

# BA-PHALABORWA MUNICIPALITY

**2023/24**  
**ANNUAL REPORT**



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

### MAYOR'S FOREWORD



I am pleased to present this Annual Report of Ba-Phalaborwa Municipality for the reporting period 2024/23. The Municipality is compelled by legislation to prepare an Annual Report for each financial year, and the Mayor is to table such a report in the Council and present it to all our communities. It is encouraging and fulfilling to account directly to our people for the mandate they have bestowed on us, as they are yearning for a faster pace of delivery.

This report encompasses the achievements recorded during the 2023/24 financial year in pursuit of the

objectives and targets as set out in the Integrated Development Plan (IDP) for 2022 – 2027 and Service Delivery and Budget Implementation Plan (SDBIP). We keep on improving our overall performance across all areas despite persistent challenges internally and externally.

The current Council has completed three years of its term in office. Our focus on quality service delivery is not merely a promise; it is a fundamental obligation to the citizens we serve. By fostering political stability, we aim to create a framework within which all residents can thrive, ensuring that resources are allocated efficiently and effectively. The annual report allows us to reflect on the performance achievements that we have made. Further, it allows us to reflect on the performance challenges we have encountered and the corrective measures we have identified and implemented. Our achievement on basic service delivery for 2023/24 includes the provision of 12542 households in urban areas with weekly refuse removal services and connected 594 new households to electricity.

We have successfully brought the Council closer to the community by arranging a successful budget tabling and holding regular Imbizos. These efforts have facilitated community familiarity with Council operations and fostered a healthy and positive relationship with our citizens.

In the effort to grow our local economy, 163 jobs have been created through municipal initiatives, and 381 SMMEs were supported through Supply Chain Processes.

It must be made clear that our main challenges going forward remain to be the following:

- Roads and stormwater
- Water and sanitation
- Waste management in rural areas



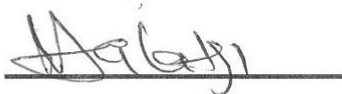
- Ageing of electricity infrastructure

Ba-Phalaborwa Municipality will continue to inform and encourage community members about the importance of paying rates and taxes, these will enable the Municipality to improve on revenue collection, leading to improved effective and efficient service delivery.

The report underlines the Municipality's achievement of a Qualified audit opinion during the reviewed year. Our goal for the upcoming year is to attain a Clean audit, aiming to enhance service delivery and maximize benefits for the residents of Ba-Phalaborwa Municipality. Additionally, the Municipality remains dedicated to diligently monitoring the implementation of recommendations provided by the Auditor General on audit findings and resolutions made by the Audit Committee.

In my capacity as Mayor, I extend heartfelt gratitude to the Acting Municipal Manager, every staff member, all Councillors, each ward committee, residents, and all stakeholders who have worked with us in our shared commitment to better our Municipality and the lives of our residents. Positive and constructive criticisms continue to serve as a crucial element of public participation, and we wholeheartedly welcome such feedback. Despite the challenges confronting the Municipality, our optimism remains unwavering. We are confident in our ability to effectively manage these challenges and realize the Council's vision of positioning Ba-Phalaborwa as one of the most successful municipalities within our province and on a national scale.

On behalf of the Council of Ba-Phalaborwa Municipality, I present the 2023/24 Annual Report.



**CLLR MM MALATJI**  
**MAYOR**



## COMPONENT A: EXECUTIVE SUMMARY

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### 1.1. MUNICIPAL MANAGER'S FOREWORD

The format and the content of the Annual Report are largely prescribed by the provisions outlined in Section 46 of the Local Government: Municipal Systems Act (Act 32 of 2000) (MSA) and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA). These statutory provisions compel the Municipality to prepare an Annual Report for each financial year, with the Mayor assuming the responsibility of presenting the said report to the Council. This Annual Report reflects Ba-Phalaborwa Municipality's strategic focus and provides an overview of performance and the Council's financial position for the 2023/2024 financial year. It outlines various programs managed by the directorates of the municipality and how they have performed in achieving set targets, which are in line with the Integrated Development Plan (IDP), the council's budget, and long-term vision for Ba-Phalaborwa.

The report serves the dual purpose of upholding accountability and keeping the municipality's clients informed about the decisions made during the reviewed period. Additionally, it incorporates the top ten municipal strategic risks outlined in our register and outlines the progress achieved in implementing our mitigation measures.

Furthermore, the report provides insight into the institutional structure as of the end of the 2023/2024 financial year. Notably, all senior management positions were successfully filled, and the appointments reflect a balanced gender composition, with three females and three males appointed to these roles.

Our institution is currently facing financial challenges; nevertheless, there has been notable progress in addressing these concerns. In the year under review, we managed to improve revenue collection and a 22% enhancement in debt collection. Despite these positive strides, the Council has taken decisive action by resolving to appoint a debt collector to further mitigate our debt and enhance overall revenue collection. To optimize our operational efficiency, a service provider has been appointed to support the municipality in the critical tasks of electrical and water meter reading and maintenance. This strategic move is aimed at ensuring accurate billing for the services provided to our residents.

In our commitment to resolving outstanding government debt, we actively participate in Inter-Governmental Relations (IGR) Forums to facilitate collaborative interventions. Successfully addressing these debts is vital, as it directly influences the execution of self-funded projects that aim to improve service delivery within our jurisdiction. We understand the far-reaching impacts of inadequate revenue collection and are dedicated to overcoming these challenges to benefit our community.

BPM has developed a Financial Recovery Plan and Revenue Enhancement Strategy and progress on the implementation of these strategic documents is reported on an ongoing basis to the Council. As a developmental organ of the State, we endeavor to comply with Sections



155 and 156 of the Constitution of the Republic of South Africa in providing municipal services equitably and sustainably to all our communities.

The Municipality, in consultation with all stakeholders, administers by-laws in line with the national and provincial legislation to regulate day-to-day activities and to uphold law and order. All the services rendered by the Municipality and the performance measurement are mentioned in the report under Chapter 3, and the Auditor General Action Plan to address the Audit findings has been developed and attached as an annexure to this report to assist in resolving the challenges identified.

### 1.1.1. OVERVIEW OF MUNICIPAL PERFORMANCE

| Key Performance Area  | 2021/22<br>%<br>Achievement | 2022/23<br>%<br>Achievement | 2023/24<br>Total<br>Number<br>of<br>Targets | 2023/24<br>Target<br>Achieved | 2023/24<br>Target<br>not<br>Achieved | 2023/24<br>Target<br>not<br>Performed | 2023/24<br>%<br>Achievement |
|---|-----------------------------|-----------------------------|---|-------------------------------|--------------------------------------|---------------------------------------|-----------------------------|
| <b>Spatial Rationale</b>                                      | 100%                        | 100%                        | 3   | 2                             | 1                                    | 0                                     | 66%                         |
| <b>Basic Services Delivery</b>                                | 91%                         | 92%                         | 12  | 9                             | 3                                    | 0                                     | 75%                         |
| <b>Municipal Financial Viability</b>                          | 92%                         | 92%                         | 12  | 12                            | 0                                    | 0                                     | 100%                        |
| <b>Local Economic Development</b>                             | 100%                        | 100%                        | 5   | 5                             | 0                                    | 0                                     | 100%                        |
| <b>Municipal Transformation and Institutional Development</b> | 78%                         | 78%                         | 9   | 9                             | 0                                    | 0                                     | 100%                        |
| <b>Good Governance and Public Participation</b>               | 93%                         | 93%                         | 42  | 41                            | 1                                    | 1                                     | 95%                         |
| <b>TOTAL</b>  | <b>91%</b>                  | <b>92%</b>                  | <b>84</b>                                   | <b>78</b>                     | <b>5</b>                             | <b>1</b>                              | <b>94%</b>                  |

Table 1: 2023/24 Municipal Key Performance Areas (KPA's)

The Municipality's performance for the 2023/24 financial year is assessed across six key areas, covering 84 Key Performance Indicators (KPIs). Notably, the Municipality achieved strong results on 78 KPIs, with only five showing underperformance and one not being executed as planned. A detailed Annual Performance Report is attached, offering comprehensive insights into the 2023/24 performance.

### 1.1.2. ACHIEVEMENTS:

The key achievements for the 2023/24 financial year are amongst others the following:

- a. EPWP Projects and Employment Opportunities: Executed three projects through the Expanded Public Works Program (EPWP), generating employment opportunities.



- b. Job Creation through Municipal Initiatives (EPWP): Facilitated the creation of 163 jobs through various municipal initiatives under the EPWP framework.

### 1.1.3. CHALLENGES:

The key challenges for the 2023/24 financial year are amongst others the following:

- a) High Cost of Infrastructure Repairs: Addressing the financial strain associated with the high cost of repairs and maintenance on aging infrastructure.
- b) Illegal Water Connections: Combating illegal water connections in villages and townships.
- c) Aging Water Infrastructure: Addressing challenges associated with old water infrastructure leading to poor service delivery.
- d) Illegal Electricity Connections and Cable Theft: Addressing issues related to illegal electricity connections and cable theft.
- e) Aging Electricity Infrastructure: Tackling interruptions resulting from the aging electricity infrastructure.

The Municipality recognizes these achievements and challenges as essential to its ongoing commitment to improving service delivery and enhancing community well-being. Efforts are actively underway to address these challenges and build on the successes of the reporting period.

### 1.1.4. CORRECTIVE MEASURES TO IMPROVE PERFORMANCE

#### a) Capital Expenditure (Own Funding):

The implementation of self-funded capital projects faces annual delays or non-implementation, primarily attributed to low revenue collection, significantly impacting service delivery. Acknowledging this challenge, the Municipality is committed to further intensifying the implementation of the credit control policy. This strategic approach aims to address revenue-related issues systematically, ensuring the timely execution of crucial capital projects and, subsequently, enhancing overall service delivery to the community.

#### b) Low Revenue Collection

During the review period, the Municipality encountered challenges in revenue collection, encompassing households, government, and business customers. In response to this, the Municipality has outlined a comprehensive strategy to address low revenue collection:

- i. **Full Implementation of Credit Control Policy:** Prioritizing the complete implementation of the credit control policy to streamline and enhance the management of outstanding payments.



- ii. Utilization of Debt Collectors: Continued engagement of debt collectors to support the Municipality in the retrieval of outstanding payments from customers.
- iii. **Appointment of Service Provider for Meter Reading and Maintenance:** Initiating the appointment of a service provider specializing in water and electricity meter reading and maintenance to improve accuracy in billing and revenue tracking.
- iv. **Continuous Electricity Meter Audits:** Instituting ongoing audits of electricity meters to ensure accuracy and identify any discrepancies, contributing to improved revenue tracking and collection.

These strategic measures underscore the Municipality's commitment to proactively address revenue collection challenges and enhance its financial sustainability. The multifaceted approach aims to optimize processes and systems for more effective revenue management and sustained service delivery.

#### 1.1.5. ISSUES RAISED IN THE 2023/24 AUDITOR GENERAL'S REPORT:

The Municipality obtained a Qualified Audit Opinion. The following were findings raised as a basis for the qualification:

- a) Service charges: Sale of electricity
- b) Payables from exchange transactions

I would like to extend my warmest appreciation to our community, the Mayor, Councillors, ward committees, all stakeholders, as well as my management colleagues and their representative staff for their support during this reporting year. The future of this Municipality requires the collective effort of all.



**JB SELAPYANE**  
**ACTING MUNICIPAL MANAGER**



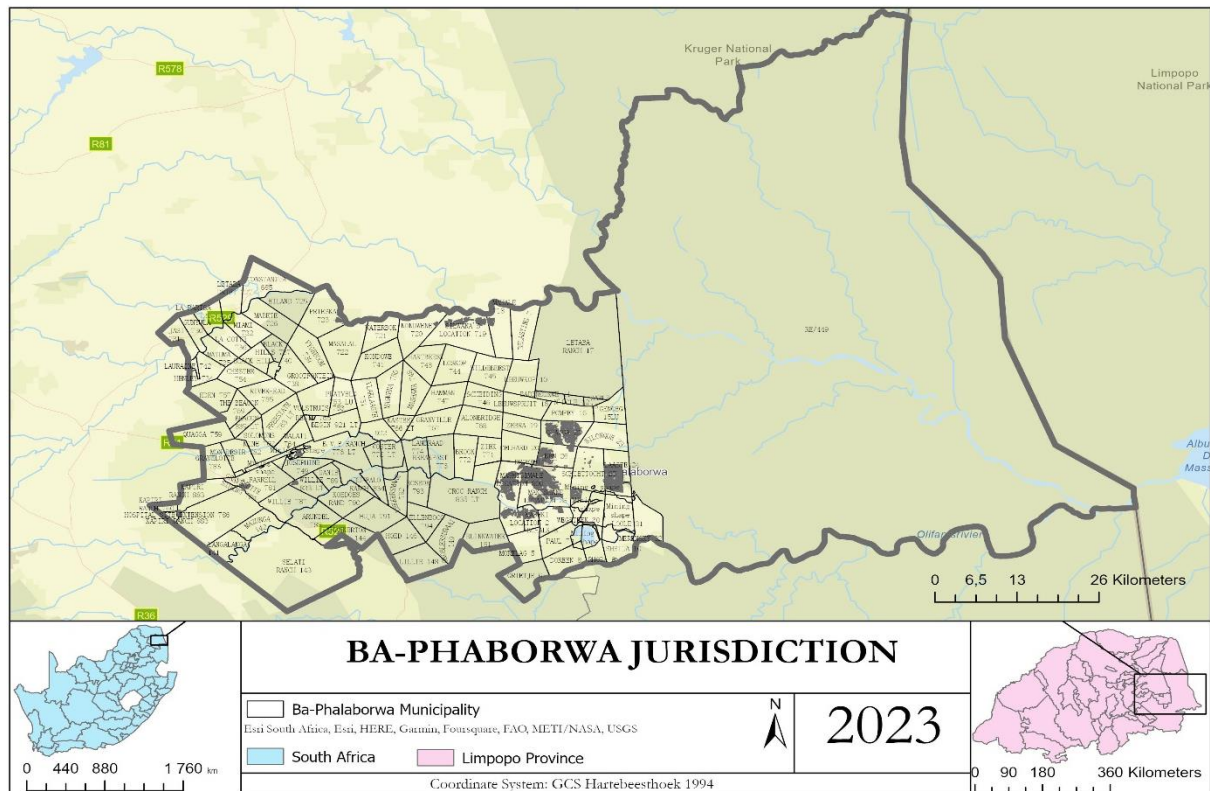
## 1.2. MUNICIPAL FUNCTION, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1. MUNICIPAL OVERVIEW

Ba-Phalaborwa Municipality is a Category B municipality established in terms of Section 155 of the Constitution of the Republic of South Africa and strives to achieve the following objects of local government (as enshrined in Section 152 of the Constitution):

- To provide a 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 organizations in matters of local government.

The Municipality is situated in the North-Eastern part of South Africa in the Limpopo Province. It is one of the five local municipalities in the Mopani District family of municipalities. It has a geographical area of 7461.6 km<sup>2</sup> which constitutes more than 27% of the Mopani District. It



serves as a convenient gateway to the Kruger National Park and the Greater Limpopo Trans-Frontier Park through the Mozambique Coast.

Figure 1: Locality Map of Ba-Phalaborwa Local Municipality



### Municipal key objectives for the period 2022-2027 are as follows:

- Promotion of local economy;
- Provision of sustainable integrated infrastructure and services;
- Sustain the environment;
- Improve financial viability;
- Good corporate governance and public participation; and
- Attract, develop, and retain the best human capital.

### 1.2.2. POPULATION OVERVIEW

The table below presents a comparison of municipal demographics based on data from the 2001, 2011, and 2022 Censuses conducted by Statistics South Africa (STATS SA). Over the past two decades, Ba-Phalaborwa's demographic landscape has experienced significant changes, reflecting a distinct population trajectory. In 2001, the municipality's population stood at 131,089 residents. Subsequently, there was a substantial growth of 19,539 residents, resulting in a total population of 150,637 by 2011. Building on this momentum, the population experienced further substantial expansion, witnessing an additional increase of 37,966 residents. Consequently, the population reached a robust figure of 188,603 by the year 2022. As the population expanded, there was a proportional rise in the number of households, highlighting the changing residential dynamics within the municipality.

| Census 2001 |            | Census 2011 |            | Census 2022 |            |
|-------------|------------|-------------|------------|-------------|------------|
| Population  | Households | Population  | Households | Population  | Households |
| 131 098     | 33 529     | 150 637     | 41 115     | 188 603     | 51 651     |

Table 2: 2001, 2011 & 2022 Municipal Demographics (Source: Statistic SA, 2022)

The population distribution by age and gender in Ba-Phalaborwa is vividly illustrated in the table below, capturing data from the census years 2001, 2011, and 2022. The table encompasses a comprehensive overview of the municipality's demographic structure across various age groups, showcasing the male and female populations within each category. The data reveals intriguing patterns across age brackets, emphasizing shifts in population dynamics over the years. Notably, the age group 20-24 consistently exhibits a higher population count, reflecting potential trends in migration, education, or employment opportunities. This detailed breakdown serves as a valuable resource for understanding the age and gender composition of Ba-Phalaborwa's population, providing a foundation for targeted social policies, infrastructure planning, and community development initiatives tailored to the municipality's evolving demographic needs.

| Population Details |             |        |        |             |        |        |             |        |        |
|--------------------|-------------|--------|--------|-------------|--------|--------|-------------|--------|--------|
| Age                | Census 2001 |        |        | Census 2011 |        |        | Census 2022 |        |        |
|                    | Male        | Female | Total  | Male        | Female | Total  | Male        | Female | Total  |
| 0-4                | 7 516       | 7 676  | 15 192 | 9 721       | 9 721  | 19 433 | 10 878      | 11 116 | 21 994 |
| 5-9                | 7 203       | 7 654  | 14 857 | 7 536       | 7 848  | 15 384 | 9 118       | 9 448  | 18 566 |
| 10-14              | 7 345       | 7 490  | 14 835 | 7 529       | 7 219  | 14 748 | 9 538       | 9 837  | 19 375 |
| 15-19              | 6 852       | 7 385  | 14 237 | 7 118       | 7 555  | 14 674 | 7 499       | 7 961  | 15 460 |
| 20-24              | 6 519       | 7 230  | 13 749 | 8 132       | 7 995  | 16 127 | 8 492       | 8 726  | 17 218 |
| 25-29              | 5 924       | 6 390  | 12 314 | 6 842       | 7 371  | 14 195 | 7 547       | 8 703  | 16 250 |



|              |               |               |                |               |               |                |               |               |                |
|--------------|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|
| <b>30-34</b> | 4 735         | 5 169         | <b>9 904</b>   | 5 392         | 6 016         | <b>11 407</b>  | 7 198         | 7 976         | <b>15 174</b>  |
| <b>35-39</b> | 4 169         | 4 654         | <b>8 823</b>   | 4 649         | 5 390         | <b>10 039</b>  | 6 703         | 7 164         | <b>13 867</b>  |
| <b>40-44</b> | 3 681         | 3 865         | <b>7 546</b>   | 3 886         | 4 395         | <b>8 282</b>   | 5 298         | 5 907         | <b>11 205</b>  |
| <b>45-49</b> | 3 419         | 3 041         | <b>6 460</b>   | 3 103         | 3 787         | <b>6 890</b>   | 4 815         | 5 258         | <b>10 073</b>  |
| <b>50-54</b> | 2 708         | 2 139         | <b>4 847</b>   | 2 691         | 2 852         | <b>5 542</b>   | 3 908         | 4 294         | <b>8 202</b>   |
| <b>55-59</b> | 1 783         | 1 212         | <b>2 995</b>   | 2 415         | 2 252         | <b>4 667</b>   | 3 115         | 3 697         | <b>6 812</b>   |
| <b>60-64</b> | 1 167         | 1 102         | <b>2 269</b>   | 1 660         | 1 620         | <b>3 280</b>   | 2 343         | 2 661         | <b>5 004</b>   |
| <b>65-69</b> | 495           | 837           | <b>1 332</b>   | 957           | 1 206         | <b>2 163</b>   | 1 689         | 2 163         | <b>3 852</b>   |
| <b>70-74</b> | 420           | 657           | <b>1 077</b>   | 651           | 957           | <b>1 608</b>   | 1 074         | 1 250         | <b>2 324</b>   |
| <b>75-79</b> | 223           | 297           | <b>520</b>     | 339           | 632           | <b>972</b>     | 520           | 912           | <b>1 432</b>   |
| <b>80-84</b> | 128           | 244           | <b>372</b>     | 203           | 444           | <b>647</b>     | 299           | 667           | <b>960</b>     |
| <b>85+</b>   | 69            | 139           | <b>208</b>     | 118           | 321           | <b>439</b>     | 219           | 608           | <b>829</b>     |
| <b>Total</b> | <b>64 356</b> | <b>67 180</b> | <b>131 536</b> | <b>72 923</b> | <b>77 572</b> | <b>150 529</b> | <b>90 254</b> | <b>98 348</b> | <b>188 603</b> |

Table 3: Municipal Population Distribution by Age &amp; Gender (Source: Statistics SA, 2022)

The table below provides a detailed snapshot of the socio-economic landscape in Ba-Phalaborwa Local Municipality, delineating key indicators over the years. These critical socio-economic metrics include the housing backlog as a proportion of current demand, the unemployment rate, the proportion of households with no income, HIV/AIDS prevalence, and the number of illiterate individuals aged 14 and older. The housing backlog, a crucial measure of the municipality's ability to meet the demand for housing, has shown a notable increase from 2,924 in 2021/22 to 5,779 in 2022/23. Concurrently, the unemployment rate has remained constant at 37.5% across these years, signaling a persistent challenge in the labour market. The number of households with no income has remained stable at 5,141, while the prevalence of HIV/AIDS has shown a positive decline from 2.41% in 2020/21 to 1.94% in 2022/23. However, the persistently high number of 12,565 illiterate individuals aged 14 and older underscores the need for targeted educational interventions to address literacy challenges.

| <b>Socio Economic Status</b> |  |                          |  |                            |  |
|------------------------------|--|--------------------------|--|----------------------------|--|
| <b>Year</b>                  | <b>Housing Backlog as proportion of current demand</b> | <b>Unemployment rate</b> | <b>Proportion of households with no income</b> | <b>HIV/AIDS prevalence</b> | <b>Illiterate people older than 14 years</b> |
| <b>2021/22</b>               | 2 924  | 37.5%                    | 5 141  | 2.11%                      | 12 565                                       |
| <b>2022/23</b>               | 5 779  | 37.5%                    | 5 141  | 1.94%                      | 12 565                                       |
| <b>2023/24</b>               | 4466   | 37%                      | 63 891 (Not households)                        | 1.94%                      | 14 810                                       |

Table 4: Municipal Socio-Economic Status

The diverse tapestry of neighbourhoods within Ba-Phalaborwa Municipality is captured in the table below, offering a comprehensive overview of settlements categorized into towns, townships, rural settlements, and informal settlements. Each classification provides valuable insights into the demographic fabric and residential dynamics that shape the municipality. Notably, the town of Phalaborwa stands out with 3,389 households and a population of 13,976, showcasing a distinctive urban character. Townships like Namakgale, Lulekani, and Gravelotte contribute significantly to the municipality's vibrancy, each displaying unique household and population figures. Rural settlements such as Selwane, Makhushane, Maseke, Mashishimale,



and the combined entity of Majeje (inclusive of Benfarm A, B, C, Humulani & Matikoxikaya) depict the diversity of living environments. Additionally, the presence of informal settlements, exemplified by Kurhula, highlights the need for targeted interventions to address housing challenges. This detailed overview serves as a valuable foundation for understanding the varied landscape of Ba-Phalaborwa, essential for effective urban planning, community development, and resource allocation initiatives tailored to the distinct needs of each neighbourhood.

| Overview of neighborhoods within Ba-Phalaborwa Municipality |              |               |
|---|--------------|---------------|
| Settlements Type  | Households   | Population    |
| <b>Towns</b>  |              |               |
| Phalaborwa  | 3389         | 13976         |
| <b>Townships</b>  |              |               |
| Namakgale   | 8398         | 25808         |
| Lulekani  | 3843         | 20917         |
| Gravelotte  | 757          | 1098          |
| <b>Rural Settlements</b>                                    |              |               |
| Selwane   | 2932         | 12326         |
| Makhushane  | 3550         | 6608          |
| Maseke  | 1985         | 7830          |
| Mashishimale  | 3967         | 7002          |
| Majeje (incl Benfarm A, B, C, Humulani & Matikoxikaya)      | 5315         | 29226         |
| <b>Informal Settlements</b>                                 |              |               |
| Kurhula   | 544          |               |
| <b>Total</b>  | <b>34680</b> | <b>150637</b> |

Table 5: Overview of Neighbourhoods within Ba-Phalaborwa Municipality

### 1.2.3. ENVIRONMENTAL OVERVIEW

Ba-Phalaborwa has the highest concentration of mineral deposits in the Mopani District hence mining is the largest economic sector in the Municipality and is also the largest employer. The table below detailing the major natural resources in both the Phalaborwa and Murchison areas provides an essential overview of the economic foundations that underpin the Municipality. The Phalaborwa region is rich in mineral resources, including magnetite, copper, vermiculite, nickel, apatite, zirconium, titanium, and uranium, all of which contribute significantly to the local economy through mining activities. In contrast, the Murchison area is endowed with a diverse range of mineral deposits, such as mineral sand, antimony, gold, zinc, mercury, paving and cladding stones, emeralds, and ilmenite, further enhancing the region's geological and economic potential. Again, these resources contribute substantially to the economic landscape through mining endeavors. The relevance of these natural resources to the community is profound, as they serve as key drivers of economic activities, providing employment opportunities and contributing to the overall economic development of the region. Understanding the nature and distribution of these resources is pivotal for informed decision-making, sustainable resource management, and the development of strategies that align with the community's economic priorities.



| Natural Resources                        |   |                        |
|--|---|------------------------|
| Major Natural Resource (Phalaborwa Area) | Major Natural Resource (Murchison area) | Relevance to Community |
| Magnetite                                | Mineral sand                            | Economic (mining)      |
| Copper                                   | Antimony                                | Economic (mining)      |
| Vermiculite                              | Gold                                    | Economic (mining)      |
| Nickel                                   | Zinc                                    | Economic (mining)      |
| Apatite                                  | Mercury                                 | Economic (mining)      |
| Zirconium                                | Paving and clad stones                  | Economic (mining)      |
| Titanium                                 | Emeralds                                | Economic (mining)      |
| Uranium                                  | Ilmenite                                | Economic (mining)      |

Table 6: Natural Resources in the Municipal Area

### 1.3. SERVICE DELIVERY OVERVIEW

#### 1.3.1. Service Provision Overview

Certain segments of rural areas within Ba-Phalaborwa Municipality are currently experiencing irregular water supply. Notably, 11% of households with existing infrastructure in rural areas are not receiving sufficient water. Additionally, the new extensions adjacent to townships and other rural regions constitute 7% of households without proper infrastructure. To address this, the water purification plant underwent evaluation by the Water Services Authority (Mopani District) in collaboration with the Water Board (Lepelle) for necessary upgrades to meet the increasing water demands.

. Efforts to improve water supply coverage include the continued implementation of various water reticulation projects by the District Municipality. In areas without infrastructure, the Municipality uses water trucks to provide temporary water supply. Although water quality is steadily improving, as reflected in the increasing Blue Drop score each year, the aging infrastructure remains a significant challenge. Collaborative strategies between the District Municipality, Water Board, and Local Municipality are actively being pursued to address water loss and further enhance water quality.

### 1.4. FINANCIAL OVERVIEW

#### 1.4.1. 2023/24 Financial Overview

The financial landscape of Ba-Phalaborwa Local Municipality for the financial year 2023/24 is presented in the table below, presenting a comprehensive overview of income, grants, expenditure, and operating ratios. Grants contributed significantly to the municipality's financial resources, with a total of R 264,724,397.00. The net total, calculated by deducting expenditure from the subtotal, reached R358,669,117.00. Operating ratios shed light on the distribution of funds, indicating that employee costs constituted 47% of the budget, followed by repairs and maintenance at 4%, and finance charges and depreciation at 26%.



This financial overview is important in providing insights into the municipality's financial performance, budget allocation, and key expenditure areas, ultimately serving as a foundation for informed decision-making and future financial planning.

| Financial Overview – 2023/24   |                           |                                       |   |                           |
|--------------------------------|---------------------------|---------------------------------------|---|---------------------------|
| Details                        | Actual 2022/23<br>(R'000) | Original Budget<br>2023/24<br>(R'000) | Adjustment<br>Budget 2023/24<br>(R'000) | Actual 2023/24<br>(R'000) |
| Income                         | 396 339                   | 468 902                               | 471 452                                 | 434 152                   |
| Grants                         | 238 628                   | 264 029                               | 264 759                                 | 264 724                   |
| Sub Total                      | 634 382                   | 732 932                               | 736 212                                 | 698 876                   |
| Less<br>Expenditure            | 485 593                   | 764 525                               | 764 525                                 | 852 337                   |
| Net Total                      | 148 781                   | (31 539)                              | (28 314)                                | (153 460)                 |
| Operating Ratios               |                           |                                       |   |                           |
| Detail                         | % 2023/24                 |                                       |   |                           |
| Employee Cost                  | 169 988 (47%)             |                                       |   |                           |
| Repairs & Maintenance          | 13 059 (4%)               |                                       |   |                           |
| Finance Charges & Depreciation | 91 798 (26%)              |                                       |   |                           |

Table 7: 2023/24 Municipal Financial Overview

#### 1.4.2. 2022/23 – 2023/24 Total Capital Expenditure

The table below provides a detailed overview of the Total Capital Expenditure for the years 2022/23 and 2023/24, offering a comprehensive analysis of budget allocations and actual spending. In the initial budget planning for 2022/23, the municipality earmarked R44 877 000.00 for capital expenditure, with an adjustment budget of R44 877 000.00. However, the actual expenditure for 2022/23 FY amounted to R51 980 000.00. The subsequent year, 2023/24, witnessed a substantial increase in both the original and adjustment budgets, reaching R64 766 000 and R57 246 000.00 respectively. This significant increase in budget allocation underscores the municipality's commitment to capital projects and development initiatives. The actual capital expenditure for the year 2023/24 surpassed the budget, totalling R49 065 000.00. This detailed financial breakdown serves as a crucial tool for assessing the alignment between budgetary plans and actual financial expenditures, facilitating transparency and informed decision-making in the space of capital investment.

| Total Capital Expenditure for the periods 2022/23 – 2023/24 |         |         |
|---|---------|---------|
| Details   | (R'000) |         |
|   | 2022/23 | 2023/24 |
| Original budget   | 44 877  | 64 766  |
| Adjustment budget   | 44 877  | 57 246  |
| Actual  | 51 980  | 49 065  |



Table 8: Total Capital Expenditure for the periods 2022/23-2023/24

### 1.4.3. Provision of Essential Services

The table below presents a detailed insight into the provision of essential services to households in Ba-Phalaborwa Municipality during the periods 2022/2023 and 2023/2024 financial years. Focusing on critical services such as water and electricity, the data provides a breakdown of the number of households that received these services and the total number of households with access to basic services. In 2022/2023, 43,838 households had access to water services. In terms of electricity, 3931 households in the municipal licensed area were serviced during this period. Moving to the subsequent year, 2023/24, the trend continued with the same number of households, 43,838, receiving water services, and maintaining universal access. However, validation through meter audits confirmed a noteworthy decrease in households receiving electricity, dropping to 3060, within the municipal licensed area. These figures provide a comprehensive overview of the municipality's efforts in delivering essential services to its residents, shedding light on both achievements and areas for potential improvement in the provision of basic services.

| Provision of Essential Services for the periods 2022/23 – 2023/24 |  |  |         |  |  |         |
|---|--|--|---------|--|--|---------|
| Services  | Households received services (2022/2023) | Total No of Households have access to basic services | Comment | Households received services (2023/2024) | Total No of Households have access to basic services | Comment |
| Water connected to yard   | 43 838                                   | 43 838   | None    | 43 838                                   | 43 838   | None    |
| Electricity   | 3 931<br>(Municipal licenced area)       | 3 931<br>(Municipal licenced area)                   | None    | 3060                                     | 3 060  | None    |

Table 9: Provision of Essential Services for the periods 2022/23 - 2023/24

### 1.4.4. Comments on Capital Expenditure

- a) **Water and Sanitation:** Ba-Phalaborwa Municipality is a Water Services Provider, and Mopani District Municipality is the Water Services Authority, therefore, the budget for Capital Expenditure for water and sanitation infrastructure is the responsibility of Mopani District Municipality as per the Services Level Agreement.
- b) **Electricity:** Capital Expenditure on electricity projects was at 100%.
- c) **Roads:** Capital expenditure on road projects was at 100%.



- d) Municipal Infrastructure Grant (MIG):** The total MIG allocation received for the financial year was fully spent.

**The municipality's key challenges are its** unfunded budget, as assessed by the Provincial Treasury, and its old infrastructure for electricity, water, and sewerage. To address this challenge, the municipality has formulated a budget-funding plan, duly approved by the Council. Additionally, a Financial Recovery Plan and a Revenue Enhancement Strategy exist to further fortify fiscal stability.

Furthermore, the Municipality consistently allocates increased funds for the annual upkeep of electricity infrastructure within the town. Moreover, ongoing collaboration with the Mopani District Municipality is maintained, focusing on the refurbishment of aging water and sewerage infrastructure, aligning with their designated responsibilities.

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Section 66 of the Local Government: Municipal Systems Act, 32 of 2000 makes provision for staff establishment. The staff establishment must be in line with the powers and functions of the municipality and must make provisions for job descriptions for each position. Ba-Phalaborwa Municipality approved its Organizational Structure, and the structure is aligned with the IDP and the powers and functions to be conducted by the municipality. The organogram provides for a staff complement of 706 with 425 of the positions filled, 281 positions vacant, and, 37 Councillors. *(Refer to the attached Annexure 2: Organisational Structure)*

## 1.6. AUDITOR GENERAL REPORT

The legislation mandates that after each financial year, the Municipality is obligated to compile an Annual Performance Report (APR) and Annual Financial Statements (AFS) for submission to the Auditor General of South Africa for auditing. Both the Annual Performance Report and the Annual Financial Statements were submitted to the Auditor General for audit on 31 August 2024. The Auditor General is still busy with the review.

## 1.7. STATUTORY ANNUAL REPORTING PROCESS

The table below details the Statutory Annual Reporting Process indicating key activities and corresponding timeframes that the Municipality follows to fulfil its reporting obligations.

| No. | Activity  | Timeframe |
|-----|---|-----------|
| 1   | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period. | July      |



|    |  |         |
|----|--|---------|
| 2  | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).                                      |         |
| 3  | Finalise 4 <sup>th</sup> quarter Report for previous financial year  |         |
| 4  | Submit draft Annual Report to Internal Audit and Auditor-General   |         |
| 5  | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General. |         |
| 6  | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase                            | August  |
| 7  | Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data                   |         |
| 8  | Municipalities receive and start to address the Auditor General's comments   |         |
| 9  | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report                     | January |
| 10 | Audited Annual Report is made public, and representation is invited  |         |
| 11 | Oversight Committee assesses Annual Report   |         |
| 12 | Council adopts Oversight report  | March   |
| 13 | Oversight report is made public  |         |
| 14 | Oversight report is submitted to relevant provincial councils  |         |

Table 10: Statutory Annual Reporting Process



## CHAPTER 2: GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1. POLITICAL GOVERNANCE

The Local Government: Municipal Structures Act 117 of 1998, provides that a municipality must have a political and administrative component, and as such, Ba-Phalaborwa Municipality has an established political and administrative component. The political component comprises of the Mayor, Speaker, Chief Whip, and Councillors. Politically, the Mayor is the head of the municipality. In managing the affairs of the municipality, the Mayor delegated some of the responsibilities to Members of the Executive Committee (EXCO) who lead different portfolio committees. The Heads of the Portfolio committee account to the Mayor on the affairs of their respective directorates during the Executive Committee meetings, wherein, monthly reports of directorates are discussed. The Executive Committee conducts oversight on the reports from Portfolio committees and subsequently recommends them for approval by the Council. The table below presents the political structure of the Municipality:

| POLITICAL STRUCTURE |   |   |
|---------------------|---|---|
| STRUCTURE           | NAME OF PUBLIC REPRESENTATIVE   | FUNCTION  |
| MAYOR               | Cllr MM Malatji   | <ul style="list-style-type: none"> <li>Presides at meetings of the executive committee; and</li> <li>Performs the duties, including ceremonial functions, and exercises the powers delegated to by the Council</li> </ul>   |
| SPEAKER             | Cllr N O Mabunda  | <p>The Speaker of Council –</p> <ul style="list-style-type: none"> <li>Presides at meetings of Council;</li> <li>Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Municipal Systems Act;</li> <li>Must ensure that the Council meet at least quarterly;</li> <li>Must maintain order during meetings;</li> <li>Must ensure compliance in the Council and Council committees with the Code of Conduct set out in Schedule 1 of the Municipal Systems Act; and</li> <li>Must ensure that Council meetings are conducted in accordance with the rules and orders of the Council.</li> </ul> |
| CHIEF WHIP          | Cllr D Rapatsa  | <ul style="list-style-type: none"> <li>Responsible for political management of Council meetings and committee meetings. Maintains party relations and ensure that political decision-making takes place timeously and diligently.</li> </ul>  |
| COUNCILLORS         | Ba-Phalaborwa Municipality has 37 Councillors of which 19 are Ward Councillors and 18 are Proportional Councillors. |   |

Table 11: Political Structure



### 2.1.1. POLITICAL DECISION MAKING

The 2023/24 Corporate Calendar, developed by the Municipality and approved by the Council, serves as a guiding framework for all municipal activities, including Portfolio Committee, EXCO, and Council meetings. Portfolio Committees led by EXCO members, conduct oversight on reports from various directorates and recommend their decisions during the Executive Committee Meeting, presided over by the Mayor. The Executive Committee, in turn, exercises oversight on the reports of Portfolio Committees and puts forth recommendations to the Council, which makes decisions through Council Resolutions. These resolutions represent decisions made by elected officials/politicians for subsequent implementation by the administration.

- During the 2023/24 financial year 564 Council resolutions were taken, and 564 resolutions were implemented, constituting 100%.
- 6 Ordinary and 6 Special Council meetings were held during the 2023/24 financial year.
- 10 Ordinary and 4 Special Executive Committee meetings were held during the 2023/24 financial year.

### 2.2. ADMINISTRATIVE GOVERNANCE

The administrative structure of the Municipality consists of six directorates: The Office of the Municipal Manager, Budget and Treasury Office, Planning and Development, Community and Social Services, Technical Services, and Corporate Services. The Municipal Manager has approved delegations of powers, distributing responsibilities among Senior Managers. The Chief Financial Officer is delegated Financial Matters, and Administration and Human Resources are overseen by the Senior Manager: Corporate Services, Planning, and Development issues are under the purview of the Senior Manager: and Planning & Development, and Service Delivery matters are handled by the Senior Manager: Technical Services and Community and Social Services. The Municipal Manager as the administrative head, manages day-to-day operations, while Senior Managers, reporting to the Municipal Manager, are accountable for their respective departments, presenting monthly reports during senior management meetings. The recommendations from senior management are then communicated to the corresponding Portfolio Committees by the responsible Senior Managers, facilitating oversight and ownership by committee chairpersons and members.

| TOP ADMINISTRATIVE STRUCTURE |                  |   |
|------------------------------|------------------|---|
| Structure                    | Name of Official | Function  |
| Municipal Manager            | Dr Pilusa KKL    | <ul style="list-style-type: none"> <li>▪ The head of administration and the Accounting Officer for Ba-Phalaborwa Municipality. Provides guidance and advice on compliance financial and all legislation to the political structures, political office bearers and officials;</li> <li>▪ Manages special programmes in relation to youth, gender;</li> </ul> |



|   |                        |  |
|---|------------------------|--|
| <b>Senior Manager Corporate Services</b>            | <b>Ms Selapyane JB</b> | <ul style="list-style-type: none"> <li>▪ Renders Human Resource Management Services by Skills Development and Training Services;</li> <li>▪ Manages communication and information services to the municipality particularly IT utilization and support services;</li> <li>▪ Provides secretarial services to the Council, the Executive Committee, Section 80 committee, section 79 committees;</li> <li>▪ Provides legal advisory services with regard to policies, by-laws and labour relations as well as interpretation of legislation; and</li> <li>▪ Provides administrative support to the department by rendering support to satellite offices and rendering messenger services and ancillary services.</li> </ul> |
| <b>Senior Manager Community and Social Services</b> | <b>Mr Hlongwane TW</b> | <ul style="list-style-type: none"> <li>▪ Manages the parks and cemeteries;</li> <li>▪ Manages the waste management;</li> <li>▪ Attends to environmental management;</li> <li>▪ Manages the library services;</li> <li>▪ Lead and direct strategic objectives of the municipality in relation to health;</li> <li>▪ Regulate and manage traffic, enforce by-laws and educate the public on road safety; and</li> <li>▪ Oversee the management of licensing section and testing station.</li> </ul>  |
| <b>Senior Manager Technical Services</b>            | <b>Ms Mphachoe ME</b>  | <ul style="list-style-type: none"> <li>▪ Manages engineering services by designing civil engineering structures and rendering mechanical and electrical engineering services;</li> <li>▪ Render project management services by administering contracts for all civil infrastructure projects and amongst others managing local capacity building; and</li> <li>▪ Renders building control services by administering building plans, conducting building inspections and doing minor maintenance on council buildings.</li> </ul>   |
| <b>Senior Manager Planning and Development</b>      | <b>Ms Mogano MJ</b>    | <ul style="list-style-type: none"> <li>▪ Renders spatial planning for land development;</li> <li>▪ Manages land use on behalf of the municipality;</li> <li>▪ Formulates, implements and maintains comprehensive local economic development plans;</li> <li>▪ Promotes tourism, agriculture and alleviation of poverty;</li> <li>▪ Promotes trade and industry;</li> <li>▪ Manages the valuation roll of the municipality;</li> <li>▪ Formulates and implementation of integrated development strategy planning;</li> <li>▪ Manages the municipality's performance management system; and</li> <li>▪ Approves rezoning application in respect of land within the area.</li> </ul>  |
| <b>Chief Financial Officer</b>                      | <b>Mr Nzimande AT</b>  | <ul style="list-style-type: none"> <li>▪ Administratively in charge of the budget of the municipality and treasury office;</li> <li>▪ Assist the Municipal Manager in the administration of the municipality's bank accounts and the preparation and implementation of the municipality's budget;</li> <li>▪ Renders fleet management;</li> <li>▪ Manages the revenue collection of the municipality; and</li> <li>▪ Renders supply chain management.</li> </ul>   |

Table 12: Top Administrative Structure



## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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### 2.3. OVERVIEW OF INTERGOVERNMENTAL RELATIONS

The Municipality, operating as the third tier of government, collaborates closely with other government spheres and their affiliated entities. In the provision of services, the municipality works in coordination with various government institutions. Specifically, for water provision, the Mopani District Municipality lends assistance to the local municipality as the Water Services Authority (WSA). Provincial departments also contribute their support. The Municipal Manager oversees all financial matters, and the municipality has sanctioned delegations of powers, entrusting senior managers with specific responsibilities. The Department of Cooperative Governance, Human Settlements, and Traditional Affairs aids the municipality in allocating RDP houses based on housing needs submitted. Additionally, the Treasury provides support in managing the municipality's financial affairs.

#### 2.3.1. INTERGOVERNMENTAL FORUMS

The following are intergovernmental relations forums that Ba-Phalaborwa Municipality participates in:

##### a) District IGR

Governed by Section 88 of the Local Government: Structures Act 117 of 1998, this forum emphasizes the need for collaboration between district and local municipalities. As outlined in the act:

- i. A district municipality and local municipalities within the area of that district municipality must cooperate by assisting and supporting each other;
- ii. A district municipality on request by a local municipality within its area may provide financial, technical, and administrative support services to that local municipality to the extent that the district can provide those support services;
- iii. A local municipality may provide financial, technical, or administrative support services to another local municipality within the area of the same district municipality to the extent that it can provide those support services if the district municipality or that local municipality so requests.

To adhere to these principles, Mopani District Municipality convenes quarterly IGR meetings attended by all Senior Managers. These sessions address a range of issues related to administration and compliance with legislative frameworks.

##### b) Speakers Forum

To ensure effective oversight in the three spheres of government, the speakers forum was established. The Speaker of the Limpopo Legislature convenes the Provincial Speaker's Forum to facilitate common understanding towards the speaker's role in the processes of enacting by-laws, review of legislation, and other related policies.



The Forum seeks to make a meaningful contribution towards a government that is democratic, accountable, and always of service to its people while ensuring that there's improved institutional support to Municipal Councils.

The forum is composed of all speakers of municipalities in Limpopo including other stakeholders such as the South African Local Government Association (SALGA), Commission for Gender Equality (CGE), Independent Electoral Commission (IEC), and South African Human Rights Commission (SAHRC). Therefore, regular attendance to this forum has been supported consistently.

### **c) Municipal Managers Forum**

The Municipal Managers' Forum was created to provide a platform to discuss common issues, share learning, and resolve challenges within Local Government to propel local government towards a sustainable future. The SALGA-initiated Municipal Managers' Forum (MMF) remained a democratic platform to spearhead continuous improvement within Local Government. Since its establishment in 2011, the Forum has become an invaluable peer-learning vehicle that stimulates robust discussion and debate about important local government issues and creates opportunities for Municipal Managers to interact and engage collectively with key stakeholders.

Regular engagement between the South African Local Government Association (SALGA) and municipal administrative executives nationwide was essential. These interactions facilitated peer learning by promoting knowledge sharing, innovative thinking, and the exchange of best practices from both the public and private sectors.

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

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### **2.4. OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The Municipality accounts to the public through various mechanisms as adopted by the Council. On a quarterly basis, the municipality conducts feedback sessions with community members through Mayoral Imbizos. Furthermore, Ward Councillors account to their respective constituencies through monthly ward committee meetings. On a quarterly basis, the Municipality holds Council Meetings wherein, reports and affairs of the municipality are discussed, and public members are invited to be part of the planned council meetings.

The Municipality also utilizes its website to publish reports, documents, etc. (As per the provision of Section 75 of the MFMA). During the probing of the Annual Report, the MPAC conducts public hearings and in these hearings members of the community are invited to observe the proceedings.

The Municipality had an adopted process plan that guides all activities in terms of the preparation of the IDP, Budget, and Performance Management System (PMS). In line with the approved process plan by the Council, the Municipality conducts its quarterly Mayoral Imbizos, wherein progress in terms of the implementation of the approved IDP, Budget, and PMS is



given to the community while simultaneously conducting consultations with community members on the development and review of the IDP, Budget, and PMS for the next financial year.

Throughout the financial year, feedback sessions are conducted on a quarterly basis to account to the community on the progress made and further planning for the next financial year as the processes run simultaneously.

The municipality's internal boundaries have 19 wards. Central to public participation is the Ward Councillor and Ward Committee. Ward Committee's term of office runs concurrently with the term of Council. All ward committees are effective and submit monthly reports to the Office of the Speaker.

## **2.5. PUBLIC MEETINGS**

### **2.5.1. COMMUNICATION, PARTICIPATION AND FORUMS**

The Municipality has established a unit that deals with communication; the unit is also responsible for marketing the institution and communicating all activities of the municipality.

The municipality accounts to the public through various mechanisms as adopted by the council. On a quarterly basis, the municipality conducts feedback sessions with community members through Mayoral imbizo. The 2023-24 IDP/Budget & PMS Implementation reports were presented to community members during a Mayoral Imbizo in the first to third quarter for community inputs and comments. Community inputs on the Implementation report are compiled for noting by the council. Newspaper Notices were publicized to encourage community participation during Imbizos and IDP/Budget Public Participation and input reports were compiled for noting by the council. Furthermore, ward Councillors account to their respective constituencies through monthly ward committee meetings and some councillors also account to the community quarterly through ward feedback meetings. On a quarterly basis, the Municipality holds council meetings wherein reports and affairs of the Municipality are discussed, and public members are invited to these council meetings.

The Municipality also utilizes its website to publish reports documents etc. (As per the provision of section 75 of the MFMA). During the probing of the annual report MPAC conducts public hearings and in these hearings members of the community are invited to observe the proceedings. A public hearing on the 2022/23 Annual Report by MPAC was done physically on 20 March 2024 at the Municipal Sports Hall. The oversight report on the draft annual report was presented to the council.

Furthermore, the Municipality puts complaints registers in strategic positions for members of the community and staff members to include their compliments and complaints. The Municipality further employs local Radio stations and newspapers to communicate with our communities. In the fourth quarter, the Municipality coordinated, an IDP/Budget/Tariff Book



Public Participation, which was conducted through the Ward Stakeholder engagement method in April 2024. Copies of the draft documents were made available on the municipal website, Traditional Authorities and Libraries.

### 2.5.1.1. WARD COMMITTEES

Ward Committees officially launched in May 2022 after Local government elections. All 19 committees are functional, hold their monthly ward committee meetings, and submit their reports to the Speakers Office for consolidation and noting by Council.

The key purpose of ward committees and major issues that the ward committee has dealt with during the year are highlighted as follows:

- a) They serve as an official's specialized participatory structure within the Municipality area of jurisdiction;
- b) They assist the ward councillor in identifying conditions, challenges, and needs of the residents within the ward;
- c) They disseminate information in the ward concerning municipal affairs;
- d) They receive queries and complaints from residents in the ward concerning municipal service delivery;
- e) communicate such queries and complaints to the municipality and advise the community on the municipality's responses.
- f) They interact with other forums and organizations on matters and policies affecting the ward; and
- g) They also serve as a mobilizing agent for community actions.

### 2.5.1.2. IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria*                               | Yes/No |
|---|--------|
| Does the municipality have impact, outcome, input, output indicators?   | Yes    |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes    |
| Does the IDP have multi-year targets?                                   | Yes    |
| Are the above aligned and can they calculate into a score?              | Yes    |
| Does the budget align directly to the KPIs in the strategic plan?       | Yes    |
| Do the IDP KPIs align to the Section 57 Managers                        | Yes    |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP?          | Yes    |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes       | Yes    |

Table 13: IDP Participation & Alignment Criteria



### 2.5.1.3. COMMUNITY ENGAGEMENT EVENTS

The table below provides a detailed account of various community engagement events, focusing on Mayoral Imbizos and the 2023/24 Integrated Development Plan (IDP)/Budget Public Participation (PP) sessions. These gatherings serve as crucial platforms for interaction between municipal representatives, councillors, administrators, and community members. The table includes information on the nature and purpose of the meetings, dates, the number of participating municipal councillors and administrators, and the attendance of community members. Moreover, it outlines the issues raised by the community during these events, indicating whether these concerns were addressed. Additionally, the dates and methods of providing feedback to the community are specified. This comprehensive overview offers insights into the municipality's commitment to engaging with residents, addressing their concerns, and fostering transparent communication in the spirit of participatory governance.

Table 14: Community Engagement Events

| Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community   | Issue addressed (Yes/No) | Dates and manner of feedback given to community   |
|-------------------------------|----------------|---|--|---------------------------------------|--|--------------------------|---|
| Mayoral Imbizo                | 17/08/2024     | 16  | 18   | 581                                   | Need for pavement of Madalaskop (ward 04)                            | Yes                      | All issues raised during Imbizo meeting were responded to on the day of Imbizo by the Mayor and members of Executive Committee. (For example a need for street pavement will be included in the IDP community needs and priorities) |
|                               |                |   |  |                                       | There is a need for a bridge from Shingamulana to Humulani (ward 13) | Yes                      | 17/08/2024  |
|                               |                |   |  |                                       | Need RDP house for an orphan (ward 08)                               | Yes                      | 17/08/2024  |

| Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community  | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|-------------------------------|----------------|---|--|---------------------------------------|---|--------------------------|---|
|                               |                |   |  |                                       | Water challenge in the ward – disabled and unable to fetch water with his affected hand (ward 17) | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Need for paving to Humulani Cemeteries  | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | No water due to stolen water pumps (ward 10)  | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Need for grading of sports grounds (all wards)  | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Need for RDP houses (Selwana Ward 18)   | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Need for standpipes (selwana Ward 18)   | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Need for pressure pump to get water from Letaba river (selwana Ward 18)                           | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Need for RDP house for sister who stays in a one roomed house with her three children (ward 10)   | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Need for water reticulation at Majeje Ext (ward 03)   | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Khechetwe bridge destroyed (ward 02)  | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Need for Apollo light in Boelang  | Yes                      | 17/08/2024                                      |
|                               |                |   |  |                                       | Need for paving of internal street in Boelang   | Yes                      | 17/08/2024                                      |
| Mayoral Imbizo                | 17/11/2024     | 18  | 14   | 468                                   | Had one (01) room mud house with four kids – need an RDP (ward 18)                                | Yes                      | 17/11/2024                                      |
|                               |                |   |  |                                       | Need for de-bushing on the road that learners utilize to go to school at Makhushane (ward 10)     | Yes                      | 17/11/2024                                      |
|                               |                |   |  |                                       | Need for Apollo lights at Boelang   | Yes                      | 17/11/2024                                      |



| Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community  | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|-------------------------------|----------------|---|--|---------------------------------------|---|--------------------------|---|
|                               |                |   |  |                                       |   |                          |   |
|                               |                |   |  |                                       | There is need for proper board on the main road to direct people to Boelang (ward 10)         | Yes                      | 17/11/2024                                      |
|                               |                |   |  |                                       | Need maintenance for Apollo lights (ward 17)  | Yes                      | 17/11/2024                                      |
|                               |                |   |  |                                       | Need for an RDP house – have one room and staying with her two boys (ward 18)                 | Yes                      | 17/11/2024                                      |
|                               |                |   |  |                                       | Water challenge in the ward (selwana ward 17)   | Yes                      | 17/11/2024                                      |
|                               |                |   |  |                                       | house fell in 2021- provided with a tent, promised an RDP house but never benefited (ward 03) | Yes                      | 17/11/2024                                      |
|                               |                |   |  |                                       | RDP houses build in 2019 never completed – no roofing since then                              | Yes                      | 17/11/2024                                      |
|                               |                |   |  |                                       | delays in Majeje road construction progress (ward 03)   |                          | 17/11/2024                                      |
| <b>Mayoral Imbizo</b>         | 09/02/2024     | 20  | 28   | 750                                   | Need for de-bushing next to Score and all streams and unoccupied areas (ward 06)              | Yes                      | 09/02/2024                                      |
|                               |                |   |  |                                       | Stay in a shack which now leaking. Need for RDP house (ward 06)                               | Yes                      | 09/02/2024                                      |
|                               |                |   |  |                                       | water challenge in ward 07  | Yes                      | 09/02/2024                                      |
|                               |                |   |  |                                       | Potholes all over Phalaborwa – no patching, only soil filling (ward 06)                       | Yes                      | 09/02/2024                                      |
|                               |                |   |  |                                       | Need for grading of streets (ward 18)   | Yes                      | 09/02/2024                                      |



| Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community  | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|-------------------------------|----------------|---|--|---------------------------------------|---|--------------------------|---|
|                               |                |   |  |                                       | Need for de-bushing in Gravelotte   | Yes                      | 09/02/2024                                      |
|                               |                |   |  |                                       | Family of 07 members, staying in one shack, disturb school work. need of an RDP house | Yes                      | 09/02/2024                                      |
|                               |                |   |  |                                       | Need for de-bushing from Score to Sir Val Duncan                                      | Yes                      | 09/02/2024                                      |
| 2023/24 IDP/Budget PP         | 03/04/2024     | 20  | 23   | 138                                   | Need for overhead crossing next to Latino in town                                     | Yes                      | 03/04/2024                                      |
|                               |                |   |  |                                       | Need for rehabilitation of Khechetwe Bridge in Mankhushane ward 02                    | Yes                      | 03/04/2024                                      |
|                               |                |   |  |                                       | illegal connections around Ba-Phalaborwa  | Yes                      | 03/04/2024                                      |
|                               |                |   |  |                                       | Municipality to include upgrading of road on Matside Road in Makhushane in the IDP    | Yes                      | 03/04/2024                                      |
|                               |                |   |  |                                       | Need for pavement of road to Traditional Authority offices (ward 02)                  | Yes                      | 03/04/2024                                      |
|                               | 04/04/2024     | 15  | 8  | 32                                    | High rate of illegal dumping without penalties  | Yes                      | 04/04/2024                                      |
|                               | 08/04/2024     | 20  | 16   | 255                                   | There is a need for Theatre in Phalaborwa   | Yes                      | 08/04/2024                                      |
|                               |                |   |  |                                       | sewage spillage all over town   | Yes                      | 08/04/2024                                      |
|                               |                |   |  |                                       | The municipality to identify residential land for revenue collection purpose          | Yes                      | 08/04/2024                                      |



| Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community   | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|-------------------------------|----------------|---|--|---------------------------------------|--|--------------------------|---|
|                               |                |   |  |                                       | Need for fencing of Namakgale cemeteries   | Yes                      | 08/04/2024                                      |
|                               |                |   |  |                                       | Need for development of by-laws for Spaza Shops operations                           | Yes                      | 08/04/2024                                      |
|                               |                |   |  |                                       | need for Apollo lights next to Namakgale Four way                                    | Yes                      | 08/04/2024                                      |
|                               |                |   |  |                                       | Underground leaking pipes in ward 6 affecting some houses.                           | Yes                      | 08/04/2024                                      |
|                               | 15/04/2024     | 47 (With MDM)                                 | 23 (with MDM)                                    | 241                                   | Shortage of water at Mlambo  | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Municipality must investigate water valves that are affecting water provision        | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Need for de-bushing at Derrick Nyathi stream   | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Request a Culvert at a stream between Assembly of God to Nyota                       | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Need for paving of streets used by taxis at RDP, Sassa Street and Biko               | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Sewer system in Lulekani need to be attended to.                                     | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Need for a culverts and pavement on road used by scholars from Mdluli to Tishavaneni | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Need for pavement on road to the Cemeteries (ward 16)                                | Yes                      | 15/04/2024                                      |



| Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community                                | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|-------------------------------|----------------|---|--|---------------------------------------|---|--------------------------|---|
|                               |                |   |  |                                       | Need for electricity of new extension (ward 03)           | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Need for facing of Humulani cemeteries                    | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Need for de-bushing at crime hot spots (ward 16)          | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Need for paving of Mdluli road used by taxis (ward 14)    | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Paving of street from Nkateko to Pondo (ward 14)          | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Derick Nyathi to Pondo bridge to be prioritized (ward 14) | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | frequent sewage spillage at Lulekani taxi rank            | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Need for maintenance of Lulekani Street lights            | Yes                      | 15/04/2024                                      |
|                               |                |   |  |                                       | Need for big water Reservoirs in Lulekani                 | Yes                      | 15/04/2024                                      |
|                               | 17/04/2024     | 18  | 20   | 35                                    | MDM to fix roads around Phalaborwa                        | Yes                      | 17/04/2024                                      |
|                               | 18/04/2024     | 08  | 12   | 186                                   | need for extra Skip Bins (ward 09)                        | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | Need for extra Apollo lights (ward 09)                    | Yes                      | 18/04/2024                                      |



| Nature and purpose of meeting | Date of events | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Issues raised by community  | Issue addressed (Yes/No) | Dates and manner of feedback given to community |
|-------------------------------|----------------|---|--|---------------------------------------|---|--------------------------|---|
|                               |                |   |  |                                       | Need for Sports complex (ward 02)   | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | Since 2015 there are 10 Apolo lights stands constructed – 05 light installed and other 05 not yet installed (ward 08)           | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | electrification of Tshabelemmatswale new extension (ward 08)  | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | There is a need for network (Aerial) at Priska  | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | Need for fencing of Priska Graveyard  | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | Need for Apollo light (ward 18)   | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | need for upgrading of a bridge to Selwana Cemeteries  | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | Need for Skip Bins (ward 18)  | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | Parents and 07 kids, stays in a one mud room house, registered for an RDP since 1996 and to date she never benefitted (ward 17) | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | staying with his old mother, need for an RDP house, since registered in 1994 (ward 17)  | Yes                      | 18/04/2024                                      |
|                               |                |   |  |                                       | Need for Bridge or Storm water Culvert crossing the river (Marupabjeni) to the main Graveyard (ward 18)                         | Yes                      | 18/04/2024                                      |



#### 2.5.1.4. IDP REPRESENTATION FORUMS

The table presented below presents key details from the IDP Representative (REP) Forums, held during various phases of the IDP process. These forums play a vital role in the consultative process, fostering collaboration between municipal councillors, administrators, and engaged community members. The Preparatory, Strategies and Project, and Approval Phases are carefully documented, highlighting the participation of councillors, administrators, and the community. These forums serve as platforms for both consultation and the presentation of essential project-related information. Moreover, the table outlines the number of attendees in each category and the subsequent dates and methods employed to provide feedback to the community. This comprehensive overview underscores the municipality's commitment to inclusive governance and transparent decision-making processes.

| Events                                 | Date of events  | Number of Participating Municipal Councillors | Number of Participating Municipal Administrators | Number of Community members attending | Dates and manner of feedback given to community   |
|--|-----------------|---|--|---------------------------------------|---|
| IDP Rep Forum (Preparatory, Phase)     | 09 October 2023 | 14  | 12   | 66                                    | Meeting serves as consultative meeting and also presentation of the Preparatory Phase of the IDP    |
| IDP Rep Forum (Strategies and Project) | 26 March 2024   | 16  | 15   | 61                                    | Meeting serves as consultative meeting and also presentation of the Project Phase of the IDP        |
| IDP Rep Forum (Approval Phase)         | 02 May 2024     | 14  | 10   | 65                                    | Meeting serves as report back of the public participation meetings held on the draft IDP and Budget |

Table 15: IDP Representation Forums

## COMPONENT D: CORPORATE GOVERNANCE

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### 2.6. RISK MANAGEMENT

Risk management constitutes a fundamental responsibility of Management, as outlined in section 62 of the Municipal Finance Management Act 56 of 2003 (MFMA), and is an integral aspect of a municipality's internal processes. This systematic approach involves the continuous identification, evaluation, and mitigation of risks to prevent adverse impacts on the municipality's service delivery capacity. The main priorities within this framework include the implementation of the risk management policy and strategy to manage identified risks effectively. The municipality serves as the secretariat for the Risk Management Committee to facilitate these efforts.

#### 2.6.1. Risk Management achievements

In fostering good governance and ensuring a standardized approach to handling Risk Management functions within the institution, the municipality has formulated the following key governing documents:

- a) Risk Management Policy
- b) Risk Management Strategy
- c) Risk Management Charter

. At the same time, the Risk Management Unit carried out thorough risk assessments across all departments. This proactive approach aimed to identify potential risks that could hinder the institution from achieving its objectives. Based on the findings, the unit developed effective mitigation strategies to manage and address these risks.

#### 2.6.2. Risk Register

The table below is a representation of the top 10 risks identified by the Municipality. The implementation of risk mitigation measures at the end of the 2023/24 financial year is as follows:

- a) Strategic Risks Register (52% implemented and 48% not implemented)
- b) Fraud Risks Register (88% implemented and 12% not implemented)
- c) Information Technology Risk Register (88% implemented and 12% not implemented)
- d) Operational Risk Register for the departments.
  - Budget and Treasury Office, 73% were implemented and 27% were not implemented.
  - In the Corporate Service Department, 44% were successfully implemented, while 56% remained unimplemented.
  - In the Community Service Department, 70% were successfully implemented while 30% remained unimplemented.



- In the Municipal Managers Office, 92% were successfully implemented while 8% remained unimplemented.
  - In the Technical Service Department, 69% were successfully implemented while 31% remained unimplemented.
  - In the Planning and Development Department, 42% were successfully implemented while 58% remained unimplemented.
- e) MSCOA Risk Register (70% implemented and 30% not implemented)



| No | Focus Area           | Risk Name  | Root Cause of the Risk   | Inherent Risk | Current Controls   | Residual Risk | Mitigations  | Action Owner                        | Time Scale   | Progress by 30 June 2024  |
|----|----------------------|--|--|---------------|--|---------------|--|-------------------------------------|--------------|---|
| 1. | Water Services       | Delays in attending challenges or service requests by the community (Water). | 1. Lack of resources and shortage of staff.<br>2. Excessive breakdowns (Ageing infrastructure).<br>3. Breakdown of vehicles and delays | 25            | Prioritizing of repairs.   | 25            | 1. Issuing and monitoring of daily job cards and providing daily targets.                  | Manager: Water Services             | Monthly      | Job cards are monitored through the customer service.   |
|    |                      |  |  |               |  |               | 2. Appointment of additional plumbers.   | Manager: Human Resource             | Monthly      | Two plumbers appointed. Vehicles are repaired at an ongoing basis by the  |
|    |                      |  |  |               |  |               | 3. Repairs of vehicles and machinery.  | Fleet Manager/Technician Mechanical | Monthly      | Mechanical Section and some repairs are outsourced.   |
| 2. | Economic Development | Poor economic development in the Municipal area.                             | 1. Down scaling on mining operations and high unemployment rate.   | 25            | Diversification of the economy of Ba-Phalaborwa by; - promoting and marketing BPM as a tourist destination, promotion of the | 25            | 1. Develop and implement the implementation plan for the LED Strategy and the Tourism Plan | Manager: Economic Development       | 30 June 2023 | Implementation plan for the LED Strategy has been developed.<br><br>Draft Tourism Plan, Statistics consolidation then last round stakeholder engagement |

| No | Focus Area           | Risk Name | Root Cause of the Risk                   | Inherent Risk | Current Controls   | Residual Risk | Mitigations   | Action Owner                  | Time Scale    | Progress by 30 June 2024  |
|----|----------------------|-----------|--|---------------|--|---------------|---|-------------------------------|---------------|---|
|    |                      |           | 2. Economy dependant on mining industry. |               | manufacturing industry, creating an enabling environment for business/private sector growth. Regulating of informal and formal businesses.<br>1. LED strategy has been approved. |               |   |                               |               | to be held during 2024/25 fy.   |
|    |                      |           |  |               |  |               | 2. Registration and regulating of formal and informal business. | Manager: Economic Development | Quarterly     | Registration of business is ongoing.<br>Appointment of Trade Inspectors not yet done for regulating businesses. |
|    |                      |           |  |               |  |               | 3. Implementation of the investment strategy.                   | Manager: Economic Development | 30 June 2024  | Investment strategy still in progress not yet finalized.  |
| 3. | Parks and Cemeteries |           | 1. Shortage and ageing of staff          | 25            | 1. Program to maintain (minimal  | 25            | 1. Appointment of additional                                    | Manager: Human Resource       | 31 March 2024 | General workers were appointed and will   |



| No | Focus Area | Risk Name                       | Root Cause of the Risk  | Inherent Risk | Current Controls                | Residual Risk | Mitigations   | Action Owner                | Time Scale       | Progress by 30 June 2024   |
|----|------------|---------------------------------|---|---------------|---------------------------------|---------------|---|-----------------------------|------------------|--|
|    |            | Inadequate maintenance of parks | and inadequate supervision.<br>2. Inadequate maintenance of equipment.<br>3. Shortage of water.<br>4. Misuse of parks by the public.<br>5. Insufficient of budget for development of parks.<br>6. Maintenance of equipment. |               | maintenance) of parks in place. |               | staff in the parks section.                                       |                             |                  | commence on the 1st July 2024.   |
|    |            |                                 |   |               |                                 |               | 2. Provide basic equipment training maintenance to the operators. | Manager: Parks and Cemetery | 31 December 2023 | Trainings conducted for operators of Chainsaw, TLB and other machines.   |
|    |            |                                 |   |               |                                 |               | 3. Procurement of additional equipment.                           | Manager: Parks and Cemetery | 31 December 2023 | 10X Brush cutters, 6 X chainsaw machines, 1X Tractor slasher, 1x ride-on mower received.x2 chainsaw, x4 hedge trimmer. |
|    |            |                                 |   |               |                                 |               | 4. Budgeting for the  | Manager: Parks and Cemetery | 30 June 2023     | Budget was provided.   |



| No | Focus Area           | Risk Name                            | Root Cause of the Risk   | Inherent Risk | Current Controls                | Residual Risk | Mitigations  | Action Owner   | Time Scale                            | Progress by 30 June 2024   |
|----|----------------------|--------------------------------------|--|---------------|---------------------------------|---------------|--|--|---------------------------------------|--|
|    |                      |                                      |  |               |                                 |               | maintenance of parks.  |  |                                       |  |
|    |                      |                                      |  |               |                                 |               | 6. Repair of the roof at nursery.                                    | Manager: Parks and Cemetery                                | 31 December 2023                      | The repairs were done.   |
| 4. | Parks and Cemeteries | Inadequate maintenance of cemeteries | 1. Lack of fence (Access Control)<br><br>2. Poor cleaning and maintenance of facilities. | 25            | 1. Minimal maintenance is done. | 25            | 1. Installation of fence.<br><br>2. Repair of pipes to supply water. | Manager: Civil engineering.<br><br>Manager: Water Services | 30 June 2024<br><br>30 September 2023 | Material delivered and available. Installation will be done.<br><br>MDM installed water reticulation pipes and the area but water not yet available. |



| No | Focus Area                | Risk Name   | Root Cause of the Risk  | Inherent Risk | Current Controls                        | Residual Risk | Mitigations                               | Action Owner   | Time Scale       | Progress by 30 June 2024                                     |
|----|---------------------------|---|---|---------------|---|---------------|---|--|------------------|--|
|    |                           |   | 3. Lack of water at the cemeteries.   |               |   |               | 3. Cleaning of facilities                 | Manager: Administration<br><br>Manager: Parks and Cemetery | Monthly          | Horticultural maintenance done monthly as per the programme. |
| 5. | SCM (Contract Management) | Ineffective management leases (Municipal Properties). | No centralisation of the lease function.<br><br>Lack of standard procedures | 25            | Individual departments managing leases. | 25            | 1. Centralisation of the lease function.  | Manager: Administration                                    | Monthly          | Not yet done.  |
|    |                           |   |   |               |   |               | 2. Review of all expired lease contracts. | Manager: Administration                                    | 31 December 2023 | Not yet done.  |
|    |                           |   |   |               |   |               | 3. Develop a municipal lease register.    | All Managers   | 31 December 2023 | Register to be consolidated.                                 |



| No | Focus Area     | Risk Name  | Root Cause of the Risk  | Inherent Risk | Current Controls  | Residual Risk | Mitigations  | Action Owner   | Time Scale                               | Progress by 30 June 2024  |
|----|----------------|--|---|---------------|---|---------------|--|--|--|---|
|    |                |  | Expired lease agreements.<br><br>Lessees not billed<br><br>Insufficient credit controls on leases |               |   |               | 4. Develop standard operating procedures on lease management.<br><br>5. All leased properties to be billed | Manager: Administration<br><br>Manager: Administration | 31 December 2023<br><br>31 December 2023 | Not yet done.<br><br>Not yet done.  |
| 6. | Human Resource | Lack of individual performance management system | PMS not cascaded to lower levels (only Senior Managers are assessed)<br><br>Lack of PMS Officer.  | 25            | PMS Officer appointed, to resume with the responsibility from 01 June 2023.<br><br>Draft Individual Performance | 25            | 1. Introduce PMS for all staff<br><br>3. Creation of additional posts for PMS officials                    | Manager: Human Resource<br><br>Manager: Human Resource | 30 June 2024<br><br>30 June 2024         | Busy cascading the PMS, currently officials on Level are signing. The project is implemented in phases.<br><br>No new PMS post was created. |



| No | Focus Area | Risk Name | Root Cause of the Risk             | Inherent Risk | Current Controls           | Residual Risk | Mitigations   | Action Owner            | Time Scale    | Progress by 30 June 2024  |
|----|------------|-----------|------------------------------------|---------------|----------------------------|---------------|---|-------------------------|---------------|---|
|    |            |           | Insufficient post for PMS Officers |               | Management policy in place |               | on the organogram.  |                         |               |   |
|    |            |           |                                    |               |                            |               | 4. Conduct awareness to staff on the implementation of the Performance Management System. | Manager: Human Resource | 30 June 2024  | In-Progress the Senior Managers were informed with the commencement of IPMS for the 2024/25 financial year and training was done. |
|    |            |           |                                    |               |                            |               | 5. Signing of performance agreements between the supervisor and the supervisee.           | Manager: Human Resource | 31 March 2024 | Employees between level 2 – 3 signed the agreements and its implemented in phases.  |



| No | Focus Area     | Risk Name  | Root Cause of the Risk   | Inherent Risk | Current Controls  | Residual Risk | Mitigations   | Action Owner                                   | Time Scale             | Progress by 30 June 2024  |
|----|----------------|--|--|---------------|---|---------------|---|--|------------------------|---|
|    |                |  |  |               |   |               | 6. Budgeting for the performance incentives for all employees.  | All Managers<br><br>Manager: Human Resource    | 31 May 2024            | Not yet implemented.  |
| 7. | Strategic Risk | Negative audit outcome (Qualified Audit Opinion) | 1. Inaccurate opening balances.<br>2. Limitation of scope.<br>3. None compliance to regulatory (SCM) prescripts processes.<br>4. | 25            | 1. Standard Operating procedure (Revenue & Expenditure)<br>2. Monthly Audit Steering Committee Meetings. (Exco/ Management)<br>3. AG Action plan developed and to | 22.5          | 1. Continuous implementation of the AGSA Action Plan (to address findings raised by the AG).<br><br>2. Monitoring and reporting on the implementation | All Senior Managers<br><br>All Senior Managers | Monthly<br><br>Monthly | The Action Plan was developed, and implementation is at 71%.<br><br>Implementation of the action plan is monitored monthly from Senior Management to Council. |



| No | Focus Area                  | Risk Name  | Root Cause of the Risk   | Inherent Risk | Current Controls  | Residual Risk | Mitigations  | Action Owner                 | Time Scale    | Progress by 30 June 2024  |
|----|-----------------------------|--|--|---------------|---|---------------|--|------------------------------|---------------|---|
|    |                             |  | Misstatements of Financial Statement<br>5. Incomplete asset register due to land issues. |               | address the findings from the auditor general.<br>4. New financial system service provider appointed. |               | of the AGSA Action Plan.                                 |                              |               |   |
|    |                             |  |  |               |   |               | 3. Conduct Land Audit.                                   | SM: Planning and Development | 31 March 2024 | Tender for land audit was advertised, and it was non-responsive bid – to be conducted in the 2024/25 FY |
|    |                             |  |  |               |   |               | 4. Compile Quarterly Financial Statements                | Chief Financial Officer      | Quarterly     | Not done due to lack of capacity.   |
| 8. | Budget and Treasury Office. | inadequate segregation of duties at the finance department | Most of the positions are vacant.  | 25            | 1. Appointing official to act on higher positions.<br>2. Interns and Learnerships                     | 25            | 1. All critical position to be advertised and appointed. | Manager: Human Resource      | 31 March 2024 | Vacant posts were advertised and currently the Manager Asset Management and                             |



| No | Focus Area     | Risk Name  | Root Cause of the Risk   | Inherent Risk | Current Controls   | Residual Risk | Mitigations   | Action Owner   | Time Scale       | Progress by 30 June 2024   |
|----|----------------|--|--|---------------|--|---------------|---|--|------------------|--|
|    |                |  |  |               | employed on contract basis.  |               |   |  |                  | Manager budget positions were filled.  |
| 9. | Strategic Risk | Inability to provide services in the event of disaster | 1. Lack of Business Continuity Plan.<br><br>2. Lack of capacity and funding. | 25            | 1. Back-up policy is in place and back-ups are done internally and on cloud. | 25            | 1. Develop the Business Continuity Plan.                    | Municipal Manager  | 31 December 2023 | The business continuity plan was approved.   |
|    |                |  |  |               |  |               | 2. Finalize the establishment of the Disaster Recovery Site | Senior Manager: Corporate Services and Municipal Manager | 31 March 2024    | Procurement process initiated for the establishment of a cloud Disaster Recovery Site. |
|    |                |  |  |               |  |               | 3. Implementation of the BCP and DRP.                       | Senior Manager: Corporate Services and                   | 30 June 2024     | DRP partially implemented.   |



| No  | Focus Area                           | Risk Name   | Root Cause of the Risk                                  | Inherent Risk | Current Controls                | Residual Risk | Mitigations   | Action Owner           | Time Scale   | Progress by 30 June 2024                                |
|-----|--------------------------------------|---|---|---------------|---------------------------------|---------------|---|------------------------|--------------|---|
|     |                                      |   |   |               |                                 |               |   | Municipal Manager      |              |   |
|     |                                      |   |   |               |                                 |               | 4. Continue with the hybrid Back-up on the IT systems.                                | SM: Corporate Services | Monthly      | Backup succeeded and backup tested and recovered.       |
| 10. | Strategic Risks (Technical Services) | Failure to implement capital projects effectively | Poor planning (Late appointments of service providers). | 25            | 1. Monthly consultants meetings | 20            | 1. Implementation of project Risk Management framework.                               | SM: Technical Services | Monthly      | Project Risk Management framework is implemented.       |
|     |                                      |   | Poor performance by the contractor.                     |               |                                 |               | 2. Appointment of Service providers by the end of the financial year (For projects to | SM: Technical Services | 30 June 2023 | No appointments were made for the next financial years. |
|     |                                      |   | Community   |               |                                 |               |   |                        |              |   |



| No | Focus Area | Risk Name | Root Cause of the Risk                    | Inherent Risk | Current Controls | Residual Risk | Mitigations                                 | Action Owner           | Time Scale                                 | Progress by 30 June 2024  |
|----|------------|-----------|---|---------------|------------------|---------------|---|------------------------|--|---|
|    |            |           | Protests.<br><br>Poor contract management |               |                  |               | be implemented in the next financial year). |                        |  |   |
|    |            |           |   |               |                  |               | 3. Enforcement of the contract management.  | SM: Technical Services | 3. Enforcement of the contract management. | Contract management enforced on projects which are under construction |

Table 16: Risk Register - Top Ten Risks



### 2.6.2.1. Comparative Summary of the Municipality's Risk Registers for the Period 2022/23 and 2023/24

Presented in the following table is a comparative summary of the Municipality's risk registers, revealing the number of identified risks across different categories for the financial years 2022/23 and 2023/24. This overview provides a brief analysis of the dynamic landscape of strategic, fraud, operational, project, MSCOA, and information technology risks. The numerical representation illustrates shifts and variations in the identified risks within each category over the specified years. This comparative assessment offers valuable insights into the municipality's risk management framework, aiding stakeholders in comprehending the evolving risk landscape and the strategic efforts employed to address potential challenges.

| No. | Description                          | 2022/23 | 2023/24 |
|-----|--------------------------------------|---------|---------|
| 1.  | Strategic Risk                       | 12      | 8       |
| 2.  | Fraud Risk Register                  | 8       | 8       |
| 3.  | Operational Risk Register            | 29      | 40      |
| 4.  | Project Risk Register                | 6       | 5       |
| 5.  | MSCOA Risk Register                  | 3       | 5       |
| 6.  | Information Technology Risk Register | 5       | 4       |

Table 17: Comparative Summary of the Municipality's Risk Registers (2022/23 & 2023/24)



## **2.7. ANTI-CORRUPTION AND FRAUD**

### **2.7.1. Main Objective**

The main objective is to execute the Anti-Fraud and Corruption Strategy to establish effective measures aimed at preventing and mitigating instances of fraud and corruption and to further conduct educational outreach programs targeting both employees and the public to enhance awareness about fraud and corruption. The primary goal is to implement the Anti-Fraud and Corruption Strategy by establishing effective measures to prevent and mitigate fraud and corruption. Additionally, the strategy includes educational outreach programs for employees and the public to raise awareness and promote ethical conduct.

### **2.7.2. Anti-Corruption and Fraud Achievements**

In a commitment to upholding good governance and fostering an unwavering dedication to combat fraud and corruption, the Risk Management Unit has crafted essential governance documents. The following documents pertaining to fraud and corruption have been formulated:

- a) Anti-Fraud and Corruption Strategy
- b) Fraud Prevention Plan
- c) Investigation Policy
- d) Donation Policy
- e) Whistleblowing Policy
- f) Access Control Policy
- g) Loss Control Policy

### **2.7.3. Risk Assessment**

Comprehensive Risk Assessments were undertaken to pinpoint areas susceptible to fraud and corruption. A Fraud Risk Register, inclusive of mitigations to address identified risks, was developed to effectively manage potential threats. Furthermore, brochures addressing fraud and corruption were disseminated among both employees and the public. Rigorous vetting procedures are a standard practice for shortlisted candidates before their appointment, and officials occupying strategic positions are required to complete the Security Clearance Form, which is subsequently submitted to the State Security Agency for further processing.

## **2.8. INTERNAL AUDIT**

The primary purpose of the Ba-Phalaborwa Internal Audit function is to strengthen Ba-Phalaborwa Municipality's ability to create, protect, and sustain value by providing the Council, Audit Committee, and management with independent, risk-based, and objective assurance, advice, insight, and foresight. It does this by enhancing the Ba-Phalaborwa Municipality's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.

- Ability to serve the public interest.

### 2.8.1. Main Objectives

The following were the main objectives for the Internal Audit Activity for the 2023/2024 financial year:

- a) Development, approval, and implementation of the Annual Internal Audit Plan that is risk-based, aimed at adding value to the Municipality's objectives, and aligned to the Municipality's risk registers.
- b) To ensure that the Internal Audit Activity is independent in providing its services to the Municipality by complying with the approved internal audit Charter which is consistent with the Institute of Internal Auditors Standards, Code of Ethics, and Section 165 of the Municipal Finance Management Plan.
- c) To conduct an External Quality Review for the Internal Audit Activity in line with the approved Quality Assurance and Improvement Program
- d) Implementation of Combined Assurance in the Municipality
- e) To provide support to the Audit Committee and Audit Steering Committees to ensure improved audit opinion

### 2.8.2. Internal Audit Achievements

- a) The Internal Audit Unit developed the risk-based Annual Audit Plan, and the Audit Committee approved it on the 25<sup>th</sup> May 2023 and Council adopted it on the 29<sup>th</sup> June 2023. The Internal Audit Plan had 33 projects for the year, which all were completed.
- b) The Internal Audit Charter was developed, and approved by the Audit Committee on the 25<sup>th</sup> of May 2023 and Council adopted it on the 29<sup>th</sup> of June 2023. The Internal Audit Charter was implemented, and the Chief Audit Executive confirmed that the Internal Audit Activity was independent in the year under review. The independence of the Internal Audit Activity was confirmed by the Audit Committee through an assessment.
- c) Ba-Phalaborwa Municipality Internal Audit staff are affiliated members of the Institute of Internal Auditors. The Internal Audit Activity conducts its audits in terms of the Institute of Internal Auditors.
- d) Ba-Phalaborwa Municipality Internal Audit Generally Conforms with the Institute of Internal Auditors Standards as reviewed by an independent Quality Reviewer through the report issued on September 2023.



- e) The Combined Assurance Framework and Terms of Reference for the Combined Assurance Committee were developed and approved by the Audit Committee on the 25<sup>th</sup> of May 2023 and Council adopted it on the 29<sup>th</sup> of June 2023 for 2023/2024 implementation. The Chief Audit Executive chaired the Combined Assurance and relied on the Risk Management and Performance Management work as the 2<sup>nd</sup> line of defense.
- f) The EXCO Audit Steering Committee and Management Audit Steering Committee meetings were held throughout the financial year to address issues raised by the Auditor General, Internal Audit, and Audit Committee. Internal Audit supported the steering committees as the coordinator of the meetings.
- g) The Municipality developed the Audit Action Plan that was audited by Internal Audit every quarter and the Audit Committee provided oversight on it. The Action Plan was at 60% implementation by year-end, which is an improvement as compared to 54% for 2022/2023, and 71% at the time of submission to AGSA for Audit.

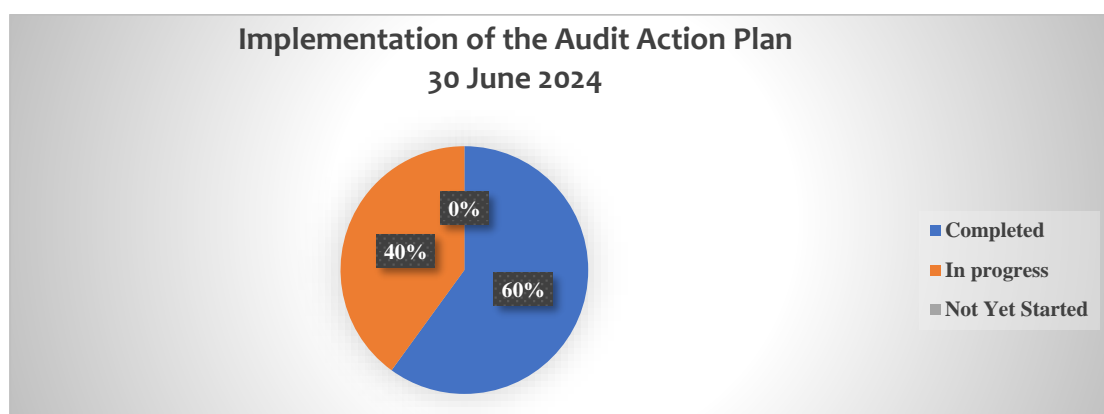


Figure 2: Progress on Audit Action Plan - 30 June 2024

- h) Action Plan was developed to monitor progress on implementation of Internal Audit recommendations. The Municipality was at 93% implementation by year-end, which is an improvement as compared to 86% for 2022/2023.



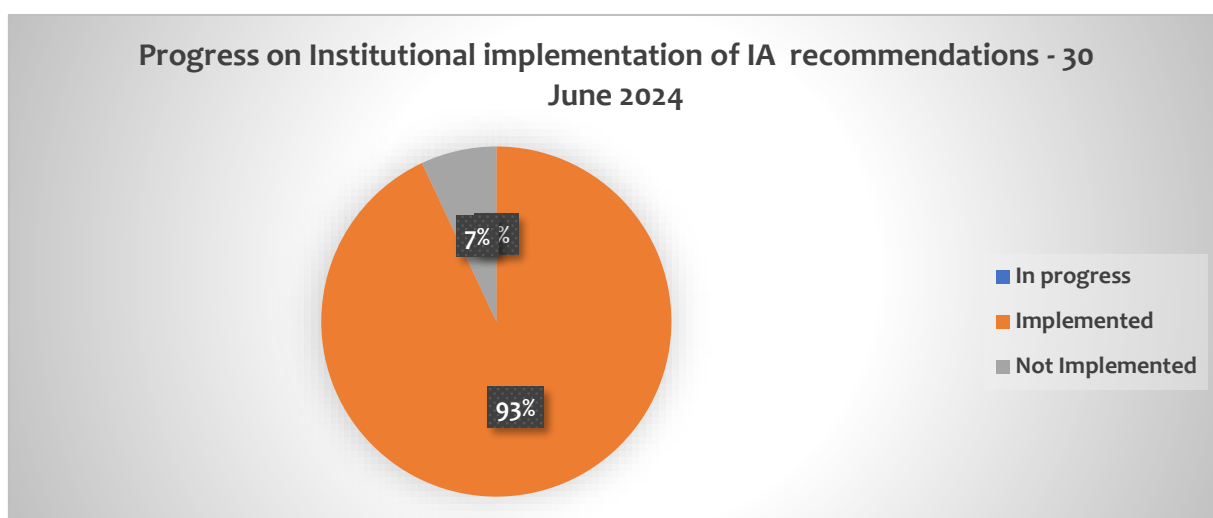


Figure 3: Progress on Institutional Implementation of IA Recommendations - 30 June 2024

- i) The Internal Audit Activity was able to support the Audit Committee in the year under review. The Internal Audit Activity was the Secretariat for the Audit Committee. The Audit Committee held 12 Audit Committee meetings in the 2022/2023 financial year, 285 recommendations were raised of which 272 were implemented, and 7 were not implemented.

| AC No.       | Date of AC        | Total Resolutions | Completed  | Not Implemented |
|--------------|-------------------|-------------------|------------|-----------------|
| 1            | 24 July 2023      | 34                | 34         | 0               |
| 2            | 23 August 2023    | 15                | 15         | 0               |
| 3            | 29 August 2023    | 19                | 19         | 0               |
| 4            | 22 September 2023 | 5                 | 5          | 0               |
| 5            | 23 October 2023   | 63                | 61         | 2               |
| 6            | 30 November 2023  | 5                 | 5          | 0               |
| 7            | 22 January 2024   | 15                | 15         | 0               |
| 8            | 11 March 2024     | 11                | 11         | 0               |
| 9            | 26 March 2024     | 35                | 34         | 1               |
| 10           | 03 May 2024       | 44                | 43         | 1               |
| 11           | 04 May 2024       | 8                 | 6          | 2               |
| 12           | 04 June 2024      | 18                | 17         | 1               |
| <b>Total</b> |                   | <b>272</b>        | <b>265</b> | <b>7</b>        |

Table 18: Audit Committee Sitzings & Resolutions



## 2.9. SUPPLY CHAIN MANAGEMENT

### 2.9.1. OVERVIEW OF SUPPLY CHAIN MANAGEMENT

According to Section 217 of the Constitution of the Republic of South Africa, any procurement activities undertaken by an organ of the State for goods and services must adhere to a system that is characterized by fairness, equity, transparency, competitiveness, and cost-effectiveness. In alignment with these constitutional principles and the Preferential Procurement Legislation, the Municipality has formulated its Supply Chain Management (SCM) Policy. This policy is designed to operationalize the principles while also aligning with the provisions of the Local Government: Municipal Finance Management Act (MFMA) and its associated Regulations. To enhance controls and counteract fraud and corruption in procurement processes, the SCM policy has undergone recent analysis and has been duly reviewed and approved by Council. This reaffirms the Municipality's commitment to upholding ethical standards and promoting accountability in its procurement.

### 2.9.2. SUPPLY CHAIN MANAGEMENT UNIT

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

### 2.9.3 Bid Committees

The Bid Committees (Bid Specification, Bid Evaluation, and Bid Adjudication Committees) have been established. Advertised tenders are being evaluated, adjudicated, and awarded in terms of the Supply Chain Management Policy. Each Committee consists of a practitioner from Supply Chain Management and officials from key Directorates in the Municipality. The Accounting Officer is responsible for the appointment of bid committees in terms of s117 of the MFMA. Bid committees are appointed once a year and reviewed accordingly by the Accounting Officer. Although the chain of work of these Committees is intertwined, they operate separately from each other. Members of Bid are required to sign the Oath of Secrecy and to Declaration of Interests. This is to ensure a transparent and fair supply chain process.

## 2.10. BY-LAWS

The table below offers a concise overview of the status of newly developed or reviewed by-laws within the Municipality, focusing on the aspects of public participation and gazetting. This information serves as an important aspect of the Municipality's commitment to transparent and inclusive governance practices, shedding light on the engagement processes with the community and the formalization of these regulatory measures through gazetting.

| Newly Developed /Reviewed  | Public Participation conducted prior to adoption of By-Laws (Yes/no) | By-Laws gazette (yes/no) | Date of Publication |
|----------------------------|--|--------------------------|---------------------|
| No newly developed By-Laws | N/A  | N/A                      | N/A                 |

Table 19: By-Laws Developed/Reviewed



## 2.11. WEBSITES

### 2.11.1. MUNICIPAL WEBSITE CONTENT AND ACCESS

The Municipal Website serves as an interactive platform for engaging with the community and the public. As a Municipality, strict adherence to Government regulations and legislation, including Section 75 of the MFMA and the 8 Batho Pele Principles, is paramount. Notably, the Municipality has established the website with two domain addresses, [www.Ba-Phalaborwa.gov.za](http://www.Ba-Phalaborwa.gov.za) /and [www.Phalaborwa.gov.za](http://www.Phalaborwa.gov.za) both redirecting to the same URL, our Home Page. In alignment with principles such as Access to Information, Openness, and Transparency embedded in the Batho Pele Principles, the Municipality is committed to compliance. This commitment facilitates community and public access to information, encompassing details about municipal leadership, compliance matters, and other relevant subjects. The ICT Division diligently ensures the continuous availability of information on the website, reinforcing the Municipality's dedication to transparency and accessibility.

The table below provides a comprehensive overview of the content and currency of material available on the municipal website, emphasizing the publication status and specific dates of various documents. This informative table covers essential materials such as current annual and adjustment budgets, budget-related policies, previous annual reports, and upcoming annual reports. Additionally, it outlines the availability of performance agreements, service delivery agreements, long-term borrowing contracts, and various other critical documents. The corresponding publishing dates further highlight the currency of the information, ensuring that stakeholders can access up-to-date and relevant materials on the municipality's website.

| MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL   |        |                   |
|---|--------|-------------------|
| Documents published on the municipality's /entity's website   | Yes/No | Publishing date   |
| Current annual and adjustment budgets and all budget related documents  | yes    | 12/04/24&20/05/24 |
| All current budget related policies   | yes    | 20/05/24          |
| The previous annual report  | Yes    | 06/02/2024        |
| The annual report published / to be published   | yes    | 13/12/24          |
| All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards                                 | Yes    | 06 August 2024    |
| All long term borrowing contracts   | none   | none              |
| All supply chain management contracts above a prescribed value (give value) for   | none   | None              |
| An information statement containin a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during | none   | None              |
| Contracts agreed in (2023/24)to which subsection (1) of section 33 apply, subject to subsection (3) of that section                             | none   | none              |
| PPP agreements referred to in section 120 made in (2023/24)   | none   | none              |
| All quartely reports tabled in the council in terms of section 52 (d) during (2023/24)  | yes    | 29/04/24 IDP      |

Table 20: Municipal Website Content & Access



## 2.12. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The table presented below outlines the community satisfaction ratings over the years, utilizing a comprehensive rating scale to gauge the sentiments of residents. The scale includes categories of "Satisfied" and "Dissatisfied," with corresponding percentage values for each year – 2021, 2022, and 2023. These ratings serve as an important indicator of the community's perspectives on various municipal aspects, providing valuable insights into the level of contentment or discontentment among residents. The data presented offers a concise and easily interpretable record of the evolving satisfaction trends, allowing for a nuanced understanding of the community's sentiments over the specified time frame.

| RATING SCALE | 2021 | 2022 | 2023 |
|--------------|------|------|------|
| Satisfied    | N/A  | 48%  | 46%  |
| Dissatisfied | N/A  | 52%  | 54%  |

Table 21: Community Satisfaction Ratings



## CHAPTER 3 - SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### COMPONENT A: BASIC SERVICES

#### 3.1. WATER PROVISION

##### 3.1.1. OVERVIEW OF WATER SERVICES PROVISION

Ba-Phalaborwa Local Municipality functions as the designated Water Service Provider within its jurisdiction. The municipality assumes the crucial role of overseeing infrastructure repairs and maintenance throughout Ba-Phalaborwa. Mopani District Municipality as the water service authority plays a pivotal role, while bulk water supply to reservoirs is facilitated by Lepelle Northern Water Board. This collaborative structure ensures the effective provision and management of water services within the region.

The table below provides a comprehensive overview of household water services, categorized into various levels of accessibility for the fiscal years 2022/23 through 2023/24. The report details the actual numbers of households receiving water services at different levels, such as piped water inside dwellings, piped water inside yards, public tap usage, and other water supply options within specified distances. Additionally, it presents the percentage of households at or above the minimum service level and those below the minimum service level. The data serves as a valuable resource for evaluating the municipality's progress in delivering essential water services to its residents and meeting predefined service level standards.

| HOUSEHOLDS  |            |            |            |
|---|------------|------------|------------|
| Description                                       | 2021/22    | 2022/23    | 2023/24    |
|   | Actual No. | Actual No. | Actual No. |
| Water: (above min level)                          | 12251      | 12251      | 12251      |
| <i>Piped water inside dwelling.</i>               |            |            |            |
| <i>Piped water inside yard (but not dwelling)</i> | 17216      | 17216      | 17 216     |
| <i>Using public tap (standpipes)</i>              |            |            | 3803       |
| <i>Other water supply (within 200m)</i>           | 3803       | 3803       |            |
| <i>Minimum service level and above sub-total</i>  |            |            |            |
| Minimum service level and above percentage        | 33270      | 33270      | 33270      |
|   | 80%        | 80%        | 80%        |
|   | 413        | 413        | 413        |
| Water; (below min level)                          |            |            |            |
| Using public tap (more than 200m from dwelling)   |            |            |            |
| Other water supply (more than 200m from dwelling) | 235        | 235        | 235        |
| No water supply                                   |            |            |            |
|   | 2021/22    | 2022/23    | 2023/24    |
| Below minimum service level sub-total             | 7845       | 7845       | 7845       |
| Below minimum service level percentage            |            |            |            |
|   | 19.1%      | 19.1%      | 19.1%      |
| <b>Total number of households*</b>                |            |            |            |



|  |       |       |       |
|--|-------|-------|-------|
|  | 41115 | 41115 | 41115 |
|--|-------|-------|-------|

Table 22: Overview of Household Water Services

### 3.1.2. WATER SERVICE DELIVERY CHALLENGES: HOUSEHOLDS BELOW MINIMUM SERVICE LEVEL

The table below provides a focused examination of households in formal settlements that fall below the minimum service level for water provision in each financial year from 2021/22 to 2023/24. It outlines the actual number of households facing challenges in accessing adequate water services and calculates the proportion of households falling below the minimum service level. The data presented in this table offers valuable insights into specific areas where water service delivery may require targeted interventions or improvements to meet the municipality's service level goals. This analysis is crucial for informed decision-making and strategic planning aimed at enhancing water accessibility for all residents.

| Households – water service delivery levels below the minimum |            |            |            |
|--|------------|------------|------------|
| Description  | 2021/22    | 2022/23    | 2023/24    |
|  | Actual No. | Actual No. | Actual No. |
| <b>Formal Settlements</b>                                    |            |            |            |
| Total households   | 41115      | 41115      | 43 838     |
| Households below minimum service level                       | 7845       | 7845       | 7845       |
| Proportion of households below minimum service level         |            |            |            |

Table 23: Households in Formal Settlements that fall below the Minimum Service Level for Water Provision

### 3.1.3. WATER SERVICE POLICY OBJECTIVES: SERVICE OBJECTIVES AND INDICATORS

The table below outlines the water service policy objectives extracted from the IDP and presents key service indicators to assess the municipality's performance in achieving these objectives. The service objectives include the provision of minimum water supply to households, and the table details the targets set for the years 2021/22 through 2023/24. Additionally, it provides actual performance data for the specified periods, offering a comprehensive overview of the municipality's progress in meeting its water service policy goals. The service indicators, along with outlined targets and actual results, contribute to the evaluation of the municipality's commitment to improving water service delivery as articulated in its IDP.



| Water service policy objectives taken from IDP.   |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|
| Service Objectives<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><b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Table 24: Water Service Policy Objectives &amp; Indicators

### 3.1.4. EMPLOYEES IN WATER SERVICES: WORKFORCE DISTRIBUTION AND VACANCIES

This table provides an insightful breakdown of the workforce in the Water Services department categorized by job levels for the financial years 2022/23 and 2023/24. The data includes the number of employees, current vacancies, and the equivalent number of full-time positions for each job level. The percentage of vacancies in relation to the total posts for each job level is also highlighted, offering a comprehensive view of staffing distribution within the department. The information is presented as of June 30 for both years, ensuring accuracy and relevance to the annual reporting period. The data contributes to the overall assessment of human resource management within the Water Services department, aiding in the evaluation of staffing efficiency and the municipality's commitment to maintaining a skilled and appropriately staffed workforce in this critical area.



| Employees: Water Services   |               |            |               |                                     |                                     |
|---|---------------|------------|---------------|-------------------------------------|-------------------------------------|
| Job Level   | 2022/23       | 2023/24    |               |                                     |                                     |
|   | Employees No. | Post No.   | Employees No. | Vacancies fulltime equivalence) No. | Vacancies (as a % of total posts) % |
| 0-3   | 2             | 2          | 1             | 1                                   | 2%                                  |
| 4-6   | 9             | 9          | 4             | 5                                   | 1.8%                                |
| 7-9   | 21            | 21         | 12            | 9                                   | 2.3%                                |
| 10-12   | 13            | 23         | 12            | 11                                  | 2.09%                               |
| 13-14   | 52            | 52         | 15            | 37                                  | 1.4%                                |
| <b>Total</b>  | <b>97</b>     | <b>107</b> | <b>44</b>     | <b>63</b>                           | <b>9.5%</b>                         |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total to give the number of posts equivalent to the accumulated days. |               |            |               |                                     |                                     |

Table 25: Employees in Water Services: Workforce Distribution &amp; Vacancies

### 3.1.5. 2023/24 FINANCIAL PERFORMANCE: WATER SERVICES

The table below outlines the financial performance of the Water Services department for the financial years 2021/22 through 2023/24. The data includes actual figures for total operational revenue (excluding tariffs), as well as detailed breakdowns of expenditure in various categories such as employees, repairs and maintenance, and other operational costs. The table also provides insights into the original and adjusted budget allocations for the corresponding financial year, allowing for a comprehensive analysis of financial variances. The net operational (service) expenditure is a crucial metric to assess the department's financial health, and the table facilitates a clear understanding of how actual performance compares to the budgeted figures. The information presented is fundamental for stakeholders, enabling them to make informed decisions and evaluate the efficiency of financial management within the Water Services department.

| Financial performance 2023/24: Water Services        |         |         |                 |                   |        |                    |
|--|---------|---------|-----------------|-------------------|--------|--------------------|
| R`000  |         |         |                 |                   |        |                    |
| Details  | 2021/22 | 2022/23 | 2023/24         |                   |        |                    |
|  | Actual  | Actual  | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| <b>Total operational revenue (excluding tariffs)</b> | 186 112 | 221 709 | 264 940         | 264 940           | 16 012 | 248 928            |
| Expenditure  |         |         |                 |                   |        |                    |
| Employees  | 22 839  | 27 805  | 29 257          | 21 227            | 11 838 | 19 020             |
| Repairs and Maintenance                              | 14 640  | 12 010  | 8 906           | 6 000             | 601    | 5 339              |
| Other  | 4 842   | 48 912  | 2 389           | 4 212             | 703    | 3 509              |



|  |         |         |           |           |         |           |
|--|---------|---------|-----------|-----------|---------|-----------|
| <b>Total Operational Expenditure</b>   | 42 322  | 88 727  | 30 440    | 30 440    | 3 020   | 27 419    |
| <b>Net Operational (service) expenditure</b>   | 143 790 | 132 982 | (234 499) | (234 499) | (12991) | (221 509) |
| Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual |         |         |           |           |         |           |

Table 26: 2023/24 Financial Performance - Water Services

### 3.2. WASTEWATER (SANITATION) PROVISION

#### 3.2.1. OVERVIEW OF SANITATION PROVISION

The Mopani District Municipality, serving as the water authority, is responsible for the implementation of sanitation projects. However, during the 2023/2024 financial year, no sanitation projects were carried out by the District Municipality. The primary challenge arises from the aging infrastructure of sewer main lines and reticulation. The current sewer network faces limitations in accommodating the increasing demand from households, posing a significant hurdle to effective sanitation project execution.

#### 3.2.2. STAFFING COMPOSITION: SANITATION SERVICES

The table below provides an overview of the staffing composition in the Sanitation Services department for the years 2022/23 and 2023/24. It details the number of employees at different job levels, the corresponding posts, and the current staffing situation, including vacancies expressed as full-time equivalents and as a percentage of total posts. This analysis is crucial for understanding the human resource dynamics within the Sanitation Services department, aiding in workforce management and planning.

| Employees: Sanitation Services (Included under Water Services)  |           |           |           |                                 |                                   |
|---|-----------|-----------|-----------|---------------------------------|-----------------------------------|
| Job Level   | 2022/23   | 2023/24   |           |                                 |                                   |
|   | Employees | Posts     | Employees | Vacancies (fulltime equivalent) | Vacancies (as a % of total posts) |
|   | No.       | No.       | No.       |                                 | %                                 |
| 0-3   | 1         | 0         | 0         | 0                               | 0                                 |
| 4-6   | 2         | 4         | 1         | 3                               | 1.3%                              |
| 7-9   | 3         | 13        | 6         | 7                               | 2.2%                              |
| 10-12   | 3         | 0         | 0         | 0                               | 0                                 |
| 13-15   | 1         | 4         | 4         | 0                               | 0                                 |
| <b>Total</b>  | <b>10</b> | <b>21</b> | <b>11</b> | <b>10</b>                       | <b>3.5%</b>                       |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days |           |           |           |                                 |                                   |

Table 27: Staffing Composition - Sanitation Services



### 3.2.3. 2023/24 FINANCIAL PERFORMANCE: SANITATION SERVICES

The financial performance of the Sanitation Services department for the 2023/24 financial year is presented in the table below. It outlines the actual figures for the previous years (2021/22, 2022/23, and 2023/24), the original and adjustment budgets for 2023/24, and the actual performance against the budget. The analysis includes total operational revenue (excluding tariffs) and the corresponding operational expenditure, categorized into employees, repairs and maintenance, and other expenses. The variance to the budget is also indicated, providing valuable insights into the financial management of the Sanitation Services department.

| Financial performance 2023/24: Water Services  |         |         |                 |                   |         |                    |
|--|---------|---------|-----------------|-------------------|---------|--------------------|
| R`000  |         |         |                 |                   |         |                    |
| Details  | 2021/22 | 2022/23 | 2023/24         |                   |         |                    |
|  | Actual  | Actual  | Original Budget | Adjustment Budget | Actual  | Variance to Budget |
| <b>Total operational revenue (excluding tariffs)</b>   | 186 112 | 221 709 | 264 940         | 264 940           | 16 012  | 248 928            |
| Expenditure  |         |         |                 |                   |         |                    |
| Employees  | 22 839  | 27 805  | 29 257          | 21 227            | 11 838  | 19 020             |
| Repairs and Maintenance  | 14 640  | 12 010  | 8 906           | 6 000             | 601     | 5 339              |
| Other  | 4 842   | 48 912  | 2 389           | 4 212             | 703     | 3 509              |
| <b>Total Operational Expenditure</b>   | 42 322  | 88 727  | 30 440          | 30 440            | 3 020   | 27 419             |
| <b>Net Operational (service) expenditure</b>   | 143 790 | 132 982 | (234 499)       | (234 499)         | (12991) | (221 509)          |
| Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual |         |         |                 |                   |         |                    |

Table 28: Financial Performance - Sanitation Services

### 3.2.4. 2023/24 CAPITAL EXPENDITURE FOR SANITATION SERVICES

The table below provides an overview of the capital expenditure for Sanitation Services in the 2023/24 financial year. It includes the budgeted amounts, any adjustments made to the budget, the actual expenditure incurred, the variance from the original budget, and the total project value. The capital projects are funded and budgeted for by Mopani District Municipality. The table serves as a snapshot of the financial allocations and expenditures related to sanitation infrastructure development within the municipality, offering insights into the implementation and financial management of sanitation capital projects.



| Capital Expenditure 2023/24 Sanitation Services<br>R'000       |         |                   |                    |                               |                     |
|--|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects   | 2023/24 |                   |                    |                               |                     |
|  | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Total All  | 0       | 0                 | 0                  | 0                             | 0                   |
| Project A  | 0       | 0                 | 0                  | 0                             | 0                   |
| The projects are budgeted for by Mopani District Municipality. |         |                   |                    |                               |                     |

Table 29: Capital Expenditure - Sanitation Services

### 3.3. ELECTRICITY

#### 3.3.1. OVERVIEW OF ELECTRICAL PROVISION

Ba-Phalaborwa Municipality is responsible for the distribution of electricity within Phalaborwa town. However, for the remainder of the municipal area, the distribution falls under the licensing jurisdiction of Eskom, with a small section falling within the purview of Greater Tzaneen Municipality. This delineation of responsibilities ensures that electricity services are efficiently managed and delivered across the municipality, with Ba-Phalaborwa Municipality overseeing the specific needs of Phalaborwa town, while Eskom and Greater Tzaneen Municipality handle electricity distribution in their designated areas. This division of roles aims to optimize electricity provision and maintain effective service delivery throughout the municipality.

#### 3.3.2. ELECTRICITY SERVICE DELIVERY LEVELS

The table below presents an overview of electricity service delivery levels within Ba-Phalaborwa Municipality across different financial years. The focus is on households that meet or exceed the minimum service level requirements, particularly concerning access to electricity. The data reflects the actual number of households receiving electricity services, differentiating between those connected through traditional means and those utilizing prepaid electricity services. This information is crucial for assessing the municipality's progress in ensuring that a significant percentage of households have access to reliable and efficient electricity services, contributing to improved living standards and community welfare.

| Electricity Service Delivery Levels<br>Households |            |            |            |
|---|------------|------------|------------|
| Description                                       | 2021/22    | 2022/23    | 2023/24    |
|   | Actual No. | Actual No. | Actual No. |
| Energy: (above minimum level)                     | 45955      | 45955      | 50468      |
| Electricity (at least min. service level)         | 44566      | 44566      | 50468      |
| Electricity – prepaid (min. service level)        |            |            |            |



|  |  |  |  |
|--|--|--|--|
| Minimum service level and above sub- total<br>Minimum service level and above percentage |  |  |  |
|--|--|--|--|

Table 30: Electricity Service Delivery Levels

### 3.3.3. EMPLOYEE DISTRIBUTION: ELECTRICITY SERVICES

The table below provides an overview of the employee distribution within the Electricity Services department of Ba-Phalaborwa Municipality. It details the number of employees across different job levels, highlighting both the actual workforce and the existing vacancies. The data is presented for two consecutive financial years, 2021/22 and 2023/24, with a focus on job levels ranging from 0-3 to 13-14. The inclusion of full-time equivalents and the percentage of vacancies in relation to the total posts offers insights into the staffing status within the Electricity Services department. This information is vital for assessing the workforce's capacity and ensuring adequate human resources to meet the demands of delivering electricity services to the community.

| Employees: Electricity Services   |           |           |           |           |                                      |                                     |
|---|-----------|-----------|-----------|-----------|--------------------------------------|-------------------------------------|
| Job Level   | 2021/22   | 2022/23   | 2023/24   |           |                                      |                                     |
|   | Employees | Employees | Posts     | Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
|   | No.       | No.       | No.       | No.       |                                      |                                     |
| 0-3   | 1         | 1         | 2         | 1         | 0                                    | 49%                                 |
| 4-6   | 5         | 5         | 5         | 5         | 0                                    | 100%                                |
| 7-10  | 11        | 11        | 14        | 11        | 3                                    | 21%                                 |
| 11-12   | 9         | 9         | 16        | 9         | 7                                    | 44%                                 |
| 13-14   | 13        | 13        | 21        | 13        | 8                                    | 38%                                 |
| <b>Total</b>  | <b>39</b> | <b>39</b> | <b>58</b> | <b>39</b> | <b>19</b>                            | <b>33%</b>                          |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total to give the number of posts equivalent to the accumulated days. |           |           |           |           |                                      |                                     |

Table 31: Employee Distribution

### 3.3.4. 2023/24 FINANCIAL PERFORMANCE: ELECTRICITY SERVICES

The table below outlines the financial performance of the Municipality's Electricity Services for the 2023/24 financial year. It provides a detailed breakdown of both operational revenue and expenditure, offering insights into the municipality's financial management in the electricity department. The actual figures are compared to the original and adjusted budget allocations, highlighting variances, and providing a comprehensive view of financial performance. Key components such as employee costs, repairs and maintenance, and other operational expenditures are presented to facilitate a thorough analysis of the financial health and efficiency of the Electricity Services division. The overall performance is deemed satisfactory. However, the existing challenge persists in the form of aging electricity infrastructure. The



municipality has submitted a funding application for the Energy Master Plan, and the approval processes are currently in progress.

| <b>Financial performance 2023/24; Electricity Services<br/>R'000</b>                                      |                |                |                        |                          |               |                           |
|---|----------------|----------------|------------------------|--------------------------|---------------|---------------------------|
| <b>Details</b>  | <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b>         |                          |               |                           |
|   | <b>Actual</b>  | <b>Actual</b>  | <b>Original Budget</b> | <b>Adjustment Budget</b> | <b>Actual</b> | <b>Variance to Budget</b> |
| <b>Total operational revenue (excluding tariffs)</b>  | 146 027        | 132 175        | 202 096                | 202 096                  | 122 845       | 79 251                    |
| <b>Expenditure</b>  |                |                |                        |                          |               |                           |
| Employees   | 11 053         | 13 511         | 17 415                 | 15 538                   | 12 132        | 3 406                     |
| Repairs and Maintenance   | 4 692          | 24 888         | 7 075                  | 7 075                    | 6 634         | 441                       |
| Other   | 730            | 109 719        | 169 561                | 169 561                  | 147 331       | 22 230                    |
| <b>Total Operational Expenditure</b>  | 16 475         | 148 120        | 194 051                | 192 174                  | 166 097       | 26 077                    |
| <b>Net Operational (service) expenditure</b>  | 129 551        | 15 945         | 8 045                  | 9 922                    | (43 252)      | (33 330)                  |
| Variances are calculated by dividing the difference between the actual and original budget by the actual. |                |                |                        |                          |               |                           |

Table 32: Financial Performance - Electrical Services

### 3.3.5. 2023/24 CAPITAL EXPENDITURE – ELECTRICITY SERVICES

The table below presents a summary of Capital Expenditure for the 2023/24 financial year in the Electricity Services division. It includes details of the actual expenditure, budget, and adjustment budget for various capital projects. The "Total All" category encompasses the comprehensive actual expenditure, original budget, adjustment budget, and variance from the original budget for the specified projects. The total project value signifies the estimated cost approved by Council, considering both past and future expenditures where applicable. This information provides insights into the financial aspects of the electricity infrastructure projects undertaken during the reporting period.



| Capital Expenditure 2023/24; Electricity Services<br>R`000  |                    |            |                   |                    |                               |                     |
|---|--------------------|------------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects  | 2022/23            | 2023/24    |                   |                    |                               |                     |
|   | Actual Expenditure | Budget     | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| <b>Total All</b>  | 7,999,676          | 20 794 000 | 15 794 000        | 15 792 642         | (5 001 358)                   | (1 358)             |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.) |                    |            |                   |                    |                               |                     |

Table 33: Capital Expenditure - Electricity Services

### 3.4. WASTE MANAGEMENT: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING

#### 3.4.1. WASTE MANAGEMENT OVERVIEW

Waste management stands as a pivotal element driving sustainable development. The municipality is presently engaged in the collection of refuse from residential units in urban areas, townships, businesses, schools, industrial zones, and certain parts of the rural areas, specifically Mashishimale R1, R2, R3, and select areas of Makhushane, as part of an ongoing pilot project.

At present, the municipality operates with a licensed landfill site in Phalaborwa, valid until March 2025, with a two-year extension granted with conditions that there is rehabilitation on the site. Additionally, there is an approved license for the development of a new landfill site. The new landfill site is at the engineering design stage. The municipality has an Integrated Waste Management Plan which expired in June 2020 and is overdue for a comprehensive review. The Department of Forestry, Fishery and the Environment and Mamadi consultant are assisting the municipality with the development/reviewing of the new Integrated Waste Management Plan.

Key challenges faced include the need for fleet enhancement in waste management, the establishment of a new landfill site, expansion of waste collection to encompass all rural areas, addressing issues of illegal dumping, and undertaking the necessary rehabilitation of landfill sites in Namakgale, Gravelotte, and Phalaborwa.

##### 3.4.1.1. SANITATION SERVICE DELIVERY LEVELS

In tracking the progress and outcomes of our sanitation service delivery, it is imperative to assess the levels of access to proper sanitation facilities among households within Ba-Phalaborwa Municipality. The data presented in the following table reflects the sanitation status for the years 2021/22 through 2023/24, categorizing households based on different sanitation provisions. The aim is to ensure a comprehensive understanding of the municipality's achievements and challenges in meeting the sanitation needs of our residents.



The figures presented encompass both minimum service level and above as well as below minimum service level categories, providing a detailed overview of our sanitation service delivery landscape. This analysis is crucial in guiding future initiatives and strategies to further enhance sanitation infrastructure, thereby contributing to the overall well-being and quality of life for our community.

| Sanitation Service Delivery Levels<br>Households                  |              |              |         |
|---|--------------|--------------|---------|
| Description   | 2021/22      | 2022/23      | 2023/24 |
|   | Actual No.   |              |         |
| <b><u>Sanitation/sewerage: (above minimum level)</u></b>          |              |              |         |
| Flush toilet (connected to sewerage)                              | 14070        | 14070        | 25 223  |
| Flush toilet (with septic tank)                                   | 1090         | 1090         |         |
| Chemical toilet   | 208          | 208          | 860     |
| Pit toilet (ventilated)   | 10368        | 10368        | 21 935  |
| Other toilet provisions (above min. service level)                | 9756         | 9756         | 650     |
| Minimum service level and above sub-total                         | 35492        | 35492        |         |
| Minimum service level and above percentage                        | 86%          | 86%          |         |
| <b><u>Sanitation/sewerage: (below minimum level)</u></b>          |              |              |         |
| Bucket toilet   | 80           | 80           | 850     |
| Other toilet provisions (below minimum service level)             | 5623         | 5623         | 2 178   |
| No toilet provisions.   |              |              |         |
| Below Minimum service level sub-total                             | 10290        | 10290        | 3 028   |
| Below Minimum service level percentage                            | 13.6%        | 13.6%        |         |
| <b>Total Households</b>   | <b>41115</b> | <b>41115</b> |         |
| <b>*Total number of households including informal settlements</b> |              |              |         |

Table 34: Sanitation Delivery Levels

### 3.4.1.2. SOLID WASTE SERVICE DELIVERY LEVELS

An integral aspect of municipal service provision is the effective management of solid waste. The table below presents an overview of solid waste service delivery levels for households within Ba-Phalaborwa Municipality across the years 2021/22 through 2023/24. It delineates the actual numbers of households based on their solid waste removal practices, categorizing them into minimum service level and above, as well as below minimum service level. The figures encompass households where solid waste is removed at least once a week, meeting the minimum service level requirement, and those where the removal frequency falls below the stipulated minimum. By evaluating these levels, we gain insights into the municipality's achievements and areas requiring attention in solid waste management. This analysis forms a crucial foundation for refining strategies and initiatives aimed at ensuring an efficient and environmentally responsible solid waste management system, ultimately contributing to the overall well-being and sustainability of our community.



| Solid waste service delivery levels<br>Households |              |              |               |
|---|--------------|--------------|---------------|
| Description                                       | 2021/22      | 2022/23      | 2023/24       |
|   | Actual No.   | Actual No.   | Actual No.    |
| <b>Solid waste removal: (minimum level)</b>       |              |              |               |
| Removed at least once a week.                     | 35881        | 35881        | 22 314        |
| Minimum service level and above sub-total         | 55,79%       | 55,79%       | 43.2%         |
| Minimum service level and above percentage        |              |              |               |
|   | 18174        | 18174        |               |
|   | 44,21%       | 44,21%       |               |
| <b>Solid waste removal: (below minimum level)</b> | <b>54055</b> | <b>54055</b> | <b>25 554</b> |
| Removed less frequently than once a week.         |              |              |               |
| Using communal refuse dump                        |              |              |               |
| Using own refuse dump                             |              |              |               |
| Other rubbish disposal                            |              |              |               |
| No rubbish disposal                               |              |              |               |
| Below minimum service level sub-total             |              |              |               |
| Below minimum service level percentage            |              |              |               |
| <b>Total number of households</b>                 |              |              |               |

Table 35: Waste Delivery Levels

### 3.4.1.3. EMPLOYEES IN WASTE DISPOSAL AND OTHER SERVICES

The table below provides a comprehensive overview of the workforce structure within the Waste Disposal and Other Services sector for Ba-Phalaborwa Municipality over the years 2021/22 through 2023/24. The data delineates the number of employees at different job levels, the corresponding posts, vacancies (both in terms of actual numbers and full-time equivalents), and the percentage of vacancies in relation to total posts. The breakdown by job level allows for a nuanced understanding of staffing distribution, while the vacancy data provides insights into workforce dynamics and potential areas for strategic recruitment. It is important to note that posts must be established and funded in the approved budget or adjustments budget. This analysis is instrumental in shaping human resource strategies, ensuring optimal staffing levels, and maintaining efficient service delivery within the Waste Disposal and Other Services sector of the municipality.

| Employees: Waste Disposal and Other Services |               |               |           |                |                                     |                                   |
|--|---------------|---------------|-----------|----------------|-------------------------------------|-----------------------------------|
| Job Level                                    | 2021/22       | 2022/23       | 2023/24   |                |                                     |                                   |
|  | Employees No. | Employees No. | Posts No. | Employee s No. | Vacancies (fulltime equivalent s) % | Vacancies (as a % of total posts) |
| 0 – 3  | 0             | 0             | 1         | 0              | 0                                   | 0                                 |
| 4 – 6  | 4             | 4             | 5         | 4              | 20                                  | 80                                |
| 7 – 9  | 1             | 1             | 1         | 0              | 0                                   | 0                                 |
| 10 – 12                                      | 3             | 3             | 10        | 5              | 50                                  | 50                                |
| 13 – 14                                      | 38            | 38            | 70        | 40             | 43                                  | 57                                |



|   |    |    |    |    |    |    |
|---|----|----|----|----|----|----|
| TOTAL   | 46 | 46 | 87 | 49 | 44 | 56 |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total to give the number of posts equivalent to the accumulated days. |    |    |    |    |    |    |

Table 36: Employees in Waste Disposal &amp; Other Services

### 3.4.1.4. OVERALL PERFORMANCE OF WASTE MANAGEMENT SERVICES

The Waste Management Service has significantly enhanced access to refuse removal services, extending coverage to approximately 3,213 households in Makhushane. To further expand waste collection to all rural areas, the municipality requires five new waste compactors and two skip bin loaders.

Noteworthy achievements include obtaining a closure and rehabilitation license for the existing landfill site in Phalaborwa, along with approval for establishing a new landfill site. Closure and rehabilitation licenses have also been secured for the Namakgale landfill site. Regular compulsory quarterly reports on landfill operations are submitted to both the Department of Forestry, Fisheries and the Environment (DFFE) and the South African Waste Information Centre (SAWIC).

Challenges such as illegal dumping persist due to disparities in waste collection, insufficient equipment and fleet, absence of waste transfer stations, and limited capacity to enforce by-laws. Collaborative efforts with stakeholders, including the Bollanoto Secondary Cooperative, mining community, Department of Limpopo Economic Development, Environment and Tourism, Department of Forestry, Fisheries and the Environment, Thinavhuyo Recycling, Zenompillo Recycling and the Institute of Waste Management in South Africa, aim to address illegal dumping by enhancing resource capacity for a sustainable environment.

Recycling initiatives are underway to reduce the volume of waste directed to the landfill site. The establishment of a new landfill site is progressing, with identified land, preliminary designs, and conducted geotechnical and geohydrological reports. The perimeter fence is nearing completion, and alternative funding mechanisms will be explored to proceed with the project after the expiration of the Phalaborwa landfill site license by the end of March 2025.

## 3.5. HOUSING

### 3.5.1. HOUSING OVERVIEW

Ba-Phalaborwa Municipality does not possess the mandate as a housing authority; rather, the housing function falls within the purview of the Provincial Department of Cooperative Governance, Human Settlements, and Traditional Affairs (CoGHSTA). While not directly



responsible for housing, Ba-Phalaborwa Municipality actively collaborates with CoGHSTA to facilitate the provision of housing, promoting the establishment of sustainable human settlements within its jurisdiction.

The municipality's role primarily involves assisting CoGHSTA in the coordination and facilitation of housing initiatives. This collaborative effort is crucial for addressing housing challenges and ensuring the development of viable and sustainable human settlements. Ba-Phalaborwa Municipality relies on housing allocations from CoGHSTA, the designated housing authority, to initiate, plan, and execute programs and projects aimed at alleviating housing backlogs within the municipal area.

For the 2023/24 financial year, CoGHSTA has allocated 200 houses to Ba-Phalaborwa Municipality, underscoring the ongoing partnership and commitment to addressing housing needs within the community. This allocation serves as the foundation for implementing targeted programs that contribute to the realization of dignified housing and improved living conditions for residents. The Department made a further allocation of (3) military veteran houses for the same year, 2023/24 financial year to assist people who served in the military prior 1994.

### 3.5.2. EMPLOYEES IN HOUSING SERVICES

The table below offers a comprehensive overview of the staffing structure within the Housing Services sector of Ba-Phalaborwa Municipality over the years 2021/22 through 2023/24. It provides a breakdown by job level, detailing the number of employees, corresponding posts, and any existing vacancies. Additionally, the table includes the full-time equivalents of vacancies and the percentage of vacancies in relation to the total posts. The focus is on job levels 0-3, 4-6, and 7-9, encompassing employees engaged in housing services within the municipality. The presented figures are as of 30 June each year. It is crucial to note that posts must be established and funded in the approved budget or adjustment budget. This analysis aids in understanding the workforce dynamics within the Housing Services sector, identifying staffing strengths and areas that may require strategic recruitment efforts. It serves as a valuable tool for human resource planning and optimization to ensure effective service delivery in the realm of housing within the municipality.

| Employees: Housing services |               |               |           |                |                                       |                                   |
|-----------------------------|---------------|---------------|-----------|----------------|---------------------------------------|-----------------------------------|
| Job level                   | 2021/22       | 2022/23       | 2023/24   |                |                                       |                                   |
|                             | Employees No. | Employees No. | Posts No. | Employee s No. | Vacancies (fulltime equivalent s) No. | Vacancies (as % of total posts) % |
| 0-3                         | 0             | 0             | 0         | 0              | 0                                     | 0%                                |
| 4-6                         | 2             | 2             | 2         | 2              | 0                                     | 100%                              |
| 7-9                         | 2             | 2             | 2         | 2              | 0                                     | 100%                              |
| <b>Total</b>                | <b>4</b>      | <b>4</b>      | <b>4</b>  | <b>4</b>       | <b>0</b>                              | <b>100%</b>                       |



Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total to give the number of posts equivalent to the accumulated days.

Table 37: Employees in Housing Services

### 3.5.3. OVERALL HOUSING SERVICE PERFORMANCE

As the municipality does not hold the role of a housing authority, there were no human settlement projects undertaken by the municipality in the 2023/24 financial year. Instead, CoGHSTA allocated 200 houses and 03 military veteran houses to Ba-Phalaborwa Municipality for the same financial period.

## 3.6. FREE BASIC SERVICES

. The municipality follows an approved indigent policy that outlines the guidelines for household registration. Indigent registration is conducted annually, with continuous assessments to review and verify any changes in household income. The policy defines specific qualification criteria, and the registration process is overseen by ward councillors across all 19 wards to ensure fair and efficient implementation.

Qualified indigents are systematically entered into the municipal financial management system for monthly benefits allocations. However, challenges arise when the consumption of indigents surpasses allocated service levels due to the absence of a system to disconnect services upon exhaustion of free basic service levels. Additionally, there is a notable issue with consumers failing to collect their municipal-paid (free) electricity tokens from Eskom, resulting in avoidable wasteful expenditures.

### 3.6.1. FREE BASIC SERVICES FOR LOW-INCOME HOUSEHOLDS

The table below presents data for the years 2021/22 through 2023/24, focusing on households earning less than R1,100 per month. The categories covered include free basic water, free basic sanitation, free basic electricity, and free basic refuse services. The figures highlight both the total number of households and the percentage of households with access to each respective service. This analysis is integral for assessing the municipality's commitment to ensuring that essential services are accessible to low-income households, contributing to improved living standards within the community.

| Free basic services to low-income households |                      |   |            |       |                 |       |                  |       |                   |     |
|--|----------------------|---|------------|-------|-----------------|-------|------------------|-------|-------------------|-----|
|  | Number of households |   |            |       |                 |       |                  |       |                   |     |
|  | Total                | Households' earnings less than R1.100 per month |            |       |                 |       |                  |       |                   |     |
|  |                      |   | Free water | basic | Free sanitation | basic | Free electricity | basic | Free basic refuse |     |
|  |                      | Total   | Access     | %     | Access          | %     | Access           | %     | Access            | %   |
| 2021/22                                      |                      |   | 507        |       | 507             |       | 421              |       | 252               |     |
| 2022/23                                      |                      | 907   | 384        | 42%   | 301             | 33%   | 419              | 22%   | 334               | 37% |



|         |  |      |     |     |     |     |      |     |     |     |
|---------|--|------|-----|-----|-----|-----|------|-----|-----|-----|
| 2023/24 |  | 1084 | 234 | 22% | 183 | 17% | 1008 | 93% | 198 | 18% |
|---------|--|------|-----|-----|-----|-----|------|-----|-----|-----|

Table 38: Free Basic Services to Low-Income Households

### 3.6.2. FINANCIAL PERFORMANCE: COST OF FREE BASIC SERVICES DELIVERED

The table provides an overview of the financial performance related to the cost incurred by the municipality for the delivery of free basic services during the 2023/24 financial year. The services considered include water, wastewater (sanitation), electricity, and waste management (solid waste). The data presents the actual expenditures for the specified services in the years 2021/22 through 2023/24, the budget allocated for the 2023/24 financial year, any adjustments made to the budget, and the actual expenses incurred. The variance to the budget is also highlighted, offering insights into the financial efficacy of providing free basic services. This analysis is instrumental for assessing the financial sustainability of the municipality in delivering essential services to the community and ensures effective budgetary management in alignment with service delivery objectives.

| Financial performance 2023/24: Cost to municipality of free basic services delivered |         |           |           |                   |           |                    |
|--|---------|-----------|-----------|-------------------|-----------|--------------------|
| Services delivered   | 2021/22 | 2022/23   | 2023/24   |                   |           |                    |
|  | Actual  | Actual    | Budget    | Adjustment budget | Actual    | Variance to budget |
| Water  | N/A     | N/A       | N/A       | N/A               | N/A       | N/A                |
| Wastewater (sanitation)  | N/A     | N/A       | N/A       | N/A               | N/A       | N/A                |
| Electricity  | 0       | 1 220 480 | 1 466 831 | 1 278 831         | 1 486 798 | 207 967            |
| Waste Management (solid waste)   | 213 308 | 435 511   | 182 393   | 182 393           | 1 089 970 | 907 577            |
| Total  | 213 308 | 1 655 991 | 1 649 224 | 1 461 224         | 2 576 768 | 1 115 544          |

Table 39: Financial Performance - Cost of Free Basic Services Delivered



## COMPONENT B: ROAD TRANSPORT

### 3.7. ROADS

#### 3.7.1. OVERVIEW OF ROAD TRANSPORT

The municipal road infrastructure spans a total of 802.1 kilometers, encompassing various roads and stormwater drainage systems. However, there exists a considerable backlog, estimating a total of 559.1 kilometers that require attention and improvement. Notably, the municipality currently operates with an outdated Road Master Plan, necessitating a thorough review to align with current needs and challenges in road management. Unfortunately, the implementation of the revised Road Master Plan is impeded by financial constraints faced by the municipality. These constraints hinder the timely execution of necessary upgrades and maintenance, thereby posing challenges in optimizing the road network to meet the growing demands of the community. Addressing this issue is crucial for ensuring the safety, efficiency, and sustainability of the road infrastructure in the municipality.

##### 3.7.1.1. GRAVEL ROAD INFRASTRUCTURE

The table below offers an insightful overview of the gravel road infrastructure within the municipality, spanning the years 2021/22 through 2023/24. Key metrics include the total length of gravel roads, the construction of new gravel roads, the conversion of gravel roads to tar, and the extent of gravel roads graded and maintained. In each respective year, the municipality has made efforts to manage and enhance its gravel road network. The data showcases the kilometers of gravel roads present, the incremental construction of new roads, the progress in upgrading gravel roads to tar, and the substantial efforts dedicated to grading and maintaining existing gravel roads. This analysis is vital for evaluating the municipality's commitment to maintaining a functional and accessible gravel road network, which is integral for the mobility and connectivity of the community.

| Gravel road infrastructure<br>Kilometers |                    |                              |                              |                                |
|--|--------------------|------------------------------|------------------------------|--------------------------------|
|  | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Gravel roads graded/maintained |
| 2021/22                                  | 540.3km            | N/A                          | 0.8km                        | 925.32km                       |
| 2022/23                                  | 533.5km            | N/A                          | 0km                          | 311.85km                       |
| 2023/24                                  | 529.7km            | N/A                          | 3.8km                        | 702.9km                        |

Table 40: Gravel Road Infrastructure



### 3.7.1.2. ASPHALTED ROAD INFRASTRUCTURE

The table below provides a comprehensive overview of the asphalted road infrastructure within the municipality, spanning the years 2021/22 through 2023/24. It details key metrics such as the total length of asphalted roads, the construction of new asphalted roads, the re-asphalting of existing roads, the re-sheeting of existing asphalt roads, and the maintenance efforts dedicated to the asphalt road network. Throughout each financial year, the municipality has undertaken initiatives to manage and enhance its asphalted road network. The data presented reflects the total length of asphalted roads, the addition of new roads, and the strategic efforts in re-asphalting and re-sheeting existing asphalt roads. Additionally, the maintenance activities contribute to the overall sustainability and longevity of the asphalted road infrastructure. This analysis serves as a valuable tool for assessing the municipality's commitment to maintaining a reliable and efficient network of asphalted roads, thereby facilitating smooth and safe transportation for the benefit of the community.

| Asphalted Road Infrastructure |                       |                   |                                     |                                   |                           |
|-------------------------------|-----------------------|-------------------|-------------------------------------|-----------------------------------|---------------------------|
|                               | Total Asphalted roads | New asphalt roads | Existing asphalt roads re-asphalted | Existing asphalt roads re-sheeted | Asphalt. roads maintained |
| 2021/22                       | 251.4                 | 0.8               | N/A                                 | N/A                               | N/A                       |
| 2022/23                       | 258.2                 | 6.83              | 4.67km                              | N/A                               | N/A                       |
| 2023/24                       | 254.4                 | 3.8               | N/A                                 | N/A                               | N/A                       |

Table 41: Asphalted Road Infrastructure

### 3.7.1.3. COST OF ROAD CONSTRUCTION/MAINTENANCE

This table delves into the financial aspects of construction and maintenance within the municipality, specifically focusing on gravel and tar roads. The provided data spans the financial years 2021/22 through 2023/24, showcasing the cost per kilometer for new gravel and tar roads, maintenance expenses, and the re-working costs for tar roads. The cost analysis presents a per-kilometer breakdown for new construction and maintenance activities for both gravel and tar roads. Notably, the figures shed light on the financial investments made in constructing new roads, maintaining existing ones, and re-working tar roads for each respective year. Understanding the financial dynamics of road construction and maintenance is essential for evaluating the municipality's allocation of resources to ensure the longevity, quality, and sustainability of its road infrastructure.

| Cost of construction/maintenance<br>R'000 |          |            |            |          |           |            |
|---|----------|------------|------------|----------|-----------|------------|
| Financial Years                           | Gravel   |            |            | Tar      |           |            |
|   | New      | Gravel-Tar | Maintained | New      | Re-worked | Maintained |
| 2021/22                                   | R1.5m/km | R6.5m      | N/A        | R6.5m/km | N/A       | N/A        |
| 2022/23                                   | R2M/km   | R10.m      | N/A        | R10m     | N/A       | N/A        |
| 2023/24                                   | R2M/km   | R10.m      | N/A        | R10m     | N/A       | N/A        |

Table 42: Cost of Road/ Maintenance



### 3.7.1.4. EMPLOYEES IN ROADS SERVICES

The table below provides a comprehensive overview of the workforce within the municipality's Roads Services division for the financial years 2021/22 to 2023/24. It categorizes employees across various job levels, from levels 0-3 to 13-14, detailing the number of filled positions, total posts, and vacancies measured in full-time equivalents. This data offers valuable insights into workforce composition, highlighting employee distribution, vacancy levels, and the percentage of unfilled positions relative to total posts.

The information is critical for human resource planning, as it identifies staffing trends and areas that may require attention for optimization. Understanding workforce dynamics within Roads Services is essential for ensuring efficient service delivery, infrastructure maintenance, and road management. This analysis supports strategic decision-making by aligning human resources with the municipality's operational needs and long-term road services objectives.

| Employees: Roads Services  |                  |                  |              |                  |   |                                      |
|--|------------------|------------------|--------------|------------------|---|--------------------------------------|
| Job level  | 2021/22          | 2022/23          | 2023/24      |                  |   |                                      |
|  | Employees<br>No. | Employees<br>No. | Posts<br>No. | Employees<br>No. | Vacancies<br>(fulltime<br>equivalents)<br>No. | Vacancies (as a %<br>of total posts) |
| 0-3  | 1                | 1                | 1            | 1                | 0   | 100%                                 |
| 4-6  | 2                | 2                | 2            | 2                | 0   | 100%                                 |
| 7-9  | 3                | 3                | 3            | 3                | 0   | 100%                                 |
| 10-12  | 2                | 2                | 4            | 2                | 2   | 50%                                  |
| 13-14  | 11               | 11               | 28           | 11               | 17  | 61%                                  |
| <b>Total</b>   | <b>19</b>        | <b>19</b>        | <b>38</b>    | <b>19</b>        | <b>19</b>                                     | <b>50%</b>                           |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days. |                  |                  |              |                  |   |                                      |

Table 43: Employees in Road Services

### 3.7.1.5. FINANCIAL PERFORMANCE: ROADS AND TRANSPORT

The table below offers a comprehensive overview of the financial performance within the Roads and Transport sector of the municipality for the financial years 2020/21 through 2023/24. The presented data includes actual figures, original budgets, adjustment budgets, and the resulting variances. The financial performance is delineated into key components, focusing on total operational revenue (excluding tariffs) and operational expenditure categories, including employee-related costs, repairs and maintenance, and other operational expenses. A critical aspect of the analysis is the calculation of net operational (service) expenditure, providing insights into the financial surplus or deficit generated from the operations within Roads and Transport. The variance to the budget is highlighted, offering a clear understanding of the financial efficacy in meeting the allocated budgetary expectations. This financial assessment is crucial for informed decision-making, budgetary planning, and ensuring the fiscal sustainability of the Roads and Transport services provided by the municipality.



| 2023/24 Financial performance: Roads and Transport<br>R'000 |         |         |                 |                   |        |                    |
|---|---------|---------|-----------------|-------------------|--------|--------------------|
| Details   | 2021/22 | 2022/23 | 2023/24         |                   |        |                    |
|   | Actual  | Actual  | Original budget | Adjustment budget | Actual | Variance to budget |
| Total revenue operational (excluding tariffs)               | 29 995  | 41 771  | 36 733          | 36 733            | 36 623 | 110                |
| Expenditure:  |         |         |                 |                   |        |                    |
| Employees   | 22 024  | 36 564  | 27 859          | 27 859            | 0      | 0                  |
| Repairs & Maintenance                                       | 1 115   | 9 949   |                 |                   |        |                    |
| Other   | 3 810   | 2 550   | 54 789          | 54 789            | 0      | 0                  |
| Total operational expenditure                               | 26 949  | 49 063  | 82 648          | 82 648            | 12 492 | 70 156             |
| Net operational (service) expenditure                       | 3 046   | (7 292) | (45 915)        | (45 915)          | 24 131 | (70 046)           |

Table 44: Financial Performance - Roads &amp; Transport

### 3.7.1.6. CAPITAL EXPENDITURE: ROAD SERVICES

The table below provides an overview of the capital expenditure associated with Road Services for the financial year 2023/24. It outlines the budget allocation, adjustment budget, actual expenditure, variance from the original budget, and the total project value. The focus is on capital projects within Road Services, emphasizing the financial planning, execution, and outcomes of these initiatives. The table details how financial resources were allocated, adjusted, and ultimately expended in pursuit of enhancing and maintaining the road infrastructure. Of particular significance is the variance from the original budget, shedding light on the financial efficiency and effectiveness of project execution. The total project value represents the estimated cost of approved projects by Council, encompassing both past and future expenditures as appropriate. This analysis aids in assessing the municipality's commitment to capital investment in Road Services, ensuring the continued development and maintenance of the road infrastructure for the benefit of the community.

| Capital expenditure 2023/24: Road Services<br>R'000  |         |                   |                    |                               |                     |
|--|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects   | 2023/24 |                   |                    |                               |                     |
|  | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Total all  | 10 792  | 20 075            | 20 075             | 9 283                         | 30 420              |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) |         |                   |                    |                               |                     |

Table 45: Capital Expenditure - Road Services



### 3.7.1.7. ROAD PERFORMANCE OVERVIEW

The overall performance of the roads section is unsatisfactory in terms of routine maintenance for the existing network infrastructure. Nevertheless, the primary roads in Ba-Phalaborwa, including R71 and R40 where SANRAL is engaged in routine maintenance, exhibit more favourable conditions. The R40 road has recently undergone rehabilitation, and R71 is being maintained as needed by SANRAL. The road and stormwater Masterplan of Ba-Phalaborwa Municipality is outdated due to challenges with aging infrastructure and financial constraints. Despite these limitations, the roads and stormwater section is diligently addressing tasks such as patchwork, sealing, and unblocking stormwater drainages and catch pits.

Many of the municipal roads are experiencing aggregate loss, resulting in a rough texture on the surfaces. To prevent further deterioration, the Municipality must ensure the application of slurry on our roads before they lose their surface or the desirable texture. Additionally, a daily grading program for all main and internal roads is in place but faces challenges due to frequent breakdowns of graders. The ongoing process of patching, sealing, and stormwater control adheres to a drafted schedule, subject to amendments as needed.

The Benfarm Upgrading project, entailing the conversion of 3.8 km of gravel road to tar, is currently under construction and financed through an MIG grant. Furthermore, the municipality is presently implementing the Stormwater Culverts Installation project, a multi-year initiative. All four planned installations were completed in Makhushane in Ward 2, Lejori Ward in 10, Humulani in Ward 13, and Lulekani, in Ward 15.

### 3.7.1.8. DEVELOPMENT MUNICIPAL ROADS

The table below provides a brief overview of the development of municipal roads, measured in kilometers, for the years 2021/22 through 2023/24. The data showcases the extent to which the municipality has undertaken the development of its road infrastructure during each financial year. This information is crucial for assessing the municipality's commitment to the expansion and improvement of its road network, contributing to enhanced connectivity and infrastructure development within the community. The data aids in tracking progress and aligning development efforts with the broader goals of the municipality.

| Development of municipal roads as required | km of municipal roads developed |
|--|---------------------------------|
| 2021/22                                    | 0.8km                           |
| 2022/23                                    | 0km                             |
| 2023/24                                    | 0km                             |

Table 46: Development of Municipal Roads



### **3.8. TRANSPORT**

#### **3.8.1. TRANSPORT OVERVIEW**

Public transportation services in the Ba-Phalaborwa area are distributed among various providers, including two short-haul bus companies facilitating transportation within and between urban zones, namely:

- Great North Transport, and
- Sokisi Transport.

Additionally, a few long-distance hauliers operate between Phalaborwa and Gauteng, including:

- City to City, and
- Translux.

Furthermore, an application has been received for bus services connecting Ba-Phalaborwa to Zimbabwe and back.

Taxi services are provided by several taxi associations, including:

- Phalaborwa Taxi Association,
- Namakgale Taxi Association,
- Lulekani Taxi Association, and
- Namakgale Long Distance Taxi Association.

These transport service providers are integral members of the Phalaborwa Transport Forum, overseen by the Portfolio Committee Chairperson or their delegate, with the Senior Manager of Community and Social Services serving as the Secretariat. Quarterly meetings are conducted, and representatives are expected to attend the Mopani District Transport Forums, although attendance has been limited. Ongoing efforts are being made to boost participation.

All buses and taxis are required to have stand licenses and ranking facilities, and they undergo continuous checks for compliance and roadworthiness.

### **3.9. WASTEWATER (STORMWATER DRAINAGE)**

#### **3.9.1. OVERVIEW OF WASTEWATER**

The stormwater drainage system is a crucial element of the road infrastructure, designed to efficiently remove excess rain and groundwater from impermeable surfaces like paved streets, parking lots, car parks, footpaths, and sidewalks. The team responsible for roads and stormwater has implemented a systematic inspection process, including unscheduled inspections prompted by community input. These inspections are conducted either routinely following substantial or persistent rainfall or on-call during public emergencies. The section diligently reports any identified risks or maintenance issues observed while traversing the municipality in the course of their duties.



## COMPONENT C: PLANNING AND DEVELOPMENT

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### 3.10. PLANNING

#### 3.10.1. OVERVIEW OF PLANNING

The Planning and Development Department of Ba-Phalaborwa Municipality plays an important role in shaping the future route of the municipality by overseeing strategic spatial planning, land use management, and sustainable development initiatives. This department is committed to aligning its activities with the broader goals outlined in the municipality's IDP and ensuring compliance with national legislation, including the Spatial Planning and Land Use Management Act (SPLUMA).

One of the key focus areas of the Planning and Development Department is the creation and implementation of a Spatial Development Framework that guides orderly and sustainable land development. Through rigorous research and stakeholder engagement processes, the department addresses challenges related to property vesting, land tenure upgrading, and law enforcement. By proactively managing these aspects, the department contributes to the overall environmental management for future sustainable economic growth in the municipality.

The department also responds to the dynamic needs of the community by adapting its planning strategies to accommodate significant developments along strategic activity corridors, such as the R71 road, and key nodal points within the municipality. Through its dedication to evidence-based decision-making, the department ensures that land development initiatives are not only aligned with current demographic trends but also anticipate future demands for basic services and socio-economic facilities, particularly in rural areas.

Furthermore, the Planning and Development Department actively promotes local economic empowerment through the implementation of programs like the Expanded Public Works Program (EPWP) and the Community Works Programme (CWP). By fostering the growth of Small, Medium, and Micro Enterprises (SMMEs) and supporting job creation, the department significantly contributes to the socioeconomic well-being of the community.

In summary, the Planning and Development Department serves as a strategic driver for the Ba-Phalaborwa Municipality, working towards a harmonious and sustainable urban and rural landscape while actively engaging with the community to address present and future development needs.



### 3.10.2. EMPLOYEES: PLANNING SERVICES

The table below presents a summary of the department's staffing levels, detailing the number of employees across various job levels, posts, and full-time equivalents. As of June 30, the workforce is strategically structured to support the municipality's planning needs. It is essential to highlight that the creation and funding of positions are aligned with the approved budget or adjustment budget, ensuring the department has the necessary resources to fulfill its mandate.

| Employees: Planning Services  |               |               |           |               |                                      |                                     |
|---|---------------|---------------|-----------|---------------|--------------------------------------|-------------------------------------|
| Job level   | 2021/22       | 2022/23       | 2023/24   |               |                                      |                                     |
|   | Employees No. | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3   | 1             | 1             | 3         | 1             | 0                                    | 100%                                |
| 4-6   | 1             | 1             | 3         | 1             | 1                                    | 50%                                 |
| 7-9   | 0             | 0             | 0         | 0             | 0                                    | 0%                                  |
| 13-14   | 0             | 0             | 0         | 0             | 0                                    | 0%                                  |
| <b>Total</b>  | <b>2</b>      | <b>2</b>      | <b>9</b>  | <b>2</b>      | <b>1</b>                             | <b>33%</b>                          |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days |               |               |           |               |                                      |                                     |

Table 47: Employees - Planning Services

### 3.10.3. CAPITAL EXPENDITURE: PLANNING SERVICES

The table below provides a comprehensive overview of the capital expenditure for Planning and Development Services, including the budget allocation, adjustment budget, actual expenditure, variance from the original budget, and the total project value. It highlights the financial aspects of significant projects, including the Supplementary Valuation Roll and the Transfer of Sites, providing insights into the budgetary allocations, adjustments, and the actual expenditure incurred. The variance from the original budget is also outlined, emphasizing the financial management and accountability exercised by the Planning Services Department in executing these vital projects. The "Total Project Value" represents the estimated overall cost of each project upon approval by Council, encompassing both past and future expenditures as deemed appropriate. This overview illustrates the municipality's commitment to strategic planning and effective utilization of financial resources for the betterment of the community.



## 3.10.4. FINANCIAL PERFORMANCE: PLANNING SERVICES

| Capital expenditure 2023/24: Planning Services<br>R`000  |                   |                   |                    |                               |                     |
|--|-------------------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects   | 2023/24<br>Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Total all  |                   |                   |                    |                               |                     |
| Supplementary Valuation Roll   | 0                 | 0                 | 0                  | 0                             | 0                   |
| Transfer Of Sites  | 0                 | 0                 | 0                  | 0                             | 0                   |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) |                   |                   |                    |                               |                     |

Table 48: Capital Expenditure - Planning &amp; Development Services

The table presents a comprehensive view of the department's financial activities, with a focus on operational revenue, employee-related expenses, repairs and maintenance, and other operational expenditures. The net operational expenditure reflects the financial position of the Planning Services Department, indicating whether it operated within budget constraints or faced financial challenges during the financial year. This analysis is vital for assessing the department's financial efficiency and effectiveness in delivering planning services to the municipality.

| Financial performance 2023/24: Planning services<br>(R'000)   |          |          |                 |                   |          |                    |
|---|----------|----------|-----------------|-------------------|----------|--------------------|
| Details   | 2021/22  | 2022/23  | 2023/24         |                   |          |                    |
|   | Actual   | Actual   | Original budget | Adjustment budget | Actual   | Variance to budget |
| Total operational revenue (excluding tariffs)   | 447      | 176      | 261             | 261               | 284      | (23)               |
| Expenditure:  |          |          |                 |                   |          |                    |
| Employees   | 13 372   | 11 958   | 12 778          | 12 778            | 11 063   | 1 715              |
| Repairs & Maintenance   | 131      | 0        |                 |                   | 0        |                    |
| Other   | 14 248   | 1 187    | 14 861          | 14 861            | 5 507    | 9 354              |
| Total operational expenditure   | 27 750   | 13 145   | 27 639          | 27 639            | 16 570   | 11 069             |
| Net operational (service) expenditure   | (27 303) | (12 969) | (27 378)        | (27 378)          | (16 286) | (11 092)           |
| Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. |          |          |                 |                   |          |                    |

Table 49: Financial Performance - Planning Services



### 3.11. LOCAL ECONOMIC DEVELOPMENT

#### 3.11.1. OVERVIEW OF LOCAL ECONOMIC DEVELOPMENT

The Local Economic Development Unit is responsible for unlocking the municipality's economic potential and promoting the resilience of small-scale economic growth. Its main objective is to cultivate an environment that supports increased local economic activity, job creation, and sustainable initiatives. On 30 March 2023, the BPM Council approved a practical Local Economic Development Strategy that can be effectively implemented. The execution of this strategy will begin in the 2023-24 financial year with the development of a Tourism Plan. This plan is designed to integrate local economic trends and tourism development efforts within the municipality, and it includes service delivery recommendations related to Technical and Community Services—covering areas such as water provision, road infrastructure, electricity, and waste management.

Despite being a gateway to prominent tourist destinations such as the Kruger National Park and the Great Limpopo Transfrontier Park, as well as housing major copper and phosphate mines (Palaborwa Copper & Foskor), the competitive strengths of the region have yet to substantially address poverty, especially within historically disadvantaged communities.

Recognizing the significant role of wildlife and scenic beauty as the top tourist activities in South Africa, the Kruger National Park remains an iconic drawcard, contributing to the wildlife tourism space. BPM boasts numerous public and private sector protected conservation areas, with the KNP Phalaborwa Gate standing out as the busiest entrance gate among the 10 gates across two provinces.

Moreover, BPM is emerging as a contender in the MICE (Meetings, Incentives, Conferences, and Events) industry, marked by a rise in annual calendar events such as the Marula festivities, Spring Festival, and F21 Half marathon. Supporting these activities is crucial to generating economic spin-offs.

BPM has also entered an International Twinning Arrangement under the Trans Limpopo Spatial Development Initiative (TLSDI) between the Republic of South Africa and the Republic of Zimbabwe. The twinning arrangements involve Ba-Phalaborwa Local Municipality and Hwange Local Board, as well as Hwange Rural District. The objectives of this arrangement include optimizing economic opportunities, facilitating sustainable development of natural and cultural resources, promoting sport, arts, and culture, positioning local authorities as viable economic hubs, showcasing them as tourism destinations, and fostering collaboration in areas such as spatial planning, road infrastructure, health, risk management, and disaster response.



### 3.11.2. ECONOMIC EMPLOYMENT BY SECTOR

The table below provides an overview of economic employment by sector, detailing the number of jobs in various industries over the past four fiscal years (2021/22 to 2023/24). These sectors encompass a range of economic activities, including agriculture, forestry, fishing, mining, manufacturing, wholesale and retail trade, finance, property, government, community, and social services, as well as infrastructure services. The data aims to offer insights into the employment trends and dynamics within each sector over the specified period.

| Economic Employment by Sector Jobs  |         |         |         |
|-------------------------------------|---------|---------|---------|
| Sector                              | 2021/22 | 2022/23 | 2023/24 |
| Agric, forestry and fishing         | 170     | 149     | 136     |
| Mining and quarrying                | 79      | 117     | 121     |
| Manufacturing                       | 71      | 76      | 77      |
| Wholesale and retail trade          | 307     | 270     | 333     |
| Finance, property, etc.             | 114     | 142     | 181     |
| Govt, community and social services | 373     | 399     | 361     |
| Infrastructure services             | 54      | 142     | 130     |

Table 50: Economic Employment by Sector (Stats SA, Quarterly Labour Force Survey, 2nd Quarter 2023)

### 3.11.3. LOCAL JOB OPPORTUNITIES

Ba-Phalaborwa Local Municipality has consistently worked towards establishing a conducive environment within its primary economic sectors, namely tourism, mining, agriculture, and manufacturing.

BPM has successfully generated 1222 temporary employment opportunities through the municipality's internal poverty alleviation and employment programs, including CWP (1081), EPWP (63), and capital projects (84).

### 3.11.4. JOB CREATION THROUGH EPWP PROJECTS

Ba-Phalaborwa Local Municipality has been actively involved in creating employment opportunities through its Extended Public Works Programme (EPWP) projects. The following table provides details on the number of EPWP projects undertaken and the associated jobs created in the specified years.

| Job Creation through EPWP Projects |                   |   |
|------------------------------------|-------------------|---|
| Details                            | EPWP Projects No. | Jobs created through EPWP projects. No. |
| 2021/22                            | 5                 | 1242                                    |
| 2022/23                            | 6                 | 1228                                    |
| 2023/24                            | 6                 | 1228                                    |

Table 51: Job Creation through EPWP



### 3.11.5. EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES

The Local Economic Development Services of Ba-Phalaborwa Local Municipality play a crucial role in fostering economic growth and development within the municipal area. The following table provides an overview of the staffing levels within the department for the specified years, detailing the number of employees, vacancies, and distribution across different job levels. These figures are as of June 30th each year and are essential for understanding the human resource capacity dedicated to local economic development initiatives. Posts referenced are those established and funded in the approved budget or adjustment budget.

| Employees: Local Economic Development Services  |                  |                  |              |                  |   |  |
|---|------------------|------------------|--------------|------------------|---|--|
| Job level   | 2021/22          | 2022/23          | 2023/24      |                  |   |  |
|   | Employees<br>No. | Employees<br>No. | Posts<br>No. | Employees<br>No. | Vacancies<br>(fulltime<br>equivalents<br>)<br>No. | Vacancies<br>(as a % of<br>total posts)<br>% |
| 0-3   | 1                | 1                | 1            | 1                | 0   | 100%   |
| 4-6   | 2                | 2                | 2            | 2                | 0   | 100%   |
| 7-9   | 1                | 2                | 1            | 2                | 2   | 50%  |
| <b>Total</b>  | <b>4</b>         | <b>5</b>         | <b>4</b>     | <b>5</b>         | <b>2</b>  | <b>28%</b>                                   |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. senior management) then dividing that total to give the number of posts equivalent to the accumulated days. |                  |                  |              |                  |   |  |
| T3.11.8   |                  |                  |              |                  |   |  |

Table 52: Employees - Local Economic Development Services



## COMPONENT D: COMMUNITY & SOCIAL SERVICES

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### 3.12. OVERVIEW OF COMMUNITY AND SOCIAL SERVICES

The department consists of the following divisions:

- Library Services
- Parks and Cemeteries
- Environmental Health
- Traffic and Licensing

#### 3.12.1. LIBRARY SERVICES

##### OVERVIEW OF LIBRARY SERVICES

Library Services encompass a network of five fully operational libraries, along with two additional school/community libraries situated at Lebeko High School in Mashishimale and Prieska Combined School in Prieska village. These services extend to offering complimentary memberships, access to diverse print and electronic information resources, audio-visual materials, free public internet services, inter-library loans, and free utilization of computers and tablets for personal use. Additionally, the services include printing and photocopying facilities, document scanning, user education on library offerings, and outreach programs.

The primary priorities for library services focus on improving accessibility, bridging the digital divide, strengthening collection development and management, enhancing staff training and development, and fostering stronger stakeholder partnerships. To achieve these goals, key initiatives include equipping libraries with computers, providing user education, increasing stakeholder engagement to secure additional funding, and expanding municipal library outreach services. Additionally, exploring alternative funding mechanisms is essential for the establishment of new libraries that address the diverse needs of different communities.

As for the archives, the municipality's priorities centre on augmenting the space capacity of the existing archives to align with record-keeping legislative requirements. The completion of the archives at Lulekani includes the installation of a fire detection and suppression system, along with the addition of shelves. The Licensing Section has begun relocating documents to the archives facility and is awaiting the acquisition of Zippel files to complete the process.



### 3.12.1.1. FINANCIAL PERFORMANCE OF LIBRARIES

The financial performance of Libraries in the 2023/24 financial year is presented in the table below, offering a comprehensive overview of key financial details. This includes actual figures, budget allocations, adjustments, and variances, focusing on total operational revenue and expenditures. The intricacies of operational revenue, encompassing tariffs, and various expenditure categories such as employee costs, repairs and maintenance, and other operational expenses, are scrutinized. The net operational (service) expenditure and associated variances are analysed to provide insights into the financial management of library services during the specified period.

The Library Services section operates effectively, benefiting from employees seconded to the Municipality by the Provincial Department of Arts and Culture. Ba-Phalaborwa Municipality maintains a strategic partnership with the Palabora Foundation, providing crucial support to our Library Services through a service level agreement valid until the conclusion of June 2031. The Library Services Development Plan has been formulated, submitted to management, and duly endorsed by Council. To bolster public engagement, a Library Committee has been established. Our library services attracted 51,893 visitors, with 24,366 utilizing our complimentary public internet and computer services.

| Financial performance 2023/24 Libraries.      |         |         |                 |                   |         |                    |
|---|---------|---------|-----------------|-------------------|---------|--------------------|
| (R'000)                                       |         |         |                 |                   |         |                    |
| Details                                       | 2021/22 | 2022/23 | 2023/24         |                   |         |                    |
|   | Actual  | Actual  | Original budget | Adjustment budget | Actual  | Variance to budget |
| Total operational revenue (excluding tariffs) | 64      | 117     | 111             | 111               | 123     | (12)               |
| Expenditure:                                  |         |         |                 |                   |         |                    |
| Employees                                     | 2 450   | 2 352   | 2 952           | 2 952             | 2 116   | 836                |
| Repairs & Maintenance                         | 87      | 1       |                 |                   |         |                    |
| Other   | 115     | 125     | 488             | 488               | 306     | 182                |
| Total operational expenditure                 | 2 652   | 2 479   | 3 440           | 3 440             | 2 421   | 1 019              |
| Net operational (service) expenditure         | (2 589) | (2 362) | (3,330)         | (3,330)           | (2 298) | (1 032)            |

Table 53: Financial Performance - Library Services



### 3.12.2. CEMETERIES AND CREMATORIUMS

#### OVERVIEW OF CEMETERIES AND CREMATORIUMS

The Municipality oversees four fully established cemeteries situated in Gravelotte, Phalaborwa, Namakgale, and Lulekani. Gravelotte and Phalaborwa cemeteries are approaching their maximum capacity. Plans are underway to identify new land for the development of a cemetery in Gravelotte, and alternative options are being explored for Phalaborwa cemetery due to its nearing full capacity. While there are no crematoriums in Phalaborwa, arrangements are made for the storage of ashes at Phalaborwa cemetery.

The fence at Lulekani cemetery requires an extension to cover the entire allocated land by the Tribal Authority for long-term use. Upgrading the fences at Namakgale cemetery and the old Lulekani cemetery is necessary to enhance security. Traditional authorities manage various cemeteries, and support is needed to ensure compliance with basic legislative requirements and infrastructure standards.

Implementing an electronic cemetery management system is essential for improved record-keeping, and continuous enhancement of by-laws is necessary to optimize burial space utilization and extend the lifespan of the cemeteries.

#### 3.12.2.1. FINANCIAL PERFORMANCE: CEMETERIES AND CREMATORIUMS

The table below provides a comprehensive overview of the financial performance of Cemeteries and Crematoriums during the 2023/24 financial year. It outlines the actual figures compared to the original and adjustment budgets, shedding light on operational revenue and expenditure details. The variance to the budget is also highlighted, offering insights into the financial management of these critical services.

The Municipality can readily fulfill grave requests, yet encounters challenges, especially during public holidays. The complexity arises from the separation of responsibilities between the Budget and Treasury Office, handling grave payments, and the Community and Social Services department, managing allocations. Control issues arise due to non-compliance with by-laws by some communities.

Unauthorized expansion of graves and the construction of extensive structures beyond allocated spaces contribute to cemeteries reaching capacity earlier than estimated. Limited funds hinder proper fencing, resulting in vandalism of graves.

Providing cemetery services to tribal authorities poses a challenge as it falls outside municipal functions. Nonetheless, the Municipality supports this by offering water and grading services. The absence of crematorium facilities owned by the Municipality necessitates reliance on privately owned options, notably one in Nelspruit.

While the National Government issues regulations on deceased persons' treatment and funerals, the Municipality operates four public cemeteries, two of which have reached full capacity, emphasizing the need for sustainable management practices.



| Financial performance 2023/24: Cemeteries and Crematoriums<br>R'000 |         |         |                 |                   |        |                    |
|---|---------|---------|-----------------|-------------------|--------|--------------------|
| Details   | 2021/22 | 2022/23 | 2023/24         |                   |        |                    |
|   | Actual  | Actual  | Original budget | Adjustment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs)                       | 118     | 148     | 104             | 104               | 159    | 55                 |
| Expenditure:  |         |         |                 |                   |        |                    |
| Employees   | 7 733   | 659     | 0               | 0                 | 0      | 0                  |
| Repairs & Maintenance   | 374     | 761     | 2 730           | 2 730             | 0      | 0                  |
| Other   | 1 822   | 515     | 37              | 37                | 653    | (616)              |
| Total operational expenditure                                       | 9 929   | 1 935   | 2 767           | 2 767             | 653    | 2 114              |
| Net operational (service) expenditure                               | (9 811) | (1 787) | (2 663)         | (2 663)           | (494)  | (2 169)            |

Table 54: Financial Performance - Cemeteries &amp; Crematoriums

## COMPONENT E: ENVIRONMENTAL PROTECTION

### 3.13. BIO-DIVERSITY AND LANDSCAPE

#### 3.13.1. OVERVIEW OF BIO-DIVERSITY AND LANDSCAPE

The management of environmental and biodiversity initiatives within the Municipality is currently decentralized, with each Directorate independently addressing its respective functions and key performance areas. The establishment of a dedicated Environmental Unit to oversee and coordinate these efforts has been a longstanding strategic objective. However, financial constraints and stringent fiscal measures have posed significant challenges to its implementation, rendering it an outstanding goal yet to be realized.

Due to financial constraints, the Municipality lacks an Environmental Management Plan and Framework. Acknowledging this gap, it seeks support from Provincial and National authorities in accordance with relevant legislation and procedures.

Despite these challenges, the Municipality underscores the significance of Environmental and Biodiversity considerations, having integrated them into all sections' operational and maintenance key performance areas. The region features well-maintained parks with lawns and cultivated gardens, as well as semi-wild parks to support the green lung effect and preserve open spaces, receiving minimal control measures like grass cutting and alien plant management. However, uncontrolled parks pose challenges such as deforestation, poaching, and land invasion.



Concerns also arise regarding Traditional Authority-owned land, with strategies under development to address misuse. Embracing the concept of developing "dry" parks that require minimal water, and maintenance is now considered standard practice.

The Municipality is urged to implement greening initiatives and intends to integrate a greening plan into the Integrated Development Plan. Annually, from 1 to 30 September, the Municipality encourages government institutions, schools, communities, businesses, and organizations to engage in community "greening" activities, promoting environmental health, biodiversity conservation, greenhouse gas mitigation, food security, and local environmental aesthetics.

## **COMPONENT F: HEALTH**

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### **3.14. HEALTH INSPECTION, FOOD, AND ABATTOIR LICENCING AND INSPECTION**

#### **3.14.1. OVERVIEW OF HEALTH INSPECTION, FOOD, AND ABBATOIR LICENCING AND INSPECTION**

The responsibility for Environmental Health Practitioner Services, including health inspections, food licensing, and abattoir inspections, has transitioned from local municipalities to the Mopani District Municipality. Currently, these crucial functions are being administered by the Mopani District Municipality.

## **COMPONENT G: SECURITY AND SAFETY**

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### **3.15. SECURITY AND SAFETY**

#### **3.15.1. OVERVIEW OF SECURITY AND SAFETY**

The primary responsibility of the Unit is to oversee the overall security operations of the institution, guaranteeing the well-being of employees, clients, and assets through the enforcement of internal controls and collaboration with various officials and sectors. This unit operates under the umbrella of the Risk Management Unit.

The Municipality actively participates in Cluster and Joint Operations Centre (JOC) meetings facilitated by Phalaborwa South African Police Services (SAPS). It also handles applications for public marches, seeking approval through discussions with SAPS. The municipality has engaged an external service provider for its guarding services, with oversight and management handled by the Risk Management Unit.



## COMPONENT H: TRAFFIC AND LICENSING

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### 3.16. TRAFFIC LAW ENFORCEMENT

This Unit has been operational during daylight hours, focusing on law enforcement, visible policing, road safety, emergency response, and special duties across the Municipal area. To enhance financial recovery efforts, a dedicated Warrant of Arrest team has been established to improve the low payment rate of outstanding fines. This challenge is not unique to our municipality and is anticipated to see resolution with the full implementation of the Administration of Road Traffic Offences Act (AARTO). There is a pressing need to replace the traffic fleet to ensure effective and efficient service delivery. Additionally, the integrated transport plan requires a thorough review to remain relevant, as it has long surpassed its expiration date.

### 3.17. ROAD MARKING AND SIGNAGE SECTION

The weather conditions in Phalaborwa have consistently had a detrimental impact on road markings and painted signs, necessitating regular replacement, repair, and cleaning. A growing concern is the escalating theft of poles and signs, likely for use or sale to scrap yards, along with ongoing incidents of vandalism, especially during school holiday periods.

The erection and implementation of street name plates continue to pose challenges due to budgetary constraints. The extensive use of stand-alone speed humps, requiring continuous painting and signage, is also a persistent challenge. This is further complicated by the absence of a traffic calming system in operation and the presence of some speed humps on Provincial or District roads.

### 3.18. LICENSING SECTION (REGISTRATION AUTHORITY)

The Licensing Section, operating as the Registration Authority, functions as an agent of the Limpopo Department of Transport under a Service Level Agreement (SLA). This operation is subject to stringent regulations and legislation, with ongoing performance audits conducted by the Province. It is gratifying to report successful audits, demonstrating financial compliance and efficient operations, with only minor queries raised.

While the unit generates substantial income, there is room for improvement through negotiation during the SLA signing period, particularly regarding charges that contribute directly to the Municipality's revenue. Notably, there has been a significant revenue loss in the licensing domain due to the National Department of Transport's authorization for entities like the SA Post Office to issue motor vehicle licenses, thereby reducing our customer base. The



recent implementation of an electronic system further poses a challenge, potentially diminishing income from this revenue stream.

### 3.19. TESTING OF DRIVER'S LICENCES AND EXAMINATION OF MOTOR VEHICLE SECTIONS.

The Drivers Licence Centre is well utilized but requires an urgent relocation to a more suitable site to address legislative concerns raised by both the Province and the National inspectorate. The relocation process is currently in progress, and upon completion, it is expected to facilitate additional testing, leading to reduced queues, and waiting times. However, funding remains a significant impediment to initiating this project.

On a positive note, both the Vehicle Testing Centre and the Driver's License Testing Centre are operational and maintain an A grading in accordance with the Service Level Agreement (SLA).

### 3.20. TRAFFIC AND LICENSING PERFORMANCE

#### 3.20.1. TRAFFIC LAW ENFORCEMENT PERFORMANCE AREA

The Traffic Law Enforcement Performance Area has been a focal point for monitoring and evaluation, with a focus on activities spanning across the years 2021/22, 2022/23, and 2023/24. The provided table encapsulates key indicators, including the number of notices issued, withdrawn, and outstanding, along with the associated financial values. Additionally, the data outlines the number of notices paid, the percentage of monthly priority enforcement completed, and the count of Arrive Alive campaigns held. This comprehensive overview sheds light on the enforcement efforts, financial impact, and campaign initiatives within the Traffic Law Enforcement domain during the specified time frame.

| TRAFFIC LAW ENFORCEMENT PERFORMANCE AREA    |                  |                  |                 |
|---|------------------|------------------|-----------------|
| Activities                                  | 2021/22          | 2022/23          | 2023/24         |
| Notices Issued                              | 1927<br>R615 215 | 1766<br>R571 675 | 1262<br>R384600 |
| Notices Withdrawn                           | 5                | 40               | 18              |
| Notices Outstanding                         | 1861<br>R587 764 | 1628<br>R497 700 | 1177<br>R357400 |
| Notices Paid                                | R110 236         |                  | R20625          |
| % of Monthly Priority Enforcement Completed | 100%             | 100%             | 100%            |
| Arrive alive campaigns held                 | 3                | 1                | 1               |

Table 55: Traffic Law Enforcement Performance Area



### 3.20.2. TRAFFIC ROAD MARKING AND SIGNAGE PERFORMANCE AREA

In the area of Traffic Road Marking and Signage, the performance areas for the years 2021/2022, 2022/2023, and 2023/24 showcase significant activities. These include the kilometers of road painting completed, the erection of new signs, repairs to damaged signs and pole replacements, and the removal of illegal posters. The data provided in the table illustrates the municipality's efforts in maintaining and enhancing road safety through effective road markings and signage. The consistent focus on completing road painting, erecting new signs, and addressing damages reflects the commitment to ensuring a well-maintained and safe road infrastructure within the municipality.

| TRAFFIC ROAD MARKING AND SIGNAGE PERFORMANCE AREAS  |           |         |         |
|---|-----------|---------|---------|
| Activities  | 2021/2022 | 2022/23 | 2023/24 |
| KM's of Road Painting Completed                     | 12 425    | 9912    | 5298,4  |
| New signs Erected                                   | 37        | 32      | 21      |
| Damaged Signs Repaired and some poles also replaced | 257       | 207     | 150     |
| Illegal Posters Removed                             | 85        | 75      | 24      |

Table 56: Traffic Road Marking & Signage Performance Area

### 3.20.3. LICENSING PERFORMANCE AREA

In the area of Licensing, the performance areas for the financial years 2021/2022, 2022/2023, and 2023/24 reveal a comprehensive array of activities. These encompass various transactions, including applications for learner's licenses, professional driving permits, roadworthy tests, and driver's licenses, among others. The data provided in the table below demonstrates the municipality's engagement in efficiently managing licensing processes, ensuring the issuance of licenses, addressing arrears and penalties, and handling transaction fees. The financial distribution between the Province and Council, along with notable figures such as outstanding infringements and direct income, provides a comprehensive overview of the licensing unit's operational landscape and financial dynamics.

| LICENSING (REGISTRATION AUTHORITY) PERFORMANCE AREAS |           |         |         |
|--|-----------|---------|---------|
| Activities (Transactions Concluded)                  | 2021/2022 | 2022/23 | 2023/24 |
| Application for Learners Licences                    | 1428      | 2135    | 1997    |
| Application for Professional Driving Permit          | 1461      | 1241    | 1461    |
| Application for Roadworthy Test                      | 22        | 82      | 57      |
| Application for Drivers Licence                      | 1182      | 1132    | 1067    |
| Certification of Roadworthiness                      | 15        | 74      | 42      |
| Duplicate Registration/Deregistration Certificate    | 169       | 192     | 192     |
| Issue Drivers Licences (including Renewals)          | 7903      | 6637    | 7685    |
| Issue Learners Licences                              | 352       | 567     | 291     |
| Issue Temporary Drivers Licences                     | 3577      | 2820    | 3547    |
| Licensing of Motor Vehicles                          | 19868     | 19157   | 19513   |
| Registration and Licensing Arrears and Penalties     | 9455      | 13712   | 15028   |
| Registration of Motor Vehicles                       | 3919      | 4985    | 4316    |



|  |             |             |             |
|--|-------------|-------------|-------------|
| Outstanding Infringements  | 425         | 167         | 194         |
| Transaction fees   | 17025       | 16724       | 19021       |
| 80% of Fees Due to Province  | 10966685.30 | 15123873.56 | 17553513,63 |
| 20% of fees due to Council   | 3634703.82  | 3780968.40  | 4315553,54  |
| Direct Income Not Shared   | 2413561     | 2171294     | 2263471,00  |
| Outstanding Infringements Paid to Road Traffic Infringement Agency | 232497.75   | 99105.56    | 110662.45   |
| Transaction Fees paid to Road Traffic Management Corporation       | 1213344     | 13729773    | 1428264.00  |

Table 57: Licensing Performance Area

### 3.20.4. DRIVERS' LICENSE AND ROADWORTHY TESTING PERFORMANCE AREA

In the area of Testing (Drivers Licence and Roadworthy Testing Centres), the conducted activities for the financial years 2021/2022, 2022/2023, and 2023/24 provide valuable insights into the operational facets. These activities encompass a range of transactions, including applications for learner's licenses, driver's licenses, and professional driving permits, as well as roadworthy tests. The data presented in the table below further delineates outcomes such as the issuance of licenses, unsuccessful attempts, deferred tests, and instances where applicants did not turn up. Additionally, details related to roadworthy tests, retests, and discontinuation notices due to roadworthiness or accident damage contribute to a comprehensive understanding of the testing centres' functionalities.

| TESTING (DRIVERS LICENCE AND ROADWORTHY TESTING CENTRES) |           |         |         |
|--|-----------|---------|---------|
| ACTIVITIES (TRANSACTIONS CONCLUDED)                      | 2021/2022 | 2022/23 | 2023/24 |
| Application for Learners Licences                        | 1502      | 2673    | 2272    |
| Learners Licence Issued                                  | 354       | 1086    | 775     |
| Learners Licence Unsuccessful                            | 1069      | 1452    | 1406    |
| Learners Licence Deferred                                | 47        | 38      | 46      |
| Learners Applicants Who Did Not Turn up                  | 32        | 75      | 46      |
| Application for Drivers Licence                          | 1206      | 1195    | 1163    |
| Drivers Licence Issued                                   | 882       | 798     | 764     |
| Drivers Licence Unsuccessful                             | 252       | 312     | 359     |
| Drivers Applicants Who Did Not Turn Up                   | 25        | 52      | 39      |
| Drivers licence Test Deferred                            | 47        | 33      | 1       |
| Application for Professional Driving Permits             | 1461      | 1658    | 1461    |
| Application for Roadworthy                               | 19        | 76      | 57      |
| Vehicles That Passed The Test                            | 16        | 71      | 21      |
| Vehicles For Retest                                      | 4         | 5       | 5       |
| Discontinue Notice Issued due to Roadworthiness          | 58        | 0       | 0       |
| Discontinue Notice Issued due to Accident Damage         | 54        | 0       | 0       |

Table 58: Drivers' Licence &amp; Roadworthy Testing Performance Area



### **3.21. DISASTER MANAGEMENT**

#### **3.21.1. DISASTER MANAGEMENT FUNCTION**

Promote community welfare and safety.

#### **3.21.2. MAIN PURPOSE**

The primary objective is to oversee an inclusive disaster management program, collaborating with various stakeholders both within and outside the municipal jurisdiction, including the District Municipality. This initiative is geared towards saving lives, safeguarding properties, protecting government assets, coordinating emergency and disaster units, managing staff composition, administering operations, and preserving the environment.

#### **3.21.3. MAIN PRIORITIES**

Key priorities include the establishment of a Municipal Disaster-resistant area through the execution of Disaster Risk Assessments and Disaster Impact Assessments. The focus extends to responding effectively to disaster incidents and providing essential relief materials, contributing to the overall resilience and well-being of the community.

#### **3.21.4. MAJOR ACHIEVEMENTS**

Ba-Phalaborwa has successfully provided shelter, tents, mattresses, and blankets to the public affected by disasters as they occur. The municipality has a robust Disaster Management Plan in place, and a thorough Risk Assessment Review has been conducted.

The Municipal Disaster Management Unit actively participated in various potential disaster-prone activities in collaboration with all first responders, including:

- Conducting awareness campaigns
- Participating in disaster management meetings such as the District Command Council, District JOC, District Disaster Management Forum, Fire Protection Association, South African Police Cluster meetings, and others
- Engaging in joint operation committees and Local Command Councils
- Organizing municipally coordinated events for the year 2023/24

#### **3.21.5. CONSTRAINTS EXPERIENCED**

Despite the achievements, the approved Disaster Management Plan necessitates the appointment of a Risk Reduction Officer and an Awareness and Response Officer, which presents a current constraint for implementation.



### 3.21.6. EMPLOYEE DISTRIBUTION: DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, AND PUBLIC CONTROL

The employee distribution at various job levels for the financial years 2021/22, 2022/23, and 2023/24 is presented in the table below. The data includes the number of employees, posts, vacancies (full-time equivalents), and the corresponding percentage of vacancies concerning the total posts. It is crucial to note that these positions are as of June 30, and the establishment and funding of posts must align with the approved budget or adjustment budget. The table provides a comprehensive overview of the workforce in these critical areas, ensuring effective disaster management, animal licensing and control, and public safety.

| EMPLOYEES: DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, PUBLIC CONTROL   |           |           |          |           |                                      |                                     |
|--|-----------|-----------|----------|-----------|--------------------------------------|-------------------------------------|
| Job level  | 2021/22   | 2022/23   | 2023/24  |           |                                      |                                     |
| Job Level  | Employees | Employees | Posts    | Employees | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| No.  | No.       | No.       | No.      | No        |                                      |                                     |
| 0-3  | 1         | 1         | 1        | 1         | 0                                    | 100%                                |
| 4-6  | 1         | 1         | 1        | 1         | 0                                    | 100%                                |
| 7-9  | 2         | 2         | 2        | 2         | 0                                    | 100%                                |
| 10-12  | 0         | 0         | 0        | 0         | 0                                    | 100%                                |
| <b>Total</b>   | <b>4</b>  | <b>4</b>  | <b>4</b> | <b>4</b>  | <b>0</b>                             | <b>100%</b>                         |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. |           |           |          |           |                                      |                                     |

Table 59: Employee Distribution - Disaster Management, Animal Licensing & Control, and Public Control

## COMPONENT H: SPORT AND RECREATION

### 3.22. SPORT AND RECREATION

#### 3.22.1. OVERVIEW OF SPORTS AND RECREATION

According to the National Sport and Recreation Act No. 110 of 1998, Section 3(a), a municipality may carry out sporting or recreational activities or activities relating to physical education, sport, and recreation, including training programmes and the development of leadership qualities. The Sport, Arts, and Culture unit at Ba-Phalaborwa Municipality actively supports initiatives led by the Department of Sport, Arts, and Culture at district, provincial, and national levels, as outlined in the Memorandum of Understanding (MOU) signed between BPM and the Department.



The municipality hosts various events such as Indigenous games, Golden Games, Club development games, Visual and Performing Arts, and South African Football Association activities, spanning from streams/wards within BPM, including the annual Mayor's Cup.

Ba-Phalaborwa Municipality has a dedicated Sports Confederation/Council and an Arts and Culture Council to oversee sports and cultural activities. However, many local clubs struggle with organizational challenges, limiting their participation in leagues due to a lack of sponsorship. To address this, the municipality highlights the importance of private sector support in promoting sports development. Additionally, Municipal Infrastructure Grant (MIG) funding is strategically allocated to improve and develop high-quality sports facilities that benefit the community.

Within the Sport, Arts, and Culture Unit, a single employee serves as the Coordinator/Officer responsible for Mayoral Programs and coordinating sports, arts, and culture activities. Despite maintaining sports facilities such as Lulekani Stadium, Mashishimale Sports Complex, and Namakgale Stadium, it is noteworthy that the revenue generated from these facilities falls short of covering necessary maintenance expenses. The municipality acknowledges the importance of budgeting additional revenue to ensure the proper upkeep of these facilities.

### 3.22.2. 2023/24 CAPITAL EXPENDITURE: SPORTS AND RECREATION

In the area of Sport and Recreation, the capital expenditure for the financial year 2023/24 reflects the financial allocation and actual expenditure for specific capital projects. The table below provides a breakdown of the budgeted amount, adjustment budget, actual expenditure, variance from the original budget, and the total project value for key initiatives within this sector. Notable projects include the construction of the Selwane Sports Complex and Namakgale Stadium. The table encapsulates crucial financial details, offering insights into the implementation and financial performance of key capital projects in the Sport and Recreation area for the specified financial year.

| Capital expenditure 2023/24: Sport and Recreation<br>R`000 |                   |                      |                       |                                     |                        |
|--|-------------------|----------------------|-----------------------|-------------------------------------|------------------------|
| Capital Projects   | 2023/24<br>Budget | Adjustment<br>Budget | Actual<br>Expenditure | Variance from<br>original<br>budget | Total project<br>value |
| Upgrading of Ben-Farm Road Phase 2                         | 10 792            | 20 075               | 20 075                | (9 283)                             | 30 420                 |
| Construction of stormwater culverts                        | 10 000            | 5 857                | 5 856                 | 4 143                               | 28 000                 |
| Refurbishment of Namakgale Stadium                         | 15 000            | 7 341                | 7 341                 | 7 659                               | 44 9410                |



|   |  |  |  |  |  |
|---|--|--|--|--|--|
|   |  |  |  |  |  |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure) |  |  |  |  |  |

Table 60: Capital Expenditure - Sports &amp; Recreation

### 3.22.3. SPORTS AND RECREATION ACTIVITIES

#### 3.22.3.1. LOCAL INDIGENOUS GAMES

The municipality successfully coordinated the Indigenous games which involved community members from our 19 wards. The sporting codes they participated in are Ncuva, Morabaraba, Kgati, Diketo, Jukskei, Intonga, Driestokies Dibeke and Khokho. A total of 300 people participated in the local selections games and 123 people were selected to participate in the District games. These games are coordinated from the hubs with the assistance of hub coordinators employed by the Department of Sport, Arts & Culture. The municipality has three hubs, namely Mashishimale, Namakgale, and Lulekani.

#### 3.22.3.2. LOCAL INDIGENOUS GAMES – ACTIVE AGEING PROGRAM

The municipality successfully coordinated the Golden games which involves older persons from the age of 60 years and above. These games involve participants from the old age centres and the organizations which are coordinated by the Department of Social Development. The main purpose of this program is to promote a healthy living and encourage the older person to be active in their centres. The Sporting codes that they engage in are Briskwalk, Jukskei, Athletics, Rugbythrow, passing the ball, Ball pass and kick, and male and female football. More than 300 older persons from centres participated in the local selections and 90 participated in the District games, 18 participated in the provincial games and 2 participated in National Games.

#### 3.22.4. ARTS AND CULTURE EXTRAVAGANZA

The arts and culture sector stands out as a highly creative industry capable of contributing significantly to the municipality's vision of becoming the premier tourism destination. Moreover, it serves to boost revenue while showcasing the rich and diverse traditional heritage embedded within our municipality. Numerous visual and performing artists consistently reap the rewards of their talents during the annual Marula and Mapungubwe festivities expertly coordinated by the Department of Sport, Arts, and Culture in collaboration with LEDET.

Through the assistance of the Department of Sport, Arts and Culture we managed to empower and capacitate 10 filmmakers who attended a two-day Provincial filmmaker's capacity building workshop.



The Arts and Culture and Creative film industry managed to host two successful programs during the Annual Marula Festival, Marula Film Festival, and Theatre Night. More upcoming artists continue to get platforms to showcase their talents during our local events, and most have now gained the status of being national artists to name a few, Ali Mocca, Motlanalo, The B Brothers, PHB Finest, and DJ Sweeto. We continue to unearth the raw talent and give them exposure through different programs within our municipality.

### **3.22.5 FEDERATIONS AND LEAGUES**

The Municipality has a functional Sports Confederation Council, which has functional federations. The federation has ongoing seasonal leagues which involve the Football league, Netball league, Cricket, Basketball, and Boxing.

The football federation has challenges of lack of support or sponsors from the private sector. This challenge affects the federation to develop and promote clubs and players to another professional level. Most clubs are participating in unorganized tournaments because federations do not have sponsors from the private sector and it destroys football development.

Ba-Phalaborwa municipality has about 94 football teams' male and female and less than 20 teams are participating in organized league.

We have one ladies football team (Sealene ladies) participating in the Sasol ladies Provincial League and have 3 Ladies teams Participating in the Regional Ladies League.

## **COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES**

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### **3.23. CORPORATE POLICY OFFICE**

Due to financial limitations, the Municipality currently lacks a dedicated corporate policy office. Instead, individual departments are responsible for policy development, and the legal unit ensures their quality before seeking approval from the Council. The Corporate Services Department manages a master file that compiles all the approved policies.

### **3.24. EXECUTIVE AND COUNCIL**

Ba-Phalaborwa Local Municipal Council is headed by the Speaker, and this is the legislative authority of the Municipality. The Executive Committee is headed by the Mayor, assisted by the Municipal Manager. The appointed Senior Managers are responsible for the functioning of their respective directorates. The roles and responsibilities of Politicians and the



Administration are clearly defined in the approved Delegation of Authority. The Delegation of Authority was reviewed and approved by the Council.

### 3.24.1. EMPLOYEES: EXECUTIVE AND COUNCIL

| Employees: The Executive and Council  |               |               |            |               |                                      |                                     |
|---|---------------|---------------|------------|---------------|--------------------------------------|-------------------------------------|
| Job level   | 2021/22       | 2022/23       | 2023/24    |               |                                      |                                     |
| Job Level   | Employees No. | Employees No. | Posts No.  | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3   | 29            | 29            | 31         | 29            | 4                                    | 0.09%                               |
| 4-6   | 90            | 90            | 140        | 90            | 10                                   | 1.07%                               |
| 7-9   | 137           | 137           | 148        | 137           | 14                                   | 0.94%                               |
| 10-12   | 110           | 110           | 187        | 110           | 90                                   | 0.58%                               |
| 13-14   | 120           | 120           | 199        | 120           | 99                                   | 0.63%                               |
| <b>Total</b>  | <b>486</b>    | <b>486</b>    | <b>706</b> | <b>486</b>    | <b>217</b>                           | <b>2.5%</b>                         |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total to give the number of posts equivalent to the accumulated days. |               |               |            |               |                                      |                                     |

Table 61: Employee Distribution - Executive & Council

## 3.25. FINANCIAL SERVICES

### 3.25.1. DEBT RECOVERY

The table provides an overview of debt recovery details, specifically focusing on different types of accounts for the financial years 2021/22, 2022/23, and 2023/24. It includes billed amounts for property rates, electricity (C category), and refuse services, along with the estimated outturn for accounts billed in the respective years. The percentage of accounts billed that were successfully collected is also presented, offering insights into the efficiency of debt recovery processes for each category. The data underscores the municipality's performance in recovering outstanding amounts within various service sectors, such as property rates, electricity, and refuse services, over the specified time frame.

| Debt recovery |         |         |         |
|---------------|---------|---------|---------|
|               | 2021/22 | 2022/23 | 2023/24 |



| Details of the types of account raised and recovered | Billed in year | Estimated outturn for accounts billed in year | Estimated proportion of accounts billed that were collected % | Billed in year | Estimated outturn for accounts billed in year | Estimated proportion of accounts billed that were collected % | Billed in year | Estimated outturn for accounts billed in year | Estimated proportion of accounts billed that were collected % |
|--|----------------|---|---|----------------|---|---|----------------|---|---|
| Property Rates                                       | 141,423,062    |   | 60%   | 169 772 000    | 88 202000                                     | 52%   | 124 009 163.53 | 64 560 959.35                                 | 52%   |
| Electricity – C                                      | 107,019,986    |   | 69%   | 125 091 000    | 103 677 000                                   | 83%   | 101 250 598.5  | 62 712 522.1                                  | 62%   |
| Refuse   | 16,565,018     |   | 29%   | 18 602 000     | 5 809 000                                     | 31%   | 20 189 915.38  | 10 511 161.18                                 | 52%   |

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them

Table 62: Debt Recovery

### 3.25.2. EMPLOYEES: FINANCIAL SERVICES

The table below provides an overview of the employee distribution within the Financial Services department across different job levels for the financial years 2021/22, 2022/23, and 2023/24. It includes the number of employees in each job level, the total number of posts, the vacancies (full-time equivalents), and the corresponding percentage of vacancies concerning the total posts. The data highlights the workforce composition and staffing dynamics within the Financial Services department over the specified period, reflecting the changes in employee numbers and vacancy rates across various job levels.

| Employees: Financial Services |               |               |           |               |                                      |                                     |
|-------------------------------|---------------|---------------|-----------|---------------|--------------------------------------|-------------------------------------|
| Job level                     | 2021/22       | 2022/23       | 2023/24   |               |                                      |                                     |
| Job Level                     | Employees No. | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3                           | 5             | 5             | 5         | 5             | 0                                    | 50%                                 |
| 4-6                           | 20            | 20            | 29        | 20            | 9                                    | 69%                                 |
| 7-9                           | 9             | 9             | 26        | 9             | 17                                   | 35%                                 |
| 10-12                         | 2             | 2             | 4         | 2             | 2                                    | 25%                                 |
| 13-14                         | 0             | 0             | 0         | 0             | 0                                    | 0%                                  |
| <b>Total</b>                  | <b>36</b>     | <b>36</b>     | <b>64</b> | <b>36</b>     | <b>28</b>                            | <b>15%</b>                          |



Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total to give the number of posts equivalent to the accumulated days.

Table 63: Employees - Financial Services

## 3.26. HUMAN RESOURCE SERVICES

### 3.26.1. OVERVIEW OF HUMAN RESOURCE SERVICES

The Human Resource Section oversees various essential functions within the Municipality, including:

- a) Recruitment, Selection, and Benefits
- b) Personnel Administration
- c) Skills Development
- d) Occupational Health and Safety
- e) Labour Relations
- f) Organisational Development
- g) Employee Wellness
- h) Individual Performance Management

During the financial year of 2023/2024, the Municipality, through its Human Resources Division, successfully recruited **20 new employees**.

Furthermore, the Human Resources Management and Training Division achieved the development and submission of the Workplace Skills Plan by the stipulated LGSETA timeframe, which encompassed the implementation of 50 training interventions, benefiting a total of thirty-seven (37) councillors and hundred and twenty-four (124) officials.

The Municipality also administered a Bursary Scheme aimed at enhancing the skills of municipal employees and other students through the Mayoral Bursary Scheme. In the fiscal year 2023/24, no new bursaries were awarded. However, fourteen (14) members of staff remain on the internal bursary scheme for the duration of their studies. We also have five (5) external bursaries that remain active.

### 3.26.2. EMPLOYEES: HUMAN RESOURCE SERVICES

The following table presents a comprehensive overview of the distribution of employees across different job levels within the Human Resource Services department for the financial years 2021/22 through 2023/24. The data includes the number of employees, posts, vacancies, and vacancy percentages, providing valuable insights into the workforce dynamics during this period.



| Employees: Human Resource Services  |               |               |           |               |                                      |                                     |
|---|---------------|---------------|-----------|---------------|--------------------------------------|-------------------------------------|
| Job level   | 2021/22       | 2022/23       | 2023/24   |               |                                      |                                     |
| Job Level   | Employees No. | Employees No. | Posts No. | Employees No. | Vacancies (fulltime equivalents) No. | Vacancies (as a % of total posts) % |
| 0-3   | 1             | 1             | 1         | 1             | 0                                    | 100%                                |
| 4-6   | 4             | 4             | 4         | 4             | 1                                    | 95%                                 |
| 7-10  | 5             | 5             | 6         | 5             | 0                                    | 100%                                |
| <b>TOTAL</b>  | 10            | 10            | 11        | 10            | 0                                    | 100%                                |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total to give the number of posts equivalent to the accumulated days. |               |               |           |               |                                      |                                     |

Table 64: Employee Distribution - Human Resource Services

### 3.26.3. 2023/24 FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES

The table below provides a detailed overview of the financial performance of Human Resource Services during the financial years 2021/22 through 2023/24. It includes actual figures for operational revenue, operational expenditure, and specific categories such as Other Employees and Repairs & Maintenance. Additionally, the table outlines the original budget, adjustment budget, actual values, and variances to the budget, offering a comprehensive analysis of the department's financial status for the specified period.

The Human Resources services demonstrated commendable performance across various responsibilities, particularly in skills development during the 2023/24 financial year. A total of 33 training interventions were successfully implemented, accounting for a cost of R R1 730 822.77 from the total budget of R 1 732 060.00, representing an allocation of 99.9%.

The performance of Labour Relations was generally satisfactory, with notable achievements, except for the Local Labour Forum (LLF), which has been convened but has experienced limited progress in finalizing consultative processes.

Throughout the 2023/2024 financial year, the Municipality reported three disciplinary cases. Of these, two cases have been concluded, while one case remains active, involving a violation of the code of conduct. This matter is currently under review at the Labour Court.



| Financial performance 2023/24: Human Resource Services   |          |         |                 |                   |         |                    |
|--|----------|---------|-----------------|-------------------|---------|--------------------|
| Details  | 2021/22  | 2022/23 | 2023/24         |                   |         |                    |
|  | Actual   | Actual  | Original budget | Adjustment budget | Actual  | Variance to budget |
| Total operational revenue (excluding tariffs)  | 0        | 303     | 0               | 0                 | 305     | 305                |
| Expenditure:   |          |         |                 |                   |         |                    |
| Other Employees  | 2 693    | 1 547   | 166             | 166               | -899    | 733                |
| Repairs & Maintenance  | –        | 0       |                 |                   |         |                    |
| Other  | 8 399    | 7 381   | 11 974          | 11 974            | 8 566   | 3 408              |
| Total operational expenditure  | 11 092   | 8 928   | 12 140          | 12 140            | 7 666   | 4 474              |
| Net operational (service) expenditure  | (11 092) | (8 625) | 0               | 0                 | (7 361) | (4 169)            |
| Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual |          |         |                 |                   |         |                    |

Table 65: Financial Performance - Human Resource Services

### 3.27. INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT division is delegated by the Accounting Officer the responsibility of delivering various services, including:

- Provide ICT support to the Municipality.
- Manage of Information Security.
- Provide effective maintenance and support services.
- Coordinate network connectivity.
- Provide effective use of systems and Website, and
- Distribution and allocation of IT equipment.

#### 3.27.1. EMPLOYEES: ICT SERVICES

The following table provides a detailed overview of the employee distribution across various job levels within the ICT Services department for the financial years 2021/22 through 2023/24. The data includes the number of employees, posts, vacancies, and vacancy percentages, offering valuable insights into the workforce composition during this period. All figures are as of June 30th, and it's important to note that posts are established and funded as per the approved budget or adjustment budget. Additionally, full-time equivalents are calculated based on the total number of working days lost due to vacant posts, excluding weekends and public holidays.



| Employees: ICT Services   |                  |                  |              |                  |   |   |
|---|------------------|------------------|--------------|------------------|---|---|
| Job level   | 2021/22          | 2022/23          | 2023/24      |                  |   |   |
|   | Employees<br>No. | Employees<br>No. | Posts<br>No. | Employees<br>No. | Vacancies<br>(fulltime<br>equivalents)<br>No. | Vacancies<br>(as a % of<br>total<br>posts)<br>% |
| 0-3   | 1                | 1                | 1            | 1                | 1   | 100%  |
| 4-6   | 2                | 2                | 4            | 2                | 2   | 100%  |
| 7-9   | 1                | 1                | 1            | 1                | 0   | 80%   |
| <b>Total</b>  | <b>4</b>         | <b>4</b>         | <b>6</b>     | <b>4</b>         | <b>1</b>                                      | <b>90%</b>                                      |
| Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total to give the number of posts equivalent to the accumulated days. |                  |                  |              |                  |   |   |

Table 66: Employee Distribution - ICT Services

### 3.27.2. 2022/23 FINANCIAL PERFORMANCE: ICT SERVICES

The table below presents a comprehensive overview of the financial performance of ICT Services for the financial years 2021/22 through 2023/24. It includes actual figures for operational revenue, operational expenditure, and specific categories such as Other Employees, Repairs & Maintenance, and Other. The table also outlines the original budget, adjustment budget, actual values, and variances to the budget, providing a detailed analysis of the department's financial status for the specified period. Notably, the net operational (service) expenditure reflects the financial outcome after considering both revenue and expenditure, resulting in a variance to the budget. Variances are calculated by dividing the difference between the actual and original budget by the actual figures.

| Financial performance 2023/24: ICT Services<br>(R'000)  |         |          |                 |                   |        |                    |
|---|---------|----------|-----------------|-------------------|--------|--------------------|
| Details   | 2021/22 | 2022/23  | 2023/24         |                   |        |                    |
|   | Actual  | Actual   | Original budget | Adjustment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs)   | -       | 0        | 0               | 0                 | 0      | 0                  |
| Expenditure:  |         |          |                 |                   |        |                    |
| Other Employees   | 7 905   | 8 545    | 9 835           | 9 835             | 8 910  | 925                |
| Repairs & Maintenance   | 101     | 47       |                 |                   |        |                    |
| Other   | 6 952   | 7 218    | 16 152          | 16 152            | 5 746  | 104 06             |
| Total operational expenditure   | 14 958  | 15 810   | 25 987          | 25 987            | 14 656 | 11 331             |
| Net operational (service) expenditure   | 14 958  | (15 810) | 25 987          | 25 987            | 14,656 | 11 331             |
| Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. |         |          |                 |                   |        |                    |



Table 67: Financial Performance - ICT Services

**3.27.3. 2023/24 CAPITAL EXPENDITURE: ICT SERVICES**

| Capital expenditure 2023/24: ICT Services<br>R`000 |         |                   |                    |                               |                     |
|--|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects                                   | 2023/24 |                   |                    |                               |                     |
|  | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Total all  | 0       | 0                 | 0                  | 0                             | 0                   |

Table 68: Capital Expenditure - ICT Services

**3.27.4. OVERALL PERFORMANCE OF ICT SERVICES**

Municipalities are mandated to adhere to the ICT Municipal Governance Framework, as outlined by Section 75 of the Local Government Municipal Finance Management Act No 56 of 2003. This provision requires Municipalities to comply with the Act, particularly in terms of placing specific documents on the Municipal Website. Additionally, the ICT Governance Framework necessitates the procurement of ICT equipment and infrastructure. In this context, Ba-Phalaborwa Local Municipality is actively providing ICT support to employees, Councillors, and other stakeholders within its jurisdiction.

The ICT unit, designated as an enabling unit by the Accounting Officer, plays a pivotal role in supporting all departments within the Municipality to enhance effectiveness and efficiency in achieving municipal objectives. In the reviewed year, the ICT unit successfully delivered the following services:

**a) Infrastructure (LAN, WAN, Software, and Hardware)**

- Upgraded the Collaborator Electronic Document Management system.
- Ensured 100% Web content update.
- Maintained 100% email availability.
- Ensured dynamic websites remained active, running, and updated daily.
- Renewed CaseWare Software.
- Activated Azure subscription.
- Implemented disaster recovery on the cloud.
- Renewed the license for ERP.

**b) ICT Governance**

- 4 Quarterly ICT steering committee meetings were held.
- The second year of Microsoft enterprise agreement was implemented.



**c) Security**

- Sophos Anti-Virus and Firewall Subscription renewed.
- Mimecast mail security license renewed'
- Penetration test was done in collaboration with an internal audit for internet access.
- Successfully conducted simulation for phishing through e-mails.
- 100 % Virus Free environment (No malicious incidents reported).
- Security Awareness was conducted through email and Windows login screen.

**3.28. PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES****3.28.1. OVERVIEW OF PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES**

The Municipality has instituted a Risk Management Committee to identify and mitigate risks while reinforcing internal controls, aligning with the requirements of MFMA section 62(i) (c). The Municipality has designated a Risk Officer in pursuit of maintaining an effective, efficient, and transparent financial and risk management system.

Additionally, the Municipality has established a Legal Section tasked with providing comprehensive advice to the entire municipality on all legal matters, encompassing litigations and other law-related concerns.

**3.28.2. SERVICE STATISTICS FOR PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICE****a) Legal statistics**

The municipality is actively managing four categories of legal cases, including:

- Cases filed against the municipality (18 in total);
- Cases initiated by the municipality against external parties (17 in total);
- Cases initiated by the municipality against residents who violate the municipality's Land Use Scheme; and
- Building Regulations and Standards Act (20 in total)
- 4 Labour Court cases (2)

**3.28.3. 2023/24 FINANCIAL PERFORMANCE OF PROPERTY, LEGAL, RISK MANAGEMENT, AND PROCUREMENT SERVICES**

The table below presents the financial performance of Property, Legal, Risk Management, and Procurement Services for the financial year 2023/24. It outlines key details, including actual figures for 2021/22, and 2022/23, as well as the original and adjustment budgets and actual figures for 2023/24. The focus is on total operational revenue (excluding tariffs) and expenditure categories such as Other Employees, Repairs & Maintenance, and Other



expenses. The table provides a comprehensive overview, including variances in the budget, allowing for an analysis of the financial health of these services during the specified period.

| Financial performance 2023/24: Property, Legal, Risk Management and Procurement Services R'00,  |         |         |                 |                    |        |                    |
|---|---------|---------|-----------------|--------------------|--------|--------------------|
| Details   | 2021/22 | 2022/23 | 2023/24         |                    |        |                    |
|   | Actual  | Actual  | Original budget | Adjust ment budget | Actual | Variance to budget |
| Total operational revenue (excluding tariffs)   | –       | 0       | 0               | 0                  | 0      | 0                  |
| Expenditure:  |         |         |                 |                    |        |                    |
| Other Employees   | 4 744   | 5 059   | 1 936           | 1 936              | 4 827  | (2 891)            |
| Repairs & Maintenance   | 35      | 42      |                 |                    |        |                    |
| Other   |         | 12 903  | 9 989           | 9 989              | 20 707 | (10 718)           |
|   | 1 165   |         |                 |                    |        |                    |
| Total operational expenditure   | 3 614   | 18 004  | 11 925          | 11 925             | 25 534 | (13 609)           |
| Net operational (service) expenditure   | 3 614   | 18 004  | 11 925          | 11 925             | 25 534 | (13 609)           |
| Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. |         |         |                 |                    |        |                    |

Table 69: Financial Performance - Property, Legal, Risk Management & Procurement Services

### 3.28.4. CAPITAL EXPENDITURE: PROPERTY, LEGAL, RISK MANAGEMENT, AND PROCUREMENT SERVICES

The table below outlines the capital expenditure for Property, Legal, Risk Management, and Procurement Services for the financial year 2023/24. It details various capital projects, providing information such as the original budget, adjustment budget, actual expenditure, and the variance from the original budget. The "total all" category represents the overall capital expenditure for the specified period. The "total project value" signifies the estimated cost of each project upon approval by the Council, encompassing both past and future expenditures as appropriate. This table serves as a valuable resource for assessing the financial investments made in key projects within these service areas.

| Capital expenditure 2023/24: Property, legal, Risk Management and Procurement Services R'000 |         |                   |                    |                               |                     |
|--|---------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects   | 2023/24 |                   |                    |                               |                     |
|  | Budget  | Adjustment Budget | Actual Expenditure | Variance from original budget | Total project value |
| Total all  | 0       | 0                 | 0                  | 0                             | 0                   |
| Project A  | 0       | 0                 | 0                  | 0                             | 0                   |

Table 70: Capital Expenditure - Legal, Risk Management & Procurement Services



## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4. ORGANISATIONAL STRUCTURE REVIEW AND STAFF TURNOVER ANALYSIS

##### 4.1. OVERVIEW OF ORGANISATIONAL STRUCTURE REVIEW AND STAFF TURNOVER ANALYSIS

It is a requirement in terms of the Local Government Municipal Systems Act No 32 of 2000, to review the Organisational Structure timeously to align it with the Municipal IDP and Budget. The alignment of the IDP and Organisational Structure assists in recruiting personnel who will support the Municipality in achieving its objectives and give effect to service delivery.

The Municipality approved its Organisational Structure for the year 2023/24 on the 26th of May 2023 as per Council Resolution No. 208/22. The 2023/2024 Organisational Structure reflected a total number of 706 approved positions, of which four hundred and fifty-four (454) positions were filled and two hundred and fifty-two (252) were vacant for the year under review.

##### 4.2. STAFF TURNOVER

The Municipality experienced a high staff turnover whereby a total of twenty-five (20) employees left the organization in the financial year 2022/23 as follows: -

|                     |   |           |
|---------------------|---|-----------|
| ▪ Resignations      | = | 04        |
| ▪ Early retirement: | = | 07        |
| ▪ Normal retirement | = | 05        |
| ▪ Death exit        | = | 04        |
| ▪ Dismissal         | = | 0         |
| ▪ End of contract   | = | 0         |
| ▪ <b>TOTAL</b>      | = | <b>20</b> |

##### 4.3. EMPLOYEE TOTALS, TURNOVER AND VACANCIES

###### 4.3.1. MUNICIPAL WORKFORCE ACROSS ALL SERVICES

The table below provides a comprehensive overview of the municipality's workforce, detailing the number of employees and approved posts across various services for the financial years 2021/22 through 2023/24. The data is organized by service category, including Water, Legal, Electricity, Waste Management, Town Planning & Housing, Finance, Roads & Stormwater, Building Services, Project Management Unit, ICT, Strategic Planning, Local Economic



Development, Library, Community & Social Services (Parks & Cemetery), Disaster Management, Security & Safety (Traffic & Licensing), Special Programs, Human Resources, Executive and Council Support, Audit and Risk Management.

The figures highlight the staffing dynamics within each service area, reflecting the number of filled positions, approved posts, and existing vacancies. This information provides insights into the municipality's human resource distribution and areas with potential recruitment needs.

| Employees                                      |                  |                    |                  |                    |                    |                  |                  |
|--|------------------|--------------------|------------------|--------------------|--------------------|------------------|------------------|
| Description                                    | 2021/22          |                    | 2022/23          |                    | 2023/24            |                  |                  |
|  | No. of employees | No. Approved posts | No. of employees | No. Approved posts | No. Approved posts | No. of employees | No. of vacancies |
| Water  | 108              | 42                 | 46               | 42                 | 108                | 46               | 62               |
| Legal  | 2                | 1                  | 1                | 2                  | 2                  | 1                | 1                |
| Electricity                                    | 59               | 39                 | 44               | 58                 | 58                 | 44               | 14               |
| Waste Management                               | 86               | 46                 | 59               | 88                 | 88                 | 59               | 29               |
| Town Planning & Housing                        | 16               | 8                  | 8                | 16                 | 16                 | 8                | 8                |
| Finance  | 63               | 34                 | 34               | 64                 | 34                 | 34               | 30               |
| Roads & Stormwater                             | 38               | 12                 | 25               | 12                 | 38                 | 25               | 13               |
| Building Services                              | 31               | 14                 | 22               | 14                 | 38                 | 22               | 16               |
| Project Management unit                        | 0                | 0                  | 3                | 3                  | 4                  | 4                | 0                |
| ICT  | 6                | 5                  | 5                | 6                  | 6                  | 5                | 1                |
| Strategic Planning                             | 3                | 2                  | 2                | 3                  | 3                  | 2                | 1                |
| Local Economic Development                     | 7                | 4                  | 4                | 7                  | 7                  | 4                | 3                |
| Library  | 22               | 9                  | 9                | 22                 | 22                 | 9                | 13               |
| Community & social services (parks & Cemetery) | 89               | 52                 | 56               | 89                 | 89                 | 56               | 33               |
| Disaster Management                            | 4                | 4                  | 3                | 5                  | 5                  | 3                | 2                |
| Security & safety (Traffic & licensing)        | 42               | 22                 | 30               | 42                 | 42                 | 30               | 12               |
| Special programs                               | 3                | 3                  | 3                | 3                  | 3                  | 3                | 0                |
| Human Resources                                | 11               | 10                 | 13               | 13                 | 13                 | 13               | 1                |
| Executive and Council support                  | 94               | 71                 | 46               | 55                 | 55                 | 46               | 9                |



|                           |            |            |            |            |            |            |            |
|---------------------------|------------|------------|------------|------------|------------|------------|------------|
| Audit and risk management | 6          | 0          | 6          | 6          | 6          | 6          | 0          |
| <b>Totals</b>             | <b>700</b> | <b>458</b> | <b>419</b> | <b>666</b> | <b>666</b> | <b>419</b> | <b>269</b> |

Table 71: Municipal Workforce across all Services

#### 4.3.2. 2023/24 VACANCY RATE

The table below presents the municipality's vacancy rate for the financial year 2023/24 and it is analyzed across various designations and categories, shedding light on the staffing dynamics. This detailed overview provides valuable insights into the specific areas where vacancies persist, aiding in workforce planning and management strategies.

| Vacancy Rate: 2023/24  |                      |  |
|--|----------------------|--|
| Designation  | Total approved posts | Variances (Total time that vacancies exist using fulltime equivalents) |
|  | No.                  | No.  |
| Municipal Manager  | 1                    | 1  |
| CFO  | 1                    | 1  |
| Other S57 Managers (excluding Finance Posts)                     | 5                    | 1  |
| Other S57 Managers (Finance posts)                               | 1                    | 1  |
| Municipal Police   | n/a                  | n/a  |
| Fire Fighters  | n/a                  | n/a  |
| Senior Management: Levels 1-3 (excluding Finance Posts)          | 18                   | 8  |
| Senior Management: Levels 1-3 (Finance Posts)                    | 5                    | 0  |
| Highly skilled supervision: Levels 4-6 (excluding Finance posts) | 92                   | 28   |
| Highly skilled supervision: Levels 4-6 (Finance posts)           | 30                   | 12   |
| <b>Total</b>   | <b>153</b>           | <b>52</b>  |

Table 72: 2022/24 Vacancy Rate

#### 4.3.3. TURN-OVER RATE

The turnover rate for the municipality is calculated based on the total appointments at the beginning of each financial year and the number of terminations during that year. In the financial year 2021/22, there were 55 total appointments, with 19 terminations, resulting in a turnover rate of 34%. For the 2022/23, there were 20 total appointments and 30 terminations, leading to a turnover rate of 32%. The turnover rate is determined by dividing the number of employees who have left the organization within a year by the total number of employees who occupied posts at the beginning of the year. This data provides insights into workforce stability and retention efforts within the municipality.



| Turn-over Rate |  |  |                |
|----------------|--|--|----------------|
| Details        | Total Appointments as of beginning of financial year No. | Terminations during the financial year No. | Turn-over Rate |
| 2021/22        | 55   | 19   | 34%            |
| 2022/23        | 20   | 30   | 32%            |
| 2023/24        | 18   | 22   | 29%            |

Table 73: Turn-Over Rate

## COMPONENT B: MUNICIPAL WORKFORCE MANAGEMENT

### 4.4. MUNICIPAL WORKFORCE MANAGEMENT

#### 4.4.1. OVERVIEW OF MUNICIPAL WORKFORCE MANAGEMENT

The Ba-Phalaborwa Municipality recognizes the pivotal role of its employees as the most valuable assets crucial to the realization of its objectives. The workforce composition of the municipality is intricately linked to the requirements of the IDP. Consequently, an annual review of the organizational structure is conducted to align with the municipality's functions and fulfill its strategic goals. In accordance with the Municipal System Act 32 of 2000 (MSA), Section 67, municipalities are mandated to establish and implement appropriate systems and procedures for fair, efficient, effective, and transparent personnel administration, in line with the Employment Equity Act 1998. The Municipality emphasizes the importance of practicality in implementing these programs, emphasizing their achievability. Accurate information about race, gender, and disability is essential in crafting programs that reflect the demographics within the municipality.

### 4.5. HUMAN RESOURCE POLICIES

The Municipality places a strong emphasis on the effective governance of its human resources, and as part of this commitment, several HR policies have been reviewed for the year 2022/23. These policies play a crucial role in shaping the work environment, ensuring fair practices, and promoting the well-being of municipal employees. The comprehensive review of these policies underscores the municipality's dedication to maintaining transparent and equitable human resource practices. These policies were officially adopted by the Council on the 29th of November 2023, as evidenced by Council Resolution No. 545/23. This commitment to keeping HR policies up to date aligns with the municipality's overarching goal of fostering a conducive and supportive working environment for its staff.



The Municipality did not approve the policies as planned due to the non-progression of the Local Labour Forum during the LLF meetings and the consultative processes. A total number of seven (07) policies were reviewed pending approval by Council.

| HR Policies & Plans                |                                   |             |            |  |
|------------------------------------|-----------------------------------|-------------|------------|--|
|                                    | Name of Policy                    | Completed % | Reviewed % | Date adopted by council or comment on failure to adopt       |
| <b>REVIEWED POLICIES – 2023/24</b> |                                   |             |            |  |
| 1.                                 | Overtime policy                   | 100%        | 100%       | Policy adopted by council on the 28 November 2023, CR.545/23 |
| 2.                                 | Leave Policy                      | 100%        | 100%       | Policy adopted by council on the 28 November 2023, CR.545/23 |
| 3.                                 | Staff Provisioning Policy         | 100%        | 100%       | Policy adopted by council on the 28 November 2023, CR.545/23 |
| 4.                                 | Acting on Higher positions Policy | 100%        | 100%       | Policy adopted by council on the 28 November 2023, CR.545/23 |
| 5.                                 | Motor Vehicle Policy              | 100%        | 100%       | Policy adopted by council on the 28 November 2023, CR.545/23 |
| 6.                                 | Placement Policy                  | 100%        | 100%       | Policy adopted by council on the 28 November 2023, CR.545/23 |
| 7.                                 | Training & Development Policy     | 100%        | 100%       | Policy adopted by council on the 28 November 2023, CR.545/23 |

Table 74: Human Resource Policies

## 4.6. INJURIES, SICKNESS AND SUSPENSIONS

### 4.6.1. NUMBER AND COST OF INJURIES ON DUTY

The table below provides an overview of the number and cost of injuries on duty, categorizing them based on the type of injury and associated leave. It outlines the days of injury leave taken, the number of employees utilizing injury leave, the proportion of employees using sick leave, the average injury leaves per employee in days, and the total estimated cost in thousands of Rands. The types of injuries considered include those requiring basic medical attention only, temporary total disablement, permanent disablement, and fatal injuries. This data offers insights into the impact of work-related injuries on the workforce, allowing for an assessment of injury patterns and associated costs within the municipality.



| 2023/24 Number and cost of injuries on duty |                          |                              |  |  |                                   |
|---|--------------------------|------------------------------|--|--|-----------------------------------|
| Type of injury                              | Injury taken<br><br>Days | Employees using injury leave | Proportion employees using sick leave<br><br>% | Average injury leaves per employee<br><br>Days | Total estimated cost<br><br>R`000 |
| Required basic medical attention only       | 23                       | 5                            | 0.01%  | 0.21%  | R12 815.41                        |
| Temporary total disablement                 | n/a                      | n/a                          | n/a  | n/a  | n/a                               |
| Permanent disablement                       | n/a                      | n/a                          | n/a  | n/a  | n/a                               |
| Fatal                                       | n/a                      | n/a                          | n/a  | n/a  | n/a                               |
| <b>Total</b>                                | n/a                      | n/a                          | n/a  | n/a  | n/a                               |

Table 75: Number &amp; Cost of Injuries on Duty

#### 4.6.2. NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)

The table below presents information on the number of days and cost of sick leave (excluding injuries on duty) categorized by different designations within the municipality. The data encompasses the total sick leave days, the proportion of sick leave without medical certification, the number of employees using sick leave, the total number of employees in the post, the average sick leave per employee in days, and the estimated cost in thousands of Rands. This information allows for an assessment of sick leave patterns across various designations, aiding in workforce management and resource allocation strategies. A total number of 4 390 sick leave were recorded for the financial year 2023/24.

| Number of days and cost of sick leave (excluding injuries on duty) 2023/24                    |                              |   |                                       |                                     |   |                             |
|---|------------------------------|---|---------------------------------------|-------------------------------------|---|-----------------------------|
| Designations  | Total sick leave<br><br>Days | Proportion of sick leave without medical certification<br><br>% | Employees using sick leave<br><br>No. | Total employees in post*<br><br>No. | Average sick leave per employee<br><br>Days | Estimated cost<br><br>R`000 |
| MM & SEC 57 Managers  | 18                           | 0%  | 6                                     | 6                                   | 33%   |                             |
| Management (level 2-5)  | 637                          | 3%  | 70                                    | 60                                  | 9%  |                             |
| Highly skilled production (levels 6-8)  | 1598                         | 2%  | 95                                    | 102                                 | 6%  |                             |
| Skilled level (level 9-12)  | 472                          | 2%  | 37                                    | 36                                  | 8%  |                             |
| Lower skilled (level 13-14)   | 1710                         | 4%  | 171                                   | 172                                 | 10%   |                             |
| <b>Total</b>  | <b>4 390</b>                 | <b>11%</b>  | <b>379</b>                            | <b>401</b>                          | <b>66%</b>                                  |                             |
| Average is calculated by taking sick leave in column 2 divided by total employees in column 5 |                              |   |                                       |                                     |   |                             |

Table 76: Number of Days &amp; Cost of Sick Leave



The Municipality formulated the Workplace Skills Plan in compliance with the Skills Development Act and duly submitted it to the LGSETA, adhering to the stipulated requirements. As outlined in the Workplace Skills Plan, a comprehensive training initiative was implemented, benefiting a total of thirty-seven (37) councillors and one hundred and twenty-four (124) officials through various training interventions. Out of the allocated budget totalling **R1,644,881.06**, the municipality successfully utilized **R1,294,957.70** for enhancing workforce capacity, and achieving targeted training objectives.

The table below provides details of various training interventions conducted by the municipality from July 2023 to June 2024, encompassing diverse departments and focus areas. The municipality is committed to enhancing the skills and knowledge of its workforce, aligning with the approved Workplace Skills Plan (WSP). Each entry in the table includes the training intervention's date, the specific program, the employees trained, the department involved, and whether the WSP was approved for the respective training. This comprehensive overview highlights the proactive approach the municipality takes in promoting continuous learning and development among its staff across different departments.

[illegible]

| Date                   | Training Intervention  | Employees Trained   | Department   | WSP Approved |
|------------------------|--|---|--|--------------|
|                        |  | Madioppe S<br>Sekgobela K                                 | TS<br>TS   |              |
| 4 -7 July              | South African Society of Archivist Conference                  | Malebe D<br>Mohale V                                      | CORPS  | Yes          |
| 13-15 July 2023        | Municipal Staff Regulations (COGHSTA)                          | Cllr Nkuna T  | Office of the Mayor                                      | No           |
| 20 – 21 July 2023      | Waste Management Africa Summit                                 | Hlongwane TW  | Community and Social services                            | No           |
| 31 July-04 August 2023 | Management and Administration of Libraries Information Centres | Mokhabukhi NS<br>Ramaboka VP<br>Nyakane IL<br>Ramalepe TD | Community and Social Services                            | Yes          |
| <b>AUGUST 2023</b>     |  |   |  |              |
| 10-11 August 2023      | MSCOA Fundamental training                                     | Cllr Mabunda NO   | Council  | Yes          |
| 14-16 August 2023      | Institute of Internal Auditors conference                      | Makhongela MM<br>Mohlala RK<br>Maake CM<br>Lebelo CM      | Office of the Municipal Manager                          | Yes          |
| 16-17 August 2023      | Supply Chain   | Selepe W  | Budget and Treasury Office                               | No           |
| 18-19 August 2023      | State Protocol and Etiquette                                   | Hlungwani RP<br>Monyela KM                                | Office of the Municipal Manager                          | No           |
| <b>SEPTEMBER 2023</b>  |  |   |  |              |
| 12-14 September 2023   | MSCOA Fundamental training                                     | Cllr Mabunda NO   | Council  | Yes          |
| 6-8 September 2023     | Secretaries' Day   | 9 Officials   | All Departments  | Yes          |
| 12-14 September 2023   | GovTech conference   | Mahesu JN<br>Chuene RS<br>Malatji MD<br>Selepe S          | Office of the Municipal Manager<br>Corporate Services    | Yes          |
| 13-15 September 2023   | IERM conference  | Shai L<br>Molekoa SE                                      | Community and Social Services                            | Yes          |
| 21-22 September        | Ethics Management  |   | All Departments  | Yes          |
| 27-29 September 2023   | ITLMPOSA conference  | Cllr SR De Beer<br><br>Schoombie M                        | Office of the Mayor<br><br>Community and Social Services | Yes          |



| Date                 | Training Intervention  | Employees Trained  | Department   | WSP Approved |
|----------------------|--|--|--|--------------|
| <b>OCTOBER 2023</b>  |  |  |  |              |
| 4 October 2023       | Leave Awareness/ Code of Conduct Policy Awareness & Induction        | 22 Officials   | All Departments  | No           |
| 4 October 2023       | POPIA Act Training   | 30 Officials   | All Departments  | Yes          |
| 10-13 October 2023   | LIASA conference   | Mokhabukhi NS<br>Ramalepe TD   | Community and Social Services  | Yes          |
| 10-12 October 2023   | IRMSA conference   | Sekwari TMT<br>Mabitsela TJ  | Office of the Municipal Manager                                      | Yes          |
| 18-20 October 2023   | Ethics for Local Government  | 37 Councillors<br>13 Officials   | All Departments  | Yes          |
| 26-27 October 2023   | Risk Management 101 training   | Mabitsela TJ   | Office of the Municipal Manager                                      | Yes          |
| 24-26 October 2023   | CIGFARO conference   | Cllr Makasela R<br>Cllr Mukhari MP<br>Cllr Mabunda NO  | COUNCIL  | Yes          |
| (24-26 October 2023  | CIGFARO conference   | Sekwari TMT<br>Khoza LP<br>Makhongela MM<br>Ndzimande AT<br>Shiburi RST<br>Motloutsi MW<br>Nkhwashu PT<br>Malatji MD | Office of the Municipal Manager<br><br>BTO<br><br>Corporate Services | Yes          |
| 25-26 October 2023   | DMISA conference   | Moagi MB<br>Cllr SR De Beer  | Office of the Municipal Manager                                      | No           |
| 25-27 October 2023   | IMESA Conference   | Phasha MT<br>Madiope S<br>Nawa MJ  | Technical Services   | Yes          |
| <b>NOVEMBER 2023</b> |  |  |  |              |
| 08-10 November 2023  | IMPISA Conference  | Cllr T Nkuna<br>JB Selapyane<br>TS Mashale<br>MJ Phakula<br>YK Mashele<br>PMS Mangaba                                | Councillor<br>Corporate Services                                     | Yes          |
| 15-16 November 2023  | Annual Business Continuity Management & Disaster Recovery Conference | T Sekwari<br>R Chuene<br>T Mabitsela   | OMM<br>CORPS<br>OMM  | Yes          |



| Date                       | Training Intervention   | Employees Trained   | Department                      | WSP Approved |
|----------------------------|---|---|---------------------------------|--------------|
| 22-24 November 2022        | Annual Leadership Development for Women in Government & Parastatals | Mphogo KP   | Office of the Municipal Manager | Yes          |
| <b>DECEMBER 2023</b>       |   |   |                                 |              |
| 11-13 December 2023        | Pest Control Operator training                                      | Shai L Molekoa SE   | Community and Social Services   | Yes          |
| <b>FEBRUARY 2024</b>       |   |   |                                 |              |
| 8-9 February 2024          | Risk Management 101   | Sekwari TMT   | Office of the Municipal Manager | Yes          |
| 21-22 February 2024        | 6 <sup>th</sup> Annual Workplace Disability Management              | Mphogo KP   | Office of the Municipal Manager | Yes          |
| 27-28 February 2024        | WSP Seminar 2024  | Selapanye JB<br>Phakula MJ<br>Mangaba PMS<br>Rikhotso BB                | Corporate Services              | Yes          |
| 26 February -01 March 2024 | TLB training  | Rapatsa LP<br>Mpekoane T<br>Ndlovu DC                                   | Community and Social Services   | Yes          |
| 26 February -01 March 2024 | TCS Refresher Training  | Mafa MW<br>Mabasa M   | Community and Social Services   | Yes          |
| <b>MARCH 2024</b>          |   |   |                                 |              |
| 4-5 March 2024             | Enhancing the Municipal Electricity Revenue Value Chain             | A Ndzimande<br>N Tshishonga<br>M Mphachoe<br>R Sekgobela                | BTO<br><br>Technical Services   | No           |
| 07-15 March 2024           | Upgrading as Examiner of license                                    | MA Letsoalo   | Community & Social Services     | No           |
| 11-15 March 2024           | Records Management  | Malebe DT<br>Mohale MV<br>Chuene R<br>Selepe S<br>Semosa B<br>Makwala S | Corporate Services              | Yes          |
| <b>APRIL 2024</b>          |   |   |                                 |              |
| 16-19 April 2024           | CISA Audit Training   | Makhongela MM   | Office of the Municipal Manager | Yes          |
| 17-19 April 2024           | Sky Jack/Cherry Picker  | Magoto L<br>Monyela SP<br>Kgatlle ME                                    | Technical Services              | Yes          |



| Date             | Training Intervention        | Employees Trained  | Department                      | WSP Approved |
|------------------|------------------------------|--|---------------------------------|--------------|
|                  |                              | Mabasa HD<br>Ramalatso KD<br>Mashego L<br>Mudau PS<br>Baloyi LJ<br>Mathonsi JT<br>Shai TP  |                                 |              |
| 23-25 April 2024 | Audit & Risk Indaba          | Maaake MM<br>Sekwari T<br>Mabitsela T<br>Makhongela MM   | Office of the Municipal Manager | Yes          |
| <b>MAY 2024</b>  |                              |  |                                 |              |
| 06-07 May 2024   | IIA Public Sector Conference | Makhongela MM<br>Maaake MM<br>Mohlala KR   | Office of the Municipal Manager | Yes          |
| 06-10 May 2024   | Cable Joint Termination      | Mudau PS<br>Baloyi LJ<br>Malatji MM<br>Pilusa PM<br>Mashele N<br>Mathonsi JT<br>Nkwinika V<br>Mokgotho TV<br>Shingange K<br>Mundlovu IE<br>Ndlovu RT<br>Nkuna LJ<br>Monyela GP<br>Shai TP<br>Magoto L<br>Ramalatso K<br>Kgatile ME<br>Mabasa AA<br>Hlungwani TV<br>Mabasa HD | Technical Services              | Yes          |
| 13-17 May 2024   | Cable Fault Locator          | Shingange K<br>Nkuna L<br>Ndlovu R<br>Mokgotho T<br>Makelane K<br>Malatji M<br>Mudau P<br>Baloyi LJ<br>Mathonsi JT<br>Nkuna V  | Technical Services              | No           |
| 13-31 May 2024   | Advanced Welding             | Nkuna C<br>Nyalenda F<br>Mathonsi T  | Technical Services              | Yes          |
| 20-24 May 2024   | ORHVS                        | Shingange K<br>Nkuna L<br>Ndlovu R<br>Mokgotho T   | Technical Services              | No           |



| Date             | Training Intervention               | Employees Trained   | Department                       | WSP Approved |
|------------------|-------------------------------------|---|----------------------------------|--------------|
|                  |                                     | Makelane K<br>Malatji M<br>Mudau P<br>Baloyi LJ<br>Mathonsi JT<br>Nkuna V                                     |                                  |              |
| 20-24 May 2024   | Basic Mechanics for small equipment | Thibela MG<br>Shai AS<br>Rapatsa LP<br>Nkuna G<br>Malungane ML<br>Shingange GS<br>Mashai MF                   | Community & Social Services      | Yes          |
| <b>JUNE 2024</b> |                                     |   |                                  |              |
| 4-7 June 2024    | TB Conference                       | Mashale S   | Office of the Municipal Manager  | Yes          |
| 5-6 June 2024    | SAAMA Conference                    | Maswanganyi DP  | BTO                              | Yes          |
| 12-13 June       | SALGA Human Capital Symposium       | Cllr Malatji MM<br>Cllr NO Mabunda<br>Cllr T Nkuna<br>Selapyane JB<br>Phakula MJ<br>Mashele YK<br>Hlungwane S | Council<br><br><br><br><br>CORPS | No           |

Table 77: Skills Development &amp; Training

#### 4.7.1.1.1. SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

Municipality during the period under review couldn't implement the MFMA program due to outdated modules. The Municipality will be embarking on the MFMA tender with the updated modules.

### COMPONENT D: MANAGING WORKFORCE EXPENDITURE

#### 4.8. WORKFORCE EXPENDITURE

##### 4.8.1. OVERVIEW OF WORKFORCE EXPENDITURE

The control of workforce expenditure is ensured by budgeting for all vacancies outlined in the Organisational Structure.

##### 4.8.2. EMPLOYEE EXPENDITURE

Two positions were created during the review of the 2023/24 organization structure to comply with the requirements of the Municipal Staff Regulation as follows: -



- Organisational Design Officer and Individual Performance Management Officer in the Corporate Services department.
- No position was upgraded nor downgraded pending the finalization of the job evaluation process.



## CHAPTER 5 – FINANCIAL PERFORMANCE

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### 5. FINANCIAL PERFORMANCE

#### OVERVIEW OF FINANCIAL PERFORMANCE

The Municipality's financial performance is assessed mainly on its financial potential and capacity of estimated revenue base to be collected, which is billing information. The municipality's financial health depicts a favourable position; however, revenue collection is not sufficient to fund the expenditures incurred.

The municipality has set funds aside during the 2023/24 financial year to fund its capital programmes, but due to non-payment of services, not all planned projects were implemented.

All the 2023/24 programmes funded by grants were implemented without any challenges.

#### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

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##### 5.1. FINANCIAL STATEMENTS

###### 5.1.1. OVERVIEW OF FINANCIAL STATEMENTS

The financial health of the municipality is unfavourable when assessing the repayment/bulk payments to the water board. The ratio suggests insolvency if the local municipality is required to pay the entire balance of bulk water. The municipality is functioning without working capital, implying that current collections are utilized to support activities without any reserves.

###### 5.1.2. STATEMENTS OF FINANCIAL PERFORMANCE

The table below provides a comprehensive overview of the financial performance of the municipality, highlighting key indicators for the years 2021/22, the current year 2022/23, and the budgeted figures for the financial year 2023/24. The data covers various aspects, including revenue, expenditure, surplus or deficit, capital recognition, capital expenditure, funds sources, financial position, and cash flows. These metrics offer valuable insights into the municipality's financial health, asset management, and overall financial well-being.

The variances presented in the table enable a thorough analysis of the municipality's financial trends and performance against budgeted expectations.



| Description  | 2021/22        | Current year 2022/23 |                 |                | Current year 2023/24 |                 |                  | 2023/24 Variance |                 |
|--|----------------|----------------------|-----------------|----------------|----------------------|-----------------|------------------|------------------|-----------------|
|  | Actual         | Original Budget      | Adjusted Budget | Actual         | Original             | Adjusted        | Actual           | Original         | Adjusted budget |
| Financial Performance  |                |                      |                 |                |                      |                 |                  |                  |                 |
| Property Rates   | 133 502        | 144 510              | 176 887         | 134 374        | 184 556              | 184 556         | 127 740          | (56 816)         | (56 816)        |
| Service charges  | 131 523        | 187 273              | 172 273         | 138 523        | 196 353              | 196 353         | 137 825          | (58 528)         | (58 528)        |
| Investment revenue   | 13 771         | 2 481                | 2 481           | 4 026          | 2 613                | 5 113           | 5 120            | 2 507            | 7               |
| Transfers recognised – operational                                   | 174 156        | 195 948              | 195 030         | 196 252        | 207 443              | 215 693         | 215 659          | 8 216            | (34)            |
| Other own revenue  | 38 431         | 97 556               | 80 723          | 177 022        | 85 431               | 85 431          | 212 532          | 127 101          | 127 101         |
| <b>Total revenue (excluding capital transfers and contributions)</b> | <b>491 383</b> | <b>627 769</b>       | <b>627 394</b>  | <b>590 197</b> | <b>676 346</b>       | <b>687 146</b>  | <b>698 876</b>   | <b>22 530</b>    | <b>11 730</b>   |
| Employees costs  | 167 114        | 185 597              | 185 597         | 171 698        | 199 891              | 199 891         | 168 692          | (31 199)         | (31 199)        |
| Remuneration of councillors  | 15 590         | 19 089               | 19 089          | 14 788         | 20 101               | 18 401          | 16 987           | (3 114)          | (1 414)         |
| Depreciation & asset impairment                                      | 72 482         | 75 295               | 75 295          | 74 880         | 79 285               | 79 285          | 69 119           | 10 166           | 10 166          |
| Finance charges  | 18 266         | 2 500                | 18 500          | 20 847         | 19 481               | 19 481          | 22 902           | 3 421            | (3 421)         |
| Bulk purchases   | 101 086        | 115 559              | 115 559         | 93 614         | 139 479              | 138 279         | 116 160          | (23 319)         | (22 119)        |
| Other expenditure  | 163 264        | 228 992              | 215 992         | 109 766        | 306 288              | 309 188         | 458 477          | (152 189)        | (149 289)       |
| <b>Total Expenditure</b>   | <b>537 802</b> | <b>627 031</b>       | <b>630 031</b>  | <b>485 593</b> | <b>764 525</b>       | <b>764 525</b>  | <b>852 337</b>   | <b>(87 812)</b>  | <b>(87 812)</b> |
| <b>Surplus (deficit)</b>   | <b>5 894</b>   | <b>738</b>           | <b>(2 637)</b>  | <b>104 604</b> | <b>(88 179)</b>      | <b>(77 379)</b> | <b>(153 460)</b> | <b>(65 281)</b>  | <b>(76 081)</b> |
| <b>Capital Recognition</b>   | <b>55 024</b>  | <b>42 377</b>        | <b>42 377</b>   | <b>44 186</b>  | <b>56 586</b>        | <b>49 066</b>   | <b>49 066</b>    | <b>7 520</b>     | <b>0</b>        |
| <b>Surplus (deficit) for the year</b>                                | <b>59 723</b>  | <b>43 115</b>        | <b>39 740</b>   | <b>148 790</b> | <b>(31 594)</b>      | <b>(28 314)</b> | <b>(104 394)</b> | <b>(57 761)</b>  | <b>(76 081)</b> |
| <b><u>Capital expenditure &amp; funds sources</u></b>                |                |                      |                 |                |                      |                 |                  |                  |                 |
| <b>Capital expenditure</b>   |                | 44 877               | 44 877          | 51 980         | <b>64 766</b>        | <b>57 246</b>   | <b>57 246</b>    | 7 520            | 0               |
| Transfers recognised – capital                                       | 53 830         | 42 377               | 42 377          | 15 293         | 56 586               | 49 066          | 49 066           | 7 520            | 0               |
| Internally generated funds   | 2 426          | 2 500                | 2 500           | 36 687         | 8 180                | 8 180           | 8 180            | 0                | 0               |
| <b>Total source of capital funds</b>                                 | <b>56 255</b>  | 44 877               | 44 877          | 5 198          | <b>64 766</b>        | <b>57 246</b>   | <b>57 246</b>    | 7 520            | 0               |
| <b><u>Financial position</u></b>                                     |                |                      |                 |                |                      |                 |                  |                  |                 |
|  | 478 919        |                      |                 |                |                      |                 |                  |                  |                 |
| Total current assets   | 1 737 812      | 586 570              | 1 726 767       | 477 368        | 1 428 766            | 135 072         | 199 023          | 1 229 743        | (64 671)        |
| Total non- current assets  |                | 1 312 918            | 1 209 992       | 1 232 020      | 1 307 681            | 1 226 102       | 1 277 144        | 30 537           | (51 042)        |
| Total current liabilities  | 217 855        | 3 433                | 2 050 500       | 489 032        | 1 459 338            | 485 832         | 420 304          | 1 039 034        | 65 528          |
| Total non-current liabilities  | 876 602        | 216 315              | 217 855         | 201 961        | 164 224              | 198 683         | 190 928          | (26 704)         | 7 755           |

| Description                                  | 2021/22  | Current year 2022/23 |                 |                | Current year 2023/24 |                  |               | 2023/24 Variance |                 |
|--|----------|----------------------|-----------------|----------------|----------------------|------------------|---------------|------------------|-----------------|
|  | Actual   | Original Budget      | Adjusted Budget | Actual         | Original             | Adjusted         | Actual        | Original         | Adjusted budget |
| Community wealth/equity                      |          | 1 679 740            | 668 404         | 1 018 395      | 1 334 719            | 984 707          | 864 935       | 469 784          | 119 772         |
| <b>Cash flows</b>                            | 75 031   |                      |                 |                |                      |                  |               |                  |                 |
| Net cash from (used) operating               | (51 918) | 55 783               | 64 622          | 65 079         | (12 086)             | (11 552)         | 65 806        | 77 892           | 77 358          |
| Net cash from (used) investing               | 19 232   | (44 877)             | (51 609)        | (19 232)       | (65 074)             | (56 426)         | (36 990)      | 31 825           | 19 436          |
| Net cash from (used) financing               | 69 320   | 0                    | 0               | (17 642)       | (20 400)             | (20 400)         | (18 468)      | 1 932            | 1 932           |
| <b>Cash/cash equivalents at the year end</b> | (41 106) | 86 643               | 739 21          | 84 925         | <b>(53 470)</b>      | <b>(44 288)</b>  | <b>54 438</b> | <b>92 605</b>    | <b>(98 726)</b> |
| <b>Cash backing/surplus reconciliation</b>   |          |                      |                 |                |                      |                  |               |                  |                 |
|  |          |                      |                 |                |                      |                  |               |                  |                 |
| Cash and investments available               | (41 106) | 71 243               | 58 521          | 35 718         | (96 713)             | (85 457)         | 54 092        | (42 621)         | (31 365)        |
| <b>Balance – surplus (shortfall)</b>         |          | 512 412              | (681 939)       | <b>448 367</b> | <b>(201 412)</b>     | <b>(387 331)</b> |               |                  |                 |
| <b>Asset management</b>                      |          |                      |                 |                |                      |                  |               |                  |                 |
| Asset register summary (WDV)                 | 844 368  | 1 311 918            | 1 097 839       | 1 144 983      | 1 194 527            | 1 138 731        | 804 435       | (390 092)        | (334 296)       |
| Depreciation & asset impairment              | 72 482   | 75 295               | 75 295          | 73 559         | 79 285               | 79 285           | 69 119        | 10 166           | 10 166          |
| Repairs and maintenance                      | 21 073   | 25 036               | 29 476          | 25 893         | 23 884               | 19 549           | 13 059        | 10 825           | 6 490           |

Table 78: Statement of Financial Performance



## 5.2. GRANTS

### 5.2.1 OPERATING TRANSFERS AND GRANTS

The municipality is the recipient of the following grants: Municipal Infrastructure Grants, Integrated Electricity Grant, and the Energy Efficiency Demand Side Management (EEDSM) programme. Government grant allocations are done through the Division of Revenue Act (DORA) and they include the following amongst others, Equitable Shares, Municipal Infrastructure Grants (MIG), Financial Management Grants (FMG), Local Government Sector Education Training Authority Grants (LGSETA), Expanded Public Works Programme Grant (EPWP), and Integrated National Electrification Grants (INEG).

The table provides an overview of the Grant Performance for the municipality, detailing the actual amounts, budgets, and variances for the years 2021/22, 2022/23, and 2023/24. The grants considered include Equitable Share, Finance Management Grant, Municipal Systems Improvement, and EPWP. The comparison between actual figures and budgeted amounts is presented, highlighting the percentage variances for each grant, facilitating a comprehensive understanding of the municipality's financial performance in the specified years.

| Grant Performance<br>(R'000)                  |                |                |                           |                |                        |                           |                |                           |                |                    |                           |
|---|----------------|----------------|---------------------------|----------------|------------------------|---------------------------|----------------|---------------------------|----------------|--------------------|---------------------------|
| Description                                   | 2021/22        | 2022/23        |                           |                | 2022/23 variance       |                           | 2023/24        |                           |                | 2023/24 Variance   |                           |
|   | Actual         | Budget         | Adjustm<br>ents<br>budget | Actual         | Origin<br>al<br>budget | Adjust<br>ments<br>budget | Budget         | Adjustm<br>ents<br>budget | Actual         | Original<br>budget | Adjust<br>ments<br>budget |
|   |                |                |                           |                | %                      | %                         |                |                           |                | %                  | %                         |
| <b>Operating transfers and grants</b>         |                |                |                           |                |                        |                           |                |                           |                |                    |                           |
| <b>National Government:</b>                   |                |                |                           |                |                        |                           |                |                           |                |                    |                           |
| Equitable share                               | <b>171 015</b> | 189 853        | 188 935                   | 188 935        | 100%                   | 100%                      | 196 989        | 205 239                   | 205 239        | 104%               | 100%                      |
| Finance Management grant                      | <b>3 100</b>   | 3 100          | 3 100                     | 3 100          | 100%                   | 100%                      | 3 100          | 3 100                     | 3 100          | 100%               | 100%                      |
| Municipal systems improvement                 | 0              | 0              | 0                         | 0              | 0                      | 0                         | 0              | 0                         | 0              | 0                  | 0                         |
| EPWP  | 1 195          | 1 186          | 1 186                     | 1 186          | 100%                   | 100%                      | 1 470          | 1 470                     | 1 470          | 100%               | 100%                      |
| <b>Total operating transfers &amp; grants</b> | <b>175 310</b> | <b>194 139</b> | <b>193 221</b>            | <b>193 221</b> | <b>100%</b>            | <b>100%</b>               | <b>201 559</b> | <b>209 809</b>            | <b>209 809</b> |                    |                           |

Table 79: Grants

### 5.3. COMPREHENSIVE FINANCIAL OVERVIEW

The table below provides a detailed Financial Summary for the municipality, offering insights into its financial performance over the years 2021/22, and 2023/24. The data encompasses a range of financial indicators, including property rates, service charges, investment revenue, and various expenditure categories. Notably, variances between actual figures and budgeted amounts are highlighted, allowing for a thorough analysis of the municipality's financial health. The table covers crucial aspects such as surplus/deficit, capital recognition, capital expenditure, cash flows, and the overall financial position. This information can be leveraged to assess the municipality's financial sustainability and make informed decisions.

| Financial Summary (R'000)  |                |                 |                 |                  |                 |                 |                |                |                  |               |                 |
|--|----------------|-----------------|-----------------|------------------|-----------------|-----------------|----------------|----------------|------------------|---------------|-----------------|
| Description  | 2021/22        | 2022/23         |                 | 2022/23 Variance |                 | 2023/24         |                |                | 2023/24 Variance |               |                 |
|  | Actual         | Original Budget | Adjusted Budget | Actual           | Original Budget | Adjusted budget | Original       | Adjusted       | Actual           | Original      | Adjusted budget |
| Financial Performance  |                |                 |                 |                  |                 |                 |                |                |                  |               |                 |
| Property Rates   | 133 502        | 144 510         | 176 887         | 134 374          | (10 136)        | (42 513)        | 184 556        | 184 556        | 127 740          | (56 816)      | (56 816)        |
| Service charges  | 131 523        | 187 273         | 172 273         | 138 523          | (48 750)        | (33 750)        | 196 353        | 196 353        | 137 825          | (58 528)      | (58 528)        |
| Investment revenue   | 13 771         | 2 481           | 2 481           | 4 026            | 1 545           | 1 545           | 2 613          | 5 113          | 5 120            | 2 507         | 7               |
| Transfers recognised – operational                                   | 174 156        | 195 948         | 195 030         | 196 252          | 304             | 1 222           | 207 443        | 215 693        | 215 659          | 8 216         | (34)            |
| Other own revenue  | 38 431         | 97 556          | 80 723          | 177 022          | 79 466          | 96 299          | 85 431         | 85 431         | 212 532          | 127 101       | 127 101         |
| <b>Total revenue (excluding capital transfers and contributions)</b> | <b>491 383</b> | <b>627 769</b>  | <b>627 394</b>  | 590 197          | (37 572)        | (37 197)        | <b>676 346</b> | <b>687 146</b> | <b>698 876</b>   | <b>22 530</b> | <b>11 730</b>   |
| Employees costs  | 167 114        | 185 597         | 185 597         | 171 698          | (13 899)        | (13 899)        | 199 891        | 199 891        | 168 692          | (31 199)      | (31 199)        |
| Remuneration of councillors  | 15 590         | 19 089          | 19 089          | 14 788           | (4 301)         | (4 301)         | 20 101         | 18 401         | 16 987           | (3 114)       | (1 414)         |



| Financial Summary (R'000)                             |                |                 |                 |                  |                  |                  |                 |                 |                  |                  |                 |
|---|----------------|-----------------|-----------------|------------------|------------------|------------------|-----------------|-----------------|------------------|------------------|-----------------|
| Description   | 2021/22        | 2022/23         |                 | 2022/23 Variance |                  |                  | 2023/24         |                 |                  | 2023/24 Variance |                 |
|   | Actual         | Original Budget | Adjusted Budget | Actual           | Original Budget  | Adjusted budget  | Original        | Adjusted        | Actual           | Original         | Adjusted budget |
| Depreciation & asset impairment                       | 72 482         | 75 295          | 75 295          | 74 880           | (415)            | (415)            | 79 285          | 79 285          | 69 119           | 10 166           | 10 166          |
| Finance charges                                       | 18 266         | 2 500           | 18 500          | 20 847           | 18 347           | 2 347            | 19 481          | 19 481          | 22 902           | 3 421            | (3 421)         |
| Bulk purchases  | 101 086        | 115 559         | 115 559         | 93 614           | (21 945)         | (21 945)         | 139 479         | 138 279         | 116 160          | (23 319)         | (22 119)        |
| Other expenditure                                     | 163 264        | 228 992         | 215 992         | 109 766          | (119 226)        | (106 226)        | 306 288         | 309 188         | 458 477          | (152 189)        | (149 289)       |
| <b>Total Expenditure</b>                              | <b>537 802</b> | <b>627 031</b>  | <b>630 031</b>  | <b>485 593</b>   | <b>(141 438)</b> | <b>(144 438)</b> | <b>764 525</b>  | <b>764 525</b>  | <b>852 337</b>   | <b>(87 812)</b>  | <b>(87 812)</b> |
| <b>Surplus (deficit)</b>                              | <b>5 894</b>   | <b>738</b>      | <b>(2 637)</b>  | <b>104 604</b>   | <b>103 866</b>   | <b>107 241</b>   | <b>(88 179)</b> | <b>(77 379)</b> | <b>(153 460)</b> | <b>(65 281)</b>  | <b>(76 081)</b> |
| <b>Capital Recognition</b>                            | <b>55 024</b>  | <b>42 377</b>   | <b>42 377</b>   | <b>44 186</b>    | <b>1 809</b>     | <b>1 809</b>     | <b>56 586</b>   | <b>49 066</b>   | <b>49 066</b>    | <b>7 520</b>     | <b>0</b>        |
| <b>Surplus (deficit) for the year</b>                 | <b>59 723</b>  | <b>43 115</b>   | <b>39 740</b>   | <b>148 790</b>   | <b>105 675</b>   | <b>109 050</b>   | <b>(31 594)</b> | <b>(28 314)</b> | <b>(104 394)</b> | <b>(57 761)</b>  | <b>(76 081)</b> |
| <b><u>Capital expenditure &amp; funds sources</u></b> |                |                 |                 |                  |                  |                  |                 |                 |                  |                  |                 |
| <b>Capital expenditure</b>                            |                | <b>44 877</b>   | <b>44 877</b>   | <b>51 980</b>    | <b>7 103</b>     | <b>7 103</b>     | <b>64 766</b>   | <b>57 246</b>   | <b>57 246</b>    | <b>7 520</b>     | <b>0</b>        |
| Transfers recognised – capital                        | 53 830         | 42 377          | 42 377          | 15 293           | (27 084)         | (27 084)         | 56 586          | 49 066          | 49 066           | 7 520            | 0               |
| Internally generated funds                            | 2 426          | 2 500           | 2 500           | 36 687           | 34 187           | 34 187           | 8 180           | 8 180           | 8 180            | 0                | 0               |
| <b>Total source of capital funds</b>                  | <b>56 255</b>  | <b>44 877</b>   | <b>44 877</b>   | <b>5 198</b>     | <b>(39 679)</b>  | <b>(39 679)</b>  | <b>64 766</b>   | <b>57 246</b>   | <b>57 246</b>    | <b>7 520</b>     | <b>0</b>        |
| <b><u>Financial position</u></b>                      |                |                 |                 |                  |                  |                  |                 |                 |                  |                  |                 |
| Total current assets                                  | 478 919        | 586 570         | 1 726 767       | 477 368          | (109 202)        | (1 249 399)      | 1 428 766       | 135 072         | 199 023          | 1 229 743        | (64 671)        |
| Total non- current assets                             | 1 737 812      | 1 312 918       | 1 209 992       | 1 232 020        | (80 898)         | 22 028           | 1 307 681       | 1 226 102       | 1 277 144        | 30 537           | (51 042)        |
| Total current liabilities                             |                | 3 433           | 2 050 500       | 489 032          | 485 599          | (1 561 468)      | 1 459 338       | 485 832         | 420 304          | 1 039 034        | 65 528          |



| Financial Summary (R'000)                    |          |                 |                 |                |                  |                 |                 |                 |               |                  |                 |
|--|----------|-----------------|-----------------|----------------|------------------|-----------------|-----------------|-----------------|---------------|------------------|-----------------|
| Description                                  | 2021/22  | 2022/23         |                 |                | 2022/23 Variance |                 | 2023/24         |                 |               | 2023/24 Variance |                 |
|  | Actual   | Original Budget | Adjusted Budget | Actual         | Original Budget  | Adjusted budget | Original        | Adjusted        | Actual        | Original         | Adjusted budget |
| Total non-current liabilities                | 217 855  | 216 315         | 217 855         | 201 961        | (14 354)         | (15 894)        | 164 224         | 198 683         | 190 928       | (26 704)         | 7 755           |
| Community wealth/equity                      | 876 602  | 1 679 740       | 668 404         | 1 018 395      | (661 345)        | 349 991         | 1 334 719       | 984 707         | 864 935       | 469 784          | 119 772         |
| <b>Cash flows</b>                            |          |                 |                 |                |                  |                 |                 |                 |               |                  |                 |
| Net cash from (used) operating               | 75 031   | 55 783          | 64 622          | 65 079         | 9 296            | 457             | (12 086)        | (11 552)        | 65 806        | 77 892           | 77 358          |
| Net cash from (used) investing               | (51 918) | (44 877)        | (51 609)        | (19 232)       | 25 645           | 32 377          | (65 074)        | (56 426)        | (36 990)      | 31 825           | 19 436          |
| Net cash from (used) financing               | 19 232   | 0               | 0               | (17 642)       | (17 642)         | (17 642)        | (20 400)        | (20 400)        | (18 468)      | 1 932            | 1 932           |
| <b>Cash/cash equivalents at the year end</b> | (41 106) | 86 643          | 73 921          | 84 925         | (1 718)          | 11 004          | <b>(53 470)</b> | <b>(44 288)</b> | <b>54 438</b> | <b>92 605</b>    | <b>(98 726)</b> |
| <b>Cash backing/surplus reconciliation</b>   |          |                 |                 |                |                  |                 |                 |                 |               |                  |                 |
| Cash and investments available               | (41 106) | 71 243          | 58 521          | 35 718         | (35 525)         | (22 803)        | <b>(53 470)</b> | <b>(44 288)</b> | <b>54 438</b> | <b>92 605</b>    | <b>(98 726)</b> |
| <b>Balance – surplus (shortfall)</b>         |          | 512 412         | (681 939)       | <b>448 367</b> | (64 045)         | 1 130 306       | (201 412)       | (387 331)       |               |                  |                 |
| <b>Asset management</b>                      |          |                 |                 |                |                  |                 |                 |                 |               |                  |                 |
| Asset register summary (WDV)                 | 844 368  | 1 311 918       | 1 097 839       | 1 144 983      | (166 935)        | 47 144          | 804 435         | (390 092)       | (334 296)     | 804 435          | (390 092)       |
| Depreciation & asset impairment              | 72 482   | 75 295          | 75 295          | 73 559         | (1 736)          | (1 736)         | 69 119          | 10 166          | 10 166        | 69 119           | 10 166          |
| Repairs and maintenance                      | 21 073   | 25 036          | 29 476          | 25 893         | 857              | (3 583)         | 13 059          | 10 825          | 6 490         | 13 059           | 10 825          |

Table 80: Comprehensive Financial Overview



## 5.4. ASSET MANAGEMENT

The Municipality has a fully capacitated Assets Management Unit responsible for maintaining the assets register and ensuring compliance with the safeguarding requirements outlined in the Municipal Finance Management Act (MFMA). All assets are comprehensively insured. The Municipality adheres to Generally Accepted Accounting Practices for the recognition, measurement, valuation, disclosure, and presentation of its assets. Moreover, the Municipality has formulated both an Asset Management Policy and an Assets Maintenance Plan to guide its asset management practices. The three (03) largest municipal assets are tabulated below:

### 5.4.1. THREE LARGEST MUNICIPAL ASSETS

#### a) Asset 1 - Investment Property (Land) Overview

The table below presents a thorough analysis of the Investment Property, shedding light on key aspects that influence its management and strategic use. From the involvement of various departments and their respective responsibilities to the financial implications and policies in place, each detail contributes to a holistic understanding of the Municipality's management strategy for its largest assets. Asset 1, being a crucial component of the Municipality's portfolio, is strategically positioned for rental earnings, capital appreciation, and future economic or social benefits. The table also highlights key challenges such as conflicts related to land use and potential eviction issues, underscoring the need for robust policies and management practices to address such concerns.

| TREATMENT OF THE THREE LARGEST ASSETS<br>(R'000) |  |                |                |
|--|--|----------------|----------------|
| <b>Assets 1</b>                                  |  |                |                |
| <b>Name</b>                                      | Investment Property  |                |                |
| <b>Description</b>                               | Land   |                |                |
| <b>Asset Type</b>                                | Land site  |                |                |
| <b>Key staff involved</b>                        | Community, Strategic Planning, Technical (PMU) and Budget and treasury department and asset department |                |                |
| <b>Staff responsibilities</b>                    | Planning, Implementation, monitoring, and Facilitate Payment maintenance of asset                      |                |                |
| <b>Asset Value</b>                               | <b>2021/22</b>   | <b>2022/23</b> | <b>2023/24</b> |
|  | 394 701  | 442 037        | 472 392        |
| <b>Capital implications</b>                      | Transfer of an Asset, right to use, control and manage asset   |                |                |
| <b>Future purpose of asset</b>                   | For rental earnings, capital appreciation and Future economic or social benefits                       |                |                |
| <b>Describe key issues</b>                       | Conflict of Land and Eviction of Land  |                |                |
| <b>Policies in place to manage asset</b>         | Valuation- roll inclusion, Investment, and asset register policy in place                              |                |                |

Table 81: Asset 1 - Investment Property

#### b) Asset 2 – Land and Building Overview

The table below presents Asset 2 - Land and Building. The collaborative efforts of various departments, including Community, Strategic Planning, Technical (PMU), Budget and Treasury, and the Asset department, underscore the cross-functional nature of asset management. Staff responsibilities span planning, implementation, monitoring, payment facilitation, and the safeguarding of assets, emphasizing a holistic approach to asset oversight. The historical asset values provide insights into the financial landscape, while the discussion

on capital implications and future purposes elucidates the asset's role as an investment for improvements and potential owner occupation. Noteworthy issues, such as valuation discrepancies and value-for-money concerns, highlight challenges that the Municipality addresses through the implementation of robust policies, including Valuation Roll, Investment, and Asset Register policies.

| Assets 2                                 |  |                |                |
|--|--|----------------|----------------|
| <b>Name</b>                              | Land and Building  |                |                |
| <b>Description</b>                       | Improvements on Land   |                |                |
| <b>Asset Type</b>                        | Building   |                |                |
| <b>Key staff involved</b>                | Community, Strategic Planning, Technical (PMU) and Budget and treasury department and Asset department |                |                |
| <b>Staff responsibilities</b>            | Planning, Implementation, monitoring and Facilitate Payment and Safeguarding of assets                 |                |                |
| <b>Asset Value</b>                       | <b>2021/22</b>   | <b>2022/23</b> | <b>2023/24</b> |
|  | 383 129  | 354 011        | 77 498         |
| <b>Capital implications</b>              | Funding Mechanisms   |                |                |
| <b>Future purpose of asset</b>           | Investment For Improvements and Future economic or social benefits, owner occupier                     |                |                |
| <b>Describe key issues</b>               | valuation roll not complying to asset register and value for money                                     |                |                |
| <b>Policies in place to manage asset</b> | Valuation roll, Investment, and asset register policy in place   |                |                |

Table 82: Asset 2 - Land & Building

### c) Asset 3 – Road Infrastructure Overview

The table below provides an insightful overview of the Municipality's approach to managing Asset 3 - Roads Infrastructure. Key staff from diverse departments collaborate to ensure the planning, implementation, and monitoring of Roads align with strategic goals. The historical asset values depict the financial evolution of Roads, with a focus on responsible capital implications such as maintenance of Roads, Sidewalks, and Traffic Signs. The asset's future purpose is delineated, emphasizing its role in service delivery, improvement initiatives, and contributing to future economic and social benefits. Key issues, including concerns about Value for Money and the development of a Road Safety Strategy and Action Plan, underscore the Municipality's commitment to efficient and safe road management. The table concludes with a mention of the pertinent policies in place, specifically the Asset Register Policy, emphasizing the governance framework implemented for effective asset management.

| Asset 3                       |   |                |                |
|-------------------------------|---|----------------|----------------|
| <b>Name</b>                   | Roads   |                |                |
| <b>Description</b>            | Infrastructure Roads  |                |                |
| <b>Asset Type</b>             | Pavement Road   |                |                |
| <b>Key staff involved</b>     | Community, Strategic Planning, Technical (PMU) and Budget and treasury department |                |                |
| <b>Staff responsibilities</b> | Planning, Implementation, monitoring, and Facilitate Payment                      |                |                |
| <b>Asset Value</b>            | <b>2021/22</b>  | <b>2022/23</b> | <b>2023/24</b> |
|                               | 316 287   | 223 469        | 351 717        |



|  |  |
|--|--|
| <b>Capital implications</b>              | Road, Sidewalk and Traffic Signs maintenance, funding mechanisms             |
| <b>Future purpose of asset</b>           | Service Delivery and For Improvements and Future economic or social benefits |
| <b>Describe key issues</b>               | Value For Money, Development of a Road Safety Strategy and Action Plan       |
| <b>Policies in place to manage asset</b> | Asset register policy in place   |

Table 83: Asset 3 – Roads

#### 5.4.2. REPAIR AND MAINTENANCE EXPENDITURE

The Municipality allocates funds for repairs and maintenance to cover various needs, such as road and electricity infrastructure, municipal building upkeep, and the repair of assets like vehicles and computer equipment that support service delivery. Any assets acquired through these maintenance activities are later reclassified and added to the main asset portfolio.

The table below presents a comprehensive overview of the Municipality's financial allocations and expenditures in repairs and maintenance for the financial year 2023/24. The data includes the original budget, adjustment budget, actual expenditure, and the resulting budget variance. This table sheds light on the financial management of crucial aspects such as infrastructure upkeep, building maintenance, and the repair of various assets, providing a detailed breakdown of the Municipality's financial performance in these essential areas.

| Repair and maintenance expenditure 2023/24 |                 |                   |        |                 |
|--|-----------------|-------------------|--------|-----------------|
|  | Original budget | Adjustment budget | Actual | Budget variance |
| Repairs and maintenance expenditure        | 19 549          | 21,949            | 13 059 | 8 890           |

Table 84: Repairs &amp; Maintenance Expenditure

### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

#### 5.5. CAPITAL EXPENDITURE AND SOURCES OF FINANCE

The Municipality's source of funding consists of government grants and its revenue through the provision of services, which are the sales of electricity, property rates charges, rental of Municipal facilities, and charging of fines and penalties. The government grants allocations are done through the Division of Revenue Act (DORA) include the following amongst others Equitable Shares, Municipal Infrastructure Grants (MIG), Financial Management Grants (FMG), Local Government sector education training authority grants (LGSETA) Expanded public works programme grant (EPWP), Integrated National Electrification Grants (INEG).

The table titled below provides a comprehensive breakdown of the Municipality's capital expenditure and its funding sources for the financial year 2023/24.



The data includes actual figures, original budget allocations, adjustment budgets, and the variances between actual and budgeted amounts. This table offers insights into the Municipality's financial management, particularly in terms of external loans, public contributions, grants and subsidies, and other funding categories. Additionally, the percentage distribution of expenditure across key sectors such as Water and Sanitation, Electricity, Housing, Roads and Stormwater, and Others is presented, highlighting the allocation and utilization of financial resources in these critical areas.

| <b>Capital Expenditure – funding sources 2023/24<br/>(R'000)</b> |                |                             |                          |               |                                  |  |
|--|----------------|-----------------------------|--------------------------|---------------|----------------------------------|--|
| <b>Details</b>   | <b>2022/23</b> | <b>2023/24</b>              |                          |               |                                  |  |
|  | <b>Actual</b>  | <b>Original Budget (OB)</b> | <b>Adjustment Budget</b> | <b>Actual</b> | <b>Actual to OB Variance (%)</b> | <b>Actual to Adjustment Variance (%)</b> |
| <b>Source of finance</b>   |                |                             |                          |               |                                  |  |
| <b>Grants and subsidies</b>                                      | 42 377         | 56 586                      | 49 066                   | 49 066        | 87%                              | 100%                                     |
|  |                |                             |                          |               |                                  |  |
| <b>Other</b>   | 1 528          | 8 180                       | 8 180                    | 6 591         | 81%                              | 81%                                      |
|  |                |                             |                          |               |                                  |  |
| <b>Total</b>   | <b>43 579</b>  | <b>64 766</b>               | <b>57 246</b>            | <b>55 657</b> | <b>86%</b>                       | <b>97%</b>                               |
| <b>Percentage of finance</b>                                     |                |                             |                          |               |                                  |  |
| External Loans   | 0              | 0                           | 0                        | 0             | 0                                | 0  |
| Public contributions and donations                               | 332            | 0                           | 0                        | 51 703        | 0                                | 0  |
| Grants and subsidies   | 42 377         | 56 586                      | 49 066                   | 49 066        | 87%                              | 100%                                     |
| Other  | 1 528          | 8 180                       | 8 180                    | 6 591         | 81%                              | 81%                                      |
| <b>Capital Expenditure</b>                                       |                |                             |                          |               |                                  |  |
| Water and Sanitation   | 0              | 0                           | 0                        | 0             | 0                                | <b>0</b>                                 |
| Electricity  | 7 674          | 20 794                      | 15 793                   | 15 790        | 76%                              | 100%                                     |
| Housing  | 0              | 0                           | 0                        | 0             | 0                                |  |
| Roads and storm water  | 18 200         | 41 472                      | 38 952                   | 39 057        | 94%                              | 102%                                     |
| Other  | 6 705          | 2 500                       | 2 500                    | 910           | 36%                              | 36%                                      |
| <b>Total</b>   | <b>32 579</b>  | <b>64 766</b>               | <b>57 245</b>            | <b>55 757</b> | <b>86%</b>                       | <b>97%</b>                               |
| <b>Percentage of expenditure</b>                                 |                |                             |                          |               |                                  |  |
| Water and Sanitation   | 0              | 0                           | 0                        | 0             | 0                                | <b>0</b>                                 |
| Electricity  | 7 674          | 20 794                      | 15 793                   | 15 790        | 76%                              | 100%                                     |
| Housing  | 0              | 0                           | 0                        | 0             | 0                                | 0  |
| Roads and storm water  | 18 200         | 41 472                      | 38 952                   | 39 057        | 94%                              | 102%                                     |
| Other  | 6 705          | 2 500                       | 2 500                    | 910           | 36%                              | 36%                                      |

Table 85: Capital Expenditure &amp; Funding Sources



## 5.6. CAPITAL SPENDING ON 5 LARGEST PROJECTS

The table below provides a detailed overview of the original budget, adjustment budget, and actual expenditure for the Municipality's top five projects with the highest capital expenditure in the financial year 2023/24. The variance percentages or amounts for both the original and adjustment budgets are also included, offering insights into the financial performance and budget management of each project. Additionally, the table introduces three major projects – The upgrading of Benfarm, the Refurbishment of Namakgale Stadium, and Tambo Phase 2 street paving. These projects are further elaborated with information on their objectives, potential delays, future challenges, and anticipated benefits for the citizens residing in the respective project areas. This comprehensive presentation provides stakeholders with a transparent view of the Municipality's major capital projects and their impact on the local communities.

| Capital Expenditure of 5 largest projects 2023/24<br>R' 000 |  |                   |                    |                                |                                  |
|---|--|-------------------|--------------------|--------------------------------|----------------------------------|
| Name of project   | Current year   |                   |                    | Variance current year          |                                  |
|   | Original budget  | Adjustment budget | Actual expenditure | Original variance (%) or rand) | Adjustment variance (%) or rand) |
| Upgrading of Benfarm Phase 2                                | R10 792 000.00   | R20 074 944.00    | R20 074 944.00     | R9 282 944.00                  | R0                               |
| Refurbishment of Namakgale stadium                          | R15 000 000.00   | R7 340 525.48     | R7 340 525.48      | R7 659 474.52                  | R0                               |
| Tambo Phase 2   | R5 680 000.00  | R0                | R0                 | R0                             | R0                               |
| Installation of stormwater culvert                          | R10 000 000.00   | R5 856 525.80     | R5 856 525.80      | R4 143 474.20                  | R0                               |
| Electrification of Majeje Ext B Phase 2 (400 Units)         | R8 000 000   | R5 000 000.00     | R6 913 450.42      | R3 000 000                     | (R1 913 450.42)                  |
| Projects with the highest capital expenditure in 2023/24    |  |                   |                    |                                |                                  |
| <b>Name of project – A</b>                                  | Upgrading of Benfarm Phase 2   |                   |                    |                                |                                  |
| Objective of project  | Upgrading of road from gravel to asphalt   |                   |                    |                                |                                  |
| Delays  | Stoppages by local sub-contractors<br>Slow delivery of concrete by Mopani<br>Late start of surfacing by Polokwane surfacing due to plant breakdown |                   |                    |                                |                                  |
| Future challenges   | Slow delivery of concrete  |                   |                    |                                |                                  |
| Anticipated citizen benefits                                | Majeje village   |                   |                    |                                |                                  |
|   |  |                   |                    |                                |                                  |



|                              |   |
|------------------------------|---|
| <b>Name of project – B</b>   | Refurbishment of Namakgale stadium  |
| Objective of project         | Refurbishment of stadium  |
| Delays                       | Slow progress by contractor<br>Stoppages by local sub contractors and local labourers |
| Future challenges            | Stoppages by owed local sub contractors   |
| Anticipated citizen benefits | Namakgale and Makhushane  |
| <b>Name of project – C</b>   | Tambo Phase 2   |
| Objective of project         | Upgrading of road from gravel to asphalt  |
| Delays                       | None  |
| Future challenges            | None  |
| Anticipated citizen benefits | Namakgale   |
| <b>Name of project – D</b>   | Installation of stormwater Culvert in Lulekani  |
| Objective of project         | Providing access to Cemeteries  |
| Delays                       | Late start of project due to local labour recruitment                                 |
| Future challenges            | None  |
| Anticipated citizen benefits | Lulekani and Matiko-xikaya  |
| <b>Name of project – E</b>   | Electrification of 400 households in Majeje Ext B phase 2                             |
| Objective of project         | Access to electricity   |
| Delays                       | Energizing of the connections by ESKOM  |
| Future challenges            | None  |
| Anticipated citizen benefits | The residents of Ward 13  |

Table 86: Capital Expenditure on 5 Largest Projects

## 5.7. BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The table below presents a comprehensive overview of service levels in various essential categories within Ba-Phalaborwa Local Municipality and Mopani District Municipality. The table addresses critical services such as Water, Sanitation, Electricity, Waste Management, and Housing. It distinguishes between service levels above the minimum standard and those below the minimum standard, providing specific figures for the number of households (HHs) and the corresponding percentage of households. The Mopani District Municipality's functions in Water and Sanitation are highlighted, offering insights into the performance of these services.



Additionally, the table sheds light on the status of Electricity services, Waste Management, and the housing situation, indicating whether service levels are meeting or falling below the established minimum standards. The percentage calculation of households above/below the minimum standard serves as a crucial metric for assessing service backlogs, aiding in strategic planning and resource allocation for service improvements.

| Service Backlogs as of 30 June 2024 |                                      |       |                                      |       |
|-------------------------------------|--------------------------------------|-------|--------------------------------------|-------|
|                                     | Service level above minimum standard |       | Service level below minimum standard |       |
|                                     | No. HHs                              | % HHs | No. HHs                              | % HHs |
| Water                               | 43 838                               | 84.87 | 7 813                                | 15.12 |
| Sanitation                          | 48 108                               | 92.9  | 3678                                 | 7.1   |
| Electricity                         | 50 468                               | 97.7  | 1183                                 | 2.29  |
| Waste management                    | 26 263                               | 51    | 25 386                               | 49    |
| Housing                             | N/A                                  | N/A   | 4466                                 |       |

Table 87: Basic Services & Infrastructure Backlog

## BACKLOG ON ROADS

The municipality faces a backlog of 559.1 kilometers of gravel roads designated for upgrading to tarred or paved surfaces. To address this, a structured plan has been developed to construct or upgrade at least 5 kilometers per financial year, in alignment with the Municipal Infrastructure Grant (MIG) allocation.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.8. CASH FLOW MANAGEMENT AND INVESTMENTS

#### 5.8.1. OVERVIEW OF CASH FLOW MANAGEMENT AND INVESTMENTS

The Municipality manages its cash flow through government grants and internal revenue generated from municipal services. The municipality maintains working capital, and any surplus is transferred to reserves for carryover into subsequent financial years. It's important to note that the surplus reported is primarily allocated for day-to-day activities unless it pertains to unspent grants, requiring approval from the National Treasury for rollover. Additionally, the municipality has engaged the services of a debt collector to enhance revenue collection within the township. The municipality also maintains an investment register, detailing transfers to call accounts, as well as the principal amounts and interest earned, providing transparency in financial management.



### 5.8.2. CASHFLOW OUTCOMES

The table presents the Cash Flow Outcomes for the years 2021/22 through 2023/24, outlining the audited outcomes, original budgets, adjusted budgets, and actual figures for various cash flow activities. The cash flow from operating activities encompasses receipts and payments related to ratepayers, government operations, capital, interest, and dividends. Additionally, the table details cash flows from investing and financing activities, providing a comprehensive overview of the municipality's financial dynamics. The net increase or decrease in cash, along with cash/cash equivalents at the beginning and end of each financial year, is presented, offering insights into the municipality's liquidity and financial position.

| <b>Cash Flow Outcomes<br/>(R'000)</b>            |                        |                 |                        |                        |                 |
|--|------------------------|-----------------|------------------------|------------------------|-----------------|
| <b>Description</b>                               | <b>2021/22</b>         | <b>2022/23</b>  | <b>2023/24</b>         |                        |                 |
|  | <b>Audited Outcome</b> | <b>Actual</b>   | <b>Original Budget</b> | <b>Adjusted Budget</b> | <b>Actual</b>   |
| <b>Cash Flow from Operating Activities</b>       |                        |                 |                        |                        |                 |
| <b>Receipts</b>                                  |                        |                 |                        |                        |                 |
| Ratepayers and other                             | 173 475                | 355 119         | 305 271                | 305 271                | 361 400         |
| Government – operating                           | 175 351                | 195 030         | 207 443                | 215 693                | 215 998         |
| Government – Capital                             | 53 830                 | 42 377          | 56 586                 | 49 066                 | 49 066          |
| Interest   | 45 216                 | 3 014           | 2 613                  | 5 113                  | 4 208           |
| Dividends  |                        | 0               | 0                      | 0                      | 0               |
| <b>Payments</b>                                  |                        |                 |                        |                        |                 |
| Suppliers and employees                          | (656 541)              | (530 461)       | (583,194)              | (583,194)              | (560 589)       |
| Finance charges                                  | (18 266)               | 0               | (2,481)                | (2,481)                | (4 277)         |
| Transfers and grants                             |                        | 0               | (1,020)                | (1,020)                | 0               |
| <b>Net Cash From (Used) operating activities</b> | <b>(18 266)</b>        | <b>65 079</b>   | <b>(11 552)</b>        | <b>(11 552)</b>        | <b>65 806</b>   |
| <b>Cash flows from investing activities</b>      |                        |                 |                        |                        |                 |
| <b>Receipts</b>                                  |                        |                 |                        |                        |                 |
| Proceeds on disposal of PPE                      | 55 979                 | 0               |                        |                        | 235             |
| <b>Payments</b>                                  |                        |                 |                        |                        |                 |
| Capital Assets                                   | 55 979                 | (19 232)        | (56,426)               | (56,426)               | (37 225)        |
| <b>Net Cash From (Used) investing activities</b> | <b>55 979</b>          | <b>(19 232)</b> | <b>(56,426)</b>        | <b>(56,426)</b>        | <b>(36 990)</b> |
| <b>Net Cash From (Used) financing activities</b> | <b>(16,166,391)</b>    |                 | <b>(20 400)</b>        | <b>(20 400)</b>        | <b>(18,468)</b> |
| <b>Net Increase/(Decrease) in cash</b>           | <b>69 320</b>          | <b>28 205</b>   | <b>(96,628)</b>        | <b>(88,378)</b>        | <b>10 348</b>   |



|   |                  |        |          |          |        |
|---|------------------|--------|----------|----------|--------|
| Cash/cash equivalents at the year begin |                  | 56 720 | 44 090   | 44 090   | 44 090 |
| Cash/cash equivalents at the year end   | 69 320<br>68 027 | 84 925 | (52,538) | (44,288) | 54 438 |
| <b>Source: MBRR SA7</b>                 |                  |        |          |          |        |

Table 88: Cashflow Outcomes

## 5.9. BORROWING AND INVESTMENTS

### 5.9.1. OVERVIEW OF BORROWING AND INVESTMENTS

Ba-Phalaborwa Municipality does not have borrowing or long-term investments. Instead, the municipality carries a longstanding debt with Lepelle Northern Water, which is categorized as a long-term loan. This debt is serviced through monthly payments, with the initial twelve installments considered short-term loans. Any outstanding payments beyond the initial twelve are treated as part of the long-term loan. It is essential to note that the cash and cash equivalents held in call accounts, transferred from current accounts, and earning interest at rates determined by Standard Bank of South Africa, do not constitute long-term investments.

### 5.9.2. MUNICIPAL ENTITY AND INVESTMENTS

The table below presents a detailed breakdown of investments by the municipality and its entities across various categories for the financial years 2021/22 to 2023/24. Municipal investments include securities, listed corporate bonds, bank deposits, and other financial instruments. Corresponding figures for municipal entities are also provided, culminating in a consolidated total that offers a comprehensive view of the overall investment landscape during the specified period. This data is essential for evaluating the financial portfolio and investment strategies implemented by both the municipality and its entities.

| <b>Municipal and Entity investments (R'000)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>Investment type</b>                          | <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> |
|   | <b>Actual</b>  | <b>Actual</b>  | <b>Actual</b>  |
| <b><u>Municipality</u></b>                      | N/A            | N/A            | N/A            |
| Securities – National Government                | N/A            | N/A            | N/A            |
| Listed Corporate Bonds                          | N/A            | N/A            | N/A            |
| Deposits –bank                                  | 68027          | 43 941         | 52 373         |
| Deposits public investment commissioners        | N/A            | N/A            | N/A            |
| Deposits- corporation for public deposits       | N/A            | N/A            | N/A            |
| Bankers acceptance certificates                 | N/A            | N/A            | N/A            |



|   |                   |              |               |               |
|---|-------------------|--------------|---------------|---------------|
| Negotiable certificates of deposit –banks | N/A               | N/A          | N/A           | N/A           |
| Guaranteed endowment policies (sinking)   | N/A               | N/A          | N/A           | N/A           |
| Repurchase agreements – banks             | N/A               | N/A          | N/A           | N/A           |
| Municipal bonds                           | N/A               | N/A          | N/A           | N/A           |
| Other                                     | N/A               | N/A          | N/A           | N/A           |
| <b>Municipality sub-total</b>             | 69,319,706        | 68027        | 43 941        | 52 373        |
|   |                   |              |               |               |
| <u>Municipal Entities</u>                 | N/A               | N/A          | N/A           | N/A           |
| Securities – National Government          | N/A               | N/A          | N/A           | N/A           |
| Listed Corporate Bonds                    | N/A               | N/A          | N/A           | N/A           |
| Deposits –bank                            | N/A               | N/A          | N/A           | N/A           |
| Deposits public investment commissioners  | N/A               | N/A          | N/A           | N/A           |
| Deposits- corporation for public deposits | N/A               | N/A          | N/A           | N/A           |
| Bankers' acceptance certificates          | N/A               | N/A          | N/A           | N/A           |
| Negotiable certificates of deposit –banks | N/A               | N/A          | N/A           | N/A           |
| Guaranteed endowment policies (sinking)   | N/A               | N/A          | N/A           | N/A           |
| Repurchase agreements – banks             | N/A               | N/A          | N/A           | N/A           |
| Municipal bonds                           | N/A               | N/A          | N/A           | N/A           |
| Other                                     | N/A               | N/A          | N/A           | N/A           |
| Entities sub-total                        | N/A               | N/A          | N/A           | N/A           |
|   |                   |              |               |               |
| <b>CONSOLIDATED TOTAL</b>                 | <b>69,319,706</b> | <b>68027</b> | <b>43 941</b> | <b>52 373</b> |

Table 89: Municipal &amp; Entity Investment

## 5.10. PUBLIC-PRIVATE PARTNERSHIPS

No Public-Private Partnerships were entered into during the 2023/24 financial year.



## COMPONENT D: OTHER FINANCIAL MATTERS

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### 5.11. SUPPLY CHAIN MANAGEMENT

#### 5.11.1. OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The Municipality has an approved Supply Chain Management Policy based on the model provided by the National Treasury. This policy, along with its associated treasury notes and relevant legislative frameworks, serves as a guide when procuring goods and services. The officials responsible for supply chain management have completed courses that meet the minimum competency requirements outlined by the National Treasury. No interference by Councillors or any other parties has been reported thus far. As part of ongoing efforts, management has taken the initiative to ensure that all officials involved in bid committees attend refresher courses conducted by a Supply Chain practitioner from the National Treasury. This aims to enhance their understanding and application of policies and guidelines related to supply chain management.

### 5.12. GRAP COMPLIANCE

#### 5.12.1. OVERVIEW OF GRAP COMPLIANCE

The Auditor-General's report confirms that the Ba-Phalaborwa Local Municipality's financial statements for the 2023/24 financial year comply with Generally Recognized Accounting Practice (GRAP) standards. However, the Auditor-General has issued a qualified opinion, indicating that, while the financial statements present a fair representation, there are potential impacts related to a specific issue, as outlined in the "Basis for a Qualified Opinion" section of the report.

Additionally, the report confirms that the municipality's financial performance and cash flow reporting comply with GRAP standards, the Municipal Finance Management Act (MFMA) of South Africa, 2003 (Act No. 56 of 2003), and the Division of Revenue Act (DoRA) of South Africa, 2018 (Act No. 1 of 2018).



## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A: AUDIT

#### 6. AUDIT

##### 6.1. OVERVIEW OF AUDIT

Section 188(1)(b) of the Constitution outlines the Auditor-General's functions, which encompass auditing and reporting on the accounts, financial statements, and financial management of all municipalities. According to the Municipal Systems Act (MSA), Section 45 specifies that the Auditor-General must conduct an annual audit of performance measurement results. The audit has concluded, resulting in a Qualified Audit Opinion.

##### 6.2. COMPONENT B: AUDITOR-GENERAL OPINION

###### 6.2.1. AUDITOR GENERAL REPORT 2022/23

| Auditor-General Report on Financial Performance 2022/23 |   |
|---|---|
| Audit Report status                                     | Qualified                                 |
| Non-Compliance Issues                                   | Remedial Action Taken                     |
| Irregular and unauthorised expenditure                  | Action Plan was developed and implemented |
| Reconciliation of property plant and equipment          |   |
| Investment property                                     |   |

Table 90: 2022/23 Auditor General Report

| Auditor-General Report on Service Delivery Performance 2022/23 |   |
|--|---|
| Audit Report status  | Qualified                                 |
| Non-Compliance Issues  | Remedial Action Taken                     |
| Payables from exchange transactions                            | Action plan was developed and implemented |
| Value Added tax (VAT)  |   |

Table 91: 2022/23 Auditor General Report on Service Delivery Performance

###### 6.2.2. AUDITOR GENERAL REPORT 2023/24

| Auditor-General Report on Financial Performance 2023/24 |   |
|---|---|
| Audit Report status                                     | Qualified   |
| Non-Compliance Issues                                   | Remedial Action Taken                                 |
| Service Charges – Sale of electricity                   | Action plan has been developed and tabled in council. |
| Payables from exchange transactions                     |   |



## GLOSSARY

|   |   |
|---|---|
| <b>Accessibility indicators</b>           | Explore whether the intended beneficiaries can access services or outputs.  |
| <b>Accountability documents</b>           | Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports. |
| <b>Activities</b>                         | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.  |
| <b>Adequacy indicators</b>                | The quantity of input or output relative to the need or demand.   |
| <b>Annual Report</b>                      | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.           |
| <b>Approved Budget</b>                    | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.  |
| <b>Baseline</b>                           | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.  |
| <b>Basic municipal service</b>            | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.  |
| <b>Budget year</b>                        | The financial year for which an annual budget is to be approved – means a year ending on 30 June.   |
| <b>Cost indicators</b>                    | The overall cost or expenditure of producing a specified quantity of outputs.   |
| <b>Distribution indicators</b>            | The distribution of capacity to deliver services.   |
| <b>Financial Statements</b>               | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.  |
| <b>General Key performance indicators</b> | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.   |



|  |  |
|--|--|
|  |  |
| <b>Impact</b>                            | The results of achieving specific outcomes, such as reducing poverty and creating jobs.  |
| <b>Inputs</b>                            | All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.   |
| <b>Integrated Development Plan (IDP)</b> | Set out municipal goals and development plans.   |
| <b>National Key performance areas</b>    | Service delivery & infrastructure<br>Economic development<br>Municipal transformation and institutional development<br>Financial viability and management<br>Good governance and community participation   |
| <b>Outcomes</b>                          | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".   |
| <b>Outputs</b>                           | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.   |
| <b>Performance Indicator</b>             | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)  |
| <b>Performance Information</b>           | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.   |
| <b>Performance Standards:</b>            | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor. |
| <b>Performance Targets:</b>              | The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a  |



|  |  |
|--|--|
|  | specific level of performance that a municipality aims to achieve within a given time period.  |
| <b>Service Delivery Budget Implementation Plan</b> | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.  |
| <b>Vote:</b>                                       | <p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</p> <p>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</p> |

Table 92: Glossary



## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Section 18 of the Local Government Municipal Structures Act No 117 of 1998 and Regulations, requires the Municipal Council to have or to convene Council meetings at least quarterly. Municipal Councillors are expected to attend all Council meetings. The table below depicts the Councillors' attendance.

| Councillors, Committees Allocated and Council Attendance |                     |  |                                 |  |   |                                    |
|--|---------------------|--|---------------------------------|--|---|------------------------------------|
| Council Members  | Full Time/Part Time | Committee Allocated  | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage apologies for non-attendance | Percentage absents without apology |
|  |                     |  |                                 | %                                      | %                                       | %                                  |
| Clr Mabunda NO   | FT                  | Speaker<br>Chairperson of the Rules Committee<br>Chairperson of the Ethics Committee.        | ANC                             | 100%                                   | 0%                                      | 0%                                 |
| Clr MM Malatji   | FT                  | Mayor  | ANC                             | 92%                                    | 8%                                      | 0%                                 |
| Clr D Rapatsa  | FT                  | Chief Whip   | ANC                             | 83%                                    | 17%                                     | 0%                                 |
| Clr R. Makasela  | FT                  | Member of Executive Committee.<br>Chairperson of BTO Portfolio Committee                     | ANC                             | 83%                                    | 17%                                     | 0%                                 |
| Clr VM Rapatsa   | FT                  | Member of the Executive Committee.<br>Chairperson of Technical Services Portfolio Committee. | ANC                             | 100%                                   | 0%                                      | 0%                                 |
| Clr T. Nkuna   | FT                  | Member of the Executive Committee;<br>Chairperson of Governance & Administration Portfolio   | ANC                             | 100%                                   | 0%                                      | 0%                                 |
| Clr Mashumu SP   | PT                  | Member of the Executive Committee.<br>Member of the P&D Portfolio Committee.                 | EFF                             | 67%                                    | 25%                                     | 8%                                 |



| Councillors, Committees Allocated and Council Attendance |                     |  |                                 |  |   |                                    |
|--|---------------------|--|---------------------------------|--|---|------------------------------------|
| Council Members  | Full Time/Part Time | Committee Allocated  | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage apologies for non-attendance | Percentage absents without apology |
|  | FT/PT               |  |                                 | %                                      | %                                       | %                                  |
|  |                     | Serve of MDM Board.  |                                 |  |   |                                    |
| Cllr S De Beer   | PT                  | Member of the Executive Committee; Chairperson of Community & Social Services Portfolio; | DA                              | 92%                                    | 8%                                      | 0%                                 |
| Cllr MP Mailula  | PT                  | Member of the Executive Committee; Chairperson of Planning and Development portfolio     | ANC                             | 100%                                   | 0%                                      | 0%                                 |
| Cllr SL Mohlala  | PT                  | Member of the Budget & Treasury Portfolio  | ANC                             | 33%                                    | 67%                                     | 0%                                 |
| Cllr MMA Mathebula                                       | PT                  | Member of the Governance & Administration Portfolio<br>Serve on MDM Board                | ANC                             | 58%                                    | 33%                                     | 8%                                 |
| Cllr MP Mukhari  | PT                  | Chairperson of MPAC.   | ANC                             | 92%                                    | 8%                                      | 0%                                 |
| Cllr NJ Mampuru  | PT                  | Member of Municipal Public Accounts Committee;   | ANC                             | 67%                                    | 8%                                      | 25%                                |
| Cllr MM Malesa   | PT                  | Member of CSS Portfolio Committee.<br>Member of Ethics Committee.                        | ANC                             | 100%                                   | 0%                                      | 0%                                 |
| Cllr J. Sindane  | PT                  | Member of P&D Portfolio Committee.<br>Member of the Rules Committee                      | ANC                             | 100%                                   | 0%                                      | 0%                                 |
| Cllr LM Matlala  | PT                  | Member of CSS Portfolio Committee  | ANC                             | 75%                                    | 8%                                      | 17%                                |
| Cllr MA Mononela   | PT                  | Member of P&D Portfolio Committee.   | ANC                             | 92%                                    | 0%                                      | 8%                                 |



| Councillors, Committees Allocated and Council Attendance |                     |   |                                 |  |   |                                    |
|--|---------------------|---|---------------------------------|--|---|------------------------------------|
| Council Members  | Full Time/Part Time | Committee Allocated   | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage apologies for non-attendance | Percentage absents without apology |
|  | FT/PT               |   |                                 | %                                      | %                                       | %                                  |
| Cllr MF Sekoele  | PT                  | Member of CORPS Portfolio Committee.                              | ANC                             | 66%                                    | 17%                                     | 17%                                |
| Cllr MH Sekatane   | PT                  | Member of BTO Portfolio Committee. Member of the Rules Committee. | ANC                             | 83%                                    | 8                                       | 8                                  |
| Cllr SM Shayi  | PT                  | Member of Municipal Public Accounts Committee                     | ANC                             | 50%                                    | 42%                                     | 8%                                 |
| Cllr NL Rilamphu   | PT                  | Member of the Ethics Committee.                                   | ANC                             | 92%                                    | 8%                                      |                                    |
| Cllr EA Mokoena Mashele                                  | PT                  | Member of the TS Portfolio Committee                              | ANC                             | 100%                                   | 0%                                      | 0%                                 |
| Cllr ME Mokgalaka  | PT                  | Member of the CSS Portfolio Committee.                            | ANC                             | 66%                                    | 17                                      | 17                                 |
| Cllr TC Malatjie   | PT                  | Member of the TS Portfolio Committee                              | ANC                             | 92%                                    | 8%                                      | 0%                                 |
| Cllr EF Nyathi   | PT                  | Member of MPAC.   | ANC                             | 100%                                   | 0%                                      | 0%                                 |
| Cllr R. Rakoma   | PT                  | Member of BTO Portfolio Committee. Member of Ethics Committee.    | DA                              | 75%                                    | 8%                                      | 17%                                |
| Cllr B. Ramothwala                                       | PT                  | Member of MPAC.   | DA                              | 83                                     | 8                                       | 8                                  |
| Cllr HS Booysen  | PT                  | Member of CORPS Portfolio Committee.                              | DA                              | 75%                                    | 25%                                     | 0%                                 |
| Cllr MM Thuke  | PT                  | Member of CORPS Portfolio Committee                               | EFF                             | 67%                                    | 33%                                     | 0%                                 |
| Cllr TM Malobane   | PT                  | Member of Municipal Public Accounts Committee                     | EFF                             | 50%                                    | 42%                                     | 8%                                 |



| Councillors, Committees Allocated and Council Attendance |                     |                                     |                                 |  |   |                                    |
|--|---------------------|-------------------------------------|---------------------------------|--|---|------------------------------------|
| Council Members  | Full Time/Part Time | Committee Allocated                 | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage apologies for non-attendance | Percentage absents without apology |
|  | FT/PT               |                                     |                                 | %                                      | %                                       | %                                  |
| Cllr NP Ntimane  | PT                  | Member of CSS Portfolio Committee.  | EFF                             | 50%                                    | 25%                                     | 25%                                |
| Cllr TB Shai   | PT                  | Member of CSS Portfolio Committee   | EFF                             | 50%                                    | 42%                                     | 8%                                 |
| Cllr JC Mokungwe   | PT                  | Member of P&D Portfolio Committee   | MIM                             | 75%                                    | 8%                                      | 17%                                |
| Cllr DS Mathebula  | PT                  | Member of MPAC.                     | NIP                             | 33%                                    | 17%                                     | 50%                                |
| Cllr TS Mashale  | PT                  | Member of MPAC                      | NIP                             | 92%                                    | 8%                                      | 0%                                 |
| Cllr GM Van Niekerk                                      | PT                  | Municipal Infrastructure & Services | FFP                             | 42%                                    | 33%                                     | 25%                                |

## APPENDIX B–COMMITTEES AND COMMITTEE PURPOSES

| Committees (other than Mayoral/Executive Committee) and Purposes of committees   |   |
|--|---|
| Municipal Committee  | Purpose of Committee  |
| Finance Portfolio  | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Infrastructure Development, Roads, Public Transport and Water Services Portfolio | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Economic Development, Human Settlement & Spatial Planning Portfolio              | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Corporate Services and Shared Services Portfolio                                 | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Community & Social Services Portfolio  | To monitor the implementation of the municipal IDP/Budget/PMS, strategic objectives and programmes within the functional area of their committee and recommend to the Executive Committee |
| Local Labour Forum   | To negotiate and consult on matters of mutual concern to the employer in order to stabilise labour unrest.  |
| Municipal Public Accounts Committee  | To exercise oversight over the executive functionaries of Council and to ensure good governance in the municipality.  |



|                        |  |
|------------------------|--|
| Audit Committee        | Advise the municipal council, the political office bearers, the accounting officer and the management of the municipality or municipal entity on matters relating to:<br><br>Internal financial control and internal audits;<br>Risk management;<br>Accounting policies;<br>The adequacy, reliability and accuracy of financial reporting and information;<br>Performance management;<br>Effective governance; |
| ICT Steering Committee | To advise the accounting officer and Management on issues relating to ICT  |
| District ICT Forum     | Sharing of Good Governance Practices   |

### APPENDIX C – THIRD TIER STRUCTURE

| THIRD TIER STRUCTURE            |   |   |             |
|---------------------------------|---|---|-------------|
| DIRECTORATE                     | MANAGER/SENIOR OFFICERS (STATE TITLE AND NAME)  | DESIGNATION   | POST LEVELS |
| Corporate Services              | Mr TM Mashale                                   | Manager Legal Services  | PL 03       |
| Corporate Services              | Mr RS Chuene                                    | Manager Information Communication Technology                                  | PL 03       |
| Corporate Services              | Ms SS Mokoena                                   | Manager Human Resources   | PL 03       |
| Corporate Services              | Mr SE Mthombeni                                 | Senior Administration Officer Committees                                      | PL 05       |
| Corporate Services              | Ms TI Mkansi                                    | Senior Administration Officer Facilities                                      | PL 05       |
| Corporate Services              | Ms TD Malebe                                    | Senior Records Officer  | PL 05       |
| Corporate Services              | Ms MJ Phakula                                   | Senior Human Resource Officer: Staffing                                       | PL 05       |
| Corporate Services              | Ms YK Mashele                                   | Senior Human Resource Officer: Salaries and Benefits                          | PL 05       |
| Corporate Services              | Ms PMS Mangaba                                  | Skills Development Facilitator  | PL 05       |
| Corporate Services              | Mr TH Mphaga                                    | Labour Relation Officer   | PL 05       |
| Corporate Services              | Mr NC Baloyi                                    | Network Sever Administrator   | PL 05       |
| OFFICE OF THE MUNICIPAL MANAGER | MANAGER /SENIOR OFFICERS (STATE TITLE AND NAME) | DESIGNATION   | POST LEVELS |
| Office of the MM                | Ms. MM Makhongela                               | Chief Audit Executive   | PL 02       |
| Office of the MM                | Mr. T Sekgwari                                  | Manager: Risk Management  | PL 03       |
| Office of the MM                | Mr. J Mahesu                                    | Manager: Communication  | PL 03       |
| Office of the MM                | Mr. ND Ndlozi                                   | Manager: Office of the MM   | PL 03       |
| Office of the MM                | Mr. R Mohlala                                   | Chief Internal Auditor  | PL 04       |
| Office of the MM                | Ms. M Maake                                     | Internal Audit Technician-Compliance  | PL 05       |
| Office of the MM                | Ms. C Lebelo                                    | Internal Audit Technician: Audit Risk Based                                   | PL 05       |
| Office of the MM                | Mr. MJ Mphahlele                                | Senior Administrator Officer: Disaster Risk Reduction, Response and Awareness | PL 05       |
| Office of the MM                | Ms. MD Makgatho                                 | Senior: Public Participation Officer  | PL 05       |
| Office of the MM                | Mr. E Ramachela                                 | Senior: Communications Officer  | PL 05       |



| THIRD TIER STRUCTURE        |  |   |             |
|-----------------------------|--|---|-------------|
| DIRECTORATE                 | MANAGER/SENIOR OFFICERS (STATE TITLE AND NAME) | DESIGNATION   | POST LEVELS |
| Office of the MM            | Ms. L Khosa                                    | Senior MPAC Researcher  | PL 05       |
| Office of the MM            | Mr. Mphogo                                     | Senior Administration Officer: Youth Gender, Elderly, Children & Disability | PL 05       |
| BUDGET AND TREASURY         | MANAGER/SENIOR OFFICERS (STATE TITLE AND NAME) | DESIGNATION   | POST LEVELS |
| Budget and Treasury         | Mr. SW Willard                                 | Manager: Supply Chain & Fleet Management                                    | PL 03       |
| Budget and Treasury         | Mr. I Mokganya                                 | Manager: Financial Control & Expenditure                                    | PL 03       |
| Budget and Treasury         | Ms. MW Motloutsi                               | Manager: Financial Planning & Reporting                                     | PL 03       |
| Budget and Treasury         | Mr. N Tshishonga                               | Manager: Revenue and Debt Management  | PL 03       |
| Budget and Treasury         | Mr. M Masekwameng                              | Chief Accountant: Procurement & Contract Management                         | PL 04       |
| Budget and Treasury         | Ms. MM Mahaleamalla                            | Senior Accountant Billing   | PL 05       |
| Budget and Treasury         | Mr. B Mkhabela                                 | Senior Accountant: Credit Control   | PL 05       |
| Budget and Treasury         | Ms. Mogofe N                                   | Senior Accountant Compliance  | PL 05       |
| Budget and Treasury         | Mr. Motadi MS                                  | Senior Accountant: Fleet Management   | PL 05       |
| PLANNING & DEVELOPMENT      | MANAGER /SENIOR OFFICERS(STATE TITLE AND NAME) | DESIGNATION   | POST LEVELS |
| Planning & Development      | Ms. M Chueu                                    | Manager Strategic Planning  | PL 03       |
| Planning & Development      | Ms. N Shikwambana                              | Manager: Town Planning & Human Settlement                                   | PL 03       |
| Planning & Development      | Mr M. Mashale                                  | Manager Local Economic Development  | PL 03       |
| Planning & Development      | Mr. ME Malesa                                  | Senior Officer PMS  | PL 05       |
| Planning & Development      | Mr. M Mongale                                  | Senior Officer Human Settlement   | PL 05       |
| Planning & Development      | Ms. M Manyama                                  | Senior officer Tourism  | PL 05       |
| COMMUNITY & SOCIAL SERVICES | MANAGER/SENIOR OFFICERS (STATE TITLE AND NAME) | DESIGNATION   | POST LEVELS |
| Community & Social Services | Mr. NS Mokhabukhi                              | Manager Library   | PL 03       |
| Community & Social Services | Ms. L Shai                                     | Manager Parks & Cemeteries  | PL 03       |
| Community & Social Services | Mr. R Shai                                     | Traffic Superintendent  | PL 05       |
| Community & Social Services | Mr. M Modikwa                                  | Horticulturist Officer  | PL 05       |
| Community & Social Services | Mr. MM Mokgomola                               | Environmental Superintendent  | PL 05       |
| TECHNICAL SERVICES          | MANAGER /SENIOR                                | DESIGNATION   | POST LEVELS |



| THIRD TIER STRUCTURE |  |   |             |
|----------------------|--|---|-------------|
| DIRECTORATE          | MANAGER/SENIOR OFFICERS (STATE TITLE AND NAME) | DESIGNATION                               | POST LEVELS |
|                      | OFFICER(STATE TITLE AND NAME)                  |   |             |
| Technical Services   | Mr. R Sekgobela                                | Manager: Electrical Services              | PL 03       |
| Technical Services   | Mr. G Hlungwane                                | Manager: Water Services                   | PL 03       |
| Technical Services   | Mr.S Madioppe                                  | Manager: Roads & Storm Water              | PL 03       |
| Technical Services   | Mr. Mawela                                     | Manager: PMU                              | P L 03      |
| Technical Services   | Mr. Khosa                                      | Technician Mechanical                     | P L04       |
| Technical Services   | Mr. MT Pasha                                   | Technician Water and Sanitation           | PL 04       |
| Technical Services   | Mr. Mashele                                    | Technician: Electrical Services           | PL 04       |
| Technical Services   | Mr. TV Hlungwani                               | Superintendent Operations and Maintenance | PL 05       |
| Technical Services   | Mr. S Morgan                                   | Superintendent Fitting & Turning          | PL 05       |
| Technical Services   | Mr M. Nawa                                     | Technicians Buildings                     | PI 04       |
| Technical Services   | Ms. L Msiza                                    | Technician: Roads & Storm Water           | PL 04       |

## APPENDIX D– MUNICIPALITY/ENTITY FUNCTIONS

| Municipal/Entity Functions  |  |  |
|---|--|--|
| Municipal Functions   | Function applicable to Municipality (Yes/No) | Function applicable to Entity (yes/no) |
| Constitution schedule 4, Part B functions   |  |  |
| Air Pollution   | No   | District                               |
| Building Regulations  | Yes  | No                                     |
| Childcare facilities  | No   | No                                     |
| Electricity and gas reticulation  | Yes  | No                                     |
| Firefighting services   | No   | District                               |
| Local tourism   | Yes  | No                                     |
| Municipal airports  | Yes  | No                                     |
| Municipal planning  | Yes  | No                                     |
| Municipal Health Services   | No   | No                                     |
| Municipal Public Transport  | No   | No                                     |
| Municipal Public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other | Yes  | No                                     |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related   | No   | No                                     |
| Storm water management systems in built up areas  | Yes  | No                                     |
| Trading regulations   | Yes  | No                                     |
| Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems  | No   | District                               |



| Municipal/Entity Functions  |   |  |
|---|---|--|
| Municipal Functions   | Function Applicable to Municipality (Yes/No)* | Function Applicable to entity (Yes/No) |
| Constitution schedule 5, Part B Functions:                                  |   |  |
| Beaches and amusement facilities  | No  | No                                     |
| Billboards and the display of advertisements in public places               | Yes   | No                                     |
| Cemeteries, funeral parlours and crematoria                                 | Yes   | No                                     |
| Cleansing   | No  | No                                     |
| Control of public nuisance  | Yes   | No                                     |
| Control of undertakings that sell liquor to the public                      | No  | No                                     |
| Facilities for the accommodation, care and burial of animals                | No  | No                                     |
| Fencing and fences  | Yes   | No                                     |
| Licensing of dogs   | Yes   | No                                     |
| Licensing and control of undertakings that sell food to the public          | No  | District                               |
| Local amenities   | Yes   | No                                     |
| Local sport facilities  | Yes   | No                                     |
| Markets   | Yes   | No                                     |
| Municipal abattoirs   | No  | No                                     |
| Municipal parks and recreation  | Yes   | No                                     |
| Municipal roads   | Yes   | No                                     |
| Noise pollution   | Yes   | No                                     |
| Pounds  | Yes   | No                                     |
| Public places   | Yes   | No                                     |
| Refuse removal, refuse dumps and solid waste disposal                       | Yes   | No                                     |
| Street trading  | Yes   | No                                     |
| Street lighting   | Yes   | No                                     |
| Traffic and parking   | Yes   | No                                     |
| *if municipality: indicate (yes or No); * if entity: provide name of entity |   | TD                                     |

## APPENDIX E – WARD REPORTING

| Functionality of Ward Committees |  |                                |   |  |   |
|----------------------------------|--|--------------------------------|---|--|---|
| Ward Name (Number)               | Name of ward councillor and elected ward committee members | Committee established (Yes/No) | Number of monthly committee meetings held during the year | Number of monthly reports submitted to Speakers office on time | Number of quarterly public ward meetings held during year |
| Ward 1                           | Cllr Nkwane Johannes Mampuru                               | yes                            | 12  | 12   | 03  |
| Ward 2                           | Cllr Mmantswana Mavis Malesa                               | yes                            | 12  | 12   | 05  |
| Ward 3                           | Cllr Jafet Sindane   | yes                            | 12  | 12   | 11  |
| Ward 4                           | Cllr Lebo Moses Matlala                                    | yes                            | 12  | 12   | 04  |
| Ward 5                           | Cllr Maleage Albert Mononela                               | yes                            | 12  | 12   | 05  |
| Ward 6                           | Cllr Mokgadi Paulinah Mailula                              | yes                            | 12  | 12   | 05  |
| Ward 7                           | Cllr Mampuele Frans Sekoele                                | yes                            | 12  | 12   | 02  |
| Ward 8                           | Cllr Mpho Harry Sekatane                                   | yes                            | 12  | 12   | 03  |
| Ward 9                           | Cllr Victor Mohale Rapatsa                                 | yes                            | 12  | 12   | 02  |



|         |                                      |     |    |    |    |
|---------|--------------------------------------|-----|----|----|----|
| Ward 10 | Cllr Sinah Modjadji Shayi            | yes | 12 | 12 | 03 |
| Ward 11 | Cllr Hendrika Stoffelina Booysen     | yes | 12 | 12 | 01 |
| Ward 12 | Cllr Sybrandt De Beer                | yes | 12 | 12 | 01 |
| Ward 13 | Cllr Nhlahla Lucky Rihlampfu         | yes | 12 | 12 | 05 |
| Ward 14 | Cllr Eunice Annetjie Mokoena-Mashele | yes | 12 | 12 | 03 |
| Ward 15 | Cllr Makasela Richard                | yes | 12 | 12 | 01 |
| Ward 16 | Cllr Nkuna Tompson                   | yes | 12 | 12 | 05 |
| Ward 17 | Cllr Mapiti Eddy Mokgalaka           | yes | 12 | 12 | 02 |
| Ward 18 | Cllr Tebogo Collen Malatji           | yes | 12 | 12 | 03 |
| Ward 19 | Cllr Enoch Funtani Nyathi            | yes | 12 | 12 | 05 |

## APPENDIX F1–WARD INFORMATION

### Capital Projects: Seven Largest in 2023/24 (Full List at Appendix N)

R`000

| Ward No          | Project Name & Detail  | Start Date   | End Date      | Total Value    |
|------------------|--|--------------|---------------|----------------|
| 17 & 18          | Construction of Selwane Sports Complex   | April 2019   | June 2023     | R45 929 565.25 |
| 1,2,4,5,6,7 & 19 | Refurbishment of Namakgale Stadium   | March 2021   | August 2024   | R44 941 439.69 |
| 7                | Tambo phase 2 street paving  | June 2020    | February 2023 | R51 138 818.56 |
| 2,10,13,14,15,16 | Construction of storm water access bridges within the communities of Makhushane Ward 2, Mashishimale to Lejori Ward 10, Humulani Ward 13 and Lulekani Ward 14,15& 16 | October 2024 | June 2024     | R23 360 351.12 |
| 13               | Electrification of 400 households in Majeje Ext B Phase 2  | October 2023 | June 2024     | R6 913 450.42  |
| 16               | Electrification of 250 households in Matikoxikaya  | October 2024 | June 2024     | R 5 031 233.4  |

## APPENDIX F2 – BASIC SERVICE PROVISION

| Basic Service Provision                     |                          |                          |             |        |         |
|---|--------------------------|--------------------------|-------------|--------|---------|
| Detail                                      | Water                    | Sanitation               | Electricity | Refuse | Housing |
| Households with minimum service delivery    | Function of the District | Function of the District | 50468       | 21211  |         |
| Households without minimum service delivery | Function of the District | Function of the District | 1183        | 27889  |         |



|                                 |                             |                             |       |       |       |
|---------------------------------|-----------------------------|-----------------------------|-------|-------|-------|
| Total Households*               | Function of<br>the District | Function of<br>the District | 51651 | 49100 |       |
| Houses completed in year        |                             |                             |       |       |       |
| Shortfall in Housing units      |                             |                             |       |       |       |
| *Including informal settlements |                             |                             |       |       | T F.2 |

### APPENDIX F3 – TOP FOUR SERVICE DELIVERY PRIORITIES FORWARD (HIGHEST PRIORITY FIRST)

| Top Four Service Delivery Priorities for Ward (Highest Priority First) |                          |  |
|--|--------------------------|--|
| No.  | Priority Name and Detail | Progress During Year   |
| 1  | Street paving            | The municipality has commenced with the upgrading of 3.8 km road gravel to tar road in Benfarm (Ward 13) |
| 2  | Water                    | Mopani District municipality is responsible for implementing water projects                              |
| 3  | Culverts                 | Lulekani Culvert was completed   |
| 4  | Apollo lights            | No project implemented during financial year 2023/24   |

### APPENDIX G –RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2023/24

| AC No.       | Date of AC        | Total Resolutions | Completed  | Not Implemented | Recommendations adopted by council |
|--------------|-------------------|-------------------|------------|-----------------|------------------------------------|
| 1            | 24 July 2023      | 34                | 34         | 0               | Yes                                |
| 2            | 23 August 2023    | 15                | 15         | 0               | Yes                                |
| 3            | 29 August 2023    | 19                | 19         | 0               | Yes                                |
| 4            | 22 September 2023 | 5                 | 5          | 0               | Yes                                |
| 5            | 23 October 2023   | 63                | 61         | 2               | Yes                                |
| 6            | 30 November 2023  | 5                 | 5          | 0               | Yes                                |
| 7            | 22 January 2024   | 15                | 15         | 0               | Yes                                |
| 8            | 11 March 2024     | 11                | 11         | 0               | Yes                                |
| 9            | 26 March 2024     | 35                | 34         | 1               | Yes                                |
| 10           | 03 May 2024       | 44                | 43         | 1               | Yes                                |
| 11           | 04 May 2024       | 8                 | 6          | 2               | Yes                                |
| 12           | 04 June 2024      | 18                | 17         | 1               | Yes                                |
| <b>Total</b> |                   | <b>270</b>        | <b>265</b> | <b>7</b>        |                                    |



## APPENDIX H1-2-LONG TERM CONTRACTS AND PUBLIC-PRIVATE PARTNERSHIPS

| Long Term Contracts (20 Largest Contracts Entered into 2023/24) |  |                        |                         |                 |                |
|---|--|------------------------|-------------------------|-----------------|----------------|
| Name of service provider (entity of municipal department)       | Description of services rendered by the service provider | Start date of contract | Expiry date of contract | Project Manager | Contract Value |
| None  |  |                        |                         |                 |                |

| Public Private Partnerships Entered into 2023/24<br>R`000 |                     |                 |             |                 |               |
|---|---------------------|-----------------|-------------|-----------------|---------------|
| Name & Description of project                             | Name of Partner (s) | Initiation date | Expiry date | Project manager | Value 2023/24 |
| None  |                     |                 |             |                 |               |

## APPENDIX I - MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

| Municipal Entity/Service Provider Performance Schedule  |                           |                |        |                |               |        |               |               |                 |
|---|---------------------------|----------------|--------|----------------|---------------|--------|---------------|---------------|-----------------|
| Name of Entity & Purpose  | (a)<br>Service Indicators | Year 0         |        | Year 1         |               | Year 2 | Year 3        |               |                 |
|   | (b)<br>Service Targets    | Target         | Actual | Target         |               | Actual | Target        |               |                 |
|   |                           | *Previous Year |        | *Previous Year | *Current Year |        | *Current Year | *Current Year | *Following Year |
|   |                           | (iii)          | (iv)   | (v)            | (vi)          | (vii)  | (viii)        | (ix)          | (x)             |
| N/A   | N/A                       | N/A            | N/A    | N/A            | N/A           | N/A    | N/A           | N/A           | N/A             |
| <p><i>Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.</i></p> |                           |                |        |                |               |        |               |               |                 |

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## APPENDIX J- DISCLOSURES OF FINANCIAL DISCLOSURES

| Disclosures of Financial Interests |                   |  |
|------------------------------------|-------------------|--|
| Period 1 July 2023 to 30 June 2024 |                   |  |
| Position                           | Name              | Description of financial interest*<br>(Nil/or details) |
| Speaker                            | Cllr Mabunda O    | • Nil  |
| Mayor                              | Cllr Malaji MM    | • Nil  |
| Chief Whip                         | Cllr Rapatsa DM   | • Nil  |
| Member of Exco                     | Cllr Rapatsa V    | • Nil  |
| Member of Exco                     | Cllr Makasela R   | • Nil  |
| Member of Exco                     | Cllr Nkuna T      | • Nil  |
| Member of Exco                     | Cllr Mashumu P    | •  |
| Member of Exco                     | Cllr De Beer SR   | • Old Mutual Investment                                |
| Member of Exco                     | Cllr Mailula P    | • Nil  |
| Mpac Chairperson                   | Cllr Mukhari P    | • Nil  |
| Councillor                         | Cllr Nyathi EF    | • PMC Employee 10%                                     |
| Councillor                         | Cllr Shayi S      | • Nil  |
| Councillor                         | Cllr Mathebula DS | • Nil  |
| Councillor                         | Cllr Mampuru MM   | • Nil  |
| Councillor                         | Cllr Malobane TM  | • Nil  |
| Councillor                         | Cllr Ramothwala B | • Nil  |
| Councillor                         | Cllr M Malesa     | • Nil  |
| Councillor                         | Cllr LM Matlala   | • Nil  |
| Councillor                         | Cllr J Sindane    | • Nil  |



|                                    |                          |       |
|------------------------------------|--------------------------|-------|
| Councillor                         | Cllr MH Sekatane         | • Nil |
| Councillor                         | Cllr Rakoma R            | • Nil |
| Councillor                         | Cllr Booysen HS          | • Nil |
| Councillor                         | Cllr Shai TB             | • Nil |
| Councillor                         | Cllr Mashale T           | • Nil |
| Councillor                         | Cllr Mokgalaka ME        | • Nil |
| Councillor                         | Cllr Van Niekerk J       | • Nil |
| Councillor                         | Cllr Mohlala S           | • Nil |
| Councillor                         | Cllr Rihlamfu NL         | • Nil |
| Councillor                         | Cllr Mokungwe JC         | • Nil |
| Councillor                         | Cllr Mokoena –Mashele EA | • Nil |
| Councillor                         | Cllr Peta A              | • Nil |
| councillor                         | Cllr mathebula mma       | • Nil |
| Councillor                         | Cllr Mononela MA         | • Nil |
| Councillor                         | Cllr Sekoele MF          | • Nil |
| Councillor                         | Cllr Thuke MM            | • Nil |
| Councillor                         | Cllr Ntimana NP          | • Nil |
| <b>MUNICIPAL ADMINISTRATORS</b>    |                          |       |
| Municipal Manager                  | Dr Pilusa KKL            | • Nil |
| Senior Manager: Corporate Services | Mrs Selapyane JB         | • Nil |
| Chief Financial Officer            | Mr Nzimande AT           | • Nil |
| Senior Manager Planning            | Mrs Muluadzi J           | • Nil |
| Senior Manager Community           | Mr Hlogwane T            | • Nil |
| Senior Manager Technical Services  | Mrs. Mphachoe            | • Nil |



**APPENDIX K1: REVENUE COLLECTION PERFORMANCE BY VOTE**

| Vote Description              | 2022/23 | 2022/23 | 2023/24         |                 |
|-------------------------------|---------|---------|-----------------|-----------------|
|                               | Actual  | Actual  | Original Budget | Adjusted Budget |
| EXECUTIVE AND COUNCIL         | 0       | 0       | 0               | 0               |
| BUDGET AND TREASURY DEPT      | 432 214 | 432 214 | 445 624         | 456 354         |
| CORPORATE SERVICES            | 815     | 815     | 220             | 270             |
| COMMUNITY AND SOCIAL SERVICES | 42 534  | 42 534  | 7 683           | 7 683           |
| PLANNING AND DEVELOPMENT      | 0       | 0       | 306             | 261             |
| TECHNICAL SERVICES DEPT       | 158 810 | 158 810 | 279 144         | 271 644         |
| Total Revenue by vote         | 634 383 | 634 383 | 732 932         | 736 212         |

**APPENDIX K2 - REVENUE COLLECTION PERFORMANCE BY SOURCE: 2023/24**

| Revenue Collection Performance by Source |         |         |         |                 |                   |         |                  |                   |
|--|---------|---------|---------|-----------------|-------------------|---------|------------------|-------------------|
| Description                              | 2020/21 | 2021/22 | 2022/23 | 2023/24         |                   |         | 2023/24 Variance |                   |
|  | Actual  | Actual  | Actual  | Original Budget | Adjustment Budget | Actual  | Original Budget  | Adjustment Budget |
| Property Rates                           | 141 319 | 141 319 | 134 374 | 184 556         | 184 556           | 127 740 | (56 816)         | (56 816)          |
| Service charges – electricity revenue    | 105 590 | 107 020 | 119 965 | 175 582         | 175 582           | 117 658 | (57 924)         | (57 924)          |
| Service Charges – refuse revenue         | 16 032  | 16 524  | 18 558  | 20 772          | 20 772            | 20 167  | (605)            | (605)             |
| Rentals of facilities and equipment      | 5       | 205     | 512     | 220             | 270               | 341     | 121              | 71                |
| Interest earned. – Investment            | 2 718   | 2 429   | 4 026   | 2 613           | 5 113             | 5 120   | 2 507            | 7                 |
| Interest earned – outstanding debtors    | 44 821  | 42 787  | 25 626  | 62 657          | 62 657            | 14 251  | (48 406)         | (48 406)          |
| Fines                                    | 301     | 598     | 514     | 1 363           | 1 363             | 280     | (1 083)          | (1 083)           |
| Licence and permits                      | 5 690   | 20 358  | 4 143   | 6 109           | 6 109             | 4 296   | (1 813)          | (1 813)           |
| Agency services                          | 9 051   | 21 601  | 15 400  | 6 529           | 6 529             | 13 388  | 6 859            | 6 859             |



|   |   |         |                |                |                |                |                |                 |                 |
|---|---|---------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Transfers recognised operational                              | – | 205 154 | 182 025        | 196 252        | 207 443        | 215 693        | 215 659        | 8 216           | (34)            |
| Other revenue   |   | 1 629   | 10 753         | 70 826         | 8 503          | 8 503          | 130 910        | 122 407         | 122 407         |
| Total Revenue (excluding capital transfers and contributions) |   |         | <b>759 659</b> | <b>590 196</b> | <b>676 146</b> | <b>687 146</b> | <b>649 810</b> | <b>(26 537)</b> | <b>(37 337)</b> |

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| Conditional Grants: Excluding MIG(R'000) |        |                   |        |                 |                   |   |
|--|--------|-------------------|--------|-----------------|-------------------|---|
| 2023/24                                  |        |                   |        |                 |                   |   |
| Details                                  | Budget | Adjustment Budget | Actual | Variance Budget | Adjustment Budget | Major conditions applied by donor (continue below if necessary) |
| Finance Management grant                 | 3 100  | 3 100             | 3 100  | 0               | 0                 | N/A   |
| EPWP                                     | 1 470  | 1 470             | 1 470  | 0               | 0                 | N/A   |
| EEDSMG                                   | 4 000  | 4 000             | 3 661  | -339            | -339              | N/A   |
| INEP                                     | 20 794 | 15 794            | 15 793 | -5 001          | -1                | N/A   |
| Total                                    | 29 364 | 24 364            | 24 024 | -5 340          | -340              |   |

## APPENDIX M1-2: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

| Capital expenditure – New Assets programme* |                 |                   |                    |                                    |        |        |
|---|-----------------|-------------------|--------------------|------------------------------------|--------|--------|
| Description                                 | 2023/24 (R'000) |                   |                    | Planned capital expenditure(R'000) |        |        |
|   | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1                             | FY + 2 | FY + 3 |
| <b>Capital expenditure by asset class</b>   |                 |                   |                    |                                    |        |        |
| <b>Infrastructure – Total</b>               |                 |                   |                    |                                    |        |        |
| Infrastructure: Road transport – Total      | 35 792          | 33 272            | 33 272             | 31 079                             | 37 914 | 35 567 |
| Infrastructure: Electricity – Total         | 20 794          | 15 794            | 15 793             | 8 014                              | 13 962 | 12 286 |
| Other                                       | 2 500           | 2 500             | 6 591              | 20 700                             | 14 700 | 9 000  |



**APPENDIX N – CAPITAL PROGRAMME BY PROJECT CURRENT YEAR**

| Capital Programme by Project: 2023/24  |                 |                   |        |                        |                       |
|--|-----------------|-------------------|--------|------------------------|-----------------------|
| Capital Project  | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
| <b>Water</b>   | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| <b>Sanitation/Sewerage</b>   | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| <b>Electricity</b>   |                 |                   |        |                        |                       |
| Electrification of Majeje ext b phase 2 (400 units)  | 7 500           | 6 913             | 6 913  | 100%                   | 92%                   |
| Electrification of Nondoweni pre-eng (120 units)   | 114             | 114               | 114    | 100%                   | 100%                  |
| Electrification of Makhushwane camp (180 units)  | 2 600           | 1 541             | 1 540  | 100%                   | 59%                   |
| Electrification of Nyakellang phase 2 (120)  | 2 400           | 1 278             | 1 278  | 100%                   | 53%                   |
| Electrification of Mashishimale (75 units)   | 1 500           | 736               | 736    | 100%                   | 49%                   |
| Electrification of Prieska pre-eng (150)   | 180             | 180               | 178    | 99%                    | 99%                   |
| Electrification of Mosemaneng and Matiko xikaya (250)  | 6 500           | 5 031             | 5 031  | 100%                   | 77%                   |
| <b>Housing</b>   | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| <b>Refuse removal</b>  | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| <b>Stormwater</b>  |                 |                   |        |                        |                       |
| Installation of stormwater culverts at Mashishimale to Lejori ward 10, Makhushane ward 2, Lulekani access bridge to cemeteries ward 15 and Humulani access to cemeteries ward 13 | 10 000          | 5 857             | 5 857  | 100%                   | 59 %                  |
| <b>Economic development</b>  |                 |                   |        |                        |                       |
| "Project A"  | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| "Project B"  | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| <b>Sports, Arts &amp; Culture</b>  |                 |                   |        |                        |                       |
| Upgrading of Benfarm   | 10 000          | 20 075            | 20 075 | 100%                   | 186%                  |
| Refurbishment of Namakgale Stadium   | 15 000          | 7 341             | 7 341  | 100%                   | 49%                   |
| <b>Environment</b>   |                 |                   |        |                        |                       |
| "Project A"  | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| "Project B"  | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| <b>Health</b>  | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| <b>Safety and Security</b>   | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| <b>ICT and Other</b>   | N/A             | N/A               | N/A    | N/A                    | N/A                   |
| T N  |                 |                   |        |                        |                       |



**APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR**

| Capital Programme by Project by Ward: 2023/24  |                  |                          | R' 000 |
|--|------------------|--------------------------|--------|
| Capital Project  | Ward(s) affected | Works completed (Yes/No) |        |
| <b>Water</b>   | N/A              | N/A                      |        |
| <b>Sanitation/Sewerage</b>   | N/A              | N/A                      |        |
| <b>Electricity</b>   |                  |                          |        |
| Electrification of 400 households in Majeje Ext B Phase 2  | 13               | Yes                      |        |
| Electrification of 250 households in Matikoxikaya  | 16               | Yes                      |        |
| <b>Housing</b>   | N/A              | N/A                      |        |
| <b>Refuse removal</b>  | N/A              | N/A                      |        |
| <b>Stormwater</b>  |                  |                          |        |
| Installation of stormwater culverts at Mashishimale to Lejori ward 10, Makhushane ward 2, Lulekani access bridge to cemeteries ward 15 and Humulani access to cemeteries ward 13 | 2,10,13,14,15&16 | Yes                      |        |
| <b>Economic development</b>  | N/A              | N/A                      |        |
| <b>Sports, Arts &amp; Culture</b>  |                  |                          |        |
| Refurbishment of Namakgale Stadium   | 1,2,5,6,7 &19    | No                       |        |
| Construction of Selwane sports complex   | 17&18            | Yes                      |        |
| <b>Environment</b>   | N/A              | N/A                      |        |
| <b>Health</b>  | N/A              | N/A                      |        |
| <b>Safety and Security</b>   | N/A              | N/A                      |        |
| <b>ICT and Other</b>   | N/A              | N/A                      |        |
|  |                  |                          | T O    |

**APPENDIX P – SERVICE BACKLOGS: SCHOOLS AND CLINICS**

| Service Backlogs: Schools and Clinics |       |            |             |                        |
|---------------------------------------|-------|------------|-------------|------------------------|
| Establishments lacking basic services | Water | Sanitation | Electricity | Solid Waste Collection |
| <b>Schools (NAMES, LOCATIONS)</b>     |       |            |             |                        |
| Matome Malatji School                 | ✓     | N/A        | N/A         | ✓                      |
| <b>Clinics (NAMES, LOCATIONS)</b>     |       |            |             |                        |
| NONE                                  |       |            |             |                        |



## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY BY OTHER SPHERE OF GOVERNMENT

| Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether act on agency basis) |  |  |
|---|--|--|
| Services and Locations  | Scale of backlogs                                      | Impact of backlogs                       |
| <b>Clinics:</b>   | Ward 1 – Kanana, Foskor ground                         | Travel long distance to reach the clinic |
|   | Ward 6 – Topville                                      |  |
|   | Ward 8 – Tshabelamatswale                              |  |
|   | Ward 10 -Maseke  |  |
| <b>Housing:</b>   | 5 779 – Ward 1,2,3,4,5,6,7,8,9,10,13,14,15,16,17,18,19 |  |
| <b>Licencing and Testing Centre:</b>  | None   |  |
| <b>Reservoirs</b>   | Ward 3, 7,9, 15  |  |
| <b>Schools (Primary and High):</b>  | Ward ,16,17  |  |
|   | Renovation Batwatsi School ward 17                     |  |
| <b>Sports Fields:</b>   | Ward 18 Gravelotte                                     |  |

## APPENDIX R – LOANS AND GRANTS MADE BY THE MUNICIPALITY

| Declaration of Loans and Grants made by the municipality: 2023/24                     |                   |                                |                     |   |
|---|-------------------|--------------------------------|---------------------|---|
| All Organisation or Person in receipt of Loans */Grants* provided by the municipality | Nature of project | Conditions attached to funding | Value Year 0 R' 000 | Total Amount committed over previous and future years |
| MIG   | None              | None                           | None                | None  |
| FMG   | None              | None                           | None                | None  |
| INEP  | None              | None                           | None                | None  |
| EPWP  | None              | None                           | None                | None  |
| LGSETA  | None              | None                           | None                | None  |
| EQUITABLE Shares  | None              | None                           | None                | None  |
| * Loans/Grants - whether in cash or in kind   |                   |                                |                     | T R   |



## APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71

| Monthly budget statement not made on time | Progress to date | Number or Percentage achieved |
|---|------------------|-------------------------------|
| None                                      |                  |                               |
|   |                  |                               |
|   |                  |                               |
|   |                  |                               |

## APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

| National and Provincial Outcomes for Local Government           |  |                               |
|---|--|-------------------------------|
| Outcome/Output  | Progress to date   | Number or Percentage Achieved |
| Output: Improving access to basic services                      | Improvement in access roads through completion of <ul style="list-style-type: none"> <li>Construction of storm water access bridges within the communities of Makhushane Ward 2, Mashishimale to Lejori Ward 10, Humulani Ward 13 and Lulekani Ward 14,15 &amp;16</li> </ul> |                               |
|   | Improvement in access to basic electricity through completion of electrification of: <ul style="list-style-type: none"> <li>400 households in Majeje Extension B Phase in Ward 13</li> <li>250 households in Matikokikaya in Ward 16</li> </ul>                              |                               |
| Waste collection  | 21211  | 43.2%                         |
| Output: Implementation of the Community Work Programme          | 1081   |                               |
| Output: Deepen democracy through a refined Ward Committee model | Ward committees are functional and submit monthly reports to Office of the Speaker   | 100% functional               |
| Output: Administrative and financial capability                 | Improvement in revenue collection monthly improvement from 65 to 80% by 30/06/2023 budget year.  | 78%                           |



## LIST OF ACRONYMS

|          |  |
|----------|--|
| EXCO     | Executive Committee  |
| AG       | Auditor General  |
| MIG      | Municipal Infrastructure Grant                                   |
| BPM      | Ba-Phalaborwa Municipality                                       |
| COGHSTA  | Corporative Governance, Human Settlement and Traditional Affairs |
| COGTA    | Corporative Governance and Traditional Affairs                   |
| CDW      | Community Development Workers                                    |
| LLF      | Local Labour Forum   |
| AC       | Audit Committee  |
| AG       | Auditor General  |
| EXCO     | Executive Committee  |
| GEAR     | Growth, employment and redistribution                            |
| GIS      | Geographical Information System                                  |
| GDP      | Growth Development Product                                       |
| IDP      | Integrated Development Plan                                      |
| SDBIP    | Service Delivery and Budget Implementation Plan                  |
| IT       | Information Technology   |
| IGR      | Inter-Governmental Relations                                     |
| ICT      | Information and Communication Technology                         |
| ISCOR    | Institute for International Security and Conflict Resolution     |
| IDP      | Integrated Development Plan                                      |
| KNP      | Kruger National Park   |
| LED      | Local Economic Development                                       |
| LEGDP    | Limpopo Employment and Growth Development                        |
| LUMS     | Land Use Management Scheme                                       |
| MDM      | Mopani District Municipality                                     |
| MPCC     | Multi-Purpose Community Centre                                   |
| MPAC     | Municipal Public Accounts Committee                              |
| MSA      | Municipal Structures Act   |
| NDPG     | Neighbourhood Development Partnership Grant                      |
| SDF      | Spatial Development Framework                                    |
| SDI      | Spatial Development Initiatives                                  |
| STATS SA | Statistics South Africa  |
| SANRAL   | South African National Road Agency                               |
| MEC      | Member of Executive Council                                      |
| SAPS     | South African Police Service                                     |
| SALGA    | South African Local Government Association                       |
| SMME     | Small Medium and Micro Enterprise                                |
| PMC      | Phalaborwa Mining Company  |
| PMS      | Performance Management System                                    |
| MFMA     | Municipal Finance Management Committee                           |
| DORA     | Division of Revenue Act  |
| GRAP     | Generally Recognise Accounting Practise                          |
| KPI      | Key Performance Indicator  |
| KPA      | Key Performance Area   |
| LGSETA   | Local Government Sector Education Training Authority             |
| LUMS     | Land Use Management System                                       |
| SDF      | Spatial Development Framework                                    |



|        |  |
|--------|--|
| SPLUMA | Spatial Planning Land Use Management Act |
| EPWP   | Expanded Public Works Programme          |
| CWP    | Community Workers Programme              |
| CFO    | Chief Finance Officer                    |
| IA     | Internal Audit                           |
| SCM    | Supply Chain Management                  |



## ANNEXURES TO THE ANNUAL REPORT



## ANNEXURE 1: ANNUAL PERFORMANCE REPORT

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## **ANNEXURE 2: AUDITED ANNUAL FINANCIAL STATEMENT**

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## ANNEXURE 3: ORGANIZATIONAL STRUCTURE

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## ANNEXURE 4: ATTENDANCE REGISTER – COUNCIL MEETINGS

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## ANNEXURE 5: AUDITOR GENERAL REPORT

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## ANNEXURE 6: AUDIT COMMITTEE REPORT

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## ANNEXURE 7: AUDITOR GENERAL ACTION PLAN

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