Public Participation

Office Of The Municipal Manager

Project Name	KPI	Baseline	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
Three (3) Years rolling Plan	Number of (SDM & SDA) 3 years rolling plans developed and approved	2 (SDM & SDA) 3 years rolling plans developed and approved	2 (1 for SDM & 1 for SDA) 3 years rolling plans developed and approved	2 (1 for SDM & 1 for SDA) 3 years rolling plans developed and approved	2 (1 for SDM and 1 for SDA) 3 years rolling plans developed and approved	None	None	2 (1 SDM & 1 SDA) three year rolling plans developed and signed off.Audit committee minutes for approving the Plans.	Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024
Regularity audit	Number of regularity audit conducted and issued	20 Regularity audits conducted and issued	18 Regularity Audits conducted and issued (16 SDM & 4 SDA)	18 Regularity Audits conducted and issued (16 SDM & 4 SDA)	22 Regularity audits conducted and issued, Budget Management audit, Audit of Project Management, Inventory Audit, UIFW audit, Moral Regeneration Movement and Traditional Leaders audit, Legal Management, Asset Management, etc	None	None	18 Regularity Audit Reports signed and issued	Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024
Ad hoc Audits	Percentage of Ad Hoc audits executed and issued	100% Ad hoc Audis excuted and issued	100% Ad hoc Audit executed and reports issued	100% Ad hoc Audit executed and reports issued	100% Ad hoc Audit executed and reports issued	None	None	Signed Adhoc reports	Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024
ICT Audits	Number of ICT Audits conducted and issued	4 ICT Audit conducted issued	3 ICT Audit conducted and reports issued	3 ICT Audit conducted and reports issued	3 ICT Audit conducted and reports issued..	None	None	3 ICT signed Reports	Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024

Audits of Performance Information	Number of Audit of Performance Information conducted and issued	8 Audit of Performance Information conducted and issued	8 Audit of Performance Information conducted and reports issued (4 SDM & 4 SDA)	8 Audit of Performance Information conducted and reports issued (4 SDM & 4 SDA)	12 Audit of Performance Information conducted and reports issued.	None	None	8 Audit of Performance Information Signed Reports	Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024
Financial Misconduct Disciplinary Board	Number of Financial Disciplinary Board meetings coordinated	None	6 Financial Disciplinary Board meetings coordinated	6 Financial Disciplinary Board meetings coordinated	5 Financial Disciplinary Board meetings coordinated	Change in Financial Management Disciplinary Board members affected the committee's effectiveness.	The meeting will be convened in July 2024.	Attendance Register, Minutes of the meetings,and Agenda	Not Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024
Auditor general activities	Percentage monitoring of implementation of AG activities	100% monitoring of implementation of AG activities	100%monitoring of implementation of AG activities	100% monitoring of implementation of AG activities	100% monitoring of implementation of AG activities	None	None	Proof of payments,RFI, COMAF	Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024
Internal Audit Implementation plan	Percentage monitoring of Internal Audit implementation plan	100% monitoring of Internal Audit Implementatio n plan	100% monitoring of internal audit implementation plan (SDM, SDA & PAC)	100% monitoring of internal audit implementation plan (SDM, SDA & PAC)	100% monitoring of internal audit implementation plan (SDM, SDA & PAC)	None	None	Internal Audit Implementation Plan Minutes of the Audit Steering Committee	Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024
Audit Committee and Performance Audit Committee meetings	Number of meetings of audit and performance committees coordinated	7 (4 ordinary and 3 special) meetings of audit and performance committees coordinated	9 (4 ordinary and 5 special) meetings of audit and performance committees coordinated	9 (4 ordinary and 5 special) meetings of audit and performance committees coordinated	9 (4 ordinary and 5 special) meetings of audit and performance committees coordinated	None	None	Signed Minutes of the Ordinary, Minutes of the various AC Meetings and Special Audit Committee	Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024
External quality assessment	Number of external quality assessment performed	None	1 external quality assessment performed	1 external quality assessment performed	0 External Assessment performed	The municipality requested Treasury to assist with the CAR.	The municipality will develop specification to advertise in the 2024-25 financial year.	Signed External Assessment Report	Not Achieved	To ensure improved internal controls and clean governance in the municipality by June 2024

Strategic Risk assessment and risk register review	Number of Strategic Risk Assessment conducted, and Strategic Risk Registers reviewed	Strategic Risk Register in /place	*1 Strategic Risk Assessment conducted * 4 Strategic Risk Registers reviewed	*1 Strategic Risk Assessment conducted * 4 Strategic Risk Registers reviewed	*1 Strategic Risk Assessment conducted * 4 Strategic Risk Registers reviewed.	None	None	Attendance register of Risk assessment conducted	Achieved	To assist the Accounting Officer/Authority in addressing its oversight requirements of risk management and evaluating and monitoring the municipality's performance with regards to risk management by June 2024
Operational Risk Assessment and risk register review	Number of Operational Risk Assessment Conducted and Operational Risk Registers reviewed	Operational Risk Registers in place	*1 Operational Risk Assessment Conducted *4 Operational Risk Registers reviewed	*1 Operational Risk Assessment Conducted *4 Operational Risk Registers reviewed	*1 Operational Risk Assessment Conducted *4 Operational Risk Registers reviewed	None	None	Attendance register of Risk assessment conducted	Achieved	
Processes Risk Assessments	Number of Processes risk assessments conducted	2 Processes Risk registers in place	7 x Processes risk assessments conducted	7 x Processes risk assessments conducted	1 x Processes risk assessment conducted	Capacity constraints	To discontinue the project.	Signed Processes Risk Register	Not Achieved	
Insurance coverage for municipal assets	Percentage insurance coverage for municipal assets facilitated	Assets Insurance Policy contract in place	100% insurance coverage for municipal assets facilitated	100% insurance coverage for municipal assets facilitated	100% insurance coverage for municipal assets facilitated	None	None	Signed Assets Insurance, Policy contract and endorsements	Achieved	
Reevaluation of Under-insured municipal Assets	Percentage under-insurance municipal assets reevaluated	None – New project	100% under-insured municipal assets reevaluated	100% under-insured municipal assets reevaluated	100% (23) under-insured municipal assets reevaluated	None	None	Under-insured re-evaluation report	Achieved	
Assets Insurance Claims and Excess payments	Percentage of insurance claims processed, and payments of losses and excess facilitated	Insurance claims report in place	100% of insurance claims processed, and payments of losses and excess facilitated	100% of insurance claims processed, and payments of losses and excess facilitated	100% (45) of insurance claims processed, and payments of losses and excess facilitated	None	None	Signed Insurance Claims report and Claim register	Achieved	
Security Management	Percentage Security Incidents managed	Security Incidents report in place	100% Security Incidents managed	100% Security Incidents managed	100% (9) Security Incidents managed	None	None	Signed Security Incidents Management report	Achieved	

Security Safeguards Improvement	Number of Operational sites Safeguards improved	Security Policy in place	4 Operational sites Safeguards improved	4 Operational sites Safeguards improved	0 Operational sites Safeguards improved	Budget constraints	Raise budget for security improvement for 2025/2026FY	Work Completion report	Not Achieved
Security Operational Sites Assessments	Number of Security Operational sites assessments conducted	Security operational Sites report in place	Forty (40) Security Operational sites assessments conducted	Forty (40) Security Operational sites assessments conducted	Forty (40) Security Operational sites assessments conducted	None	None	Signed Security Operational sites assessment reports	Achieved
Compliance management	Number of compliance management report compiled	Compliance Management report in place	4 compliance management report compiled	4 compliance management report compiled	4 compliance management report compiled	None	None	Signed Compliance Management report	Achieved
Management ...mittee (RMC)	Number of RMC meetings coordinated	Number of RMC meetings coordinated	Four (04) RMC meetings coordinated	Four (04) RMC meetings coordinated	Four (04) RMC meetings coordinated	None	None	Signed Risk Management reports	Achieved

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Department Office Of The Municipal Manager

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KPA Good Governance And Public Participation

Speakers Office

Project Name	KPI	Baseline	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
Council whippery meetings	Number of Council Whippery meeting facilitated.	4 Council Whippery meeting facilitated.	4 Council Whippery meeting facilitated.	4 Council Whippery meeting facilitated.	3 Council Whippery meeting facilitated.	Council Whippery meetings were not convened after the Chief Whip resigned from Council.	Council Whippery meeting will be facilitated once a new Chief Whip is appointed.	Attendance Registers and Signed Notices.	Not Achieved	To facilitate booking of venue, prepare agenda, issues invites and record proceedings by June 2024.
Study group	Number of study groups facilitated	4 study groups facilitated	4 Study Group Facilitated.	4 Study Group Facilitated.	4 Study Group Facilitated.	None	None	Attendance Registers and Signed Notices.	Achieved	

Strategic planning sessions for Section 79 Portfolio Committees	Number of Strategic planning sessions (Section 79 Portfolio Committees	1 Strategic planning sessions (Section 79 Portfolio Committees facilitated	1 Strategic planning sessions (Section 79 Portfolio Committees) facilitated	1 Strategic planning sessions (Section 79 Portfolio Committees) facilitated	0 Strategic planning sessions (Section 79 Portfolio Committees) facilitated	Budget constrains	To be implemented in the next financial year	Attendance register, Signed exit report	Not Achieved RFI
Capacity building workshops	Number of capacity building workshops facilitated	2 capacity building workshops facilitated	2 capacity building workshops facilitated	2 capacity building workshops facilitated	2 capacity building workshops facilitated(1 capacity building workshop on Rules of Order and Standing Orders of Council/Code of Conduct And 1 capacity building workshop on income tax facilitated.	None	None	Signed Exit Report.	Achieved
ing and lopment of Councilors	Number of councillors enrolled for training and development	2 councillors trained	7 Councillors enrolled for training and development.	7 Councillors enrolled for training and development.	5 Councillors enrolled for training and developmet	2 Councillors were not enrolled for training and development due to finanial constraints.	The remaining Councillors to be enrolled in the 2024/2025 financial year.	Proof on enrolment for training and development.	Not Achieved
Council Resolution registers	Numberof Council Resolution registers compiled and coordinated	4 Council Resolution registers compiled and coordinated	4 council resolution register compiled and coordinated.	4 council resolution register compiled and coordinated.	4 council resolution register compiled and coordinated.	None	None	Council Resolution Register.	Achieved
State of the District Address & Budget Day	Number of State of the District Address and Budget days facilitated	1 State of the District Address , 1 Budget Day facilitated	1 State of the District Address, 1 Budget Day facilitated	1 State of the District Address, 1 Budget Day facilitated	1 Extra Special Council Meeting (State of the District Address) not facilitatedQ4 ; Extra Special Council Meeting (Budget Speech) not facilitated.	Conflicting schedule.	to be facilitated in the next financial year 2024/2025.	Attendance Registers and Signed Notices.	Not Achieved
Council meetings	Number of Ordinary council meetings facilitated	4 council meetings facilitated	4 Ordinary Council Meeting facilitated.	4 Ordinary Council Meeting facilitated.	4 Ordinary Council Meeting facilitated.	None	None	Attendance Registers and Signed Notices.	Achieved

Portfolio committee meetings	Number of portfolio committee meetings facilitated	20 portfolio committee meetings facilitated	20 Portfolio Committee Meetings facilitated.	20 Portfolio Committee Meetings facilitated.	20 Portfolio Committee Meetings facilitated..	None	None	Attendance Registers and Signed Notices.	Achieved
Oversight visits	Number of oversight visits facilitated	4 Oversight visits facilitated	4 Oversight visits facilitated	4 Oversight visits facilitated	4 Oversight visit facilitated.	None	None	Exit report	Achieved
Public participation sessions.	Number of public participation sessions facilitated	15 public participation sessions facilitated	14 public participation sessions facilitated	14 public participation sessions facilitated	20 public participation sessions facilitated (7 public participation meetings on 2022/2023 draft annual report facilitated and 13 public participation meetings on the IDP/Budget facilitated).	None	None	Attendance Registers and Signed Notices.	Achieved
FORA	Number of fora facilitated	16 Fora facilitated	8 Fora facilitated	8 Fora facilitated (Speakers Forum)	9 Fora facilitated (Speakers Forum)	None	None	Attendance Registers and Signed Notices.	Achieved
FORA	Number of fora facilitated	16 Fora facilitated	4 Fora facilitated	4 Fora facilitated (Chief Whip's Forum)	4 Fora facilitated (Chief Whip's Forum)	None	None	Attendance Registers and Signed Notices.	Achieved
FORA	Number of fora facilitated	16 Fora facilitated	2 Fora facilitated	2 Fora facilitated (MPAC)	2 MPAC Forum facilitated	None	None	Attendance Registers and Signed Notices.	Achieved
Support to Ward committees	Number of ward committees support facilitated	1 Ward Committee Conference facilitated	2 ward committees support facilitated	2 ward committees support facilitated	2 ward committees support facilitated	None	None	Attendance registers and signed registers	Achieved
MPAC Public hearings	Number of MPAC public hearings facilitated	2 MPAC public hearings facilitated	2 MPAC public hearings facilitated	2 MPAC public hearings facilitated	0 MPAC public hearings facilitated	Conflicting schedule	To be facilitated in the next quarter	Attendance Registers and Signed Notices.	Not Achieved RFI

MPAC Working sessions	Numberof MPAC working sessions facilitated	8 MPAC working sessions facilitated	8 MPAC working sessions facilitated.	8 MPAC working sessions facilitated.	21 MPAC working sessions facilitated.	None	None	Attendance Registers and Signed Notices.	Achieved
Strategic planning sessions for MPAC	Number of Strategic planning session MPAC) facilitated	1 Strategic planning session MPAC) facilitated	1 Strategic planning session (MPAC) facilitated	1 Strategic planning session (MPAC) facilitated	0 MPAC Strategic Planning Session not facilitated.	Budgetary constrains	To be facilitated in 2024/25	Attendance register, Signed exit report	Not Achieved

INSTITUTIONAL TRANSFROMATION AND ORGANISATIONAL DEVELOPMENT

2023 - 2024

Annual

SEKHUKHUNE
District Municipality

Institutional Development And Organizational Transformation										
Corporate Services										
Project Name	KPI	Baseline	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
Structural Alignment of the Organisational Structure with the Legislation	Number of Organisational Structure Reviewed	2023-2027 Approved Organisational Structure	1 Organisational Structure Reviewed	1 Organisational Structure Reviewed	1 Organisational Structure Reviewed	None	None	Council Resolution(approved Organisational Structure)	Achieved	To align and implement the staff establishment regulation by June 2024
Job Evaluation and Job Descriptions	Number of jobs descriptions developed and evaluated	185 jobs Moderated by the PAC	50 Job descriptions developed and evaluated	50 Job descriptions developed and evaluated	178 Job descriptions developed and evaluated	None	None	Job Evaluation Report	Achieved	To ensure effective job grading and proper job descriptions by June 2024.
ICT Steering Committee Meetings	Number of ICT steering committee meetings	4 Quartely meetings held	4 ICT steering committee meetings convened	4 ICT steering committee meetings convened	4 ICT steering committee meetings convened	None	None	Attendant register/minutes	Achieved	Convening ICT steering committee meetings by June 2024
Contract Monitoring	Number of ICT Service Providers Performance Monitoring and Evaluation meetings held	New	4 ICT Service Providers Performance Monitoring and Evaluation meetings held	4 ICT Service Providers Performance Monitoring and Evaluation meetings held	4 ICT Service Providers Performance Monitoring and Evaluation meetings held	None	None	Attendant register/minutes	Achieved	To monitor Service Level Agreements by June 2024
ICT Incedent	Percentage (%) of reported ICT incidents resolved	New	100% of reported ICT Incidents resolved	100% of reported ICT Incidents resolved	100% (1194) of reported ICT Incidents resolved	None	None	ICT Job Card	Achieved	To report ICT Incidents resolved by June 2024

Procurement of Hardware devices	% Hardware devices purchased	New	100 % Hardware devices purchased	100 % Hardware devices purchased	100 % hardware devices purchased (59 laptops, 7 tablets and 1 network adaptor)	None	None	Delivery Note and Purchase Order	Achieved	To improve efficiency and effectiveness of municipal administration by June 2024
ICT Network Infrastructure	Number of sites connected with ICT network infrastructure	5 sites connected with ICT Infrastructure	18 sites connected with ICT network infrastructure	18 sites connected with ICT network infrastructure	20 sites connected with ICT network infrastructure	None	None	Network Diagram Reports	Achieved	To connect ICT network infrastructure by June 2024
Labour relations publications	Number of Labour relations publications issued	4 Labour relations publications issued	4 Labour relations publications issued	4 Labour relations publications issued	4 Labour relations publication issued.	None	None	Labour relation publications issued.	Achieved	To facilitate 4 Labour relations publications by June 2024
cal labour rums (LLF)	Number of LLF meetings facilitated	7 Local Labour Forums Facilitated.	12 LLF meetings facilitated	12 LLF meetings facilitated	7 Local Labour Forum facilitated.	failure to meet quorum.	LLF workshop facilitated, and members encouraged to observe scheduled meetings.	Minutes and attendance registers	Not Achieved	To Facilitate Local Labour Forums by June 2024.
Labour related grievances	% of labour related grievances facilitated	Labour related grievances facilitated	100% Labour related grievances facilitated	100% Labour related grievances facilitated	100% (3) labour related grievance facilitated.	None	None	100% Labour related grievances facilitated	Achieved	To facilitate labour related grievances by June 2024
Labour related disciplinary cases.	% of Disciplinary cases facilitated.	6 Disciplinary cases facilitated.	100% disciplinary cases facilitated	100% disciplinary cases facilitated	100% (6) disciplinary cases facilitated	None	None	Disciplinary hearing rulings/reports and/or settlements and attendance registers	Achieved	To facilitate disciplinary cases by June 2024

Records Management	Number of records management projects Implemented	Approved File Plan	6 Record Management projects Implemented:3 File Plan Awareness campaigns conducted.2 Records Disposal reports compiled and submitted to Provincial Archieve.1 Review of policy and procedure manual)	6 Record Management projects Implemented:3 File Plan Awareness campaigns conducted.2 Records Disposal reports compiled and submitted to Provincial Archieve.1 Review of policy and procedure manual)	6 Record Management projects Implemented: 3 File Plan Awareness campaigns conducted.2 Records Disposal reports compiled and submitted to Provincial Archieve.1 Review of policy and procedure manual)	None	None	1. File plan Awareness attendance Registers. 2. Records disposal reports/Disposal Certificates. 3. Council resolution/revie wed policy and procedure manual.	Achieved	To provide sound records management by June 2024
Fleet management	Number of vehicles licenced	88 vehicles and 88 licenced.	88 Vehicles Licenced	88 Vehicles Licenced	91 Vehicles Licenced	None	None	Lisence disks	Achieved	To facilitate the maintenance and licensing of municipal vehicles by June 2024
et management	% of SDM owned vehicles maintained	100 % of SDM owned vehicles maintained	100% SDM owned Vehicles maintained	100% SDM owned Vehicles maintained	100% (164) SDM owned Vehicles maintained	None	None	Maintanance Register / Job Cards	Achieved	To facilitate the maintenance and licensing of municipal vehicles by June 2024
Procurement of IWS machinery (yellow vehicles)	Number of Vehicles and machinery acquired through RT57	16 Vehicles Acquired through RT 57	5 Vehicles and machinery acquired through RT57	5 Vehicles and machinery acquired through RT57	3 Vehicles and machinery acquired through RT57	Delayed appointment of RT57 service providers. The budget only allows purchase of three Machinary	Fastrack appointment of service provider. Allocate budget in 2024/25 f/y.	Delivery Note	Not Achieved	By facilitating the purchase of IWS machinery (yellow vehicles) by June 2024
Maintenance and Repairs of Facilities	Number of Facilities maintained	06 Facilities maintained	03 Facilities maintained1. AB Skosana 2. Thokozile Nchabeleng 3. Hlogotlou Depot	03 Facilities maintained1. AB Skosana 2. Thokozile Nchabeleng 3. Hlogotlou Depot	07 Facilities maitained. 1. AB Skosana 2. Thokozile Nchabeleng 3. Hlogotlou Depot . 4. Renovating Speakers office 5. Clearing Hoep -Hoep Street 6. Renovation of Fetakgomo . 7 Repairs at West Offices	None	None	Quarterly repairs reports	Achieved	To facilitate maintenance and repairs of facilities by June 2024

Cascade IPMDS from level 2 to 3	Number of performance Appraisals up to level 3.	Performance agreement/ commitments were developed and signed up to level 3.	36 employees appraised upto level 3	35 employees appraised upto level 3	36 employees not appraised upto level 3	Capacity Constraints.	Prioritise and Fastrack the filling of Snr Individual PMS Officer.	Performance assessments and remedial action reports	Not Achieved	To cascade the Individual PMS up to level 6 by June 2024
Recruitment and Selection	Number of funded and vacant positions filled	Vacant and funded positions filled	49 funded and vacant positions filled	49 funded and vacant positions filled	3 funded and vacant positions filled	Implementation of the National Treasury norm to ensure that employee related cost remain within 40% of operational budget	Prioritation of critical positions to be filled	Appointment Letters	Not Achieved	To fill the funded vacant positions
Development of WSP/ ATR	Number of WSP Submitted (Work skill plan) to LG Seta by 30 April 2024	Work Skills Plans/ATR in place/ developed.	Submission of WSP (Work skill plan) to LG Seta by 30 April 2024	Submission of WSP (Work skill plan) to LG Seta by 30 April 2024	WSP (Work skill plan) submitted to LG Seta by 30 April 2024	None	None	Attendance register & minutes WSP & ATR LG Seta Acknowledgement letter.	Achieved	To facilitate training, development and learning through WSP by June 2024
Development of Policies	Number of policies developed	30 Policies approved by Council	2 policies developed	2 policies developed	2 New policies were developed	None	None	Council resolution	Achieved	To develop, design and review policies by June 2024
Submission of Employment Equity Plans	Number of Employment Equity Plan report submitted to Dep. of Labour by January 2024.	Employment Equity Plan Submitted	1 Employment Equity Plan report submitted to Dep. of Labour by January 2024.	1 Employment Equity Plan report submitted to Dep. of Labour by January 2024.	1 Employment Equity Plan report submitted to Dep. of Labour by January 2024.	None	None	Acknowledgement letters	Achieved	To implement Employment Equity by June 2024
Reviewal of Policies	Number of policies reviewed	30 Policies approved by Council	7 policies reviewed	7 policies reviewed	9 HR Financial Policies in the process of reviewed	None	None	Council resolution	Achieved	To implement Employment Equity by June 2024

Establishment of Institutional IGR Clusters	Number of Functional Institutional IGR Structures coordinated	9 IGR clusters functional	24 Functional Institutional IGR Structures coordinated (4 CFO, 4 technical, 4 economic, 4 social, 4 MM, 4, Mayor's Forum)	20 Functional Institutional IGR Structures coordinated (4 CFO, 4 technical, 4 economic, 4 social, 4 MM, 0, Mayor's Forum)	20 Functional Institutional IGR Structures coordinated (4 CFO, 4 technical, 4 economic, 4 social, 4 MM, 0, Mayor's Forum)	Mayor's Forum was unsuccessful due to tight schedule	Mayor's forum to be held together with Mayoral Performance Lekgotla.	Minutes of meetings and attendance registers.	Not Achieved	To ensure effective functionality of IGR structures between the district and the local municipalities by June 2024
Management of Employees Bursaries	Number of Bursary maintained	25 Internal Bursaries awarded and Bursary Policy in place	22 Bursaries maintained and 13 new bursaries awarded	22 Bursaries maintained and 13 new bursaries awarded	22 Bursaries maintained and 13 new bursaries awarded	None	None	Bursary Report and busary holder list	Achieved	To Manage and Implement Internal Bursaries by June 2024
Employee wellness and counselling programme	Number of wellness awareness programmes conducted, Number of SAIMSA National Employee Wellness Programmes facilitated and Employee Wellness Day conducted.	3 wellness and counselling programmes conducted.	4 wellness awareness programmes conducted, 1 SAIMSA National Employee Wellness Programme facilitated and 1 Employee Wellness Day conducted	4 wellness awareness programmes conducted, 1 SAIMSA National Employee Wellness Programme facilitated and 1 Employee Wellness Day conducted	13 Wellness awareness programmes conducted, 1 SAIMSA National Employee Wellness Programme facilitated and 1 Employee Wellness Day conducted	None	None	Attendance registers and report	Achieved	To implement employee wellness programmes by June 2024
Substance Abuse Programme	Number of substance abuse programmes conducted	3 substance abuse programmes conducted	4 Substance Abuse Programme conducted	4 Substance Abuse Programme conducted	9 Substance Abuse Programme conducted	None	None	Attendance registers and reports	Achieved	To Implement substance abuse counselling programmes by June 2024

Occupational Health and Safety elements	Number of Occupational Health and Safety elements conducted	53 Occupational Health and Safety elements conducted	53 Occupational Health and Safety elements conducted *36 workplace inspections, *4 project audits, *6 safety awareness campaigns, *4 safety committee meetings, *1 servicing of fire extinguishers, *1 servicing of fire hose reels, *1 medical surveillance programme).	53 Occupational Health and Safety elements conducted *36 workplace inspections, *4 project audits, *6 safety awarenesa campaigns, *4 safety committee meetings, *1 servicing of fire extinguishers, *1 servicing of fire hose reels, *1 medical surveillance programme).	53 Occupational Health and Safety elements conducted *44 workplace inspections, *4 project audits, *13 safety awareness campaigns, 9 safety committee meetings, *0 servicing of fire extinguishers and fire hose reels, *0 medical surveillance programme	Delayed appointment of service provider and budgetary constraints.	Medical Surveillance service provider to be appointed in the first quarter 2024/25 f/y. Budget provided for servicing of Fire extiquishers and fire hose reels in 2024/2025 f/y.	Attendance registers and report	Not Achieved	To implement Occupational Health and Safety elements by June 2024
Personal Protective Equipment	Percentage of Personal Protective Equipment provided to employees	7692 Personal Protective Equipment (fire protection PPE) provided to Emergency Services employees, IWS, and CPS	100% Personal Protective Equipment provided to employees	100% Personal Protective Equipment provided to employees	100% Personal Protective Equipment provided to employees. (8469 out of 8469 PPE) items were provided to employees	None	None	Reports and PPE collection register.	Achieved	To provide Personal Protective Equipment

Office Of The Municipal Manager

Project Name	KPI	Baseline	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
Performance Makgotla	Number of Performance Makgotla Sessions facilitated	4 Performance Makgotla Sessions held	04 Performance Makgotla sessions facilitated	04 Performance Makgotla sessions facilitated	04 Performance Lekgotla session facilitated	None	None	Attendance Registers, Makgotla Resolutions	Achieved	To facilitate Performance Makgotla sessions by 30 June 2024
2024/2025 Institutional SDBIP developed	Number of Institutional SDBIP reviewed and developed	2023/2024 Institutional SDBIP developed	1 Institutional SDBIP reviewed and 1 Institutional SDBIP developed	1 Institutional SDBIP reviewed and 1 Institutional SDBIP developed	1 Institutional SDBIP reviewed and 1 Institutional SDBIP developed	None	None	Signed 2024/2025 Institutional SDBIP	Achieved	To develop 2024/2025 Institutional SDBIP by June 2024

2022/2023 Institutional Annual Report oversight report compiled	Number of 2022/2023 Institutional Annual Reports and oversight report compiled.	1 2021/2022 Institutional Annual Report in place and 01 oversight report compiled	1 2022/2023 Institutional Annual Reports and oversight report compiled.	1 2022/2023 Institutional Annual Reports and oversight report compiled.	1 2022/2023 Institutional Annual Reports and oversight report compiled.	None	None	Final 2022/2023 Annual Report and Oversight Report.	Achieved	To compile 2022/2023 Institutional Annual Report and oversight report by January 2024
Individual performance assessments for senior managers	Number of performance assessments for senior managers conducted. (2022/2023 Annual & 2023/2024 Mid-term)	Signed Performance agreement for senior managers in place	2 performance assessments for senior managers conducted. (2022/2023 Annual & 2023/2024 Mid-term)	2 performance assessments for senior managers conducted. (2022/2023 Annual & 2023/2024 Mid-term)	1 performance assessments for senior managers conducted. (2022/2023 Annual)	1 performance assessments for senior managers (2023/24 Midterm) not conducted due to tight schedule.	Reschedule the date of assessment	2022/23 Mid-term and 2021/2022 Annual Assessment Reports	Not Achieved	To facilitate performance assessments for senior managers by June 2024
Review of 2023/2024 PMS Policy and Framework	Number of 2023/2024 PMS Policies and Frameworks reviewed and adopted by Council	2022/2023 PMS Policy and Framework in place	1 2023/2024 PMS Policies and Frameworks reviewed and adopted by Council	1 2023/2024 PMS Policies and Frameworks reviewed and adopted by Council	1 2023/2024 PMS Policies and Frameworks reviewed and adopted by Council	None	None	1 2023/2024 PMS Policies and Frameworks reviewed and adopted by Council	Achieved	To review PMS Policy and Framework by June 2024
Back to Basics (B2B) Reports	Number of quarterly Back to Basics (B2B) reports coordinated	2022/2023 B2B reports in place	04 quarterly Back to Basics (B2B) reports coordinated	04 quarterly Back to Basics (B2B) reports coordinated	04 quarterly B2B report coordinated	None	None	4 Quarterly B2B signed Reports	Achieved	To Coordinate quarterly Back to Basics Reports by June 2024
Implementation Performance Management System	Percentage implementation of the Performance Management System	Performance Management System in place	100% implementation of the Performance Management System	100% implementation of the Performance Management System	100% implementation of the Performance Management System	None	None	PMS system in place and operational.	Achieved	To Implement Performance Management System(PMS) by June 2024
Litigations	% of litigations attended to	15 Litigations attended to	100% litigations attended to	100% litigations attended to	100% litigations matter attended to (71)	None	None	Litigation register and Report.	Achieved	To Manage litigations instituted against SDM

Service level agreements and other forms of agreements	% of all service level agreements and other forms of agreements drafted and/or vetted	310 service level agreements and other forms of agreements drafted and/or vetted	100% service level agreements and other forms of agreements drafted and/or vetted	100% service level agreements and other forms of agreements drafted and/or vetted	100% service level agreements and other forms of contracts attended to (90 drafted and 07 Vetted).	None	None	Achieved		To vet and/or draft service level agreements and other forms of agreements
Legal opinions	% of legal opinions drafted	10 legal opinions	100% legal opinions drafted	100% legal opinions drafted	100% (01 legal opinion provided).	None	None	All legal opinions drafted	Achieved	To provide sound legal opinions to SDM

Planning and Economic Development										
Project Name	KPI	Baseline	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
2024/2025 IDP Framework/ Process Plan	Number of 2024/2025 IDP Framework/ Process Plan developed	2023/2024 IDP Framework/ Process Plan in place	01 2024/2025 IDP Framework/ Process Plan developed	01 2024/2025 IDP Framework/ Process Plan developed	01 IDP Framework/ Process Plan document for 2024/2025 developed	None	None	*IDP Framework/ Process Plan document for 2024/2025 *Council resolution	Achieved	To develop IDP Framework/ Process Plan by August 2023
The review of Integrated Development Plan (IDP)	Number of 2024/2025 Integrated Development Plan (IDP) reviewed	2023/24 Integrated Development Plan (IDP) developed	01 2024/2025 Integrated Development Plan (IDP) reviewed	01 2024/2025 Integrated Development Plan (IDP) reviewed	01 2024/2025 Integrated Development Plan (IDP) reviewed	None	None	*Final IDP 2024/2025 *Council Resolution	Achieved	To review the Integrated Development Plan (IDP) by June 2024
IDP Rep Forums	Number of IDP Rep Forums facilitated	2 IDP Rep Forums Facilitated	02 IDP Rep Forums facilitated	02 IDP Rep Forums facilitated	02 IDP Rep Forums facilitated	None	None	*Signed Minutes *attendance register	Achieved	To facilitate the IDP Rep Forums by June 2024
District Development Plan Review	Number of 2024/2025 One Plan / District Development Plan reviewed	2023/2024 District Development Plan in place	01 2024/2025 District Development Plan reviewed	01 2024/2025 District Development Plan reviewed	01 2024/2025 District Development Plan reviewed	None	None	*Final DDP 2024/2025 *Council Resolution	Achieved	To facilitate review of District Development Plan by June 2024

LOCAL ECONOMIC DEVELOPMENT

2023 - 2024

Annual

SEKHUKHUNE
District Municipality

Local Economic Development									
Planning and Economic Development									
Project Name	KPI	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
Implementation of EPWP	Number of jobs opportunities created through EPWP	2788 jobs created through EPWP (Infrastructure 2564, Environment and Culture 36 and Social Sector 188)	2788 jobs created through EPWP (Infrastructure 2564, Environment and Culture 36 and Social Sector 188)	2690 job opportunities were created during the financial year, cumulative from 1 July 2023 to June 2024. The target was not achieved with a deficit of 98 job opportunities.	Work opportunities created through infrastructure projects could not manage to assist in the achievement of the target set	Fastrack appointment of Service Providers	EPWP Reporting System generated report	Not Achieved	To create 2 788 job Opportunities through EPWP by June 2024
Support to SMMEs and Co-operatives	Number of SMMEs / Co-operative support provided	20 SMMEs / Co-operatives supported	20 SMMEs / Co-operatives supported	41 SMMEs and Cooperatives supported	Budget allowed support for additional 21 SMMEs and Cooperatives	None	Close out report	Achieved	To provide support to SMMEs and co-operatives by June 2024
Facilitate farmers support through Farmers Production Support Unit (Agri Park) at Vleeschboom (PED)	Number of farmers supported through Farmers Production Support Unit (Agri Park) at Vleeschboom	900 farmers supported through Farmers Production Support Unit (Agri Park) at Vleeschboom	900 farmers supported through Farmers Production Support Unit (Agri Park) at Vleeschboom	995 farmers were supported cumulative from the beginning of second quarter to third quarter as reflected in the report	Department of Agriculture managed to support additional farmers	None	Signed Reports	Achieved	To facilitate farmers support through Farmers Production Support Unit (Agri Park) at Vleeschboom by June 2024
Facilitate Economic Development Forums (Mining, Tourism, LED & Agric.)	Number of Economic Development Forums (Mining, Tourism, LED & Agric.) facilitated	4 Economic Development Forums (Mining, Tourism, LED & Agric.) facilitated	4 Economic Development Forums (Mining, Tourism, LED & Agric.) facilitated	4 Economic Development Forums (Mining, Tourism, LED & Agric.) facilitated	None	None	Signed reports and attendance register	Achieved	Facilitate Economic Development Forums (Mining, Tourism, LED & Agric) by June 2024

Facilitate installation of District Tourism Installation of signage for Tourism Establishments and Products	Number of District Tourism Signage for Tourism Establishments and Products Installation facilitated	9 District Tourism Signage for Tourism Establishments installation facilitated	9 District Tourism Signage for Tourism Establishments Installation facilitated	9 District Tourism Signage for Tourism Establishments installation facilitated	None	None	Signed report	Achieved	To facilitate Installation of District Tourism Signage for Tourism Establishments and Products by June 2024
Farmers support	Number of farmers supported with production infrastructure (Fencing)	2 farmer supported with production infrastructure (Fencing)	2 farmer supported with production infrastructure (Fencing)	0 farmer supported with production infrastructure (Fencing).	Delayed procurement process.	Service provider appointed on 21 June 2024, Infrastructure (Fence) to be installed in the new financial year (2024/2025)	Close out report	Not Achieved	To facilitate support to farmers by June 2024
Support to Organised Business activities	Number of Organised Business activities supported	2 Organised Business activities supported	2 Organised Business activities supported	2 Organised Business activities supported	None.	None	Signed Reports	Achieved	To facilitate support to Organised Business activities by June 2024
Cooperatives participation at Africa Travel Indaba exhibition	Number of SMMEs and Cooperative participating at Africa Travel Indaba	10 SMMEs and Cooperative participating at Africa Travel Indaba	10 SMMEs and Cooperative participating at Africa Travel Indaba	10 SMMEs and Cooperative participating at Africa Travel Indaba	None	None	*Signed Reports	Achieved	To facilitate participation of SMMEs and Cooperatives to Africa Travel Indaba by June 2024
Monitoring of SLPs consultation processes and SLPs implementation	Number of SLP projects integrated in the IDP and their implementation monitored	10 SLP projects integrated in the IDP and their implementation monitored.	10 SLP projects integrated in the IDP and their implementation monitored.	10 SLP projects integrated in the IDP and their implementation monitored.	None	None	*Signed Reports *Attendance Register	Achieved	To Facilitate integration of SLP projects in the IDP by June 2024
Fencing of Tjate Heritage Site	Number of Tjate Heritage Sites fenced off	1 Tjate Heritage Site fenced off	1 Tjate Heritage Site fenced off	0 Tjate Heritage site fenced off.	Delayed procurement process	Service provider appointed on 21 June 2024. Infrastructure to be installed in the new financial year (2024/2025)	Close out report	Not Achieved RFI	To develop Tjate Heritage Site by June 2024

SPATIAL RATIONALE

2023 - 2024

Annual

SEKHUKHUNE
District Municipality

Spatial Rationale										
Planning and Economic Development										
Project Name	KPI	Baseline	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
Joint District Municipal Planning Tribunal (JDMPT) sittings	Number of JDMPT sittings facilitated	6 JDMPT sittings facilitated	4 JDMPT sitting facilitated	4 JDMPT sitting facilitated	4 JDMPT sitting facilitated	None	None	*Signed Reports *Attendance registers	Achieved	To facilitate Joint District Municipal Planning Tribunal (JDMPT) sittings by June 2024
Township establishment process for District Municipal Offices	Number of engagements for land development of District Municipal Offices facilitated	Signed Community resolution in place	4 engagement for land development of District Municipal Offices facilitated	4 engagement for land development of District Municipal Offices facilitated	4 engagement for land development of District Municipal Offices facilitated	None	None	*Signed Reports	Achieved	To facilitate Township establishment process for District Municipal Offices by June 2024
Participation in local municipalities spatial planning programmes and monitor implementation	Number of sessions with local municipalities facilitated	LUMS, SPLUMA By-laws and SDF's in place	4 sessions with local municipalities facilitated	4 sessions with local municipalities facilitated	4 sessions with local municipalities facilitated	None	None	Attendance Registers and reports	Achieved	To participate in the local municipalities spatial planning programmes and monitor implementation by June 2024
Spatial referencing of IDP capital projects	Number of IDP capital projects spatially referenced	144 IDP capital projects spatially referenced	144 IDP capital projects spatially referenced	144 IDP capital projects spatially referenced	72 IDP capital projects spatially referenced in the fourth quarter	Delayed appointment of service provider	The service provider was appointed in April 2024 and software licenses are now renewed and the capturing of projects have commenced	Reports	Not Achieved	To spatially reference the IDP and District Development Plan (DDP) capital projects by June 2024

Workshop for Councillors	Number of Workshops for Councillors on land use and land allocation in terms of SPLUMA facilitated	None	1 Workshop for Councillors on SPLUMA Appeal Authority	1 Workshop for Councillors on SPLUMA Appeal Authority	0 Workshop for Councillors on SPLUMA Appeal Authority.	Conflicting schedule	Training to be offered in new financial year.	*Signed Report *Attendance register	Not Achieved	To facilitate workshops on land use and land allocations in terms of SPLUMA by June 2024.
Review of the District Spatial Development Framework	Percentage review of the District SDF	2018 District Spatial Development Framework in place	30% review of the District SDF	30% review of the District SDF	30% review of the District SDF, where Inception Meeting with appointed service provider facilitated	None	None	Reviewed District Spatial Development Framework.	Achieved	To review the District Spatial Development Framework (SDF) by June 2024

FINANCIAL VIABILITY

2023 - 2024

Annual

SEKHUKHUNE
District Municipality

Financial Viability									
Budget and Treasury									
Project Name	KPI	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
Unqualified Audit Opinion with no matters of emphasis	Percentage of finance related audit findings resolved	100% of Finance related Audit findings resolved	100% of Finance related Audit findings resolved	85% of Finance related Audit findings resolved	UIFWe investigation still pending.Some COMAF's will be addressed by the AFS which will be submitted on the 31 August 2024	To ensure that the submitted AFS address the outstanding matters.MPAC must fast track the investigation to address the UIFWe.	AG report	Not Achieved	To improve audit opinion by June 2024
Submission of AFS and AR to the AG within the legislated time frame	Number of Submission of AFS and AR by 31st August and consolidated AFS by 30 September	02 Submissions of AFS's and AR by 31st August and consolidated AFS by 30 September	02 Submissions of AFS's and AR by 31st August and consolidated AFS by 30 September	02 Submissions of AFS's and AR by 31st August and consolidated AFS by 30 September	None	None	Signed AFS and AR/ Ackonwledgement of receipt by AGSA	Achieved	To ensure compliance with MFMA on annual financial and performance reporting by June 2024
Fully funded annual and adjusted budget for the 2023/24	Number of Approved (Annual and adjusted) Budget prepared and implemented	2 Approved (Annual and Adjusted Budget) prepared,approved and implemented	2 Approved (Annual and Adjusted Budget) prepared,approved and implemented	2 Approved (Annual and Adjusted Budget) prepared,approved and implemented	None	None	Council Resolution	Achieved	To ensure compliance with MFMA on annual budgets by June 2024
Revenue Enhancement Strategy	Percentage of revenue collected against the billing	75% revenue collected against the billing	75% revenue collected against the billing	32% revenue collected against the billing	Not enough personnel for monthly credit control. And disconnection were not effected to none paying consumers	Service provider is appointed to do both meter reading and disconnection	collection rate report	Not Achieved	Enhanced revenue base and collection by June 2024

Billing Data Cleansing	Percentage of Cleansed Client Accounts	100% of Client Accounts Cleansed	100% of Client Accounts Cleansed	100% (4014) of Client Accounts Cleansed.	None	None	Data cleansing report	Achieved	To Maintain Credil Billing Data by Jur 2024
Pre-paid meter installations with vending and customer query management	Number of service providers appointed for pre-paid water installations. maintenance and vending system.	Number of service providers appointed for pre-paid water installations. maintenance and vending system.	1 service providers appointed for pre-paid water installations, maintenance and vending system.	1 service providers appointed for pre-paid water installations, maintenance and vending system..	None	None	Prepaid meter report	Achieved	To Improve Collection on Own Revenue by June 2024
Conventional Meter Reading	Percentage of water meters read	80% water meters read	80% water meters read	35% of water meters read.	Some areas were short of water supply, readings and could not be obtained as a result. Access was debied in some areas	Consistent supply of water.	Meter reading report	Not Achieved	To maintain meter book by June 2024
Indigent Register	Percentage verification of registered indigent	70% verification of registered indigents	70% verification of registered indigents	70% verification of registered indigents	None	None	Indigent register	Achieved	To continuously maintain indigent register by June 2024
Movable and Immovable Fixed Assed Registers	% of Movable Asset Register and Immovable Fixed RegisterAsset updated	100% of Movable Asset Register and Immovable Fixed Register updated	100% of Movable Asset Register and Immovable Fixed Register updated	100% of Movable Asset Register and Immovable Fixed Register updated	None	None	GRAP and Mscoa compliant FAR	Achieved	To continuously maintain Fixed Ass Registers by June 2024
Procurement Plan	Percentage of procurement plan implemented	100% of procurement plan implemented	100% of procurement plan implemented	89% of procument plan implemented.	The larget was centralized in BTO In the current financial year, some processes could not be implemented at a departmental level.	Decentralization of the target, every department is to have a target on the implementation of the annual procurement plan, departments are to be monitored monthly through management engagements.	Procurement plan	Not Achieved	To adhere to procurement schedule by June 2024

SEKHUKHUNE DEVELOPMENT AGENCY

2023 - 2024

Annual

SEKHUKHUNE
District Municipality

Sekhukhune Development Agency

Sekhukhune Development Agency

Project Name	KPI	Target Description	Annual Target Description	Actual Performance Description	Variance Reason	Corrective Measurement	POE	Auditor Status	Strategic Objective
Facilitation of ESD Programme	Number of trainings facilitated through ESD Programme	4 Trainings facilitated trough ESD programme	4 Trainings facilitated trough ESD programme	3 Trainings facilitated trough ESD programme	Delayed appointment of service provider (Facilitator)	Project is put on hold due to budgetary constrains	Attendance Register* Report	Not Achieved	To facilitate Enterprise and Supplier Development (ESD) Programme by June 2024
Facilitation of Tourism Awareness Campaign	Number of Tourism Awareness campaigns facilitated	4 Tourism Awareness campaigns facilitated	4 Tourism Awareness campaigns facilitated	4 Tourism Awareness campaigns facilitated	None	None	Attendance Register* Report	Achieved	To facilitate Tourism Awareness campaigns by June 2024
Facilitation of implementation of Dehoop RMP identified Project	Number of awareness campains on De Hoop RMP identified projects facilitated.	2 awareness campains on De Hoop RMP identified projects facilitated.	2 awareness campains on De Hoop RMP identified projects facilitated.	1 awareness campains on De Hoop RMP identified projects facilitated.	Unavailability of stakeholders	To be facilitated in the new financial year	Attendance Register* Report	Not Achieved	To facilitate implementation of Dehoop RMP identified Projects by June 2024
District-wide skills development intevention	Number of skills development intervention programme facilitated	4 skills development learning intevention programmes facilitated	4 skills development learning intevention programmes facilitated	4 skills development learning intevention programmes facilitated	None	None	Reports	Achieved	To facilitate district-wide skills Development intervention by June 2024

To facilitate the appointment of panel of professional fundraisers	Number of panel for professional fundraisers appointed	1 panel for professional fundraisers appointed	1 panel for professional fundraisers appointed	0 panel for professional fundraisers appointed	panel for professional fundraisers could not be appointed due to the non-responsive of fundraisers	advertised for calls for expression of interest and includes a wider pool of potential fundraisers, leveraging local and international networks to attract more responsive and qualified candidates.	TOR* Advert* Appointment letter	Not Achieved	To facilitate appointment of professional fundraisers by June 2024
Website development and maintenance	Number of websites and Online Entrepreprenueural Hub developed and maintained	1 website developed and maintained	1 website developed and maintained	1 website developed and maintained	None	None	TOR* signed memo *Advert* 1x Appointment letter for Quarter 3, Implemetation Report for Quarter 4	Achieved	To develop and maintain SDA website by June 2024
Financial system development and maintenance	Number of financial systems developed and maintained	1 financial system developed and maintained	1 financial system developed and maintained	1 financial system not developed and maintained	Delayed appointment of service provider	Fastrack appointment of service provider	TOR*signed memo *Advert* Appointment letter	Not Achieved	To develop and maintain SDA financial system by June 2024
Branding and Marketing of SDA	Number of branding and marketing events facilitated	4 branding and marketing events facilitated	4 branding and marketing events facilitated	4 branding and marketing events facilitated	None	None	*Attendance register and *Reports	Achieved	To ensure branding and marketing of SDA by June 2024
Conduct feasibility study on land development of ERF 488	Number of Feasibility studies on land development of ERF 488 studies conducted.	1 feasibility Study on land development of the land ERF 488 conducted	1 feasibility Study on land development of the land ERF 488 conducted	1 feasibility Study on land development of the land ERF 488 conducted	None	None	Attendance register and or Feasibility study report	Achieved	To conduct feasibility study on land development of ERF 488 by June 2024

Annexure D: 2023/2024 Sekhukhune Development Agency Annual Report

ANNUAL REPORT

2023/2024

SEKHUKHUNE DEVELOPMENT AGENCY

The Sekhukhune Development Agency (SDA) is an economic development entity wholly owned by Sekhukhune District Municipality

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SEKHUKHUNE DEVELOPMENT AGENCY

The Sekhukhune Development Agency (SDA) is an economic development entity wholly owned by Sekhukhune District Municipality

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GENERAL INFORMATION

ADDRESS

Sekhukhune Development Agency

3 West Street

Groblersdal

0470

Tel: (013) 262 7300

Fax: 013 262 3688

Website: www.sekhukhunedevelopmentagency.co.za

Website: www.sekhukhunedeveloomentagency.co.za

ACRONYMS

NO.	ABBREVIATIONS	ABBREVIATION IN FULL
1.	AFS	Annual Financial Statement
2.	A.G.	Auditor General
3.	AGSA	Auditor General South Africa
4.	AC	Audit Committee
5.	APR	Annual Performance Report
6.	AR	Annual Report
7.	COGHSTA	Co-operative Governance, Human Settlement and Traditional Affairs
8	DOE	Department of Energy
9.	DSAC	Department of Sport, Arts & Culture
10.	GRAP	Generally Recognised Accounting Practice
11.	IDP	Integrated Development Plan
12.	IGR	Intergovernmental Relations
13.	KPA	Key Performance Area
14.	KPI	Key Performance Indicator
15.	LED	Local Economic Development
16.	LEDET	Limpopo Economic Development Environment Tourism
17.	LGSETA	Local Governement Sector Education & Training Authority
18.	MEC	Member of Executive Council
19.	MFMA	Municipal Finance Management Act
20.	MM	Municipal Manager

21.	MPAC	Municipal Public Accounts Committee
22.	MSA	Municipal Systems Act
23.	MTREF	Medium Term Revenue & Expenditure Framework
24.	N/A	Not Applicable
25.	No.	Number
26.	PMS	Performance Management System
27.	PMU	Project Management Unit
28.	PPP	Public Privite Partnership
29.	PR	Proportional Representative
30.	OHS	Occupational Health & Safety
31.	R	Rand
32.	RSA	Republic of South Africa
33.	SCM	Supply Chain Management
34.	SDBIP	Service Delivery & Budget Implementation Plan.
35.	SDM	Sekhukhune District Municipality
36.	SETA	Sector Education & Training Authority
37.	SDA	Sekhukhune Development Agency
38.	STATSSA	Statistics South Africa
39.	PMS	Performance Management System

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PART A

FOREWORD BY THE MEMBER OF THE MAYORAL COMMITTEE FOR THE PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO

The Sekhukhune District Municipality's establishment of the Sekhukhune Development Agency (SDA) was a masterstroke of foresight, born from the recognition of the urgent need for a dedicated vehicle to drive economic transformation. The SDA was entrusted with the profound mandate of facilitating and implementing high-impact projects, attracting and nurturing investments, and aligning its initiatives with the District Municipality's strategic and service delivery imperatives. It serves as the bridge connecting ambition to achievement, weaving together aspirations and action to address the socio-economic adversities that have long weighed upon our district.

Progress, as history often reminds us, is seldom a straight road; it is an intricate narrative composed of resilience, perseverance, and unyielding collaboration. Reflecting on the remarkable strides made by the SDA during the 2023/2024 financial year, it is evident that this chapter in Sekhukhune's story is one of renewal and resurgence. This year has been a vivid tapestry, interlaced with hard-won milestones, invaluable lessons, and bold aspirations. These achievements highlight the Agency's pivotal role in reshaping the district's economic trajectory and igniting the spark of sustainable growth.

By anchoring its work in the core tenets of inclusive development and harnessing partnerships to amplify impact, the SDA is not merely executing its mandate but scripting a future where progress is both tangible and enduring.

The journey from a qualified audit opinion in 2022/2023 to the unqualified audit opinion achieved this year is akin to a phoenix rising from the ashes. It is a glowing testament to the SDA's unwavering commitment to governance, financial prudence, and ethical stewardship. Like a gardener nurturing a once-barren field into a flourishing oasis, the leadership, executive management, and staff of the Agency have transformed challenges into opportunities, laying a foundation of integrity and accountability.

This achievement, however, is not the destination but rather a stepping stone toward the horizon of a clean audit. It is a beacon illuminating the Agency's renewed focus on operational excellence and sustainable development.

In the year under review, the SDA has been both a dreamer and a doer, conceptualizing and implementing projects that promise to reshape the socio-economic fabric of Sekhukhune. Initiatives such as the Alternative Energy Program, the District-Wide Skills Development Strategy, and the De Hoop Dam Resource Management Plan are not just projects but beacons of hope, signalling our resolve to empower communities, sustain resources, and drive inclusive growth.

Through the De Hoop Dam Resource Management Plan, guided by the Memorandum of Agreement with the Department of Water and Sanitation and the Sekhukhune District Municipality, the SDA is demonstrating the synergy of public-private collaboration. This plan is a cornerstone for resource sustainability and community beneficiation, ensuring that the prosperity of the district flows as consistently as its waters.

We are also witnessing the Agency positioning itself as a key architect in the district's economic ecosystem, engaging in multilateral platforms like the Fetakgomo Tubatse Special Economic Zone and Local Economic Development Forums. These forums are not mere discussions but crucibles where ideas are forged into actionable strategies that enhance economic coordination and catalyse both economic growth and development.

Tourism, a sector often described as the lifeblood of regional economies, has also seen a renaissance under the SDA's guidance. By strengthening partnerships with the Limpopo Tourism Agency and contributing to the Provincial Tourism Routes Development Task Team, the Agency is positioning Sekhukhune as a jewel in South Africa's tourism crown. The vibrancy displayed during Tourism Month campaigns was a clarion call to the world, showcasing our district's cultural heritage and natural splendour.

The unqualified audit opinion achieved this year is more than a numerical accolade; it is a sonnet of perseverance, composed by many hands and harmonized through the shared vision of excellence. It signifies the Agency's steadfast commitment to governance and financial prudence, a lighthouse of integrity in a sea of complexity. Yet, as every maestro knows, the symphony is far from complete. The journey to economic prosperity may be fraught with thorns, but these are not impediments; they are the whetstones upon which our resolve is sharpened. As the Italians say, *"Dove c'è volontà, c'è un modo"* translating; where there is a will, there is a way.

As the primary vehicle for economic transformation, the SDA drives the agenda of inclusive growth, ensuring that the fruits of progress are shared by all. Its Program of Action is a roadmap designed not only to create decent jobs but also to equip communities with the skills and resources needed to seize emerging economic opportunities. This approach epitomizes the concept of empowerment, turning bystanders into participants and participants into leaders in the district's development narrative.

By aligning its strategic objectives with that of its mother body, the Sekhukhune District Municipality, Provincial and national priorities and leveraging strategic partnerships, the Agency is building a future where economic opportunity is no longer a privilege but a birthright. The SDA seeks to ensure that the people of Sekhukhune have the tools, training, and platforms to engage meaningfully in industries such as renewable energy, mining, agriculture, and tourism. In doing so, it aspires to create a district where hope is not just a word but a palpable force driving collective prosperity.

As we stand at the crossroads of possibility and potential, let us remember that progress is not a destination but a journey. To borrow from an Italian proverb, *"Non si può fare una frittata senza rompere le uova"* translated as -you cannot make an omelette without breaking eggs. With courage as our compass, unity as our anchor, and the SDA as our vehicle, we will continue to Aspire to new heights, inspire transformative change, and Invest in a future that leaves no one behind.

Through this unwavering resolve, we affirm our belief that Sekhukhune will not merely exist on the periphery of economic development but will rise to become a central pillar of South Africa's growth story. The path may be arduous, but it is ours to tread, and together, we will illuminate the way forward.

.....

Honourable MMC Alfred Matlala

Sekhukhune District Municipality Member of Mayoral Committee for Planning and Economic Development

STATEMENT BY THE CHAIRPERSON OF THE AUDIT COMMITTEE

It is with great honour and responsibility that I present this prelude to the Sekhukhune Development Agency (SDA) Annual Report for the financial year 2023/2024. As the Audit Committee, our mandate remains firmly rooted in ensuring accountability, transparency, and the highest standards of governance in the agency's operations and financial management.

During the year under review, the SDA received an unqualified audit opinion, which signifies that the financial statements fairly represent the agency's financial performance and position. However, the Auditor-General highlighted matters of emphasis relating to compliance with legislation, internal control deficiencies, and expenditure management. These findings underline the critical areas that require urgent and sustained attention to enable the agency to progress toward achieving a clean audit in the near future.

The 2023/2024 financial year was marked by significant challenges that impacted the agency's operational effectiveness. Notably, the agency's financial management systems were constrained by its reliance on the parent municipality for critical operational systems such as the Municipal Standard Chart of Accounts (mSCOA)-compliant financial system and Supply Chain Management (SCM) processes. The delayed appointment of a Finance Manager until after the close of the financial year further compounded these challenges, limiting the agency's ability to maintain robust financial oversight and address internal control gaps effectively.

Another critical challenge was the lack of capital expenditure necessary for implementing high-impact projects. This limitation impeded the agency's ability to deliver on its developmental mandate fully and achieve the strategic objectives envisioned for the Sekhukhune District.

Despite these challenges, the agency has made commendable strides in laying the groundwork for improved governance and operational efficiencies. The Audit Committee recognizes the significant effort required to address the issues raised by the Auditor-General and emphasizes the need for sustained focus on strengthening compliance with legislative requirements, enhancing internal controls, and improving expenditure management practices.

Looking forward, the Audit Committee is resolute in its commitment to collaborating closely with the Board of Directors and the management team to ensure the seamless execution of critical strategic interventions. These initiatives will serve as the cornerstone for propelling the agency onto a trajectory of sustained growth and positive transformation. Foremost among our priorities will be:

1. **Strengthening Governance and Internal Controls**: We will focus on establishing a robust system of governance and oversight, ensuring that all processes and decisions align with legislative requirements and best practices. This includes proactive monitoring of compliance frameworks and providing guidance on mitigating risks.

2. **Enhancing Financial Systems and Capacities**: Addressing the operational dependency on the parent municipality is essential. The agency must prioritize the implementation of a fully operational mSCOA-compliant financial system, enabling greater independence and efficiency in financial management. Additionally, capacity building within the finance

department will remain a focal area to ensure the agency has the expertise required to maintain high standards of financial integrity.

3. **Addressing Audit Findings:** The agency must ensure that all issues raised by the Auditor-General are addressed with actionable plans. Regular progress reviews and engagements with stakeholders will be crucial in achieving this objective and progressing toward a clean audit outcome.

4. **Securing Capital for High-Impact Projects:** To fulfill its developmental mandate, the agency must explore innovative funding mechanisms and partnerships to address the lack of capital expenditure. Emphasis will be placed on fostering collaborations with both public and private sector stakeholders to drive the successful implementation of transformative projects.

5. **Promoting Sustainable Development**: The Audit Committee will continue to advocate for sound resource management and the alignment of SDA's projects with the broader objectives of socio-economic development in the Sekhukhune District.

As the Audit Committee, we remain committed to providing independent and objective oversight, working collaboratively with the Board of Directors and management to ensure accountability and the prudent use of resources. Together, we aim to position the SDA as a leading developmental agency capable of driving transformative and sustainable change.

In conclusion, I wish to express my gratitude to the members of the Audit Committee for their dedication and diligence throughout the year, as well as to the Board, management, and staff of the SDA for their unwavering commitment to improving the agency's governance and operational performance. While challenges remain, the 2023/2024 financial year has also presented opportunities for learning and growth.

I am confident that the SDA is poised to leverage these lessons and build a resilient, innovative, and impactful future.



.....

Mr Sidwell Mofokeng

Chairperson of the SDA Audit Committee

REMARKS BY THE CHAIRPERSON OF THE BOARD

It is with great honour that I report on the performance and activities of the Sekhukhune Development Agency (SDA) for the financial year 2023/2024. This period marks a significant milestone for the Agency as we reflect on our achievements and lay the groundwork for the future.

First and foremost, I am proud to announce that the SDA has achieved an unqualified audit opinion for the financial year under review, a remarkable improvement from the qualified opinion received in 2022/2023. This outcome is a testament to the Agency's commitment to governance, compliance, and financial management.

I extend my heartfelt gratitude to the Board, management, and staff whose collective efforts contributed to this achievement.

As we celebrate this progress, we also look forward to implementing key strategic projects that are pivotal to the district's economic development. Among these projects are:

1. **Alternative Energy Initiatives** – Supporting the transition to sustainable energy solutions in alignment with national energy priorities.
2. **District-Wide Skills Development** – Equipping our communities with the necessary skills to participate meaningfully in the economy and contribute to the district's growth.
3. **De Hoop Dam Resource Management Plan** – Empowered by the Memorandum of Agreement (MOA) signed with the Department of Water and Sanitation (DWS) and Sekhukhune District Municipality, we will lead the implementation of this critical roadmap. This plan not only regulates access, control, and management of the De Hoop Dam but also ensures community participation, local beneficiation, and the resource's sustainability.

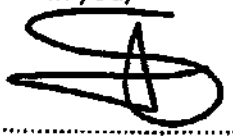
Through strategic collaborations and partnerships, the SDA has solidified its role as a key player in the district's economic ecosystem. Our participation in multilateral forums such as the Fetakgomo Tubatse Special Economic Zone, and the Local Economic Development Forum continues to enhance coordination among economic stakeholders.

In the tourism sector, the SDA has made strides by strengthening its relationship with the Limpopo Tourism Agency and participating in the Provincial Tourism Routes Development Task Team. These efforts aim to position Sekhukhune as a premier tourist destination, unlocking economic opportunities across the district.
This financial year, despite challenges, has been a period of learning, resilience, and reimagining the district's economic development outlook. Highlights include successful tourism campaigns during Tourism Month, which showcased Sekhukhune's unique cultural and natural attractions.

As we move forward, the Board remains steadfast in its oversight responsibilities, focusing on continuous improvement in governance and compliance. While the unqualified audit opinion is a significant achievement, our ultimate goal remains achieving a clean audit.

I wish to extend my profound gratitude to the Council of the Sekhukhune District Municipality, the sole shareholder of the Agency, and to the esteemed political principals entrusted with the mandate of driving economic development. Their visionary stewardship and diligent oversight have been instrumental in guiding the Agency toward the successful attainment of its strategic objectives

Thank you,



.....

Mr. Tshabedi Richard Serote
Chairperson of the Board of Directors

CEO'S OVERVIEW & PERFORMANCE SUMMARY

It is with profound honour and privilege that I, on behalf of the Sekhukhune Development Agency (SDA) management and staff, present the 2023/2024 Annual Report, a chronicle of resilience, transformation, and renewed purpose. This report encapsulates the Agency's unwavering dedication to recovery, strategic realignment, and reinvigoration as we relentlessly pursue our mandate and advance our strategic objectives.

The unqualified audit opinion received by the Agency for the financial year under review is a towering milestone, symbolizing a marked evolution from the qualified opinion of the preceding year. This achievement is a testament to the Agency's resolute commitment to governance, accountability, and operational excellence. It signifies a crescendo of collective effort and steadfast adherence to principles of transparency and fiscal integrity.

The current situational analysis demands a paradigm shift, one that necessitates the recalibration of our strategic compass to ensure that the Agency remains not only relevant but also resilient in a highly competitive and ever-evolving landscape. Repositioning the SDA is not a mere administrative exercise but a necessary renaissance, a call to capture the imagination and trust of the people and stakeholders of Sekhukhune.

As the District Development Model catalyses unprecedented interest in infrastructure development, the SDA stands at the crossroads of opportunity and challenge. This surge of attention requires proactive engagement and strategic agility to harness its potential while navigating the complexities it presents.

Amid the socio-economic adversities that afflict our district; including substantial job losses and the plight of struggling SMME, the Agency's mandate becomes even more critical. SDA is entrusted to spearhead interventions that foster job creation, equip our communities with relevant skills, and stimulate industrialization. These efforts are the seeds from which the district's economic rejuvenation will grow, ensuring opportunities that are both inclusive and enduring.

A notable highlight of the year under review is the SDA's pioneering development and implementation of an Enterprise Resource Management System. This initiative being a first for the Agency marks a transformative leap toward heightened efficiency, transparency, and integration, cementing our foundation for sustained excellence. Furthermore, our focus on human capital development has yielded tangible benefits, with the strategic appointment of a Finance Manager fortifying our financial stewardship and enhancing our ability to fulfil our mandate.

While performance metrics have remained consistent with prior year, the qualitative impact of our programs has been profound. Aligned with our five-year strategic blueprint and the service delivery metrics of the parent municipality, the Agency has made strides in alternative energy initiatives, capacity-building programs to bridge skills gaps, and the implementation of the De Hoop Resource Management Plan. Empowered by the Memorandum of Agreement with the Department of Water

and Sanitation, this plan is a symbiotic fusion of sustainable resource management and community empowerment, ensuring the dam's dual role as a provider of bulk water and a driver of economic growth.

Looking ahead, the Agency's strategic imperatives include:

- Achieving a clean audit, a hallmark of excellence and accountability;
- Seamlessly integrating systems to enhance operational coherence;
- Delivering outstanding performance on the Service Delivery and Budget Implementation Plan (SDBIP);
- Alleviating the triple burdens of poverty, unemployment, and inequality;
- Forging robust partnerships with the private sector and local communities;
- Advancing skills development and fostering trade readiness;
- Propelling tourism growth through strategic insights and market intelligence; and
- Embedding research and innovation as cornerstones of progress.

The Agency's flagship initiatives, including the Yellow Arum Lily Festival, have reinforced its pivotal role as a catalyst for tourism and economic advancement. Our collaboration with the Limpopo Tourism Agency has elevated Sekhukhune's stature as a premier destination for investment and tourism, thereby amplifying its economic potential.

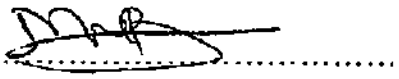
In closing, I extend my heartfelt gratitude to:

- The Executive Mayor, Honourable Cllr. Minah Bahula Maitula, for her steadfast leadership and visionary support;
- The MMC Planning and Economic Development Cllr Alfred Matlala for his unwavering support
- The Accounting Officer of the Parent Municipality and The SDA Board, whose governance illuminates our path forward;
- The Agency's management and staff, whose tireless dedication embodies resilience and innovation;
- The Planning and Economic Development Directorate, along with local municipal directors, for their collaborative contributions to economic growth.
- The media, whose efforts spotlight Sekhukhune as a district of boundless potential; and
- Our valued partners in mining, agriculture, and tourism, whose insights and collaborations remain integral to our shared success.

Furthermore, I extend my deepest appreciation to the Chairperson of the Audit Committee Mr Sidwell Mofokeng, the Chairperson of the Performance Audit Committee Mr Mpatlankwe Mathabathe, and all members of the Audit Committee for their pivotal role as assurance and oversight bodies. Their expertise and diligence have been instrumental in fostering accountability, strengthening governance frameworks, and providing critical insights that have guided the agency in addressing operational challenges and driving continuous improvement. Their commitment to upholding the highest standards of financial and performance management has been a beacon of excellence, ensuring that the agency remains steadfast in its mission to serve the Sekhukhune District effectively.

As we move forward, the Sekhukhune Development Agency is resolute in its mission to *ignite hope, inspire change, and invest in a brighter tomorrow.*

Yours in Economic Development.



Ms. Nancy Rampedi
Acting Chief Executive Officer

CHAPTER 1

EXECUTIVE SUMMARY: CEO's OVERVIEW

The Sekhukhune Development Agency (SDA) present the 2023/2024 Annual Report, a statutory obligation for all municipal entities and municipalities in South Africa, as mandated by the relevant legislative frameworks. This report serves as a comprehensive account of the Agency's performance, achievements, and challenges during the financial year under review.

The organizational structure of the SDA comprises five operational units, in addition to the Office of the Chief Executive Officer, with each department overseen by a dedicated manager. Notably, during the reporting period, the position of Finance Manager remained vacant, with the appointment finalized only at the conclusion of the financial year. This strategic appointment marks a critical step in bolstering the Agency's financial oversight and governance capabilities.

For the 2023/2024 financial year, the SDA achieved an Unqualified Audit Opinion with findings on compliance, reflecting a commendable improvement from the preceding year's audit outcome. This milestone highlights the Agency's commitment to enhancing governance, accountability, and operational excellence.

To address the issues highlighted by the Auditor-General, the Agency has formulated an audit action plan aimed at remedying the identified shortcomings and ensuring sustained improvements in compliance and performance.

This report not only documents the Agency's progress but also serves as a testament to its unwavering dedication to fulfilling its mandate and contributing meaningfully to the socio-economic development of Sekhukhune District

POLITICAL GOVERNANCE AND ACCOUNTABILITY

SDA is accountable to its shareholder, the Sekhukhune District Municipality. Political oversight is exercised through the MMC for Planning and Economic Development. In addition, the Shareholder representative of the Sekhukhune District Municipality provides corporate governance, compliance reporting and review.

SDA is governed by an independent board of non-executive in terms of the Companies Act, 2008 (as amended) and related legislation, such as the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA), and the Treasury Regulations. The entity has a board of five non-executive directors and two executive directors (the Chief Executives and the Finance Manager.

SDA ORGANISATIONAL STRUCTURE

The SDA comprises of four functional divisions which offer support to the CEO in the execution of selected projects of high strategic importance to the Agency and plays very significant role to the delivery of the Agency's Mandate.

The four functional divisions are namely:

- Finance Management.
- Marketing and Brand Management;
- Legal and Secretariat; and
- Project Propeller Unit.

Finance Management Division

Their responsibilities encompass various financial aspects, such as budgeting, Expenditure, accounting, financial analysis, reporting, cash management, and creditors and debt management.

Finance Manager's Role:

The Finance Manager plays a critical role within the SDA. Reporting directly to the Chief Executive Officer (CEO), the Finance Manager leads strategically across all functional areas within the Finance Unit.

Compliance and Legislation

The Finance Manager and team ensure compliance with financial legislation, including the Municipal Finance Management Act (MFMA) and the Companies Act. Their responsibilities encompass various financial aspects, such as budgeting, accounting, financial analysis, reporting, cash management, and debt management.

Strategic Financial Guidance:

The Finance Manager and team provide strategic financial guidance to the SDA. They oversee financial operations, including administration, revenue, expenditure, assets, and supply chain management.

Asset Register and GRAP Compliance:

The Finance Manager and team develop and maintain an asset register following regulatory frameworks. They ensure that the SDA's financial statements are GRAP-compliant (Generally Recognised Accounting Practice).

Budget Preparation and Monitoring:

The Finance Manager and team is responsible for budget preparation and closely monitors spending patterns of the SDA. They align financial decisions with the SDA's strategic goals.

Risk Management and Anti-Fraud Strategies:

The Finance Manager actively monitors financial risks and supports anti-fraud strategies. Their role contributes to the agency's overall financial stability.

Supply Chain Management (SCM):

The Finance Manager ensures compliance with SCM regulations. They manage the SCM process and unit within the SDA.

Statutory Audit and Assurance:

The Finance Manager and their team facilitate the statutory audit process by providing necessary documentation and assistance to the external auditors.

Financial Reports and Transformation:

The Finance Manager submits financial reports as required by the MFMA. They drive the process of transformation in line with developmental finance principles.

Marketing and Brand Management

The Marketing and Brand Management division of the Sekhukhune Development Agency (SDA) plays a crucial role in promoting the agency's vision and mission and enhancing its visibility. The key responsibilities and functions of this division are as follows:

Strategic Branding:

The division develops and implements a strategic branding plan of action for the SDA.

It ensures that the agency's brand identity is consistent, impactful, and aligned with its goals.

Stakeholder Engagement:

The division engages with various stakeholders, including local communities, investors, businesses, and government entities. It communicates the SDA's initiatives, achievements, and impact to build positive relationships.

Destination Marketing:

The division drives destination marketing for the Sekhukhune District. It promotes the district as an attractive investment destination, emphasizing its unique features and opportunities.

Public Relations (PR):

Managing PR activities, the division handles media relations, press releases, and events. It ensures that the SDA's image is well-represented in the public domain.

Content Creation and Communication:

The division produces relevant and engaging content.

This includes brochures, newsletters, social media posts, and website updates.

Event Management:

Organising events, workshops, and conferences falls under the division's purview. It facilitates networking opportunities and knowledge sharing.

Collaboration with Other Units:

The Marketing and Brand Management division collaborates closely with other SDA units. It integrates branding efforts into project launches, community engagements, and investor meetings.

Monitoring and Evaluation:

The division assesses the effectiveness of branding and marketing initiatives. It adjusts strategies based on feedback and performance metrics.

Budget Management:

Ensuring efficient use of resources, the division manages its budget. It allocates funds for advertising, promotional materials, and campaigns.

Reporting and Analytics:

Regular reporting on branding and marketing activities is essential. The division analyses data to measure impact and inform decision-making.

Project Propeller Unit

The Project Management Unit (PMU) within the Sekhukhune Development Agency (SDA) is a critical component responsible for overseeing and executing various projects.

Project Planning and Execution:

The PMU develops detailed project plans, including timelines, milestones, and resource allocation. It ensures that projects align with the SDA's strategic goals and contribute to economic development.

Project Portfolio Management:

The PMU manages a portfolio of projects. It prioritizes initiatives based on impact, feasibility, and available resources.

Risk Assessment and Mitigation:

Identifying potential risks, the PMU develops strategies to mitigate them. It ensures that projects proceed smoothly and minimise disruptions.

Resource Allocation:

The PMU allocates human, financial, and material resources to projects. It optimises resource utilisation for efficient project execution.

Monitoring and Reporting:

The PMU monitors project progress, tracking key performance indicators. Regular reporting ensures transparency and accountability.

Stakeholder Coordination:

The PMU collaborates with stakeholders, including government bodies, investors, and local communities. Effective communication ensures project buy-in and support.

Quality Assurance:

The PMU ensures that projects meet quality standards. It conducts regular assessments and quality checks.

Change Management:

When project scope or requirements change, the PMU adapts accordingly. It manages change requests and maintains project alignment.

Project Closure and Evaluation:

Upon project completion, the PMU ensures proper closure.

It evaluates outcomes, lessons learned, and areas for improvement.

Capacity Building:

The PMU enhances project management skills within the SDA. It provides training and mentorship to project teams.

Legal and Company Secretariat Unit

The unit is responsible for corporate governance and serve as legal advisory to both the Agency and the Board of Directors as a collective.

- Providing the directors of the SDA collectively and individually with guidance as to their duties, responsibilities and powers
- Making the directors aware of any law relevant to or affecting the SDA
- Reporting to the Agency's board any failure on the part of the company or a director to comply with the Memorandum of Incorporation or rules of the company or the Act.
- Ensuring that minutes of all shareholders' meetings, board meetings and the meetings of any committees of the directors, are properly recorded in accordance with the Act
- Certifying in the Agency's annual financial statements whether the company has filed required returns and notice in terms of the Act, and whether all such returns and notices appear to be true, correct and up to date
- Ensuring that a copy of the Agency's annual financial statements is sent, in accordance with the Act, to every person which is entitled to it
- Carrying out the functions of a person designated in terms of Section 33(3) of the Act
- Assist the nomination committee and ensure that the procedure for the appointment of directors is properly carried out.
- Assist in the proper induction, orientation, ongoing training and education of directors, including assessing the specific training needs of directors and executive management in their fiduciary and other governance responsibilities.
- Have a direct channel of communication to the chairman and should be available to provide comprehensive practical support and guidance to directors, with particular emphasis on supporting the non-executive directors,
- Ensure that the board and board committee charters and terms of reference are kept up to date
- Responsible for ensuring the proper compilation and timely circulation of board papers and for assisting the chairman of the board and committees with drafting of yearly work plans.

Macro Structure of the Organogram



STRATEGIC OVERVIEW

Strategic Intent

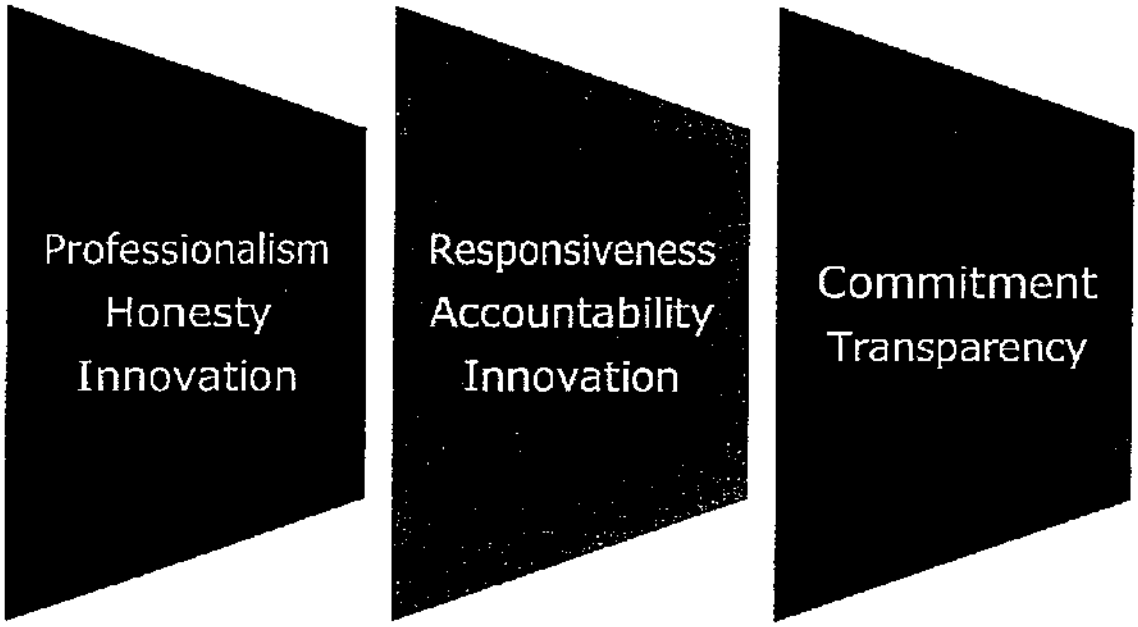
The SDA board underwent an intense strategy planning and review session and resolved that the organisation should be driven towards the following aspirational goal:

Vision

Mission

"To spearhead and implement transformative economic development initiatives, ensuring sustainable employment and a resilient investment climate."

SDA DELIVERS OPERATIONS THAT ARE UNDERPINNED BY THE FOLLOWING CORE VALUES:



MANDATE OF THE AGENCY

The mandate of the SDA is captured in the 'By-law for establishing and operating Sekhukhune Development Agency' which was published in the Provincial Gazette Extraordinary no. 1863 dated 4 November 2010. The By-law empowers the Agency to the following:

- Contract with public, private institutions and Corporations to perform appropriate services to its mission. The Agency is authorised to receive money from the public and private sources to accomplish the purpose of the Agency.
- Place any unused portion of the money received into short-term investments and to retain the interest income for use in conducting its regular business.

Strategic Objectives of the Agency

In terms of the By-law, the following are the **five strategic objectives** of SDA:

- To act as an engine for economic growth by diversifying and expanding the SDM economic base.
- To secure a stable and sustainable financial base for the future development of the Agency.
- To initiate, identify and implement high impact economic development projects.

- To develop businesses that create sustainable job opportunities.
- To source funds for economic development concepts and convert these into projects aimed at transforming the district into the first economy

It is thus crucial that the SDA ensures that projects and programmes initiated, identified and implemented annually are aligned to these strategic objectives. The governance and operation of SDA must also be informed in the same vein. More importantly, the strategic objectives must inform the planning, implementation, monitoring as well as review of the SDA Programmes.

The annual performance agreement between SDA Chairperson and Executive Mayor should also mirror the same strategic objectives.

The SDA performance is assessed by the parent municipality on a quarterly basis as part of Performance Lekgotla reporting framework. The SDA reporting pathways begin from management to sub-committees of the board, board of directors, and the Parent Municipality

SDA LEGISLATIVE CONTEXT AND FRAMEWORK

SDA was established as a municipal entity through the SDA By-Law, a power entrusted with Municipalities in terms of Section 156 of the Constitution of the Republic of South Africa, 108 of 1996 in conjunction with section 13 of the Municipal Systems Act 32 of 2000.

A municipal entity is an operational arm through which a municipality provides function or services to its community. The SDA is accountable to its parent municipality, the Sekhukhune District Municipality (SDM) that established it and is required to adhere to a service delivery agreement consistent with the parent municipality's strategic plans and performance objectives. The establishment of a municipal entity follows a due process as per section 84 of the Municipal Finance Management Act, 56 of 2003, by the parent municipality that encompasses a robust consideration of the objectives of the entity, the purpose for its establishment, the efficiency and effectiveness that should be achieved through its establishment; that it will provide value for money; be able to generate its own funding; and be self-sustainable.

Municipal Agencies function within an extensive legislative and policy framework that provides prescripts and guidelines for municipalities and their entities/agencies actions according to constitutional obligations. In this regard, all municipalities and their agencies must align their budget and programmes with national developmental and institutional policy directives that are mainly being guided by the constitution. A myriad of legislation and policies are guiding the strategic planning processes of agencies and their mother municipalities; however, the overarching legislation and policies that guide Strategic Planning principles are the Constitution, Municipal Systems Act and the White Paper on Local Government.

The Agency is governed collectively by three (3) legislative prescripts namely Municipal Systems Act 32 of 2000 (as amended), Municipal Finance Management Act 56 of 2003 and the Companies Act 71 of 2008 which all find their establishment in the Constitution, Act 108 of 1996.

The South African Constitution, Act 108 of 1996

Chapter 7 of the Constitution of South Africa focuses on the Local Government Sphere including the establishment thereof, the executive and legislative authority, as well as the right of local government to govern on its own initiative, which should be in line with national and provincial legislation. The right of the municipality to exercise its own powers in order to perform its functions is the basis on which this IDP 2024/2025 is drawn up. It is meant to give strategic guidance to SDA at large, by giving structure to the administrative, budgeting and planning processes. The SDA must strive, within its financial and administrative capacity, to achieve its key objectives and developmental duties.

Section 152 of the Constitution sets out the following as key objectives for the municipality

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

Section 153 of the Constitution sets out the following as the key developmental duties of the municipality.

- Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
- participate in national and provincial development programs.

Municipal Systems Act, No 32 of 2000 (MSA) and the Integrated Development Plan (IDP) Framework:

The Local Government: Municipal Systems Act (MSA), specifically Section 25(1), mandates that each municipal council must adopt a single, inclusive, and strategic plan for the development of the municipality.

The IDP serves several functions:

- Links, integrates, and coordinates development plans.
- Aligns resources and capacity with plan implementation.
- Forms the policy basis for annual budgets.
- Complies with legal provisions.
- Aligns with national and provincial development plans.
- The IDP review process follows prescribed procedures and institutional arrangements.

For district municipalities like Sekhukhune, a Framework Plan is adopted for the entire area. This plan binds both the district municipality and local municipalities, ensuring alignment and coordination in the IDP and Planning processed of the Municipality and its Agency.

Section 26 of the Municipal System Act 32 of 2000 indicates that IDP must reflect-

- The municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- Aspatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- The council's operational strategies;
- Applicable disaster management plans;
- A financial plan, which must include a budget projection for at least the next three years; and
- The key performance indicators and performance targets determined in terms of section 41.

Section 76 of the Act provides for a municipality to engage a third party by way of a service level agreement, to provide municipal services on its behalf. This does exist between the SDM and SDA and the signatories are the accounting officers.

Section 82 (1) states that if a municipality intends to provide a municipal service in the municipality through a service delivery agreement with a municipal entity, it may amongst others: — alone or together with another municipality, establish in terms of applicable national or provincial legislation a company, co-operative, trust, fund or other corporate entity to provide that municipal service as a municipal entity under the ownership control of that municipality or those municipalities. Such entities that are owned by municipalities are included in the definition of State-Owned Companies (SOCs) in terms of the Companies Act and are thus regulated by the Companies Act.

The Municipal Systems Act 32 of 2000's Municipal Planning and Performance Management Regulations (2001)

These regulations play a crucial role in guiding municipalities and their agencies in their planning, monitoring, measurement, review, reporting, and performance improvement processes. These regulations provide a framework for municipalities and their entities to effectively manage their performance. They outline the processes and responsibilities related to planning, budgeting, and performance reporting.

Performance Management System
Municipalities and their entities are required to establish a PMS that encompasses the entire performance management cycle including such PMS components as strategic planning, performance measurement, monitoring, and evaluation. Performance Reporting:

Performance Reporting
Municipalities and their agencies/entities must produce regular performance reports. These reports communicate progress toward achieving strategic objectives to foster transparency and accountability.

PMS Review and Improvement
Regular performance review ensures the effectiveness of the PMS. Adjustments must always be made based on lessons learned and changing circumstances.

Municipal Finance Management Act, No 56 of 2003 (MFMA):

Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque financial management results in the misdirection of resources and increases the risk of corruption. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services. Chapter 4 and Section 21(1) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) stipulates that the Mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act 32 of 2000. The elected Council is the ultimate IDP decision-making authority.

We have seen that Section 153 of the Constitution requires that 'a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community'. The MFMA, together with the Municipal Systems Act (2000), aims to facilitate compliance with this constitutional duty by ensuring that municipalities' priorities, plans, budgets, implementation actions and reports are properly aligned.

The main components of the financial management and accountability cycle and how they ought to be aligned in line with the MFMA and its regulations are as follows:

- ***Integrated development plan (IDP):*** This sets out the municipality's goals and development plans, which need to be aligned with the municipality's available resources. Council adopts the IDP and undertakes an annual review and assessment of performance based on the annual report.

- ***Budget:*** The three-year budget sets out the revenue raising and expenditure plan of the municipality for approval by council. The allocation of funds needs to be aligned with the priorities in the IDP.

- ***Service Delivery and Budget Implementation Plan (SDBIP):*** The SDBIP sets out monthly or quarterly service delivery and financial targets aligned with the annual targets set in the IDP and budget. As the municipality's 'implementation plan', it lays the basis for the performance agreements of the municipal manager and senior management.

- ***In-year reports:*** The administration reports to council on the implementation of the budget and SDBIP through monthly (Section 71 of the MFMA), quarterly (Section 52 of the MFMA), mid-year reports (Section 72 of the MFMA) and ultimately the Annual Report (Section 121 of the MFMA). Council uses these reports to monitor both the financial and service delivery performance of the municipality's implementation actions.

- ***Annual financial statements:*** These report on the implementation of the budget and reflect the financial position of the municipality. They are submitted to the Auditor-General, who issues an audit report indicating the reliance council can place on the statements in exercising oversight.

With the SDA receiving most of its funding from the Sekhukhune District Municipality, the Agency is therefore largely impacted by the MFMA's Financial Management Framework' impact on the mother Municipality.

Each municipal entity is an "organ of state" and must adhere to the legislative framework of Chapter 10 in the MFMA, that ensures accountability and transparency in all aspects of financial management. Section 56 (1) of the Act stipulates that the Mayor of a municipality which has sole or shared control over a municipal entity, must guide the municipality in exercising its rights and powers over the municipal entity in a way-

a) That would reasonably ensure that the municipal entity complies with this Act; and
b) That would not impede the entity from performing its operational responsibilities.

In terms of the MFMA, its provisions would prevail in the event of any inconsistencies with the provisions of the Companies Act, unless in terms of the Companies Act (section 5), these provisions can be applied concurrently

Companies Act 71 of 2008

The SDA is classified as a profit company in terms of Section 2 (a) of the Act. A profit company is defined in section of the Act as a company incorporated for the purpose of financial gain for its shareholders. The shareholder in SDA's instance is the parent municipality duly represented by the Executive Mayor. The Provisions of the Companies Act applies to SDA in so far as they are not inconsistent with any provisions of the following legislations, in accordance with section 5(4) of the Companies Act:

a) Auditing Profession Act;

b) Labour Relations Act, 1995 (Act No. 66 of 1995);

c) Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);

d) Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);

e) Securities Services Act, 2004 (Act No. 36 of 2004); or

f) Banks Act,

This would include the MFMA which applies in contrast to the Public Finance Management Act1 of 1999 applicable to state departments as opposed to the MFMA which applies to municipalities. The Company Act 71 of 2008 further provides for the governance of the Agency in accordance with Company laws and regulations such as compliance with the Companies Intellectual and Property Commission.

Governance Code

SDA is governed by a King IV Report and Code on Governance. The **King IV Report** is a significant document in the realm of corporate governance in South Africa. This is not a legislative prescript but best practice in corporate governance which is fully recognised by the law. King IV was published in 2016. The code follows a principle-and- outcomes based approach.

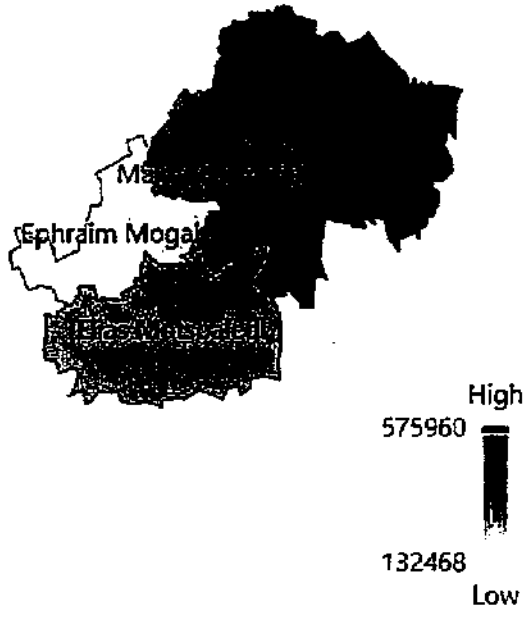
It recognises amongst others, the importance of government as stakeholder in SOCs. Principle 16 of the Code recommends that the shareholder compact should be used to clarify the roles of the board of the SOC and the executive authority of the parent municipality. It provides that the executive authority should provide policy direction to the SDA, while the board should oversee implementation thereof. The Key Areas Covered by King IV include

- Leadership, Ethics, and Corporate Citizenship
- Strategy, Performance, and Reporting
- Governing Structures and Delegation
- Governance Functional Areas
- Stakeholder Relationships

The King Committee on Corporate Governance in South Africa was established in 1992 to address corporate governance issues. The key objectives include shaping the corporate governance agenda, issuing reports and codes, providing guidance through practice notes, and staying informed about relevant developments.

DEMOGRAPHIC OVERVIEW

Location and Jurisdiction



Sekhukhune Development Agency is a State owned entity operating within the jurisdiction of the Sekhukhune District Municipality. The Sekhukhune District Municipality is located in the south-eastern part of Limpopo, which is South Africa's most northern province. The district shares boundaries with the Capricorn and Mopani Districts in the north, Mpumalanga in the south and east, and the Waterberg District in the west. The District is largely rural in nature and is made up of four Local Municipalities, namely; Elias Motsoaledi, Ephraim Mogale, Makhuduthamaga and Fetakgomo Tubatse. The District is made up of 117 wards with a total of 764 villages. STATSSA indicated during the 2022 Community Survey that the total population of Sekhukhune district is 1 336 850.

The District is made up of 117 wards with a total of 764 villages. The main towns in the district are: Burgersfort, Steelpoort, Groblersdal, Marble Hall, Apel, June Furse, Mohlaletsi, Driekop, Penge Mine, Praktiseer, Motetema, and Monsterlus.

Zooming into Local Municipalities

The Elias Motsoaledi Local Municipality (previously Greater Groblersdal Local Municipality) is located in the southern part of Sekhukhune District of the Limpopo Province. The municipality is named in honour of the late Elias Motsoaledi, who was born on 26 July 1924 in Nebo, Sekhukhuneland.

He played an active role in the establishment of the South African Congress of trade unions. A lifelong member of the ANC, and the SACP, he also played a central role in many campaigns, including the Defiance Campaign of 1952, the year in which he was banned. He was detained in terms of the 1960 State of Emergency and imprisoned for four months. On his release, he went underground and served on the Johannesburg Regional Umkhonto we Sizwe.

Arrested in 1963, Motsoaledi was one of the Rivonia Trialists and was sentenced to life imprisonment on Robben Island, a sentence he served until his release in 1989 – 26 years later. Upon his release, he was elected to the National Executive Committee of the ANC.

He passed away on the day of the inauguration of the first democratic president of South Africa, his fellow Rivonia Trialist and Robben Island prisoner, Dr. Nelson Mandela. The seat of the municipality is in Groblersdal and the other town of significance is Roossenekal. Key economic activities are community services, agriculture, tourism, and land development.

The Ephraim Mogale Local is named in honour of Ephraim Mogale, a freedom fighter. Previously known as the Greater Marble Hall Local Municipality, marble deposits were discovered here in 1920 by Christoffel Visagie and family while on a hunting trip from Pretoria. Soon, The Marble Lime Company was developed to work the beautiful deposit in 1929.

Marble Hall developed in 1942 and was originally known as Marmerhol, meaning Marble Hole. Yet, this name was soon changed during the Anglo-Boer War to Marble Hall. The Ephraim Mogale Local Municipality is situated on the western side of the Sekhukhune District. It is the smallest of the four municipalities in the district. It was established after the 2000 local election, with the amalgamation of Marble Hall, part of Moutse (West) Transitional Local Council (TLC), Leeuwfontein, a portion of Hlogotlou/Lepelle Transitional Rural Council (TRC), Greater Nebo North TRC, a portion of Naboomspruit/Roedtan Thusang TLC, and Springbokvlakte TLC.

Fetakgomo Tubatse Local Municipality was established by the amalgamation of the Fetakgomo and Greater Tubatse Local Municipalities in August 2016. Fetakgomo refers to a Sepedi proverb used by the people living in the rural areas to emphasise compassion and cooperation toward helping others, hence 'Fetakgomo o Sware Motho' and Tubatse refers to the platinum stream that cut across the municipal area – a tributary of the Olifants river.

At 5,693 km² it is the largest of the four municipalities of the district, accounting for 42% of the geographical area. The area is known as the Middelveld as it is located between the Highveld and Lowveld regions. The vast majority of the area is made up of villages that are scattered throughout, particularly, the northern part of the municipality. Key towns include Burgersfort, Ohrigstad, and Steelpoort. Key economic activities are agriculture; mining and quarrying; trade; tourism; manufacturing; general government; community, social and personal services; catering and accommodation.

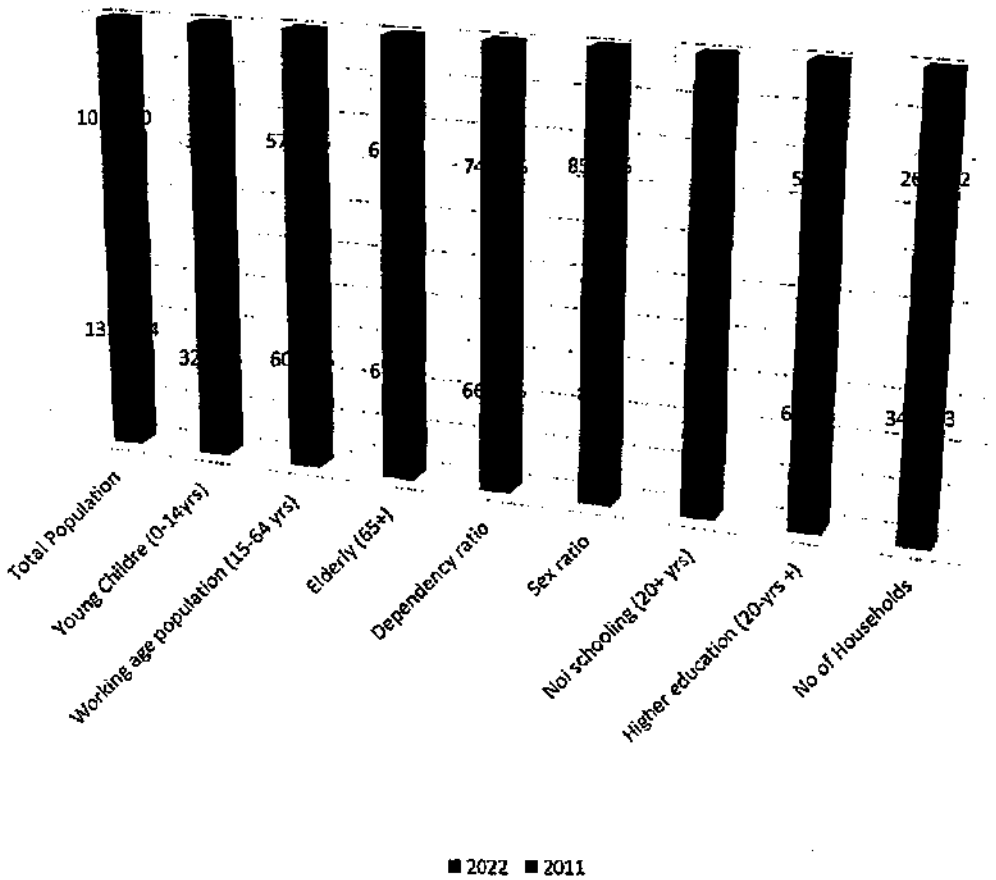
The Makhuduthamaga Local Municipality (plotting of local municipality map) derives its name from

the liberation name given to those who supported the anti-apartheid struggle in Sekhukhuneland in the 1950s. Literally translated it means "those who resisted white domination".

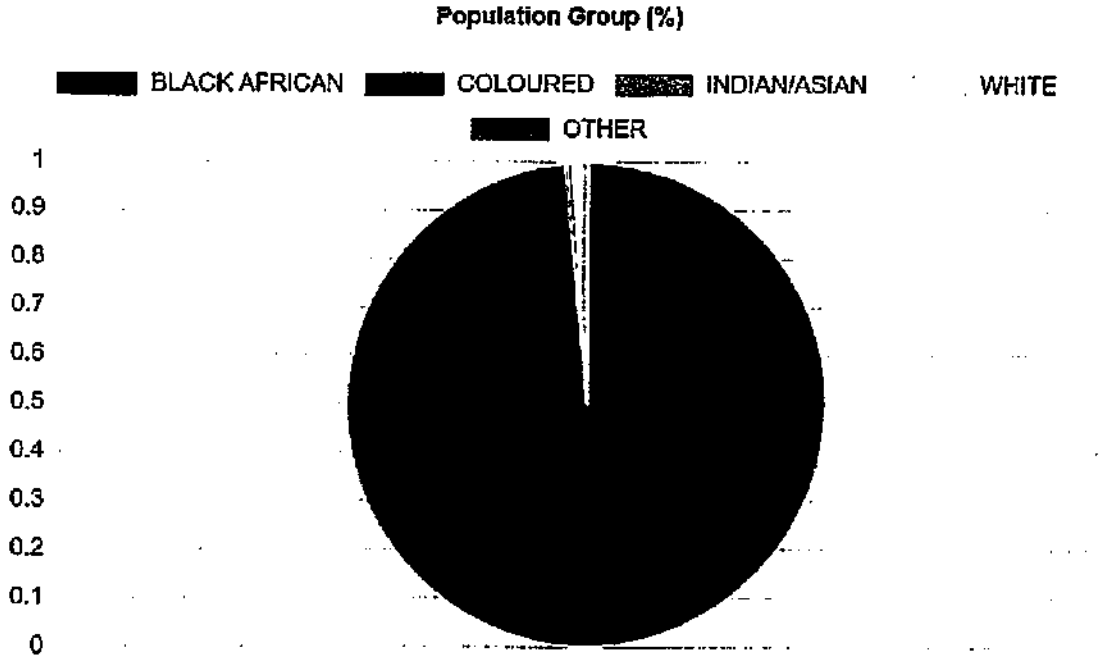
Makhuduthamaga raged a war against the white commissioner and his assailants (Marentsara) with the blessings of King Sekhukhune II. The organisation was banned in 1958 and transformed itself and changed its name to Fetakgomo. The municipality is located in the north-western parts of the district and shares boundaries with the Capricorn District in the north, Elias Motsoaledi in the south, Fetakgomo Tubatse Local Municipality in the east, and Ephraim Mogale in the west. It is one of the four municipalities that make up the district, accounting for 16% of its geographical area. The significant node of Ga Masemola is leading in agriculture.

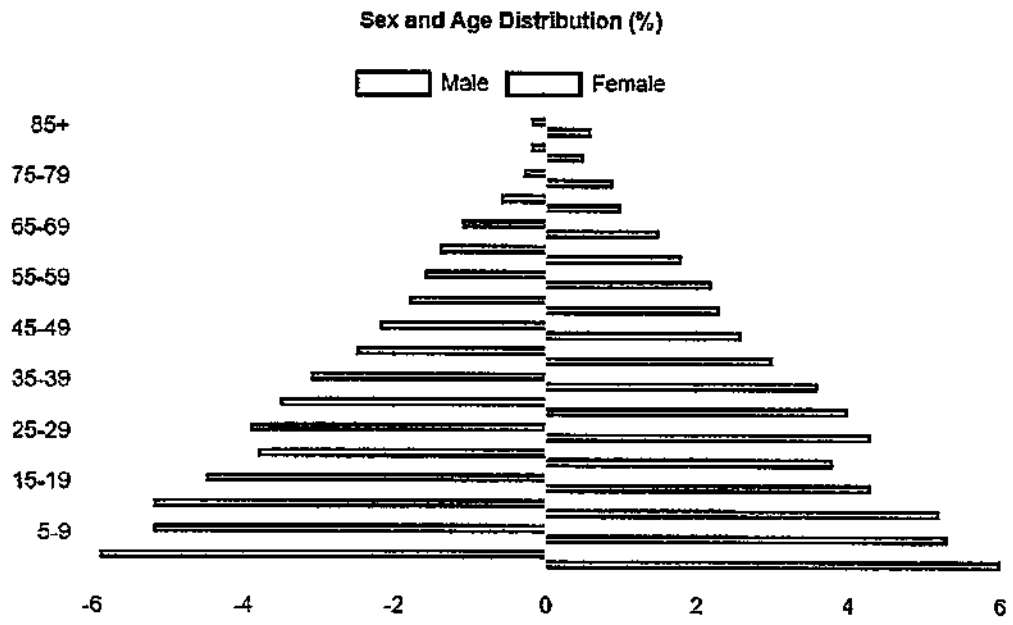
Sekhukhune is also a place of majestic beauty with regal mountains, lush valleys, and meandering rivers. Under the soil lie vast deposits of precious metals - so vast that they today contain the largest reserves of platinum group metals in the world. Above its soil sprout more than 2200 indigenous species of vascular plants, making Sekhukhune an area of exceptionally high biodiversity that is globally recognized. It is a land blessed with natural beauty, unusual resource endowments, and a compelling history dating back to the 16th century.

Populace Summary 2022 vs 2011

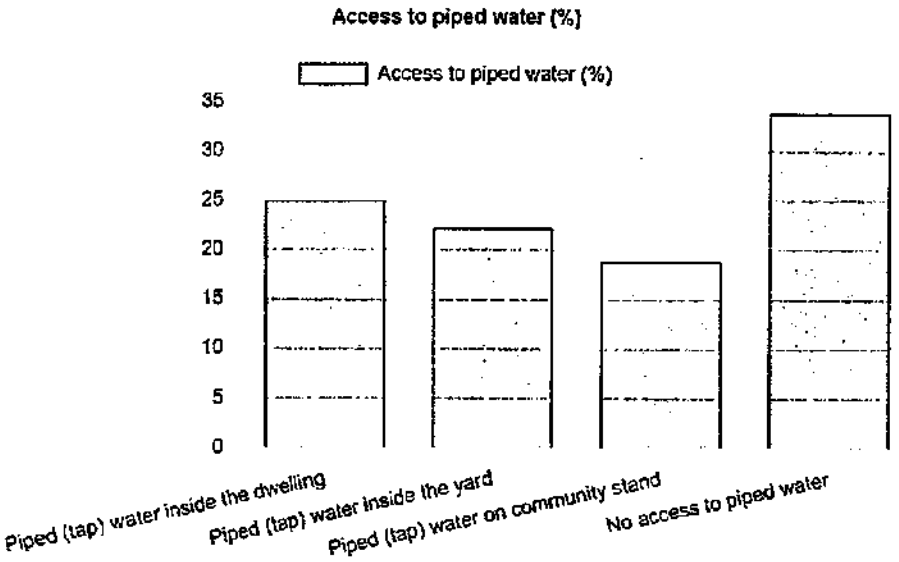


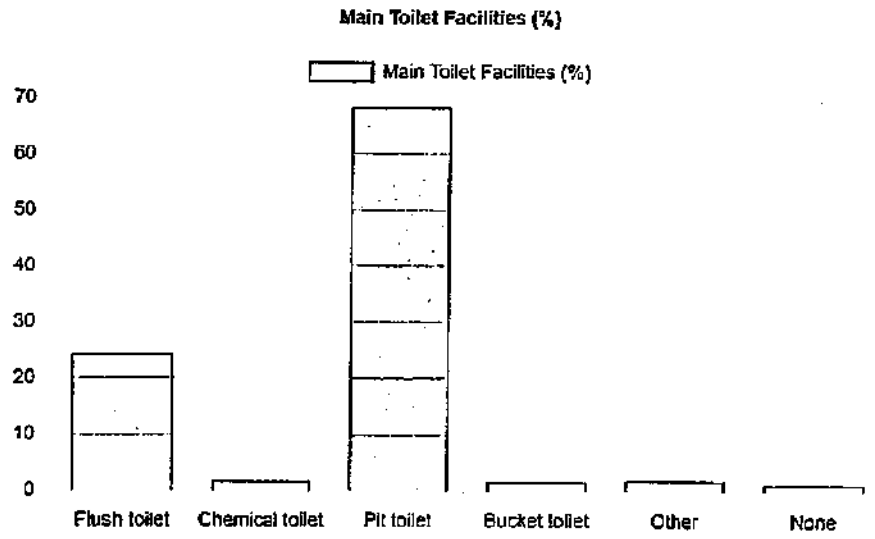
Population Group Percentage

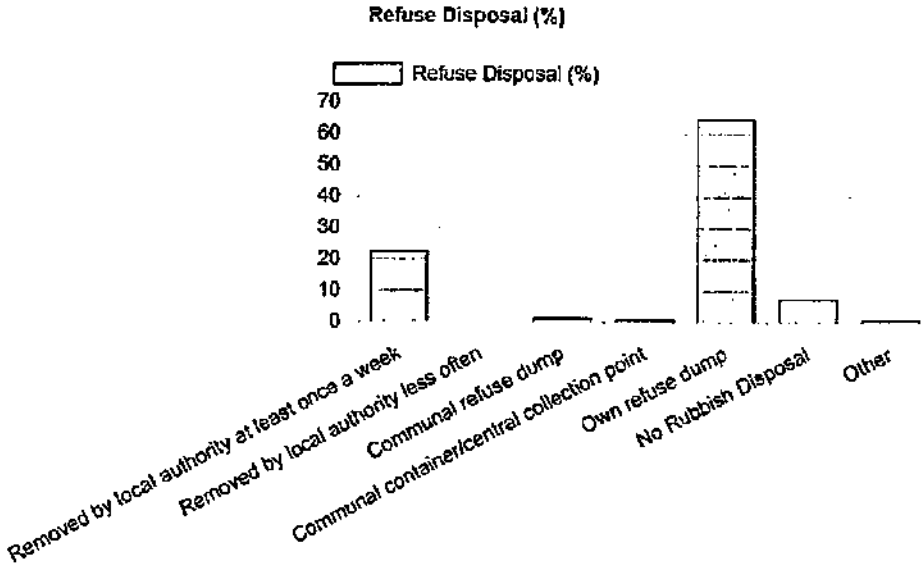

Population Group (%)
BLACK AFRICAN
COLOURED
INDIAN/ASIAN
WHITE
OTHER
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0


Sex and Age Distribution (%)
Male
Female
85+
75-79
65-69
55-59
45-49
35-39
25-29
15-19
5-9
-6
-4
-2
0
2
4
6

Name	Frequency	%
Formal dwelling	325 101	95,4%
Traditional dwelling	5 215	1,5%
Informal dwelling	8 947	2,6%
Other	1 491	0,4%




Main Toilet Facilities (%)
Main Toilet Facilities (%)
70
60
50
40
30
20
10
0
Flush toilet
Chemical toilet
Pit toilet
Bucket toilet
Other
None


Refuse Disposal (%)
Refuse Disposal (%)
70
60
50
40
30
20
10
0
Removed by local authority at least once a week
Removed by local authority less often
Communal refuse dump
Communal container/central collection point
Own refuse dump
No Rubbish Disposal
Other

The annual average growth rates of 1.7% for the Sekhukhune population and 2% for households indicate an ongoing rise in the demand for services, employment opportunities, and skills intervention programs in the future. This is particularly noteworthy in the realms of educational-based skills development, basic services, and infrastructure development, given the substantial growth rate among the youth demographic.

The Agency must align its planning processes to accommodate the increasing demands, necessitating a proportional escalation in investments in the aforementioned activities.

As of the latest available data from Stats SA, the number of households in the Sekhukhune District is projected to reach 313,509 by 2023.

ECONOMIC LANDSCAPE

Sekhukhune Economic Overview

Key remarks about Sekhukhune

The overview of Sekhukhune highlights the following development challenges:

- The dispersed settlement pattern makes infrastructure provision and service delivery costly.
- The weak skills base is a major constraint to economic growth.
- A critical capability gap is the lack of people employed in economic development with the appropriate skills and background to interact with the private sector.
- The district faces challenges in implementing projects, due to shortages of people with the required skills (engineering, project management, etc).
- There is a need for improved co-operation between the district municipality , The Agency and the Local municipalities in terms of identifying and monitoring projects, as well as between local government and national departments

Economic Sectors

Mining

The district is abundantly endowed with a variety of lucrative minerals, including vanadium, chrome and the world's largest deposits of platinum group metals (PGMs). Strong global demand for these minerals has ensured the Sekhukhune District mining sector is booming, despite volatility in prices, with extensive number of mines currently operating in the district, operated by large, multinational PGM mining companies. The node accounts for 58%, 50% and 36% of global production of vanadium, platinum group metals and chrome, respectively.

Currently, the broader population in the district has yet to substantially benefit from the sector. While the node has a ready supply of unskilled labour, there is a deficiency in local workers qualified to assume technical and managerial positions, forcing mining companies to recruit workers from outside the node for these positions. Little to no local value adding processing of extracted resources is taking place, with raw materials mostly exported to processing facilities elsewhere.

The challenge for the district is to ensure that the greatest possible proportion of the local population shares in the spoils of this growth, which will require equipping people with the necessary skills to capture employment opportunities, as well as developing supporting business around the mining industry, such as beneficiation, construction, mining and artisan academy, and so on.

The outlook for resources mined in Sekhukhune is positive. Constraints to faster growth are the lack of water and electricity for the mines, lack of housing for mineworkers, shortage of local skilled workers, shortage of local support industries and services for the mining sector.

Agriculture

Agriculture is a critical source of employment in Sekhukhune (contributing over 22% of all jobs in the district), despite its relatively small contribution to nodal GDP (only 4,4% in 2020) and weak growth in the past few years. This resulted in its share of GDP falling over the past several years and the number of people employed in agriculture dropping. Sekhukhune has substantial availability of arable land, but the hot and dry climate limits the extent of agricultural production in the area. The scarcity of water in the area makes costly irrigation infrastructure a necessity for high quality, high output farming.

Agriculture in Sekhukhune consists of two clusters: the large-scale, commercial agriculture cluster around Groblersdal and Marble Hall that has access to costly inputs and mass produces goods for local, national and international markets and the small-scale subsistence and emerging farming operations dispersed throughout the district.

The latter are characterised by low levels of production and informal sale of goods to the local population. About 70% of farmers in Sekhukhune are subsistence farmers, with many of them lacking the skills required to reach their potential.

The challenge for the district is to raise the potential of emerging farmers in line with that of the established commercial farmers. This will require support for training and access to inputs and markets, as well as addressing water shortages. Constraints to growth in the agricultural sector include the high input costs, low commodity prices and increasing labour costs, as well as the lack of technical and managerial skills among subsistence/emerging farmers that are necessary for commercial farming.

The sector's potential rests on inciting growth in the commercial sector through diversification into high-demand, high-margin products, coupled with the establishment of local agro-processing industries; and developing subsistence and emerging farmers into larger-scale producers for commercial markets

Tourism

Travel and tourism added nearly 13.2 billion U.S. dollars to the Gross Domestic Product (GDP) of South Africa in 2021. The sector's contribution to the country's economy declined almost by half compared to 2019 as a result of the coronavirus (COVID-19) pandemic. In 2019, the value added by tourism to the South African GDP reached around 27.4 billion U.S. dollars. Additionally, the sector provides employment for over thousands of individuals. Despite these current figures, Sekhukhune possesses several attributes that suggest the potential for significant growth in tourism.

Geographically, Sekhukhune is strategically located within a two-and-a-half-hour drive from Gauteng, enabling targeted outreach to the lucrative Gauteng business and weekend holiday markets. The upsurge in business travel, attributed to the mining boom in Tubatse and the expansive agri-business sector in Groblersdal and Marble Hall, along with the presence of large dams (such as Loskop, Flag Boshielo, and De Hoop), creates opportunities for the development of holiday properties and leisure estates.

The district has a number of quality lodges but lacks a major attraction to firmly place Sekhukhune on established tourist routes such as Blyde River Canyon and the Kruger Park. The development of the Tourism routes package through the Sekhukhune Development Agency is a great step in ensuring tourism awareness within the district.

INVESTMENT OPPORTUNITIES WITHIN THE SEKHUKHUNE DISTRICT THROUGH SDA.

Agricultural Development

In the 2015 State of the Nation Address, the President of the Republic of South Africa announced the initiation of Agri Parks as part of the government's commitment to transforming rural economies. The Agri-Parks concept aims to bolster support for farmers and stimulate growth in rural economies, with a focus on job creation, revenue generation, and empowerment of women and youth across the country. Initially, 27 districts, including the Sekhukhune District Municipality, were identified to benefit from this multi-year program. Subsequently, a decision was made by Cabinet to expand the establishment of Agri-Parks to encompass all 44 district municipalities.

Agri-Parks operate through three key components to fulfill their mandate of rural economic transformation. These components include:

- Farmer Production Support Unit (FPSU): This component primarily focuses on supporting production by farmers. It involves providing inputs, ploughing units, capacity building, skills development, marketing services, and other resources to enhance agricultural productivity.
- Agri-Hub: The second component, the Agri-Hub, is centered around processing, packaging, logistics, and training. It aims to create a comprehensive infrastructure for the processing of agricultural products, facilitating their packaging and logistics, and providing training opportunities within the agricultural value chain. The vegetable-processing plant would cut, wash and package vegetables produced by local emerging farmers, and would secure contracts to sell packaged produce in local and national retailers.

- The investment is envisioned as a partnership between the Agency, Private Sector and the local farmers, with the farmers having an equity stake in the plant, ensuring they benefit directly from the project. The plant would bind small emerging farmers together to achieve the scale they need to access markets and purchase inputs, given that there are good margins on vegetable production and processing.

- Rural Urban Market Centre (RUMC): The third component, RUMC, concentrates on establishing market linkages and facilitating information feedback to both the Agri-Hub and FPSU. It plays a crucial role in connecting agricultural produce with markets, ensuring efficient distribution, and providing valuable market-related information to the other components.

Mining Development

Fetakgomo Tubatse Special Economic Zone

The mining boom has created demand for several associated inputs and services, and this demand is likely to increase with future mining development and the recent development of the Fetakgomo Tubatse Special Economic Zone.

The Sekhukhune Development Agency has signed an MOU with the Fetakgomo Tubatse Industrial Park (subsidiary of LEDA). Several number of investment opportunities have been identified but not limited to:

- Green and Renewable Energy
- Training and Education
- Export oriented business
- Financial and Business services
- Technology and Innovation
- Manufacturing
- Reak Estate development
- Infrastructure development
- Tax incentives

Tourism

Tšate Heritage Site

Tšate Heritage Site, the original home of the Bapedi people and the royal residence King Sekhukhune, is the most important historical site in the district. The Sekhukhune Tourism Development Strategy

suggests that this site should be developed into the primary attraction in the district, with plans to include a dry-stone reception centre, a military museum, a royal kgoro and village and many more.

De Hoop Dam

The collaboration between the Department of Water and Sanitation and the Sekhukhune District Municipality, as outlined in the Memorandum of Understanding (MOU), designates the Sekhukhune Development Agency as the implementing agent for the De Hoop Resource Management Plan. This agreement signifies a strategic partnership aimed at efficiently managing and overseeing the De Hoop resources, emphasizing the role of the Sekhukhune Development Agency in executing the plan's various components and initiatives.

De Hoop Dam is a gravity type dam, which impounds the Steelpoort River. It falls under Ward 18 within the jurisdiction of Elias Motsoaledi Local Municipality (EMLM) adjacent to Ward 31 of Fetakgomo Tubatse Local Municipality (FTLM), which forms part of the Sekhukhune District Municipality.

The primary objective of the Resource Management Plan (RMP) is to transform the designated asset into a multifaceted entertainment hub, recreational area, and tourist destination within the Sekhukhune Region. This transformation aims to enhance the area's appeal without compromising the water quality. The dam, surrounded by pristine bushveld, offers scenic beauty, complemented by a warm climate throughout the year. Apart from the entertainment-focused investments highlighted in the RMP, numerous other opportunities exist.

- Golf Estate: There is potential for developing a golf estate, capitalizing on the scenic surroundings to create a premier golfing destination. This could attract both local and international enthusiasts, contributing to tourism and recreational activities.
- Resort Development: Establishing a resort within the area could cater to the demand for holiday destinations. This might include accommodation, restaurants, and various recreational facilities, further promoting tourism and providing a diverse range of experiences for visitors.
- Luxury Housing: The development of luxury housing, whether through time-share arrangements or full ownership options, can cater to those seeking upscale residences with waterfront accessibility. This could attract investors and individuals looking for exclusive living spaces.
- Time-Share Properties: Developing time-share properties allows multiple individuals to invest in and enjoy ownership of vacation accommodations. This approach could enhance the attractiveness of the area for those seeking periodic access to the scenic surroundings.
- Full Ownership Housing: Creating luxury housing options available for full ownership provides an opportunity for individuals seeking permanent or long-term residences in a picturesque and warm climate.

These investment opportunities align with the broader vision of the RMP, fostering economic development, tourism, and recreational activities in the Sekhukhune Region. It's essential for investors

to collaborate with the Agency in conducting thorough feasibility studies and engage with local authorities to ensure alignment with regulations and community interests.

Service Delivery Overview

The Sekhukhune Development Agency (SDA) derives its mandate for service delivery from Provincial By-law Gazette Number 1863, which provides the legal framework guiding its strategic role within the Sekhukhune District Municipality (SDM). This by-law encapsulates the Agency's comprehensive and multifaceted mandate, aligning its objectives with the broader strategic intent of the SDM to advance economic growth, social equity, and sustainable development across the region.

At the core of its mandate, the SDA functions as a critical catalyst for economic diversification, seeking to broaden and fortify the economic base of the Sekhukhune District. This diversification is essential to creating a resilient, inclusive, and dynamic regional economy. The Agency is also committed to establishing a robust and sustainable financial foundation to support its future growth and operational excellence.

Furthermore, the SDA is tasked with identifying, conceptualizing, and executing high-impact economic projects that address the socio-economic challenges of poverty, unemployment, and inequality. By fostering and supporting businesses that generate sustainable job opportunities, the Agency plays a pivotal role in driving socio-economic transformation.

Additionally, the Agency prioritizes proactive resource mobilization by actively engaging with potential funders, stakeholders, and partners to secure investments for developmental initiatives. These efforts are geared toward transforming the Sekhukhune District into a thriving economic hub that not only supports local prosperity but also enhances its competitiveness on national and global platforms.

Through its alignment with the SDM's strategic objectives, the SDA remains resolute in its mission to "Ignite, Inspire, and Invest" in the district's future, ensuring that its endeavors yield lasting economic and social benefits for all its communities.

FINANCIAL HEALTH

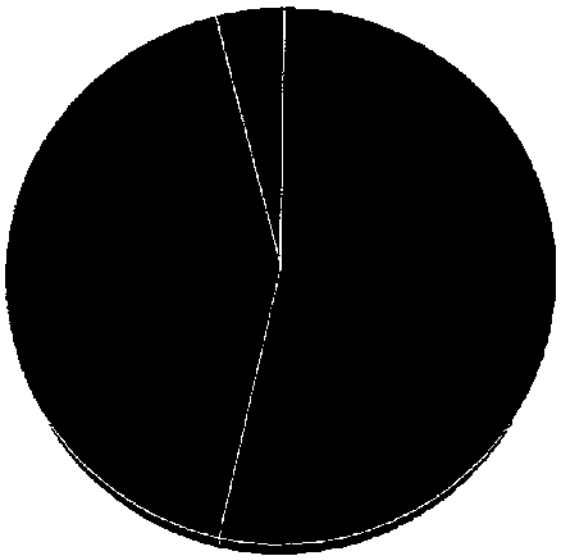
Financial Overview

The audited AFS 2023/2024 are attached to marked **Annexure A.**

Assets

In the 2023/2024 financial year, the total assets for Sekhukhune Development Agency stood at R14 479 441.00 and net assets at R13 380 276.00 as compared to the total asset position of R9 237 170.00 and net assets at R8 975 800.00 in the 2022/2023 financial year.

Revenue



The total revenue for Sekhukhune Development Agency in the 2023/2024 financial year stood at R10 815 885.00 compared to R8 608 059.00 in 2022/2023 financial. The Agency has cash in ABSA bank to an amount of R850 074.00

Liabilities

SDA incurred liabilities amounting to R 1 369 164.00 in the 2023/2024 financial year as compared to liabilities of R 261 369.00 in the 2022/2023 financial year. The liabilities relate to payables from exchange transactions.

Expenditure

The total expenditure incurred by SDA in the 2023/2024 financial year stands at R6 411 410.00 as compared to R2 919 701.00 in the 2022/2023 financial year.

Employee costs that were incurred in the 2023/2024 financial year contributed to R 3 511 733.00 as compared to R1 385 402.00 in the 2022/2023 financial year.

Payment for members of the SDA Board that were incurred in 2023/2024 amounted to R441 061.00 as compared to expenditure of R462 458.00 in the 2022/2023 financial year.

Remuneration of Senior Management, which includes CEO was R875 433 in 2023/2024 financial year starting from 19TH October 2023 as compared to R141 711 for 2022/2023 since the post was filled for one month for that financial year.

CHAPTER 2

CORPORATE GOVERNANCE STATEMENT

SDA endeavours to comply with the Constitution of the Republic of South Africa, 1996 and the enabling general legislative prescripts. The Agency is also committed to complying with all relevant applicable legislation, including the following:

- Companies Act, 2008 (Act 71 of 2008)
- Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
- Broad-based Black Economic Empowerment Amendment Act, 2013 (Act 46 of 2013)
- National Environmental Management Act, 1998 (Act 107 of 1998)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Labour Relations Act, 1995 (Act 66 of 1995)
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- Employment Equity Act, 1998 (Act 55 of 1998)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Skills Development Act, 1998 (Act 87 of 1998) and its regulations

The board has reviewed and approved the corporate governance policies for SDA, in other words, SDA's Corporate Governance Policies i.e., the Service Delivery Agreement, the board charter and the terms of reference of the board committees. These policies are in place and implemented within the entity to ensure good corporate governance.

The governance policies set out, among other things, the roles and responsibilities of the shareholder, board, and management. The framework was developed in line with the King IV Report on Corporate Governance, 2016. TEDA adopted various human capital policies in compliance with labour market legislation. In this regard, human resources policies were reviewed by the board to be in line with the relevant legislation.

Governance arrangements

SDA is accountable to its shareholder, the Sekhukhune District Municipality. Political oversight is exercised through the MMC for Planning and Economic Development. As the controlling shareholder, the SDM through a signed Service Level Agreement provides support related to corporate

governance, such as Supply Chain Management, Human resource Management, compliance reporting and review etc.

The SDA board retains complete control over the entity, its plans and its strategy. It acknowledges its responsibilities regarding the strategy, compliance with internal policies, external laws and regulations.

It ensures effective risk management and performance measurement, transparency, and effective communication, both internal and external. The board is a unitary structure that consists of non-executive directors, who are all independent as defined in King IV. The management of SDA is responsible for operational aspects in line with its strategic planning and mandate documents.

SDA's NON-EXECUTIVE DIRECTORS

In accordance with the Municipal Systems Act, the Council of the Sekhukhune District Municipality is mandated to appoint the Board of Directors for the Sekhukhune Development Agency (SDA). This underscores the legal and procedural framework by which the governance structure of the SDA is established. The Act provides the necessary guidelines and authority for the Council to make such appointments, ensuring transparency and adherence to regulatory standards in the appointment process

Mr. Tshabedi Richard Serote (Chairperson)
Mr. Tladi Ditshego
Mr. Kgopelo Phasha
Ms. Mathabo Mosia
Ms. Akani Baloyi

Purpose and role of the Board

- The Board is ultimately responsible for ensuring that the business remains a going concern and that it thrives. The Board's role is to retain full and effective control over SDA and, therefore, it must ensure that it effectively controls it, directs and controls the management and is involved in all material decisions affecting the SDA.

- The Board is committed to ensuring good corporate governance throughout SDA in line with the requirements of the King II report and the principles of good corporate practice.

Responsibilities and Duties of the Board

The responsibilities of the Board are very wide and are detailed in the South African Companies Act, 1973, as amended. The Board should define levels of materiality and reserve specific powers to itself. The general functions of the Board are as follows, to: -

Corporate Governance

- Oversee the establishment and administration of the SDA's system of corporate governance.

- To exercise leadership, enterprise, integrity and judgement based on fairness, accountability, responsibility and transparency.

- Determine the SDA's purpose, values and stakeholders and to develop strategies to achieve its purpose, implement its values and satisfy its shareholders.

- Evaluate the performance of the Board and CEO

- Oversee SDA's compliance with all the relevant laws, regulations, and codes of best business practice;

- Promote SDA to operate ethically by adopting and regularly reviewing and updating the code of ethics and by approving mechanisms implemented aimed at fraud prevention, detection and response;

- Direct succession planning of directors and senior management;

- Oversee and monitor a Group-wide delegation of authority framework;

- Ensure that an adequate budgeting and business planning process exists that is aligned with SDA's strategic imperative and that performance is monitored against budgets and plans.

    - Ensure accountability by providing open, prompt and meaningful reporting to shareholders and other stakeholders on financial and non-financial matters and by encouraging attendance at general meetings;

    - Addressing the adequacy of employee retirement and health care benefits and funding; and

    - Ensuring that SDA has an effective empowerment plan that contributes to its strategy and business performance.

Matters reserved for decision making by the Board

- approval of the strategic plan and structure of SDA;
- appointment, suspension and dismissal of the CEO;
- approval of the operating and capital budget;
- approval of brokers;
- transferring of funds exceeding R10 000 000
- writing off of bad debts
- registration of servitude; and
- Issuing of guarantees.

BOARD MEETINGS CALENDAR AND ATTENDANCE

The following Board Meetings were held:

Names of Audit Committee Members.	Tittle.	Status.	Appointed date.	Total Number of Meetings held in 2023/2024 FY.	Number of Meetings Attended.
Mr. Tshabedi Serote	Chairperson	Active	15/08/2023	07	07
Mr Tladi Ditshego	Non-Executive	Active	15/08/2023	07	07
Mr. Kgopelo Phasha	Non-Executive	Active	15/08/2023	07	03
Ms Mathabo Mosia	Non-Executive	Active	15/08/2023	07	07
Ms. Akani Baloyi	Non-Executive	Active	15/08/2023	07	06

ADMINISTRATIVE GOVERNANCE

The Management of the institution is entrusted with role of advising the Board as well as for the implementation of Board resolutions. It is led by the Chief Executive Officer who is the overall Accounting Officer (AO).

Key positions which were filled at the end of this financial year were the CEO, Project Manager and Company Secretary. The Finance Manager position was filled post the financial year under review.

Annual General Meeting

The AGM was not held for the annual financial year 2023/2024, however management will ensure that it is held in the following year.

Strategic Planning

In January 2024, the Board of the Sekhukhune Development Agency (SDA) took a significant step by convening and setting a course for the future. During this gathering, it was decided that a strategic planning session would be held Mid-February 2024. The objective of this session was to engage in

comprehensive discussions, evaluations, assessments, and measurements pertaining to the effectiveness and impact of the Agency's existing programs, projects, and strategic trajectory.

This strategic planning session embodies the spirit of foresight and dedication to SDA's mission. By reviewing the ongoing initiatives and the broader direction of the Agency, the Board demonstrates its commitment to optimising outcomes and responding adeptly to the ever-evolving landscape of development.

The participation of key stakeholders, Board members, and experts during the strategic planning session amplifies the potential for innovative solutions and the refinement strategies. It is a platform for collective wisdom, a space to deliberate on challenges and opportunities, and a catalyst for informed actions that align with the aspirations of the community and the region.

POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Sekhukhune Development Agency (SDA) is entirely owned by the Sekhukhune District Municipality, and it's noteworthy to emphasize that the establishment of this entity is governed by the Companies Act 71 of 2008.

According to the Municipal Structures Act, the Council of the Municipality stands as the supreme decision-making body. Within this framework, the Council assumes the responsibility of appointing the Board of Directors for the SDA. Subsequently, the Board of Directors, as appointed by the Council, holds the authority to designate the Accounting Officer, also known as the Chief Executive Officer (CEO). The CEO is entrusted with overseeing and managing the day-to-day operations of the municipal entity.

This hierarchical structure underscores the Council's pivotal role in shaping the leadership and governance of the Sekhukhune Development Agency, ensuring alignment with the municipality's objectives and policies. The appointment of the Board of Directors and, in turn, the CEO, reflects a structured approach to decision-making and operational management within the municipal entity.

SDM POLITICAL STRUCTURES

The Executive Mayor: Cllr. Minah Bahula Maitula

Duties of the Executive Mayor as per section 56 of the Municipal Structures Act No 117 of 1998.

- Identify the needs of the municipality.
- Review and evaluate those need in order of priority.
- Recommend to the municipal Council strategies, programmes, and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans and,
- Recommend or determine the best way, including partnership and approaches, to deliver those strategies, programmes, and services to the maximum benefit of the community.

- Evaluate progress against the key performance indicators.
- Review the performance of the municipality in order to improve.
- The economy, efficiency, and effectiveness of the municipality
- The efficiency of credit control and revenue and debt collection services and
- The implementation of the municipality's by-laws
- Monitor the management of the municipality's administration in accordance with the directions of the municipal council.
- Oversee the provision of services to the communities in sustainable manner.
- Perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of section 59 of Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Annually report on the involvement of communities and community organisations in the affairs of the municipality; and
- Ensure that regard is given to public views and report on the effect of consultation on the decisions of council.

The Speaker: Cllr. Kgwedibotse David Chego

Duties of the Speaker as per section 56 of the Municipal Structures Act No 117 of 1998.

- Presides at meetings of the council.
- Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Must ensure that council meets at least quarterly.
- Must maintain order during meetings.
- Must ensure compliance in the council and council committees with the code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act, 2000(Act 32 of 2000)
- Must ensure that council meetings are conducted in accordance with the rules and orders of the council.

The Chief Whip Cllr. Maudu Johannes Phokane

As of August 2024, the Chief Whip of the Sekhukhune District Municipality is Councillor Aaron Machipa. He succeeded Councillor Johannes Phokane, who transitioned to the Limpopo Legislature following the 2024 general elections.

Duties of the Chief Whip

- Informs councillors of Council and Mayoral Committee of meetings called by the Speaker and Executive Mayor respectively.
- Ensures that the meetings of the Council and committees quorate.
- Inform councillors of the Council and Mayoral Committee of the important items on the relevant agenda
- Advise the Speaker on the amount of time allocated to speakers and the order of such the speaker's in addressing Council.
- Ensures that councillors' motions are prepared and timeously tabled in council in terms of Rules of Order
- Advises the Speaker and the Mayor on how to deal with important items not disposed of at a Council meeting pending its resolution.
- Advises the Speaker and the Executive Mayor of agenda of Council.
- Advises the Speaker and the Executive Mayor of urgent motions in writing prior the commencement of the meeting.
- Assists the Speaker with counting of votes, and
- Prepare for special debates on the state of the municipality.

The Mayoral Committee

The Executive Mayor is the political head of the Institution and is assisted by Mayoral Committee. The Executive accounts to Council on a regular basis on the work of the municipality.

Traditional Leaders in Council

The district has 75 traditional leaders. In 2023/2024 financial year, there were no traditional leaders in council.

Political Decision Making

The district municipality has adopted a separation of powers model wherein Council is vested with the legislative authority and plays an oversight role on the Executive. The Executive on the other hand led

by the Executive Mayor is responsible for execution and accounts to Council on the implementation of council decisions.

SECTION - 79 STANDING COMMITTEES OF COUNCIL

Section 79 committees

Council established section 79 committees to play oversight role and monitor the work of the executive and administration. The established committees are aligned to administrative departments of the municipality and are chaired by non-executive councillors.

Municipal Public Account Committee (MPAC) (Oversight committee)

In line with legislation the district has established an oversight committee made up of non-executive councillors to provide an opinion on the Annual Report before tabling to council. The oversight report will be published separately as per the MFMA guidance.

Audit Committee

SDA has a standing arrangement with the parent municipality to share services of Audit and Risk Committees. The Audit Committee considers and makes recommendations on matters provided under Section 165 and Regulation 9 of the MFMA and Municipal Planning and Performance Management Regulations, 2001 (MPPR) respectively. The committee further advises management and the Council/Board on matters pertaining to the annual financial statements before submission to the Auditor General of South Africa.

It is also for the above reasons that the Municipality has established an Audit Committee under the provision of Municipal Finance Management Act No 56 of 2003 section 165 and Municipal Planning and Performance Management Regulation of 2001 regulation 9. The Audit Committee of the municipality considers and makes recommendations on matters provided under section 165 and regulation 9 of the MFMA and MPPR respectively while among other matter advice Management and Council on matters pertaining to the Annual Financial Statements before submission to Auditor General of South Africa.

In terms of legislative prescripts, the Audit Committee members should meet at least 4 times per annum as per its approved charter. During the current financial year twelve meetings (AC and PAC) were held

The Members of the Audit Committee that served for the period 1st July 2023 to 30 June 2024, and their attendance were as follows:

Names of Audit Committee Members	Title	Status	Total Number of Meetings held in 2023/2024 FY	Number of Meetings Attended
Mr. M Mathabatha	Member/PAC Chairperson	Active	12	12
Adv L Thubakgale	Member	Active	12	12
Mr. LS Mofokeng	AC Chairperson	Active	12	12
Mr. V Manyisane	Member	Active	12	12
Ms. S Ngoetjana	Member	Active	12	11

Risk Management Committee

The Risk Management Committee forms part of the shared services with the parent municipality. The Risk Management Committee (RMC) is an oversight committee responsible to the Accounting Officer (AO) for the monitoring of risk management which includes assisting in designing, implementing, and coordinating the institution's risk management initiatives.

The Risk Management Committee (RMC) is an oversight committee responsible to the Accounting Officer (AO) for the monitoring of risk management which includes assisting in designing, implementing, and coordinating the institution's risk management initiatives. Its constitution is made up of both an independent member/chairperson appointed by the Municipal Manager as delegated by Council and members of Senior Management. It assists the AO in addressing its oversight requirements of managing, evaluating, and monitoring the organizational performance with regards to risk management.

Section 62(1)(c)(i) of the Local Government Municipal Financial Management Act (No. 56 of 2003) stipulates that the Accounting Officer is responsible for managing the municipal entity's financial administration and for this purpose the Accounting Officer must take all reasonable steps to ensure amongst others that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

To give effect to the above the Accounting Officer (AO) in consultation with the Municipal Council has established the Risk Management Committee as an oversight structure to deal with the risk management responsibilities.

STRATEGIC VALUES OF RISK MANAGEMENT COMMITTEE

The RMC must advise the municipal council, the political office-bearers, the accounting officer, and the management staff of the municipality on matters relating to-

- Risk management.
- Fraud and corruption
- Fraud Prevention and detection
- Effectiveness of proposed management interventions.
- Effectiveness of the internal control system relevant to risk identified.
- Any other issues referred to it by the municipality.

The role of the RMC is to formulate, promote and review the institution's Enterprise Risk Management (ERM)objective, strategy and policy and monitor the process at strategic, Management and operational levels.

The principles of King IV, customised to municipal environment advise that the audit committee should:

- Ensure that combined assurance model is applied to provide a coordinated approach to all assurance activities.
- Satisfy itself of the expertise, resources, and experience of the municipality's finance function.
- Be responsible for overseeing of risk management; and
- Be an integral component of the risk management process.

All risk management reports are being processed in quarterly meetings. The reports were presented to the Audit Committee.

PERFORMANCE AUDIT COMMITTEE

The Members of Performance Audit Committee that served for the period 01 July 2023 to 30 June 2024, and their attendance were as follows:

NAME OF MEMBER	STATUS	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
Mr. T Mathabathe	Performance Audit Committee Chairperson	4	4
Mr. S Mofokeng	Member	4	4
Ms. S Ngoetjana	Member	4	3
Adv. L Thubakgale	Member	4	4

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

Business Plan 2023/2024

Section 53(1)(ii) of the Local Government Municipal Systems Act, 2003 provides that the mayor of the municipality is charged with the responsibility to consider and approve the Service Delivery and Budget Implementation Plan. financial year. For the 2023/2024 financial year, Sekhukhune Development Agency has set 09 targets to deal with issues of economic development.

The agency successfully achieved 5 targets out of the total planned, resulting in a 56% achievement rate for the 2023/2024 financial year, with 4 targets not met. Comparatively, in the 2022/2023 financial year, the agency also achieved 5 out of 9 planned targets, yielding the same 56% success rate, while 4 targets remained unachieved. This indicates no improvement in the agency's overall performance between the two financial years.

The Annual Performance Report is attached hereto marked **Annexure B**.

TABLE 1: Comparison of performance for 2022/2023 and 2023/2024

SEKHUKHUNE DEVELOPMENT AGENCY	PERCENTAGE ACHIEVED	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	PERCENTAGE ACHIEVED
2022/2023 ANNUAL PERFORMANCE	**56%**	**9**	**5**	**4**	**56%**
2022/2023 ANNUAL PERFORMANCE	**56%**	**9**	**5**	**4**	**56%**

PERFORMANCE OF SERVICE PROVIDERS FOR FINANCIAL YEAR 2023/2024

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	REMARKS
KABOENTLE YA KHUMOITSILE	Catering	3	Performs as expected
LL CONFRONT ZONE ENTERPRISE	Catering	3	Performs as expected
KDM TRAVEL EXPRESS	Accommodation	4	Performs above expectation
ALGAMATED LEBONE TRAVEL SERVICES AND PROJECTS PTY	Accommodation	3	Performs as expected
ASHCOR TRAVELS PTY LTD	Accommodation	3	Performs as expected
KGAMAGADI WAMUYAYA TRADING PTY LTD (2021/106737/07	Catering	3	Performs as expected
MNB CHARTERED ACCCOUNTANTS AND	AFS and Audit Support	4	Performs above expectation
ASHCOR TRAVELS PTY LTD	Accommodation	4	Performs above expectation
BLACKSKY INVESTMENS AND HOLDINGS	Catering	4	Performs above expectation
EBONY & IVORY ADVERTISING MARKETING PROMOTION PTY	Advertisement	4	Performs above expectation
EXPLOHILL ADVERTISING AND MEDIA (PTY)LTD	Advertisement	4	Performs above expectation

DONCHAIRLYINVESTMENTS (PTY) LTD	Catering	4	Performs above expectation
UNATHI CATERING	Catering	4	Performs as expected
AGANG BATAUGENERAL TRADING	Printing	3	Perform as expected
DIKGOLE MALESOLO TRADING AND PROJECTS	Printing	3	Performs as expected

MEASURES TO IMPROVE PERFORMANCE

Risks	Mitigation Strategies
ERP System for the Agency	Procurement of own financial system concluded, Development and implementation underway
Lack of own policies	Draft policies submitted to the Board by the 3rd quarter of 2023/2024 financial year.
Lack of internal capacity	Training of staff to be given priority in the new financial year and prioritisation of filling in of the Finance Unit staff
Shortage of staff	Posts in the Finance Division to be prioritised
Unable to implement high economic impact project due lack of funding	Appointment of professional financial mobilisers concluded in second quarter of 2024/2025
Enhancing Funding	Secure additional funding sources to support the agency's projects and initiatives.
Reviewing the Service Level Agreement (SLA) between SDM and SDA	Ensure the SLA between the SDM and SDA is aligned with current goals, expectations, and performance standards. Implementing these measures will help the Sekhukhune Development Agency improve its performance through better policy development, financial management, funding enhancement, and a well-defined SLA with its shareholder.

STAKEHOLDER ENGAGEMENT

As part of its mandate, the agency holds regular meetings and engagements with stakeholders to exchange ideas on how to take the Agency forward. The following sectors and departments were engaged.

LIMPOPO DEPARTMENT OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (LEDET) AND FETAKGOMO-TUBATSE INDUSTRIAL PARK (FTIP)

The process of engaging an SDA inclusion in a Special Economic Zones (SEZ) project and signing a Memorandum of Understanding (MoU) with FTIP aims to facilitate cooperation and promote investment opportunities for the benefit of the SEZ's development and the overall economy

CHAPTER 4

AUDITOR GENERAL REPORT FOR THE CURRENT YEAR

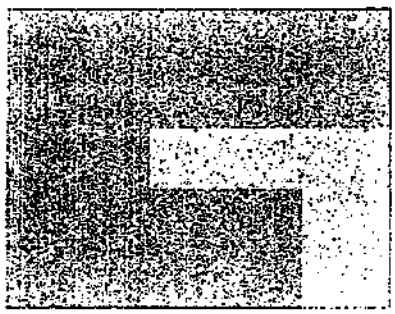
The following is the comparative analysis of Audit Outcomes from Auditor-General South Africa (GSA): See Audit Action Plan attached herein as **annexure D**

Description	2021/2022	2022/2023	2023/2024
Audit opinion	Unqualified	Qualified	Unqualified

The Municipal entity received an unqualified opinion with matters of emphasis.

The following table depicts progress against the action plan based on the audit outcome of the 2022/223audit. The Auditor-General recommended that management must ensure that adequate systems and processes are in place to maintain records in relation to the reported achievement of performance indicators. Management has since begun with remedial actions to address the findings.

Outcome area	Movement	2023-24	2022-23	2021-2
Financial statements	▲			
Annual performance report				
Local Economic Development	-			
Compliance with legislation				
Annual Financial Statements and Performance	-			
Expenditure Management	-			
Consequence management	▼			
Procurement and Contract Management	-			
Strategic planning and Budgeting	-			



Unqualified / No material findings | Qualified | Adverse | Disclaimed | Material findings | Not audited

▲ Improvement ▼ Regression - Unchanged

CONCLUSION

In conclusion, the year under review highlights significant improvements for the Sekhukhune Development Agency. While much has been achieved, particularly in governance and operational capacity, there is still work to be done to ensure the Agency's long-term success and ability to deliver on its mandate.

With the support of the appointed Board of Directors, we are confident that the Agency will continue to build on this progress, ultimately realizing its vision of driving inclusive and impactful economic development for the district.

Accounting Officer,

.....

Ms. Nancy Rampedi
Acting Chief Executive Officer

SEKHUKHUNE DEVELOPMENT AGENCY

Ignite • Inspire • Invest

Annual Performance Report

2023/2024 Financial Year

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2. SDA non-executive board members
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4. 2022/2023 SDBIP Performance
5. Performance of Service Providers for 2023/2024
6. Measures to improve performance.
7. Strategic Planning and Stakeholder Engagement
8. Revenue Generating Project
9. Conclusion
10. Approval

1. LEGISLATIVE MANDATE

The Annual Performance Report (APR) for Sekhukhune Development Agency for the financial year 2023/2024 has been prepared in compliance with the provisions of the Local Government Municipal Finance Management Act which provides as follows:

Section 121 (3) (c) of the Local Government Municipal Finance Management Act, 2003 (Act no. 56 of 2003)

"The annual report of the municipality must include the annual performance report prepared by the municipality/municipal entity in terms of section 46 of the municipal Systems Act"

Section 46 (1) of the Local Government Municipal Systems Act, 2000

"a municipality/municipal entity must prepare for each financial year an annual report consisting of-

(a) a performance report reflecting-

(i) the municipality/municipal entity'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 of service delivery priorities and performance targets set by the municipality/municipal entity for the following financial year, and

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

Sekhukhune Development Agency (SDA) is 100% owned by the Sekhukhune District Municipality and as a municipal entity, it is also required to comply with the basic requirements of the Local Government Municipal Systems Act 32 of 2000 read together with the provision of the Local Government Municipal Finance Management Act of 2003. The SDA has therefore also prepared its annual performance report in terms of the same guidelines and law provided for by the two above mentioned legislative provisions.
It should be noted that Sekhukhune Development Agency does not have its own Performance Management Unit and has an agreement with the parent municipality to utilise the performance management unit of the parent municipality for planning, monitoring and evaluation of its performance alongside code of good practices provided for in the King IV Report on Good Corporate Governance.

2. SDA NON-EXECUTIVE BOARD MEMBERS

- Mr Tshabedi Serote (Chairperson)
- Mr Tladi Ditshego
- Mr Kgopelo Phasha
- Ms Akani Baloyi
- Ms Mathabo Mosia

3. Summary of 2023/2024 Service Delivery and Budget Implementation Plan (SDBIP) Performance

The Sekhukhune Development Agency had set a total of **10** targets for the 2023/2024 financial year. Out of these, the agency successfully achieved **6** targets, which translates to a **60%** achievement rate, while **4** targets were not met. The overall budget for the financial year was **R 9,314,935.00**, with an expenditure of **R 5 445 359,50** This results in a variance, including employee costs, of **R 3869575,50**, representing **58%** of the budget.

In comparison, for the 2022/2023 financial year, the agency had planned **9** targets, achieving **5** and not achieving **4**, resulting in a **56%** success rate. Therefore, the performance for the 2023/2024 financial year shows an improvement of 4% compared to the previous year.

TABLE 1: Comparison of performance for 2022\2023 and 2023\2024

Develop and maintain SDM website	Website was not developed and maintained due to Budget constraints	Development and maintenance of Website to be done in the new FY 2023/24

5. PERFORMANCE OF SERVICE PROVIDERS FOR 2023/2024

NAME OF SERVICE PROVIDER	SERVICE RENDERED	LEVEL OF PERFORMANCE	REMARKS
KABOENTLE YA KHUMOITSILE	Catering	3	Performs as expected
LL CONFRONT ZONE ENTERPRISE	Catering	3	Performs as expected
KDM TRAVEL EXPRESS	Accommodation	4	Performs above expectation
ALGAMATED LEBONE TRAVEL SERVICES AND PROJECTS PTY	Accomodation	3	Performs as expected
ASHCOR TRAVELS PTY LTD	Accomodation	3	Performs as expected
KGAMAGADI WAMUYAYA TRADING PTY LTD (2021/106737/07	Catering	3	Performs as expected
MNB CHARTERED ACCCOUNTANTS AND	AFS and Audit Support	4	Performs above expectation
ASHCOR TRAVELS PTY LTD	Accommodation	4	Performs above expectation
BLACKSKY INVESTMENS AND HOLDINGS	Catering	4	Performs above expectation
EBONY & IVORY ADVERTISING MARKETING PROMOTION PTY	Advertisement	4	Performs above expectation
EXPLOHILL ADVERTISING AND MEDIA (PTY)LTD	Advertisement	4	Performs above expectation

DONCHAIRLY INVESTMENTS (PTY) LTD	Catering	4	Performs above expectation
UNATHI CATERING	Catering	4	Performs as expected
AGANG BATAU GENERAL TRADING	Printing	3	Performs as expected
DIKGOLE MALESOLO TRADING AND PROJECTS	Printing	3	Performs as expected

6. MEASURES TO IMPROVE PERFORMANCE.

Measures to improve the performance of the Sekhukhune Development Agency (SDA) by developing its own policies, acquiring its own financial system, enhancing funding, and reviewing the Service Level Agreement (SLA) between the shareholder (Sekhukhune District Municipality, SDM) and the SDA

6.1 Developing SDA's Own Policies

Establish a framework of policies tailored to the unique needs and goals of the SDA to ensure consistent and effective operations.

6.2 Acquiring SDA's Own Financial System

Implement a robust financial management system to enhance financial operations, reporting, and accountability.

6.3. Enhancing Funding

Secure additional funding sources to support the agency's projects and initiatives.

6.4 Reviewing the Service Level Agreement (SLA) between SDM and SDA

Ensure the SLA between the SDM and SDA is aligned with current goals, expectations, and performance standards.Implementing these measures will help the Sekhukhune Development Agency improve its performance through better policy development, financial management, funding enhancement, and a well-defined SLA with its shareholder.

7. STRATEGIC PLANNING AND STAKEHOLDER ENGAGEMENT

7.1 2023-2024 STRATEGIC PLANNING SESSION

The Sekhukhune Development Agency (SDA) conducted its Strategic Planning Lekgotla from March 1 to March 2, 2024, at the Sekhukhune District Municipality Council Chambers in Groblersdal. The session aimed to review the 2023/2024 Strategic Plan and align the proposed 2024/2025 Strategic Plan, considering the 2022/2023 Annual Report, the 2023/2024 Mid-year Performance Report, and other relevant factors.

Objectives and Purpose

The primary objective was to reassess and realign the current developmental strategies to address various challenges within the Sekhukhune District. By analyzing the 2023/24 highlights, challenges, SWOT analysis, and stakeholder inputs, the SDA developed new strategies for its programs to ensure effective resource allocation and address the identified issues.

Outcomes

The session concluded with a renewed commitment to facilitate and implement local and regional economic development initiatives. The strategic plan for 2024/25 aims to alleviate short-term poverty and eliminate long-term endemic poverty through sustainable human and economic development, participatory governance, and job creation. The SDA aims to capitalize on local economic development opportunities, particularly in agriculture, tourism, and mining.

The strategic plan sets clear objectives that are specific, measurable, achievable, realistic, and time-bound (SMART), ensuring that the SDA can effectively manage and implement its developmental initiatives for the betterment of the Sekhukhune District.

8. REVENUE GENERATING PROJECT

8.1 TO FACILITATE THE APPOINTMENT OF SDA AS THE IMPLEMENTATION PARTNER OF THE OUTDOOR ENERGY STORAGE UNITS AND SIGNING OF PPA

As part of its mandate, the Sekhukhune Development Agency (SDA) aims to facilitate the appointment of SDA as the implementation partner for the Outdoor Energy Storage Units project. This initiative is critical for enhancing the agency's revenue streams and achieving sustainable development goals. The primary objective is to ensure the signing of the Power Purchase Agreement (PPA) between SDA and the Sekhukhune District Municipality. This agreement will enable the municipality to utilize energy storage units for essential infrastructure operations, such as pumping water into reservoirs, thereby improving service delivery and efficiency. The target is to finalize the PPA by June 2025, positioning SDA as a key player in the region's energy and infrastructure sectors, while driving revenue growth and reinforcing its commitment to sustainable development.

8.2 TO FACILITATE ENGAGEMENTS TOWARDS THE ESTABLISHMENT OF TRANSPORT PLANNING AND MANAGEMENT

To facilitate strategic engagements and collaborative efforts aimed at the establishment of a comprehensive Transport Planning and Management Unit within the Sekhukhune Development Agency (SDA) by June 2025, through an Intergovernmental Authorization Agreement with the Limpopo Department of Transport and Community Service, as formalized in the signed Memorandum of Understanding (MOU).

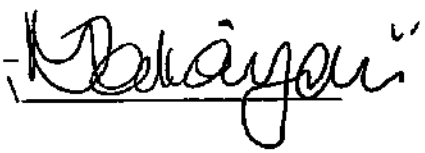
9. CONCLUSION

The annual performance report of the Sekhukhune Development Agency (SDA) for the 2023/2024 financial year presents a comprehensive overview of a period marked by significant challenges and transformative changes. The landscape within which we operated was dramatically altered by the negative impact on the operations of the Agency due to the economic devastation that unfolded following the resignation of the Acting CEO, a circumstance that reverberated throughout our endeavours. In the face of unprecedented economic hardships, the SDA demonstrated its commitment to the community it serves.

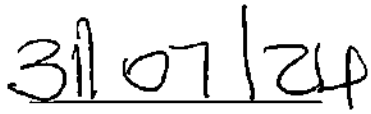
The Board of Directors, appointed by the SDM council, played a pivotal role in steering the agency through these challenging times by appointing a new CEO. The CEO has since taken decisive actions to stabilize and strengthen the organization, including the appointment of a Project Manager and Company Secretary, and is in the process of appointing a Finance Manager. Additionally, the procurement of a robust financial system and the development of the Agency's website have ensured that the agency's mandate is upheld, and its operations are transparent and efficient.

In conclusion, the resilience and dedication of the SDA, its board, and its newly appointed leadership have set a strong foundation for future growth and success. Despite the significant obstacles faced, the agency has remained steadfast in its mission to drive sustainable development and economic prosperity in the Sekhukhune region. Moving forward, the SDA is well-positioned to leverage these foundational changes to achieve its strategic objectives and continue making a meaningful impact on the community it serves.

APPROVAL



Ms Mantwa Makanyane



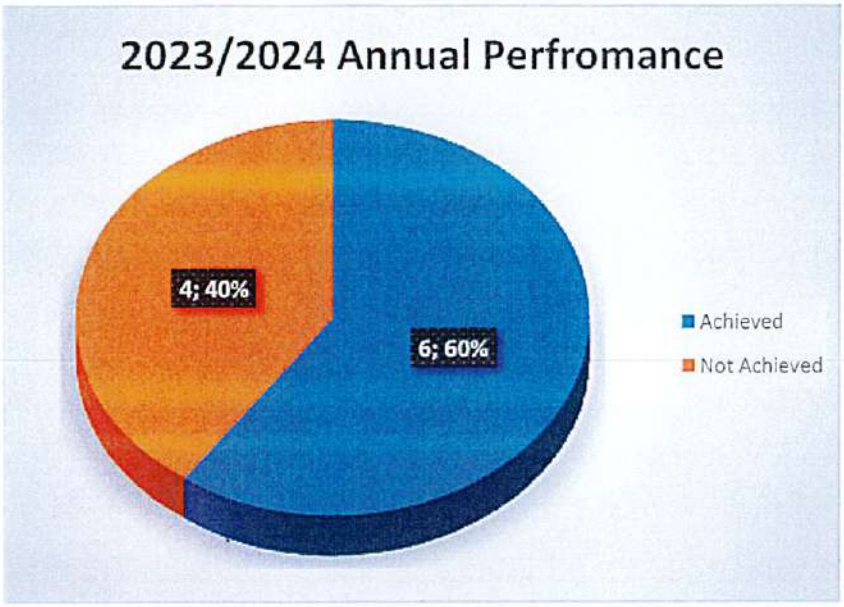
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Appendix A: Performance Rating for Service Providers

Level	Description	Rating
Level 5 **Outstanding performance**	Performance far exceeds the standard expected for the job in all areas of the project. The company has achieved exceptional results against all performance criteria and indicators specified in the service level agreement/contract and maintained this in all areas of responsibility throughout the year.	**5**
Level 4 **Performance significantly above expectations**	Performance is significantly higher than the standard expected for the job in all areas. The service provider has achieved above fully effective results against more than half of the performance criteria and indicators specified in the service level agreement /contract and fully achieved all others throughout the year	**4**
Level 3 **Fully effective**	Performance fully meets the standard expected for the job in all areas. The service provider has achieved effective results against all significant performance criteria and indicators specified in the service level agreement/contract and may have achieved results significantly above expectations in one or two less significant areas throughout the year	**3**
Level 2 **Performance not fully satisfactory**	Performance is below the standard required for the job in key areas. The service provider has achieved adequate results against many key performance areas and indicators specified in the service level	**2**

	agreement/contract but did not fully achieve adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected.	
Level 1 **Unacceptable performance**	Performance does not meet the standard required for the job. The service provider has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The service provider has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement.	1

SEKHUKHUNE DEVELOPMENT AGENCY	NUMBER OF SET TARGETS	NUMBER OF ACHIEVED TARGETS	NUMBER OF TARGETS NOT ACHIEVED	% ACHIEVED
2022/2023 ANNUAL PERFORMANCE	9	5	4	56%
2023/2024 ANNUAL PERFORMANCE	10	6	4	60%


2023/2024 Annual Perfromance
4; 40%
6; 60%
Achieved
Not Achieved

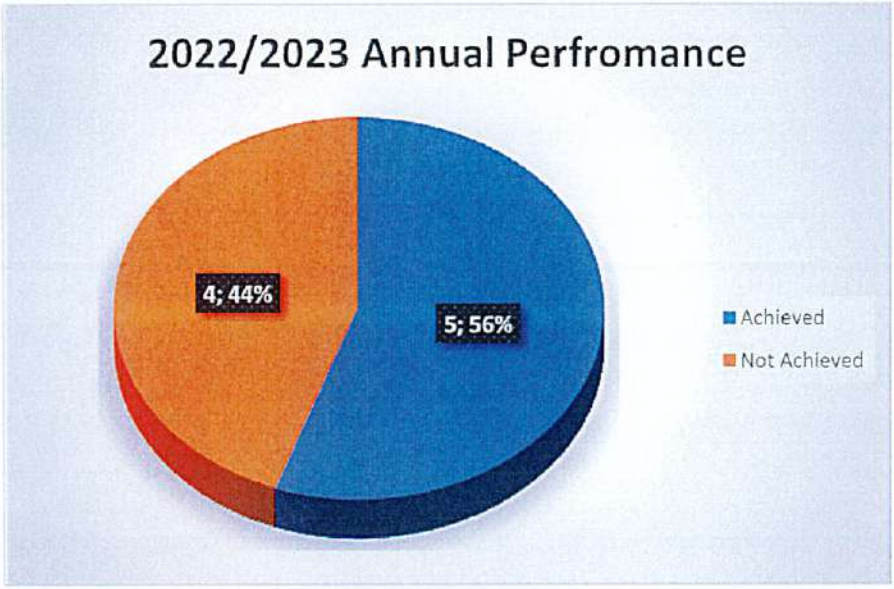
Outlined in the table below are 6 targets Not Achieved with challenges and remedial actions for 2023/2024 Financial Year.

TARGET NOT ACHIEVED	CHALLENGES	REMEDIAL ACTION
Trainings facilitated trough ESD programme	Training facilitator not procured due to line item/ Vote Number not specified in line with MSCOA	Training Facilitators to be included in procurement plan.
Appointment of panel of professional fundraisers	panel for professional fundraisers could not be appointed due to the non-responsive of fundraisers	Advertise for calls for expression of interest and includes a wider pool of potential fundraisers, leveraging local and international networks to attract more responsive and qualified candidates.
Awareness campaign on De Hoop RMP identified projects facilitated.	Campaigns on De Hoop RMP identified projects could not be facilitated due to service providers not being responsive on the request for proposal on reticulating access	To include this on the envisaged EOI. Extending the deadline for proposal submissions allows potential service providers more time to prepare comprehensive responses.
Appointment of Service provider to develop and maintain the financial system	Financial system not developed and maintained due to delays in appointing the Service provider	Service Provider for the development and maintenance of Financial System was made on 11 July 2024

4. 2022/2023 SERVICE DELIVERY AND BUDGET IMPLMENTATION PLAN (SDBIP) PERFORMANCE.

In the 2022/2023 financial year, Sekhukhune Development Agency had a total of 09 planned targets. Out of 09 targets, 05 were achieved and 04 were not achieved which represents 56% overall performance.

The figure below further illustrates the same scenario as depicted above:



Outlined in the table below are 6 targets Not Achieved with challenges and remedial actions for 2022/2023 Financial Year.

TARGET NOT ACHIEVED	CHALLENGES	REMEDIAL ACTION
Appointment of SDA as the FSPU Facilities Management	Engagements not facilitated due to unavailability of stakeholders	Request PED to assist with coordination of stakeholders in the new financial year
Conduct Survey of District Mineral Resources (SDA)	Engagement with implementing partners not yet concluded	Survey to be conducted once the agreement with the MINTEK is concluded.
District-wide Skills developmet	4 skills development intervention could not be facilitated due to lack of internal capacity	Internal capacity to be facilitated in the new financial year

Annexure E: 2023/2024 Audit Committee Report – SDM

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2024

We are pleased to present our report for the financial year ended 30 June 2024.The Audit Committee (Committee) has been established as an independent committee in terms of section 166 of the MFMA Act No.56 of 2003.The Committee has adopted formal terms of references which are regularly updated and approved by council.

The Committee consist of the members listed hereunder and should meet at least four times per annum as per its terms of references although special meetings may be called as the need arise. Below is the attendance held and attendance was tabled as follows

NAME OF MEMBERS	STATUS	TOTAL NO.OF MEETINGS	NO. OF MEETINGS ATTENDED
Mr. S Mofokeng	Audit Committee Chairperson	4	12
Ms. S Ngoetjana		4	10
Adv. L Thubakgale	Member	4	10
Mr. V Manyisana	Member	4	12
Mr.M Mathabathe	Member	4	12

AUDIT COMMITTEE RESPONSIBILITIES

The Committee reports that it has complied with its responsibilities arising from section 166 of the Municipal Finance Management Act 2003 (MFMA) section 79 of the Municipal Structure Act 117 1998 and paragraph 14 (2) (a) of the Local Government: Municipal Planning Management Regulations,2001.The Committee also reports that it has adopted an appropriate formal terms of references, has regulated its affairs in compliance with these terms and has discharged all its responsibilities as contained therein

THE EFFECTIVENESS OF INTERNAL CONTROL AND INFORMATION COMMUNICATION TECHNOLOGY (ICT) GOVERNANCE

The Internal Control system was not entirely effective for the year under review although some improvements were registered in some control activities. From the various reports of the Internal Audit and Auditor General Report for 2023-2024 it became clear that more still needs to be done by both council and Administration in ensuring that the Municipality obtain a clean audit and that services delivery is effective rendered.

The Committee also reviewed the progress with respect to the ICT governance.Although there were some significant progress on the ICT internal control.The Committee report its dissatisfaction with the lack of ICT strategy and

minimal progress made with the implementation of the disaster recovery plan and the business continuity plan.This continued to be a high risk for the municipality.

THE QUALITY OF REPORTING

The Committee is of the view that the contents of the quarterly reports of the Municipality that it has been made privy to, have improved significantly.The performance management system for managers accountable to the Municipal Manager has been operating though not as efficient as the municipality would have liked the system to be. The committee has been part of the performance assessments of the managers accountable to the Municipal Manager for the year under review.

RISK MANAGEMENT

Progress on the District Municipality risk management was reported to the Committee on a quarterly basis. The Committee is satified that the actual management of risk is receiving attention although there are areas that still require improvement. Management should take full responsibilities for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to further enhance the performance of the Municipality. The Committee was dissatisfied about the capacity in the Risk Management to support the Chief Risk Officer.

HUMAN RESOURCES

The Committee were concerned with slow filling of vacant position and request management to speed up the process of filling all the senior positions and key positions in the municipality

AUDIT PROCESS

The Committee is satisfied with how the audit process were handled by the Auditor General South Africa as there were constant interaction with the Auditor General South Africa during the course of the audit.The Committee is further satisfied that the Audit report for 2023-2024 Financial Year was issued as per the audit strategy as agreed between the Auditee and the Auditor General South Africa. The Committee recommend that Management of the Municipality must submit the credible Annual Financial Statements. From the Audit report of the Auditor General South Africa on the annual financial statement of the Municipality, it was noted that the Municipality has sustained the qualified audit opinion. We recommend that management should develop and implement an action plan to address all the findings as raised by the Auditor General (SA) in order to strengthen the efficiency and effectiveness of the system of internal controls over financial reporting

Evaluation of the Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements.
- Reviewed the AGSA management letter and responses thereto
- Reviewed compliance with legal and regulatory provisions
- Reviewed significant adjustment resulting from the audit process;
- Reviewed the Audit report

We concur with and accept the Auditor General South Africa report on the annual financial statements, and are of the opinion that the audited annual financial statement be accepted and read together with the report of the Auditor General South Africa.

ANNUAL REPORT FOR 2023-2024 FINANCIAL YEAR

The Committee has considered the annual report for 2023-2024 financial year and recommend that management should ensure that Management and governance structures review the Annual Report.

Appreciation

The Committee wishes to thank the Municipal Council, AGSA, Management and the staff for continued commitment to improve effective control environment and good governance and for their support. .



Chairperson of the Audit Performance Committee

Mr. S Mofokeng

Date: 25/1/2025

Annexure E: 2023/2024 Audit Committee Report – SDA

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2024

AUDIT COMMITTEE REPORT

The Audit Committee (the Committee) is pleased to present the report for the financial year ended 30 June 2024.The Audit Committee has been established as an independent committee in terms of section 166 of the Municipal Finance Management Act No.56 of 2003.The Committee adopted formal terms of references which are regularly updated and approved by Council.

Audit Committee members and attendance

The Committee consist of members listed hereunder and should meet aleast four times per annum as per its terms of references although special meetings maybe called as the need arises.

The attendance was as follows:

NAME OF MEMBERS	STATUS	TOTAL NO.OF MEETINGS	NO. OF MEETINGS ATTENDED
Mr. S Mofokeng	Chairperson	4	12
Ms. S Ngoetjane	Member	4	11
Adv. L. Thubakgale	Member	4	12
Mr. V Manyisane	Member	4	12
Ms. M Mathabathe	Member	4	12

The Committee reports that it has considered its charter which was ultimately approved by Council which is the parent of the Sekhukhune Development Agency and charter regulates its affairs and detailed the responsibilities and expectations of the Committee.

The Effectiveness of the Internal Control

The Committee noted the work of the assurance service providers, both internal and external auditors through reports that were submitted. The reports were noted with concern by the Committee regarding the number of significant internal control deficiencies.

Management has given assurance that effective corrective action will be implemented in respect of all internal control weakness. The Audit committee will monitor these going forward.

Risk Management

The Committee fulfils an oversight role regarding the financial reporting risk, internal financial controls, fraud risk and information and technology as it relates to financial reporting. The Chairperson of the risk management committee or the Chief Risk Officer report progress on the risk management process to the Committee on a quarterly basis. The Committee is dissatisfied that the actual management of risk is not receiving attention. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to further enhance the performance of the Agency

The Quality of Reporting

The Committee is of the view that the contents of the quarterly reports of the agency that has been made privy to have improved. The Audit Committee recommended that the SDA must Fastrack the appointment of the Finance Manager

Financial Management

The Committee is dissatisfied with the budget allocation for the agency and request that the shareholder support the agency so that the agency can realise its objectives.

Audit Process

The Committee is satisfied with how the audit process were handled by the Auditor General South Africa (AGSA) as there were constant interaction with the Auditor General South Africa during the course of the audit.The Audit Committee is further satisfied that the Audit report for 2023-2024 was issued as per the audit strategy as agreed between the Committee and the AGSA. The Committee applauded management of the agency that they submit the credible Annual Financial Statements and the Chairperson of the Board and his team for by obtaining unqualified audit opinion . The Committee recommend that management should implement an action plan to address all the findings as raised by the AGSA in order to strengthen the efficiency and effectiveness of the system of internal controls over financial reporting.

Evaluation of the Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statement..
- Reviewed the AGSA management letter and responses thereto
- Reviewed compliance with legal and regulatory provisions
- Reviewed significant adjustment resulting from the audit process;
- Reviewed the audit report

We concur with and accept the AGSA report on the annual financial statements, and are of the opinion that the audited annual financial statement be accepted and read together with the report of the Auditor General South Africa.

Annual Report for the 2023-2024 Financial Year

The Committee has considered the annual report for 2023-2024 Financial year and recommend that management and governance structures should review the annual report so that the report is credible.

Appreciation

The Committee wishes to thank the Municipal Council, AGSA, Board, Management and the staff for continued commitment to improve effective control environment and good governance and for their support. .

Chairperson of the Audit Performance Committee

Mr. S Mofokeng

Date: 25/1/2025

Annexure F : Audit Action Plan 2023/2024 SDM

Financial Year: 2023/2024
Annexure: Matters Affecting Audit Report
Audit Action Plan Status: All
Implementation Status: Not Yet Started|In Progress|Completed|Agreed Findings Addressed

Finding	Finding Details	Recommendation	Management Response	Action Plan
COMAF 09: Difference noted between Water Inventory Workings and Annual Financial Statements	Section 62(1) (b) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose, take all reasonable steps to ensure that full and proper records of financial affairs of municipality are kept in accordance with the prescribed norms and standards." GRAP 1, Presentation of financial statements, states that "financial statements shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to	·The accounting officer should ensure that the financial statements are prepared per the MFMA and GRAP requirements. ·The accounting officer should ensure that the AFS are reviewed by different levels and the reviewers are afforded sufficient time to review.	Management comment on audit finding: Management agrees with the finding as detailed, management would request from the auditor an adjustment of the disclosed amount in the annual financial statements.	The municipality will adjust the inventory workings by R152 728.02 (the difference between the municipality workings and AGSA workings) and propose a journal for water losses in 2023/24. Furthermore, to ensure that the 2024/25 water losses is correctly calculated.
COMAF 24: Invoices were paid after 30 days	Detail Per General Ledger 30 Days compliance Votenumber Vote Description Debit Amt Transaction Description Cheque Payee Invoice date Payment date Days 39052383650EQMRCZZHO OPR LEASES: OTHER ASSETS 133,076.23	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted. The CFO should ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted.	Finding No.2 The following invoices were paid after 30 days Management agrees with the finding as detailed	Invoice tracker report is used as a daily tool to manage and monitor progress on complete and compliant invoices.

COMAF 24: Fruitless and wasteful expenditures incurred as a result of the municipality defaulting on operating lease payments and were not included in the fruitless and wasteful expenditure register	General Ledger Extract Period Votenumber Vote Description TranDate Debit Amt Transaction Description	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted. The CFO should ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted.	Finding No.4 Fruitless and wasteful expenditures incurred as a result of the municipality defaulting on operating lease payments and were not included in the fruitless and wasteful expenditure register Management agrees to the finding	Management will strengthen the current controls around the identification and reporting of the fruitless and wasteful expenditure. Add the amount of R 412 104 identified fruitless and wasteful expenditure register.

COMAF 30: Payment for the following transactions were made after 30 days of receiving the invoice	General Ledger 30 Days compliance Votenumber TranDate Debit Amt Transaction Description	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted. The CFO should ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted.	Finding No.4 Payment for the following transactions were made after 30 days of receiving the invoice Management agrees with the finding as detailed	Management will ensure that sufficient controls are implemented to ensure that supplier payments are processed and paid within the 30 days of invoice. Furthermore, the municipality will make use of invoice tracker to ensure that suppliers are paid within 30 days of the receipt of invoice. We will send Follow-up emails biweekly to all managers and directors about the submission of the authorized invoices and signed payment vouchers.

COMAF 31: Procurement and contract management	RequirementsPreferential Procurement Regulation (PPR) of 2022, effective 13 January 2023, stipulate the following requirements:Paragraph 3(2)(b) states that "If it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system."80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million Paragraph 4.(1) The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes: Ps =80(1 – ((Pt-Pmin)/Pmin)) Where- Ps = Points scored for price of tender under consideration; Pt = Price of tender under consideration; andPmin = Price of lowest acceptable tender. (2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender. (3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places. (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points. Audit findings Contrary to the above, when testing the quotations below R30 000, we noted that the municipality practices relating the said procurement, the lowest quotation is accepted base on the lowest price. The specification/request for quotations does not include the specific goals. There is no evaluation of received bids according to the requirement of PPR 2022 which require acquisition of goods or services with Rand value equal or below R50 million be	The Accounting Officer should ensure that internal controls are effectively implemented and the SCM policy is aligned with the requirements of PPR 2022 Investigate and report all procurement below R30 000 between the period of 13 January 2023 to date and report as irregular expenditure	Management comment on audit finding: Management disagrees with the finding. Price quotations equal or below R 30 000.00 are not subjected to the competitive bidding process in terms of the preferential procurement regulations.	To ensure that the specification/request for quotations should include the specific goals for quotations below R30 000

COMAF 35 : Award to persons in service of state	In terms of the MFMA section 112 (1) The supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:(j) Compulsory disclosure of any conflicts of interest's prospective contractors may have in specific tenders and the exclusion of such prospective contractors from those tenders or bids.In terms of the SCM regulation 44 – prohibition on awards to persons in service of the state – The SCM policy of a municipality must irrespective of the procurement process followed, state that the municipality may not make any award to a person:(a) Who is in the service of the state.(b) If that person is not a natural person, of which any director, manager, principal shareholder is a person in service of the state The municipality did to comply with the MFMA and the SCM regulations requirements, as they awarded a tender to a company for which the director is a person in service of the state. The service provider submitted a false declaration as they did not declare that they are in service of the state on their MDB4 form: TENDER AMOUNT	tm:format font-override= true xsl:value-of select= TEXTFIELD1 / /tm:format The accounting officer should monitor controls to ensure that all awards are made in line with the legislation and applicable regulations to prevent non-compliance. Furthermore, supply chain management unit should comply with the municipal policies and MFMA regulations by developing procurement checklist.	Management comment on audit finding: Management disagrees with the finding, the CSD reports of the companies mentioned did indicate at the time of the awards that the directors were not in the employment of state. The CSD is a live system of supplier database centralized at the National Treasury and it provides the latest reliable information for verification purposes.	Management will ensure that going forward, thorough checks and verifications will be done before appointing service providers. No service provider with a director in the service of state will be appointed.
COMAF 36: Trade Payables – Differences between the GL and creditors' statements	In accordance with GRAP 1 paragraph 17, Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation.Contrary to the above we identified the below differences between trade payables in the general ledger and the creditors' statements requested for 30 June 2024 as per RFI66:	Management should ensure that trade payables are correctly recorded and creditors' statements as at year-end are obtained to support the trade payables balances. The discrepancies between GL and creditors' statements should be followed up timeously.	Management comment on audit finding: Management disagrees with the finding as detailed. The auditor responsible will be assisted to reconcile the amounts on the GL and creditor's statements.	Monthly reconciliations to be done between the ledger and the creditor's statements.

COMAF 74: Reasonable steps were not taken to prevent UIFW Expenditure	Audit Findingin terms of section 62(1) (d) of the Municipal Finance Management Act, 2003 (Act no. 56 of 2003) (MFMA), the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented. Natureirregular expenditure1. During the compliance audit and inspection of the financial statements, we have noted that the municipality incurred irregular expenditure on the similar nature for current and prior year. Therefore reasonable steps were not taken to prevent irregular expenditure amounting to R74 904 123 as disclosed in note 52 to the annual financial statements, as required by section 62(1)(d) of the MFMA. Furthermore, there was additional irregular expenditure identified during the audit that still need to be quantified.Fruitless and wasteful expenditure	We recommend the following:· Accounting officer should ensure that adequate controls are put in place to prevent recurrence of unauthorized , irregular, fruitless and wasteful expenditure.· Capacitation of the SCM unit and ensure that training is attended for the recent changes in the legislation · Application of due diligence and due care during the evaluation of tenders. Develop compliance checklist on the specification, evaluation and adjudication of tenders	Management comment of the audit finding: Management acknowledges the auditor's finding on irregular and fruitless wasteful expenditure.	Internal controls will be strengthened to prevent instances of irregular and fruitless expenditure.
COMAF 02 of 2024: Strategic planning and performance management	1. Approved SDBIP not compliant with section 1 of the MFMARequirementSection 1 of the MFMA describes "service delivery and budget implementation plan" as a detailed plan approved by the mayor of a municipality in terms of section 53(I)lc)(ii) for implementing the municipality's delivery of municipal services and its annual budget and which must indicate: (a) projections for each month (i) revenue to be collected. by source; and(ii) operational and capital expenditure by vote; Audit findingContrary to the above requirements, during the high level review of the SDBIP, we identified the following:	The accounting officer should ensure that there is adequate review of the planning documents by developing a compliance checklist. The Director responsible for strategic management should ensure the SDBIP for 2024/25 financial years complies with section 1 of the MFMA and include revenue and expenditure projections as reflected in the municipal budget.	Management comment on audit finding: Management agree with the Auditor's finding Management comment on internal control deficiencies (if the entity disagrees please provide the correct root cause for the finding): Management comment on recommendation: Management agree with the	Management will ensure that adjusted SDBIP for 2024/25 f/y complies with section 1 53(I)lc)(ii) of the MFMA and include revenue and expenditure projections as reflected in Municipal budget

COMAF 75: Supply Chain Management – Award quotations to non-responsive bidders	In terms of section 4 (2) of the preferential procurement regulation, a tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender. MFMA section 112(e) states that the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the open and transparent prequalification processes for tenders or other bids; Audit Finding: 1. The quotation report for Bid: SK8/2/1-036/2023/24 for appointment of a service provider for the supply and delivery of foot mounted motor speed 1450pm power 110kw and the winning bidder (Malau A Maso) was determined not to be responsive during evaluation of the pre-qualifying criteria. The auditors re-performed the evaluation and confirmed that the bidder was not responsive and should have been disqualified as the bidder did not provide proof of resident and affidavit that the director and the company stay in rural areas where no rate and taxes were not submitted. Only affidavit of director without proof of resident was submitted. Management evaluated further the bidder for pricing and preference points, and the bidder subsequent scored highest point and was awarded the quotation. Bid Number	Accounting officer should ensure that adequate controls are put in place to prevent recurrence of unauthorized, irregular, fruitless and wasteful expenditure.• Capacitation of the SCM unit and ensure that training is attended for the recent changes in the legislation • Application of due diligence and due care during the evaluation of tenders. Develop compliance checklist on the specification, evaluation and adjudication of tenders	Management comment on internal control deficiency. Management agrees with the finding.	Strengthening controls around the design and implementation of the evaluation criteria on bids. Training SCM officials and developing checklists.

COMAF 13 of 2024: Predetermined objectives: Basic Service Delivery and Infrastructure	1. Operations and maintenance – Ineffective system for recording reported incidents Audit FindingThe Framework for Managing Programme Performance Information (FMPPI) outlines guidelines and Chapter 5 Managing Performance Information which states that effective management of performance information requires a clear understanding of different responsibilities, and the structures and systems involved in managing performance.5.1 Responsibilities(b) Accounting officers: The accounting officer or head official of an institution is accountable for establishing and maintaining the systems to manage performance information.(c) Line managers and other officials: Line managers are accountable for establishing and maintaining the performance information processes and systems within their areas of responsibility.A range of officials is responsible for capturing, collating and checking performance data related to their activities. The integrity of the institution's overall performance information depends on how conscientiously these officials fulfil these responsibilities.5.2 Integrated performance information structures and systems Performance information systems should be integrated within existing management processes and systems. The accounting officer or head official of an institution is responsible for ensuring that the institution has: Documentation addressing the following: Integration of performance information structures and systems within existing management processes and systems. Definitions	The accounting officer should implement and monitor controls to ensure that the municipality have a system of receiving and recording water and sanitation reports. This should include having a dedicated communication method that integrate with the incident register.	Management comment on audit finding: Management disagrees with some of the findings: *Municipality does have an effective manually operated system for capturing all reported water and sanitation incidents in the incident register. *All Job cards contain full information of the incident Management comment on internal control deficiency: Management agrees with the finding Management comment on recommendation: Management agrees with the finding	Management will develop an incident management protocol system which will detail how and whom the incident is reported, recorded, provide feedback till closure of the incident for implementation from Q3 of 2024/25 FY.

COMAF 44 of 2024: Predetermined objectives: Local economic development	1. Number of jobs opportunities created through EPWP - Overstatement Audit FindingThe Framework for Managing Programme Performance Information (FMPPI) outlines guidelines and Chapter 5 Managing Performance Information which states that effective management of performance information requires a clear understanding of different responsibilities, and the structures and systems involved in managing performance.5.1 Responsibilities(b) Accounting officers: The accounting officer or head official of an institution is accountable for establishing and maintaining the systems to manage performance information.(c) Line managers and other officials: Line managers are accountable for establishing and maintaining the performance information processes and systems within their areas of responsibility.A range of officials is responsible for capturing, collating and checking performance data related to their activities. The integrity of the institution's overall performance information depends on how conscientiously these officials fulfil these responsibilities.5.2 Integrated performance Information structures and systems Performance information systems should be integrated within existing management processes and systems. The accounting officer or head official of an institution is responsible for ensuring that the institution has: Documentation addressing the following: Integration of performance information structures and systems within existing management processes and systems.	The accounting officer should implement and monitor controls to ensure accurate recording of information.	Management comment on audit finding: Management disagrees with the finding on the following basis:- Ø The beneficiaries (not employees) of the EPWP programme that have been sampled and cited as "an example of beneficiaries employed in prior years". The beneficiaries are participants currently on an infrastructure project that has been registered as multiyear funded through RBIG grant that is geared towards the building of bulk water infrastructure for DWS. Ø The project since it's a multiyear projects as per approved business plan also provides that beneficiaries attached to the project are also provided with skills/training/workshops that are relevant nature of the project, furthermore the department (DPWP-Public Works) requires that once the	Management will ensure that implementation and monitoring controls to ensure accurate recording of information.

COMAF 90 of 2024: Predetermined objectives: Basic Service Delivery and Infrastructure	1. Emergency Service Management - Ineffective system for recording reported emergency incidents. Audit FindingThe Framework for Managing Programme Performance Information (FMPPI) outlines guidelines and Chapter 5 Managing Performance Information which states that effective management of performance information requires a clear understanding of different responsibilities, and the structures and systems involved in managing performance.5.1 Responsibilities(b) Accounting officers: The accounting officer or head official of an institution is accountable for establishing and maintaining the systems to manage performance information.(c) Line managers and other officials: Line managers are accountable for establishing and maintaining the performance information processes and systems within their areas of responsibility.A range of officials is responsible for capturing, collating and checking performance data related to their activities. The integrity of the institution's overall performance information depends on how conscientiously these officials fulfil these responsibilities.5.2 Integrated performance information structures and systems Performance information systems should be integrated within existing management processes and systems. The accounting officer or head official of an institution is responsible for ensuring that the institution has: Documentation addressing the following: Integration of performance information structures and systems within existing management processes and systems.	The accounting officer should implement and monitor controls to ensure that the municipality have a system of receiving and recording emergency incident reports. This should include having a dedicated communication method that integrate with the incident register.	Management comment on audit finding: Management agree with the finding Management comment on internal control deficiency: Management uses manual recording while waiting for IT to finalise the ITC Master Plan which will resolve the challenges of receiving and recording calls through automated call generated number system Management comment on recommendation. Management agrees with the recommendation.	Finalisation of the ICT Master Plan and implementation the plan that includes procurement of the automated system

COMAF 77: Irregular Expenditure-Overstatement on the opening balance	In terms of Municipal Finance Management Act (MFMA) section 62(1)(c)(i): The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.Furthermore, MFMA section 122(1) states that every municipality must for each financial year prepare annual financial statements which:(a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and(b) disclose the information required in terms of sections 123, 124 and 125. Paragraph 17 of the Generally Recognised Accounting Practice (GRAP) 1 states that - "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation." Audit FindingDuring the review of the opening balance, we noted the municipality disclosed the irregular expenditure based on COMAF 39 issued in the prior year.	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted.The CFO should ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted. The SCM manager should apply due diligence in the review and the disclosure of findings related to supply chain management	Management comment on audit finding: Management agrees with the finding.	Management will ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted.Management will also ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted. The SCM manager will apply due diligence in the review and the disclosure of findings related to supply chain management

COMAF 87 of 2024- Water and Sanitation Key Messaging	Water service development plan not finalizedRequirementIn terms of Water Services Act, Act No 108 of 1997 Paragraph 12b (1)(i) Every water services authority must, within one year after the commencement, of this Act—(b) separately, if no process contemplated in paragraph (a) has been initiated prepare—(i) a draft water services development plan for its area of jurisdiction: ObservationsContrary to the above requirement we observed that the municipality did not develop the draft water services development plan within one year of commencement of the water service act no 108 of 1997, which came into effect on the 19th of December 1997. By 30th June 2024 the municipality was still in the process of finalising the water services development plan which is 27 seven years later after the act came into effectWe further noted that page 283 of the IDP includes the planning Water Service Development Plan indicators with an aim of reducing water backlogs with 90% by June 2026. In the current year, majority of indicators were not met Key indicators not achieved Planned target Reported achievement	1.This will ensure that communities do not endure inadequate access to sustainable water and sanitation services Accounting Officer should implement adequate controls to ensure that that all requirement emanating from Water Services Act, Act No 108 of 1997 have been adequately adhered to.2.Accounting Officer should implement adequate controls to ensure that that all requirement emanating from MSA, constitution and NEMA have been adequately adhered to.3.Accounting Officer should implement adequate controls to ensure water quality is regularly tested and monitored4.The accounting officer must consider implementing controls to ensure the appropriate steps are to ensure that the water backlog is responded to by permanent piped water infrastructure	1. Management comment on audit finding: We disagree with the finding. Management comment on internal control deficiency: AG miss quoted the act. Summation given of 27 years later is out of context. The three plant where transferred assets from former operating water service provider which was DWS formerly DWA. Current intervention seeks to respond to the growth of population that can't be accommodated within the current service. Also to respond to the infrastructure end life span. Impacts from unauthorized connections. Environment;	1.Municipality has found the space for its laboratory. 2.The municipality is now trying to source funds for equipping the laboratory. 3.During budget adjustment of this financial year, management to prioritize funds for the construction of the laboratory.4. Municipality to fill critical vacant posts as quick as possible

COMAF 82: Annual financial statements not fairly presented	MFMA section 122(1) states that every municipality must for each financial year prepare annual financial statements which:(a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and(b) discloses the information required in terms of sections 123, 124 and 125. Audit FindingThe financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.The following material misstatements were identified in this regard:	We recommend the following:· CFO should ensure that adequate controls for daily and monthly processing of transactions to prevent material misstatements · The CFO should review the note supporting the annual financial statements to ensure that they are complete, accurate and in compliance with the applicable standards.· Finance management team should keep full and proper records supporting the annual financial statement, cross-cast balances and review the annual financial statements to ensure that they are in accordance with the prescribed norms and standards. The accounting officer should develop a corrective action plan that will address all the material misstatements and ensure that there is proper analysis of the root cause and follow on the implementation in the management meetings.	Management comment on audit finding: Management agrees to the finding and will ask the auditor permission to adjust the disclosed amounts.	Management will ensure that adequate controls for daily and monthly processing of transactions to prevent material misstatements and review the note supporting the annual financial statements to ensure that they are complete, accurate and in compliance with the applicable standards.· Finance management team will keep full and proper records supporting the annual financial statement, cross-cast balances and review the annual financial statements to ensure that they are in accordance with the prescribed norms and standards. Management will also develop a corrective action plan that will address all the material misstatements and ensure that there is proper analysis of the root cause and follow on the implementation in the management meetings.

COMAF 44 OF 2024: Predetermined objectives: Local economic development	Predetermined objectives: Local economic development 1. Number of jobs opportunities created through EPWP - Overstatement Audit FindingThe Framework for Managing Programme Performance Information (FMPPI) outlines guidelines and Chapter 5 Managing Performance Information which states that effective management of performance information requires a clear understanding of different responsibilities, and the structures and systems involved in managing performance.5.1 Responsibilities(b) Accounting officers: The accounting officer or head official of an institution is accountable for establishing and maintaining the systems to manage performance information.(c) Line managers and other officials: Line managers are accountable for establishing and maintaining the performance information processes and systems within their areas of responsibility.A range of officials is responsible for capturing, collating and checking performance data related to their activities. The integrity of the institution's overall performance information depends on how conscientiously these officials fulfil these responsibilities.5.2 Integrated performance information structures and systems Performance information systems should be integrated within existing management processes and systems. The accounting officer or head official of an institution is responsible for ensuring that the institution has: Documentation addressing the following: Integration of performance information structures and systems within existing management processes and systems.	The accounting officer should implement and monitor controls to ensure accurate recording of information	Management comment on audit finding: Management disagrees with the finding on the . following basis:- Ø The beneficiaries (not employees) of the EPWP programme that have been sampled and cited as "an example of beneficiaries employed in prior years". The beneficiaries are participants currently on an infrastructure project that has been registered as multiyear funded through RBIG grant that is geared towards the building of bulk water infrastructure for DWS. Ø The project since it's a multiyear projects as per approved business plan also provides that beneficiaries attached to the project are also provided with skills/training/workshops that are	Management to arrange an in-committee session with the various stakeholders (Public Works, Limpopo (M E) monitoring and evaluation unit) that are in partnership with the municipality for implementation of the programme

Financial Year: 2023/2024

Annexure: Matters Management Audit Report

Audit Action Plan Status: All

Implementation Status: Not Yet Started | In Progress | Completed | Agreed Findings Addressed

Finding	Finding Details	Recommendation	Management Response	Action Plan
COMAF 03: High level reviews on Property Plant and Equipment and Heritage Assets	Identified errors on other information 1.1. On the last paragraph on page 4, the sentence indicates page of AFS from 8-83, however, the AFS are included from page 7-89. The page number should be corrected.1.2. Page 6 review of business and operations, the net surplus included is R165 619 452, whereas the net surplus presented on the statement of financial performance is R165 619 449 2. Accounting policies incomplete, irrelevant and/or generic 2.1. Paragraph 32 of GRAP 17 indicates that after recognition of the PPE item, the entity shall choose either cost model or revaluation model as its accounting policy and shall apply that policy to the entire class of PPE item. However, contrary to the above requirements, in the accounting policy 1.4 Property Plant. Equipment the accounting policy indicates that "Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for those which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses " The policy above indicates that the municipality is subsequently measuring its PPE at cost and revaluations method, however, the municipality subsequently measures the PPE at cost and not at revaluations method. 2.2. In terms of paragraph 35 of GRAP 103 An entity shall choose as its accounting policy either the cost model in paragraph .36, or the revaluation model in paragraph .37, and shall apply that policy to an entire class of heritage assets. However, contrary to the requirement,	The accounting officer should ensure that the financial statements are reviewed to verify that the narrations and amounts included in the financial statements correspond. Additionally, they should ensure that the accounting policies applied are consistent with the operation of the municipality and that all the required disclosures are included in the financial statements	Management comment on audit finding: Management agrees to the audit finding, the following will be amended or corrected: 1. Identified errors on other information 1.1. On the last paragraph on page 4, the sentence indicates page of AFS from 8-83, however, the AFS are Included from page 7-89. The page number should be corrected. – The paragraph will be updated from 7 - 89 1.2. Page 6 review of business and operations, the net surplus included is R165 619 452, whereas the net surplus presented on the statement of financial performance is R165 619 449 – The amount will be updated with the financial performance of R165 619 449 2. Accounting policies incomplete, irrelevant and/or	The interim AFS will be prepared on an ongoing basis to ensure continuous review.

COMAF 03: Property Plant and Equipment: Incompleteness of Prior Period Error Disclosure Not	According to section 122(1) (a) of the MFMA every municipality and every municipal entity must for each financial year prepare annual financial statements which fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management or revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year. According to 62(1) (b) of the MFMA states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of financial affairs of municipality are kept in accordance with the prescribed norms and standards." According to GRAP 3 paragraph 43, Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Financial statements do not comply with Standards of GRAP if they contain either material errors or immaterial errors made intentionally to	The financial statements should be subjected to a rigorous review process to ensure that they are free of errors and misstatements Annual financial statements controls need to be strengthened to ensure that prior period error note is prepared in accordance with GRAP 3	Management comment on audit finding: Management agrees to the audit findings, the nature will be disclosed as follows: Descriptions Final amounts per prior financial statements Corresponding amounts per current year financial statements Difference Response	The Interim AFS will be prepared on an ongoing basis to ensure continuous review

COMAF 10: Consequence management: Unauthorized expenditure incurred in the current year was incorrectly reported to the MEC.	(1) The accounting officer of a municipality commits an act of financial misconduct if that accounting officer deliberately or negligently—(d) provides incorrect or misleading information in any document which in terms of a requirement of this Act must be—(i) submitted to the mayor or the council of the municipality, or to the Auditor General,the National Treasury or other organ of state; or Additionally, in terms of section 32 (1) of the MFMA32. (1) Without limiting liability in terms of the common law or other legislation—(4) The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor General, in writing, of—(a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;(b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and(c) the steps that have been taken—(i) to recover or rectify such expenditure; and(ii) to prevent a recurrence of such expenditure. Audit Finding Contrary to the above, during the audit for consequence management, it was noted that the municipality submitted a report on the Unauthorised, Irregular and Fruitless and Wasteful expenditure for the period ended 30 June 2024, to the MEC for CoGHSTA Limpopo, that was signed by the CFO on the 9th of July 2024 and the Accounting Officer on the 29th of July 2024.The report contained misleading information indicating that the municipality did not incur any unauthorised expenditure as at 30 June 2024 in the report, however the municipality disclosed on note 50, an	The Accounting Officer should ensure that the information submitted to the relevant organ of the state i.e. COGHSTA/Treasury is accurate and complete, to support the financial and performance reporting.The Accounting Officer should review and monitor compliance with MFMA.	Management comment on audit finding: Management disagrees with the finding as detailed. The report to the MEC of Coghsta on the UIFW expenditure is due for submission 30 days after the reporting date being the 30th of July 2024 in this case. The assessment on whether there is an indication of unauthorized it performed every month end having considered also the accrual payments post the reporting date. The first assessment on by 30th July did not indicate any overspending at the vote level hence no unauthorized expenditure was reported even when some individual items where overspending, it was only after same assessment was performed again end of August 2024 that we've noted an overspending at a vote level hence the reporting was done for the unauthorized expenditure in the annual financial statements and to the MEC of Coghsta in the	Management annually reviews the internal controls and introduce new improvements where necessary.

COMAF 12: Contingent Liabilities– Prior period error	In terms of Municipal Finance Management Act (MFMA) section 62(1)(c)(i): The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.Furthermore, MFMA section 122(1) states that every municipality must for each financial year prepare annual financial statements which:(a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and(b) disclose the information required in terms of sections 123, 124 and 125. Paragraph 17 of the Generally Recognised Accounting Practice (GRAP) 1 states that "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted.	Management comment on audit finding: Management agrees with the finding as detailed and will ask from the auditor permission to effect an adjustment on the financial statements.	Management will improve on the controls around the reviewing of the annual financial statements before submission for audit purposes.
COMAF 14: Incomplete inventory disclosure	RequirementGRAP 12, par. 50A states that "An entity shall include a description of key judgements made and assumptions applied in its financial statements to explain at what point water, minerals, oils, gas, and other non-regenerative resources meet the definition of inventory."Contrary to the above, during the audit of inventory, it was noted that the municipality did not provide a description of key judgments made and assumptions applied explain what point water resources meet the definition of inventory on Note 10 of the notes to the financial statements.Impact The misstatement may result non-compliance with applicable GRAP 12 paragraph 50A of financial reporting standard.	The accounting officer should ensure that the financial statements are prepared in accordance with GRAP requirements.	Management comment on audit finding: Management agrees to the finding as detailed, management will request to adjust the disclosure on inventory in the annual financial statements.	Management has already adjusted the financial statements as per the auditor's recommendations, a copy of the proposed adjustments shall be shared with the auditor.

COMAF 15: Municipality's main business and operations	In accordance with section 122(1) (a) of Municipal Finance Management Act, every municipality and every municipal entity must for each financial year prepare annual financial statements which- a) fairly presents the state of affairs of the municipality or entity. its performance 40 against its budget, its management of revenue, expenditure. assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year;Contrary to the above requirements, on page 6, paragraph 1 of the financial statements, the municipality is required to describe its Main Business Operations, however, the municipality only disclosed its net surplus. Impact The misstatement may result in non-compliance with section 122 of Municipal Financial Management act.	The accounting officer must ensure that the financial statements are prepared according to the MFMA requirements and also describe the municipality's primary business and operational activities, in addition to its performance activities.	Management comment on audit finding: Management disagree with the finding as detailed, the nature of the municipality's main business is described in detailed on page 2 of the annual financial statements under the heading "Nature of business and principal activities", management will however request to delete the line that reads "Main business and operations" on page 6 of the annual financial statements as it was incorrectly inserted on the page.	Management has already deleted the line that reads " Main business and operations"" on page 6 of the annual financial statements.

COMAF 30: Proof of payments were not attached on the payment vouchers	Details as per Geeral Ledger Votenumber Vote Description TranDate Debit Amt Transaction Description Cheque	The accounting officer should ensure that the set of the levels of revlew is Intensified to prevent occurrence of the errors noted. The CFO should ensure that the adequate revlew controls within finance unit is intensified to identify all the material errors noted.	Finding No.3 Proof of payments were not attached on the payment vouchers Management disagrees with the finding, a full payment report for the 2023/2024 financial year was submitted for audit purposes. The report includes all payments which were processed and paid during the year.	To ensure all proof of payments are attached to the payment document immediately after a payment is processed as part of the internal control measures.

COMAF 35: Award to person with family interest	In terms of the MFMA section 112 1) The supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:(j) Compulsory disclosure of any conflicts of interest's prospective contractors may have in specific tenders and the exclusion of such prospective contractors from those tenders or bids. SCM reg 13 c (read together with the corresponding provision of the SCM Policy) requires that bidders should make specified declarations to enable the municipality or municipal entity to consider if there might be possible conflicts of interest for the period covering twelve months from when the consideration is made by the municipality for the written quotations/bids submitted by the providers. Declarations required in terms of SCM reg 13 c does not necessarily have to be MBD 4 form, but any other	tm:format font-override= true xsl:value-of select= TEXTFIELD1 / /tm:format Management should monitor controls to ensure that all awards are made in line with the legislation and applicable regulations to prevent non-compliance. Management should in its annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including the name of that person, the capacity in which that person is in the service of the state and the amount of the award in line with Municipal Supply Chain Management Regulations 45	Management comment on audit finding: Management disagrees with the finding as detailed. Management has noticed that the finding relates to persons that are not immediate family members of the directors of the companies mentioned.	All employees should sign a declaration form and disclose any family or business interest

COMAF 39: transactions were made after 30 days of receiving the invoice	General Ledger 30 Days compliance Vote number Vote Description TranDate Debit Amt	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted. The CFO should ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted.	Management comment on audit finding: Management agrees with finding 39 (02)	An invoice tracker to be developed in order to keep track of all invoices received and the record the dates.

COMAF 41: Overstatement of Revenue from non-exchange transactions due to opening balance that could not be corrected as the prior period error	In terms of the GRAP 3 paragraph ,44, an entity shall disclose the following: (a) the nature of the prior period error. (b) for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected. (c) the amount of the correction at the beginning of the earliest prior period presented; and d) If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected. In terms of the Municipal Finance Management Act section 62 paragraph 1 states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—(a) that the resources of the municipality are used effectively, efficiently and economically;b) that full and proper records of the financial affairs of the municipality are	The Accounting officer should design and implement formal controls over IT systems to ensure the reliability of the systems and the availability and accuracy to correct any accounting errors and ensure that the root cause is addressed and reviewed. The Accounting officer should implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	Management comment on audit finding: Management agrees to the finding. The finding did not affect revenue but the current liabilities in a form unspent conditional grants (WSIG)	Monthly reconciliation of the conditional grants.

COMAF 70: Supply Chain Management (Contract Management) – Contract monitoring not performed	Requirementin terms of the MFMA section 116 - Contracts and contract management. — (2) The accounting officer of a municipality or municipal entity must—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— ii) To oversee the day-to-day management of the contract or agreement; and 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. Audit FindingContrary to the above, we noted that the Municipality did not monitor the performance of the below suppliers on monthly basis: No.	tm:format font-override= true xsl:value-of select= TEXTFIELD1 / /tm:format The Accounting Officer should ensure that contracts are monitored on a monthly basis as per the SCM policy and the conditions on the contracts	Management comment on audit finding: Item 5 and 6 progress reports are consolidated under a single report on monthly basis as the two contract are interrelated and dependency on each other.	Will start Monitoring Contractors rendering services and provide report on Monthly basis.

COMAF 04 External quality assurance review for internal audit	Contrary to the above requirements, we noted that the municipality requested assistance from the National Treasury. However, there was no external assessment that has been conducted by a qualified independent assessor or an assessment team from outside the municipality for the internal Audit function in the year under review. An external quality assessment ensures that the work of the internal audit functions is in line with the requirement of IIA and in compliance with the requirement set by the institution. Similar finding was raised in the prior year.	The accounting officer must ensure that a qualified, independent assessor or assessment team from outside the organization conducts an external assessment of the internal audit unit at least once every five and thus comply with the IIA quality control requirements	Management comment on audit finding: Agree with the Audit Finding. The Municipality requested for assistance with external quality readiness from PT/NT and they have indicated that they do not have capacity and recommended that SDM engage CDM.Attached see the response letter from Provincial Treasury and Request letter to CDM Management comment on internal control deficiencies (if the entity disagrees, please provide the correct root cause for the finding): We disagree with the Internal Control Deficiency as the CAE and the MM has started with the processes of External Quality Reviews	The Municipality have requested Capricorn District Municipality to conduct external quality assessment readiness, and they have verbally confirmed that they will assist us in February 2025 as now is the time for the MFMA audits

COMAF 77: Irregular Expenditure-Misstatement	Requirementin terms of Municipal Finance Management Act (MFMA) section 62(1)(c)(i): The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.Furthermore, MFMA section 122(1) states that every municipality must for each financial year prepare annual financial statements which:(a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and(b) disclose the information required in terms of sections 123, 124 and 125. Paragraph 17 of the Generally Recognised Accounting Practice (GRAP) 1 states that "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted. The CFO should ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted.	Management comment on audit finding: Management agrees with the finding.	Strengthening controls on the identification and reporting of the irregular expenditure.

COMAF 78: Indicators of possible cover quoting	In terms SCM regulation of 38. (1) A supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and combating of abuse of the supply chain management system, and must enable the accounting officer –(a) to take all reasonable steps to prevent such abuse;(b) to investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with the supply chain practices or failure to comply with the supply chain management policy, and when justified-(i) take appropriate steps against such official or other role player; or(ii) report any alleged criminal conduct to the South African Police Service; Audit Finding Contrary to the above we noted the following indicators of possible cover quoting:i) The winning quotation is similar (format/wording/pricing/date) with any other losing quotation.ii) The winning quotation came from the same address as any other losing quotation. Supplier name	The Accounting Officer should ensure that all awards to the suppliers are awarded in compliance with the SCM regulation. The Accounting Officer should investigate the award and ensure that consequence management is implemented.	Management comment on audit finding: Management agrees to the finding.	Management will train and apply consequence management to officials within the supply chain unit.

Operations and maintenance – Ineffective system for recording reported incidents	Contrary to the above, during the audit of Actual Outcomes against Predetermined Objectives (AOPO) for indicators related to Operations and Maintenance, it was found that the municipality lacks a system to ensure complete recording of reported incidents. Specifically, on the following indicators: Number of registered water incidents resolved within 14 days, with a target of 80% and reported performance achievement of 86% Number of registered sanitation incidents resolved within 14 days, with a target of 90% and reported performance achievement of 98% It was noted that the municipality does not have an effective system for capturing all reported water and sanitation incidents in the incident register. Incident reports are received through multiple communication channels by various individuals within the Operations and Maintenance department, leading to inconsistent recording. Moreover, citizens are not provided with proof that	The accounting officer should implement and monitor controls to ensure that the municipality have a system of receiving and recording water and sanitation reports. This should include having a dedicated communication method that integrate with the incident register	Management comment on audit finding: Management disagrees with some of the findings: *Municipality does have an effective manually operated system for capturing all reported water and sanitation incidents in the incident register. *All Job cards contain full information of the incident Management comment on internal control deficiency: Management agrees with the finding Management comment on recommendation: Management agrees with the finding	Management will develop an incident management protocol system which will detail how and whom the incident is reported, recorded, provide feedback till closure of the incident for implementation from Q3 of 2024/25 FY.

COMAF 33 Requests for Information not submitted – Limitation of scope	In terms of section 74(1) of the MFMA 74, the accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations, and motivations as may be prescribed or as may be required.And in terms of section 62(1) (b), the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.In terms of the engagement letter paragraph 73, Management has three (3) working days to submit the information requested from the date the request was made. Requests to submit information beyond the stated number of days must be made in writing and submitted to the audit engagement manager for consideration. Failure to submit the information requested within the agreed timeframe	• Management should maintain proper record keeping to ensure that they provide the auditors with information requested on time. • Management should adhere to the request for information deadlines (three (3) days per the engagement letter to enable auditors to finalise the audit in time.	Management comment on audit finding: Auditee understands that required information was submitted to auditors. Management comment on internal control deficiencies (if the entity disagrees, please provide the correct root cause for the finding): Auditee understands that required information was submitted to auditors. Hence, there is no internal control deficiency. Management comment on recommendation: Auditee maintains proper record keeping and every effort is made to provide auditors with information	approved leave forms/files for all the leave taken during 2023/24 financial year by the listed employees as requested has been made available and submitted to auditors.

COMAF 81 of 2024: A multi-year business plan was not developed by the municipal entity (SDA) and approved by the parent (SDM)	There is no evidence that the municipality's entity (SDA) has a multi-year business plan developed for inclusion in the budget. Such a plan should outline key financial and non-financial performance objectives and measurement criteria, as agreed upon with the parent municipality. Additionally, the multi-year business plan should align with any existing service delivery agreement between the entity and the parent municipality.	tm:format font-override= true tm:extract xsl:value-of select= TEXTFIELD6 / /tm:extract /tm:format tm:format font-override= true xsl:value-of select= TEXTFIELD1 / /tm:format tm:format font-override= true tm:extract xsl:value-of select= TEXTFIELD6 / /tm:extract /tm:format tm:format font-override= true xsl:value-of select= TEXTFIELD1 / /tm:format The Accounting officer should ensure compliance with section 87(5)(d) of the MFMA.	Management comment on audit finding: Management disagrees with the AG's finding. Management comment on internal control deficiency: The 2023/2024 annual performance objectives and indicators were established in terms of the 2023/2024 Shareholder's Compact which outlines the agreement between SDM and SDA in relation to performance (see paragraphs 14 15 of the Shareholder's Compact). The annual performance objectives and indicators are also outlined in the Service Delivery Budget Implementation Plan (SDBIP) which is integrated into the parent municipality's SDBIP. (see attached Shareholder's Compact and the SDA	Management will engage the management of the entity to ensure that a multi-year business plan is developed and included in the budget, and to determine whether the multi-year business plan aligns with any existing service delivery agreement between the entity and the parent municipality as a performance objective and indicator

COMAF 8 of 2024-Tubatse Wastewater Ponds	· Staff shortages- The plant has 1 process and is in need of 4 process controller· There is an illegal connection to the plant done by the mines- The municipality does not have information on the illegal connection and how many households were illegally connected and where the illegally connected pipelines connects to (to the ponds or discharge point). The illegal connection does not have the same inlet as the legal connection resulting the influent bypassing the screening stage and other treatment stages meaning effluent from this connection is then released to the river stream without being treated to the standards required.· Due to the illegal connections, the municipality is not sure of the actual intake capacity at the plant since they are not even sure where the illegal connection connects to (either to one of the ponds or to the discharge pipeline) · The plant is experiencing challenges with the chemicals to treat the water from the strong odour. · There are houses built in close proximity to the plant (within +/- 200m) which has a	(a) Greater Sekhukhune District Municipality should ensure that they locate and source all the missing information regarding the plant which will give a full understanding and knowledge of the plant to ensure effective operation of the plant. (b) The municipality must ensure that an operation and maintenance manual is developed for the plant to reduce the risk of mechanical failures and overflows. Internal flow monitoring- and effective telemetry systems will assist with proper monitoring and timely action where failures incur. (c) Flow meters must be installed to monitor the intake and outflow and ensuring that the required measurements are recorded and met before discharging (d) Alternatives and back-up capabilities such as generators and emergency overflow holding ponds needs to be in place (resourced) and maintained to address externalities such as load-shedding, natural disasters	Management comment on the audit finding(s): The AG finding at Tubatse Wastewater treatment work is correct, Management comment on root cause(s): The AG finding on the root causes at Tubatse Wastewater treatment work is correct	The Municipality already appointed the consulting firm to develop feasibility study to relocate the plant and further address the water use licensing.The Municipality has appointed process controllers.

1. The overall project delay is approximately three years, from the planned completion date of 10 November 2021 to the date of the site inspection on 31 October 2024. The project was subsequently halted by Babina Tlou Trading and Projects. The reason for suspension of works was In relation to non-approval of a variation order on another project for reticulation works in the same communities. Babina Tlou Trading and Projects was implementing the reticulation project in the same communities where the reservoir projects were under construction, as a result, the contractor experienced financial issues. 2. The reinforcement and scaffolding were stolen as the works are currently suspended since there was no security on site to	Project delay Requirement Section 63 (1) (a) states that : The accounting officer of a municipality is responsible for the management of—(a) the assets of the municipality, including the safeguarding and the maintenance of those assets. MFMA 65(2) (a) requires the accounting officer to take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds. Section 78(1) (b) of the MFMA stipulates that other officials should ensure that the financial and other resources of the entity are utilised effectively, efficiently, economically and transparently. 116 Contracts and contract management Section 116 (2)(a) of the MFMA provides for the following:(2) 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. Audit finding 1.	· The municipality should ensure there is adequate project funding to avoid non-approval or payments on instances where variation orders may arise during project implementation. · The municipality must re-assess appointments of the same contractor for different infrastructure projects that are running concurrently. Appropriate risk management mitigations should be developed and implemented by the municipality to avoid challenges on one project negatively affecting the other project.	Management comment on audit finding: Management agree with the Audit finding Management comment on root causes (If the entity disagrees, please provide the correct root cause : Management agrees with the root cause mentioned, however the main reason that the Contractor had financial management challenges was due to a delayed approval of the V.O for the reticulation project within the same communities and there were outstanding payments due to the Contractor for the work under the V.O in question hence cash flow problems. The V.O approval processes were also beyond the municipality's control because SDM is mainly dependant on funding from capital grants and the approval processes took long.	Adequate funding to be provided internally to avoid non-payments on work done by contractors in instances where variation orders may arise during project implementation. The municipality will ensure that bids are priced realistically, and that risk analysis is performed before bids are awarded.The SCM Policy will be revisited to provide for the following:Risk analysis performed to ascertain the contractor's technical capacity and financial ability to implement numerous projects.Rejection of a tender bid where the bidder has performed poorly in previous contracts or is failing to perform on current contracts.

COMAF 25 -Employee related cost	In terms of the Basic conditions of the overtime policy paragraph 6 on Conditions for remunerated overtime states the following:6.1. Employees shall not be required or permitted to work overtime for a period exceeding6.1.1. 10 hours during any working week6.1.2. 3 hours on any working day6.2. No employee shall perform remunerated overtime before the relevant person who has the authority, in accordance with the office delegations to do so has granted the necessary approval. Contrary to the above the following non-compliance were identified. 1. The auditor identified that the below employees worked more than 10 hours in a week and more than 3 hours on any working day as required by the overtime policy. Below are the details: Employee code and name Date	The Accounting Officer should ensure that internal controls are effectively implemented and also comply with Basic conditions of employment act as well as the overtime policy.	Management comment on audit finding: The auditee acknowledges and agrees with the audit finding. Management comment on internal control deficiencies (if the entity disagrees, please provide the correct root cause for the). There was internal control deficiency.	Workshop will be conducted about threshold claiming overtime and working more hours

Expenditure – Control deficiencies in Fuel and Oil	1. Litres poured over and above the tank capacity of the vehicle. Details as per ABSA billing report DESCRIPTION Transaction Date Transaction Description Odo Reading Tank Capacity	The CFO should ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted.	Management comment on audit finding: Litres poured over and above the tank capacity of the vehicle.I disagree with the findings. The trailer's fuel capacity is 310 not 270 as indicated in the report. All land cruisers' fuel capacity is not 103L not 90 and 120 as indicated in your report.The liters indicated on the statement are not correct, the correct liters are indicated on the cards. Attached card copy.Fuel Request forms not filled. Agree with the findings. Fuel control measures will be enforced by ensuring that fuel request forms are filled.The following invoices were not attached on the payment vouchers submitted for the audit. Agree with the findings. Submitted 9 of 11 invoices	Submission of logbooks; fuel control form and trip authorisation form monthly for all municipal vehicles is done and ongoing.Fuel request forms are filled.All the invoices are attached on the logbook.

COMAF 4 - Feasibility and Cost-effectiveness of outsourcing the Internal Audit Services was not conducted.	Contrary to the requirements above, no feasibility or cost-effectiveness assessment was performed by the council on outsourcing internal audits. Similar finding was raised in the prior year.	The Accounting Officer should implement and monitor controls to ensure that cost-effectiveness and/or feasibility assessment is performed before work can be outsourced to consultants to ensure compliance with MFMA.	Management comment on audit finding: Agree with the Finding. The Municipality has developed Internal Audit Consultancy Reduction plan to indicate area which Internal Audit will outsource until they have capacity internally. The plan served in Management and will further be taken to Council for approval. Attached see the Draft Internal Audit Consultancy Reduction Plan Management comment on internal control deficiencies (if the entity disagrees, please provide the correct root cause for the finding): Management agree with the Internal Control deficiency	Internal Audit Consultancy Reduction Plan will be presented to the Audit Committee and Council respectively for approval

COMAF 85: Supply Chain Management (Deviations) – Awards made to suppliers who did not submit declaration of interests (MBD 4)	Audit Findingin terms of SCM regulation 13(c)(i) "A supply chain management policy must state that the Municipality or Municipal entity many not consider a written quotation or bid unless the provider who submitted the quotation or bid has indicated whether he or she is in the service of the state, or has been in service of the state in the previous twelve months; " The Municipality did to comply with the SCM regulation requirements, as they awarded a quotations or bids to service providers who did not furnish the Municipality with declaration of interests (MBD 4) indicating whether they have been in service of the state or have been in service of the state in the previous 12 months. No Item description	tm:format font-override= true xsl:value-of select= TEXTFIELD1 / /tm:format The Accounting Officer should:Ø Monitor controls to ensure that all awards are made in line with the applicable regulations to prevent non-compliance.Ø Consider implementing a deviation checklist to ensure that procurements through the deviation processes are still in line with the SCM regulations.	Management comment on audit finding: Management agrees with the finding. Management has recorded and reported these transactions as deviations for the 2023/24 financial year upon the council resolution to source water from the two farmers in Burgersfort. No co-operation from the farmers in terms of providing the required documentation. Management is currently exploring alternative sources of water around Origstad.	Management will Monitor controls to ensure that all awards are made in line with the applicable regulations to prevent non-compliance, and;Consider implementing a deviation checklist to ensure that procurements through the deviation processes are still in line with the SCM regulations.

COMAF 87: Interest on outstanding debtors – Differences identified	RequirementSection 64. (1) of the MFMA states the accounting officer of a municipality is responsible for the management of revenue in the municipality GRAP 1 paragraph .17 stipulates that, "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation".Audit finding	We recommend the following:· The revenue management to investigate the differences and revisit the whole population where adjustment will be proposed · Revenue management to put controls in place to ensure that revenue is calculated accurately	Management comment on audit finding: Management agrees to the finding.	Monthly reconciliations of the debt accounts and the related interest charges on the accounts.

COMAF 88: Supply Chain Management (PPR) – Contract awarded to bidder that did not meet the minimum threshold	Requirement Section 217(1) of the constitution states that "when an organs of state in the national, provincial or local sphere of government or any other institution identified in national legislation, contract for goods or service, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective Section 112 (1) of the MFMA states that the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:e) open and transparent pre-qualification processes for tenders or other bids;f) competitive bidding processes in which only pre-qualified person may participate Regulations 4(4) and 5(4) of the PPR 2022, states that "subject to section 2(1) (f) of the Act, the contract must be awarded to the tenderer scoring the highest points" Regulation	· Management should ensure that the procurement process is monitored from inception to completion, to ensure adherence to relevant legislation throughout.· The evaluation of bids should be done in accordance with the advertised specification and conditions of tender and the evaluation criteria should be consistently applied to the respective bidders during the evaluation process.· Management must ensure that the BAC officials apply proper due diligence when examining/adjudicating the results of the BEC for compliance with relevant laws and regulations and that the BAC ensure that scoring has been fair, consistent and correctly calculated and applied. · As the procurement process did not comply with the provisions of section 1 of the	Management comment on audit findings: Management agrees with the finding	Strengthening controls around the implementation of the evaluation criteria on bids and training of the BAC members

COMAF 89: Reasonable steps were not taken to prevent Unauthorized expenditure	Audit Findingln terms of section 62(1) (d) of the Municipal Finance Management Act, 2003 (Act no. 56 of 2003) (MFMA), the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented. NatureUnauthorised expenditure 1. During the compliance audit and inspection of the financial statements, we have noted that the municipality incurred unauthorised expenditure. Therefore reasonable steps were not taken to prevent	We recommend the following: · Accounting officer should ensure that adequate controls are put in place to prevent recurrence of unauthorized , Irregular, fruitless and wasteful expenditure.	Management comment of the audit finding: Management acknowledges the auditor's finding.	Strengthen the existing budget planning, monitoring and implementation processes

COMAF 95: Irregular Expenditure- Misstatement	Requirementin terms of Municipal Finance Management Act (MFMA) section 62(1)(c)(i): The accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.Furthermore, MFMA section 122(1) states that every municipality must for each financial year prepare annual financial statements which:(a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and(b) disclose the information required in terms of sections 123, 124 and 125. Paragraph 17 of the Generally Recognised Accounting Practice (GRAP) 1 states that - "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation	The accounting officer should ensure that the set of the levels of review is intensified to prevent occurrence of the errors noted. The CFO should ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted.	Management comment on audit finding: Management agrees with some of the findings and disagrees with others.	Training of the bid committee members and strengthening controls around the evaluation process and ensure that the adequate review controls within finance unit is intensified to identify all the material errors noted

COMAF 97: Supply Chain Management (CIBD) – Contract awarded exceed allowed CIBD tender value range	Requirement tm:format font-override= true xsl:value-of select= FINDING / /tm:format Section 217(1) of the constitution states that "when an organs of state in the national, provincial or local sphere of government or any other institution identified in national legislation, contract for goods or service, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective a) A contractor registered in a contractor grading designation indicated in the table below from the CIDB regulations, is considered to be capable of undertaking a contract in the range of tender values indicated in that table in the class of the construction works to which the category of registration of that contractor relates:b) Revised tender value ranges came into effect on 7 October 2019. See figures in brackets below. Grading Tender value ≤1. 200 000 (500 000)2. 650 000 (1 000 000)3. 2 000 000 (3 000 000)4. 4 000 000	Management should ensure that the procurement process from panel is monitored from inception to completion, to ensure adherence to relevant legislation throughout. Management should ensure that when awarding work to the contractors the CIBD grading is taken into account and the corresponding tender value range in relation to the grading. Management should conduct investigation into the irregular expenditure identified and ensure appropriate consequence management steps are implemented Management should strengthen the controls in the procurement, and ensure review are in place before awards are approved.	Management comment on audit findings: Management disagrees with the finding on the conditions stated below	1. Arrange training for the bid committee members (specification committee, evaluation committee, and adjudication committee) on the CIDB regulation and SCM regulations requirements.2. Provide the following documents to the AG in relation to this COMAF: -Payment vouchers for order number: '0001030120 (Bogoshi Magoshi) for R2 055 117, and order number: '0001030104 for Fito and Sons Construction and Project of R7 368 993.Also include the payment voucher, request for quotations, appointment letter, evaluations, and other related SCM documents. 3. Management to ensure that the procurement process from panel is monitored from inception to completion, to ensure adherence to relevant legislation throughout.4 4. Management to ensure that when awarding work to the contractors the CIBD

COMAF 57-Incomplete and inaccurate contract register	Contrary to the above we noted the following issues with regards to contract: Contracts that were/are active in the 2022/23 financial year but not recorded in the contract register: Details as per the contracts and Agreements Submitted for Audit Purposes : Name of the service provider Description of the Goods/service Contract Amount	The Accounting Officer should implement proper record keeping controls of the contract register, which includes regular updates and review of the contract register to ensure that it is reliable, accurate and complete.	Management comment on audit finding: it was an oversight on the part of management not to register the two contracts. The reason Biosel Lab Solution was not in the register is that we do not have a contract with them since the service provider was appointed without following proper procedures and whereas deviation was requested by the project owner however it was rejected by the then MM due to non-compliance. We will revisit the entire population to ensure that all contracts that are supposed to be included in the contract register are included therefore management request to adjust the contract register to include all omitted contracts and to display a true reflection of the status core of the municipality on contracts	Management will ensure that upon appointment of service provider, the Legal Department registers all the contract on the contract register and review the contract register.

Annexure F : Audit Action Plan 2023/2024 SDA

No COMAF	COMAF No:	CATEGORY/ KEY AREA	Component	Audit finding	Impact on MR	Impact on AR	Status	Action to address the audit	Root cause	Responsible person	Target period	Progress
1	4	Non complaince and internal control deficiency	Expenditure and trade payables	Completeness of expenditure 1.Upon inspection of the invoice register provided, we noted that the following invoices, which were accounted for in the annual financial statements, were not included in the invoice register. 2.Furthermore, we noted that the invoice from PD Consulting, amounting to R599,035, was not processed in the general ledger. This invoice was only included in the AFS.	Yes	Yes	Partially Resolved	1.Update invoice register daily when invoices are received, and track progress on payments. 2.Review general ledger monthly to ensures that all invoices are captured and paid and address the dispute on PD Consulting invoice between AO and CEO	1.Internal control defeiciency 2.Non compliance with laws and regulations	1.FM/CFO 2.CEO/AO	1.FM/CFO 2.CEO/AO	1.Invoice register updated up to 31 December 2024 2.Invoice not paid yet as at 31 December 2024
2	5	Internal Control	General expenses	Invoices were receive and stamped to acknowledge receipt of goods and services after year end, the expenditure was recognised in the 2023/2024 financial year	Yes	Yes	Not Resolved	1.Update invoice register daily when invoices are received. 2.Review invoices and delivery notes daily when are received to ensures that all invoices are captured, paid and accounted for in the correct financial year period. 3. Review creditors age analysis monthly and perform creditors reconciliation	1.Internal control defeiciency 2.Non compliance with laws and regulations	1.FM 2 FM 3. FM	1.FM 2 FM 3. FM	1.Update invoice register daily when invoices are received. 2.Review general ledger monthly to ensures that all invoices are captured and paid.
3	6	Compliance with applicable laws and internal controls	Trade payables Accounting policies	6.1Differences between the supporting documentation and the annual financial statement submitted for audit for Consulting and professional fees of R14 593.73 6.4 Irrelevant accounting policy-Financial instrument accounting policys: -The entity included a policy on concession loan, whereas it does not have a concession loan in its financial statement. The accounting policy should removed . - Included a currency risk, whereas it does not have a foreign transaction. Included a financial guarantee, whereas the entity do not have a financial guarantee. The entity included a residual interest policy, whereas it does not have a share capital in its financial instrument	Yes	Yes	Not Resolved	6.1.Reconcile the difference on the trade payable expenditure for consulting and prpfessional fees of R14 593.73. 6.4.Review accounting policies and correct the disclosure during the preparation on 2024/2025 AFS	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1FM and CEO. 2.FM and CEO.	Jan 2025 2.June 2025.	1.Not started 2.Not started

4	7	Non complaince and internal control deficiency	Property, plant a	During the audit of Property, Plant, and Equipment additions, we identified that the following assets were added to the fixed asset register. However, no barcodes/ Serial numbers were allocated to them in the asset register; therefore, we could not confirm if the assets presented for verification were the correct assets. CEO laptop,bag and cordless mouse	Yes		Not Resolved	1.Update asset register daily when invoices, delivery note and the asset are received. 2.Review PPE notes in AFS	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1. FM 2.CEO& IA	April 2025 2.April 2025.	1.Not started 2.Not started.
5	8	Non complaince and internal control deficiency	Related parties	Management did not disclose the following information: •Receivables from non-exchange transactions: Amounting to R12,826,214 •Service in kind: As per the service level agreement signed by the accounting officers of the two institutions, areas of support include payroll, procurement, HR, audit & risk, and performance management. This information was disclosed in the prior year's annual financial statements; therefore, management should maintain consistent disclosure.	Yes	Yes	Partially Resolved	1.Prepare Interim AFS on time and update disclosure note. 2. To perform Quality review process of interim AFS by Management and IA	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1.FM 2.CEO &IA	1.End of April 2025 2. May 2025	1.Not started 2. Not started
6	9	Non complaince and internal control deficiency	financial instrume	During the audit, we noted that management did not disclose the Financial Instruments note as required by GRAP. Furthermore, it should be noted that this information was disclosed in the prior year's annual financial statements under Note 16, Financial Instruments Disclosure. Therefore, management should maintain consistent disclosure.	Yes	Yes	Partially Resolved	1.Prepare Interim AFS on time and update disclosure note. 2. To perform Quality review process of interim AFS by Management and IA	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1.FM 2.CEO &IA	1.End of April 2025 2. May 2025	1.Not started 2. Not started
7	10	Non complaince and internal control deficiency	Trade payables	During the audit of trade payables, the following unpaid invoices as of 30 June 2024 were recognised as trade payables, excluding VAT	Yes	Yes	Partially Resolved	1.Reconcile the difference on the trade payable expenditure inclusive of VAT and process journal. 2.Correct the disclosure during the preparation on 2024/2025 AFS	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by management and IA	1.FM 2.CEO &IA	1.End of April 2025 2. May 2025	1.Not started 2. Not started
8	12	Non complaince and internal control deficiency	Statement of Comparison of Budget and Actual Amounts	During the audit of the Statement of Comparison of Budget and Actual Amounts, we identified the following differences between the auditors' recalculation and the amounts disclosed.(R43 566 and R2956 434)	Yes	Yes	Partially Resolved	1. Disclosed accurate statement of comparison of Budget and actual and reconcile it with approved budget. 2. Review the annual financial statements and supporting schedules to ensure that the information is accurate	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by Management and IA	1.FM 2. Management and AI	1.End of April 2025 2. May 2025	1.Not started 2. Not started

9	14	Non complaince and internal control deficiency	contingent asset	During the audit, we noted that management did not disclose contingent asset in the annual financial statements related to case number Groblersdal CAS 153/05/2016, while the case is still in progress with the Hawks as per the progress report email from the Hawks. Furthermore, this contingent asset was disclosed in the prior year's financial statements.	Yes	Yes	Partially Resolved	1. Disclose contingent asset in the notes to the financial statements, to comply with GRAP 19 requirements. 2. Review the annual financial statements and supporting schedules to ensure that the information is accurate and free of errors.	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by Management and IA	1.FM 2. Management and AI	1.End of April 2025 2. May 2025	1.Not started 2. Not started
10	16	Non complaince and internal control deficiency	General expense	During the audit of consulting and professional fees, we noted that the amount disclosed in the annual financial statements exceeds the amount in the general ledger as per the reconciliation below: Description Amount GL expenditure 263 946.16 Amount in AFS 770,252.00 Difference -506,305.84	Yes	Yes	Partially Resolved	1. Prepare all the schedules of general expenditure to support the financial statements and ensures that the information is supported by reliable and complete records(Vouchers). 2.Review all expenditure transactions to ensure that only expenses belonging to the entity are accounted for rand only expenditure incurred during the 2023/24 financial year is recorded.	1.Inadequate controls to identify errors in AFS 2.Lack of review of AFS by Management and IA	1. FM 2.Management and IA	1.End of April 2025 2. May 2025	1.Not started 2. Not started
11	19	Non complaince and internal control deficiency	Non-compliance with the Municipal Finance Management Act (MFMA).	Sekhukhune Development Agency does not have its own policies and instead uses the policies of the parent municipality.	Yes	No	Partially resolved	1. Develo and communicate policies and procedures that encompass all sections within the entity. 2. Designated individual to monitor, track updates to these policies, and ensure effective communication to all staff	Non-compliance with the Municipal Finance Management Act (MFMA).	1.CEO 2. Company Secretary	1.End of March 2025 2. March 2025	1.2 Policies approved 2.Staff assineg to monitor compliance
12	19	Non complaince and internal control deficiency	Internal control deficiency	Sekhukhune Development Agency has a high vacancy rate of 60%	Yes	No	Partially resolved	Appointment of FM and the two Finance Clerks	1. Internal control deficiency - 2 Inadequate a skilled and resources to perform finance function of the entity	1.CEO	1. April 2025	1.Appointment of FM done in December and Finance Clerks will be appointed in 3rd quarter and assume duty I April

13	20	Non complaince and internal control deficiency	Procurement and contract management	1.Contrary to the above, when testing quotations below R30,000, we noted that the entity's procurement practices is accepting the lowest-priced quotation. The specifications or requests for quotations do not include specific goals, and no evaluation of received bids is conducted according to the requirements of the Preferential Procurement Regulations (PPR) 2022. These regulations mandate that the acquisition of goods or services with a Rand value of R50 million or less should be evaluated based on both price and specific goals, with the tender awarded to the bidder scoring the highest points. 2.Furthermore, the non-compliance with PPR 2022 was identified on the SCM policy, paragraph 64(3) states the following: Goods and services, including construction works and consultant services shall be procured through the range of procurement processes set out as "(3)Formal written price quotations for procurement of a transaction value over R 10 001 to R 30 000 (VAT included)."	Yes	Yes	Partially Resolved	1.Develop SCM policy for the entity and aligned it with the requirements of PPR 2022. 2.Investigate and report all procurement below R30 000 between the period of 13 January 2023 to date and report as irregular expenditure	Non-compliance with PPR 2022	1.FM 2. SDM SCM Unit	1.End of February 2025	1.Draft SCM policy in place 2. Investigation done until 31 December 2024
14	21	Non complaince and internal control deficiency	Compliance	1. Non-compliance with Annual Financial Statements (AFS) preparation requirements was identified. Affected components:Property plant and equipment, Statement of Comparison of Budget and Actual Amounts, Trade and Payables, Financial Instrument, General Expenditure, Contigent assets and Related parties	Yes	Yes	Not Resolved	1. Prepare accurate and compliant AFS with supporting schedule in time to allow other stakeholders to review and monitor compliance. 2. To prepare interim AFS to address all opening balans errors by April 2025.	Internal control deficiency and material non-compliance with the MFMA Section 99 2.Lack of review of AFS by Management and IA	1. FM 2.Management and IA	1.End of April 2025 2. May 2025	1.Review of irregular and fruitless expenditure has started 1.2 Contract register upded till December 2024 1.3 Invoice register updated until 31 December 2024
15	22	Non complaince and internal control deficiency	Compliance	Non-compliance with Expenditure management requirement, material misstatements were identifies in general expenditure and trade payable	Yes	Yes	Partially Resolved	1.Implement adequate controls for daily and monthly processing of transactions to prevent material misstatements. 2.Finance management team keep full and proper records supporting the annual financial statement, cross-cast balances and review the annual financial statements to ensure that they are in accordance with the prescribed norms and standards .3.Process payments within 30 days of receiving the relevant invoice or statement and update invoice register	Internal control deficiency and material non-compliance with the MFMA Section 99 2.Lack of review of AFS by Management and IA	1. FM 2.Management and IA	1.End of April 2025 2. May 2025	1.Adjustment of AFS done 2. Review of invoice register done until December 2024

16	23	Non compleince and Internal control deficiency	Non-compliance v	1. No supporting evidence to confirm SDA's compliance with the VAT Act in . However, no information was provided. Additionally, we noted that SDA did not submit VAT201's and VAT returns to SARS as required by Section 28 of the Value-Added Tax (VAT) Act No. 89 of 1991 as the entity is a registered VAT vendor.	Yes		Not Resolved	1. Prepare VAT 201's and VAT returns and submit to SARS	1.Internal control deficiency and material non-compliance with the Section 28 of the Value-Added Tax (VAT) Act No. 89 of 1991	1.FM	February 2025	Not started
17	24	Non complaince and Internal control deficiency	Compliance	A multi-year business plan was not developed for inclusion in the budget.. Such a plan should outline key financial and non-financial performance objectives and measurement criteria, as agreed upon with the parent municipality. Additionally, the multi-year business plan should align with any existing service delivery agreement between the entity and the parent municipality.	Yes	Yes	Not Resolved	1.Develop multi year business plan and include it during budget adjustment and align it with service delivery agreement between entity and the parent	Non compliance with applicable section in MFMA	CEO	February 2025	Not started
18	26	Non complaince and Internal control deficiency	Compliance	UIF&W – No investigation for Unauthorized, Irregular and Fruitless and Wasteful expenditure.Contrary to the above, we noted the following issue: Irregular expenditures amounting to R350,002, discovered in prior years, was not investigated .Furthermore, we noted that the entity takes an excessive amount of time to finalize investigations into unauthorized, irregular, and fruitless and wasteful expenditures.	Yes	Yes	Partially Resolved	1. Implement and monitor controls to prevent recurrence of the irregular and fruitless and wasteful expenditures by performing due diligence before an order or appointment letter is issued out to a service providers. 2. Board to investigates the prior year irregular, fruitless and wasteful expenditure timeously to ensure proper consequence management takes place by acquiring the service of external firm for expenditure above R30 000	Internal control deficiency and material non-compliance with the MFMA and Budget regulations	1. CEO and The Board	May 2026	1 Process to appoint external firm on progress for expenditure above R30 000. 2. MPAC to investigate expenditure below R30 0000
19	26	Non complaince and Internal control deficiency	Internal control d	1. No Contract management processes.the entity does not maintain a contract register. As a result, we could not confirm the total number of contracts the entity has.2. The following issues were identified during the testing of Contract Management: 2.1.The contract validity period between PD Consulting and the SDA has expired, Clause 4.2 of the signed Service Level Agreement (SLA) specifies that the agreement shall remain valid for a period of four (4) months from the Effective Date, up to October 3, 2022. 2.2.There is no evidence that the contract is being monitored on a monthly basis, nor that penalties have been invoked for non-performance by the supplier. 2.3.Furthermore, it was noted that expenditure was incurred during the 2023/24 financial year, despite the expiration of the contract.	Yes	No	Not Resolved	I.Develop contract register 2. Classify expenditure for PD Consulting as Irregular expenditure 3. Monitor contract performance monthly and ensures that measures are in place for effective contract management. 4Resolve dispute on payment of the contract and evoke termination	1.Inadequate review and monitoring compliance with the applicable sections of the MFMA	1. Project Manager 2.CEO& AO	March 2025	1. Contract register updated till December 2024 2. Expenditure of PD Consulting is added on irregular expenditure 3. Dispute resolution on progress

Annexure G: 2023/2024 Community Consultation Report

Annexure H: 2023/2024 Oversight Report