

BA-PHALABORWA LOCAL MUNICIPALITY

2022/23

ANNUAL REPORT



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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

MAYOR'S FOREWORD



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 Council and present it to all our communities. It is encouraging and fulfilling to account directly to our people on the mandate they have bestowed on us, as they are yearning for faster pace of delivery. Our Integrated Development Plan (IDP) guides our specific mandate as Ba-Phalaborwa Municipality. This report will cover the milestones we have achieved in our IDP and Budget for the year under review.

The current Council has completed two years of its term in office. It is crucial to highlight that this annual report reflects the IDP and Budget for the 2022/23 financial year, which were approved by both the preceding Council and the current Council. The implementation of the IDP, budget, and oversight responsibilities were undertaken by the present Mayor and Council.

In May 2023, the current Council successfully approved its second budget, marking a pivotal step in our commitment to a back-to-basics strategy, wherein service delivery takes precedence in all our endeavours. The IDP process is meticulously executed, emphasizing comprehensive public participation. In a continuous effort to enhance community involvement, the IDP undergoes regular reviews with the objective of augmenting public participation and thereby ensuring that our budget harmoniously aligns with the true needs of the community. 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, 147 jobs have been created through municipal initiatives and 459 SMME's were supported through Supply Chain Processes.

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

- Roads and storm water
- Water and sanitation
- Waste management
- Ageing of electricity infrastructure and cable theft



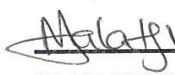
2022/2023 BPM Draft Annual Report

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 in 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 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 2022/23 Annual Report.


CLLR MM MALATJI
MAYOR



Ba-Phalaborwa Local Municipality
"The Home of Marula and Wildlife Tourism"



Ba-Phalaborwa Local Municipality
"The Home of Marula and Wildlife Tourism"

COMPONENT A: EXECUTIVE SUMMARY

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 on performance and Council's financial position for the 2022/2023 financial year. It outlines various programmes 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), 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 2022/2023 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 achieved a commendable 78% improvement in revenue collection and an 8% 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 addressing outstanding government debt, we actively engage in Inter-Governmental Relations (IGR) Forums for collaborative interventions. The successful resolution of these outstanding debts is crucial as it directly impacts the implementation of self-funded projects aimed at enhancing service provision within our jurisdiction. We recognize the ripple effects of poor revenue collection and remain dedicated to overcoming these challenges for the betterment of 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 Council. As a developmental organ of State, we endeavor to comply with Sections 155 and 156 of the Constitution of Republic of South Africa in providing municipal services in an equitable and sustainable manner to all our communities.

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

1.1.1. OVERVIEW OF MUNICIPAL PERFORMANCE

Key Performance Area	2020/21 % Achievement	2021/22 % Achievement	2022/23 Total Number of Targets	2022/23 Target Achieved	2022/23 Target not Achieved	2022/23 Target not Performed	2022/23 % Achievement
Spatial Rationale	50%	100%	2	2	0	0	100%
Basic Services Delivery	92%	91%	12	11	1	0	92%
Municipal Financial Viability	92%	92%	13	12	1	0	92%
Local Economic Development	75%	100%	5	5	0	0	100%
Municipal Transformation and Institutional	78%	78%	9	7	2	0	78%



Development							
Good Governance and Public Participation	93%	93%	43	40	2	1	93%
TOTAL	89%	91%	84	77	6	1	92%

Table 1: 2022/23 Municipal Key Performance Areas (KPA's)

The Municipality's overall performance for the 2022/23 financial year is evaluated across six key performance areas encompassing a total of 84 Key Performance Indicators (KPIs). Impressively, the Municipality achieved commendable performance levels on seventy-seven (77) key performance indicators, with only six (06) KPIs reflecting underperformance and one (01) KPI not being performed as planned. A comprehensive Annual Performance Report is attached providing detailed insights into the 2022/23 annual performance.

1.1.2. ACHIEVEMENTS:

The key achievements for the 2022/23 financial year are amongst others the following:

- a) **Increased Access to Basic Waste Removal:** Successfully expanded the number of households in urban and townships with access to basic waste removal services.
- b) **Improved Electricity Loss Reduction:** Implemented measures resulting in a notable reduction in electricity losses.
- c) **EPWP Projects and Employment Opportunities:** Executed three projects through the Expanded Public Works Program (EPWP), generating employment opportunities.
- d) **Job Creation through Municipal Initiatives (EPWP):** Facilitated the creation of 84 jobs through various municipal initiatives under the EPWP framework.
- e) **Support for SMMEs:** Provided support to 459 Small, Medium, and Micro Enterprises (SMMEs) through municipal supply chain processes.
- f) **Senior Management Positions Filled:** Successfully filled all positions of senior managers within the municipal structure.

1.1.3. CHALLENGES:

The key challenges for the 2022/23 financial year are amongst others the following:

- a) **Low Revenue Collection:** Identified challenges in revenue collection, necessitating focused strategies for improvement.
- b) **Road Upgrading Performance:** Experienced poor performance in upgrading roads from gravel to tar.
- c) **High Cost of Infrastructure Repairs:** Addressing the financial strain associated with the high cost of repairs and maintenance on aging infrastructure.
- d) **Household Debts and System Issues:** Tackling issues related to high household debts attributed to non-existing tenants and deceased individuals in the systems.



- e) **Compliance with Laws and Regulations:** Navigating challenges in keeping up with changes and updates in laws and regulations.
- f) **False Information in Indigent Applications:** Addressing instances of false information provided by indigent applicants.
- g) **Illegal Water Connections:** Combating illegal water connections in villages and townships.
- h) **Aging Water Infrastructure:** Addressing challenges associated with old water infrastructure leading to poor service delivery.
- i) **Poor Spending on MIG Allocation:** Enhancing spending efficiency on the Municipal Infrastructure Grant (MIG) allocation.
- j) **Illegal Electricity Connections and Cable Theft:** Addressing issues related to illegal electricity connections and cable theft.
- k) **Aging Electricity Infrastructure:** Tackling interruptions resulting from the aging electricity infrastructure.

The Municipality acknowledges these achievements and challenges as integral components of its ongoing commitment to enhance service delivery and improve the overall well-being of the community. Efforts are underway to address these challenges and build on the successes achieved in 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 specialized 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 2022/23 AUDITOR GENERAL'S REPORT:

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

- a) Payables from exchange transactions
- b) Value added tax (VAT) payables.

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.



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

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 km² that 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.

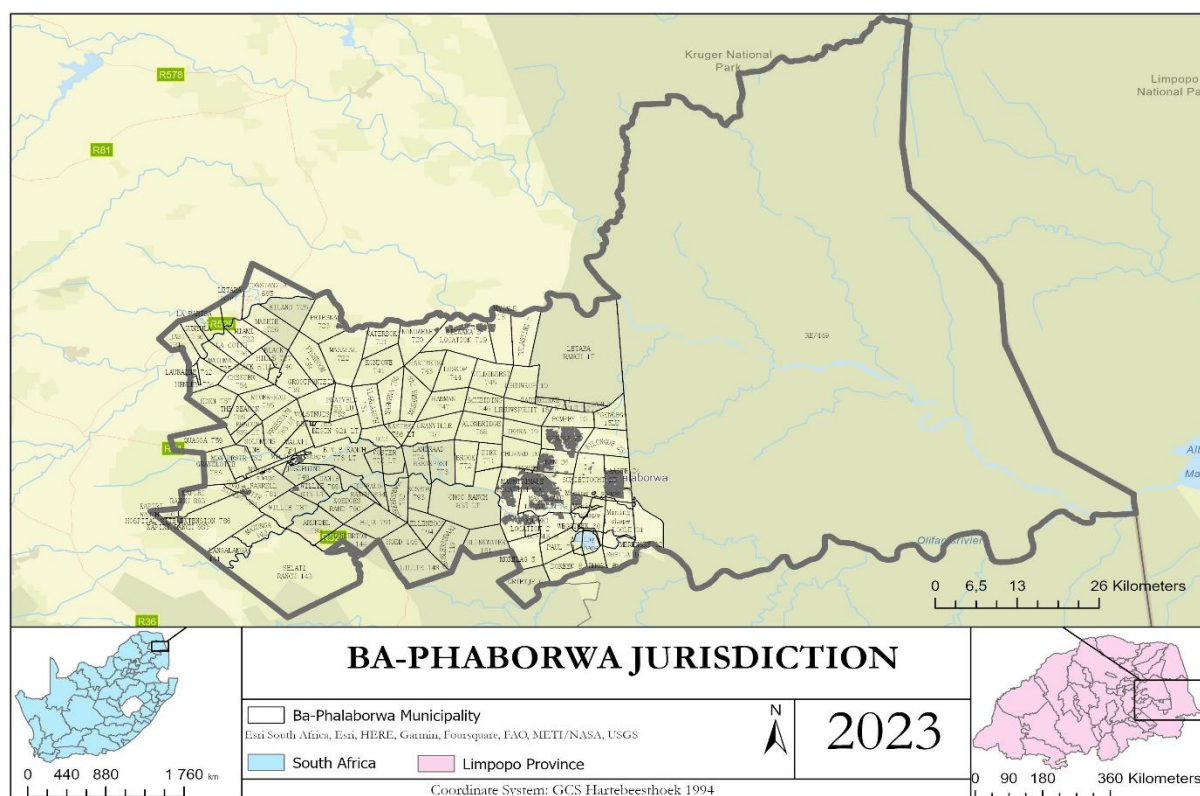


Figure 1: Locality Map of Ba-Phalaborwa Local Municipality

Key challenges facing the Municipality are unfunded budget as per the assessment from Provincial Treasury and old infrastructure on electricity, water, and sewerage. The Municipality has formulated a budget-funding plan, duly approved by Council, to address the challenge of



an unfunded budget. Additionally, there exists a Financial Recovery Plan and a Revenue Enhancement Strategy 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.

Municipal key objectives for the period 2021-2027 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 best human capital.

1.2.2. POPULATION OVERVIEW

The table below compares Municipal demographics as presented by Statistics South Africa (STATS SA) in the 2001 Census, the 2011 Census and Census 2022. The demographic landscape of Ba-Phalaborwa has undergone significant changes over the past two decades, marked by a notable 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
30-34	4 735	5 169	9 904	5 392	6 016	11 407	7 198	7 976	15 174
35-39	4 169	4 654	8 823	4 649	5 390	10 039	6 703	7 164	13 867
40-44	3 681	3 865	7 546	3 886	4 395	8 282	5 298	5 907	11 205
45-49	3 419	3 041	6 460	3 103	3 787	6 890	4 815	5 258	10 073
50-54	2 708	2 139	4 847	2 691	2 852	5 542	3 908	4 294	8 202
55-59	1 783	1 212	2 995	2 415	2 252	4 667	3 115	3 697	6 812
60-64	1 167	1 102	2 269	1 660	1 620	3 280	2 343	2 661	5 004
65-69	495	837	1 332	957	1 206	2 163	1 689	2 163	3 852
70-74	420	657	1 077	651	957	1 608	1 074	1 250	2 324
75-79	223	297	520	339	632	972	520	912	1 432
80-84	128	244	372	203	444	647	299	667	960
85+	69	139	208	118	321	439	219	608	829
Total	64 356	67 180	131 536	72 923	77 572	150 529	90 254	98 348	188 603

Table 3: Municipal Population Distribution by Age & 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 2020/21, 2021/22, and 2022/23. 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 2,495 in 2020/21 to 5,779 in 2022/23. Concurrently, the unemployment rate has remained constant at 37.5% across these years, signalling a persistent challenge in the labour market. The proportion of households with no income has shown stability at 5,141, while encouragingly, HIV/AIDS prevalence has demonstrated a decline from 2.41% in 2020/21 to 1.94% in 2022/23. However, a constant number of 12,565 illiterate individuals aged 14 and older highlight an area that warrant targeted educational interventions.

Socio Economic Status					
Year	Housing Backlog as proportion of current demand	Unemployment rate	Proportion of households with no income	HIV/AIDS prevalence	Illiterate people older than 14 years
2020/21	2 495	37.5%	5 141	2.41%	12 565
2021/22	2 924	37.5%	5 141	2.11%	12 565
2022/23	5 779	37.5%	5 141	1.94%	12 565

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
Towns		
Phalaborwa	3389	13976
Townships		
Namakgale	8398	25808
Lulekani	3843	20917
Gravelotte	757	1098
Rural Settlements		
Selwane	2932	12326
Makhushane	3550	6608
Maseke	1985	7830
Mashishimale	3967	7002
Majeje (incl Benfarm A, B, C, Humulani & Matikoxikaya)	5315	29226
Informal Settlements		
Kurhula	544	
Total	34680	150637

Table 5: Overview of Neighbourhoods within Ba-Phalaborwa Municipality

1.2.3. ENVIRONMENTAL OVERVIEW

Ba-Phalaborwa has the highest concentration of minerals 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 area boasts a wealth of resources, including magnetite, copper, vermiculite, nickel, apatite, zirconium, titanium, and uranium. Each of these resources plays a significant role in the local economy, primarily through mining activities. The Murchison area, on the other hand, is endowed with mineral sand, antimony, gold, zinc, mercury, paving



and clad stones, emeralds, and ilmenite. Again, these resources contribute substantially to the economic landscape through mining endeavours. 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 enhance water supply coverage include ongoing implementation of water reticulation projects by the District Municipality. In regions lacking infrastructure, the Municipality employs water trucks to provide temporary water supply. While the water quality is gradually improving, as indicated by an increasing Blue Drop score each year, the primary challenge remains the aging infrastructure. Collaborative strategies involving the District Municipality, Water Board, and Local Municipality are actively underway to address water loss and further enhance water quality.

1.4. FINANCIAL OVERVIEW

1.4.1. 2022/23 Financial Overview

The financial landscape of Ba-Phalaborwa Local Municipality for the financial year 2022/23 is presented in the table below, presenting a comprehensive overview of income, grants, expenditure, and operating ratios. The actual income for the year amounted to R371,840,000.00 reflecting a comparison against the original budget of R431,821,000.00 and the adjustment budget of R432,364, 000.00. Grants contributed significantly to the municipality's financial resources, with a total of R 238,628, 000.00. The net total, calculated by deducting expenditure from the subtotal, reached R174,080, 000.00. Operating ratios shed light on the distribution of funds, indicating that employee costs constituted 93% of the budget, followed by repairs and maintenance at 88%, and finance charges and depreciation at 76%. 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 – 2022/23				
Details	Actual 2021/22 (R'000)	Original Budget 2022/23 (R'000)	Adjustment Budget 2022/23 (R'000)	Actual 2022/23 (R'000)
Income	452 023	431 821	432 364	396 339
Grants	229 180	238 325	237 407	238 628
Sub Total	681 203	670 146	669 771	634 967
Less Expenditure	537 802	627 031	630 031	477 623
Net Total	143 400	43 115	39 740	157 344
Operating Ratios				
Detail	% 2022/23			
Employee Cost	93%			
Repairs & Maintenance	88%			
Finance Charges & Depreciation	76%			

Table 7: 2022/23 Municipal Financial Overview

1.4.2. 2021/22 – 2022/23 Total Capital Expenditure

Total Capital Expenditure for the periods 2021/22 – 2022/23		
Details	(R'000)	
	2021/22	2022/23
Original budget	21 199	44 877
Adjustment budget	8 323	44 877
Actual	5 894	51 980

The table below provides a detailed overview of the Total Capital Expenditure for the years 2021/22 and 2022/23, offering a comprehensive analysis of budget allocations and actual spending. In the initial budget planning for 2021/22, the municipality earmarked R21,199,000.00 for capital expenditure, with an adjustment budget of R8,323,000.00. However, the actual expenditure for 2021/22 FY amounted to R5,894,000.00. The subsequent year, 2022/23, witnessed a substantial increase in both the original and adjustment budgets, reaching R44,877,000.00. This notable rise in budget allocation underscores the municipality's commitment to capital projects and development initiatives. The actual capital expenditure for the year 2022/23 surpassed the budget, totalling R51,980,000.00. This comprehensive 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.

Table 8: Total Capital Expenditure for the periods 2021/22-2022/23



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 2021/2022 and 2022/2023. 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 2021/2022, 39,889 households had water connected to their yards. In the terms of electricity, 5,621 households in the municipal licensed area were serviced during this period. Moving to the subsequent year, 2022/23, the trend continued with the same number of households, 39,889, receiving water services, maintaining universal access. However, there was a noteworthy decrease in households receiving electricity, dropping to 3,931, while the total number of households with access remained at 3,931 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 2021/22 – 2022/23						
Services	Households received services (2021/2022)	Total No of Households have access to basic services	Comment	Households received services (2022/2023)	Total No of Households have access to basic services	Comment
Water connected to yard	39 889	39 889	None	39 889	39 889	None
Electricity	5631	5 631 (Municipal licenced area)	None	3 931 (Municipal licenced area)	3 931 (Municipal licenced area)	None

Table 9: Provision of Essential Services for the periods 2021/22 - 2022/23

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 were at 100%.
- c) **Roads:** Capital Expenditure on roads projects were at 100%.
- d) **Municipal Infrastructure Grant (MIG):** The total MIG allocation received for the financial year was fully spent.



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 compliment of 706 with 419 of the positions filled, 287 positions are vacant and 37 Councillors. *(Refer to the attached Annexure 2: Organisational Structure)*

1.6. AUDITOR GENERAL REPORT

Legislation mandates that at the conclusion of 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. The Auditor General has completed the audit of our APR and AFS, which were submitted on 31 August 2023, and has issued a Qualified Audit Opinion for the financial year 2022/23.

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 th 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	November
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 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 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"> Presides at meetings of the executive committee; and Performs the duties, including ceremonial functions, and exercises the powers delegated to by the Council
SPEAKER	Cllr N O Mabunda	<p>The Speaker of Council –</p> <ul style="list-style-type: none"> Presides at meetings of Council; Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Municipal Systems Act; Must ensure that the Council meet at least quarterly; Must maintain order during meetings; Must ensure compliance in the Council and Council committees with the Code of Conduct set out in Schedule 1 of the Municipal Systems Act; and Must ensure that Council meetings are conducted in accordance with the rules and orders of the Council.
CHIEF WHIP	Cllr D Rapatsa	<ul style="list-style-type: none"> Responsible for political management of Council meetings and committee meetings. Maintains party relations and ensure that political decision-making takes place timeously and diligently.
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 2022/23 Corporate Calendar, developed by the Municipality and approved by 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 Council, which makes decisions through Council Resolutions. These resolutions represent decisions made by elected officials/politicians for subsequent implementation by the administration.

- During 2022/23 financial year 205 Council resolutions were taken and 202 resolutions were implemented constituted 98.5%.
- 6 Ordinary and 10 Special Council meetings were held during the 2022/23 financial year.
- 12 Ordinary and 5 Special Executive Committee meetings were held during the 2022/23 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, Administration and Human Resources are overseen by the Senior Manager: Corporate Services, Planning and Development issues are under the purview of the Senior Manager: 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"> ▪ 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; ▪ Manages special programmes in relation to youth, gender;



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

Table 12: Top Administrative Structure



COMPONENT B: INTERGOVERNMENTAL RELATIONS

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, 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 participate 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 co-operate with one another 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 district has the capacity to 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 has the capacity to 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 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 is 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.

Therefore, regular engagement between the South African Local Government Association (SALGA) and the administrative executives of municipalities country-wide was necessary. The engagement enabled and encouraged peer-learning through the sharing of knowledge, innovative thinking, and public and private sector good practices.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipality accounts to the public through various mechanisms as adopted by Council. On a quarterly basis, the municipality conducts feedback sessions to 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 which 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 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 Office of the Speaker.

2.5. PUBLIC MEETINGS

2.5.1. COMMUNICATION, PARTICIPATION AND FORUMS

The Municipality has established a unit which 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 council. On a quarterly basis, the municipality conducts feedback sessions to community members through Mayoral imbizo. The 2022-23 IDP/Budget & PMS Implementation reports was presented to community members during a Mayoral Imbizo in the first to third quarter for community inputs and comments. Community inputs on Implementation report are compiled for noting by council. Newspaper Notices were publicized to encourage community participation during Imbizos and IDP/Budget Public Participation and inputs reports were compiled for noting by council. Furthermore, ward Councillors are accounting to their respective constituencies through monthly ward committee meetings and some councillors also account to community quarterly through ward feedback meetings. On a quarterly basis the Municipality hold council meetings wherein reports and affairs of the Municipality are discussed, and public members are invited in 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 hearing and in these hearings members of the community are invited to observe the proceedings. 2021/22 Annual report by MPAC was done physically on the 28 March 2023 at the Municipal Sports Hall. The oversight report on draft annual report was presented to 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 station and newspapers to communicate with our communities.

In the fourth quarter we coordinated, an IDP/Budget/Tariff Book Public Participation, which was conducted through Ward Stakeholder engagement method in April 2023.

Copies of the draft documents were 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.

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

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	31/08/22	25	09	490	Need for culverts, parks maintenance, handing-over of Mashishimale sports complex, facing of Namakgale Cemeteries, grading, need for paving of streets, NYDA to capacitate you entrepreneurs, need for a Culvert/bridge at Shokori river, Need for rehabilitation of Community Hall (MPCC)	Yes	On the 31/08/2022 during mayoral Imbizo
Mayoral Imbizo	23/11/22	18	23	661	Speed humps need to be reduced, need for bridge next to public works, handover Selwana Stadium, Bad road in Lulekani & Namakgale, water crisis, water supply not consistent, Sewerage problem next to the ground near Methodist Church is stinky and causes health hazards, empty houses in Namakgale that attract criminal activities, need for street paving	yes	23/11/2022 during Mayoral Imbizo
Mayoral Imbizo	09/02/23	16	17	611	Water challenges, Need for grading of all internal damaged streets, Need for installation of culverts, Need progress on reported electricity challenges faced in Selwana, official handover of	Yes	09/02/2023

					Selwana Stadium, Gravelotte Cemeteries is full, need for water pipeline from Borehole in ward 10, RDP benefited by new arrived residents in the ward.		
2023/24 IDP/Budget PP	03/04/2023	11	19	77	officially handing over Mashishimale Stadium, Namakgale Stadium grandstand is downgraded instead of being upgraded, need for RDP houses, need for Makhushane Library, roads in bad condition, need for over-crossing bridge to avoid accidents by pedestrians from checkers Centre to the Taxi rank, Municipality to budget for Cherry Picker truck , empty houses in town attract criminal activities, Need for de-bushing and bridges or culverts , unblock all of storm water drainage in Namakgale before rain season, road	Yes	03-13/ 04 2023 during the community PP



	04/04/2023	11	12	34	from Post Office to Mondzweni road, need a rehabilitation of Ngungunyani road in Lulekani, need for Robots or a stopping sign at Lulekani Entrance to reduce road accidents, unblocking of sewerage, need for Shopping Mall in Lulekani, upgrade of old water infrastructure in Lulekani, Lulekani stadium is dilapidated, V-drain to re-direct water in ward 15, Need for Apollo lights, Maintenance of streets lights in ward 15, fix for pipe burst in town, concern of households in town operating business in the residential area, Need for construction of Setshetwe Bridge, need for refuse collection in villages, electrification of extensions, need for Apollo lights		
	05/04/2023	22	10	135 (most residents denied registering)			



	11/04/2023	13	15	136 (most residents denied registering)			
	12/04/2023	12	11	54			
	13/04/2023	18	09	124			

Table 14: Community Engagement Events



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 Phase, Strategies and Project Phase, and Approval Phase events are meticulously documented, providing insights into the level of participation from councillors, administrators, and the community at large. 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)		28	11	37	Meeting serves as consultative meeting and also presentation of the Preparatory Phase
IDP Rep Forum (Strategies and Project)	24 March 2023	20	10	50	Meeting serves as consultative meeting and also presentation of the Project Phase
IDP Rep Forum (Approval Phase)	24 May 2023	27	9	48	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

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

Concurrently, the Risk Management Unit conducted comprehensive Risk Assessments across all departments. This proactive effort aimed to identify potential risks that could impede the institution from attaining its planned objectives. Subsequently, the unit devised effective mitigations to manage and address these identified risks.

2.6.2. Risk Register

The table below is a representation of the risk register developed by the Municipality. The implementation of risk mitigation measures at the end of the 2022/23 financial year is as follows:

- a) Strategic Risks Register (56% implemented and 44% not implemented)
- b) Fraud Risks Register (55% implemented and 45% not implemented)
- c) Information Technology Risk Register (81% implemented and 19% not implemented)
- d) Operational Risk Register (38% implemented and 62% not implemented)
- e) MSCOA Risk Register (78% implemented and 18% 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 2023
1.	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 manufacturing industry, creating an enabling environment for business/private sector growth. Regulating of informal and formal businesses.	25	1. Finalize the development of the LED strategy (Service provider appointed).	Manager: Economic Development	31 March 2023	2023-2028 LED Strategy was developed and approved by Council on the 30 th of March 2023.
			2. Economy dependant on mining industry.				2. Registration and regulating of formal and informal business.	Quarterly	Monthly	Applications for Business registration are adjudicated on a monthly basis.
2.	Building	Construction of Illegal structures. (structures construction without	1. Lack of knowledge by the community. 2. Ignorance by the community.	25	1. Routine inspection. 2. Notices are given to	25	1. Awareness campaigns to the communities through social media, radio etc.	Technician: Building	Quarterly	Information is being shared with developers, owners as well as ward councillors as and when building plans are submitted for approval. No

		approved plans)	3. Lack of enforcement.		community to submit plans.					awareness campaigns done.
							2. Implementation of Bylaw on illegal building.	Technician: Building	Monthly	Notices are issued to illegal buildings which are being constructed.
3.	Parks and Cemeteries	Inadequate maintenance and development of parks	1. Shortage and ageing of staff and inadequate supervision. 2. Lack of equipment. 3. Shortage of water. 4. Misuse of parks by the public. 5. Insufficient of budget for	25	1. Program to maintain (minimal maintenance) of parks in place. 2. Rehabilitation of the Gravelote Park through the SLP. 3. Three additional general workers appointed.	25	1. Appointment of additional staff in the parks section.	Manager: Human Resource	30 June 2023	No additional staff were appointed.
							2. Advertise for the repair of operational machinery	Manager: Parks and Cemetery	31 December 2022	Repairs are done internally by Technical Services (workshop) and only work that needs special skills is outsourced.
							3. Procurement of additional equipment.	Manager: Parks and Cemetery	31 December 2022	The following equipment's were procured; Two Kudu Mower and two seaters, 15X brush cutters, 01X heavy duty mower, 01X



			development of parks.							ride-on mower and 01X trailer.
							4. Installation of Jojo tanks and boreholes at the parks.	Manager: Water Services	30 June 2023	Not implemented.
							4. Fencing and security of parks.	Manager: Civil Engineering	30 June 2023	Not Implemented.
4.	Parks and Cemeteries	Inadequate maintenance of cemeteries	1. Lack of fence (Access Control) 2. Poor cleaning and maintenance of facilities.	25	1. Minimal maintenance is done.	25	1. Installation of fence at the cemeteries.	Manager: Civil engineering	30 June 2023	To be done in the 2023/24 financial year.
							2. Repair of pipes to supply water in the cemeteries.	Manager: Water Services	31 December 2022	Not Implemented.



			3. Lack of water at the cemeteries.				3. Cleaning of facilities at the cemeteries	Manager: Administration	Monthly	The facilities are cleaned.
5.	Information Technology	Non implementation of the disaster recovery plan (Lack of Disaster Recovery site).	Lack of funds (duplicate server).	25	Disaster Recovery Plan in place. Memorandum of agreement signed with Giyani Municipality to host BPM DRP site. Back-up done and tapes stored in a fireproof safe and fire suppression installed in the area.	22.5	1. Finalize the cold hosting site	Manager: ICT	31 March 2023	In a process to procure a service provider to host Disaster Recovery on a cloud.
							2. Hybrid or Virtual Private Network hosting of the EMS	Manager: IT	31 December 2022	ERP Solution is hosted on premise and backup for ERP is Hybrid
							3. Review and Implementation of the Disaster Recovery Plan.	Manager: ICT	31 March 2023	The DRP is Partially implemented and will fully implemented once the Data Disaster Recovery Site is operational.



6.	Technical Services	Inability to provide electricity services and road maintenance	1. Poor maintenance of electricity and roads infrastructure. 2. Outdates electricity and road master plan including integrated transport plan. 3. Insufficient funding.	25	1) Maintenance plans reviewed annually and approved by council.	22.5	1. Develop the 2022/23 maintenance plans for approval by council.	Senior Manager Technical Services	30 June 2022	Maintenance plans have been developed.
							2. Application of additional funding grants from different sectors (e.g. Human settlement development Grant).	Senior Manager Technical Services	31 December 2022	No new funding grants were received by the municipality. The municipality currently being funded through the MIG and INEP grants.
7.	Low collection of revenue and low revenue streams.	1. Culture of non-payments by residents (mostly in the townships) 2. Lack of new township establishment.	Insufficient cash in the municipal account	25	1. Imbizo's/Awareness conducted to the community. 2. Credit Control & Debt Collection Policy. 3. Financial	20	1. Implementation of the financial recovery and revenue enhancement strategy led by the CFO	Chief Financial Officer	01 July 2022	Financial recovery and revenue enhancement strategy have been developed and implementation is in progress.



		3. Inadequate implementation of revenue enhancement strategy 4. Intergovernmental debt (Departmental debts)			recovery plan & Revenue enhancement Strategy in place. 4. Debt collectors appointed in townships. 5. Data cleansing. 6. Indigent register maintained annually		2. Monthly reporting on the implementation of the strategies.	Chief Financial Officer	Monthly	Reporting on implementation of the financial recovery plan is done monthly to treasury.
8.	Technical Services	Ageing infrastructure	1. Outdated master plans (electricity, roads and storm water and ITP). 2. Lack of building infrastructure master plan 3. Infrastructure backlog. 4. Insufficient	25	1. Implementation of responsive maintenance plan on infrastructure 2. Periodic maintenance plan on roads. 3. Signing of SLA with Mopani District (05 years).	20	1. Review the maintenance plan for buildings.	Senior Manager: Technical Services	30 June 2022	Maintenance plan has been reviewed and approved.
							2. Enforcement of the Water SLA between BPM and Mopani District Municipality	CFO and SM: Technical Service	Monthly	Implementation of the SLA is being implemented.



			funding or budget for repairs and maintenance.							
9.	Economic Development	Unsustainability of LED initiatives	1 Outdated LED strategy	25	1. Approved LED strategy to be reviewed. 2. LED Forum established. 3. Implementation of Social Labour Plans by mining houses in partnership with the Municipality. 4. Service provider appointed to develop the LED Strategy.	20	1. Finalize the development of the LED strategy.	Senior Manager: Planning and Development	31 December 2022	2023-2028 LED Strategy is approved by Council.
							2. Attending of district and provincial LED forums.	Senior Manager: Planning and Development	Quarterly	District and Provincial LED forums meetings were attended quarterly.
							3. Reporting on the implementation of the LED strategy	Senior Manager: Planning and Development	Quarterly	Reporting on implementation of the strategy will be done in the 2023/24 financial year as the strategy was approved



										towards the end of the financial year.
10.	Water	Inadequate maintenance of water reticulation and sewage system.	1. Aged infrastructure 2. Insufficient manpower “employees”. 3. Lack of working materials and budget.	25	1. Daily maintenance conducted. 2. Reaction to water leakages and sewage blockages. 3. Excessive overtime.	20	1. Continue with the daily maintenance of infrastructure.	Manager: Water	Monthly	Water pipes leakages are repaired daily and sewer blockages are unblocked daily
							2. Liaise with Mopani District regarding challenges experienced in the water section.	Manager: Water	Monthly	Communique sent to Mopani District to assist with construction of water pipe line from Batarleure reservoir to Mahlathini land owners association, drilling of borehole to assist convention flats with water supply, assist in addressing illegal water connections and non-operational of sewer main pump station
							3. Appointment of additional plumbers	Manager: Human Resource	31 December 2023	Two plumbers were appointed.



							4. Liaise with Mopani District to provide budget for repairs and maintenance.	Manager: Water	31 July 2022	The budget for 2022 2023 was successfully allocated.
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Table 16: Risk Register - Top Ten Risks

2.6.2.1. Comparative Summary of the Municipality's Risk Registers for the Period 2021/22 and 2022/23

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 2021/22 and 2022/23. 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	2021/22	2022/23
1.	Strategic Risk	9	12
2.	Fraud Risk Register	8	8
3.	Operational Risk Register	31	29
4.	Project Risk Register	6	6
5.	MSCOA Risk Register	4	3
6.	Information Technology Risk Register	4	5

Table 17: Comparative Summary of the Municipality's Risk Registers (2021/22 & 2022/23)



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.

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 prior to their appointment, and officials occupying strategic positions are required to fulfil the Security Clearance Form, which is subsequently submitted to the State Security Agency for further processing.

2.8. INTERNAL AUDIT

The primary function of the Internal Audit is to contribute to the Municipality's goal attainment by furnishing independent, objective assurance and consultative and advisory services. These services aim to enhance risk management, strengthen controls, and refine governance processes through the application of a systematic and disciplined approach. This involves a comprehensive evaluation of operational activities, financial systems, and compliance protocols to ensure alignment with established objectives, fostering an environment of accountability and efficiency within the municipality.

2.8.1. Main Objectives

The following were the main objectives for the Internal Audit Activity for the 2022/2023 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 External Quality Review for the Internal Audit Activity in line with 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 with the aim of ensuring 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 23rd of June 2022. The Internal Audit Plan had 32 projects for the year, which 29 was completed. The 29 projects constitute 91% and the 9% were not implemented due to lack of IT Audit skills. The procurement of the relevant skill was in progress by year-end. The Audit Committee approved the projects for rollover to 2023/2024 approved the projects.



- b) The Internal Audit Charter was developed, approved by the Audit Committee on the 23 June 2022. The Internal Audit Charter was implemented, and the Chief Audit Executive confirms that the Internal Audit Activity was independent in the year under review.
- c) An independent Quality Reviewer was appointed to review the Internal Audit Activity in terms of the Institute of Internal Auditors Standards, Quality Assurance and Improvement Program and Internal Audit Charter. The results will be presented in the 2023/2024 financial year.
- d) The Combined Assurance Framework and Terms of Reference for the Combined Assurance Committee was developed and approved by the Audit Committee on the 25th of May 2023.
- e) 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.
- f) 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 54% implementation by year-end, which is an improvement as compared to 51% for 2021/2022.

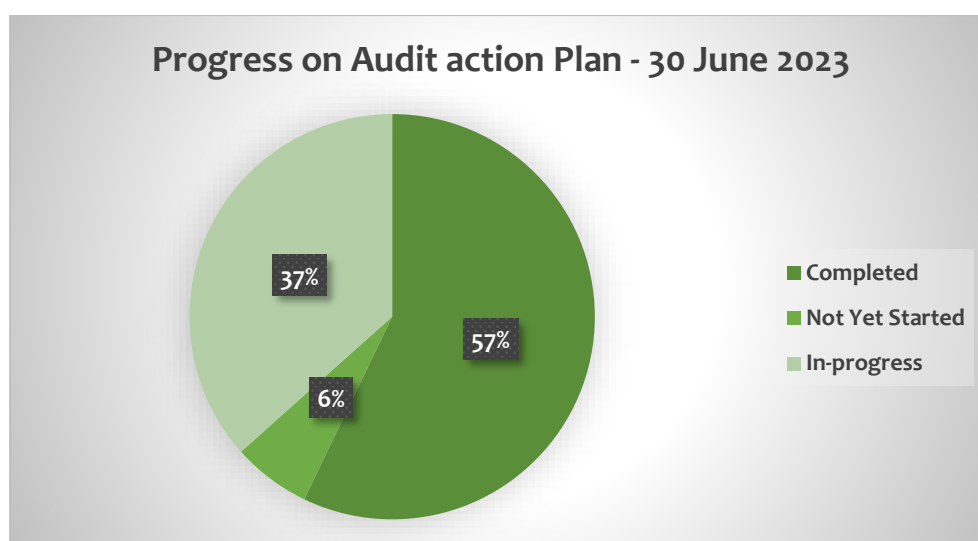


Figure 2: Progress on Audit Action Plan - 30 June 2

- g) Action Plan was developed to monitor progress on implementation of Internal Audit recommendations. The Municipality was at 86% implementation by year-end, which is an improvement as compared to 70% for 2021/2022.



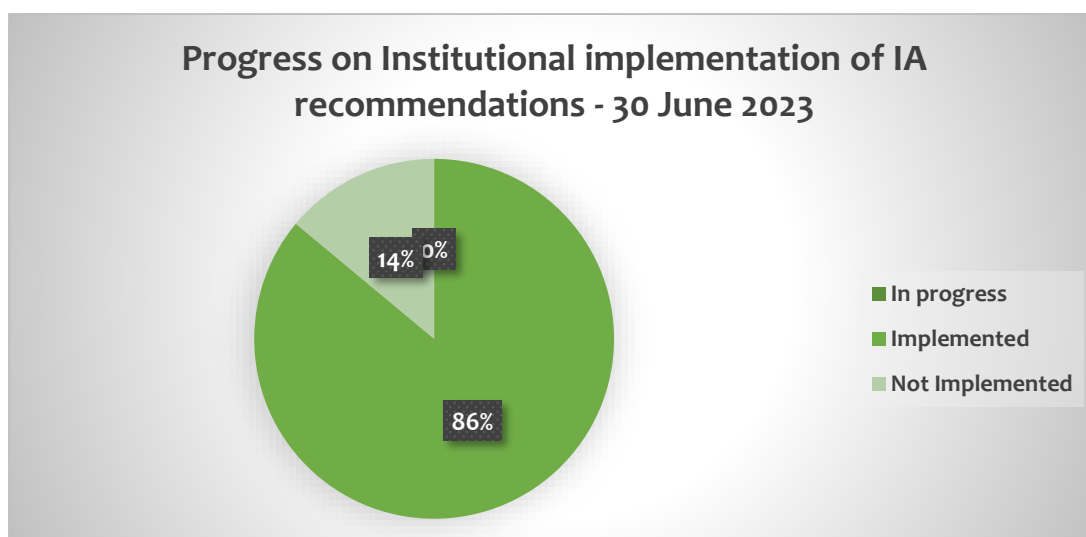


Figure 3: Progress on Institutional Implementation of IA Recommendations - 30 June 2023

- h) 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 13 Audit Committee meetings in the 2022/2023 financial year, 285 recommendations were raised of which 270 were implemented, and 15 were not implemented.

AC No.	Date of AC	Total Resolutions	Completed	Not Implemented
1	22-Aug-22	53	53	0
2	29-Aug-22	6	6	0
3	30-Aug-22	5	5	0
4	26-Sep-22	5	5	0
5	03-Oct-22	18	18	0
6	29-Nov-22	13	11	2
7	14-Dec-22	43	43	0
8	13-Jan-23	6	4	2
9	24-Jan-23	15	15	0
10	10-May-23	50	42	8
11	17-May-23	18	18	0
12	25-May-23	36	35	1
13	26 June 2023	17	15	2
Total		285	270	15

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 a direct supervision of the Chief Financial Officer.

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
Problem Property By-Law	No	No	N/A
Informal Trading By-Law	Yes	No	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 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 /and 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	11/07/2023
All current budget related policies	Yes	07/06/2023
The previous annual report	Yes	10/06/2021(2019-2020 AR) 13/02/2023 (2021-2022 AR)
The annual report published / to be published	Yes	31/03/2024
All current performance agreements required in terms of section 57 (1) (b) of the MSA and resulting score cards	Yes	31/07/2023
All service delivery agreement	No	
All long term borrowing contracts	No	
All supply chain management contracts above a prescribed value (give value) for	No	
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	No	
Contracts agreed in (2022/23)to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
PPP agreements referred to in section 120 made in (2022/23)	No	
All quartely reports tabled in the council in terms of section 52 (d) during (2022/23)	Yes	07/12/2022 20/03/2023 25/08/2023 19/09/2023

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 – 2020, 2021, and 2022. 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	2020	2021	2022
Satisfied	52%	N/A	48%
Dissatisfied	48%	N/A	52%

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 2019/20 through 2022/23. 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	2019/20	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.	Actual No.
Water: (above min level)	12251	12251	12251	12251
<i>Piped water inside dwelling.</i>				
<i>Piped water inside yard (but not dwelling)</i>	17216	17216	17216	17216
<i>Using public tap (standpipes)</i>	3803	3803	3803	3803
<i>Other water supply (within 200m)</i>				
<i>Minimum service level and above sub-total</i>				
	33270	33270	33270	33270
Minimum service level and above percentage	80%	80%	80%	80%
	413	413	413	413
Water; (below min level)				
Using public tap (more than 200m from dwelling)	235	235	235	235
Other water supply (more than 200m from dwelling)				
No water supply	7845	7845	7845	7845



Below minimum service level sub-total	19.1%	19.1%	19.1%	19.1%
Below minimum service level percentage	41115	41115	41115	41115
Total number of households*				

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 2019/20 to 2022/23. It outlines the actual numbers 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				
Households				
Description	2019/20	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.	Actual No.
Formal Settlements				
Total households	41115	41115	41115	41115
Households below minimum service level	7845	7845	7845	7845
Proportion of households below minimum service level				

Table 23: Household 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 2019/20 through 2022/23. 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	Outline service targets	2019/20		2020/21			2021/22			2022/23	
		Targ et	Actu al	Target		Targ et					
		(vii)	*Curr ent year (viii)	*Curr ent Year (ix)	*Foll owing year (x)		*Curr ent year	*Curr ent year		*Curre nt year	*Current year
Service objectives											
HH without minimum water supply	Additional household s provided with minimum water supply during the year (No. of HH) without supply at year end)	MDM	1500	1750	MDM	MDM	MDM	MDM	MDM	1226	

Table 24: Water Service Policy Objectives & 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 2021/22 and 2022/23. 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	2021/22	2022/23			
	Employees No.	Post No.	Employees No.	Vacancies fulltime equivalence) No.	Vacancies (as a % of total posts) %
0-3	2	2	1	1	50%
4-6	9	9	5	4	44%
7-9	21	21	13	8	38%
10-12	13	13	18	5	38%
13-14	52	52	11	41	79%
Total	97	97	48	49	50%

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 & Vacancies

3.1.5. 2022/23 FINANCIAL PERFORMANCE: WATER SERVICES

The table below outlines the financial performance of the Water Services department for the financial years 2019/20 through 2022/23. 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 2022/23: Water Services							
R`000							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	150 315	63 673	186 112	239 623	239 623	221 709	-17 914
Expenditure							
Employees	14 053	14 388	22 839	28 129	28 129	27 805	-324
Repairs and Maintenance	9 448	9 428	14 640	11 850	11 850	12 010	160
Other	395	33 504	4 842	56 528	56 528	48 912	-7 616



Total Operational Expenditure	25 644	57 320	42 322	96 507	96 507	88 727	-7 780
Net Operational (service) expenditure	124 671	6 353	143 790	143 116	143 116	132 982	-25 694
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: 2022/23 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 2022/2023 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 2021/22 and 2022/23. 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					
Job Level	2021/22	2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	No.	No.	No.		%
0-3	1	1	1	0	100%
4-6	2	2	2	0	100%
7-9	3	3	3	0	100%
10-12	3	4	3	1	25%
13-15	1	28	1	27	96%
Total	10	38	10	28	74%
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. 2022/23 FINANCIAL PERFORMANCE: SANITATION SERVICES

The financial performance of the Sanitation Services department for the 2022/23 financial year is presented in the table below. It outlines the actual figures for the previous years (2019/20, 2020/21, and 2021/22), the original and adjustment budgets for 2022/23, 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 2022/23; Sanitation Services							
R`000							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	26 630	9 227	30 243	32 669	32 669	31 066	-1 603
Expenditure							
Employees	4 331	1 675	4 493	4 461	4 461	4 322	-139
Repairs and Maintenance	3 767	458	830	1 627	1 627	1 601	-26
Other	452	5	—	3 099	3 099	2 991	-108
Total Operational Expenditure	8 550	2 138	5 323	9 187	9 187	9 077	-110
Net Operational (service) expenditure	18 080	7 089	24 919	23 482	23 482	22 152	-1 330
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. 2022/23 CAPITAL EXPENDITURE FOR SANITATION SERVICES

The table below provides an overview of the capital expenditure for Sanitation Services in the 2022/23 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 2022/23 Sanitation Services R`000					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total All	N/A	N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
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 Households				
Description	2019/20	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)	45955	45955	45955	45955
Electricity (at least min. service level)	44566	44566	44566	44566
Electricity – prepaid (min. service level)				
Minimum service level and above sub- total				
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, 2020/21 and 2022/23, 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	2020/21	2021/22	2021/22	2022/23			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	No.	No.	No.	No.	No.		
0-3	1	1	2	2	1	1	50%
4-6	4	5	5	5	5	0	100%
7-10	9	11	14	14	11	3	21%
11-12	11	9	16	16	9	7	44%
13-14	14	13	21	21	13	8	38%
Total	38	39	58	58	39	19	33%

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. 2022/23 FINANCIAL PERFORMANCE: ELECTRICITY SERVICES

The table below outlines the financial performance of the Municipality's Electricity Services for the 2022/23 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.

Table 32: Financial Performance - Electrical Services

Financial performance 2022/23; Electricity Services R'000							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total operational revenue (excluding tariffs)	101 081	105 277	146 027	180 352	165 352	132 175	33 177
Expenditure							
Employees	9 740	11 744	11 053	15 296	16 522	13 511	3011
Repairs and Maintenance	1 423	10 301	4 692	12 514	15 428	24 888	9 461
Other	81 680	139 760	730	126 616	123 616	109 719	13 896
Total Operational Expenditure	92 843	161 805	16 475	154 426	155 566	148 120	7 447
Net Operational (service) expenditure	14,957	8 238	129 551	92625	9 786	15 945	25 730
Variances are calculated by dividing the difference between the actual and original budget by the actual.							

3.3.5. 2022/23 CAPITAL EXPENDITURE – ELECTRICITY SERVICES

The table below presents a summary of Capital Expenditure for the 2022/23 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 the 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 2022/22; Electricity Services R`000						
Capital Projects	2021/22	2022/23				
	Actual Expenditure	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total All	22,078,656	8,000,000	0	7,999,676		
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 a licensed landfill site in Phalaborwa, valid until March 2024, with a two-year extension granted. Additionally, there is an approved license for the development of a new landfill site. The municipality has an Integrated Waste Management Plan which expired in June 2020 and is overdue for a comprehensive review.

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 2019/20 through 2022/23, 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 Households				
Description	2019/20	2020/21	2021/22	2022/23
	Outcome No.	Outcome No.	Actual No.	
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	14070	14070	14070	14070
Flush toilet (with septic tank)	1090	1090	1090	1090
Chemical toilet	208	208	208	208
Pit toilet (ventilated)	10368	10368	10368	10368
Other toilet provisions (above min. service level)	9756	9756	9756	9756
	35492	35492	35492	35492
Minimum service level and above sub-total				
Minimum service level and above percentage	86%	86%	86%	86%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet				
Other toilet provisions (below min service level)	5623	5623	5623	5623
No toilet provisions.				
	10290	10290	10290	10290
Below Minimum service level sub-total	13.6%	13.6%	13.6%	13.6%
Below Minimum service level percentage				
Total Households	41115	41115	41115	41115
*Total number of households including informal settlements				

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 2019/20 through 2022/23. 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 Households				
Description	2019/20	2020/21	2021/22	2022/23
	Actual No.	Actual No.	Actual No.	
Solid waste removal: (minimum level)				
Removed at least once a week.	358881	35881	35881	35881
Minimum service level and above sub-total	55,79%	55,79%	55,79%	55,79%
Minimum service level and above percentage	18174	18174	18174	18174
	44,21%	44,21%	44,21%	44,21%
Solid waste removal: (below minimum level)	44082	54055	54055	54055
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				
Total number of households				

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 2019/20 through 2022/23. 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	2019/20	2020/21	2021/22	2022/23			
	Employee es	Employee es	Employees No.	Posts	Employee s No.	Vacancies (fulltime equivalent s)	Vacancies (as a % of total posts)
	No.	No.		No.		%	
0 – 3	1	0	0	1	0	1	100%
4 – 6	5	4	4	5	4	1	20%
7 – 9	7	0	1	1	1	0	100%
10 – 12	2	7	3	10	3	7	70%
13 – 14	47	40	38	70	38	32	46%
TOTAL	62	51	46	87	46	41	47%
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 & 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 license for the existing landfill site in Phalaborwa, along with approval for establishing a new landfill site. Closure licenses have also been secured for the Namakgale and Gravelotte landfill sites. Regular compulsory quarterly reports on landfill operations are submitted to both the Department of Limpopo Economic Development, Environmental and Tourism (LEDET) 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, 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 2024.



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 2022/23 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.

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 2019/20 through 2022/23. 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	2019/20	2020/21	2021/22	2022/23			
	Employee s No.	Employees No.	Employee s No.	Posts No.	Employee s No.	Vacancies (fulltime equivalent s) No.	Vacancies (as % of total posts) %
0-3	0	0	0	0	0	0	0%
4-6	5	2	2	2	2	0	100%
7-9	2	2	2	2	2	0	100%
Total	7	4	4	4	4	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 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 settlements projects undertaken by the municipality in the 2022/23 financial year. Instead, CoGHSTA allocated 200 houses to Ba-Phalaborwa Municipality for the same financial period.

3.6. FREE BASIC SERVICES

The municipality adheres to an approved indigent policy, providing guidelines for household registration. Indigent registration is an annual process, featuring ongoing assessments to review and verify changes in customer income. The policy delineates specific categories for indigent qualification, a process overseen by ward councillors across all 19 wards.

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 2020/21 through 2022/23, 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 basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2020/21			508		508		508		508	
2021/22			507		507		421		252	
2022/23		907	384	42%	301	33%	419	22%	334	37%

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 2022/23 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 2019/20 through 2021/22, the budget allocated for the 2022/23 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 2022/23: Cost to municipality of free basic services delivered							
Services delivered	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Budget	Adjustment budget	Actual	Variance to budget
Water	N/A	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	N/A
Electricity	0	0	0	0	0	1 220 480	(1 220 480)
Waste Management (solid waste)	0	0	213 308	173 212	173 212	435 511	262 299
Total	0	0	213 308	173 212	173 212	1 655 991	(958 181)

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 kilometres, encompassing various roads and stormwater drainage systems. However, there exists a considerable backlog, estimating a total of 559.1 kilometres 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 2020/21 through 2022/23. 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 kilometres 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 Kilometers				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2020/21	541.1km	N/A	6.863km	388.5km
2021/22	540.3km	N/A	0.8km	925.32km
2022/23	533.5km	N/A	0km	311.85km

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 2020/21 through 2022/23. 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
2020/21	250.6	6.865	N/A	N/A	N/A
2021/22	251.4	0.8	N/A	N/A	N/A
2022/23	258.2	6.83	4.67km	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 2020/21 through 2022/23, showcasing the cost per kilometre for new gravel and tar roads, maintenance expenses, and the re-working costs for tar roads. The cost analysis presents a per-kilometre 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 R`000						
Financial Years	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained
2020/21	R1.5m/km	R6.5m	N/A	R6.5m/km	N/A	N/A
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

Table 42: Cost of Road/ Maintenance



3.7.1.4. EMPLOYEES IN ROADS SERVICES

The table below provides a detailed overview of the workforce within the Roads Services division of the municipality, covering the years 2019/20 through 2022/23. It categorizes employees into different job levels, ranging from 0-3 to 13-14, highlighting the number of employees, existing posts, and the vacancies expressed as full-time equivalents. The presented figures offer insights into the composition of the workforce, including the distribution of employees across various job levels, the number of vacancies, and the percentage of vacancies in relation to the total posts. The data is essential for human resource planning, illustrating staffing patterns and areas that may require attention for optimization. Understanding the workforce dynamics within Roads Services is crucial for ensuring effective service delivery, infrastructure maintenance, and road management. The analysis aids in strategic decision-making to align human resources with the demands of the municipality's road services objectives.

Employees: Roads Services							
Job level	2019/20	2020/21	2021/22	2022/23			
	Employee s No.	Employ ees No.	Employ ees No.	Posts No.	Employ ees No.	Vacancie s (fulltime equivalen ts) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	1	1	0	100%
4-6	2	2	2	2	2	0	100%
7-9	3	3	3	3	3	0	100%
10-12	2	2	2	4	2	2	50%
13-14	19	19	11	28	11	17	61%
Total	29	29	19	38	19	19	50%
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 2019/20 through 2022/23. 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.



2022/23 Financial performance: Roads and Transport R'000							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	25 967	40 971	29 995	38 726	38 726	41 771	(3 045)
Expenditure:							
Employees	7 345	7 035	22 024	42 384	38 796	36 564	(2 232)
Repairs & Maintenance	5 163	9 197	1 115	12 501	12 222	9 949	(2 273)
Other	23 044	40 498	3 810	2 278	3 913	2 550	(1 363)
Total operational expenditure	35 552	56 730	26 949	56 482	53 249	49 063	(5 542)
Net operational (service) expenditure	-9 585	-15 759	3 046	(17 756)	(14 523)	(7 292)	8 587

Table 44: Financial Performance - Roads & Transport

3.7.1.6. CAPITAL EXPENDITURE: ROAD SERVICES

This table below provides an overview of the capital expenditure associated with Road Services for the financial year 2022/23. 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 in 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 2022/23: Road Services R`000					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	18 200	28 200	15 293	(2 907)	
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 our roads are experiencing aggregate loss, resulting in a rough texture on the surfaces. To prevent further deterioration, it is imperative for the Municipality to 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 Tambo Phase 2 Upgrading project, converting 6.8km from gravel to tar in Namakgale, was executed in Ward 7 through MIG grants. Furthermore, the municipality is presently implementing the Stormwater Culverts Installation project, a multi-year initiative. Three out of the four planned installations were successfully completed in Makhushane in Ward 2, Lejori Ward in 10, and Humulani in Ward 13. The Benfarm Upgrading project, entailing the conversion of 3.8 km of gravel road to tar, is currently under construction and financed through MIG grants.

3.7.1.8. DEVELOPMENT MUNICIPAL ROADS

The table below provides a brief overview of the development of municipal roads, measured in kilometres, for the years 2020/21 through 2022/23. 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
2020/21	6.863km
2021/22	0.8km
2022/23	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 emergency situations. 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

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 provides an overview of the department's staffing levels, indicating the number of employees across different job levels, posts, and full-time equivalents. As of June 30, the workforce is strategically positioned to address the municipality's planning needs. It is important to note that the establishment and funding of posts are aligned with the approved budget or adjustment budget, ensuring that the department has the necessary resources to fulfil its mandate.

Employees: Planning Services							
Job level	2019/20	2020/21	2021/22	2022/23			
	Employees No.	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	3	2	1	3	1	0	100%
4-6	8	4	1	3	1	1	50%
7-9	2	0	0	0	0	0	0%
13-14	1	0	0	0	0	0	0%
Total	14	6	2	9	2	1	33%
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



Capital expenditure 2022/23: Planning Services R`000					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all					
SUPPLEMENTARY VALUATION ROLL	1 500	1 500	749	(751)	1 500
TRANSFER OF SITES	150	150	0	(150)	150
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 & Development Services

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

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 2022/23: Planning services (R'000)							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	504	591	447	290	290	176	(115)
Expenditure:							
Employees	10 677	8 612	13 372	13 959	13 757	11 958	(1 799)
Repairs & Maintenance	0		131	0	0	0	0
Other	3 125	2 473	14 248	3 184	2 914	1 187	(1 728)
Total operational expenditure	13 802	11 085	27 750	17 144	16 671	13 145	(3 526)
Net operational (service) expenditure	-13 298	-10 494	(27 303)	(17 144)	16 381	(12 969)	(3 641)
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 tasked with the responsibility of unlocking the economic potential of the municipality and fostering the resilience of micro-economic growth. Its primary goal is to create a conducive environment for increased local economic development, job creation, and sustainable initiatives. The BPM Council has approved a practical and implementable Local Economic Development Strategy on 30 March 2023. The strategy's execution will commence in the 2023-24 financial year, beginning with the formulation of a Tourism Plan. This plan aims to consolidate local economic trends and tourism development initiatives within the municipal area, with service delivery recommendations falling under Technical and Community Services, encompassing 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 Palaborwa 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 (2019/20 to 2022/23). 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	2019/20	2020/21	2021/22	2022/23
Agric, forestry and fishing	142	153	170	149
Mining and quarrying	76	98	79	117
Manufacturing	65	72	71	76
Wholesale and retail trade	231	257	307	270
Finance, property, etc.	93	87	114	142
Govt, community and social services	296	310	373	399
Infrastructure services	96	121	54	142

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.
2020/21	4	1175
2021/22	5	1242
2022/23	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	2019/20	2020/21	2021/22	2022/23			
	Employee es No.	Employee s No.	Employee es No.	Posts No.	Employee es No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	1	1	0	100%
4-6	2	2	2	2	2	0	100%
7-9	0	1	1	1	2	2	50%
Total	3	4	4	4	5	2	28%
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

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 key priorities for library services revolve around enhancing accessibility, narrowing the digital divide, refining collection development and management strategies, advancing training and development for library staff, and fortifying stakeholder relationships. To achieve these objectives, the provision of computers and user education in the established libraries, increased stakeholder engagement for additional funding, and the enhancement of municipal library outreach services are crucial. Identifying alternative funding mechanisms is imperative for establishing new libraries that cater to the diverse needs of various 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 initiated the relocation of documents to the archives facility, anticipating the acquisition of Zippel files to finalize the relocation of their documents.

3.12.1.1. FINANCIAL PERFORMANCE OF LIBRARIES

The financial performance of Libraries in the 2022/23 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 2022/23: Libraries.							
(R'000)							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	132	22	64	59	59	117	58
Expenditure:							
Employees	2 250	2 265	2 450	2 693	2 872	2 352	(520)
Repairs & Maintenance	-	129	87	115	115	1	(114)
Other	148	43	115	476	631	125	(507)
Total operational expenditure	2 398	2 437	2 652	3 284	3 618	2 479	(1 139)
Net operational (service) expenditure	- 2 266	-2 415	(2 589)	(3 225)	(3 559)	(2 362)	(1 081)

Table 53: Financial Performance - Library Services

3.12.2. CEMETERIES AND CREMATORIALS

OVERVIEW OF CEMETERIES AND CREMATORIALS

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 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 for Cemeteries and Crematoriums during the 2022/23 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 fulfil 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 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 2022/23: Cemeteries and Crematoriums R'000							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original budget	Adjusted budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	139	190	118	99	99	148	(49)
Expenditure:							
Employees	1 401	826	7 733	2 988	1 937	659	(1 278)
Repairs & Maintenance	365	435	374	517	517	761	224
Other	380	697	1 822	2 535	2 011	515	(1 496)
Total operational expenditure	2 146	1 958	9 929	6 039	4 489	1 935	(2 544)
Net operational (service) expenditure	-2 529	-1 768	(9 811)	(5 940)	(4 390)	(1 787)	2 495

Table 54: Financial Performance - Cemeteries & Crematoriums

COMPONENT E: ENVIRONMENTAL PROTECTION

3.13. BIO-DIVERSITY AND LANDSCAPE

3.13.1. OVERVIEW OF BIO-DIVERSITY AND LANDSCAPE

Environmental and Biodiversity Management within the Municipality currently operates in a fragmented manner, with each Directorate independently handling its specialized functions and key performance areas. Establishing an Environmental Unit to oversee and coordinate these efforts has long been a strategic goal, but financial instability and strict measures have hindered its implementation, making it a pending target.

Compounded by the absence of an Environmental Management Plan and Framework due to financial constraints, the Municipality recognizes the need to seek assistance from Provincial and National authorities in line with prevailing legislation and processes.

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

3.14. HEALTH INSPECTION, FOOD AND ABBATOIR 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

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

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), scheduled for February 2024. 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 utilised 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 2020/21, 2021/22, and 2022/23. 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	2020/21	2021/22	2022/23
Notices Issued	1286 R384 920	1927 R615 215	1766 R571 675
Notices Withdrawn	233	5	40
Notices Outstanding	1035 R310 085	1861 R587 764	1628 R497 700
Notices Paid	R31 050	R110 236	
% of Monthly Priority Enforcement Completed	100%	100%	100%
Arrive alive campaigns held	2	3	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 2020/2021, 2021/2022, and 2022/23 showcase significant activities. These include the kilometres 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	2020/2021	2021/2022	2022/23
KM's of Road Painting Completed	8,279	12 425	9912
New signs Erected	31	37	32
Damaged Signs Repaired and some poles also replaced	165	257	207
Illegal Posters Removed	67	85	75

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 2020/2021, 2021/2022, and 2022/23 reveal a comprehensive array of activities. These encompass various transactions, including applications for learners' 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)	2020/2021	2021/2022	2022/23
Application for Learners Licences	1343	1428	2135
Application for Professional Driving Permit	1359	1461	1241
Application for Roadworthy Test	23	22	82
Application for Drivers Licence	4090	1182	1132
Certification of Roadworthiness	20	15	74
Duplicate Registration/Deregistration Certificate	118	169	192
Issue Drivers Licences (including Renewals)	6697	7903	6637
Issue Learners Licences	255	352	567
Issue Temporary Drivers Licences	1345	3577	2820
Licensing of Motor Vehicles	18730	19868	19157
Registration and Licensing Arrears and Penalties	10404	9455	13712
Registration of Motor Vehicles	4093	3919	4985
Outstanding Infringements	571	425	167
Transaction fees	15873	17025	16724
80% of Fees Due to Province	12429715.91	10966685.30	15123873.56
20% of fees due to Council	3113812.80	3634703.82	3780968.40
Direct Income Not Shared	1869795	2413561	2171294
Outstanding Infringements Paid to Road Traffic Infringement Agency	267752.85	232497.75	99105.56
Transaction Fees paid to Road Traffic Management Corporation	1237320	1213344	13729773

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 2020/2021, 2021/2022, and 2022/23 provide valuable insights into the operational facets. These activities encompass a range of transactions, including applications for learners' licenses, drivers' 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)	2020/2021	2021/2022	2022/23
Application for Learners Licences	1185	1502	2673
Learners Licence Issued	235	354	1086
Learners Licence Unsuccessful	782	1069	1452
Learners Licence Deferred	118	47	38
Learners Applicants Who Did Not Turn up	50	32	75
Application for Drivers Licence	974	1206	1195



Drivers Licence Issued	705	882	798
Drivers Licence Unsuccessful	256	252	312
Drivers Applicants Who Did Not Turn Up	11	25	52
Drivers licence Test Deferred	12	47	33
Application for Professional Driving Permits	1227	1461	1658
Application for Roadworthy	20	19	76
Vehicles That Passed The Test	20	16	71
Vehicles For Retest	0	4	5
Discontinue Notice Issued due to Roadworthiness	122	58	0
Discontinue Notice Issued due to Accident Damage	120	54	0

Table 58: Drivers' Licence & 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 2022/23

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 2019/20, 2021/22, and 2022/23 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	2019/20	2020/21	2021/22	2022/23			
Job Level	Employees No.	Employees No.	Employees No.	Posts No.	Employees No	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	1	1	0	100%
4-6	1	1	1	1	1	0	100%
7-9	2	2	2	2	2	0	100%
10-12	0	0	0	0	0	0	100%
Total	4	4	4	4	4	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 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 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 boasts a Sports Confederation/Council and Arts and Culture Council to oversee these activities. However, it is crucial to acknowledge that most local clubs face organizational challenges, hindering their participation in leagues due to a lack of sponsors. The municipality emphasizes the need for private sector support to foster sports development. MIG funding is strategically utilized to enhance and create sports facilities that meet high standards and 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. 2022/23 CAPITAL EXPENDITURE: SPORTS AND RECREATION

In the area of Sport and Recreation, the capital expenditure for the financial year 2022/23 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 2022/23: Sport and Recreation R' 000					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Construction of Selwane Sports Complex	820	820	820	0	
Namakgale Stadium	5 357	7 339	7 339	0	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure)					

Table 60: Capital Expenditure - Sports & Recreation

3.22.3. SPORTS AND RECREATION ACTIVITIES

3.22.3.1. MAYOR'S CUP GAMES

The municipality successfully organized the Mayor's Cup games, featuring competitions in four distinct categories:

- a) Senior Football
- b) Netball
- c) Ladies Football
- d) Under 15 Years Football.

3.22.3.2. WINNERS OF THE MAYOR'S CUP GAMES

Annually, more than 110 clubs actively participate in the Mayor's Cup games, starting from the ward-level stages. It is crucial to note that a significant portion of these clubs lacks affiliation with any leagues or federations, posing a notable challenge to sports development within our municipality. The 2023 Mayor's Cup witnessed spirited competitions, and the winners in each category were:

- a) Senior Football – Super Eagles FC from Ward 19
- b) Ladies Football – Sealene Ladies from Ward 2
- c) Netball – Majeje Netball from Ward 17
- d) Under 15 Football – Majeje Juventus from Ward 3

3.22.4. ARTS AND CULTURE EXTRAVAGANZA

The arts and culture sector stand 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.

3.22.5. ACTIVE AGEING PROGRAM

Engaging members from local senior citizen organizations, the Active Ageing program encourages healthy living among older individuals within the municipality. Participants from this initiative can engage at both local and national levels.

3.22.6. INDIGENOUS GAMES

Under the Department of Sport, Arts, and Culture, hub coordinators operate in strategic locations, namely Mashishimale Hub, Namakgale Hub, and Lulekani Hub. These coordinators play a vital role in organizing Indigenous Games within their respective hubs. The program has yielded exceptional athletes who, having participated at the national level, achieved noteworthy success, including securing gold medals.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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	2019/20	2020/21	2021/22	2022/23			
Job Level	Employees No.	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	10	11	29	31	29	4	0.09%
4-6	25	25	90	140	90	10	1.07%
7-9	17	18	137	148	137	14	0.94%
10-12	2	3	110	187	110	90	0.58%
13-14	24	21	120	199	120	99	0.63%
Total	78	78	486	706	486	217	2.5%
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 2019/20, 2020/21, and 2022/23. 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												
Details of the types of account raised and recovered	2019/20			2020/21			2021/22			2022/23		
	Billed in year	Estimated outturn for account	Estimated proportion of accounts billed that	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	Billed in year	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that were collected %



		s bill ed in ye ar	were colle cted %					collec ted %			
Property Rates	12769 2797. 61	48 %	6144 7642 .91	95,1 14,0 67		53%	141, 423, 062	60%	169 77 2 000	88 20200 0	52%
Electricity – C	75376 092.4 9	86 %	6508 8386 .58	105, 886, 860		75%	107, 019, 986	69%	125 09 1 000	103 6 77 000	83%
Refuse	17010 161.4	36 %	6102 643. 66	16,0 32,3 98		32%	16,5 65,0 18	29%	18 602 000	5 809 000	31%
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 2019/20, 2020/21, and 2022/23. 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	2019/20	2020/21	2021/22	2022/23			
Job Level	Employee es No.	Employee es No.	Employee es No.	Post s No.	Employee s No.	Vacancies (fulltime equivalent s) No.	Vacancies (as a % of total posts) %
0-3	5	5	5	5	5	0	50%
4-6	17	21	20	29	20	9	69%
7-9	9	8	9	26	9	17	35%
10-12	2	2	2	4	2	2	25%
13-14	0	0	0	0	0	0	0%
Total	33	36	36	64	36	28	15%
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 2022/2023, 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 **33 training interventions, benefiting a total of 290 individuals**.

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 2022/23, **twenty (20) employees were awarded bursaries, although only sixteen (16) learners were able to complete the registration process with recognized institutions**.

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 2018/19 through 2022/23. 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	2018/19	2019/20	2020/21	2021/22	2022/23			
Job Level	Employees No.	Employees No.	Employees No.	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	1	1	1	0	100%
4-6	2	2	2	4	4	4	0	100%
7-10	4	4	4	5	6	5	1	16%
TOTAL	7	0	7	10	11	10	1	9%

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. 2022/23 FINANCIAL PERFORMANCE: HUMAN RESOURCE SERVICES

The table below provides a detailed overview of the financial performance of Human Resource Services during the financial years 2019/20 through 2022/23. 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 2022/23 financial year. A total of 33 training interventions were successfully implemented, accounting for a cost of R 1,294,957.70 from the total budget of R 1,644,881.06, representing an allocation of 78.7%.

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 2022/2023 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 2022/23: Human Resource Services							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	480	535	0	0	0	303	(303)
Expenditure:							
Other Employees	4 318	4 913	2 693	157	157	1 547	1 390
Repairs & Maintenance			–	0	0	0	0
Other	7 390	7 830	8 399	11 498	11 254	7 381	(3 873)
Total operational expenditure	11 708	12 743	11 092	11 656	11 411	8 928	(2 483)
Net operational (service) expenditure	-11 228	-12 208	(11 092)	11 656	11 411	(8 625)	(2 786)
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 of 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 2019/20 through 2022/23. 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	2019/20	2020/21	2021/22	2022/23			
	Employee s No.	Employee s No.	Employee s No.	Post s No.	Employee s No.	Vacancies (fulltime equivalents) No.	Vacancie s (as a % of total posts) %
0-3	1	1	1	1	1	1	100%
4-6	2	2	2	4	2	2	100%
7-9	1	0	1	1	1	0	80%
Total	4	3	4	6	4	1	90%

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 2019/20 through 2022/23. 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 2022/23: ICT Services (R'000)							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	0	0	-	0	0	0	0
Expenditure:							
Other Employees	2 667	2 447	7 905	8 662	8 805	8 545	(260)
Repairs & Maintenance	15	6	101	210	210	47	(163)
Other	1 531	639	6 952	11 265	12 035	7 218	(4 817)



Total operational expenditure	4 213	3 092	14 958	20 136	21 050	15 810	(5 240)
Net operational (service) expenditure	-4 213	-3 092	14 958	(20 136)	(21 050)	(15 810)	5 240
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. 2022/23 CAPITAL EXPENDITURE: ICT SERVICES

Capital expenditure 2022/23: ICT Services R`000					
Capital Projects	2022/23 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)

- Signed a 24-month Web maintenance SLA.
- Provided services for Server Room equipment (UPS, fire suppression, and air conditioners).
- Upgraded Microsoft Windows Server to Windows Server 2022.
- Addressed all help desk calls promptly.
- Achieved an 8% downtime for E-mail and Internet services.
- Ensured 100% Web content update.
- Maintained 100% email availability.
- Ensured dynamic websites remained active, running, and updated daily.
- Implemented Enterprise Resource Plan Application for a two-year period.
- Renewed CaseWare Software.



b) ICT Governance

- 4 Quarterly ICT steering committee meeting held.
- Disaster Recovery Plan was reviewed and approved.
- 1 Policy reviewed and approved by Council.
- ICT Governance Framework reviewed and approved by Council
- Microsoft Enterprise Agreement renewed.

c) Security

- Sophos Anti-Virus and Firewall Subscription renewed.
- 100 % Virus Free environment (No malicious incidents reported).
- Security Awareness Conducted through email and Windows Log in 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 (14 in total);
- Cases initiated by the municipality against residents who violate the municipality's Land Use Scheme; and
- Cases initiated by the municipality against residents who violate the Building Regulations and Standards Act.

3.28.3. 2022/23 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 2022/23. It outlines key details, including actual figures for 2019/20, 2020/21, and 2021/22, as well as the original and adjustment budgets and

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actual figures for 2022/23. 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 to the budget, allowing for an analysis of the financial health of these services during the specified period.

Financial performance 2022/23: Property, Legal, Risk Management and Procurement Services R`00,							
Details	2019/20	2020/21	2021/22	2022/23			
	Actual	Actual	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue (excluding tariffs)	0	0	–	0	0	0	0
Expenditure:							
Other Employees	4 376	1 167	4 744	5 429	5 766	5 059	(707)
Repairs & Maintenance			35	4 200	5 400	42	(5 358)
Other	6 702	6 979	1 165	14 432	18 512	12 903	(5 609)
Total operational expenditure	11 078	8 146	3 614	24 061	29 678	18 004	(11 674)
Net operational (service) expenditure	-11 078	-8 146	3 614	24 061	29 678	18 004	11 674
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 2022/23. 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 2022/23: Property, legal, Risk Management and Procurement Services R`000					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
Total all	0	0	0	0	0
Project A					

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 moreover give effect to service delivery.

The Municipality approved its Organisational Structure for the year 2022/23 on the 26th of May 2022 as per Council Resolution No. 208/22. The 2022/2023 Organisational Structure reflected a total number of 706 approved positions, of which four hundred and nineteen (419) positions were filled and two hundred and sixty-nine (269) were vacant for the year under review.

4.2. STAFF TURNOVER

The Municipality experienced a high staff turnover whereby a total of twenty-five (25) employees left the organisation in the financial year 2022/23 as follows: -

▪ Resignations	=	12
▪ Early retirement:	=	04
▪ Normal retirement	=	06
▪ Death exit	=	01
▪ Dismissal	=	0
▪ End of contract	=	02
▪ TOTAL	=	25

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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 2019/20 through 2022/23. 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	2019/20		2020/21		2021/22		2022/23		
	No. of employees	No. Approved posts	No. of employees	No. Approved posts	No. of employees	No. Approved posts	No. Approved posts	No. of employees	No. of vacancies
Water	107	51	53	108	108	42	108	46	62
Legal	2	2	2	2	2	1	2	1	1
Electricity	58	16	38	58	59	39	58	44	14
Waste Management	86	45	46	86	86	46	88	59	29
Town Planning & Housing	16	7	4	7	16	8	16	8	8
Finance	64	33	36	63	63	34	64	34	30
Roads & Stormwater	38	27	27	38	38	12	38	25	13
Building Services	39	17	17	31	31	14	38	22	16
Project Management unit	3	3	4	4	0	0	3	3	0
ICT	6	4	4	6	6	5	6	5	1
Strategic Planning	3	2	6	14	3	2	3	2	1
Local Economic Development	3	3	4	4	7	4	7	4	3
Library	22	5	9	22	22	9	22	9	13
Community & social services	88	59	51	89	89	52	89	56	33



(parks & Cemetery									
Disaster Management	5	4	3	5	4	4	5	3	2
Security & safety (Traffic & licensing)	44	32	32	44	42	22	42	30	12
Special programs	3	3	3	3	3	3	3	3	0
Human Resources	11	7	8	11	11	10	13	13	0
Executive and Council support	52	84	71	93	94	71	55	46	09
Audit and risk management	6	6	6	6	6	0	6	6	0
Totals	655	412	424	694	700	458	666	419	269

Table 71: Municipal Workforce across all Services

4.3.2. 2022/23 VACANCY RATE

The table below presents the municipality's vacancy rate for the financial year 2022/23 and it is analysed 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: 2022/23		
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)	6	1
Highly skilled supervision: Levels 4-6 (excluding Finance posts)	114	6
Highly skilled supervision: Levels 4-6 (Finance posts)	30	8
Total	176	27

Table 72: 2022/23 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 2020/21, there were 41 total appointments, with 23 terminations, resulting in a turnover rate of 56%. For the year 2021/22, there were 55 total appointments, 19 terminations, and a turnover rate of 34%. In the most recent financial year, 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
2020/21	41	23	56%
2021/22	55	19	34%
2022/23	20	30	32%

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 fulfil its strategic goals. In accordance with 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 pertaining to 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
REVIEWED POLICIES – 2022/23				
1.	Staff Provisioning Policy	100%	100%	Policy Not tabled to Council by end of June 2023 due to non-progression of LLF
2.	Placement Policy	100%	100%	Policy Not tabled to Council by end of June 2023 due to non-progression of LLF
3.	Acting in Higher positions	100%	100%	Policy Not tabled to Council by end of June 2023 due to non-progression of LLF
4.	Leave Policy	100%	100%	Policy Not tabled to Council by end of June 2023 due to non-progression of LLF
5.	Training and Development Policy	100%	100%	Policy Not tabled to Council by end of June 2023 due to non-progression of LLF
6.	Overtime policy	100%	100%	Policy Not tabled to Council by end of June 2023 due to non-progression of LLF
7.	Motor Vehicle Allowance policy	100%	100%	Policy Not tabled to Council by end of June 2023 due to non-progression of LLF

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.

Number and cost of injuries on duty					
Type of injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average injury leave per employee	Total estimated cost
	Days		%	Days	R`000
Required basic medical attention only	4	3	8	5	n/a
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
Total	4	3	8	5	0

Table 75: Number & 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 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. Of the total number of three hundred and seventy-six (376) sick leave that has been recorded for the financial year 2022/23, only three (03) days were as the result of Injury on duty.



Number of days and cost of sick leave (excluding injuries on duty)						
Designations	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	Average sick leave per employees	Estimated cost
	Days	%	No.	No.	Days	R'000
MM & SEC 57 Managers	0	0	0	6	0	0
Management (level 2-5)	32	12.7	3	66	6.3	
Highly skilled production (levels 6-8)	129	19.9	33	117	6.1	
Skilled level (level 9-12)	96	1.16	22	51	4.2	
Lower skilled (level 13-14)	119	16.78	29	172	6.6	
Total	376	52.13	87	409	29	
Average is calculated by taking sick leave in column 2 divided by total employees in column 5						

Table 76: Number of Days & Cost of Sick Leave

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.7. WORKFORCE CAPACITY DEVELOPMENT

4.7.1. OVERVIEW OF WORKFORCE CAPACITY DEVELOPMENT

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 two hundred and ninety (290) individuals 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, achieving targeted training objectives. Workforce capacity development is presented below:

4.7.1.1. SKILLS DEVELOPMENT AND TRAINING

The table below provides details of various training interventions conducted by the municipality from July 2022 to June 2023, 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, 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.



Date	Training Intervention	Employees Trained	Department	WSP Approved
JULY 2022				
06 – 10 July 2022	Journalism & Graphic Design	E Ratlapane M Mathebula J Mahesu	Office of the Municipal Manager	Yes
11 -15 July 2022	TLB Training	AB Ngobeni	Community Services	Yes
13 -15 July 2022	Auditing Financial Statements	RK Mohlala MM Maake CM Lebelo A Sambo T Mabitsela D Mabusela M Makhongela	Office of the Municipal Manager	Yes
Start Date July 2022	MFMP	LP Khoza DA Mabusela A Sambo TI Mkansi YK Mashele MJ Phakula MN Shikwambana ME Malesa MT Phasha LJ Khoza TV Hlungwane LM Msiza N Mashele SE Molekoa H Makhubela KF Madiga TM Ngobeni RR Makasela L Selowa AT Ndzimande TB Seemela Cllr NO Mabunda Cllr TC Malatji Cllr DM Rapatsa Cllr MH Sekatane Cllr NL Rihlampfu Cllr MP Mukhari Cllr J Sindane Cllr MA Mononela	MM Corporate Services P&D Technical Services Community Services Budget & Treasury Council	Yes
AUGUST 2022				
10-11 August 2022	IT Governance and Cyber Security	R Chuene P Nkwashu T Sekwari T Mabitsela D Mabusela	Corporate Services MM	Yes
SEPTEMBER 2022				
7-9 September 2023	Annual Leadership Development for women in Government & SOE.	K Mphogo	Office of the Municipal Manager	Yes



5- 9 September 2023	Deeds Legal Support	N Ndindani EM Mokwatedi TI Mathebula DN Popela	BTO	Yes
7-9 September 2023	Secretary's Day	PM Mkwana ZG Mabuza ML Mkhondo LJ Mualusi TR Maake P Chiloane C Kubayi	DCORS MM MM DTS BTO DCCS MM	Yes
13-14 September 2022	GOVTECH	RS Chuene NC Baloyi M Mathebula JN Mahesu	Corporate Services Municipal Manager	Yes
21 September 2022	Collaborator Training	N Mashele SE Molekoa PH Mkhabela MA Sekhwela DKA Mabokela YK Mashele	DTS DCCS DCORS	No
27-28 September 2022	IRMSA Conference	MT Sekwari TJ Mabitsela DA Mabusela	Office of the Municipal Manager	Yes
OCTOBER 2022				
4-7 October 2022	LIASA Conference	NS Mokhabuki IL Nyakane VP Ramaboka	Community Services	Yes
11 -13 October	CIGFARO Conference	Cllr R Makasela Cllr P Mukhari M Makhongela T Mabitsela RS Chuene AT Ndzimande	Council MM DCORS BTO	Yes
19 October 2022	Collaborator	MD Mulaudzi KR Sekgobela DJ Hlungwani L Matshubeni BM Mashele TV Hlungwane LJ Khoza S Mudzanani	Technical Services	No
31 October – 2 November 2022	Institute of Internal Auditors Conference	KR Mohlala CM Lebelo	MM	Yes
	Diary Management	PM Mkwana ZG Mabuza ML Mkhondo LJ Mualusi TR Maake P Chiloane C Kubayi	DCORS MM MM DTS BTO DCCS MM	Yes
NOVEMBER 2022				
28-30 November 2022	Advanced Excel	CM Lebelo	MM	Yes
	IMESA Conference	DG Hlungwane MT Phasha NJ Nawa	Technical Services	Yes
2-4 November 2022	IMPISA Conference	Cllr T Nkuna DR. KKL Pilusa	Council MM	Yes



		MJ Phakula YK Mashele	Corporate Services	
FEBRUARY 2023				
15-16 February 2023	Annual Workplace Disability Management Conference	K Mphogo	OMM	Yes
MARCH 2023				
1-3 March 2023	Limpopo CIGFARO Conference	Cllr MM Malatji Cllr NO Mabunda Cllr R Makasela Cllr P Mukhari RK Mohlala CM Lebelo A Sambo MT Sekwari Khosha LP	Council MM	Yes
APRIL 2023				
4-5 April 2023	Audit and Risk Indaba	Cllr R Makasela Cllr P Mukhari MM Makhongela RK Mohlala CM Lebelo A Sambo MT Sekwari TJ Mabitsela	Council MM	Yes
12 -14 April 2023	Labour Relations Training	Mabitsela TJ Sekwari MT Kubayi C Mashale TS Mphaga H Mahlabela A Masinamela ME Phakula MJ Mashele YK Nkatinge KO Venter EJC Mongale MS Madiope S Sekgobela KR Phasha MT Banda NE Malatji SS Shai R Mahlo L Modiba SB Mavuso DN Mogofe N Phasha MT Ndindani N	MM Corporate Services Planning & Dev Technical Services Community Services BTO Labour Components	Yes
19 -20 April 2023	Customer Care	VP Nyathi M Motau R Hlungwane KM Monyela DK Mabokela M Nyathi L Mkhondo F Temo M Sadiki MZ Maile	MM Corporate Services Planning & Dev	Yes



		S Mudzanani V Hlungwane Nkuna RK Mathebula DV Malesa A Mabaso M Ramaboka VP Mkhabela PH Malatji TV RST Shiburi M Molapo N Ndindani H Makhubele M Malatji TI Mathebula	Technical Services Community Services BTO	
MAY 2023				
2-4 May 2023	Conflict Management	MD Makgato KP Mphogo ZG Mabuza MS Mashale SE Mthombeni TI Mkansi PT Nkhwashu YK Mashele S Mudzanani A Mabuza GS Baloyi MA Mabasa MT Phasha MA Sekhwela FN Rikhotso L Shai IL Nyakale DN Mavuso AK Manyama T Ramabula IF Mpenyane LP Chiloane N Ndindane	MM Corporate Services Technical Services CSS P&D BTO	Yes
3-5 May 2023	CIGFARO Limpopo Interns Symposium	Cllr R Makasela Cllr P Mukhari Cllr MM Malatji Cllr NO Mabunda A Sambo	Council MM	Yes
4-5 May 2023	First Aid Training	A Sekwati CL Mafuyeka P Lewele C Kobela HR Kgoete L Magoto AA Mabasa V Nkwini ME Kgatle K Makelane PM Pilusa K Shingange RP Mahasha ML Malatji JT Mathonsi SL Malatji	Corporate Services Technical Services	Yes



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		VP Nyathi LP Khoza SM Mashale MD Makgato KP Mphogo		
JUNE 2023				
1-2 June 2023	IT Governance and Cyber Security Conference	Cllr R Makasela Cllr NO Mabunda Dr KKL Pilusa MM Makhongela	Council OMM	Yes
6-7 June 2023	Policy Review Workshop	37 Councillors 18 Officials	Members of Council Members of Staff	No
14 June 2023	Bid Committee Training	34 Officials	Members of Staff	No

Table 77: Skills Development & Training

4.7.1.2. SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

Municipality successfully implemented the MFMA program with twenty-nine (29) learners comprising of eight (08) Councillors and twenty-one (21) employees during 2022/23. All learners were found competent pending the official accredited certificates.

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 2022/23 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 finalisation of the job evaluation process.



CHAPTER 5 – FINANCIAL PERFORMANCE

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 2022/23 financial year to fund its capital programmes, but due to non-payment of services, not all planned projects were implemented.

All the 2022/23 programmes funded from grants were implemented without any challenges.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

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 2020/21, the current year 2021/22, and the budgeted figures for the financial year 2022/23. 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	2020/21	Current year 2021/22			Current year 2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original	Adjusted	Actual	Original	Adjusted budget
Financial Performance									
Property Rates	95 114	135 247	135 247	141 423	144 510	176 887	135 075	(9 436)	(41 813)
Service charges	121 310	161 648	161 348	123 585	187 273	172 273	138 523	(48 750)	(33 750)
Investment revenue	2 718	2 813	2 813	31 450	2 481	2 481	4 026	1 545	1 545
Transfers recognised – operational	203 359	180 106	178 963	229 180	195 948	195 030	196 070	121	1 039
Other own revenue	63 987	1 987	1 987	10 753	97 556	80 723	94 216	(3 341)	13 493
Total revenue (excluding capital transfers and contributions)	486 488	636 260	625 844	536 391	627 769	627 394	567 909	(59 860)	(59 485)
Employees costs	145 210	184 411	183 602	168 416	185 597	185 597	172 122	(13 474)	(13 474)
Remuneration of councillors	17 312				19 089	19 089	18 189	(900)	(900)
Depreciation & asset impairment	72 476				75 295	75 295	38 440	(36 855)	(36 855)
Finance charges	18 641	2 866	2 866	18 266	2 500	18 500	20 847	18 347	2 347
Bulk purchases	86 758	113 648	113 648	101 086	115 559	115 559	102 614	(12 944)	(12 944)
Other expenditure	105 152	62 394	72 802	177 475	228 992	215 992	148 771	(144 485)	(131 485)
Total Expenditure	445 089			536 391	627 031	630 031	436 720	(190 321)	(193 312)
Surplus (deficit)	41 399	62 394	12 627	5 894	738	(2 637)	131 190	130 452	133 826
Capital Recognition	47 507	52 001	50 064	53 830	42 377	42 377	42 890	514	514
Surplus (deficit) for the year	59 723				43 115	39 740	174 080	130 965	134 340

Description	2020/21	Current year 2021/22			Current year 2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original	Adjusted	Actual	Original	Adjusted budget
<u>Capital expenditure & funds sources</u>									
Capital expenditure					44 877	44 877	51 980	7 103	7 103
Transfers recognised – capital	23 096	35	47	48	42 377	42 377	15 293	(27 084)	(27 084)
Internally generated funds	5 522	3	3	3	2 500	2 500	36 687	34 187	34 187
Total source of capital funds	28 618	38	50	50	44 877	44 877	5 198	7 103	7 103
<u>Financial position</u>									
Total current assets	1 318 998	628	657	369 453	586 570	1 726 767	2 003 793	1 417 223	277 026
Total non- current assets	900 233	1 204	1 208	1 268 040	1 312 918	1 209 992	1 257 123	(55 795)	47 131
Total current liabilities	9 431	153	200	572	3 433	2 050 500	1 912 010	1 908 577	(138 490)
Total non-current liabilities	216				216 315	217 855	201 940	(14 375)	(15 915)
Community wealth/equity	2 050 031	1 640	1 246	849	1 679 740	668 404	972 886	(706 854)	304 482
<u>Cash flows</u>									
Net cash from (used) operating	2 220 887	486	39	423	55 783	64 622	65 079	9 296	457



Description	2020/21	Current year 2021/22			Current year 2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original	Adjusted	Actual	Original	Adjusted budget
Net cash from (used) investing	- 25 279 380	(46)	(50)	(55 715)	(44 877)	(51 609)	(19 232)	25 645	32 376
Net cash from (used) financing	-	–	(20)	(9 929)	0	0	(17 642)	(17 642)	(17 642)
Cash/cash equivalents at the year end	- 19 837 674	449	23	69	86 643	739 21	84 925	(1 718)	11 004
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	69				71 243	58 521	35 718	(35 525)	(22 802)
Balance – surplus (shortfall)		138	115		512 412	(681 939)	448 367	(64 045)	1 130 306
<u>Asset management</u>									
Asset register summary (WDV)		1 204	1 208	873	1 311 918	1 097 839	1 144 983	166 935	47 144
Depreciation & asset impairment		75	75	74	75 295	75 295	73 559	(1 736)	(1 736)
Repairs and maintenance		31	32	24	25 036	29 476	25 893	857	(3 583)

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 grants allocations are done through 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 Grant (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 2020/21, 2021/22, and 2022/23. 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 (R'000)											
Description	2020/21	2021/22			2021/22 variance		2022/23			2022/22 Variance	
	Actual	Budget	Adjustments budget	Actual	Original budget	Adjustments budget	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
					%	%				%	%
Operating transfers and grants											
National Government:											
Equitable share	195 936						189 853	188 935	188 935	100%	100%
Finance Management grant	2 331						3 100	3 100	3 100	100%	100%
Municipal systems improvement		171 127	169 984	169 872	99%	0.07	0	0	0	100%	100%
EPWP	1 099	3 100	3 100	3 100	100%	100%	1 186	1 186	1 186	100%	100%
		N/A	N/A	N/A	N/A	N/A					
Total operating transfers & grants	199 366	1 195	1 195	1 195	100%	100%	194 139	193 221	193 221	100%	100%

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 2020/21, and 2022/23. 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	2020/21	2021/22		2021/22 Variance			2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget	Original	Adjusted	Actual	Original	Adjusted budget
Financial Performance											
Property Rates	121 310	135 247	135 247	133 502	(1 745)	(1 745)	144 510	176 887	135 075	(9 435)	(11 834)
Service charges	2 718	161 648	161 348	131 523	(30 125)	(29 825)	187 273	172 273	138 523	(48 750)	(33 750)
Investment revenue	27 721	2 813	2 813	13 771	10 958	10 958	2 481	2 481	29 553	27 072	27 072
Transfers recognised – operational	63 987	180 106	178 963	174 156	(5 950)	(4 807)	195 948	195 030	193 257	(2 693)	(1 774)
Other own revenue	145 210	1 987	1 987	38 431	36 444	36 444	97 556	21 583	62 428	(35 128)	(18 295)
Total revenue (excluding capital transfers and contributions)	360 946	481 801	480 654	491 383	9 582	10 729	627 769	627 394	589 264	(38 505)	(38 131)
Employees costs	143 475	184 411	183 602	167 114	15 995	15 186	185 597	185 597	171 698	(13 899)	(13 899)



Financial Summary (R'000)											
Description	2020/21	2021/22			2021/22 Variance		2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget	Original	Adjusted	Actual	Original	Adjusted budget
Remuneration of councillors	15 304	21 306	19 661	15 590	(5 716)	(3 711)	19 089	19 089	14 788	(4 301)	(4 301)
Depreciation & asset impairment	74 118	84 212	84 212	72 482	(11 730)	(11 730)	75 295	75 295	74 880	(415)	(415)
Finance charges	18 640	2 866	2 866	18 266	15 400	15 400	2 500	18 500	20 847	18 347	2 347
Bulk purchases	86 758	113 648	113 648	101 086	(12 562)	(12 562)	115 559	115 559	94 788	(20 771)	(20 771)
Other expenditure	66 776	62 394	72 802	163 264	100 870	90 462	228 991	215 991	100 622	(128 369)	(115 369)
Total Expenditure	405 071	468 837	476 791	537 802	68 965	61 011	627 031	630 031	477 623	(149 408)	(152 408)
Surplus (deficit)	(44 125)	12 964	3 863	5 894	(7 070)	2 031	738	(2 637)	111 640	173 342	114 276
Capital Recognition	47 507	52 001	50 064	55 024	3 023	4 960	42 377	42 377	45 704	3 328	3 328
Surplus (deficit) for the year	3 382	64 965	53 927	59 723	(5 242)	5 796	43 115	39 740	157 344	114 229	117 603
<u>Capital expenditure & funds sources</u>											
Capital expenditure											
Transfers recognised – capital	47 507	52 001	50 064	53 830	1 829	3 766	42 377	42 377	37 968	(4 408)	(4 408)
Internally generated funds	2 743	4 126	4 126	2 426	1 700	1 700	2 500	2 500	0	(2 500)	(2 500)
Total source of capital funds	50 250	56 127	54 190	56 255	128	2 065	44 877	44 877	37 968	(6 908)	(6 908)
<u>Financial position</u>											
Total current assets	369 453	567 298	633 235	478 919	-88 379	-154 334	586 570	1 726 767	476 797	1 417 223	277 026



Financial Summary (R'000)											
Description	2020/21	2021/22		2021/22 Variance			2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted budget	Original	Adjusted	Actual	Original	Adjusted budget
Total non- current assets	1 268 040	1 251 142	1 251 831	1 737 812	-486 670	-485 981	1 312 918	1 209 992	1 248 142	(55 795)	47 131
Total current liabilities	571 710	55 227	245 496	643 355	588 128	397 859	3 433	2 050 500	489 032	1 908 577	(138 490)
Total non-current liabilities	216 315	364 167	364 167	217 855	-146 262	-146 262	216 315	217 855	201 961	(14 375)	(15 915)
Community wealth/equity	849 470	1 399 046	1 275 403	876 602	-522 444	-398 801	1 679 740	668 404	1 033 946	(706 854)	304 482
Cash flows											
Net cash from (used) operating	422 587	(48 928)	81 007	75 031	123 959	(5 976)	60 783	60 783	37 040	(23 743)	(23 743)
Net cash from (used) investing	(55 715)	(56 127)	(54 190)	(51 918)	4 209	2 272	(44 877)	(44 877)	(35 486)	9 391	9 391
Net cash from (used) financing	(9 929)	44 877	51 609	19 232	(25 645)	(32 377)	(20 400)	(20 400)	(14 776)	5 624	5 624
Cash/cash equivalents at the year end	69 320	(50 067)	96 137	69 320	119 387	-26 817	59 039	59 039	44 090	14 949	14 949
Cash backing/surplus reconciliation											
Cash and investments available	69 320	39 341	106 629	(41 106)	80 447	(147 735)	512 412	(681 939)	448 367	(64 045)	1 130 306
Balance – surplus (shortfall)											
Asset management											
Asset register summary (WDV)	872 607	1 204 000	1 208 000	844 368	(359 632)	(363 632)	1 311 918	1 097 839	1 144 983	166 935	47 144
Depreciation & asset impairment	73 933	84 212	84 212	72 482	(11 730)	(11 730)	75 295	75 295	74 880	(415)	(415)
Repairs and maintenance	23 968	24 028	24 141	21 073	(2 955)	(3 068)	25 036	29 476	13 739	(11 297)	(15 737)

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

This 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 (R'000)					
Assets 1					
Name	Investment Property				
Description	Land				
Asset Type	Land site				
Key staff involved	Community, Strategic Planning, Technical (PMU) and Budget and treasury department and asset department				
Staff responsibilities	Planning, Implementation, monitoring, and Facilitate Payment maintenance of asset				
Asset Value	2018/19	2019/20	2020/21	2021/22	2022/23
	43 055	219 383	394 701	394 701	442 037
Capital implications	Transfer of an Asset, right to use, control and manage asset				
Future purpose of asset	For rental earnings, capital appreciation and Future economic or social benefits				
Describe key issues	Conflict of Land and Eviction of Land				
Policies in place to manage asset	Valuation- roll inclusion, Investment, and asset register policy in place				

Table 81: Asset 1 - Investment Property

b) Asset 2 – Land and Building Overview

This table below present 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					
Name	Land and Building				
Description	Improvements on Land				
Asset Type	Building				
Key staff involved	Community, Strategic Planning, Technical (PMU) and Budget and treasury department and Asset department				
Staff responsibilities	Planning, Implementation, monitoring and Facilitate Payment and Safeguarding of assets				
Asset Value	2018/19	2019/20	2020/21	2021/22	2022/23
	407 045	408 425	406 867	383 129	354 011
Capital implications	Funding Mechanisms				
Future purpose of asset	Investment For Improvements and Future economic or social benefits, owner occupier				
Describe key issues	valuation roll not complying to asset register and value for money				
Policies in place to manage asset	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					
Name	Roads				
Description	Infrastructure Roads				
Asset Type	Pavement Road				
Key staff involved	Community, Strategic Planning, Technical (PMU) and Budget and treasury department				
Staff responsibilities	Planning, Implementation, monitoring, and Facilitate Payment				
Asset Value	2018/19	2019/20	2020/21	2021/22	2022/23
	405 622	404 311	339 671	316 287	223 469



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

Table 83: Asset 3 – Roads

5.4.2. REPAIR AND MAINTENANCE EXPENDITURE

The Municipality allocates its expenditure on repairs and maintenance to address various facets, including the upkeep of roads infrastructure, electricity infrastructure, maintenance of municipal buildings, and the repair of other assets like motor vehicles and computer equipment that contribute to the overall service potential. Assets procured through these repairs and maintenance activities are subsequently reclassified and integrated into the main assets portfolio.

The table below presents a comprehensive overview of the Municipality's financial allocations and expenditures in repairs and maintenance for the financial year 2022/23. 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 2022/23				
	Original budget	Adjustment budget	Actual	Budget variance
Repairs and maintenance expenditure	25 036	29 476	25 893	(3 583)

Table 84: Repairs & 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 own revenue through provision of services, which are the sales of electricity, property rates charges, rental of Municipal facilities, charging of fines and penalties. The government grants allocations are done through 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 grant (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 2022/23. 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 Other is presented, highlighting the allocation and utilization of financial resources in these critical areas.

Capital Expenditure – funding sources 2022/23 (R'000)						
Details	2021/22	2022/23				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Actual to OB Variance (%)	Actual to Adjustment Variance (%)
Source of finance						
Grants and subsidies	46 808	42 377	42 377	42 051	99%	99%
Other	8 816	2 500	2 500	1 528	61%	61%
Total	55 624	44 877	44 877	43 579	97%	97%
Percentage of finance						
External Loans	0	0	0	0	0%	0%
Public contributions and donations	0	0	0	0	0%	0%
Grants and subsidies	84.15	42 377	42 377	42 377	100%	100%
Other	15.85	2 500	2 500	1 528	61%	61%
Capital Expenditure	100.00	44 877	44 877	43 579	97%	97%
Water and Sanitation		11 000	11 000	11 000	100%	100%
Electricity	19 201	8 000	8 000	7 674	96%	96%
Housing		0	0	0	0	0
Roads and storm water	27 607	18 200	18 200	18 200	100%	100%
Other	8 816	7 677	7 677	6 705	87%	87%
Total	55 624	44 877	44 877	43 579	97%	97%
Percentage of expenditure						
Water and Sanitation		11 000	11 000	11 000	100%	100%
Electricity	34.52	8 000	8 000	7 674	96%	96%
Housing		0	0	0	0%	0%
Roads and storm water	49.63	18 200	18 200	18 200	100%	100%



Other	15.85	7 677	7 677	6 705	87%	87%
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Table 85: Capital Expenditure & 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 2022/23. 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 – Upgrading of Benfarm, 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 2022/23 R'000					
Name of project	Current year			Variance current year	
	Original budget	Adjustment budget	Actual expenditure	Original variance (%) or rand)	Adjustment variance (%) or rand)
A- Upgrading of Benfarm	10 000	6 877	6 877	69%	100%
B Refurbishment of Namakgale stadium	5 357	7 338	7 339	137%	100%
C- Tambo Phase 2 street paving	200	3 322	3 322	1661%	100%
D- Installation of storm-water culverts	18 000	16 018	616 018	11%	100%
E- Electrification of 261 households in Matikoxikaya phase 3	4 590	4 590	4 590	0%	0%
Projects with the highest capital expenditure in 2022/23					
Name of project – A	Upgrading of Benfarm				
Objective of project	Improved storm-water drainage, access to households, public facilities, and overall improved transportation system				
Delays	Ministerial determination				
Future challenges	None				
Anticipated citizen benefits	The residents of Benfarm, Majeje and Lulekani				
Name of project – B	Refurbishment of Namakgale Stadium				
Objective of project	To promote sports activities in the rural villages				
Delays	None				
Future challenges	Contractor's cash flow				
Anticipated citizen benefits	The residents of Namakgale Stadium Ward 1,2,4,5,6,7 and 19				



Name of project – C	Tambo Phase 2
Objective of project	Improved storm-water drainage, access to households, public facilities, and overall improved transportation system
Delays	Payment dispute between the main contractor and sub-contractors
Future challenges	Completion of the project after its contract period
Anticipated citizen benefits	The residents of Ward 7

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 2023				
	Service level above minimum standard		Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	Mopani District Municipality function	Mopani District Municipality function	Mopani District Municipality function	Mopani District Municipality function
Sanitation	Mopani District Municipality function	Mopani District Municipality function	Mopani District Municipality function	Mopani District Municipality function
Electricity	37345	91%	3644	9%
Waste management	21211	43.2	27889	56.8
Housing	N/A	N/A	N/A	N/A

Table 87: Basic Services & Infrastructure Backlog

BACKLOG ON ROADS

There is a backlog of 559.1 kilometres of gravel roads earmarked for upgrading to tarred or paved surfaces. The Municipality has devised a plan to construct or upgrade a minimum of 5 kilometres each financial year, guided by 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 2019/20 through 2022/23, 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.

Cash Flow Outcomes (R'000)						
Description	2019/20	2020/21	2021/22	2022/23		
	Audited Outcome	Audited Outcome		Original Budget	Adjusted Budget	Actual
Cash Flow from Operating Activities						
Receipts						
Ratepayers and other	61 448	152 949	173 475	329 534	291 965	355 119
Government – operating	154 443	203 359	175 351	202 139	195 030	195 030
Government – Capital	28 429	49 103	53 830	36 186	42 377	42 377
Interest	2 968	2 968	45 216	2 481	40 922	3 014
Dividends				0	0	0
Payments						



Suppliers and employees	(229 621)	323 970	(656 541)	(512 057)	(503 172)	(530 461)
Finance charges	(291)	18 641	(18 266)	(2 500)	(2 500)	0
Transfers and grants				0	0	0
Net Cash From (Used) operating activities	91 340	61 737	(18 266)	55 783	64 622	65 079
Cash flows from investing activities						
Receipts						
Proceeds on disposal of PPE	(19 892)	0	55 979	0	0	0
Payments						
Capital Assets	(25 279)	(55 715)	55 979	(44 877)	(51 609)	(19 232)
Net Cash From (Used) investing activities	(25 279)	(55 715)	55 979	(44 877)	(51 609)	(19 232)
Payments						
Net Cash From (Used) financing activities	(24 088 272)	(9 929)	(16,166,391)			
Net Increase/(Decrease) in cash	18 961	14 332	69 320	10 906	13 014	28 205
Cash/cash equivalents at the year begin	36 026	54 987		75 737	60 907	56 720
Cash/cash equivalents at the year end	54 987	69 320	68 027	86 643	73 921	84 925
Source: MBRR SA7						

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 instalments 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 provides a breakdown of Municipal and Entity investments in various categories for the financial years 2019/20 through 2022/23. The municipality's investments encompass securities, listed corporate bonds, deposits in banks, and other financial instruments. The corresponding figures for Municipal Entities are also presented, closing in a consolidated total for a comprehensive overview of the investment landscape over the specified years. This data is crucial for assessing the financial portfolio and investment strategies employed by the municipality and its entities.

Municipal and Entity investments (R'000)				
Investment type	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual
<u>Municipality</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	56 672 566	69,319,706	68027	43 941
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
Municipality sub-total	56 672 566	69,319,706	68027	43 941
<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
CONSOLIDATED TOTAL	56 672 566	69,319,706	68027	43 941

Table 89: Municipal & Entity Investment

5.10. PUBLIC PRIVATE PARTNERSHIPS

No Public Private Partnerships were entered into during the 2022/23 financial year.

COMPONENT D: OTHER FINANCIAL MATTERS

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 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 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 municipality is presently undergoing an audit, and the audit report will officially confirm compliance with GRAP once the audit is completed. As per the Audit report on the financial statements for 2022/23, the auditor expresses their opinion that, except for the potential impacts of the matter detailed in the basis for a qualified opinion section of the report, the financial statements present a fair representation, in all significant aspects, of the financial position of the Ba-Phalaborwa Local Municipality as of 30 June 2022. Furthermore, they state that the financial performance and cash flows for the year ended are in accordance with the applicable financial reporting framework, as well as the requirements of the South African Generally Recognized Accounting Practices (SA Standards of GRAP), the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) MFMA, and the Division of Revenue Act of South Africa 2018 (Act No. 1 of 2018) DoRA.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDIT

6. AUDIT

6.1. OVERVIEW OF AUDIT

The Constitution, in Section 188(1)(b), outlines the Auditor-General's functions, which encompass the 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 results of performance measurement must undergo an annual audit by the Auditor-General. The audit has been concluded, resulting in a Qualified Audit Opinion.

6.2. COMPONENT B: AUDITOR-GENERAL OPINION

6.2.1. AUDITOR GENERAL REPORT 2021/22

Auditor-General Report on Financial Performance 2021/22	
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: 2021/22 Auditor General Report



Auditor-General Report on Service Delivery Performance 2021/22	
Audit Report status	Qualified
Non-Compliance Issues	Remedial Action Taken
No-alignment of reported achievement and portfolio of evidence	Action plan was developed and implemented

Table 91: 2021/22 Auditor General Report on Service Delivery Performance

6.2.2. AUDITOR GENERAL REPORT 2022/23

Auditor-General Report on Financial Performance 2022/23	
Audit Report status	Qualified
Non-Compliance Issues	Remedial Action Taken
Payables from exchange transactions	Action plan has been developed and the plan has been tabled in council
Value Added tax (VAT)	been tabled in council



GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.



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



Performance Targets:	The level of performance that municipalities and 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.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<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 FT/PT	Committee Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage apologies for non-attendance	Percentage absents without apology
				%	%	%
Cllr NO Mabunda	FT	Speaker Chairperson of the Rules Committee Chairperson of the Ethics Committee.	ANC	100%	0%	0%
Cllr MM Malatji	FT	Mayor	ANC	100%	0%	0%
Cllr D Rapatsa	FT	Chief Whip	ANC	100%	0%	0%
Cllr DR Bayana- (Deceased) Her last Council meeting attendance was in April 2022	FT	Member of the Executive Committee. Chairperson of Planning & Development Portfolio Committee.	ANC	88%	6%	6%
Cllr R. Makasela	FT	Member of Executive Committee. Chairperson of BTO Portfolio Committee	ANC	81%	6%	13%
Cllr VM Rapatsa	FT	Member of the Executive Committee. Chairperson of Technical Services Portfolio Committee.	ANC	88%	6%	6%
Cllr T. Nkuna	FT	Member of the Executive Committee; Chairperson of Governance & Administration Portfolio	ANC	94%	0%	6%
Cllr SP Mashumu	PT	Member of the Executive Committee. Member of the P&D Portfolio Committee. Serve of MDM Board.	EFF	81%	13%	6%
Cllr S De Beer	PT	Member of the Executive Committee;	DA	94%	6%	0%



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			%	%	%
		Chairperson 97% of Community & Social Services Portfolio;				
Cllr SL Mohlala	PT	Member of the Budget & Treasury Portfolio	ANC	97%	31%	19%
Cllr MMA Mathebula	PT	Member of the Governance & Administration Portfolio Serve on MDM Board	ANC	88%	13%	0%
Cllr MP Mukhari	PT	Chairperson of MPAC.	ANC	81%	13%	6%
Cllr NJ Mampuru	PT	Member of Municipal Public Accounts Committee;	ANC	94%	0%	6%
Cllr MM Malesa	PT	Member of CSS Portfolio Committee. Member of Ethics Committee.	ANC	88%	6%	6%
Cllr J. Sindane	PT	Member of P&D Portfolio Committee. Member of the Rules Committee	ANC	98%	13%	13%
Cllr LM Matlala	PT	Member of CSS Portfolio Committee	ANC	81%	6%	13%
Cllr MA Mononela	PT	Member of P&D Portfolio Committee.	ANC	94%	0%	6%
Cllr MP Mailula	PT	Member of CSS Portfolio Committee (Special programmes).	ANC	94%	0%	6%
Cllr MF Sekoele	PT	Member of CORPS Portfolio Committee.	ANC	62%	13%	25%
Cllr MH Sekatane	PT	Member of BTO Portfolio Committee. Member of the Rules Committee.	ANC	88%	12%	0%
Cllr SM Shayi	PT	Member of Municipal Public Accounts Committee	ANC	94%	6%	0%
Cllr NL Rilamphu	PT	Member of the Ethics Committee.	ANC	88%	6%	6%
Cllr EA Mokoena Mashele	PT	Member of the TS Portfolio Committee	ANC	100%	0%	0%



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 ME Mokgalaka	PT	Member of the CSS Portfolio Committee.	ANC	75%	19%	6%
Cllr TC Malatjie	PT	Member of the TS Portfolio Committee	ANC	88%	6%	6%
Cllr EF Nyathi	PT	Member of MPAC.	ANC	75%	6%	19%
Cllr R. Rakoma	PT	Member of BTO Portfolio Committee. Member of Ethics Committee.	DA	81%	13%	6%
Cllr B. Ramothwala	PT	Member of MPAC.	DA	94%	6%	0%
Cllr HS Booysen	PT	Member of CORPS Portfolio Committee.	DA	75%	19%	6%
Cllr MM Thuke	PT	Member of CORPS Portfolio Committee	EFF	56%	25%	19%
Cllr TM Malobane	PT	Member of Municipal Public Accounts Committee	EFF	62%	25%	13%
Cllr NP Ntimane	PT	Member of CSS Portfolio Committee.	EFF	56%	31%	13%
Cllr TB Shai	PT	Member of CSS Portfolio Committee	EFF	50%	31%	19%
Cllr JC Mokungwe	PT	Member of P&D Portfolio Committee	MIM	75%	19%	6%
Cllr DS Mathebula	PT	Member of MPAC.	NIP	75%	0%	25%
Cllr SS Mathebula (Deceased) He assumed responsibility as Councillor from September 2022 until March 2023 and was replaced by TS Mashale who assumed responsibility as	PT		NIP	36%	0%	36%



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			%	%	%
a Councillor on June 2022						
TS Mashale- He assumed responsibility as Councillor as from June 2022.	PT		NIP	6%	0%	
Cllr GM Van Niekerk	PT	Municipal Infrastructure & Services	FFP	75%	19%	6%

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: Internal financial control and internal audits; Risk management; Accounting policies; The adequacy, reliability and accuracy of financial reporting and information; Performance management; 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
Office of the MM	Ms. L Khosa	Senior MPAC Researcher	PL 05



THIRD TIER STRUCTURE			
DIRECTORATE	MANAGER/SENIOR OFFICERS (STATE TITLE AND NAME)	DESIGNATION	POST LEVELS
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 OFFICER(STATE TITLE AND NAME)	DESIGNATION	POST LEVELS
Technical Services	Mr. R Sekgobela	Manager : Electrical Services	PL 03
Technical Services	Mr. G Hlungwane	Manager : Water Services	PL 03
Technical Services	Mr.S Madiope	Manager : Roads &Storm Water	PL 03



THIRD TIER STRUCTURE			
DIRECTORATE	MANAGER/SENIOR OFFICERS (STATE TITLE AND NAME)	DESIGNATION	POST LEVELS
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	04
Ward 3	Cllr Jafet Sindane	yes	12	12	07
Ward 4	Cllr Lebo Moses Matlala	yes	12	12	03
Ward 5	Cllr Maleage Albert Mononela	yes	12	12	04
Ward 6	Cllr Mokgadi Paulinah Mailula	yes	12	12	06
Ward 7	Cllr Mampuele Frans Sekoele	yes	12	12	02
Ward 8	Cllr Mpho Harry Sekatane	yes	12	12	04
Ward 9	Cllr Victor Mohale Rapatsa	yes	12	12	01
Ward 10	Cllr Sinah Modjadji Shayi	yes	12	12	08
Ward 11	Cllr Hendrika Stoffelina Booysen	yes	12	12	0
Ward 12	Cllr Sybrandt De Beer	yes	12	12	0
Ward 13	Cllr Nhlahla Lucky Rihlampfu	yes	12	12	04
Ward 14	Cllr Eunice Annetjie Mokoena-Mashele	yes	12	12	03



Ward 15	Cllr Makasela Richard	yes	12	12	04
Ward 16	Cllr Nkuna Tompson	yes	12	12	05
Ward 17	Cllr Mapiti Eddy Mokgalaka	yes	12	12	05
Ward 18	Cllr Tebogo Collen Malatji	yes	12	12	03
Ward 19	Cllr Enoch Funtani Nyathi	yes	12	12	04

APPENDIX F1-WARD INFORMATION

Capital Projects: Seven Largest in 2021/22 (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	R 45 929 565.25
1,2,4,5,6,7 & 19	Refurbishment of Namakgale Stadium	March 2021	December 2023	R44 941 439.69
7	Tambo phase 2 street paving	June 2020	February 2023	R51 138 818.56

APPENDIX F2 – BASIC SERVICE PROVISION

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery			37345	21211	
Households without minimum service delivery			3644	27889	
Total Households*			40989	49100	
Houses completed in year					
Shortfall in Housing units					
*Including informal settlements					T F.2

APPENDIX F3 – TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD (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 of
2	Water	Mopani District municipality is responsible for implementing water projects
3	Culverts	Mashishimale Lejori, Makhushane, Access bridge to cemetery Humulani) were completed and have reached practical completion. Lulekani Culvert was advertised.



4	Apollo lights	No project implemented during financial year 2022/23
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APPENDIX G –RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2022/23

AC No.	Date of AC	Total Resolution s	Completed	Not Implemented	Recommendation s adopted by council
1	22-Aug-22	53	53	0	Yes
2	29-Aug-22	6	6	0	Yes
3	30-Aug-22	5	5	0	Yes
4	26-Sep-22	5	5	0	Yes
5	03-Oct-22	18	18	0	Yes
6	29-Nov-22	13	11	2	Yes
7	14-Dec-22	43	43	0	Yes
8	13-Jan-23	6	4	2	Yes
9	24-Jan-23	15	15	0	Yes
10	10-May-23	50	42	8	Yes
11	17-May-23	18	18	0	Yes
12	25-May-23	36	35	1	Yes
13	26 June 2023	17	15	2	Yes
Total		285	270	15	

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

Long Term Contracts (20 Largest Contracts Entered into 2022/23)						
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 2022/23 R`000					
Name & Description of project	Name of Partner (s)	Initiation date	Expiry date	Project manager	Value 2021/22
None					



APPENDIX I - MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	Year 0		Year 1		Year 2	Year 3		
	(b) Service Targets	Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(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>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.</p>									

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APPENDIX J- DISCLOSURES OF FINANCIAL DISCLOSURES

Disclosures of Financial Interests		
Period 1 July 2022 to 30 June 2023		
Position	Name	Description of financial interest* (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	• Not Declared
Member of Exco	Cllr De Beer SR	• Employed at Old Mutual as a Financial Advisor
Member of Exco	Cllr Mailula P	• NIL
Mpac Chairperson	Cllr Mukhari P	• NIL
Councillor	Cllr Nyathi EF	• Employed at Palabora Mining Company as Operator



Councillor	Cllr Shayi S	• NIL
Councillor	Cllr Mathebula DS	• Employed at Palabora Mining Company as a Repairman Maintenance
Councillor	Cllr Mampuru MM	• NIL
Councillor	Cllr Malobane TM	• NIL
Councillor	Cllr Ramothwala B	• NIL
Councillor	Cllr M Malesa	• Burisani General Service
Councillor	Cllr LM Matlala	• NIL
Councillor	Cllr TC malatji	• NIL
Councillor	Cllr J Sindane	• NIL
Councillor	Cllr MH Sekatane	• NIL
Councillor	Cllr Rakoma R	• NIL
Councillor	Cllr Booysen HS	• Forum brokers-short term insurance broker
Councillor	Cllr Shai TB	• NIL
Councillor	Cllr Mashale T	• Not Declared
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	• Not Declared
Councillor	Cllr Mokoena –Mashele EA	• NIL
Councillor	Cllr Peta A	• Not Declared
councillor	cllr mathebula mma	• nil
Councillor	Cllr Mononela MA	• Not Declared
Councillor	Cllr Sekoele MF	• NIL
Councillor	Cllr Thuke MM	• NIL
Councillor	Cllr Ntimana NP	• NIL
MUNICIPAL ADMINISTRATORS		



Municipal Manager	Dr Pilusa KKL	• Nil
Senior Manager: Corporate Services	Mrs Selapyane JB	• Nil
Acting Senior Manager: Corporate Services	Mr. Mashale TS	• Nil
Chief Financial Officer	Mr Nzimande AT	• Nil
Senior Manager Planning	Mrs Muluadzi J	• Nil
Acting Senior Manager Planning	Mr. Mashale M	• 200 S.A Equities MTN Zakhele, 17 Shares Sephaku Holdings, 21 Shares Dischem Pharmacies, 50 Shares ARC Investment, 580 Shares LABAT Africa Ltd And 286 Purple Group Ltd.
Senior Manager Community	Mr Hlogwane T	• Nil
Acting Senior Manager Community Services	Mr. Mokhabuki S	• Nil
Senior Manager Technical Services	Mrs. Mphachoe	• Nil
Acting Senior Manager Technical Services	Mr. Madiope S	• Nil

APPENDIX K1: REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	2021/22	2022/23	2022/23	
	Actual	Actual	Original Budget	Adjusted Budget
EXECUTIVE AND COUNCIL	379 171	0	0	0
BUDGET AND TREASURY DEPT	486	380 822	390 216	428 048
CORPORATE SERVICES	43 462	815	209	209
COMMUNITY AND SOCIAL SERVICES	11 069	22 451	60 352	37 145
PLANNING AND DEVELOPMENT	218 569	176	290	290
TECHNICAL SERVICES DEPT	201 632	195 994	250 414	250 414
Total Revenue by vote	202 241	600 258	670 146	669 771



APPENDIX K2 - REVENUE COLLECTION PERFORMANCE BY SOURCE: 2022/23

Revenue Collection Performance by Source								
Description	2019/20	2020/21	2021/22	2022/23			2022/23 Variance	
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Property Rates	141 850 344	141 319	141 319	144 510	176 887	135 075	9 436	(41 813)
Service charges – electricity revenue	130 868 593	105 590	107 020	167 547	152 547	119 965	(47 582)	(32 582)
Service Charges – refuse revenue	19 382 942	16 032	16 524	19 726	19 726	18 558	(1 168)	(1 168)
Rentals of facilities and equipment	315 081	5	205	209	209	512	303	303
Interest earned. – Investment	2 967 703	2 718	2 429	2 481	2 481	4 026	1 545	1 545
Interest earned – outstanding debtors	27 806 948	44 821	42 787	59 140	59 140	55 956	(3 185)	(3 185)
Fines	864 248	301	598	1 295	1 295	514	(781)	(781)
Licence and permits	2 645 086	5 690	20 358	22 636	5 802	3 949	(18 687)	(1 853)
Agency services	6 015 271	9 051	21 601	6 200	6 200	21 483	15 283	15 283
Transfers recognised – operational	154 590 564	205 154	182 025	195 948	195 030	196 070	121	1 039
Other revenue	1 813 550	1 629	10 753	8 077	8 077	11 802	3 725	3 725
Total Revenue (excluding capital transfers and contributions)	489 120 330		759 659	627 769	627 394	567 909	(59 860)	(59 485)



APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: Excluding MIG(R'000)						
2022/23						
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	None
EPWP	1 186	1 186	1 186	0	0	None
EEDSMG	0	0	0	0	0	None
INEP	8 000	8 000	8 000	0	0	None
Total	12 286	12 286	12 286	0	0	

APPENDIX M1-2: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital expenditure – New Assets programme*						
Description	2021/22 (R'000)			Planned capital expenditure(R'000)		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by asset class						
Infrastructure – Total						
Infrastructure: Road transport – Total				0	13 800	33 879
Infrastructure: Electricity – Total				5 909 000	7 000 000	0
Other						

APPENDIX N – CAPITAL PROGRAMME BY PROJECT

Capital Programme by Project: 2022/23					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water	N/A	N/A	N/A	N/A	N/A
"Project A"					
"Project B"					
"Project C"					



Sanitation/Sewerage	N/A	N/A	N/A	N/A	N/A
"Project A"					
"Project B"					
Electricity					
"Project A"	8 000	8 000	8 000	100%	100%
"Project B"					
Housing	N/A	N/A	N/A	N/A	N/A
"Project A"					
"Project B"					
Refuse removal	N/A	N/A	N/A	N/A	N/A
"Project A"					
"Project B"					
Stormwater					
"Project A"	18 000	16 018	16 018	100%	89%
"Project B"					
Economic development	N/A	N/A	N/A	N/A	N/A
"Project A"					
"Project B"					
Sports, Arts & Culture					
"Project A"	5 357	7 339	7 339	100%	137%
"Project B"	820	820	820	100%	100%
Environment	N/A	N/A	N/A	N/A	N/A
"Project A"					
"Project B"					
Health	N/A	N/A	N/A	N/A	N/A
"Project A"					
"Project B"					
Safety and Security	N/A	N/A	N/A	N/A	N/A
"Project A"					
"Project B"					
ICT and Other	N/A	N/A	N/A	N/A	N/A
"Project A"					
"Project B"					
T N					



APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD

Capital Programme by Project by Ward: 2022/23			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Water	N/A	N/A	
"Project A"			
"Project B"			
Sanitation/Sewerage	N/A	N/A	
Electricity			
Electrification of 51 households in Madiba Extension, 88 households in Tshabelamatswale villae and 261 households in Matikoxikaya phase 3		Yes	
Housing	N/A	N/A	
Refuse removal	N/A	N/A	
Stormwater			
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	2,10,15&16	No	
Economic development	N/A	N/A	
Sports, Arts & Culture			
Refurbishment of Namakgale Stadium	1,2,5,6,7 &19	No	



Construction of Selwane sports complex	17&18	Yes
Environment	N/A	N/A
Health	N/A	N/A
Safety and Security	N/A	N/A
ICT and Other	N/A	N/A
TO		

APPENDIX P – SERVICE BACKLOGS: SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Matome Malatji School	✓	N/A	N/A	✓
Clinics (NAMES, LOCATIONS)				
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
Clinics:	Ward 1 – Kanana, Foskor ground	Travel long distance to reach the clinic
	Ward 6 – Topville	
	Ward 8 – Tshabelamatswale	
	Ward 10 -Maseke	
Housing:	5 779 – Ward 1,2,3,4,5,6,7,8,9,10,13,14,15,16,17,18,19	
Licencing and Testing Centre:	None	
Reservoirs	Ward 3, 7,9, 15	
Schools (Primary and High):	Ward ,16,17	



	Renovation Batwatsi School ward 17	
Sports Fields:	Ward 18 Gravelotte	

APPENDIX R – LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: 2022/23				
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 – 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"> Tambo Phase 2 Upgrading of 6.8km of gravel to Tar Road. Construction of storm water access bridges within the communities of Makhushane Ward 2, Mashishimale to Lejori Ward 10 and Humulani Ward 13 	
	Improvement in access to basic electricity through completion of electrification of: <ul style="list-style-type: none"> 51 households in Madiba Extension. 88 households in Tshabelamatswale Maseke village 261 households in Matikoxikaya phase 3 	
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	Corporate Governance, Human Settlement and Traditional Affairs
COGTA	Corporate 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



ANNEXURE 2: AUDITED ANNUAL FINANCIAL STATEMENT



ANNEXURE 3: ORGANIZATIONAL STRUCTURE



ANNEXURE 4: ATTENDANCE REGISTER – COUNCIL MEETINGS



ANNEXURE 5: AUDITOR GENERAL REPORT



ANNEXURE 6: AUDIT COMMITTEE REPORT



ANNEXURE 7: AUDITOR GENERAL ACTION PLAN

