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MOHOKARE LOCAL MUNICIPALITY ANNUAL REPORT 2022/2023

VOLUME I

MOHOKARE LM AUDITED ANNUAL REPORT

1

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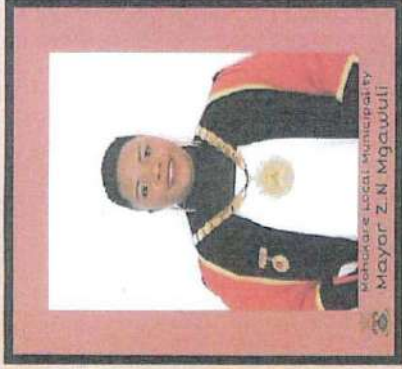
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CHAPTER 1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



On behalf of the Mohokare Local Municipality's Council and Administration, I hereby present this Annual Report for the financial Year 2022/2023. This report will outline our performance on the targets we set ourselves to do over this period. The report will give our stakeholders, residents and communities an insight into the performance and achievements of the municipality. The mandate of Mohokare Local Municipality is not unique to the broader mandate given to Local Government by the South African Constitution, chapter 7. The only uniqueness we have are the different legitimate expectations of our citizenry. Our specific mandate is drawn from the road shows, meetings and general engagements we constantly embark upon in drafting our Integrated Development Plan, including the Budget which is our guiding document in our performance, thus in a measuring tool called SDBIP.


Our resolve is based on servicing our communities wherever they live within the area of Mohokare. The current Annual Report outlines our successes and shortcomings in relation to our political mandate as provided in the key focus areas of Local Government, these can be summarised as follows:

- Building a Municipality that is efficient, effective and responsive
- Strengthen Accountability and promote clean operations and accelerating Service Delivery and supporting the vulnerable
- Promoting Economic and Social development and fostering Development Partnerships, Social Cohesion.

Looking at the above priority areas, it is important to note that these can never be successful on their own, it becomes important that as a collective Councillors and Officials we work together in identifying the challenges raised in the annual report and rectify them as soon as possible. Having said that, it is equally important to note that there are a few specific areas, which must receive particular attention going forward: Improved mechanisms will need to be found to strengthen the accountability and discipline of officials in their daily work, both to each other and to political principals.

Speed, timing and excellence in the quality of daily work must become a key feature in the way in which officials undertake their work. The overall turn-around times of administrative and professional work will require significant improvement.

It is commendable to note the improvements in relation to our spending and expenditure patterns, but we need to do more. The ever present excuse of lack of resource might be a legitimate one, but the key question is how effectively we use the resources at our disposal. It is clear on this annual report that we are moving in the right direction, although not there yet. It is of paramount importance to synchronise our programme plans with quarterly targets to achieve our broader goals of an effective and efficient Mohokare.



Z.N. MGAWULI

MAYOR



COMPONENT A MUNICIPAL MANAGER'S OVERVIEW



Once again, it is time for Mohokare Local Municipality to report on its progress in fulfilling its strategic objectives as contained in its approved Integrated Development Plan, Annual Budget as well as in the Service Delivery Budget and Implementation Plan and to account for administrative performance of the Municipality for the 2022/2023 financial year.

The year under review has provided the institution with many obstacles on all fronts. As a result, as at 30 June 2023, the municipality managed to achieve 58% overall performance and an alarming 18% for the delivery of basic services and infrastructure development. This was caused by the municipal reliance on conditional grants in executing the daily operations of the institution which hampered service delivery in all aspects.

The municipality has during the year under review experienced a huge senior management vacancy rate with the only positions of the Chief Financial Officer and Technical Director were filled whilst, other positions had acting incumbents. Subsequently the Chief Financial Officer has been on suspension for the period under review and that bought instability within the directorate.

Other challenges which were faced by Mohokare include, however not limited to:

- Balancing of the budget, with a slowdown in revenue collection;
- Aging infrastructure and lack of yellow fleet;
- Prolonged labour unrests; and Non-payment of 3rd parties of our employees.

It is anticipated that in the forthcoming financial year, the following robust measures amongst other will be discharged accordingly:

- Implementing a sound financial management under current shrinking revenue collection;
- Delivering Municipal services to the best of its abilities;
- Enhancing political and administrative stability
- Improve revenue collection to sustain municipal service delivery targets.

Mohokare Local Municipality is committed to tangible and visible deliverables to better the lives of residents, providing dignified service delivery and sustainable economic growth with its communities at the center of development.

I am thankful to Council, Management and employees at large for the commitment, passion and hard work during the year under review amidst strenuous barriers the institution is faced with.

A handwritten signature in black ink, appearing to read 'M.S. Mohale'. The signature is stylized and written in a cursive-like font.

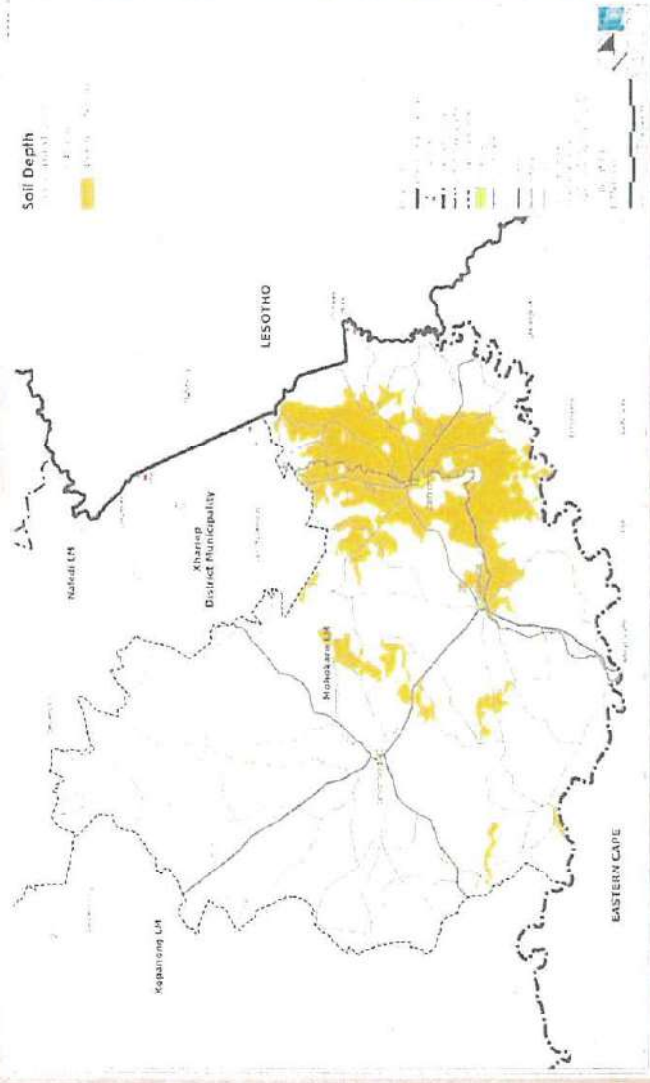
M.S. MOHALE

ACTING MUNICIPAL MANAGER
MOHOKARE LM AUDITED ANNUAL REPORT

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Mohokare Local Municipality is situated in the Xhariep District (Free State Province) and measures 8 748,53 km and comprises of three main towns i.e. Zastron, Rouxville and Smithfield and surrounding farm areas.

The community survey conducted in 2007 estimates the population of Mohokare to be at 41 867 with 10216 households.



According to Census 2016, Mohokare Local Municipality has a total population of 35,840 people.

Mohokare has a population growth rate according to Statistics South Africa of 1.06%, this is indicative of the fact that during the Census survey conducted in 2011, the total estimated population was + 34 146, which has now increased to +35 840 according to 2016 Community Survey.

KEY STATISTICS IN SUMMARY FOR MOHOKARE LOCAL MUNICIPALITY ARE AS FOLLOWS:

Distribution of population group and gender in Mohokare Local Municipality

Population group	Gender		Total
	Male	Female	
Black African	15015	17580	32595
Coloured	204	93	297
Indian/Asian	58	37	96
White	1245	1608	2853
Total	16523	19317	35840

Data source: Statistics South Africa, Community Survey 2016 (2016 municipal boundaries)

DEMOGRAPHIC PROFILE

- The population of the Mohokare Municipality is increasing by 4.96%. This could indicate that the municipality is not a desirable location for migrants due to a lack of employment opportunities and resultant poor social facilities (health care and education).
- Dedicated action is required to increase employment opportunities and the provision of social facilities.
- Upgrading of informal areas should be a priority as these areas are receiving the bulk of the population growth.
- The majority of the population is between 15 and 65 years of age, a relatively young population and a fairly large labour force. Education and employment should be geared towards accommodating the specific needs of this age group.
- Poverty alleviating initiatives are required to assist the large number of female headed households given the likelihood of these households being poorer than male headed households.
- The urban population in the municipality is growing. This necessitates careful planning to guide this growth in a sustainable and integrated manner.
- Zastron is the main administrative town, have the highest population and attracted the most growth; higher order services and facilities should be located here.

HEALTH

- Ensure that new health facilities are erected in line with the NSDP principles, i.e. where there is economic growth potential and where people are located.
- The municipality's distribution of health facilities appears to be rationally located in relation to its population concentrations (Zastron, Rouxville and Smithfield). However, the service that these facilities provide should be improved.

Mohokare Local Municipality has the following health facilities within its jurisdiction:

Name of town	Name of Hospital	Name of Clinic
Zastron	Embekweni Hospital	Matlakeng Clinic
Rouxville/Roleleathunya	-	Winne Mandela Clinic
Smithfield/Mofulatshepe	Stoffel Coetzee Provincial Hospital	Thembaletu Medical Clinic

- The northern most parts of Roleleathunya in Rouxville and eastern most parts of Mofulatshepe in Smithfield and eastern parts of Matlakeng are the most in need of health facilities, given the distance that people have to walk.
- It appears based on the population thresholds that there are sufficient health facilities in all three settlements, ironically, there is an over provision at Zastron and Smithfield.
- There is a need to provide more facilities in Rouxville and Smithfield, given the distance to the existing facilities, i.e. more than 1km or improve transport access to the existing facilities, for example by providing cycling facilities.

EDUCATION

- In 2011 only 39.81% of the population completed education at levels higher than primary school.
- Higher levels of education are required. Only 3.77% of population have a tertiary education. To address the low educational levels, Motheo Technical Vocational Education and Training (TVET) College has opened a satellite campus in Zastron in the Xhariep District to assist in developing skills needed to empower people to be employable and to generate their own income.
- Ensure that new schools are erected in line with the NSDP principles, e.g. The Mooifontein Primary School which was constructed and completed in 2020 in Matlakeng at Refengkhotoso location.
- Transport opportunities, for example, cycle ways, need to be provided to assist in providing leaner access to schools.

- There is an over provision of all types of educational facilities given the Education standards, in each of the settlements. However, this assessment is not based on walking distances but is purely based on population thresholds.

EMPLOYMENT, OCCUPATION AND INCOME LEVELS

- About 73% of the population earn below R3 200.00 per month.
- Of the three main settlements, Zastron has the highest income levels.
- A very high unemployment rate is experienced in all three main settlements.
- The total economically active population declined between 2001 and 2011 by 8%.
- Initiatives should be created where manufacturing; wholesale and retail and community, social and personal services are grown as these are the sectors currently contributing the most to employment generation.
- The fastest growing sectors for GVA (average annual percentage growth) between 2001 and 2019 are:
 - Electricity gas and water (22.55%);
 - Manufacturing (10.39%); and,
 - Finance, insurance, real estate and business services (9.98%)
- Similarly, the following tertiary sectors should also be supported as they are the highest sector contributors to the GVA of the area:
 - Finance, insurance, real estate and business services (25.53%);
 - Government services (17.24%); and,
 - Community, social and personal services (15.23%).
- The GVA of the municipality is mostly generated by the tertiary sector. This sector contributes 75.73% to the GVA, is currently growing and should be encouraged to grow.
- Given the decline of the GVA contributions in primary sectors and a growth in the secondary and tertiary sectors, more emphasis from the former to the latter is observed in the economy. This has implications for the lower skill level employees who now need to improve their skills levels to stay competitive in the secondary and tertiary job markets, or look for work elsewhere.

PROPERTY MARKET PATTERNS AND GROWTH PRESSURES

- A decrease of 20,68% occurred in the number of new residential buildings over the period 2007 to 2008, after which activities decreased to zero in both 2009 and 2010. This is either due to no statistics reporting or a decline in economic activities.
- There are improving levels of operating income. An increase in operating expenditure has occurred as well as the emergence of declining (negative) trends related to non-payment of property rates and service charges. These must be addressed in a proactive manner and positive payment trends should be re-enforced (this is a critical point and of utmost importance);
- A large number of illegally built buildings are not being recorded in the municipal system.

Taking the above background information into account, the main challenges experienced in Mohokare can be summarized as follows:

- Challenges in provision of basic service delivery;
- Inability to implement the Debt Management and Credit Control Policy due to the high unemployment rate of the region in conjunction with the low average monthly income per household resulting in the inability of consumers to pay for basic services;
- Deteriorating infrastructure causing interruptions in service delivery;
- Constant breakdowns of Municipal Fleet (including yellow fleet) due to ageing and high mileage on all forms of vehicles;
- The Municipality remains grant dependant due to the inability of consumers to pay for services rendered to them;
- Lack of a proper Performance Management System;

- Need to strengthen and improve the functioning of the Administration of the Municipality;
- Financial Management in order to ensure that funds are applied for their intended use.

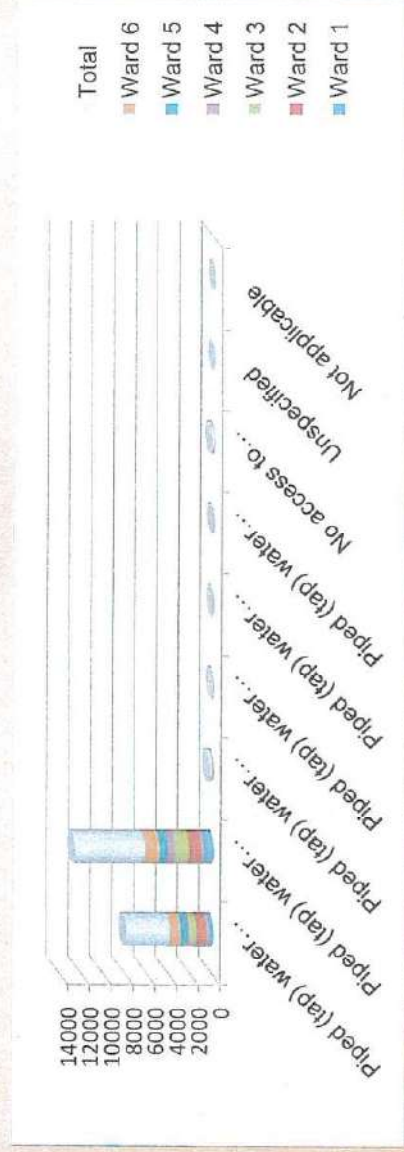
Considering the above challenges which negatively affect financial viability, sustainability and creating inherent obstacles to effective delivery of services to communities, the development of a Turnaround Strategy deemed to be a critical way forward for Municipality.

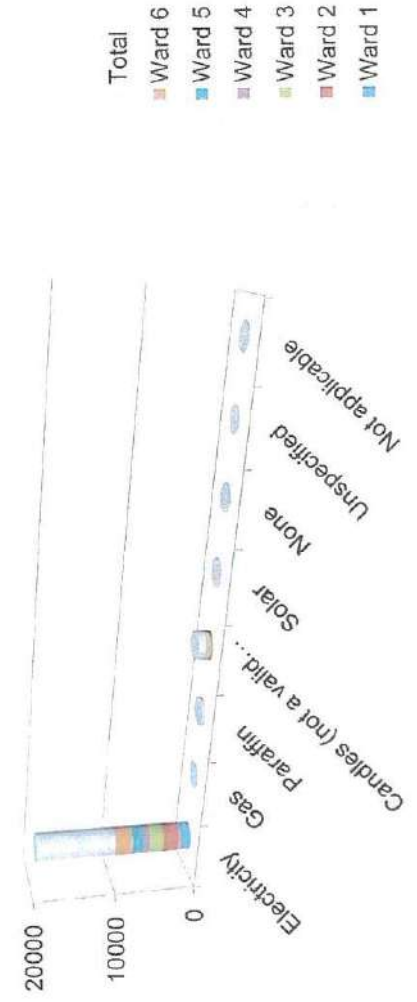
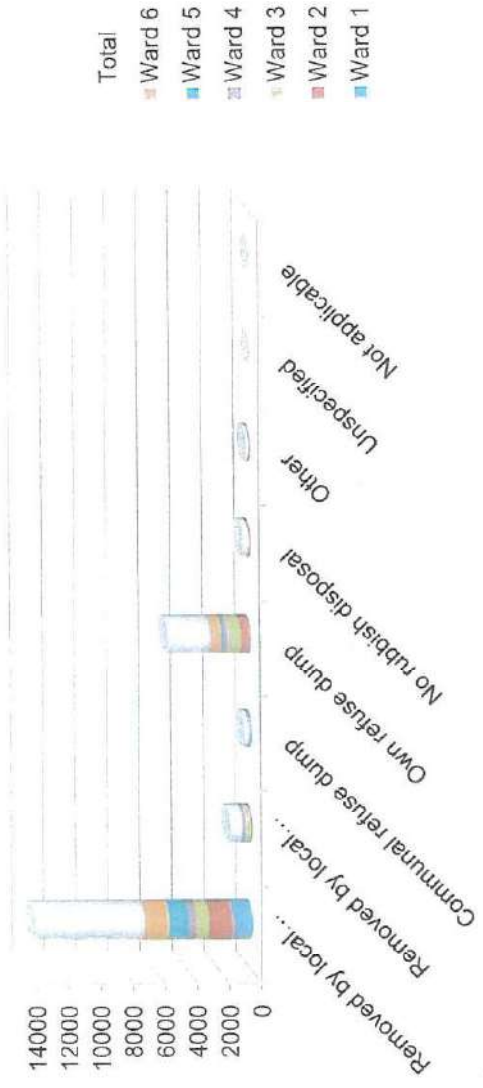
SERVICE DELIVERY OVERVIEW

Mohokare Local Municipality provides affordable and acceptable quality of basic services to different categories within its area of jurisdiction. The provision of such services is a directive from different pieces of legislation which delegates powers and function to Local Authority. The following services are rendered to different categories of consumers which includes commercial businesses, schools, hospitals, formal and informal settlements.

Type of services rendered by the Municipality:

- Portable water services
- Sanitation services
- Roads and storm water services
- Refuse removal services
- Electricity services





The municipality faced and is still facing draught challenges as far as raw water supply is concerned. Although all the households have access to water supply, the raw water supply was a challenge due to the draught. The eradication of buckets still can't be concluded due to the BEP that is on hold.

FINANCIAL HEALTH OVERVIEW

Mohokare is a highly grant dependent municipality with a high number of indigent households, as a result the municipality cannot generate sufficient income to fund its operations adequately. Endeavors are being made through the assistance of other government departments and government entities to assist the municipality in turning around its financial viability and improving its cash flow management.

In the current year the annual financial statements were prepared in accordance with the Standards of Generally Recognized Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

Pricing of Services

In order to remain financially viable and sustainable, the municipality must generate sufficient resources. As limited scope exists to generate alternative revenue, it is necessary to increase rates and tariffs annually.

The determining of tariffs is the responsibility of Council, as per the provision of the Local Government Municipal Systems Act. Affordability was an important factor when considering the rates and tariff increases. Consideration was also given to the alignment between the resources of the municipality, level of service and customer expectations.

However, it is still evident that the tariff setting needs to be prioritized in order to be reflective of the cost of providing the services.

Rates

The rates increased by 6% during the year under audit.

Service Charges

Water loss caused an increase in maintenance of ageing infrastructure and the roll out of infrastructure to new areas / developments. These maintenances largely also included sewerage unblocking and repairs on the refuse compactor truck.

Indigents

The number of indigents is currently at 1682 for the year under audit and in order to provide free services to residents who cannot afford to pay. This has also contributed to the need to increase tariffs as the cost of providing the service is too high.

The cost of the indigents was funded from the equitable share allocated to Council by National Treasury in terms of the Division of Revenue Act.

General

The following service delivery challenges also influenced the levels of tariffs and service charges for the municipality:

- The developmental challenge to address the service delivery backlogs in all towns of the municipality.
- The declining local economy will be insufficient to absorb the unemployed and this will have a service delivery impact and harm the ability of the municipality to sustain its revenue base to finance extended services.
- Incomplete projects that has caused a financial constraint as the cost of service provision has increased due to poor maintenance.

The other general contributory factors for the increase in levels of rates and service charges were:

- Salary increase of 4.9% with effect from 1 July 2022
- Provision for the filling of critical vacancies;
- Rollout of infrastructure and the provision of basic services; and
- Increased maintenance of network and structures.

Intervention measures planned for 2022/2023 government debt

Over the years Mohokare Local Municipality has developed a good relationship with the Provincial and National Governments. There have been notable successes in recovering outstanding debts; however, there is still a number of unresolved issues. We expect this relationship to yield fruit in the form of increased payments for services rendered.

A debt forum has been established by the provincial treasury in order to facilitate resolving the unresolved issues in respect of government debt.

Secondly, categorization of debtors per:

- Department;
- Business;
- Households;

One of the most pertinent issues is the debt accumulated over a number of years. The total outstanding debt is standing at R493 million, with a collection rate of 19%. This significant increase in the debt book is brought on by the Municipality having large areas where water is billed using estimates which were not reversed at year end. Furthermore, the debt book is significantly growing due to spiral illegal flats.

The municipality has also appointed a debt collector in order to increase on collection of the long outstanding debts and to ensure that its services are paid on time.

Council properties

Council properties are not ratable as per the rates policy, however, there are residents who are residing in properties that are in the name of the municipality that needs to be reversed.

Arrest a debt

The process of conducting road shows per wards to identify all qualifying indigents is being accelerated so that more customers are targeted. The main intention of the Municipality is to contain debt on customers so that it doesn't become too large to manage.

Embark on a process of putting maps of wards on the financial system of the municipality to print monthly accounts per ward; the intention is to involve Ward Councilors in the process of debt coverage by going door to door per ward.

The last resort will be recommendation to council to write-off the account of all affected households or insolvent business.

Unemployment and National Credit Act

The recession had a negative impact on the collection of outstanding debts. Customers could not afford to pay outstanding amounts.

Certain consumers were granted extended terms to pay.

Asset Register

A GRAP compliant asset register has been compiled and all finished infrastructure assets had been unbundled. The biggest challenge now is the maintenance of these assets and the asset register. Furthermore, there are still long outstanding incomplete projects that are taking significantly longer to complete which are kept under WIP (Work in Progress).

Institutional Transformation

The municipality had succeeded into reviewing the IDP successful in-house. The municipality's budget is compiled per the format as prescribed by the MFMA.

Key challenges facing the municipality

Mohokare Local Municipality's economy is very weak with only agricultural activities as its main economic activities and experiencing a high unemployment rate. The above factors place a large task on the Municipality to revive its economy in order to create job opportunities. The key challenges for the municipality are:

- To develop a coherent local economic development strategy to create job opportunities.
- To ensure sustainability of the Municipality through sound administration and financial management.
- Deepening participatory democracy and good governance.
- To enhance effective service delivery to the community.

Financial Overview: Year 2022 - 23			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants - Operational	92 024 550	92 024 550	95 353 435
Grants - Capital	45 486 450	45 486 450	3 283 388
Taxes, Levies and tariffs	115 203 489	122 418 525	114 879 284
Other	22 831 497	22 831 497	42 682 957
Sub Total	275 545 986	282 761 022	256 199 064
Less: Employee Costs	87 809 399	85 362 742	90 555 353
Less: Councillors Remuneration	5 675 733	5 536 593	5 444 658
Less: Debt Impairment	36 767 094	36 767 094	22 916 304
Less: Depreciation and Assets Impairment	21 899 022	21 899 022	24 304 530
Less: Finance Charges	7 056 000	7 056 000	17 832 769
Less: Bulk Purchases	27 618 485	26 727 484	35 426 407
Less: Other Expenditure	37 145 045	40 538 395	47 510 345
Sub Total	223 970 778	223 887 330	243 990 366
Surplus/(Deficit)	51 575 208	58 873 692	12 208 698
			T I A 2

COMMENT**Income**

From the above it can be seen that the municipality received R98,6 million of revenue from grants compared to the R157 562 241 million (including electricity sales by Centlec SOC) derived from own operations.

Expenditure

The Non-Cash expenditure is not cash-backed. Depreciation, when cash backed, will enable additional expenditure on maintenance and replacement of assets at the end of their useful lives.

Operating Ratios		
	Detail	%
Employee Cost		37.11%
Repairs & Maintenance		0.96%
Finance Charges & Impairment		17.70%

Total Capital Expenditure: 2020-21 to 2022-23				
	Detail	2020/21	2021/22	2022/23
Original Budget		92 523 000	81 887 150	46 476 000
Adjustment Budget		92 303 000	78 522 150	46 586 000
Actual		82 115 733	42 883 868	8 397 552
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ORGANISATIONAL DEVELOPMENT PERFORMANCE

The implementation of PMS is to fulfil the legislative mandate, improve service delivery and provide mechanism to report back to National Government and the public. Performance Management focuses on results than activities. It ensures that there is alignment between the internal processes to the vision and mission of the municipality and encourages the culture of performance and accountability. It assists the municipality to detect early warning signs of under-performance or non-performance, thus allowing relevant interventions for improvement. The PMS Section lies under the Municipal Manager and the reporting line is directly to Council.

The Section is tasked with implementing the PMS Framework and conducting monitoring and evaluation in respect of the 5 National Government KPA's:

- Basic Service Delivery,
- Local Economic and Development,
- Municipal Transformation and Institutional Development,
- Financial Management and Viability, and
- Good Governance and Public Participation

The Mhokare Local Municipality has adopted a scorecard as its performance measuring tool. The municipality adopted a Performance Management Framework in 2015/16 Financial Year. The framework has been reviewed and was adopted by Council at a Council meeting held on the 25TH of February 2016.

The PMS section addressed all issues in relation to AG's exceptions in order to ensure that there is no repetition of these queries in the new financial year. Support was offered in terms of identifying and training of Departmental PMS Champions with regards to compilation of Portfolio of Evidence Files. However, the section is still experiencing poor cooperation from reporting departments which always result in late submission of reports and noncompliance to treasury timeframes. As a corrective measure, the PMS section will roll-out PMS workshops to strengthen understanding of PMS by all staff levels. A possibility of cascading PMS to all levels will also be looked at so that all staff levels have performance plans which will be monitored by relevant Heads of sections on quarterly basis.

- Filling of Section 54A and 56 Manager Positions;
- Signed performance agreements by Section 54A and 56 Managers;
- Disciplinary processes against Section 54A and 56 Managers;

AUDITOR GENERAL REPORT

Reference is made to Chapter 6 in which the report has been incorporated

STATUTORY ANNUAL REPORT PROCESS

According to legislation the Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year. In order to enhance Council's Oversight function, the municipality should submit their Annual Report as soon as possible after the financial year end ideally this ought to be end of August.

The anticipated process for the creation, submission, review and approval for the 2022/23 Annual Report is set out in the table below:

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 (1n-year financial reporting).	
3.	Finalise the 4th quarter Report for previous financial year	August
4.	Submit draft Annual Report 2022/23 to Internal Audit and Auditor-General	
5.	Municipal entities submit draft annual reports to MM	
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	
7.	Mayor tables the unaudited Annual Report	
8.	Municipality submits draft Annual Performance Report including consolidated annual financial statements to Auditor General	
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10.	Auditor General audits the Annual Report including consolidated Annual Financial Statements and Performance data	
11.	Municipalities receive and start to address the Auditor General's comments	November
12.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	December
14.	Oversight Committee assesses Annual Report	
15.	Council adopts Oversight report	
16.	Oversight report is made public	
17.	Oversight report is submitted to relevant provincial councils	
18.	Commencement of draft Budget/ IDP finalisation for next financial year	

Note that the annual performance report and the financial statements form part of the Annual Report.

The Final Annual Report will be submitted to National and Provincial Treasuries, COGTA and Auditor General and to the Chairperson of the Oversight Committee in line with the National Treasury's guidelines.

Measures such as creation and capacitation of the performance management unit in the office of the municipal manager have been put in place to ensure appropriate monitoring and reporting.

CHAPTER 2 - GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The primary role of the municipal council is that of political oversight of the municipality's functions and programs. The powers of local government as outlined in the Constitution of the Republic of South Africa Chapter 7, section 160(1) are vested in the municipal council, which has legislative and executive authority. The Municipal council is led by the Honourable Mayor while the administration is governed by the Municipal Manager who ensures that the decisions and policies of the council are implemented.

Corporate Management Support – Council and Committees

The Standing Rules and Orders of Mohokare Local Municipality govern that the Speaker must determine a schedule of the dates, times and venues of ordinary council meetings, and that the council must hold at least one ordinary meeting every three months.

The functions of the Council include:

The development and implementation of by-laws, the Integrated Development Plan (IDP), the budget and it also debates local government issues and can ratify or reject proposals. The council has adopted by-laws, policies and plans. It has subsequently appointed the committees in terms of the Municipal Structures Act No. 117 of 1998 dealing with vast responsibilities. These committees are section 79 and 80 committees in terms of the Local Government: Municipal Structures Act No. 117 of 1998.

In addition, council has also established the Audit and Performance Committee, Ward Committees and the Municipal Planning Tribunal (MPT) in terms Spatial Planning and Land Use Management Act (SPLUMA) (Act No. 16 of 2013).

In terms of section 18 (1) and (2) of the Local Government: Municipal Structures Act No. 117 of 1998, a municipal council must meet at least quarterly. However, during the period under review, the council only had one ordinary council meeting and the rest of the meetings were special. Such meetings are called by the Speaker in consultation with the Mayor as and when the need arises also taking in consideration compliance matters governed by municipal legislation. Senior management implements Council resolutions to achieve strategic objectives.

POLITICAL GOVERNANCE

Mohokare Local Municipality was established in terms of the provincial Gazette No. 14 of 28 February 2000 issued in terms of Section 21 of the Local Government Notice and Municipal Demarcation Act No.27 of 1998.

Mohokare is made up of three former Transitional Local Councils (TLC's) which are Zastron, Rouxville and Smithfield. The 2020/21 demarcation processes saw this municipality increase from having only 6 wards to 7 wards and this process brought about a gain of two more seats in the Council, meaning that Mohokare Local Municipality now has a total number of 13 public representatives constituting the council. This affected the change of the type of a council in Mohokare was, as it is no longer a plenary type of a council, but an executive type of a council in terms of section 12 notice as promulgated by the MEC for Local Government. Subsequent to the successfully held 01 November 2021, Local Government elections, the Council changed as outlined below:

No	Position	Name of Councillor
1.	Mayor (ANC PR Councillor)	Z.N. Mgawuli
2.	ANC PR Cllr	N.A. Adoons
3.	Ward 1 (ANC Councillor)	P.P. Mahapane
4.	Ward 2 (ANC Councillor)	T.D. Mochechepa
5.	Ward 3 (ANC Councillor)	T.J.November
6.	Ward 4 (ANC Councillor)	M.A. Letele
7.	Ward 5 (ANC Councillor)	D. Job
8.	Ward 6 (ANC Councillor)	R.J.Thuhlo
9.	Ward 7 (ANC Councillor)	T.E.Nai
10.	DA (PR Councillor)	I.S. Riddle
11.	Vryheidsfront Plus (PR Councillor)	J.Swart
12.	EFF (PR Councillor)	M.N.Mkendani
13.	EFF (PR Councillor)	B.J.Lobi

Councillors are elected by the local registered voters in their respective wards and represent their respective constituencies in local council. Mohokare has thirteen (13) seats with eight (8) Councillors from the ANC, one (1) from the DA, two (2) from the EFF, one (1) from Vryheidsfront Plus and one (1) Independent.

Refer to **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

Introduction to political governance oversight

Mechanisms used for oversight purposes are the following current committees to which councillors are assigned to serve on these committees chaired by a nominated councillor as outlined below:

- **Section 79 Portfolio Committees**

Five council portfolio committees have been established in line with section 79 of Municipal Structures Act No. 117 of 1998 and their meeting schedule adopted by Council. These committees sit quarterly and the target is for each committee to sit four (4) times a year. Operations of the committees are also governed by the council Standing Rules and Orders. All five-portfolio committees have been established but failed to sit as per the approved Council schedule.

The following councillors served as chairpersons of the committees:

Initials and surname	S79 Committee
Cllr. T.E Nai	Finance
Cllr. T.D Mochechepa	Planning and Local Economic Development
Cllr. D. Job	Corporate Services Committee
Cllr. P.P Mahapane	Community Services
Cllr. T.J November	Technical Services

However, note should be taken that council established the section 80 committees on the 30 June 2023, which necessitated the changes of the chairpersons of the committees and the councillors allocations to the said committees.

- **Audit and Performance Committee**

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an Audit Committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No councillor may be a member of an Audit Committee. Council shall also appoint a Chairperson who is not an employee.

The Audit Committee of the municipality oversees financial, performance and compliance reporting, disclosures and the accounting policies within the municipality.

The Regulations gives municipalities the option to establish a separate Performance Audit Committee whereas the MFMA provides only for a single Audit Committee.

According to the regulations, the Performance Audit Committee must review the quarterly reports submitted to the committee by the Internal Audit Unit and the municipality's performance management system and make recommendations in this regard to the Council. The Audit Committee should meet at least twice during a financial year submit an audit report to the municipal council.

The Audit Committee / Performance Audit Committee comprises of the following members:

Initials and surname	Capacity
Mr. N.S Salimani	Chairperson
Adv. J.C Weapond	Member
Mr M. Tshofela	Member

- **Risk Committee**

The Risk Committee emanates from the Risk Management Unit, which has been established in terms of the Public Sector Risk Management Framework of 1 April 2010.

The MFMA governs that a municipality must have effective, efficient and transparent systems of risk management as all activities of an organisation involve risk.

The development of this risk management is a systematic, timely and structured approach to risk management; anti-corruption and fraud prevention.

The following policies/documents guide the risk unit in its operations:

- Risk management strategy and policy; and
- Anti-fraud and corruption policy.

The Risk Committee comprises of the following members:

Initials and surname	Capacity
Mr. X Sikhakhane	Chairperson
Management (Senior & Middle)	Members
Internal Auditor	Member
Information Technology	Member

The risk committee was not functional during 2022/23.

▪ **Municipal Public Accounts Committee (MPAC)**

The Municipal Public Accounts Committee (MPAC) was established on 2nd December 2021. The will assist council to hold the executive and municipal entities to account, and to ensure the efficient and effective use of municipal resources. By so doing, the MPAC would help to increase Council and public awareness of the financial and performance issues of the municipality and its entities.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality. In addition, the committee is established to investigate unauthorised, irregular, fruitless and wasteful expenditure incurred by the municipality and make recommendations to Council.

The committee consists of the following members:

Initials and Surname	Capacity
Clr N.A Adoons	Chairperson
Clr P.P Mahapane	Member
Clr T.J November	Member
Clr N.M Mkendani	Member
Clr I.S Riddle	Member

- **AGRI-Forum**

The Agri-Forum consists of a group of organised farmers meeting with municipal management on a regular basis. Chaired by the Mayor, the forum sits once quarterly and matters of mutual interest are shared between the municipality and the association of the farming component based in Mohokare Local Municipality. The aim of the forum is to enhance good relations between the two groups. **However, note should be taken that this forum was not functional during the year under review as there was not meetings held.**

- **Local Labour Forum**

Section 23 of the Constitution of the Republic of South Africa, Act 108 of 1996, lays the basis for good labour relations and collective bargaining. The Labour Relations Act, 66 of 1995 prescribes how this constitutional mandate can be achieved. The primary purpose of the Act was to change the law governing labour relations with specific focus on, amongst other things, promoting and facilitating collective bargaining at the workplace and at sectorial level.

The Workplace Organisational Rights Agreement governs the establishment and operations of the Local Labour Forum. The Local Labour Forum shall have the powers and functions of negotiating and/or consulting on the following matters

- Matters of mutual concern pertaining to the municipality and which do not form the subject matter of negotiations at the South African Local Government Bargaining Council (SALGBC)
- Matters referred to it by the SALGBC
- Minimum Service Level Agreements

Mohokare Municipality's Local Labour Forum has an approved meeting schedule and therefore meetings were held accordingly during the 2022/23 financial period.

POLITICAL STRUCTURE

Mayor

Cllr. Z.N. Mgawuli

Speaker

Cllr R.J. Thuhlo

Chief Whip

Cllr. P.P. Mahapane

Honourable Councillors

Cllr. T.D. Mochehepa

Cllr. T.J. November

Cllr. M.A. Letele

Cllr. D. Job

Cllr. T.E. Nai

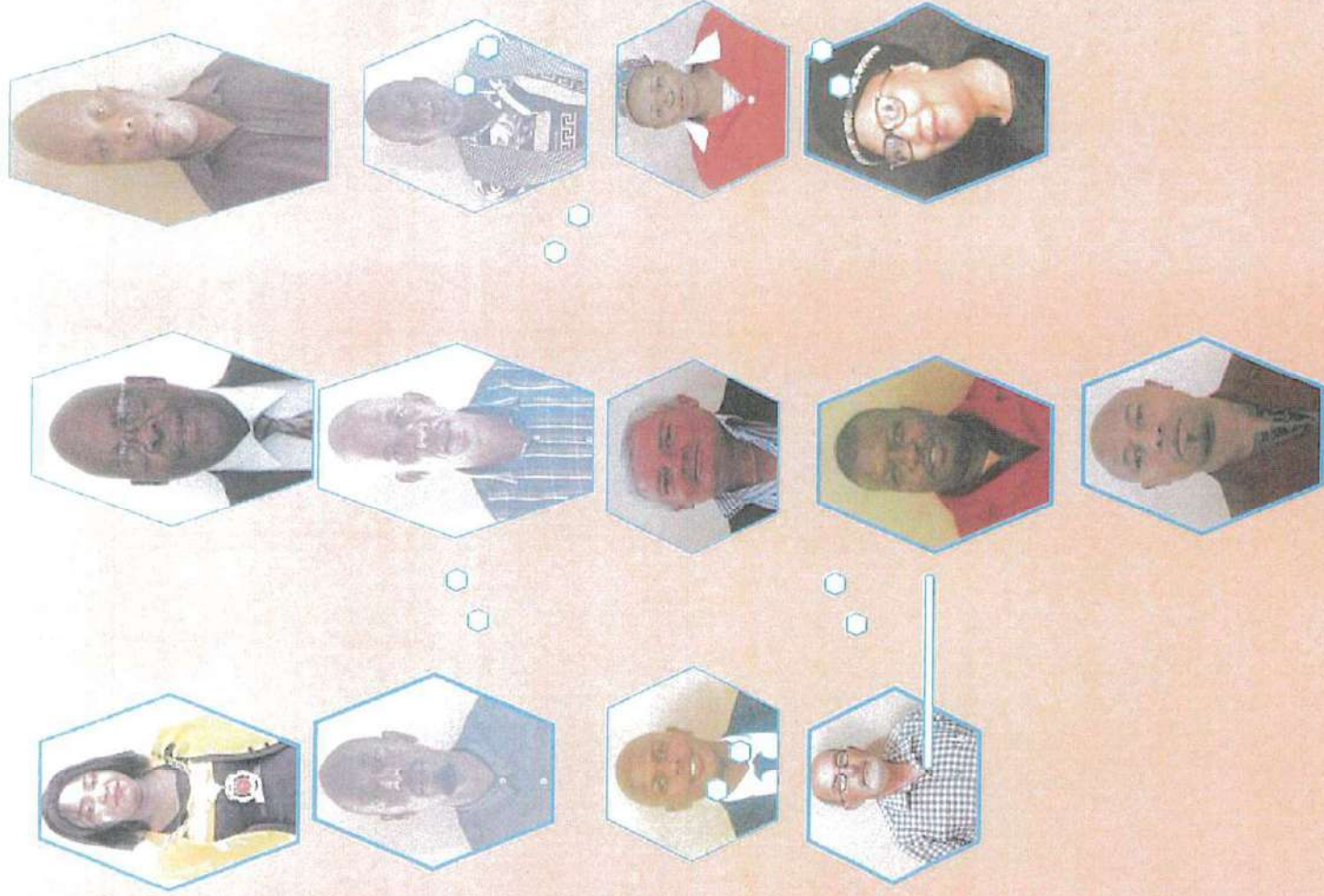
Cllr. N.A. Adoons

Cllr. I.S. Riddle

Cllr. J. Swart

Cllr. B.J. Lobi

Cllr N.M. Mkendani



The Council is the policy maker, decision maker and the ultimate accountability for this structure is to the communities that they represent, therefore all business that Council undertakes is of the interest of its constituency, which are communities in Mohokare jurisdiction.

The Council implements its objectives by taking resolutions on how to improve people's lives and the implementation of these resolutions is delegated to the Accounting Officer, who is the Municipal Manager.

For the 2022/23 financial year, the previous years' resolutions were no longer applicable as at 30 June 2023:

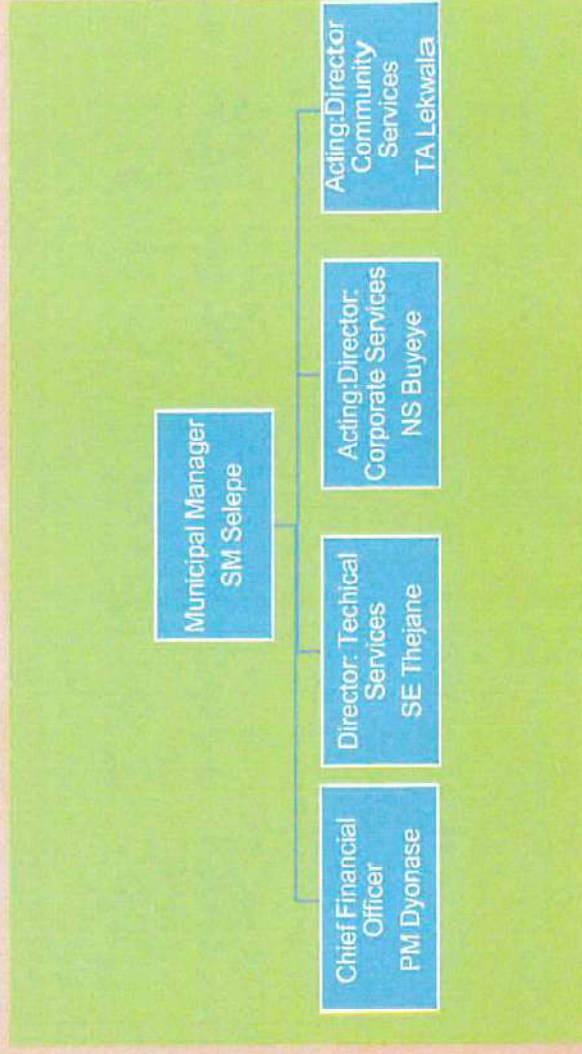
Date of Council meeting	Decision/resolution taken	Responsible directorate	Implemented/ Not	Reasons for deviation	Corrective action taken
-	-	-	-	-	-

ADMINISTRATIVE GOVERNANCE STRUCTURE

Mohokare Local Municipality strives for improved service delivery and efficiency in customer care relations, in order to do these tasks the Municipality has an organizational -structure that talks to the needs of Council and the Powers and Functions of an Executive type of Council Municipality.

The Municipal Manager as the Accounting Officer has ensured that the organizational structure that will enable the implementation of service delivery tasks is reviewed.

The functional structure representing administrative governance is reflected as below:



As depicted by the diagram above, the administrative structure consists of the Accounting Officer (Administration Head) and 4 (four) section 56 managers (including acting) who report directly to the Municipal Manager.

Mr. S.M. Selepe as the Municipal Manager, was appointed in 2018 and his contract came to an end on the 31 August 2023. However, prior to the contract coming to an end, the Municipal

Manager took leave from the month of May 2023, and then, Mr PM Dyonase was appointed as the Acting Municipal Manager.

Currently, the municipality has two (2) Section 56 managers' who were appointed during the 2019 financial year and whose contracts will be ending during the month of May and July 2024 respectively.

Due to financial constraints that are currently facing the municipality, Council appointed Mr NS Buyeye as well as TA Lekwala to act in the positions of the Director Corporate Services and Community Services respectively until such time the positions can be filled.

Reporting relationship and administrative functioning:

- Directors report directly to the Municipal Manager functional issues that relate to their specific direct;
- Reporting occurs as per reporting lines and recognised communication structures (encouraging free flow of communications);
- Director compile/present reports to Council regarding own directorate monthly through section 79, who then recommends that these reports are approved/taken to EXCO/Council as deemed appropriate for final approval.
- Directors are required to meet the terms and conditions of performance management policy.
- Directors are required to ensure that all reporting occurs in terms of compliance and in respect of all internal controls and systems.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTERGOVERNMENTAL RELATIONS

The Inter-Governmental Relations Framework Act 13 of 2005 seeks to establish a framework for the National, Provincial and Local governments to promote and facilitate intergovernmental relations to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes and to provide for matters connected herewith.

The municipality participates with various departments at national, provincial and district levels in fostering strategic partnerships and to advance its developmental objectives.

NATIONAL INTERGOVERNMENTAL STRUCTURES

Municipal Managers Forum

The Municipal Manager's Forum established as a platform for Municipal Managers to share knowledge and experiences, it sits regularly as a platform that provides an opportunity for Municipal Managers to contribute to the strengthening of the sector by informing improvements in Local Government performance collaborate in addressing common concerns and technical input to policy and legislative processes. The forum also provided opportunities to collectively engage with key stakeholders in addressing key issues affecting Local Government.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality is collaborating with various departments at provincial level.

The municipality participates in the SALGA IGR forum, Municipal Managers Forum, Integrated Development Plan forum, Performance Management Systems Forum, Job Evaluation Forum and is also involved in attending meetings called by Provincial COGTA and the office of the Premier.

The Job Evaluation Forum did not sit in the 2022/2023 financial year.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Informed by guiding legislation and policies related to IGR structures, Xhariep District Municipality established an IGR forum of which Mohokare as a Municipality is a member of this forum. The forum holds meetings quarterly to engage on issues pertaining to service delivery and to also foster strategic partnerships with government departments.

There are two structures of IGR the Political IGR and the Technical IGR i.e. the Political IGR is the structured for Mayors and Councilors and the technical structure for Municipal Managers and key managers and Officials.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Mohokare Municipality is committed to the development of a culture of municipal governance that complements formal representative government with a system of participatory governance. The Municipality has a legal obligation to establish appropriate mechanisms, processes and procedures to enable the local community to participate in its affairs.

Mohokare Municipality utilizes the community centered participatory approach which enables the involvement of communities in municipal planning which ensures the participation of the community in the development of their area to promote the promotion of public accountability.

Public participation is the main system through which the municipality practices a culture of stakeholder engagements and participation as required by the Constitution of the Republic of South Africa, Act 108 of 1996, and the Local Government: Municipal Systems Act 32 of 2000.

PUBLIC MEETINGS

Mohokare has a public participation policy adopted by council, in terms of the Municipal Systems Act. Ward Councilors are required to hold at least one public meeting per ward per quarter. Councilors were encouraged to hold public meetings monthly to ensure continuous communication with their constituencies.

Mohokare Municipality engages with the public through the year on IDP/ Budget, by laws and various programmes and projects. The municipality has 7 Wards and 7 ward committees that are functional. The municipality publishes its public meetings utilizing the municipal website, notice boards and loud hailing to inform the community on public meetings to broaden its public participation.

There is also a stakeholder's forum chaired by the Mayor, constituted by all government departments offering services in the jurisdiction of Mohokare Local Municipality, this stakeholder forum holds monthly regular meetings and are well attended.

Nature and purpose of meeting	Date of events	Number of participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Mayoral Imbizo	13-16 Sep 2022	07	09	Number vary from town to town	Yes	
IDP/ Budget consultative meeting	Feb- March 2023	04	12	Number vary from town to town	Yes	
Ward Community Meeting	Quarterly	01 per ward	04	Number vary from town to town	Yes	Monthly-Quarterly
Aids Awareness march and community engagement	06 Dec 2022	01	03	+/- 150	Yes	

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
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

INTEGRATED DEVELOPMENT PLANNING

Integrated Development Planning (IDP) is a process whereby a municipality prepares its strategic development plan for a five-year cycle directly linked to its term of Council. IDP is at the centre of system of developmental local government in South Africa and represents the driving force for making municipalities more strategic, inclusive, and responsive and performance driven in character.

The IDP is the principle strategic instrument which guides and informs all planning, budgeting and development in Mohokare Local Municipality. It seeks to integrate and balance the economy, ecological and social pillars of sustainability without compromising the institutional capacity required to implement and coordinate the efforts needed across sectors and relevant spheres of government.

COMPONENT D: CORPORATE GOVERNANCE

On-going local government reforms have provided broad administrative frameworks for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

RISK MANAGEMENT

Risk Management is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the institution's service delivery capacity.

MFMA, section 62 (1)(c)(i) states that the Accounting Officer of a municipality is responsible for the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems off financial and risk management and internal control.

Treasury Regulations section 3.2.1 further prescribes that the Accounting Officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution.

Top 5 Risks

- Non-payment of third parties;
- There is a shortage of staff;
- Official's morale is also low based on the fact that their Performance is not evaluated to determine if they need to be developed or not;
- Lack of controls or implementation thereof due to lack of monitoring within the departments; and
- Non-implementation of the Credit Control & Debt Collection & Indigent.

ANTI-CORRUPTION AND FRAUD

Transparency is the cornerstone of public sector accountability. Fraud prevention is concerned ultimately with the effective utilization of resources and the minimization of waste, abuse, mismanagement, fraud and corruption. Effective accountability mechanisms for the use of public funds act to bolster the fraud prevention environment. Measures to prevent fraud should be continually monitored, reviewed and developed particularly as new systems, benefit programs, contracting or arrangements are introduced or modified.

The following documents were not submitted to Risk Management for approval due to non- sitting of the committee.

- Fraud prevention plan in place.

SUPPLY CHAIN MANAGEMENT

- The Mohokare SCM Policy is adopted and in line with Section 112 of the MFMA.
- The Mohokare SCM Policy is from the Model Policy (Treasury Guideline) which is in line with the SCM Regulations. The Policy was adopted by Council and also approved by Treasury.
- Goods or services must be procured by the municipality in accordance with authorized processes only. Threshold values for different procurement processes must be compiled with. There are ranges of procurement processes within the SCM Policy of the Municipality which are in line with the Model Policy (Guideline). Performance management is also included in the Mohokare Supply Chain Policy.

BY-LAWS

Sections 12 and 13 of the Municipal Systems Act, 2000 (as amended) govern the legislative procedures and publication of by-laws by the municipality in order to give effect to the municipality's policies.

No new by-laws were adopted during the year under review and no by-laws in existence was revised.

Section 10 (1) of the Establishment Notice of Mohokare LM (Provincial Notice 181 of 2000) reads as follows: "By-laws and resolutions (including standing delegations) of a disestablished municipality ... (a) *Continue in force in the area in which they were applicable subject to any amendment or repeal by the competent municipality*".

As a result, there are the by-laws of the disestablished municipalities in Mohokare area of jurisdiction that are still valid in their respective areas until they have been repealed and replaced by Mohokare Municipality.

No new by-laws were promulgated during the financial year 2022/23

By-laws introduced during Year0					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
None	None	None	None	None	None
T2.9.1					

MUNICIPAL WEBSITE

Mohokare Local Municipality website can be found at www.mohokare.gov.za.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes/No	Publishing
Current annual and adjustments budgets and all budget-related	Yes	12/06/2023
All current budget-related policies	Yes	12/06/2023
The previous annual report (2021)	Yes	01/02/2023
The annual report (2022) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting	Yes	14/03/2023
All service delivery agreements (2023)	No	-
All long-term borrowing contracts (2023)	No	-
All supply chain management contracts above a prescribed value	No	-
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4)	No	-
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	-
Public-private partnership agreements referred to in section 120 made	No	-
All quarterly reports tabled in the council in terms of section 52 (d)	Yes	20/06/2023

MUNICIPAL WEBSITE AND CONTENT

Section 21B of the Municipal Systems Act, requires all municipalities to establish their own official website. The website enables municipalities to deliver information to the public. This is essential for improving service delivery.

The municipal website is an integral part of the communication platform of the municipality that serves as a tool for communication participation, information dissemination, allows for access to significant information, stakeholder involvement and disclosure in line with the pieces of legislation including: Local Government Municipal Systems Act No 32 of 2000, Local Government Municipal Finance Management Act No 56 of 2003 and Municipal Property Rates Act No 6 of 2004.

Municipal Local Municipalities has established its own website that is managed and hosted internally, the website contains a newly developed structure, it is accessible, easy to use and it is regularly uploaded with key documentation and information as set out in Local Government Municipal Finance Management Act section 75 or any other applicable legislation. The website at the current stage does have a function of measuring the number of the public visiting the website, and at this time the website measured **98653** visits by end of 30th June 2023.

PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality did not undertake community satisfaction surveys during the 2022/2023 financial year.

The services used in the survey index were based on service delivery such as water, sanitation, electricity, municipal billing and roads.

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

Mohokare Local Municipality remains committed to service delivery within its jurisdiction.

The following are the services provided by the municipality throughout the 2022/2023 financial year:

1. Water Services
2. Sanitation Services
3. Roads and Storm Water Services
4. Electricity Services
5. Refuse Removal Services

COMPONENT A: BASIC SERVICES

WATER PROVISION

INTRODUCTION TO WATER PROVISION

The Municipality managed to implement and complete the following projects through infrastructure grants i.e. Municipal Infrastructure Grant, Water Services Infrastructure Grant & Regional Bulk Infrastructure Grant).

Town	Project Description	Project Value	Grant	Status	Financial Year
Zastron	Upgrading of the Zastron Water Treatment Works (WTW) Phase 02	R28 300 000.00	WSIG	Project revised business plan submitted to Dws to secure funds	2022/23

Mohokare Local Municipality is currently billing 8072 household metered and excluding new sites allocated.

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	0	0	0	1701826	161550.60
Year 0	0	0	0	2148547,84	173058,96
Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water
Year -1	0	0	0	1979300	113794
Year 0	0	0	0	1701826	161550.60

Financial Performance 2022-23: Water Services

Details	2021-22		2022-23			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	38 041	45 041	46 396	50 658	9	
Expenditure:						
Employees	23 432	18 215	16 253	16 998	5	
Repairs and Maintenance	250	240	1 314	498	-62	
Other	1 704	5 530	8 780	9 828	12	
Total Operational Expenditure	25 386	23 985	26 347	27 324	4	
Net Operational Expenditure	(12 655)	(21 056)	(20 049)	(23 334)	16	
					7 31	

The Municipality budget is not sufficient to cover all Operations and maintenance (O&M) due to low collection of revenue. Therefore, the challenge will remain a serious obstacle for the municipality to address all the municipal needs.

The completion of all bulk water projects will assist in providing sustainable water supply in order to gain consumer confidence which will result in the community paying for municipal rates and taxes.

WASTE WATER (SANITATION) PROVISION

The municipality has managed to address all most spillages within its jurisdiction however this continues of vandalism in all pump stations and also Waste Water Treatment Works at Zastron area plus 3 sewer pump stations in Matlakeng.

Thus the municipality has successfully registered a project under the Municipal Infrastructure Grant (MIG) for an amount of R 17,4 Million to upgrade the outfall sewer line and pump stations. The status of the project, the outfall sewer line is completed but waiting for the testing of the line after the mechanical (refurbishment of 3 pump stations) and electrical panels installation.

Mohokare LM has successfully appointed the consultant to re-designed the collapsed current

sewer reticulation and also the contractor to implement the project of Zastron /Matalakeng. The construction of sewer network in Refengkgotso with an amount R 18,1 million. And also, the last project on the list which will address the spillages in Smithfield/Mofulatshepe. The upgrade of the waste water outfall sewer is in contraction.

Financial Performance Year 2022-23: Sanitation Services							R'000
Details	2021-22		2022-23			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue	10 422	9 902	11 899	14 269		20%	
Expenditure:							
Employees	8 306	8 722	7 958	8 299		4%	
Repairs and Maintenance	3	200	180	88		-51%	
Other	1 250	905	1 448	1 729		19%	
Total Operational Expenditure	9 559	9 827	9 587	10 116		6%	
Net Operational Expenditure	(663)	(76)	(2 312)	(4 153)		80%	

T 3.2.8

ELECTRICITY

The Municipality is the Electricity services authority but however, appointed Centlec SOC Ltd as implementer agent to all related electricity services within Mohokare Local Municipality areas. The reason behind of this agreement between the two institution, was to accelerate the service in terms of new development and also ensure the electricity services sustainable / efficient for all customers residing in Mohokare Local Municipality.

Financial Performance 2022-23: Electricity Services						R'000
Details	2021-22		2022-23			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	33 156	36 559	36 559	—	—	-100%
Expenditure:						
Employees	614	597	601	—	—	-100%
Repairs and Maintenance	—	248	120	—	—	-100%
Other	37 618	27 624	26 732	—	—	-100%
Total Operational Expenditure	38 233	28 468	27 453	—	—	-100%
Net Operational Expenditure	5 077	(8 091)	(9 107)	—	—	-100%
						7 3.3.7

Electricity still remained a challenge for the municipality in the 2022/2023 financial year due to the following challenges:

1. Operations and maintenance plan is not in place and should be developed by ensuring the electricity service sustainable in all three towns supply by the Municipality,
2. Old existing infrastructure (underground cables) that need to be changed to overhead lines once the budget is available approved by DMRE (business plans submitted)
3. Non-existence of electricity Master plan to cover the future development within the Municipality. However, the Electricity General Plan is in place.

WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING (COMMUNITY SERVICES))

The above division is mainly responsible for removal of waste classified or meant for household and business purposes.

On daily basis once per week, a programme is been implemented and followed to ensure removal of refuse within our communities. However, this is sometimes not achieved due to mechanical failure of vehicles, inclement weather and shortage of Staff.

Financial Performance 2022-23: Solid Waste Management Services					R'000
Details	2021-22	2022-23			Actual
	Actual	Original Budget	Adjustment Budget		
Total Operational Revenue	6 114	5 495	7 832		7 549
Expenditure:					
Employees	5 735	6 093	5 524		5 862
Repairs and Maintenance	92	80	–		58
Other	2 546	1 628	2 339		2 943
Total Operational Expenditure	8 372	7 801	7 863		8 863
Net Operational Expenditure	2 258	2 306	31		1 314

Amongst key projects the Municipality has prioritized, Rouxville landfill site development through MIG, assistance for rehabilitation of Zastron Landfill site and management of Smithfield landfill site with assistance from Local Government Support (LGO), Xhariep District Municipality and Provincial EPWP Programmes as the Municipality is currently financially challenged to can address all challenges on its own.

HOUSING

Under this section, the Municipality facilitate provision of township establishment to planning division through data base received from each unit offices on the backlog for both sites and housing needs. In consultation with Free State department of Human Settlements, this process is facilitated through a register compiled from applications submitted. To date since 2021, only 48 housing units in Zastron, 12 in Rouxville and 16 in Smithfield were provided from which only few houses were built in Smithfield with other towns still no movement.

It suffices to report that, our Municipality depends on Provincial allocations and construction as we are not accredited to undertake that mammoth task. Other than provision of housing through the above, we still are responsible to make provision of sites for all purposes. To date, planning division has facilitated township establishment of +- 508 sites in Smithfield, 70 in Zastron and 854 in Rouxville.

Percentage of households with access to basic housing		
Year end	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	10276	100%
Year -2	10276	100%
Year -1	10276	100%
Year 0	10793	100%

T3.5.2

Housing Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1		Year 2		Year 3	
		*Previous Year (iii)	Actual (iv)	*Previous Year (v)	*Current Year (vi)	Actual (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Development of Human Settlements Sector Plan	(i)	0	0	0	0	0	0	0	0

Financial Performance 2022-23: Housing Services						R'000
Details	2021-22	2022-23			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	666	550	550	688	25%	
Expenditure:						
Employees	999	994	1 179	1 160	-2%	
Repairs and Maintenance	-	-	-	-	0%	
Other	8	14	9	9	-2%	
Total Operational Expenditure	1 007	1 008	1 189	1 170	-2%	
Net Operational Expenditure	341	458	639	481	-25%	
T 3.5.5						

The Municipality has no target or budget dedicated thereto as we are non-accredited institution. Regardless of Municipal incapacity to undertake the program, we have not received any subsidy pertinent to Housing needs.

FREE BASIC SERVICES AND INDIGENT SUPPORT

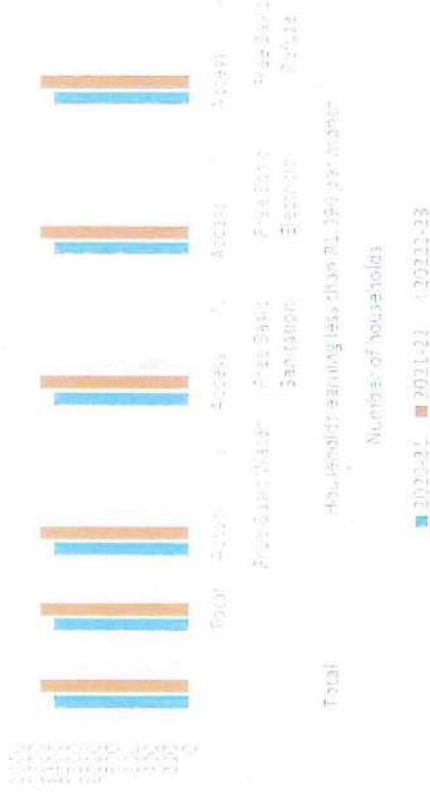
Basic services are generally regarded to be, access to electricity, clean water within a reasonable distance of one's dwelling, basic sanitation, solid waste removal and access to and availability of roads. Free Basic Services (FBS) are allocated as part of the equitable share received annually and utilized for the benefit of the poor only.

The key purpose of the indigent policy subsidy is to ensure that households with no or lower income are not denied a reasonable service and on the contrary the Municipality is not financially burdened with non-payment of services. Provided that funds are available, the indigent subsidy policy should remain intact.

Registered indigent qualify for the following free basic services:

- 6kl of free water
- 50kwh of electricity
- 100% subsidy on sanitation tariff
- 100% subsidy on refuse removal tariff
- Up to R 120 000 of the market value of the property

Chart Title



Free Basic Services To Low Income Households

Number of households									
	Households earning less than R1,890 per month			Households earning less than R1,350 per month			Free Basic Refuse		
	Total	Access	%	Total	Access	%	Total	Access	%
2020-21	1416	1416	100%	1416	1416	100%	1416	1416	100%
2021-22	1555	1555	100%	1555	1555	100%	1555	1555	100%
2022-23	1682	1682	100%	1682	1682	100%	1682	1682	100%
T 3.6.3									

Financial Performance 2022-23: Cost to Municipality of Free Basic Services Delivered

Services Delivered	2021-22		2022-23		Variance to Budget
	Actual	Budget	Adjustment Budget	Actual	
Water	1 620	1 685	-1 685	16 601	885%
Waste Water (Sanitation)	1 949	1 180	1 180	1 286	9%
Electricity	-	3 933	3 933	-	-100%
Rates and Levies	607	1 405	1 405	36	-97%
Waste Management (Solid Waste)	1 461	1 180	1 180	860	-27%
Total	5 636	9 382	9 382	18 784	100%
T 3.6.4					

COMPONENT B: ROAD TRANSPORT

The Municipality has managed to develop a road and storm water master plan and is currently developing a road maintenance plan. The above mentioned plans are aimed at assisting in the management of this critical infrastructure.

The Municipality has further acknowledged its challenges in the maintenance of roads due to lack of yellow fleet. This challenge is currently being counteracted by implementation of roads projects which is focusing on the construction of an access road.

WASTEWATER (STORM WATER DRAINAGE)

The Municipality has been implementing roads projects in line with its road and storm-water master plan. The focus has been on access roads where the internal roads have been upgraded with block paving. Despite progress made thus far, the Municipality still faces challenges on maintenance of existing roads.

Challenges:

- Lack of yellow fleet for maintenance of roads
- Lack of proper storm-water channels which affects roads especially during rainy season
- Insufficient budget for maintenance purposes.

Gravel Road Infrastructure						Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained		
Year -2	60	-	0			20
Year -1	60	-	0			10
Year 0	60	-	3,7			15
Tarred Road Infrastructure						Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads Maintained	
Year -2	21	-	-	0		0
Year -1	21	-	-	0		0
Year 0	21	-	-	0		0
T 3.7.3						

Storm water Infrastructure				Kilometres
Total Storm water Measures	New storm water measures	Storm measures Upgraded	Storm water measures Maintained	
Year -2	160	0.4	0	30
Year -1	166	1.3	0	26.76
Year 0	166	1.3	0	40

Cost of Construction/Maintenance			
R' 000			
	New	Storm water Measures Upgraded	Maintained
Year -2	0	0	R110 000.00
Year -1	632,800	0	R 120 000.00
Year 0	2,337,396	0	R 158 400.00

The municipality is utilizing open channel drainage system in most of its areas and these are further implemented along the access road project. Maintenance is mostly done under the Public Works program of EPWP.

Major maintenance works is done utilizing hired jet machines to unblock underground storm-water channels in certain sections within Mohokare Local Municipality

COMPONENT C: PLANNING AND DEVELOPMENT

TOWN PLANNING

Town planning from a municipal perspective focuses on land use and the development thereof in such a way as to be sustainable, in other words, planning and development must be done as to enhance the environment for man and animal in a harmonious way as to be sure that future generations will be able to enjoy the legacy from their parents in a sustainable manner.

MAIN ELEMENTS OF PLANNING STRATEGY

Manages the key performance areas and result indicators associated with the creation, regeneration, enhancement and management of public spaces through the provision of a professional management consultancy service disseminating advice and guidance on international best practice trends, design, specification, procurement and implementation sequences in respect of urban design and architectural projects and monitoring and reporting on the outcomes. For this to be possible, town planning has certain policy documents as well as guidelines to assist in above goals.

SPLUMA COMPLIANCE

- Spatial Planning by law;
- Town planning policy updated in terms of SPLUMA;
- Spatial Development Framework Review: incorporation of SPLUMA principles; and
- Mohokare Land Use Scheme 2022 developed and approved.

LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT

- Mohokare Land Use Scheme
- Approved Spatial Development Framework end of May 2023
- Building control
- By laws
- Policies

Planning policies in place

No.	Name of policy	Year approved
1.	Provision of public spaces policy	2023
2.	Guidelines leisure residential land use policy	2023
3.	Building control policy	2023
4.	Specifications on liquor outlets and tavern policy	2023
5.	Town planning in terms of SPLUMA policy	2023
6.	Erf sizes for residential development policy	2023
7.	Development of second houses and density policy	2023
8.	Environmental related guidelines policy	2023
9.	Non-agricultural development on agricultural land in the free state policy	2023
10.	National heritage resources policy	2023
11.	Public resort land use policy	2023
12.	Township establishment and layout policy	2023
13.	Spatial development framework	2023
14.	Student accommodation policy	2023

FREE STATE PLANNING FORUM

The town planner is a member of the SPLUM Forum and attend quarterly meetings.

SWOT ANALYSIS

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<ul style="list-style-type: none"> • Alignment of Spatial Development Framework to the Integrate Development Plan and the Budget. • Professional registered planner • Land Use Scheme in place. • National and Provincial support • SPLUMA – supportive legislation • Good working relations with Senior Management Team 	<ul style="list-style-type: none"> • Lack of understanding of spatial planning and land use management by local communities • No GIS • Turn-around time for town planning processes to run its course • MPT (Municipal Planning Tribunal) problematic in small municipalities
<u>OPPORTUNITIES</u>	<u>THREATS</u>
<ul style="list-style-type: none"> • Effective implementation of SPLUMA in terms of land use • Development and planning opportunities • Future growth within the wall-to-wall boundaries of the municipality • Smooth Land use management and governance 	<ul style="list-style-type: none"> • Illegal occupation of land • Inadequate budget for processes of own planning in terms of own land development <ul style="list-style-type: none"> – e.g. 54 sites in Mofulatsepe • Illegal construction of structures • Political interference

LANDUSE DEVELOPMENT, PLANNING AND MANAGEMENT

- Identification of land for LED projects as per the project lists in the Spatial Development Framework.2022/23;
- Infill planning in Smithfield of the vacant municipal owned properties;
- Investigation into state-owned residential properties for possible transfer to the municipality;
- Talks with Transnet in terms of lease agreements between the municipality and Transnet for use of their vacant proprieties and structures for local economic development growth; and
- The process of township establishment Ext 11 ZASTRON ongoing.

MUNICIPAL PLANNING TRIBUNAL

- The MPT is 100% functional

The following individuals form part of the next 5 years MPT:

Name	Position
Mr S Moorosi	Chairperson
Mr S Thejane	Member
Mr J Songame	Member
Me N Duma	Member – Spatial Planning COGTA
Mr C Maseko	Member - SALGA
Me E Meades	Member
Mr S Buyeye	Member
Me. P. Marais	Member - COGTA Advisor

Land Use Applications 2022 – 2023

Category 1- Applications received and will be dealt with in the next financial year. 2022

Date Of Planner report	Property description	Owner	Land use application	Approval/non approval
04-02-2022	<ul style="list-style-type: none"> TREURFONTEIN 438, THE FARM GROOTFONTEIN 445 FARM ROODE DAM 126 	B J ENGELBRECHT and A ENGELBRECHT	The proposed consolidation and the following subdivision of the proposed consolidated farm	Approved
14-03-2022	ADMINISTRATIVE DISTRICT OF ROUXVILLE THE REMAINDER OF THE FARM CARMEL 208 SMITHFIELD DISTRICT, FREE STATE	MIDA	Consent use on telecommunication mast	Approved

Category 1 Applications received and will be dealt with in the next financial year 2023

Date Of Planner report	Property description	Owner	Land use application	Approval/non approval
3/10/23	Erf 238 Smithfield	D M Ndara.	Subdivision in to two portions	Approved
3/10/23	Farm Klein Poortie	Troskie Trust	CONSENT USE FOR THE CONSTRUCTION OF A RECHARGING STATION	Approved

Category 2

Since the town planner is registered at SACPLAN, she can deal with Category 2 applications and approval or not, three-of.

The following applications were received and approved in 2022

<u>Date Of Decision</u>	<u>Property description</u>	<u>Owner</u>	<u>Land use application</u>	<u>Approval/non approval</u>
05/02/2022	ERF 395 ROUXVILLE	C.J. WILKEN	Consent use and building line relaxation For a 25 m high freestanding base telecommunication station	APPROVED, in terms of section 16(3)(n) of the Municipal Land Use Planning By-law.
<u>Date received</u>	<u>Property description</u>	<u>Owner</u>	<u>Land use application</u>	<u>Approval/non approval</u>
23/01/2022	ERF 720 ZASTRON	G. Marais	Consent use to allow the land use: a freestanding base telecommunication station	APPROVED, in terms of section 16(3)(n) of the Municipal Land Use Planning By-law.

Category 2 Applications 2023

<u>Date Of Planner report</u>	<u>Property description</u>	<u>Owner</u>	<u>Land use application</u>	<u>Approval/non approval</u>
3/10/23	Erf 434 Zastron Voortrekker Street	A. Van Wyk	Consent use for use as a creche with conditions	Approved

LIQUOR LICENSE APPLICATIONS – none received.

Applications now only sent to the Xhariep Environmental Health Practitioner

The Mhokare municipality experiences problems with the Free State Liquor board' decisions and lack of feedback on licenses issued as it does not take enough cognizance of the municipal recommendations and thus does not adhere to SPLUMA principles. This problem needs to be addressed through the Free State SPLUM Forum and SALGA.

CHALLENGES

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- Land fill sites
- Cemeteries
- Infrastructure to support development
- Transportation routes
- Taxi ranks

BUILDING PLAN REGISTER 2021/22

The register is updated by the municipal Department of Community Services.

SERVICE DELIVERY PRIORITIES

- **Land use and land use applications according to SPLUMA**

Constant information is given to the community and individuals on the SPLUMA governing Land use.

MEASURES TO IMPROVE SERVICE DELIVERY

- Make use of the Chief Surveyor General's data and diagrams for encroachment and other general site complaints and queries;
- Verification of ownership through the Deeds Office;
- Functioning Municipal Planning Tribunal;
- Assist with building plans;
- Investigate illegal land uses;
- LED matters regarding potential development spaces - Advice regarding possible development proposals;
- Make use of Geo Informational Science GIS – 1MAP and Chief Surveyor General website;
- Working relationship with other municipal departments and COGTA; and
- Report writing.

LOCAL ECONOMIC DEVELOPMENT – LED (INCLUDING TOURISM AND MARKET PLACES)

Municipalities have a constitutional mandate to promote local economic development (LED). Section 153 of the constitution states that:

A municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, to promote the social and economic development of the community.

Local Economic Development is a process where local stakeholders such as government, business, labour, and civil society organisations work collectively to identify, utilize and harness resources to stimulate local economy and create employment.

LED STRATEGY

The LED Strategy was reviewed and adopted by council for the year 2022/23.

PROPOSED LED PROJECTS FOR 2022/23

ZASTRON	ROUXVILLE	SMITHFIELD
Tourism signage	Tourism signage	Tourism signage
Development of a tourism brochure	Development of a tourism brochure	Development of a tourism brochure
Establishment of tourism website	Establishment of tourism website	Establishment of tourism website
Re-commercialisation of Makhaleng boarder post	Wool and leather processing	Game farming
Upgrading of the S2 road	Office park development	Truck stop
Production of charcoal	Upgrading of Goedemoed gravel road	Bakery
Aquaculture	Alternative Energy production	Pottery
Shopping Complex	Recycling	Piggery
Leisure Resort	Poultry farming	Recycling
Recycling	Industrial park	Vegetable farming
Vegetable farming	Vegetable farming	
Meat processing	Beef farming	Beef farming
Recycling	Recycling	Recycling Bakery

JOB CREATION INITIATIVE: 2024

➤ EPWP	0
➤ CWP	1 037
➤ PAVING SMITHFIELD	22
➤ SEWER PIPELINE ZASTRON	20

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APPROVED FUNDING APPLICATIONS FOR 2022/2023 FINANCIAL YEAR

The LED unit had ensured that all registered SMMEs are applying for funding during 2024 year while unregistered were encouraged to register so that they could also benefit from Department of Small Business Development's Informal Micro Enterprises Development programme (IMEDP). In all 43 SMMEs benefitted on procurement of business equipment in the field of catering, beauty salon, garden service, motor painting, carwash etc. The total amount the department spent on the program was R430 000.

EMPLOYMENT RESEARCH

The rate of unemployment is extremely higher and serious. The LED unit explores new and innovative ways to empower, support and capacitate all SMME's to live up to the ideals of self-employment. Research conducted had revealed that only 18% indigents registered as per municipality indigent register of the entire population in the municipality. This is absolutely very low percentage, as compared to the rate of unemployment, meaning municipality must encourage residents to register as indigents. However, LED unit will continuously support SMME's through all relevant interventions as per attached on LED identified projects as means to create jobs.

SANRAL SMMEs TRAINING PROGRAM

The South African National Roads Agency Limited has introduced SMMEs training program in Mohokare. The purpose of the training is to empower registered SMMEs with necessary skills on road construction and maintenance. In all 90 SMMEs are enrolled in the program and training was concluded during the year 2023. Some of the trained SMMEs are currently employed on road construction between Zastron and Sterkspruit.

AGRO-PROCESSING

The LED unit oversee that the established Local Economic Forums in Zastron, Rouxville and Smithfield in the past financial year that are functional with a sole objective of discussing economic opportunities that Mohokare municipality can create for residents. Moreover, the municipality has been identified as an agrarian area that pride itself with cattle, sheep, pigs and goat farming but residents don't benefit from agricultural opportunities as cow and sheep skin are taken elsewhere for processing instead of being processed locally and create employment. With the completion of the Farmers Support Unit in Mohokare, municipality must expedite the appointment of Agricultural Support Officer for purpose of having a person in the municipality who will work together with the Support Unit in advancing the interest of the agricultural sector.

TOURISM

Tourism is one of the world fastest growing industries and it has a major influence on the economy and developments in our areas. The municipality is situated along Maluti tourism route that covers the town of Zastron and Rouxville. The other town of Smithfield is situated along the N6 national road which also presents good opportunities for tourism. Mohokare Local Municipality shares borders with the Mountain kingdom of Lesotho's town of Mhaleshoek as well as the Eastern Cape town of Sterkspruit. The municipality's geographic position therefore presents a wide range of opportunities including trade and tourism. Development of a Tourism Support Policy as well as compilation of a tourism brochure should be one of the priorities of the LED Unit. Underneath is a table showing number of accommodation establishments in each town:

TOWN	ACCOMODATIONS	ATTRACTIONS
Zastron	15	13
Rouxville	4	5
Smithfield	7	7

COMMERCIALISATION OF MAGALEEN BORDER POST

It is a known fact that the aforesaid boarder post is shared by Zastron town in the Free State Province and Mhaleshoek town of Lesotho. The S2 road also needs to be upgraded so that travelling between two countries can be easier and accessible for tourists. The project has been presented as part of Small Town Regeneration (STR) Programmes and the submission for upgrading of the road has found expression in the IDP document of the municipality.

SMALL TOWNS REGENERATION PROGRAM

Small Town Regeneration (STR) is one of the flagship initiatives of SALGA aimed at targeting small towns as entry points of effective spatial transformation, stimulate economic growth, and create employment. The programme was inaugurated in Bloemfontein in 2015 and then roll-out in the Karoo region in the following year. The Karoo STR is an inter-provincial initiative which strides across provinces i.e. Northern Cape, Western Cape, Eastern Cape & the Free State. 40 Municipalities are participating in this unique interprovincial initiative: 4 of these Municipalities are in Free State these are:

- Xhariep District Municipality
- Mokokare Local Municipality
- Letsemeng Local Municipality
- Kopanong Local Municipality

The council resolution was submitted to SALGA indicating that Mokokare Municipality support this noble initiative and Zastron was a pilot town with identified LED projects. However, the steering committee must be established comprising of all local stakeholders whereby chairperson must be the mayor. The training will be organised for committee members, and terms of reference will be circulated, STR conference will host the 4th conference Municipality is expected to give in-puts.

SALE OF COMMERCIAL LAND

Mokokare Municipality has beautiful and attractive commercial land in all its three towns. In 2023 council approved a recommendation that commercial land must be advertised and interested parties be invited to come and make business proposals

ZASTRON

- Land along Montague dam
- Land along Kloof dam
- Old snow ground
- Industrial land along Metro building
- Triangle between Rouxville and Wepener road

ROUXVILLE

- Land along Parsley dam
- Land opposite Uitkoms
- Old golf course

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- Top dam land
- Land opposite town cemetery

SMITHFIELD

- Land along the dam
- Game farm
- Truck Stop

CONCLUSION

It's a cogent fact that municipality has no budget for LED projects, but its primary task through its LED Unit is to create enabling environment for economic growth and employment creation. Through its LED Unit the municipality further assist, give support and lobby funding for developmental projects as identified and proposed by formalised structures in a form of cooperatives and close corporations. The EPWP as well as CWP are still accounting for more employment in the municipality even though on contractual basis. Currently, the LED Unit is run by both LED Manager and SMMEs & Tourism Officer who are respectively implementing all LED projects, coordinating LED strategies, objectives and programmes as well as assisting government agencies and statutory institutions with the implementation of SMMEs support programmes to mention but few.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

Within Mhokare Local Municipality, this component is focused on the following; Human Settlements, Commonage Management, Traffic Law Enforcement, Sports and Facilities, Amenities, Solid Waste Management. In as much as we address issues related to Environmental Health and Disaster Management, the competence and mandatory obligations are that of the Xhariep District Municipality.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

In the contexts of our Municipality, this department dedicatedly, serves to bring about changes and developments through the above strategies as mandate through its Organizational structure. It is therefore noted under each subcomponent that, amendments from previous report is reflected as an update of the current and functional administration.

LIBRARIES, COMMUNITY FACILITIES & OTHER

Libraries and its surrounding facilities, are the responsibility of the Provincial Sports, Arts, Culture and Recreation, and not our main core function since devolution of Libraries to the Provincial government.

SERVICE STATISTICS FOR LIBRARIES, COMMUNITY FACILITIES & OTHER

The Municipality through Corporate Services department, is responsible for bookings of Town Hall in Zastron and management of Council Chambers whilst through satellite offices, Unit Managers take control of locally based facilities like Community Halls.

Details	Financial Performance 2022-23: Libraries				R'000
	2021-22 Actual	Original Budget	Adjustment Budget	2022-23 Actual	
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	-	-	-	-	0%
Repairs and Maintenance	-	-	-	-	0%
Other	-	-	-	-	0%
Total Operational Expenditure	-	-	-	-	0%
Net Operational Expenditure	-	-	-	-	0%
					T 3.12.5

CEMETERIES

The Municipality has eighteen (18) cemeteries with six (6) in each Town. Having mentioned the above, its only three cemeteries operational in each town due to sites been allocated to its full capacity. The allocation of graves is being conducted through the Municipal offices and Supervisors responsible. There is no crematorium that is owned or managed by the Municipality. The below table current status as depicted above.

Name Town	Number of Cemeteries	Name of Cemetery					
		1	2	3	4	5	6
Zastron	6	Zastron Cemetery	Mooifontein Cemetery	Phomolong Cemetery	S2 Cemetery	Valrok cemetery	Matlakeng Cemetery
Cemetery Status		Closed	Closed	Closed	Operating	Closed	Closed
Rouxville	6	Old Roleleathunya	Roleleathunya	Rouxville	Uitkoms	Old Rouxville	New Roleleathunya
Cemetery Status		Full to capacity	Full to capacity	Operating	Full to capacity	Closed	Full to capacity
Smithfield	6	Smithfield	Old Mofulatshepe	Old Smithfield	Makhaleng Cemetery	Rietpoort	New Smithfield
Cemetery Status		Full to capacity	Full to capacity	Closed	Closed	Full to capacity	Operating

To date, we note that there are monthly reports on attendance and allocation of graves per town and that is reflected hereunder during the year under review.

Almost, all Cemeteries are full to capacity and need to be catered for under development and planning of residential sites etc.

As reflected above, the challenge lies ahead of us and in addressing such, joint operation within and around the sites must be a matter to be dealt with together with Funeral undertakers within our Constituents towns, also considering those that will be from outside.

Financial Performance 2022-23: Cemeteries						R'000
Details	2021-22		2022-23			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	73	82	82	59	-40%	
Expenditure:						
Employees	-	-	-	-	0%	
Repairs and Maintenance	-	-	-	-	0%	
Other	-	-	-	-	0%	
Total Operational Expenditure	-	-	-	-	0%	
Net Operational Expenditure	(73)	(82)	(82)	(59)	-40%	
						T 3.13.5

COMMENT ON THE PERFORMANCE OF CEMETERIES OVERALL:

There is a report tabled about the cemeteries as it is what the Municipality is operating and managing.

CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

The Municipality does not manage or operate all of the above though there are facilities that through rental agreements, has been dedicated to accommodate this learning institutes.

COMPONENT E: ENVIRONMENTAL PROTECTION

ENVIRONMENTAL HEALTH MANAGEMENT

The above, is not a core function of the municipality but the District Municipality; therefore, all the tables in this component are not applicable to the municipality. The reports will respectively reflect under Xhariep District Municipality.

COMPONENT F: HEALTH

HEALTH INSPECTION, FOOD AND ABATTOIR LICENSING AND INSPECTION

The reports will respectively reflect under Xhariep District Municipality

COMPONENT G: SECURITY AND SAFETY

Our traffic safety and security division, under department of Community Services, plays a pivotal role in managing traffic and all related aspects, including our roads and assisting both the Province and National spheres of government, when coming to traffic services on the roads they are responsible for. It is within this division again and the Security services, that you see enforcement of the by-laws.

TRAFFIC SAFETY AND SECURITY

Mohokare Municipality has a dedicated division responsible for traffic control and traffic law enforcement. through this division, amongst its functions, the below mentioned are been brought to the attention of the Management and the Council on quarterly basis.

Under this division, the Municipality focused mainly on the following; visible traffic policing when coming to speed controls, road worthiness of municipal and public vehicle's, including road signs and markings. Further to the above, the below mentioned road accidents, is derived from Municipal attendant road incidents only.

Service delivery priorities	Improved performance measures	Major efficiencies achieved
Visible traffic policing	Informed drivers and repaired and maintained vehicles and the roads	Reduced traffic accidents, continuous repairs and maintenance of the roads and fully functional traffic division.
Speed control	Reduced charges on reckless, careless and drinking driving	

We do have only handful Traffic Law Enforcement Officers 6 (six) managing our services through Municipality in all its three (3) Towns with its offices based in Smithfield. Included in their scope of work, is bylaws enforcement.

Financial Performance 2022-23: Traffic & Police							R'000
Details	2021-22	2022-23			Actual	Variance to Budget	
	Actual	Original Budget	Adjustment Budget	2022-23			
Total Operational Revenue	86	13 250	13 250	104	-99%		
Expenditure:							
Police Officers							
Other employees	3 212	3 281	3 136	3 117	-1%		
Repairs and Maintenance	-	-	-	-	0%		
Other	45	938	237	30	-87%		
Total Operational Expenditure	3 257	4 219	3 373	3 147	-7%		
Net Operational Expenditure	3 171	(9 031)	(9 877)	3 043	-131%		
						T 3.20.5	

FIRE & DISASTER MANAGEMENT

The fire service is the competence of the District Municipality. In instance where prompt response and assistance required, the Municipality assigns its own employees to assist and frequently would source the services of Working On Fire teams in both Zastron and Rouxville. To date, there are no priorities except to mention that we only ascertain the annual review of Municipal Disaster Management Plan and officially anticipate the deployment of District Disaster Management Officer in Mhokare.

Details	Fire Service Data			
	Year -1	Year 0		Year 1
	Actual No.	Estimate No.	Actual No.	Estimate No.
1 Total fires attended in the year	0	0	3	0
2 Total of other incidents attended in the year	0	0	3	0
3 Average turnout time - urban areas	0	0	0	0
4 Average turnout time - rural areas	0	0	0	0
5 Fire fighters in post at year end	0	0	0	0
6 Total fire appliances at year end	0	0	0	0
7 Average number of appliance off the road during	0	0	0	0
				T 3.21.2

There have been no disastrous events reported during the financial year.

Financial Performance 2022-23: Fire Services						R'000
Details	2021-22	2022-23			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	-	-	-	-	0%	
Expenditure:						
Fire fighters						
Other employees	-	-	-	-	0%	
Repairs and Maintenance	-	-	-	-	0%	
Other	7	24		-	#DIV/0!	
Total Operational Expenditure	7	24		-	#DIV/0!	
Net Operational Expenditure	7	24		-	#DIV/0!	
					T 3.21.5	

OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES AND OTHER)

Disaster management is a district function in terms of the allocation of powers and functions. The unit is specifically responsible for assisting the municipality on processes and administration of disaster and its related incidents. Without detracting from the above statement, the municipality, in partnership with both the District Municipality and the Province, pay attention to hazmats, road accidents, veld & household fires on commercial and commonage farming areas, including the town and townships.

In managing disaster, a plan is in place and work with stakeholders to maintain the course. Animal licensing with specific reference to the dogs, is still a matter to be emphasized through the By-laws whilst others (pigs, cattle, sheep etc.) are notably registered as per the animal livestock registration Act.

The control of public nuisance is being given attention by our Xhariep based EHP and as such, a report reflects on the progress and plans under the District.

COMPONENT H: SPORT AND RECREATION

Sports in general, is of utmost importance with regard to the healthy persona, mentally and physically. Without this in life, the life expectancies with reference to our youth, would seem diminishing as most will resort to unhealthy lifestyles. As this was one of the municipality's important strategic goal in this current financial year, attention was brought or given in the below mentioned areas;

SERVICE STATISTICS FOR SPORT AND RECREATION

There are no recorded service statistics except to mention that progress, employment opportunities enjoyed under the project, is reflected under department of technical services.

SPORT AND RECREATION

This division is responsible for promotion and management of sports, the management, repairs and maintenance of all sporting facilities under the jurisdiction of the Municipality. Credit is not taken away from our Sister departments in every level provident to the Municipality on annual basis.

Through our own internal competence and assistance of XDM and the Province (SACR), we managed to develop a draft Policy on

- Management and Use of Municipal Sports facilities and currently.

Details	Financial Performance 2022-23: Sport and Recreation					R'000
	2021-22 Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	-	-	-	-	0%	
Expenditure:						
Employees	558	677	487	477	-2%	
Repairs and Maintenance	-	-	-	-	0%	
Other	31	62	6	4	-38%	
Total Operational Expenditure	589	739	493	481	-2%	
Net Operational Expenditure	589	739	493	481	-2%	
						T 3.23.4

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

Corporate governance is a term that refers broadly to the rules, processes, or laws by which businesses are operated, regulated and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of a corporation, as well as to external forces such as consumer groups, clients, and government regulations.

Well-defined and enforced corporate governance provides a structure that, at least in theory, works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. To that end, organizations have been formed at the regional, national, and global levels.

Mohokare Local Municipality applies the requirements of King III with the main focus areas:

- Ethical leadership and citizenship
- Boards and directors
- Audit Committees
- The governance of risk
- The governance of information technology
- Compliance with laws, rules, codes and standards
- Internal Audit
- Governing stakeholder relationships
- Integrated reporting and disclosure

The municipality has made strides in its role of ensuring the following is in place:

- Compliance with statutes through the development of a compliance register
- Upgrading of technology and systems
- Risk management- the governance of risk through applicable processes
- Development and review of policies
- Periodic performance assessments of Senior Managers are conducted
- There is an independent and effective audit committee
- A functional internal audit unit.

Financial Performance 2022-23: Municipal Manager						R'000
Details	2021-22	2022-23			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue Expenditure.	-	-	-	-	0%	
Employees	1 968	1 824	1 003	1 154	15%	
Repairs and Maintenance	-	-	-	-	0%	
Other	29	92	189	134	-29%	
Total Operational Expenditure	1 996	1 915	1 192	1 288	8%	
Net Operational Expenditure	1 996	1 915	1 192	1 288	8%	
T 3.24.5						

FINANCIAL SERVICES

The financial services for Mohokare are rendered by the Budget and Treasury department under the leadership and guidance of the Chief Financial Officer.

Reporting of financial matters making use of consultants relating to Budget (draft, final and adjustment) as well as the drafting of the Annual Financial statements. The completion of the asset register is outsourced only relating to fixed and infrastructure assets.

The reporting on assets is still outsourced.

The financing of services has been achieved in spite of severe financial constraints.

The major constraints being:

Poor cash-flow:

- As a result of a low payment rate and
- The inability to budget for the effective provision for the payment of creditors from the prior period.

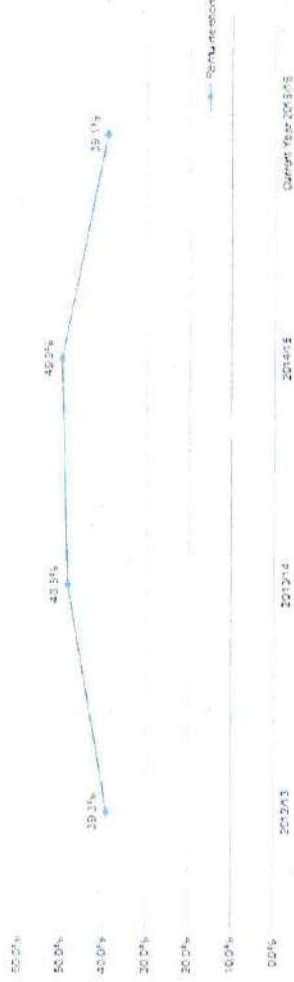
Low payment rate.

The payment rate is set out in graph below, i.e. 39.1%

- The Municipality does not have the leverage to use restriction of electricity to ensure payment of the water, refuse and sewerage services.
- Water is at present not restricted – the fact that water is not always available at source also minimizes the effect of restricting the supply of water to a specific household.
- The recovery of existing debts is hampered by the limited information on consumers whether they are able to service the debt and the current consumption.
- The moratorium place by a council decision on the handing over of new debtor accounts to the attorney of the council.
- The lack of capacitated staff to undertake credit control and debt collection.

This will be further illustrated below.

Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water electricity waste removal and sanitation services to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue.

Data used from VERA SA2

Details	Financial Performance 2022-23: Financial Services					R000
	2021-22		2022-23		Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	122 868	119 000	120 527	155 947	30%	
Expenditure:						
Employees	19 995	14 652	15 668	14 657	-6%	
Repairs and Maintenance	-	-	-	-	0%	
Other	117 889	76 937	77 333	87 801	14%	
Total Operational Expenditure	137 884	91 588	93 001	102 457	10%	
Net Operational Expenditure	15 017	(27 411)	(27 525)	(54 490)	98%	
					T 3,255.5	

HUMAN RESOURCE SERVICES

The Human Resource Department contributes to managing the gap between human capacity needs and realities of Mohokare Local Municipality.

A Human Resource Strategy is in place to align our human resource policies and practices to support the accomplishment of the mission, vision, goals and strategies of MLM. The focus is to invest in our human capital to contribute effectively, efficiently and economically to the achievement of short, medium and long term objectives of the municipality.

The principal objectives of the HRM can be listed as the following but not limited to:

- To help the organisation reach its goals;
- To employ the skills and abilities of the workforce efficiently
- To provide the organisation with well trained and well-motivated employees;
- To increase to the fullest, the employees job satisfaction and self-actualization
- To communicate the HR policies to all employees
- To be ethically and socially responsible to the needs of the society.
- To develop and maintain a quality of work force.

In the year ahead work will be done to develop the succession and staff retention strategies and policies in order to grow internal capacity and ability. It is believed that this is a key tool to realizing many components of the HR Strategy.

Financial Performance 2022-23: Human Resource Services						R 000
Details	2021-22	2022-23			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	-	-	-	-	0%	
Expenditure:						
Employees	2 192	2 271	2 619	2 580	-1%	
Repairs and Maintenance	-	-	-	-	0%	
Other	97	303	104	50	-52%	
Total Operational Expenditure	2 288	2 574	2 723	2 630	-3%	
Net Operational Expenditure	2 288	2 574	2 723	2 630	-3%	
					T 3.26.5	

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information Technology Services provided by the IT Unit in Mohokare Local Municipality, include the following:

The Client Services function is responsible for help desk and desktop support services.

The Network Services function is responsible for management of the municipality's local and wide area networks, copper, and wireless communications, and telecommunication services. Further responsibility is also to assure adequate security measures are in place to protect the municipality's network from unauthorized access.

The Website and Application Services function is responsible for support of enterprise systems; selection leadership and integration of new commercial-off-the-shelf (COTS)

solutions; maintenance and upgrade of existing systems; architectures, software and database standards; web development.

The Server Administration Services function is responsible to design, install, administer.

IT Governance and Administration function is "hidden" but critically active function. The responsibilities in this area include the management of the Information Technology related assets, the administration of SLA's and contracts, management of information security, IT Strategic Planning as well as sourcing and procuring of IT related equipment. The area is also responsible for the recommendation for replacement equipment where the need arises.

As set out in the IT Strategic documents, which is an input to the drafting of the municipality's IDP, a dedicated and all-round effort has been placed on improvement of all functions of the ICT environment in order to enable efficiently the processes that brings about the realization of the IDP objectives, which amongst others include good governance.

Primarily, in brief measures have been put in place to:

Provide efficient helpdesk support service to enable or empower the workforce of municipality. Further, procurement of the upgrades of the server items have enabled the setup of the File Server which backups user's information. Provide for increased protection of user's information, by procuring efficient Anti-Virus software, Kaspersky Anti-Virus.

In the year 2022/2023, the ICT Unit initiated a scholarly project to revise its current ICT Policies and Strategies in order to provide guidance on how ICT is controlled and directed to facilitated the strategic goals of the municipality.

This included the following policies and strategies:

1. ICT Security policy
2. ICT Assets Control & Disposal Policy
3. ICT Internet Usage Policy
4. ICT Change management policy
5. ICT Password policy
6. ICT Backup Policy
7. ICT Disaster Recovery policy
8. ICT Network Policy
9. ICT Email Usage Policy
10. ICT Telephone Policy
11. ICT Operating System Security Controls Policy
12. ICT Printing Policy
13. ICT Mobile and Gadget Policy
14. ICT Disaster Recovery & Business Continuity Plan
15. ICT Strategic Plan
16. ICT Governance Policy Framework

Financial Performance 2022-23: Information Technology

Details	2021-22				2022-23			Variance to Budget
	Actual		Original Budget		Adjustment Budget		Actual	
Total Operational Revenue		–		–		–	–	0%
Expenditure:								
Employees	1 627		1 590		1 204		1 168	-3%
Repairs and Maintenance		–		–		–	–	0%
Other		216		375		894	181	-80%
Total Operational Expenditure		1 843		1 966		2 098	1 349	-36%
Net Operational Expenditure		1 843		1 966		2 098	1 349	-36%
								T 3.27.5

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

The function of Performance Management within the municipality is performed in the office of the municipal manager, and includes monitoring the implementation of the Integrated Development Plan (IDP) as well the Budget through the Service Delivery Budget and Implementation Plan (SDBIP). Legislation states that key performance indicators and targets must be implemented to enable continual monitoring of the municipality and its administration.

These indicators pin point areas of focus for each financial year and are included in the IDP. Once approved the IDP is married to the budget in a document called the Service Delivery and Budget Implementation Plan (SDBIP) which provides a workable management tool from which to operate under and monitor progress. The SDBIP is then used to develop agreed performance plans for the Municipal Manager and Directors which should be evaluated quarterly.

This report will also endeavour to report to Council the Municipality's performance in terms of the National Government's Strategic Key Performance Areas for local government, which are:

- (1) Basic Service Delivery;
- (2) Municipal Institutional Transformation and Development;
- (3) Good Governance and Administration;
- (4) Municipal Financial Viability and Management;
- (5) Local Economic Development; and
- (6) Environmental Management.

Performance Management Overview

In order to improve on performance planning, implementation, reporting and measurement, the institution implemented the following actions;

- ✦ Key performance indicators has been reviewed so that there is effective monitoring and measurement of Key performance indicators.
- ✦ Regular monitoring and evaluation of performance information;
- ✦ Within the scorecard sent out quarterly for performance evaluations, a column provision has been made for targets not met or lagging behind.
- ✦ The Performance Management is in the process of being cascaded to Management level within the Municipality and the intention is that individual performance will be evaluated in the 2023/24 financial year.

	Performance Management Policy	All s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Reporting to Council
In place?	√	√	x	x	x	√

Performance Management System Checklist explained:

- **Audit Committee** - not fully functional during the year under review, only two (2) meetings were held;
- **MPAC** - is in place; however, it was not fully functional during the year under review as only four (4) meetings were held;
- **Quarterly Performance Reports**- To date, only Quarter 1 and 2 performance reports were submitted to the Committee. Quarter 3 and 4 will be provided to council in the next meeting.

Service Delivery and Budget Implementation Plan (SDBIP)

Organisational Overview

KEY PERFORMANCE AREA	ORGANISATIONAL OVERVIEW			ACTUAL %
	No. OF KPA's for the Financial Year	KPI's ACHIEVED	KPI's NOT ACHIEVED	
KPA 1 - Basic Services and Infrastructure Development	11	2	9	18%
KPA 2 - Municipal Transformation And Organizational Development	15	11	4	73%
KPA 3 - Good Governance and Public Participation	19	7	12	37%
KPA 4 - Financial Management and Viability	15	11	4	73%
KPA 5 - Local Economic Management	4	3	1	75%

ORGANISATIONAL OVERVIEW				
KEY PERFORMANCE AREA	No. OF KPA's for the Financial Year	KPI's ACHIEVED	KPIs NOT ACHIEVED	ACTUAL %
KPA 6 Environmental Health Management	9	8	1	89%
TOTAL	73	42	31	58%

The graph illustrates the SDBIP performance for the 2022/23 financial year:

ORGANISATIONAL OVERVIEW 22/23 FY - TOTAL TARGETS = 73



Basic Services and Infrastructure Development overall performance

As per the vision of the municipality i.e. "is "**A performance driven municipality that utilises its resources efficiently to community needs**," Mohokare Local Municipality managed to achieve only 18% of its planned Key Performance Indicators during the 2022/23 Financial year and based on the analysis conducted, **this does not reflect as an achievement compared to the 2021/22 financial year.**

Reason for the above is a follows:

The key performance indicators pertaining to basic services and infrastructure development for the 2022/23 financial year and after the review period during the financial year the number of targets reduced as compared to the previous financial year.

The department managed to achieve the same one (1) target as at the last year of review which was the “**Approval of the Water Services Development Plan WSDP**”.

The other key performance indicator which was indicated as successfully achieved was relating to the “**Refuse removal in all three (3) towns**” which is function of Community services even though it has been disclosed and presented under Basic Service and infrastructure development as part of the services rendered by municipality.

PERFORMANCE SUMMARY: BASIC SERVICE DELIVERY

No of KPIs	Target Achieved	Not Achieved	Overall %
11	2	9	18%



Below are all the attributing key challenges that contributed to the decline of the municipal performance with regard to Basic Service Delivery and Infrastructure development:

- Lack of planning, reviewing & monitoring during the preparation of the IDP, Budget and SDBIP;

- Conditional grants not utilised for their intended purposes which hampers service delivery and places the municipality in a risk of losing their grant allocation for future commitments;
- Monitoring of service providers not conducted on a quarterly basis and results in inefficient and ineffective service delivery to the community;
- Challenges in provision of basic service delivery;
- Deteriorating infrastructure causing interruptions in service delivery;
- Constant breakdowns of Municipal Fleet (including yellow fleet) due to ageing and high mileage on all forms of vehicles;
- Due to financial constraints, water samples were taken to be tested, however the results cannot be released;
- Non-convening of the Bid Evaluation and Bid Adjudication Committees due to the following:
 - ± Utilization of MIG conditional grant for other municipal operations.
 - ± Prolonged municipal worker's strike which affected the daily operations of the municipality.
- Centlec placed work on hold on site due to non-payment of invoices on work done. Funds received were utilized on other municipal operations.

Other alarming key factors affecting the municipal performance:

- Non-appointment of vacant senior positions i.e. Corporate and Community Services positions which could lead to ineffective service delivery as the municipality does not have the necessary human resource capacity to deliver on their service mandate;
- Non-sitting of Council, Local Labour Forum, Section 80 Committees and Governance Structures e.g. **Municipal Public and Accounts Committee, Audit and Performance Committee as well as Risk Committee** will result in MLM not achieving its objectives as set out in Municipal Finance Management Act, Structures Act, the Constitution etc.;
- The Municipality remains grant dependant due to the inability of consumers to pay for services rendered to them;
- Inability to implement the Debt Management and Credit Control Policy due to the high unemployment rate of the region in conjunction with the low average monthly

income per household resulting in the inability of consumers to pay for basic services;

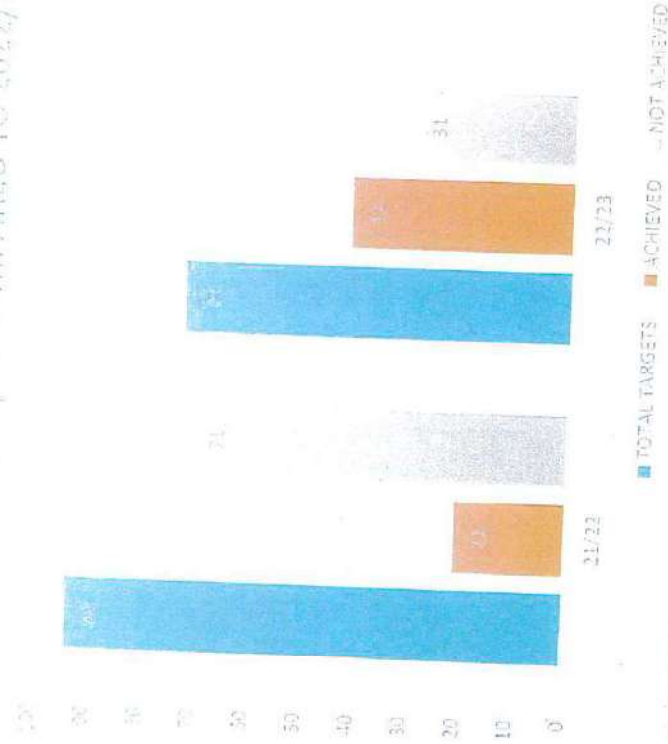
- Lack of a proper Performance and Consequence Management System;
- Financial Management implementation in order to ensure that funds are applied for their intended use.

MEASURES TO IMPROVE ORGANISATIONAL PERFORMANCE

- Develop an assessment plan for all challenges identified and monitor on a regular basis;
- Implement Consequence Management;
- Adhere to all municipal legislative compliance requirements;
- Implement and promote appropriate performance culture, communication and public participation;
- Improve revenue enhancement strategy; and
- Fill in vacant senior managers' positions to promote accountability and implement performance assessment.

Overall Performance Comparison: 2021/22 compared to 2022/23 financial year:

2021/22 COMPARED TO 2022/23



Colours explained:

Blue – Total of planned targets

Orange – Achieved targets; and

Grey - Not achieved targets

Detailed Annual Performance Report for the period ending 30 June 2023

Key Performance Area 1: Basic Service Delivery and Infrastructure Development										
PERFORMANCE OBJECTIVES AND INDICATORS					QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2022 - 30 JUNE 2023										
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	Annual Actual Performance 2022-23	Reason for Deviation	Corrective Measure(s) Taken/To be Taken to Improve Performance	POE Required	Reference
1.1	Provision of trafficable roads	Smithfield/Mofu latshepe: Phase 1 The construction of 1km paved access roads with related storm water in Greenfield	Site establishment	Project registration and consulting engineers	Site hand over	Not Achieved	Non-sitting of the Bid Evaluation and Bid Adjudication committees to sit with the target of appointing the contractor no later than 19 July 2023.	Bid Evaluation and Bid Adjudication committees to sit with the target of appointing the contractor no later than 19 July 2023.	Tender advert	A1

Key Performance Area 1: Basic Service Delivery and Infrastructure Development		PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE		FOR THE PERIOD 1 JULY 2022 - 30 JUNE 2023				
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
1.2	Provision of trafficable roads	Smithfield/Motru latshepe: Phase 2. The construction of 1km paved access roads with related storm water in Greenfield	Project Registration	New KPI	Registration by 30 June 2023	Not Achieved	The delays in implementation of phase 1 of the project resulted in the project not later than 30 June 2024 now due for implementation on in the 2025/26	Submission to CoGTA for the amended 2023/24 MIG EXCO on the Report to	B1	
1.3	Provision of dignified sanitation services	Smithfield/Motru latshepe: The upgrading of the waste water outfall sewer	1.5km pipeline laid	Contractor appointed	1.5km Pipeline Laid	Not achieved	Contractor off-site due to non-payment of Certificate Payment to ensure that they are not utilized on municipal operations	Letter of demands of conditional grant funds from the contractor requesting payment of outstanding Certificate	C1	

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Key Performance Area 1: Basic Service Delivery and Infrastructure Development

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE
FOR THE PERIOD 1 JULY 2022 - 30 June 2023		

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	Annual Actual 2022-23	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
1.4	Provision of digitised sanitation services	Zastron / Matlakenj: Upgrading of the outfall sewerline and refurbishment of sewer pump stations	Project practical completion certificate		75% Physical progress on site at 30 June 2022	Practical completion of the project by 30 June 2023	Conditional grant of funding for other municipal operations: not utilised for grant funds that they are not utilised on municipal operations	Ring-fencing of conditional project	Report to EXCO on the project	D1
1.5	Provision of digitised sanitation services	Zastron / Matlakenj: The construction of a sewer network in Refengkgotso	Site establishment	New KPI	Site hand over to a successful bidder(PSP) by 30 June 2023	Not Achieved	Non-sitting of the Bid Evaluation and Bid Adjudication committees due to the following: appointing target of the Bid Evaluation and Bid Adjudication committees to sit with the amended Report to EXCO on the Tender	Report to EXCO on the project	no. 2 prior to returning to site.	E1

Key Performance Area 1: Basic Service Delivery and Infrastructure Development

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 - 30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
1.6	Provision of drinking water	Upgrading of Water Treatment Works (WTW) Phase 2	Revised Business plan	Phase 1 of the project practically complete	Submission of a revised business Plan	Achieved	Utilization of MIG later than 19 conditional grant for other municipal operations. Workers strike.	contractor not later than 19 July 2023. 2023/24 MIG implementation on plan.	Project revised business plan	F1
1.7	Deliver sustainable services that are on or above RDP	Waste water quality management by 30 June 2023	Submission of 5 wastewater quality samples to accredited laboratory for testing	Compliance monitoring (Effluent)	Maintain digitized sanitation and submission of 20	Not Achieved	Water quality results for sample submitted not received	Municipally needs to settle all outstanding invoices as a matter of	Water quality accredited laboratory	G1

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Key Performance Area 1: Basic Service Delivery and Infrastructure Development

PERFORMANCE OBJECTIVES AND INDICATORS

QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 - 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To Be Taken to Improve Performance	POE Required	Reference
1.8	Deliver sustainable water services that are on or above RDP Level	Drinking water quality management by June 2023	Submission of 11 samples quarterly to accredited laboratory for testing		Drinking Water quality of 44 water samples to meet the drinking water monitoring plan by 30 June 2023	Submission of 44 water samples quarterly wastewater	Water quality results for sample submitted due to non-payment of outstanding invoices	Municipality needs to settle all outstanding invoices as a matter of urgency to ensure compliance	Water quality results from accredited laboratory	H1
1.9	Electricity provision	Rouxville/Roleathunya Electrification of 186 households in Extension 06 Phase 03	Monthly progress reports	Completion of Phase 02 (200 households) by 30 June 2022	Electrification on of 186 households in Extension 06 - Phase 03 by 30 June 2023	Not Achieved	Water quality results for sample submitted due to non-payment of outstanding invoices	2023/24 INEP Allocation to be directed to the District	Job cards will include meter /serial numbers and will be signed by customers	H1

Key Performance Area 1: Basic Service Delivery and Infrastructure Development

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE
FOR THE PERIOD 1 JULY 2022 - 30 JUNE 2023		

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	Annual Actual 2022-23	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
1.1	Electricity Provision	Zastron/Matak eng Electrification of 300 households in Extension 10 Phase 02	Monthly progress reports	Completion of Phase 01 (50 households) by 30 June 2022	Electrification of 300 households on of 30 June 2023	Not Achieved	Funds received for the completion of the project on other municipal operations. Funds were utilized for the completion of the project and ensure that the funds will be spent on the project.	Municipality for the completion of the project in an attempt to safe guard the funds and ensure that the funds will be spent on the project.	Job cards will include meter /serial numbers and will be signed by customers	J1
							Funds received for the completion of the project on other municipal operations. Funds were utilized for the completion of the project and ensure that the funds will be spent on the project.			

Key Performance Area 1: Basic Service Delivery and Infrastructure Development										
PERFORMANCE OBJECTIVES AND INDICATORS					QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2022 - 30 JUNE 2023										
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
1.1	Basic Services and Infrastructure development	Eight thousand household formalised weekly waste removal services in all three (3) towns.	Weekly reports	Weekly refuse collection from all households.	Provision of refuse removal from all households by end of June 2023	Achieved	municipal operations, in an attempt to safe guard the funds and ensure that the funds spent on the project.		Monthly and quarterly refuse removal reports and the register	J6

Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS

QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
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NAME OF DEPARTMENT: CORPORATE SERVICES

2.1	To instill good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	4 Ordinary Council sittings held annually as legislated (1 per quarter)	Signed distributed acknowledged receipt	4 Ordinary Council distributed agendas and notices	4 Ordinary Council sittings held by June 2023	Achieved	-	-	Copy of notices distributed and acknowledged receipt of receipts	A2
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Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS
 QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE
 FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
2.2	To instill good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	12 monthly notice of Local Labour Forum distributed by June 2023	Signed distributed acknowledgement of receipt	12 LLF notices and agenda distributed	12 LLF notices and agenda distributed	Achieved	-	-	Copy of notices distributed and acknowledged receipt of receipts	B2
2.3	To instill good governance in all Municipal operations, ensure	Agenda and notices of section 79 committees distributed quarterly	Sec 79 notices and agenda distributed	20 notices and agenda distributed	20 notices and agenda distributed quarterly	Not Achieved	Awaiting appointment of section 80 committees since Municipality is no longer a plenary	The report on the appointment of section 80 committees was tabled on the Special	Notices and agendas	C2

Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS
 QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE
 FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
2.4	public participation on and provide critical strategic support to Municipallity							Council meeting held on the 30 June 2023		
2.4	To instill good governance in all Municipal operations, ensure public participation on and provide critical strategic support to	Reviewed and adopted Equity Policy	Approved policy	22/23 EE Policy	Reviewed and adopted EE Policy by December 2022	Not Achieved	Due to financial constraints faced by the municipality, it was difficult to appoint a service provider to develop Employment Equity Plan for the next 5 years.	The Employment Equity Plan to be prioritised in the 2023/24 Financial Year	Council resolution and adopted policy	D2

Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS
 QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE
 FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
2.5	To instil good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Submitted EE Plan Report to Dept. of Labour by 15 January 2023	Proof of submission	EE Plan submitted 2022	Submitted EE Plan Report to Dept. of Labour by 15 January 2023	Achieved	-	-	Proof of submission to Dept. of Labour	E2
2.6	Annual Review and	Reviewed HRD Strategy by	Reviewed Strategy	Adopted HRD Strategy	Reviewed HRD Strategy by June 2023	Not Achieved	The documents could not go through LLF	Documents to be submitted to LLF when	Reviewed HRD Strategy by June 2023	F2

Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS

QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
2.7	Implementation of the Human Resource Strategy	Implementation of the HRD Strategy by June 2023	Quarterly reports	Quarterly reports	2022/23 Quarterly reports	Achieved	because it was a special LLF sitting	the date is confirmed	Quarterly reports	G2
	Implementation of the Human Resource Strategy	HRD Strategy by June 2023	Quarterly reports	Quarterly reports	2022/23 Quarterly reports					

Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
2.8	Annual Review and implementation of the Human Resources Strategy	2 Vacant posts advertised in terms of Sec 56 managers by June 2023	Appointments letters/contracts	2 sec 56 positions filled	2 Vacant posts of Sec 56 managers advertised by June 2023	Not Achieved	Delay with the recruitment process	Recruitment process underway	Advert, Interview	H2
2.9	Annual Review and implementation of the Human Resources Strategy	3 Skilled labours vacant post filled by June 2023	Appointments letters/contracts	6 employees appointed	3 Skilled vacant posts filled by June 2023	Achieved	-	-	Advert, Interview	I2
2.10	To instill good	10 Human Resources	Approved	10 policies reviewed	10 Human Resources	Achieved	-	-	Council Resolution and	J2

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Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS
 QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE
 FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	Actual Performance 2022-23 Annual	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	PQE Required	Reference
2.11	To instill good governance in all Municipal operations, ensure public participation and provide critical strategic support to the Municipality	Reviewed and approved by Council by June 2023	Reviewed and approved by Council	Reviewed and approved by Council by June 2023	Reviewed and approved by Council by June 2023	Reviewed and approved by Council by June 2023	Reviewed and approved by Council by June 2023	Reviewed and approved by Council by June 2023	Reviewed and approved by Council by June 2023	Reviewed and approved by Council by June 2023

Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE		FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023						
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
2.12	Ensure 100% development of ICT Strategy	Develop the 5 year ICT Strategy by 2021	Approved strategy	2022/2023	Develop the 5 year ICT Strategy by 2023	Achieved	-	-	Council Resolution and adopted Policies	L2
2.13	Ensure 100% development of ICT Strategy	Reviewed ICT Policies June 2023	Reviewed by 10 Policies June 2023	10 reviewed and adopted Policies	10 reviewed ICT Policies adopted by	Achieved	-	-	Council Resolution and copies of the	M2

Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS

QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
	Strategy			2022/2023	May 2023				adopted Policies	
					1.IT Security policy					
					2.IT Assets Control & Disposal Policy					
					3. Internet & Email Usage Policy					
					4.Change management policy					
					5. Password policy					
					6.IT Backup policy					
					7 Disaster Recovery					

Key Performance Area 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

PERFORMANCE OBJECTIVES AND INDICATORS

QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
2.14	Ensure 100% development of ICT Strategy	Review of the Disaster recovery and Business Continuity Plan by June 2023	Approved plan	2022/2023	Reviewed Disaster Recovery and Business Continuity Plan for the 2022/2023 financial year.	Achieved	-	-	Council resolution and approved plan	N2
2.15	Ensure 100% development of ICT	Information placed on municipal website	Fully functional municipal website	New KPI	All legislation documents uploaded on municipal	Achieved	-	-	Municipal website	O2

Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measures(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
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NAME OF DEPARTMENT: INTERNAL AUDIT											
3.1	Maintain the Municipal Audit Charter and improve the Municipal Audit Opinion	Reviewed Internal Audit Charter and Manual for approval by June 2023	Approved Internal Audit Charter	Adopted and reviewed 2022/23 Internal Audit Charter	Internal Audit Charter by June 2023.	Review and approved 2022/2023 Internal Audit Charter by June 2023.	Not achieved	Due to organizational instability, the audit committee could not convene as a result the internal audit manual were not approved	The Municipal Manager is appointed therefore, we anticipate that the audit committee will sit according to the schedule of the meeting	Approved Internal Audit Charter, and Manual Attendance register and minutes	A3
3.2	Maintain the Municipal Audit Charter and improve the Municipal Audit Opinion	Reviewed and approved Audit Charter by June 2023	Approved Audit Charter	Approved Audit Charter 2022/23	Reviewed and approved Audit Charter by June 2023.	Not achieved	The audit committee charter tabled to the Council due to the organizational instability.	The charter to be submitted in the next Council sitting after it was discussed and considered by the Audit	Approved Signed Draft Audit Committee Charter	B3	

Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	Reference
3.3	Maintain the Municipal Audit Coverage Plan	Develop and submit Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan	Adopted 2022/23 Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan	Not achieved	Due to organizational instability, the audit committee could not sit	The Municipal Manager is appointed therefore, the anticipation was that the audit committee will sit according to the approved schedule of meetings	C3
3.4	Maintain the Municipal Audit Coverage Plan	Develop and submit Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan	Adopted 2022/23 Internal Audit Coverage Plan	Approved Internal Audit Coverage Plan	Not achieved	Due to employees strike, internal audit unit was unable to execute our audits	Going forward we will ensure that we complete our audits since the strike has ended.	D3

Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
3.5	Maintain and improve the Municipal Audit Opinion	Municipal Audit Committee meeting	Approved quarterly minutes, resolution register and schedule of meetings	New KPI	2 Audit Meetings by June 2023	Not Achieved	This is due to non-functionality of audit and performance committee	New audit and performance committee members to be appointed in the first quarter.	Attendance Register, Visual Invite, Resolution Register, Internal Audit Reports, Schedule of meetings	E3
3.6	100% compliance to SPLUMA	Review the 8 Town Planning Policies by June 2023	Adopted policies	2022/23	8 Policies reviewed and approved by Council June 2023	Not Achieved	Process stopped by chairperson of Section 79 committee. Restated the process	To be submitted to Council meeting in July 2023	Council approved resolution	F3

NAME OF DEPARTMENT: TOWN PLANNING

Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS

QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
3.7	100% compliance to SPLUMA	Reviewed Spatial Development Framework by June 2023	Adopted SDF	2022/23 Adopted Framework	Review SDF by June 2023	Achieved	-	-	Council Resolution and updated project list	G3
3.8	100% compliance to SPLUMA	Conduct 1 Municipal Planning Tribunal meeting bi-annually by June 2023	Minutes and registers	-	1 Municipal Planning Tribunal conducted bi-annually by June 2023	Achieved	-	-	Attendance registers attached with minutes of the meeting.	H3
3.9	100% compliance to SPLUMA	Attend 4 quarterly SPLUM Meetings by June 2023	Invites, Minutes, registers	3 meetings held in 2022/23 FY	Attend 4 quarterly SPLUM Meetings by June 2023	Achieved	-	-	Minutes/report	I3
3.10	To evaluate the	Reviewed Enterprise Risk	Reviewed and adopted	-	Reviewed Enterprise Risk	Not achieved	Non sitting of RMC	Appointment of Chairperson of RMC	Attendance registers and minutes from	J3

NAME OF DEPARTMENT: MUNICIPAL MANAGER (RISK MANAGEMENT)

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Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS	QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023	

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
3.11	To evaluate the effectiveness of the Risk Register by February 2023	ess of Risk management, control and governance processes and develop actions to address key risks identified	Management Policies	Management Policies by June 2023	Management Policies by June 2023	Not Achieved	Non sitting of RMC	Appointment Of RMC Chairperson	Approved Strategic and Operational Risk registers	K3
		ess of Risk management, control and governance processes and develop actions to address key risks identified	Management Policies	Management Policies by June 2023	Management Policies by June 2023	Not Achieved	Non sitting of RMC	Appointment Of RMC Chairperson	Approved Strategic and Operational Risk registers	K3

Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
3.12	and governance processes and develop actions to address key risks identified	To evaluate the effectiveness of Risk management, control and governance	Quarterly reports	-	Implementation of the Reviewed 2022/2023 Risk Register by June 2023	Not achieved	Non sitting of RMC	Appointment of RMC Chairperson	Quarterly monitoring reports	L3

Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS

QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference	
3.13	To implement and ranking approved IDP by August 2022	all new capital projects to support the strategic objectives	Approved IDP Plan	Approved 2022/2023 IDP	Reviewed and approved IDP process plan by August 2022	Achieved	-	-	Adopted process plan Council Resolution Electronic copy	M3	
NAME OF DEPARTMENT: MUNICIPAL MANAGER (INTERGRATED DEVELOPMENT PLAN)											
	processes and develop actions to address key risks identified										

Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS

QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
	and priorities of Council and the Community									
NAME OF DEPARTMENT: MUNICIPAL MANAGER (PERFORMANCE MANAGEMENT PLAN)										
3.14	100%	2022/2023	Reviewed PMS Policy	2022/2023	Approved PMS policy Framework	Review PMS policy framework June 2023 to be in line with regulations	Not Achieved	-	Council resolution and electronic copy of the reviewed policy	N3

Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS

QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
3.15	100% monitoring and evaluation of the municipal performance report for 2021/22 to the Auditor General by 31 August 2022	Submission of the draft Annual report and the annual performance report for 2021/22 to the Auditor General by 31 August 2022	Developed and Audited AR and APR	2021/2022 AR submitted by December 2022	Submitted Report by 31st of August 2022	Not Achieved	Due to the late submission of the AFS and APR which only occurred on the 30 th November 2022	Ensure adherence to legislative requirements	Council Resolution	03
3.16	100% monitoring and evaluation of the municipal performance report for 2023/24	Developed SDBIP by June 2023	2023/24 approved SDBIP	2023/24 approved SDBIP	Developed SDBIP by June 2023	Achieved	-	-	Council Resolution Approved SDBIP	P3

Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
3.17	100% monitoring and evaluation of the municipal Council by 25 January 2023	Developed Mid-year report submitted to Council by 25 January 2023	Mid-2022/23 Mid-year report	Mid-year report	Mid-year report submitted to Council by 25 January 2023	Achieved	-	-	Council Resolution Adopted Mid-year report	Q3
3.18	Ensuring 100% compliance to MFMA, MSA and Circular 63 & 32	Adjusted SDBIP developed and submitted to Council by 28 Feb 2023	Adjusted SDBIP 2022/2023	Adjusted SDBIP 2022/23	Adjusted SDBIP and adopted by Council by 28 Feb 2023	Achieved	-	-	Council Resolution Approved Adjusted SDBIP	R3
3.19	Ensuring 100% compliance to MFMA, MSA and	Tabled AR and APR to Council by 25 January 2023	Annual performance Report tabled on the	2021/2022 Annual Report	Tabled Annual Report and Annual Performance Report by the 25 January	Not Achieved	Due to the late submission of the AFS and APR which only occurred on the 30 th November	Ensure adherence to legislative requirements	Council resolution and electronic copy of AR & APR	S3

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Key Performance Area 3: GOOD GOVERNANCE AND ADMINISTRATION										
PERFORMANCE OBJECTIVES AND INDICATORS						QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE				
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023										
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
	Circular 63 & 32		25 January 2023		2023		2022			

Key Performance Area 4: FINANCIAL MANAGEMENT AND VIABILITY

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023			
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement
2022-23 Annual Target	2022/23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance
Baseline 2022/23	2022/23	POE Required	Reference

NAME OF DEPARTMENT: FINANCE

4.1	Review and implement all relevant departmental policies	6 budget related policies reviewed by June 2023(Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure)	Approved Policies	Reviewed budget related policies 2022/23	6 budget related policies reviewed by June 2023 (Assets, SCM, Revenue, bank and investment, Credit Control and Expenditure)	Achieved	19 Budget related policies adopted by Council on the 31 May 2023	-	-	Policies Council resolutions Attendance register	A4
4.2	Development of operationalization of SCM Plans	Implementation and monitor of the procurement plan by June 2023	Progress report	2022/23 quarterly plans	Developed and adopted Procurement Management Plan by August 2022	Not achieved	Departments didn't submit their departmental Plans	Procurement plan to be submitted to the next council meeting	Resolution and adopted copy	Council	B4
4.3	Development of operationalization of SCM Plans	Implementation and monitoring of the procurement plan by June 2023	Quarterly progress report	2022/23 quarterly plans	Procurement Plan implemented by June 2023	Achieved	-	-	Adverts, Bid Committees meetings minutes Attendance register		C4

Key Performance Area 4: FINANCIAL MANAGEMENT AND VIABILITY

PERFORMANCE OBJECTIVES AND INDICATORS QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE

FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
4.4	Promotion and maintenance SCM	Irregular, fruitless and wasteful expenditure reduced by June 2023	Quarterly Progress report	2022/23 quarterly plans	Irregular, fruitless and wasteful expenditure reduced by June 2023	Not achieved	No MPAC meeting convened for Q1	The report to be submitted in the next MPAC Meeting	Monthly Financial Progress reports	D4
4.5	Promotion and maintenance SCM	Quarterly SCM reports submitted to the Mayor and Accounting Officer by June 2023	Quarterly report	2022/23 SCM Reports	Quarterly SCM reports submitted to the Mayor and Accounting Officer June 2023	Achieved	-	-	Quarterly SCM report Submitted to the Mayor	E4
4.6	Grow Mohokare	12 local businesses awarded by June 2023	LED reports	12 business reports awarded	12 local businesses awarded by June 2023	Achieved	-	-	Report on LED	F4
4.7	Grow Mohokare	50 % creditors paid within 30 days monthly	Invoices and expenditure forms	45% Creditors paid	50 % creditors paid within 30 days monthly	Achieved	-	-	Quarterly Financial reports Invoices and expenditure forms	G4

Key Performance Area 4: FINANCIAL MANAGEMENT AND VIABILITY

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
4.8	To ensure compliance with MFMA and Treasury regulations and implement internal controls	Payment vouchers of Third Parties done by the 7th of each month	Payment reconciliations	Proof of payment	Third Party paid by the 7 th of each month	Achieved	-	-	Proof of payment Quarterly 3 rd party reconciliations register	H4
4.9	To ensure compliance with MFMA and Treasury regulations and implement internal controls	Compliance with SARS directive on VAT issues.	VAT Returns	2022/23 VAT Returns	Submission of 12 VAT 201 returns	Achieved	-	-	VAT returns	I4
4.10	Grow Mohokare	30% of debt collected by June 2023	Quarterly report	% debt collected	30% of debt collected by June 2023	Achieved	-	-	Quarterly revenue report	J4
4.11	Provide free basic water to indigent households	Registration of indigent households quarterly	Indigent register	1440 indigents registered in 2022/23	1200 indigent households registered by June 2023	Achieved	-	-	Report on indigent status on	K4

Key Performance Area 4: FINANCIAL MANAGEMENT AND VIABILITY

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	Annual Actual Performance 2022-23	Reason for Deviation	Corrective Measure(s) Taken To be Taken To Improve Performance	POE Required	Reference
4.12	Fully effective asset management unit	Quarterly updating of the reports against the asset register and preparation of fixed and infrastructure asset registers by June 2023	Quarterly reports	2022/23 quarterly reports	Quarterly updating of the moveable assets against the asset register and preparation of fixed and infrastructure asset registers by June 2023	Achieved	-	-	GRAP compliant asset Register Detailed quarterly report on updating of asset register	L4
4.13	Implementing effective internal controls and monitoring compliance	Timely submission of reports to Council, NT and PT (Section 71& 52) quarterly	Quarterly reports	Compliance reports as per MFMA	Quarterly reports	Achieved	-	-	Quarterly reports	M4
4.14	Compliance of Compliant AFS	Submission of Draft Compliant to AG, NAT,PT Financial Statements to AG, National and Provincial Treasury by 31 st August 2022	Compliant AFS to AG, NAT,PT by 31 Aug 2022	Submitted AFS by 31 st August 2022	Compliant AFS to AG, NAT,PT by 31 Aug 2022	Not achieved	Due to the late submission of the AFS and APR which only occurred on the 30 th	Extension date for submission is 30 November 2022	Proof of submission to AG, NT and PT	N4

Key Performance Area 4: FINANCIAL MANAGEMENT AND VIABILITY

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE
FOR THE PERIOD 1 JULY 2022 – 30 JUNE 2023		

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
4.15	Submission of Compliant AFS	Submission of Final compliant Financial Statements to Council, NT and PT by 25 January 2023	Submitted final AFS	Submitted final AFS Council by 25 Jan 2023	Submitted final AFS to Council by 25 January 2023	Not achieved	Annual Financial Statements submission was in November 2022 and this caused the delay for the audit that was completed at the end of February 2023.	AFS audit only completed by 03 March 2023	Proof of submission to AG, NT and PT	04

Key Performance Area 5: Local Economic Development

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE								
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	Annual Actual Performance 2022-23	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference

FOR THE PERIOD 1 OCTOBER 2022-30 JUNE 2023

NAME OF DEPARTMENT: LED UNIT

5.1	Enhancement of the local economy	5 year LED Strategy developed by June 2023	Reviewed LED Strategy	2022/23 LED Strategy	5 year LED Strategy developed by June 2023	Achieved	-	-	Council Resolution and a copy of the adopted strategy	A5
5.2	Enhancement of the local economy	12 Business expos conducted to assist cooperatives and SMEs per town	Invites and attendance registers	4 Business expos conducted	12 Business expos conducted to assist cooperatives and SMEs per town	Achieved	-	-	Invites and attendance Registers	B5
5.3	Enhancement of the local economy	Reviewed SME support Policy by June 2023	Reviewed and adopted Policy	SME Policy 2022/2023 reviewed	Reviewed SME Policy support by June 2023	Achieved	-	-	Council Resolution and a copy of the Policy	C5

Key Performance Area 5: Local Economic Development										
PERFORMANCE OBJECTIVES AND INDICATORS					QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 OCTOBER 2022-30 JUNE 2023										
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Taken/ To be Performance	POE Required	Reference
5.4	Enhancement of the municipality's local economy	Developed and approved Tourism Policy by June 2023	Approved Policy	New KPI	Developed and approved Tourism Policy by June 2023	Not achieved	Waiting for guidelines on policy formulation from COGTA	-	Guidelines and policy adoption by council	D5

Key Performance Area 6: ENVIRONMENTAL MANAGEMENT AND RECREATIONAL FACILITIES

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					FOR THE PERIOD 1 JULY 2022-30 JUNE 2023				
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference	

6.1	Provision of sustainable Human Settlement Policy by June 2023.	Reviewed Human Settlement Policy	adopted Council policy	Human Settlement Sector Plan 2022/23	Review of Human Settlement Sector Plan by June 2023	Achieved	-	-	Council resolution and a copy of the Plan	A6
6.2	Provision of sustainable Human Settlement Policy by June 2023.	Reviewed Land Disposal Policy	adopted Council policy	2022/2023	Land Disposal Policy developed by June 2023	Achieved	-	-	Council resolution a copy of the plan	B6

Key Performance Area 6: ENVIRONMENTAL MANAGEMENT AND RECREATIONAL FACILITIES

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE	
FOR THE PERIOD 1 JULY 2022-30 JUNE 2023			

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
6.3	Provision of sustainable Human Settlements in all the three towns by 30 J2023.	Reviewed of Municipal Housing Rental Policy by June 2023	Council adopted policy	Municipal rental housing policy in place by 2022/23	Reviewed of Municipal Housing Rental Policy by June 2023	Achieved	-	-	Council resolution a copy of the plan	C6
6.4	Provision of sustainable Human Settlements in all the three towns by 30 June 2023.	Reviewed Municipal sites allocation Policy by June 2023	Council adopted policy	2022/23 Policy	Reviewed Municipal sites allocation Policy by June 2023	Not Achieved	No assistance received from the Department of Cooperative Governance and Traditional Affairs to review the municipal sites allocation policy	Draft policy has been developed and shall be ensured that the final policy is in place for the 2023/24 financial year.	Council resolution and a copy of the Policy	D6
6.5	Management of Local Disaster as per	Review and implementation of the local disaster management	Council adopted policy	Local Disaster Management Plan in place 2022/23	Reviewed Disaster Management Plan by June 2023	Achieved	-	-	Council resolution and a copy of the Plan	E6

Key Performance Area 6: ENVIRONMENTAL MANAGEMENT AND RECREATIONAL FACILITIES

PERFORMANCE OBJECTIVES AND INDICATORS		QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE			
FOR THE PERIOD 1 JULY 2022-30 JUNE 2023					

ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Annual Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
6.6	Provision of sustainable Commonage Management Plan	Commonage Management plan by June 2023	Council adopted policy	2022/23 Commonage management plan in place	Reviewed Commonage Management Plan by June 2023	Achieved	-	-	Council resolution and a copy of the Plan	F6
6.7	Management of Sports and Facilities	Reviewed Sports and Facilities Management policy by June 2023	Council adopted policy	2022/23 Sports Facility Management	Reviewed Sports and Facilities Management policy by June 2023	Achieved	-	-	Council resolution and a copy of the Policy	G6
6.8	Management of Cemeteries and Municipal Amenities	Reviewed Cemetery Management Policy by June 2023	Council adopted policy	2022/23 Cemetery Management	Reviewed Cemetery management Policy by June 2023	Achieved	-	-	Council resolution and a copy of the plan	H6
6.9	Environment	Reviewed	Approved	2022/23	Reviewed	Achieved	-	-	Council Resolution and	I6

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Key Performance Area 6: ENVIRONMENTAL MANAGEMENT AND RECREATIONAL FACILITIES

PERFORMANCE OBJECTIVES AND INDICATORS					QUARTERLY PERFORMANCE TARGETS AND FEEDBACK ON ACTUAL PERFORMANCE					
FOR THE PERIOD 1 JULY 2022-30 JUNE 2023										
ID	Strategic Objective	Key Performance Indicator (KPI)	Unit of Measurement	Baseline 2022/23	Annual Target 2022/23	2022-23 Actual Performance	Reason for Deviation	Corrective Measure(s) Taken/ To be Taken to Improve Performance	POE Required	Reference
	Health Management	Integrated Waste Management Plan by August 2022	Plan	Adopted IWMP	Integrated Waste Management Plan by August 2022				a copy of the plan.	

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employee Totals

Mohokare Local Municipality employs 241 (including non-permanent positions) officials, who individually and collectively contribute to the Municipality's strategic objectives. The primary objective of Human Resource Management is to render innovative HR services that address both skills development and administrative function.

Description	Total Employees						
	Year-1		Year 0		Employees No.	Vacancies No.	Vacancies %
	Employees No.	Approved Posts No.	Employees No.	Approved Posts No.			
Water	43	51	43	8	17%		
Waste Water (Sanitation)	39	54	39	15	28%		
Electricity	1	1	1	0	0%		
Waste Management	26	37	26	11	30%		
Housing	4	4	4	0	0%		
Waste Water (Storm water Drainage)	-	-	-	-	-		
Roads	8	21	8	13	62%		
Transport	-	-	-	-	-		
Planning	2	2	2	0	0%		
Local Economic Development	2	2	2	0	0%		
• Planning/Strategic &	-	-	-	-	-		
Local Economic Development	-	-	-	-	-		
Community & Social Services	8	9	8	1	12%		
Environmental Protection	-	-	-	-	-		
Health	-	-	-	-	-		
Security and Safety	14	23	14	9	39%		
Sport and Recreation	1	2	1	1	50%		
Corporate Policy Offices and Other	30	35	30	5	14%		
Totals	178	241	178	63	26%		

Vacancies

Vacancy Rate: 2022/2023

Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance)	3	2	67%
Other S57 Managers (Finance posts)	-	-	-
Police officers	-	-	-
Fire fighters	-	-	-
Senior management: Levels 13-15	-	-	-
Senior management: Levels 13-15	-	5	23%
Highly skilled supervision: levels 9-12	-	1	33%
Highly skilled supervision: levels 9-12	-	-	12%
Total			16 %

Turnover

Turn-over Rate 2022/23			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year No.	Turn-over Rate*
Year 2022/23	4	12	33%

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

POLICIES

Policies and plans provide guidance for fair and consistent staff treatment and approach to managing staff.

All policies relevant to Human Resources have been reviewed and implemented in the years under review.

Human Resource policies road shows have been embarked upon to train and share information of the policies to all staff members.

The table below shows the HR Policies and Plans that are approved:

HR Policies and Plans					
	Name of Policy	Completed	Reviewed	Date adopted by council	
1	Human Resource Development Strategy	100	100	24 July 2018	
2	Organogram	100	100	24 July 2018	
3	Organizational Design Policy	100	100	24 July 2018	
4	Employment Policy	100	100	24 July 2018	
5	Leave Policy	100	100	24 July 2018	
6	Occupational Health and Safety Policy	100	100	24 July 2018	
7	Overtime Policy	100	100	24 July 2018	
8	Relocation Policy	100	100	24 July 2018	
9	Councilor Remuneration Policy	100	100	24 July 2018	
10	Staff Retention Policy	100	100	24 July 2018	
11	Employment Equity policy	100	100	24 July 2018	

INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty						
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Days	Total Estimated Cost
Required basic medical attention	0	0	1	0	0	0
Temporary total disablement	0	0	0	0	0	0
Permanent disablement	0	0	0	0	0	0
Fatal	0	0	0	0	0	0
Total	0	0	0	0	0	0

Injuries, sickness and suspensions excl. injuries on duty

Salary band	Total sick leave	Proportion of sick	Employees using sick leave	Total employees in posts	Average sick leave per employee	Estimated cost
Lower skilled (Levels 1-2)	0	0	0	0	0	
Skilled(Levels 3-5)	200	20%	40	143	12	120 000
Highly skilled production(levels 6-8)	120	12%	25	60	17	80 000
Highly skilled supervision(levels 9-12)	75	15%	30	39	6	168 000
Senior management(Levels 13-15)	30	0	6	15	17	40 000
MM and S57	12	0	1	3		32 000
Total	407	47%	90	260	10.8	440 000

Suspensions

Number and period of suspension				
Position	Nature of Alleged Misconduct	Date of Suspension	Details Disciplinary Action taken or Status of case and reasons why not finalized	Date Finalized
NO SUSPENSIONS REPORTED				

Cases of financial misconduct

Disciplinary Action Taken On Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
NO CASES REPORTED			

PERFORMANCE REWARDS

In terms of regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 R. 805 a bonus may only be paid after the municipal council has adopted the annual report of the year under review.

All Senior Managers appointed in terms of Section 56 of the MSA are on fixed-term performance contracts. The Individual Performance Management System has not been fully cascaded down to all institutional levels within the municipality. Currently there is no performance bonus system for non-section 56 employees, only a notch progression methodology is currently utilized.

This will be put in place once the organization achieves the necessary performance management maturity level. The table below sets out the total number and cost of annual bonuses paid out to senior managers and fixed term contract employees for the 2018/19 financial year:

Performance Rewards By Gender						
Designations	Beneficiary profile					
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within	
Lower skilled (Levels 1-2)	Female	0	0	0	0	
	Male	0	0	0	0	
Skilled (Levels 3-5)	Female	0	0	0	0	
	Male	0	0	0	0	
Highly skilled production (levels 6-8)	Female	0	0	0	0	
	Male	0	0	0	0	
Highly skilled supervision (levels 9-12)	Female	0	0	0	0	
	Male	0	0	0	0	
Senior management (Levels 13-15)	Female	0	0	0	0	
	Male	0	0	0	0	
MM and S56	Female	0	0	0	0	
	Male	4	4	4	0	
Total		4	4	0	0	

No performance bonuses were paid during the financial year under review.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Section 68 of the Municipal Systems Act states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, and efficient and accountable way and for this purpose must comply with Skills Development Act and Skills Development Levies Act.

Mohokare Local Municipality had an approved and adopted workplace skills Plan detailing the trainings planned by the municipality for 2022/2023.

Training plan was developed with time frames and approved by management for implementation. Further to that the municipality applied for Discretionary grant from LGSETA unfortunately we were not approved.

Challenges: Municipality depends most on the LGSETA grants in order to implement most of the programmes due to financial constraints. The Municipality experienced challenges on the implementation of the programmes in the financial year 2022/2023 hence in attempt to rescue the situation by submitting applications for Discretionary grants.

SKILLS DEVELOPMENT AND TRAINING

Management level		Gender	Employees in post as at 30 June (2023)	No.	Number of skilled employees required and actual as at 30 June Year 2023											
Learner ships					Skills programmes & other short courses			Other forms of training			Total					
Actual: End of Year-1	Actual: End of Year 0	Target	Actual: End of Year-1	Actual: End of Year 0	Target	Actual: End of Year-1	Actual: End of Year 0	Target	Actual: End of Year-1	Actual: End of Year 0	Target	Actual: End of Year-1	Actual: End of Year 0	Target		
															Actual: End of Year-1	Actual: End of Year 0
Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Male	3	1	1	0	0	0	0	0	0	0	0	0	1	1		
Councillors, senior officials and managers	Female	7	4	4	1	1	3	3	0	0	0	0	0	5		
Male	21	6	6	3	3	3	0	0	0	0	0	0	9	9		
Technicians and associate professionals*	Female	2	0	0	0	0	0	0	0	0	0	0	0	0		
Male	2	0	0	0	0	0	0	0	0	0	0	0	0	0		
Professionals	Female	16	0	0	3	3	0	0	0	0	0	0	3	3		
Male	8	0	0	5	5	5	0	0	0	0	0	0	5	5		
Sub total	Female	25	4	4	4	4	0	0	0	0	0	0	4	12		
Male	34	7	7	8	8	8	0	0	0	0	0	0	15	70		
Total		59	11	11	11	11	24	24	24	24	24	24	19	70		

Skills Matrix

Financial Competency Development Progress Report

Financial Competency Development: Progress Report*

Description	A.		B.		Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 16 and B (Regulation 14)(e))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14)(e))
	Total number of officials employed by municipal entities	Total number of officials employed by municipal entities	Total number of officials employed	Total number of officials employed				
Financial Officials								
Accounting officer	1	1	0	0	0	0	1	0
Chief financial officer	1	1	0	1	1	1	1	1
Senior managers	1	1	0	1	1	1	1	1
Any other financial officials	7	7	0	7	7	6	0	6
Supply Chain Management Officials								
Supply Chain Heads of supply chain	1	1	0	1	1	1	1	1
Supply chain management senior managers	0	0	0	0	0	1	1	1
TOTAL	11	11	0	10	10	10	5	1

* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

Skills Development Expenditure

Skills Development Expenditure												
Management level	Gender	Employees as at the beginning of the financial year	Learner ships		Skills programmes & other short courses		Other forms of training		Total		R'000	
			Original	Actual	Original	Actual	Original	Actual	Original	Actual		
MM and S57	Female	0	0	0	0	0	0	0	0	0	0	
	Male	3	0	0	0	0	0	0	0	0	0	
Legislators, senior officials and managers	Female	7	5000	0	0	0	0	0	0	0	5000	
	Male	18	2000000	0	0	0	0	0	0	0	200000	
Professionals	Female	16	0	12000	12000	0	0	12000	0	0	12000	
	Male	23	0	8000	8000	0	0	8000	0	0	8000	
Technicians and associate professionals	Female	0	0	0	0	0	0	0	0	0	0	
	Male	0	0	0	0	0	0	0	0	0	0	
Clerks	Female	31	0	0	0	0	0	0	0	0	0	
	Male	7	0	0	0	0	0	0	0	0	0	
Service and sales workers	Female	5	0	0	0	0	0	0	0	0	0	
	Male	17	0	0	0	0	0	0	0	0	0	
Plant and machine operators and assemblers	Female	8	0	0	0	0	0	0	0	0	0	
	Male	15	0	0	0	0	0	0	0	0	0	
Elementary occupations	Female	70	0	0	0	0	0	0	0	0	0	
	Male	120	0	0	0	0	0	0	0	0	0	
Sub total	Female	137	50000	12000	12000	0	0	0	0	0	62000	
	Male	123	200000	50000	80000	0	0	0	0	0	208000	
Total		260	2500000	20000	20000	0	0	0	0	0	270000	

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*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.

SKILLS DEVELOPMENT

The Skills Development Act aims to develop the skills of the South African workforce and to improve the quality of life of workers and their prospects of work; to improve productivity in the workplace and the competitiveness of employers and to promote self-employment.

The workplace skills plan is the key strategic planning document relating to workplace training, career pathing and employment equity. The plan details the training planned for the financial year and it is informed by the IDP, Skills audit results and the MFMA in terms of Section 83(1). The municipality endeavours to provide training as planned in the WSP but due to financial constraints not all trainings are implemented. However, there is significant progress to ensure that in a financial year employees receive quality training to acquire new skills and improve performance.

**COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE
EMPLOYEE EXPENDITURE**

Section 66 of the Municipal Systems Act states that the Accounting Officer of the municipality must report to the Council on all expenditure incurred by the municipality on staff salaries wages, allowances and benefits. This is line with the requirements of the Public Services Regulations, 2002 as well as National Treasury Budget and Reporting Regulations.

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	None
	Male	None
Skilled (Levels 3-5)	Female	None
	Male	None
Highly skilled production (Levels 6-8)	Female	None
	Male	None
Highly skilled supervision (Levels 9-12)	Female	None
	Male	None
Senior management (Levels 13-16)	Female	None
	Male	None
MM and S 57	Female	None
	Male	None
Total		None

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation			
Occupation	Number of employees	Job evaluation level	Remuneration level
None			
Employees appointed to posts not approved			
Department	Level	Date of appointment	No. appointed when no established post exist
None			

CHAPTER 5 - FINANCIAL PERFORMANCE

The overall operating results achieved for the past financial year closed off with a surplus of R 12.1 million compared to a budgeted surplus of R 58.9 million. Operating revenue for the year is R 262 million (2022: R 211.5 million) which reflects an increase of 23.88%. The operating expenditure for the year is R 253.2 million (2022: R 327.7 million) which reflects a decrease of 22.73%.

The total capital expenditure capitalized for the year in respect of property, plant and equipment amounted to R 8.4 million. Cash and short term investments closed with a negative balance of –R 9 419 726 (2022: R 148 thousand).

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Operating revenue excluding government grants and subsidies but including equitable share for the year is R 250 million (2022: R 202.8 million) which reflects an increase of 23.3%. Included in the above figure is equitable share to the amount of R 86.9 million, 32.8% of the total revenue.

Electricity and water are the largest source of income and contributes 11.15% and 19.33% respectively to operating revenue. Property rates constitute 5% of revenue.

Fines, Penalties and Forfeits has increased from R 86 thousand to R 104 thousand.

The operating expenditure for the year is R 253.2 million (2022: R 327.7 million) which reflects a decrease of 22.7% from the previous financial year. The main expenditures are employee related costs at R 90.6 million, debt impairment at R 22.9 million, bulk purchases at R 35.4 million and depreciation and amortisation at R 24 million. Repair and maintenance decreased from R 3.3 million to R 2.3 million.

COMPONENT B: STATEMENTS OF FINANCIAL POSITION

The current assets increased from R 34.1 million to R 130.2 million. This is an increase of 281.8%. This is an increase of R 96.1 million.

The current liabilities increased from R 182 million to R 215 million. This is an increase of R 33 Million.

The non-current assets decreased from R 722.8 million to R 708.9 million. This is a decrease of R 13.9 million or 1.96%. This was largely due to capital grants from RBIG and WSIG.

The non-current liabilities increased by R 37.1 million.

STATEMENTS OF FINANCIAL PERFORMANCE

Financial Performance of Operational Services							R '000
Description	2021-22		2022-23		2022-23 Variance		
	Actual	Original Budget	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost							
Water	27 131	23 985		26 347	27 324	13.92%	3.71%
Waste Water (Sanitation)	9 423	9 827		9 587	10 116	2.94%	5.52%
Electricity	38 233	28 468		27 453	36 683	28.86%	33.62%
Waste Management	8 372	7 801		7 863	8 863	13.61%	12.72%
Housing	1 007	1 008		1 189	1 170	16.02%	-1.64%
Component A: sub-total	84 166	71 089		72 439	84 156	18.38%	16.18%
Roads	8 902	7 562		5 533	8 132	7.54%	46.98%
Component B: sub-total	8 902	7 562		5 533	8 132	7.54%	46.98%
Planning	7 214	9 642		8 850	6 780	-29.69%	-23.39%
Component C: sub-total	7 214	9 642		8 850	6 780	-29.69%	-23.39%
Community & Social Services	39 843	8 151		7 940	14 709	80.46%	85.25%
Security and Safety	3 263	4 247		3 373	3 147	-25.90%	-6.70%
Sport and Recreation	589	1 323		674	481	-63.65%	-28.64%
Corporate Policy Offices and Other	183 724	121 956		125 079	135 839	11.38%	8.60%
Component D: sub-total	227 420	135 677		137 066	154 176	13.63%	12.48%
Total Expenditure	327 702	223 970		223 888	253 245	13.07%	13.11%

COMMENTS

Significant variances can be noted in several departments. This relates mainly to Electricity, Planning, Community & Social Services, Security & Safety and Sports and Recreation.

GRANTS

Description	Grant Performance					R' 000	
	2021-22		2022-2023		2022-23 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)		Adjustments Budget (%)
Operating Transfers and Grants							
National Government:	85 476	91 025	91 025	95 355			
Equitable share	76 781	86 952	86 952	86 952	0%	0%	
Finance Management Grant	2 850	3 000	3 000	3 000	0%	0%	
Expanded Public Works Programme	1 131	1 073	1 073	1 073	0%	0%	
Provincial FSPT	-	-	-	-	100%	100%	
Treasury: Payment of audit fees	4 714	-	-	4 330	100%	100%	
Co-Operative Governance and Traditional	-	-	-	-	100%	100%	
Municipal Disaster Relief Grant	-	-	-	-	0%	0%	
Total Operating Transfers and Grants	85 476	91 025	91 025	95 355			
						T 5.2.1	

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The equitable share grant increased this financial year. This is due to the fact that the local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period.

All transfers and grants received for the year have been spent for the purposes they were received for where conditions were attached.

All conditional grants were received except for R 25.706 million withheld from the Equitable Share Grant in respect of unspent conditional grant funding.

ASSET MANAGEMENT

Asset management remains a concerning area in Mhokare Local Municipality due to reliance on consultants on infrastructure assets and lack of capacity that would ensure the transfer of skills by consultants. Only one person is working in the division and is fully responsible for movable assets. The Smithfield - Refurbishment of WTW project was completed and unbundled in the last financial year.

The asset division will be capacitated on the draft organogram. Currently the municipality will use consultants to unbundle any completed projects. However, it should be noted that these projects are taking significantly longer to complete due to unspent conditional grant.

Repair and Maintenance Expenditure: 2022-23					R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance	
Repairs and Maintenance Expenditure	1 736	2 728	2 343	14%	T 5.3.4

The figure above does not include labour, transport and overheads.

There was an under expenditure of 14% of the budgeted amount for the purchase of materials.

**COMPONENT B: SPENDING AGAINST CAPITAL BUDGET
SOURCES OF FINANCE**

Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details	2021-22		2022-23				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	-	-	-	-	0.00%	0.00%	
Public contributions and donations	-	-	-	-	0.00%	0.00%	
Grants and subsidies	42 533	45 486	45 486	8 068	0.00%	-82.26%	
Internally generated funds	351	990	1 100	330	11.11%	-66.69%	
Total	42 884	46 476	46 586	8 398	11.11%	-148.95%	
Percentage of finance							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	99.2%	97.9%	97.6%	96.1%	0.0%	55.2%	
Other	0.8%	2.1%	2.4%	3.9%	100.0%	44.8%	
Capital expenditure							
Water and sanitation	22 020	40 080	40 180	8 068	0.25%	-79.67%	
Electricity	7 445	-	-	-	0.00%	0.00%	
Housing	-	-	-	-	0.00%	0.00%	
Roads and storm water	-	889	889	-	0.00%	-100.00%	
Other	10 598	5 508	5 518	330	0.18%	-94.01%	
Total	40 063	46 476	46 586	8 398	0.43%	-273.88%	
Percentage of expenditure							
Water and sanitation	55.0%	86.2%	86.2%	96.1%	57.9%	29.2%	
Electricity	18.6%	0.0%	0.0%	0.0%	0.0%	0.0%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	0.0%	1.9%	1.9%	0.0%	0.0%	36.5%	
Other	26.5%	11.9%	11.8%	3.9%	42.1%	34.3%	
						75.6.1	

CAPITAL SPENDING ON THE FIVE LARGEST PROJECTS

Name of Project	Capital Expenditure of 5 largest projects*				R' 000
	2022/23		Variance: 2022-23		
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	
Smithfield/Mofuatshepe: The upgrading of the outfall sewer	9 894	9 894	5 204	-90%	-90%
Zastron/Matlakeng: The construction of a sewer network in Refengkhotsa for 900 erven	9 557	9 557	903	-959%	-959%
Smithfield/Mofuatshepe: The construction of 1km access road with related storm water in Greenfield Phase 1	9 183	9 183	742	-1138%	-1 138%
The Construction of an abstraction works on the Orange River and equipping of x2 raw water pump stations in Rouxville	8 273	8 273	31 330	74%	74%
Upgrading of the Rouxville/Roleleathunya water treatment works (WTV) (civil works) to a capacity of 3.2m ³ /day, construction of new 4.8 km long main rise from the WTV to the 3 existing reservoirs and upgrading of infrastructure for 5 existing boreholes	4 794	4 794	5 200	8%	8%
<i>* Projects with the highest capital expenditure in Year 0</i>					
Name of Project - A	Construction of the abstraction works in Rouxville				
Objective of Project	Increase of raw bulk water supply to Rouxville				
Delays	Project is currently not in progress as contractor vacated site due to municipality not paying invoices				
Future Challenges	Differences between contractor and the Municipality regarding the contract				
Anticipated citizen benefits	Sustainable water supply to residents of Rouxville, Roleleathunya and Uitkoms				
Name of Project - B	Upgrading of the Rouxville / Roleleathunya Water Treatment Works				
Objective of Project	Increase of bulk water supply to Rouxville				
Delays	Project is currently not in progress as contractor vacated site				
Future Challenges	Maintenance of the treatment works				
Anticipated citizen benefits	Sustainable water supply for future demands				
Name of Project - C	Smithfield / Mofuatshepe: Upgrading of the outfall sewer				
Objective of Project	Upgrading of outfall sewer in Smithfield/Mofuatshepe				
Delays	Project is currently not in progress as contractor vacated site				
Future Challenges	Differences between contractor and the Municipality regarding the contract				
Anticipated citizen benefits	Sustainable sewer maintenance for residents of Smithfield and Mofuatshepe				
Name of Project - D	Zastron/Matlakeng: Upgrading of Waste Water Pump Stations and construction of new outfall sewer line (MIS:295628)				
Objective of Project	Upgrading of waste water pump stations in Zastron/Matlakeng				
Delays	Project is currently not in progress as contractor vacated site due to municipality not paying invoices				
Future Challenges	Maintenance of the waste water pump stations				
Anticipated citizen benefits	Sustainable waste water maintenance for future demands				
Name of Project - E	Rouxville/Roleleathunya: Construction of paved 2km access road and related storm water - phase 2 (MIS:273182)				
Objective of Project	Upgrading of Rouxville/Roleleathunya roads				
Delays	None identified				
Future Challenges	Maintenance of the road				
Anticipated citizen benefits	Better roads and related storm water				
					T 5.7.1

CASH FLOW

UNAUDITED ANNUAL REPORT 2022-2023

Cash Flow Outcomes

Description	R'000			
	2021-22 Audited Outcome	Current: 2022-23 Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	56 948	111 331	116 209	47 355
Government - operating	63 950	93 789	93 789	70 931
Government - capital	78 350	45 486	45 486	32 406
Interest	230	-	-	86
Dividends	14	12	12	19
Payments				
Suppliers and employees	(163 710)	(165 669)	(168 256)	(129 141)
Finance charges	(17 834)	-	-	(17 833)
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	17 947	84 949	87 240	3 824
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (Increase) other non-current receivables				
Decrease (Increase) in non-current investments	411			
Payments				
Capital assets	(38 544)	(46 476)	(46 586)	(7 898)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(38 544)	(46 065)	(46 586)	(7 898)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	17 123			11 667
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	17 123	-	-	11 667
NET INCREASE/ (DECREASE) IN CASH HELD	(3 473)	38 884	40 654	7 593
Cash/cash equivalents at the year begin:	1 594	33 556	33 556	1 594
Cash/cash equivalents at the year end:	(1 878)	72 440	74 210	9 188
Source: MBRR AY				1 597

The municipality closed the 2022/23 financial year with a positive balance of R 9,2 million.

BORROWINGS AND INVESTMENT

The big portion of borrowing facilities relates to Centlec. The Centlec Payable relates to the amounts owed to Centlec in terms of services provided on behalf of the Municipality. This accounts for electricity bulk purchases, electricity sales on behalf of Mohokare Local Municipality, general expenditure incurred in the process of performing these duties as well as distribution losses. No contractual agreement regarding repayment terms interest rate applicable, maturity date has been agreed upon and based on past history there is no indication that Centlec will demand payment within the next 12 months.

Instrument	Actual Borrowings: 2020-21 to 2022-23			R' 000
	2020-21	2021-22	2022-23	
Municipality				
Long-Term Loans (annuity/reducing balance)	47 420	64 754	76 441	
Financial Leases	–	–	–	
Municipality Total	47 420	64 754	76 441	
				<i>T 5.10.2</i>

Investments are made with different financial institutions.

Investment* type	2020-21		2021-22		2022-23		R' 000
	Actual		Actual		Actual		
Municipality							
Deposits - Bank	3 546		148		150		
Municipality sub-total	3 546		148		150		
Consolidated total:	3 546		148		150		
							<i>T 5.10.4</i>

PUBLIC PRIVATE PARTNERS

Mohokare Local municipality is not involved in any Public Private Partnership agreements at present.

COMPONENT D: OTHER FINANCIAL MATTERS

SUPPLY CHAIN MANAGEMENT

Progress made by MLM in developing and implementing policies and procedures. The current SCM Policy has been approved by Council and by the Provincial Treasury.

All SCM officials are competent and they all meet the minimum requirements and this enables them to carry out their duties effectively

<u>No</u>	<u>Name</u>	<u>Qualification</u>
1	Pule Lesenyeho	B.Com (General) + MFMP
2	Thabiso Lebete	National Diploma (Internal Auditing) + MFMP
3	Thandiwe Aphane	B.Com (Marketing and Tourism)
4	Refiloe Motaung	National Diploma (Cost and Management Accounting)

AGSA recommended that an SCM Manager be appointed. The Municipality did not have this vacancy previously in the organogram and it is now included.

GRAP COMPLIANCE

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

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

CHAPTER 6 – AUDITOR GENERAL

This chapter will detail the following audit related information:

- Report of the Auditor-General to the Free State Provincial Legislature and the council of Mhokare Local Municipality (Reference is made to Chapter 1 section 1.5 - Auditor General's Report 2022/23 financial year.

Report of the auditor-general to the Free State Provincial Legislature and council on the Mohokare Local Municipality

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Mohokare Local Municipality set out on 6 to page 97 of the annexure where the AFS is specifically included, which comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report. I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Cash and cash equivalents

3. I was unable to obtain sufficient appropriate audit evidence for cash and cash equivalents as the municipality did not have adequate systems for processing and reconciliation of cash and cash equivalents. I was unable to confirm the cash and cash equivalents by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to cash and cash equivalents stated at R9 187 713 in note 8 to the financial statements.

Receivables from exchange transactions

4. I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions due to unreconciled differences between the debtors' age analysis and the amounts recorded in the financial statements. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to receivables from exchange transactions stated at R102 853 532 (2022: R8 233 123) in note 4 to the financial statements.

Receivables from non-exchange transactions

5. I was unable to obtain sufficient appropriate audit evidence for receivables from non-exchange transactions due to unreconciled differences between the debtors' age analysis and the amounts recorded in the financial statements. I was unable to confirm the receivables from non-exchange transactions by alternative means. Consequently, I

was unable to determine whether any adjustments were necessary to receivables from non-exchange transactions stated at R7 636 908 in note 5 to the financial statements.

Property, plant and equipment

6. I was unable to obtain sufficient appropriate audit evidence for infrastructure assets due to the status of the accounting records. I was unable to confirm the infrastructure assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets stated at R606 298 477 (2022: R619 073 000) in note 11 to the financial statements.

7. In addition, the municipality did not recognise infrastructure – work in progress included in note 11 to the financial statements in accordance with Generally Recognised Accounting Practice (GRAP) 17, *Property, plant and equipment* as the municipality capitalised project expenditure that did not meet the recognition criteria. Differences were also identified between the fixed asset register and the amounts recorded in the financial statements. Consequently, this resulted in an overstatement of infrastructure – work in progress included in note 11 to the financial statements by R27 729 512 (2022: R33 861 800). Additionally, there was an impact on the payables from exchange transactions, surplus for the year and accumulated surplus.

8. During 2022, we could also not physically verify some of the assets included in the fixed asset register, resulting in an overstatement of movable assets disclosed in note 11 to the financial statements by R3 448 044 and an understatement of the loss on disposal of assets and liabilities by the same amount. Additionally, there was also an impact on accumulated depreciation and accumulated impairment, depreciation and amortisation, the deficit for the year and the accumulated surplus.

Payables from exchange transactions

9. I was unable to obtain sufficient appropriate audit evidence for the current payables from exchange transactions due to a lack of record keeping and reconciliation of the trade payables, payments received in advance, unallocated deposits and staff salaries and third parties included in note 13 to the financial statements. I was unable to confirm the current payables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the current payables from exchange transactions stated at R169 938 212 (2022: R140 204 127) in note 13 to the financial statements.

10. During 2022, the municipality did not account for payables from exchange transactions in accordance with GRAP 1, *Presentation of financial statements* as the municipality did not record all suppliers in the trade payables listing. Consequently, this resulted in trade payables and general expenditure being understated by R89 472 834. There was also an impact on the deficit for the year and accumulated surplus.

VAT receivable

11. I was unable to obtain sufficient appropriate audit evidence for VAT receivable due to the status of the underlying accounting records and the lack of reconciliation of the VAT control accounts. I was unable to confirm the VAT receivable by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the VAT receivables stated at R8 739 106 (2022; R21 626 486) in note 6 to the financial statements.
12. In addition, the municipality did not classify VAT receivable in accordance with GRAP 104, *Financial instruments* as the accrual for future VAT assets and liabilities was incorrectly set-off against the VAT receivable included in note 6 to the financial statements. Consequently, I was unable to determine the full extent of the misstatement to the VAT receivable stated at R8 739 106 (2022; R21 626 486) in note 6 to the financial statements as it was impractical to do so. Additionally, there was also an impact on the risk management disclosures in note 42 to the financial statements and the VAT receivable disclosed as part of the additional disclosures in terms of the Municipal Finance Management Act 56 of 2003 (MFMA) in note 48 to the financial statements.

Investment property

13. The municipality did not recognise investment property in accordance with GRAP 16, *Investment property*, as the municipality did not measure investment properties at their fair value to reflect the property's market conditions at the reporting date. I was unable to determine the full extent of the misstatement to the investment property stated at R54 997 648 in note 10 to the financial statements as it was impractical to do so. Additionally, there was also an impact on fair value adjustments, surplus for the year, accumulated surplus and the related disclosures on the valuation method and significant assumptions applied in note 10 to the financial statements.

Provisions

14. The municipality did not recognise the provision for environmental rehabilitation included in note 18 to the financial statements in accordance with GRAP 19, *Provisions, contingent liabilities and contingent assets*. This was due to the municipality calculating the provision for the Zasiron landfill site over its expected remaining useful life of 17 years but there was no indication that this landfill site was licenced, as a result, the obligation to rehabilitate the landfill site accrues immediately. Consequently, the current liability for the provision for environmental rehabilitation included in note 18 to the financial statements was understated by R17 618 802, and the non-current liability for the provision for environmental rehabilitation included in note 18 to the financial statements was overstated by R7 952 168, and the infrastructure assets included in note 11 to the financial statements was understated by R9 666 634. Additionally, there was also an impact on the depreciation and amortisation, surplus for the year and accumulated surplus.

15. During 2022, I was unable to obtain sufficient appropriate audit evidence for the inputs used by the actuaries in their provision calculation as the municipality did not have adequate systems in place to ensure that the relevant supporting records were available to support the actuary's calculations. I was unable to confirm the provision by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the current and non-current provisions stated at R26 751 924 in note 18 to the financial statements.

Employee benefit obligation

16. I was unable to obtain sufficient appropriate audit evidence for the current and non-current employee benefit obligations as the municipality did not provide adequate supporting evidence to confirm the assumptions and estimations applied to the underlying calculations. I was unable to confirm the current and non-current employee benefit obligations by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the current and the non-current employee benefit obligation stated at R22 496 000 in note 15 to the financial statements.

17. During 2022, the municipality did not calculate the post-retirement health care benefit included in note 15 to the financial statements in accordance with GRAP 25, *Employee benefits* as they did not calculate the liability for all eligible employees. Consequently, I was unable to determine the full extent of the impact of the misstatement to employee benefit obligations, actuarial gains/losses and finance costs as it was impractical to do so. Additionally, there was an impact on the deficit for the year and the accumulated surplus.

Other financial liabilities

18. The municipality did not recognise other financial liabilities in accordance with GRAP 104, *Financial instruments* as the financial liabilities were not recognised at amortised cost as required by the accounting standard. In addition, differences were identified between the amount recorded in the financial statements and the amount confirmed with the service provider. I was unable to determine the full extent of the misstatement to other financial liabilities stated at R76 441 100 in note 17 to the financial statements, as it was impractical to do so. Additionally, there was an impact on interest received, finance cost, surplus for the year, accumulated surplus and the risk management disclosures in note 42 to the financial statements.

Service charges

19. I was unable to obtain sufficient appropriate audit evidence for service charges as the municipality did not have adequate systems in place to account for the billing of services. I was unable to confirm the service charges by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to service charges stated at R101 683 353 (2022: R86 913 170) in note 19 to the financial statements.

20. In addition, the municipality did not recognise revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*. This was due to services being levied at incorrect tariffs, properties were not billed for service charges and in other instances, the consumption readings were not accurately captured and billed. Consequently, I was unable to determine the full extent of the misstatement to service charges stated at R101 683 353 (2022: R86 913 170) in note 19 to the financial statements, as it was impractical to do so. Additionally, there was an impact on the receivables from exchange transactions, surplus for the year, accumulated surplus as well as the bulk electricity and water losses disclosed as part of additional disclosures in terms of the MFMA in note 48 to the financial statements.

Interest received on outstanding debtors

21. I was unable to obtain sufficient appropriate audit evidence for interest received on outstanding debtors from exchange transactions due to material differences identified between the age analysis for the receivables from exchange and non-exchange transactions and the amounts recorded in the financial statements. I was unable to confirm the interest received on outstanding debtors by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to interest received on outstanding debtors for exchange and non-exchange transactions stated at R41 366 564 (2022: R25 121 296) in note 21 to the financial statements.

Government grants and subsidies

22. I was unable to obtain sufficient appropriate audit evidence for the government grants and subsidies due to the status of the accounting records. I was unable to confirm the government grants and subsidies by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the government grants and subsidies stated at R98 638 823 (2022: R130 570 128) in note 26 to the financial statements.

Unspent conditional grants and receipts

23. I was unable to obtain sufficient appropriate audit evidence for the unspent conditional grants and receipts due to the status of the accounting records. I was unable to confirm the unspent conditional grants and receipts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the unspent conditional grants and receipts stated at R30 022 272 in note 16 to the financial statements.

General expenditure

24. I was unable to obtain sufficient appropriate audit evidence to confirm that general expenditure was only recognised where the goods and services were actually received and utilised. I was unable to confirm the general expenditure by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to

the general expenditure stated at R38 804 568 (2022: R42 267 411) in note 35 to the financial statements.

Contracted services

25. I was unable to obtain sufficient appropriate audit evidence to confirm that contracted services were only recognised where the goods and services were actually received and utilised. I was unable to confirm the contracted services by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to contracted services stated at R8 516 750 in note 34 to the financial statements.
26. In addition, the municipality did not classify contracted services in accordance with GRAP 1, *Presentation of financial statements* as some expenditure was not correctly classified in terms of the nature of the expenses while in other instances, the municipality did not record the expenditure accurately and/or in the correct financial period. Consequently, contracted services was understated by R3 884 770. Additionally, there was an impact on the general expenditure included in note 35 to the financial statements, trade payables included in note 13 to the financial statements, surplus for the year and accumulated surplus.

Debt impairment

27. I was unable to obtain sufficient appropriate audit evidence for debt impairment due to the material unreconciled differences identified between the age analysis for receivables from exchange and receivables from non-exchange transactions that were used to calculate the value of the debt impairment and the amounts recorded in the financial statements. I was unable to confirm the debt impairment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the debt impairment stated at R22 916 304 (2022: R80 393 089) in note 32 to the financial statements.

Fruitless and wasteful expenditure

28. The municipality did not include all instances of fruitless and wasteful expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. The municipality incurred fruitless and wasteful expenditure in the current and prior financial years on certain capital projects where there was no evidence that the goods and services were received. Consequently, this resulted in an understatement of the closing balance of fruitless and wasteful expenditure by R80 919 054 (2022: R76 977 903), as stated in note 46 to the financial statements.

Unauthorised expenditure

29. The municipality did not include all instances of unauthorised expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. Unauthorised expenditure incurred by the municipality for the spending of conditional grant money not used for its intended purpose was not disclosed in the financial

statements. Consequently, this resulted in an understatement of the unauthorised expenditure by R16 061 489, as stated in note 45 to the financial statements.

Irregular expenditure

30. The municipality did not disclose all instances of irregular expenditure incurred in the notes to the financial statements as required by section 125(2)(d) of the MFMA. Expenditure was incurred in contravention of the supply chain management (SCM) requirements, resulting in irregular expenditure. I was unable to determine the full extent of the irregular expenditure stated at R255 210 142 (2022: R250 814 349) in note 47 to the financial statements as it was impractical to do so.

Commitments

31. I was unable to obtain sufficient appropriate audit evidence for commitments due to the status of the underlying accounting records. I was unable to confirm the commitments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to commitments stated at R114 165 958 in note 40 to the financial statements.

Segment information

32. The municipality did not accurately disclose the segment information included in note 52 to the financial statements in accordance with GRAP 18, *Segment reporting*. This was due to multiple errors made in the total segment revenue and total segment expenditure included in the segment surplus or deficit as part of the segment information disclosure. I was unable to determine the full extent of the errors to the total segment revenue stated at R265 305 277 and total segment expenditure stated at R282 534 028 included in the segment surplus or deficit, included as part of the segment information disclosure as it was impractical to do so.

Net cash flow from operating activities

33. The municipality did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2, *Cash flow statements*. This was due to multiple errors in determining the cash flows from operating activities. I was unable to determine the full extent of the errors in the net cash flows from operating activities as it was impractical to do so. Consequently, I was unable to determine whether any adjustments were necessary to cash flows from operating activities stated at R3 823 840 (2022: R17 947 469) in the financial statements.

Statement of comparison of budget and actual amounts

34. The municipality did not accurately account for the cash flow statement included in the statement of comparison of budget and actual amounts in accordance with GRAP 24, *Presentation of budget information in financial statements*. This was due to the actual amounts recorded in the cash flow statement included as part of the statement of

comparison of budget and actual amount not agreeing to the cash flow statement. Consequently, I was unable to determine the full extent of the errors as it was impractical to do so. Additionally, reasons for all budget differences were not provided in note 53 to the financial statements, as required by the accounting standard.

Financial instruments disclosure

35. The municipality did not correctly disclose its financial assets and liabilities included as part of the financial instruments disclosure in note 39 to the financial statements in accordance with GRAP 104, *Financial instruments*. This was due to material differences being identified between the amounts disclosed for financial assets and financial liabilities in note 39 to the financial statements and the amounts recorded in the statement of financial position. In addition, the municipality did not correctly designate its financial liabilities at their fair value or amortised cost. I was unable to determine the full extent of the errors to the financial assets stated at R37 717 998 and financial liabilities stated at R371 518 389 included as part of the financial instrument disclosure in note 39 to the financial statements as it was impractical to do so.

Risk management

36. The municipality did not adequately disclose its liquidity risk included as part of the risk management disclosures in accordance with GRAP 104, *Financial instruments* as they did not consider and disclose all the financial liabilities in the maturity analysis, as required by the accounting standard I was unable to determine the total extent of the misstatement stated at R154 604 320 (2022: R136 837 944) in note 42 to the financial statements as it was impractical to do so.

Total expenditure

37. Total expenditure was materially misstated by R3 383 962 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

- Employee related costs stated at R90 555 353 was understated by R378 490

In addition, I was unable to obtain sufficient appropriate audit evidence and to confirm the following items by alternative means:

- Employee related costs for which evidence could not be obtained of R1 936 446 as included in the disclosed amount of R90 555 353
- Remuneration of councillors for which evidence could not be obtained of (R211 742) as included in the disclosed amount of R5 444 658
- Finance costs for which evidence could not be obtained of R2 037 748 as included in the disclosed amount of R17 832 769

Material uncertainty relating to going concern

38. I draw attention to the matter below. My opinion is not modified in respect of this matter.
39. Note 54 to the financial statements indicates that as at 30 June 2023, the municipality's current liabilities exceeded its current assets by R84 835 105. The municipality has been deducting pension and provident fund contributions from employees' salaries but has been unable to pay over these amounts deducted to the relevant third parties, as disclosed in note 54. These events or conditions, along with other matters as set forth in note 54, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matter

40. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

41. As disclosed in note 49 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality at, and for the year ended 30 June 2023.

Other matters

42. I draw attention to the matter below. My opinion is not modified in respect of this matters.

Unaudited disclosure notes

43. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

44. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and the Division of Revenue Act 5 of 2022 (Dora); and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
45. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as

applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

46. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
47. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as the other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Report on the audit of the annual performance report

48. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected key performance areas presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
49. I selected the following KPAs presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected KPAs that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

KPA	Page numbers	Objective
Basic service delivery and infrastructure development	80-85	To improve access to portable water, dignified sanitation, trafficable roads and electricity
Environmental management and recreational facilities	116-119	To keep Mohokare safe and clean

50. I was engaged to evaluate the KPAs against the criteria developed from the performance management and reporting framework, as defined in the general notice. An annual performance report prepared using these criteria provides useful and reliable information and insights to users of the report on the municipality's planning

and delivery on its mandate and planned objectives. My objective was to perform procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

51. The material findings on the reported performance information for the selected KPAs are as follows:

Basic service delivery and infrastructure development

Smithfield/Mofulathpepe: phase 1 the construction of 1km paved access roads with related stormwater in Greenfield

52. A measure of bid evaluation and bid adjudication committees to sit with the target of appointing the contractor no later than 19 July 2023, was reported to improve the performance against the target of site handover to successful bidder (PSP) by June 2023. I could not determine if the measure was correct, as adequate supporting evidence was not provided for auditing. Consequently, I could not determine whether the reported measure was reliable.

Smithfield/Mofulathpepe: phase 2 the construction of 1km paved access roads with related stormwater in Greenfield

53. An achievement of not achieved for the phase 2 construction of 1km paved access roads with related stormwater in Greenfield was reported against a target of project registration by 30 June 2023. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. The municipality could also not provide evidence to confirm that processes had been established to consistently measure and reliably report on this indicator. Additionally, the planned target for this indicator listed above was not specific in that it was not indicated how it would be measured. This was due to a lack of measurement definitions and processes and the information might be less useful for measuring performance. Consequently, I could not confirm the reliability of the reported achievement or the measures reported to improve the performance against the target and the achievement might be better than reported.

Upgrading of Zastron water treatment works (WTW) phase 2

54. An achievement of achieved for the upgrading of Zastron WTW phase 2 was reported against a target of submission of a revised business plan for the upgrading of Zastron WTW phase 2. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. The municipality could also not provide evidence to confirm that processes had been established to consistently measure and reliably report on this indicator. Additionally, the planned target for this indicator listed above was not specific in that it was not indicated how it would be measured. This was due to a lack of measurement definitions and processes and the information might be less useful for measuring performance. Furthermore, there was no link between the indicator of upgrading of Zastron WTW phase 2 and the

planned target of submission of a revised business plan. Consequently, I could not confirm the reliability of the reported achievement and the achievement might be lower than reported.

8 000 formalised households provided with weekly waste removal services in all three (3) towns

55. An achievement of achieved for the 8 000 formalised households provided with weekly waste removal services in all 3 towns was reported against a target of provision of refuse removal from all households by end of June 2023. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. The municipality could also not provide evidence to confirm that processes had been established to consistently measure and reliably report on this indicator. Additionally, the planned target for this indicator was not specific in that it was not indicated how it would be measured. This was due to a lack of measurement definitions and processes and the information might be less useful for measuring performance. Consequently, I could not confirm the reliability of the reported achievement and the achievement might be lower than reported.

Various indicators

56. The municipality could not provide evidence to confirm that processes had been established to consistently measure and reliably report the indicators listed below. This was due to a lack of measurement definitions and processes. Additionally, measures were reported to improve the performance against the targets, however I could not determine if the measure was correct, as adequate supporting evidence was not provided for auditing. Consequently, I could not determine whether the reported measures taken to improve performance were reliable.

Indicators	Planned Targets	Reported achievements
Smithfield/Mofuatshepe: The upgrading of the waste water outfall sewer	1,5km pipeline laid	Not achieved
Zastron/ Maliakeng: Upgrading of the outfall sewer line and refurbishment of sewer pump stations	Practical completion of the project by 30 June 2023	Not achieved
Zastron/ Maliakeng: The construction of a sewer network in Refengkhotsa	Site handover to successful bidder (PSP) by June 2023	Not achieved

Various indicators

57. The municipality could not provide evidence to confirm that processes had been established to consistently measure and reliably report on the indicators listed below. This was due to a lack of measurement definitions and processes. Additionally, the planned target for the indicators listed below was not specific in that it was not indicated how it would be measured. Consequently, the information might be less useful for measuring performance. I could also not determine if the reported achievements or the measures taken to improve performance were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be better than reported.

Indicators	Planned Targets	Reported achievements
Waste water quality management by 30 June 2023	Maintain dignified sanitation and submission of 20 wastewater quality samples to meet wastewater	Not achieved
Drinking water quality management by June 2023	Submission of 44 water quality samples to the laboratory to meet drinking water monitoring plan 30 June 2023	Not achieved

Environmental management and recreational facilities

58. I did not identify any material findings on the reported performance information for the environmental management and recreational facilities.

Other matters

59. I draw attention to the matter below.

Achievement of planned targets

60. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

Report on compliance with legislation

61. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters,

financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

62. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
63. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
64. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance reports and annual report

65. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of revenue, cash flow statement, statement of changes in net assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer audit opinion.
66. The 2021-22 annual report was not tabled in the municipal council after the end of the financial year, as required by section 127(2) of the MFMA.

Procurement and contract management

67. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(1)(a) and (c). A similar non-compliance was also reported in the prior year.
68. Some of the written quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(1)(b). A similar non-compliance was also reported in the prior year.
69. Some of the quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

70. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
71. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43. A similar non-compliance was also reported in the prior year.
72. The preference point system was not applied to some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000. A similar non-compliance was also reported in the prior year.
73. Sufficient appropriate audit evidence could not be obtained that construction contracts were awarded to contractors that were registered with the Construction Industry Development Board (CIDB) in accordance with section 18(1) of the CIDB Act 38 of 2000.
74. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM Regulation 5. A similar limitation was also reported in the prior year. This limitation was identified in the procurement processes for the following key projects:
- Construction of a 2km paved road and related storm water Roleleathunya (phase 1 -completion & phase 2)
 - Construction of a 1.7km paved road and related storm water Roleleathunya (phase 1)
 - Smithfield/Mofulatshepe: Refurbishment of the Water Treatment Works (WTW)
 - Upgrading of the Mofulatshepe sportsground
 - Zastron/Matlakeng: Upgrading of waste water pump stations and construction of a new outfall sewer line.
75. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. A similar limitation was also reported in the prior year. This limitation was identified in the procurement processes for the following key projects:
- Construction of a 2km paved road and related storm water Roleleathunya (phase 1 -completion & phase 2)
 - Construction of a 1.7km paved road and related storm water Roleleathunya (phase 1)
 - Smithfield/Mofulatshepe: Refurbishment of the Water Treatment Works (WTW)

- Upgrading of the Mofulatshepe sportsground
 - Zastron/Matlakeng: Upgrading of waste water pump stations and construction of a new outfall sewer line.
76. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. A similar limitation was also reported in the prior year. This limitation was identified in the procurement processes for the following key projects:
- Construction of a 2km paved road and related storm water Roleleathunya (phase 1 -completion & phase 2)
 - Smithfield/Mofulatshepe: Refurbishment of the Water Treatment Works (WTW)
 - Zastron/Matlakeng: Upgrading of waste water pump stations and construction of a new outfall sewer line
 - Construction of a 1.7km paved road and related storm water Roleleathunya (phase 1)
 - Upgrading of the Mofulatshepe sportsground.

Expenditure management

77. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
78. I was unable to obtain sufficient appropriate audit evidence that payments from the municipality's bank accounts were approved by the accounting officer, the chief financial officer or a properly authorised official, as required by section 17(1) of the MFMA.
79. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval, authorisation and payment of funds, as required by section 65(2)(a) of the MFMA.
80. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for disclaimer paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance to supply chain management laws and regulations.
81. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect

the full extent of the fruitless and wasteful expenditure incurred as indicated in the basis for disclaimer paragraph. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on overdue supplier accounts.

82. Reasonable steps were not taken to prevent unauthorised expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the unauthorised expenditure incurred as indicated in the basis for disclaimer paragraph. The majority of the disclosed unauthorised expenditure was caused by the overspending of the approved budget.
83. Expenditure was incurred in excess of the approved budget, in contravention of section 87(8) of the MFMA.

Utilisation of conditional grants

84. The municipal infrastructure grant was not spent for its intended purpose in accordance with the applicable grant framework, as required by section 16(1) of the Dora.
85. Performance in respect of programmes funded by the municipal infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.
86. The regional bulk infrastructure grant was not spent for its intended purpose in accordance with the applicable grant framework, as required by section 16(1) of the Dora.
87. Performance in respect of programmes funded by the regional bulk infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.
88. The water services infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of the Dora.
89. Performance in respect of programmes funded by the water services infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.

Consequence management

90. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
91. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

92. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Strategic planning and performance management

93. The service delivery budget implementation plan for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote, as required by section 1 of the MFMA.
94. Amendments to the integrated development plan were made without consultation with the district municipality, as required by municipal planning and performance management regulation 3(6)(a).

Revenue management

95. An adequate management, accounting and information system which accounts for debtors and revenue was not in place, as required by section 64(2)(e) of the MFMA.
96. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
97. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

98. I was unable to obtain sufficient appropriate audit evidence that accounts for municipal tax and charges for municipal services were prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.

99. I was unable to obtain sufficient appropriate audit evidence that interest had been charged on all accounts in arrears, as required by section 64(2)(g) of the MFMA.

Asset management

100. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

101. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Human resource management

102. Some of the senior managers did not sign performance agreements within the prescribed period, as required by section 57(2)(a) of the Municipal Systems Act 32 of 2000.

Other information in the annual report

103. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected KPAs presented in the annual performance report that have been specifically reported on in this auditor's report.
104. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
105. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected KPAs presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
106. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

107. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
108. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
109. There was significant instability in senior management of the municipality, including specifically the position of municipal manager and chief financial officer. The instability resulted in ineffective oversight which contributed to unreliable financial and performance reporting and weaknesses in the daily and monthly internal control environment, which contributed to the regression to a disclaimed audit opinion.
110. Supporting documentation was not adequately safeguarded and processes for effective records management not implemented, monitored and controlled. The lack of availability of supporting evidence resulted in the auditors not being able to confirm account balances, classes of transactions, disclosures and reported performance information, which contributed to the regression to a disclaimed audit opinion.

111. The political and administrative leadership did not prioritise the external audit and was slow in their responses to the requests for information and communications from the auditors.

112. Governance structures in the municipality including the audit committee, the municipal public accounts committee, the finance committee, the disciplinary board and the internal audit did not function effectively during the year. The structures were not effectively supported by the political and administrative leadership of the municipality.

Bloemfontein

25 March 2024



AUDITOR GENERAL
SOUTH AFRICA

Auditing to build public confidence

Auditor General

1. The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected KPAs and on the municipality's compliance with selected requirements in key legislation.

Financial statements

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
 - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

4. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)

Legislation	Sections or regulations
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

APPENDIX A- COUNCILORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	Full-Time / Part-Time FT / PT	Committees Allocated	Ward /Party Representative	Percentage council meetings attendance	Percentage Apologies for non-attendance
Cllr P.P Mahapane	PT	Planning & LED Community Services & MPAC	Ward 1 ANC	67	33
Cllr T.D Mochechepa	PT	Planning & LED / Corporate / Finance & Technical	Ward 2 ANC	73	27
Cllr T.J November	PT	Planning & LED / Technical & MPAC	Ward 3 ANC	87	13
Cllr M.A Lefele	PT	Planning & LED	Ward 4 Independent	93	7
Cllr D. Job	PT	Corporate / Finance & Community Services	Ward 5 ANC	87	13
Cllr R.J Thuthlo	FT	-	Ward 6 ANC	93	7
Cllr T.E Nai	PT	Finance / Community Services & EXCO	Ward 7 ANC	80	20
Cllr N.Z Mgawuli (Mayor)	FT	EXCO	PR ANC	100	0
Cllr N.A Acoons	PT	Corporate / Technical & MPAC	PR ANC	73	27
Councillor I.S Riddle	PT	Technical Services & MPAC	PR DA	93	7
Cllr J.Swart	PT	Corporate / Finance / Planning & LED	PR DA	93	7
Cllr M.A Mkendani	PT	Community Services & MPAC	PR EFF	93	7
Cllr B.J Lobi	PT	Corporate / Finance / Technical / Community Services & EXCO	PR EFF	100	0

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Municipal Committees	Purpose of Committee
Section 79 Finance Committee	Revenue, Expenditure, Budget Office, Supply Chain Management, Insurance, Payroll
Section 79 Planning Committee	IDP, Town Planning, LED & PMS
Section 79 Corporate Committee	Institutional, Corporate, Legal, Human Resources, IT, Records, Administration, Council Committee and Council support, Public Participation & Customer Care
Section 79 Community Services Committee	Fire and Rescue, Disaster Management, Traffic Management, Parks, Recreation, Libraries, Social Services, Sport Development & Refuse collection
Section 79 Technical Services Committee	Water Services, Sewer, Project Management, Storm Water, Roads & Electricity
Municipal Public Accounts Committee	To conduct oversight on the execution of performance of the municipality and to investigate & recover unauthorised, irregular, fruitless and wasteful expenditure incurred.
Audit and Performance Committee	To conduct oversight on the performance of the municipality

APPENDIX C: THIRD TIER ADMINISTRATION

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office Of the Municipal Manager	
Municipal Manager	M.J Kanwendo
Integrated Development Planning	Z.F March
Local Economic Development	N.S Buyeye
Performance Management Services	T.L Ravele
Human Resource Management	D.C Matsoso
Internal Audit	M.Y Kumalo
Risk Management	N.P Ntoyi
Information Technology	F.J Mhlafulu
Security Services	M.S Matamane (Acting)
Town Planning	E.E Meades
Finance Department	
Chief Financial Officer	P.M. Dyonase
Senior Finance Manager	Vacant
Revenue Manager	T.V Mdluli
Corporate Department	
Director Corporate	Vacant
Senior Administration Manager	S.Moorosi
Technical Department	
Director Technical	S.E Thejane
Water Quality Manager	T.E Fobane
Project Manager	S.L Shamase
Community Department	
Acting Community Services Director	Vacant
Community Services Manager	T.A. Lekwala

APPENDIX D – FUNCTIONS OF THE MUNICIPALITY/ENTITY

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	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Yes (Outsourced to CENTLEC)	No
Firefighting services	No	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	Yes (District EHP)	No
Municipal public transport	No	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	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	Yes	No
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	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	?	No
Municipal abattoirs	No	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	No	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Street trading	No	No
Street lighting	Yes	No
Traffic and parking	Yes	No

APPENDIX E: WARD REPORTING

Ward Number	Name of Ward Councillor	Ward Committee Established (Yes/No)	Number of monthly ward committee meetings held during the year	Number of monthly reports submitted to the Speakers office on time	Number of quarterly public ward meetings held during the year
Ward 1	Cllr P.P. Mahapane	Yes	0	0	4
Ward 2	Cllr T.D Mochechepa	Yes	0	0	5
Ward 3	Cllr T.J November	Yes	0	0	0
Ward 4	Cllr M.A Letele	Yes	0	0	4
Ward 5	Cllr D. Job	Yes	0	0	0
Ward 6	Cllr R.J Thuhlo	Yes	0	5	4
Ward 7	Cllr T.E Nai	Yes	0	1	3

APPENDIX F: RECOMMENDATIONS FROM THE AUDIT AND PERFORMANCE COMMITTEE

The Audit and Performance Committee was not effective and functional during the 2022/2023 financial year and as a result, the committee was unable to:

- (a) advise the municipal council, accounting officer and management staff on the following mandatory functions in terms of Section 166 of MFMA:
 - (i) Internal financial control and internal audits;
 - (ii) Risk management;
 - (iii) Accounting policies;
 - (iv) The adequacy, reliability and accuracy of financial reporting and information;
 - (v) Performance management;
 - (vi) Effective governance;
 - (vii) Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
 - (viii) Performance evaluation; and
 - (ix) Any other issues referred to it by the municipality or municipal entity.
- (b) Review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.
- (c) Respond to the council on any issues raised by the Auditor-General South Africa in the audit report;
- (d) Carry out such investigations into the financial affairs of the municipality and
- (e) Perform such other functions as maybe prescribed;

APPENDIX G – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

Long Term Contracts (3 Largest Contracts Entered into during 2022/23)						
Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expire date of Contract	Project manager	Contract Value	
Rheochem/Lagula JV Boitshupo Construction Metsi Chem International Jicama 167 (Pty) Ltd t/a AAS Operations Lorenz Trading Elucidate Trading Enterprise Hammet Project and Supplies	Appointment of a panel for water treatment chemicals for a period of 3 years	24/03/2023	30/05/2026	T.E Fobane	Quotation based when required	
Tanosa Group EK Construction and All General Trading Boitshupo Construction	Appointment of a panel of service providers for plant and equipment hire on an as and when required basis for a period of three (3) years	24/03/2023		T.E Fobane	Quotation based when required	
Municipal Information Bureau	Appointment of a service provider for printing, sorting, mailing and distribution of monthly municipal statements for a period of 3 years	24/03/2023	30/05/2023	T.V Mdluli	R 2 480 000	

Note: Mohokare Local Municipality does not have any Public Private Partnership agreements in existence.

Long Term Contracts (3 Largest Contracts Entered into during 2022/23)						
Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value	
Peypere Attorneys	Appointment of Professional Legal Service Providers for a period of 3 years	31/03/2023	30/05/2023	S. Thabeng	Quotation based when required	
Zweilbanzi Ngququ Inc						
Masete Attorneys						
Mohammed Noushod Hoosen						
Phatshoane Henney Attorneys						
Flagg Consulting Engineering (Pty) Ltd	Proposal for the appointment of service providers for sourcing of funds and implementation of infrastructure projects for a period of 3 years	24/03/2023	30/05/2023	S. Shamase	This will depend on the funds sourced and projects allocated respectively	
Urban Plan Consultants						
Engineering Aces						
Proper Consulting (Pty) Ltd						
Big Pun Consulting Engineering						
Kutlo Consulting Engineering						
Ayeme Projects						

APPENDIX I - MUNICIPAL ENTITY/SERVICES PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule								
Satisfaction on Rating 1 - Very Good - Rating 2 - Good - Rating 3 - Average - Rating 4 - Bad	2021/22		2022/23		Amount	(a) Service Indicators	(b) Service Targets	Name of Entity & Purpose
	Actual (Amount)	Target (Amount)	Actual (Amount)	Target (Amount)				
4	-	-	R 850,00 per hour	-	R 850,00 per hour	Special Internal Audit Project	Umnotho Consulting	

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2022/23		
Position	Name	Description of Financial Interests Nil / Or details
Mayor	Cllr. N.Z Mgawuli	Distell - ordinary shares Telkom - ordinary shares K2017221628 (PTY) - 100% Bhelle Creations (PTY) - 100% ORE Works (PTY) - 30% Nil
Speaker	Cllr R.J Thuhlo	Nil
Councillors		
	Cllr. N.A Adoons	Nil
	Cllr. P.P Mahapane	Mahapane Funeral Parlour - 100%
	Cllr. T.J November	Nil
	Cllr. T.E Nai	Nil
	Cllr. T.D Mochechepa	Nil
	Cllr. D. Job	Nil
	Cllr. I.S Riddle	Dummer Family Trust - Trustee Nick's Place Guest House - Partner - 50%
	Cllr. B.J Lobi	Rekaofela Ditshepe Mohomeng - 100%
	Cllr. N.M Mkendani	Nil
	Cllr. M.A Letele	Nil
	Cllr J. Swart	Nil
Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2022/23		
Municipal Manager	M.J Kanwendo	Nil
Chief Financial Officer (Acting)	T.V Mdluli	Pru at Lifestyle - 100% Live again - 100% TAT Cranes - 50% Nil
Director Corporate Services (Acting)	N.S Buyeye	Nil
Director Technical Services	S.E Thejane	Remmoho Ditshepe Mohomeng – 100%
Director Community Services (Acting)	T.A Lekwala	Nil

APPENDIX K (i) – REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
Vote Description	2021/22	Current: 2022/23			2022/23 Variance	
	Actual	Original Budget	Adjusted Budget	Actual		
		Original Budget	Adjusted Budget	Actual	Original Budget	
Executive and Council	–	3 093	3 093	–	0%	
Finance and Admin	133 845	123 407	124 934	159 239	23%	
Planning and Development	5	10	10	4	0%	
Health	–	–	–	–	0%	
Community and Social Services	134	92	92	84	-10%	
Housing	666	550	550	688	20%	
Public Safety	86	13 250	13 250	104	12683%	
Sport and Recreation	–	–	–	–	0%	
Environmental Protection	–	–	–	–	0%	
Solid Waste Removal	6 114	5 495	7 832	7 549	27%	
Waste Water Management	10 422	9 902	11 899	14 269	31%	
Road Transport	–	18 991	18 991	–	0%	
Water Distribution	64 088	68 129	69 484	53 942	-26%	
Electricity Distribution	41 718	32 627	32 627	29 427	-11%	
Other	–	–	–	–	0%	
Total Revenue by Vote	257 078	275 546	282 761	265 305	-4%	

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRH table A3

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APPENDIX K(ii)- REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000	2021/22		2022/23		2022/23 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	11 752	8 888	10 415	13 092	32%	20%
Property rates - penalties & collection charges	-	-	-	-	0%	0%
Service Charges - electricity revenue	32 951	32 627	32 627	29 208	-12%	-12%
Service Charges - water revenue	37 573	45 041	46 396	50 658	11%	8%
Service Charges - sanitation revenue	10 324	9 902	11 899	14 259	31%	17%
Service Charges - refuse revenue	6 051	5 495	7 832	7 549	27%	-4%
Service Charges - other	15	-	-	10	100%	100%
Rentals of facilities and equipment	533	560	560	699	20%	20%
Interest earned - external investments	230	250	250	86	-191%	-191%
Interest earned - outstanding debtors	25 121	9 584	9 584	41 367	77%	77%
Dividends received	14	12	12	19	38%	38%
Fines	86	13 250	13 250	104	-12683%	-12683%
Licences and permits	0	-	-	-	#DIV/0!	0%
Agency services	-	-	-	-	0%	0%
Transfers recognised - operational	85 476	92 025	92 025	98 991	7%	7%
Other revenue	1 220	12 425	12 425	5 981	-108%	-108%
Gains on disposal of PPE	43	-	-	-	0%	0%
Environmental Protection	-	-	-	-	0%	0%
Total Revenue (excluding capital transfers and contributions)	211 387	230 060	237 275	262 022	12,20%	9,44%

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APPENDIX L CONDITIONAL GRANTS RECEIVED EXCLUDING MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Conditional Grants: excluding MIG						
Major conditions applied by donor (continue below if necessary)	Variance		Actual	Adjustments Budget	Budget	Details
	Budget Adjustments	Budget				
						<i>Other Specify:</i>
						Regional Bulk Infrastructure
To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries	#DIV/0!	#DIV/0!	-	4 407	4 407	
To facilitate the planning, acceleration and implementation of various project that will ensure water supply to communities identified as not receiving a water supply service.	-77%	-77%	12 507	22 088	22 088	Water Services Infrastructure Grant
To promote and support reforms in financial management by building the capacity in municipalities to implement the MFMA Act	0%	0%	3 000	3 000	3 000	Finance Management

Conditional Grants: excluding MIG						
R' 000	Major conditions applied by donor (continue below if necessary)		Actual	Adjustments Budget	Budget	Details
	Variance					
	Budget	Adjustments Budget				
EPWP	To incentivise municipalities to increase labour intensive employment through programmes that maximize job creation and skill development in line with the guidelines	0%	1 073	1 073	1 073	
Total		-84%	16 580	30 568	30 568	
		-84%				

APPENDIX M – CAPITAL EXPENDITURE NEW ASSETS PROGRAMME

Description	Year -1		Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3	
Capital expenditure by Asset Class								
Infrastructure - Total	42 533	24 930	24 930	8 068	-	-	-	
Infrastructure: Road transport - Total	-	889	889	-	-	-	-	
Roads, Pavements & Bridges								
Storm water		889 000	889 000					
Infrastructure: Electricity - Total	7 445	-	-	-	-	-	-	
Generation								
Transmission & Reticulation	7 445 217	0	0	0				
Street Lighting								
Infrastructure: Water - Total	31 431	12 847	12 847	8 068	-	-	-	
Dams & Reservoirs								
Water purification	31 430 759	12 847 000	12 847 000	8 067 795				
Reticulation								
Infrastructure: Sanitation - Total	3 657	11 194	11 194	-	-	-	-	
Sewerage purification	3 657 212	11 194 000	11 194 000	0				
Infrastructure: Other - Total	-	-	-	-	-	-	-	
Waste Management								

Capital Expenditure - New Assets Programme*

R '000

Capital Expenditure - New Assets Programme*						
Description	Year -1	Year 0			Planned Capital expenditure	R '000
	Actual	Original Budget	Adjustment Budget	Actual Expenditure		
	FY + 1	FY + 2	FY + 3			
Transportation						
Gas						
Other						
Community - Total	-	919	919	-	-	-
Parks & gardens						
Sports fields & stadia						
Swimming pools						
Community halls						
Libraries						
Recreational facilities						
Fire, safety & emergency						
Security and policing						
Buses						
Clinics						
Museums & Art Galleries						
Cemeteries						
Social rental housing						
Other						
		919 000	919 000			

Table continued next page

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Capital Expenditure - New Assets Programme*							R '000			
Description	Year -1	Year 0			Actual Expenditure	Planned Capital expenditure	Actual Expenditure	FY + 1	FY + 2	FY + 3
		Original Budget	Adjustment Budget	Actual Expenditure						
Capital expenditure by Asset Class										
Heritage assets - Total	-	-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties - Total	-	-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets	351	4 688	4 798	330	-	-	-	-	-	-
General vehicles		3 698 000		3 698 000						
Specialised vehicles										
Plant & equipment		240 000		800 000						
Computers - hardware/equipment		650 000		250 000						
Furniture and other office equipment		100 000		50 000						
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										

* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)						
Surplus Assets - (Investment or Inventory)	350 679					
Agricultural assets	-	-	-	-	-	-
List sub-class						
Biological assets	-	-	-	-	-	-
List sub-class						
Intangibles	-	-	-	-	-	-
Computers - software & programming						
Other (list sub-class)						
Total Capital Expenditure on new assets	884	42	30	537	647	398
Specialised vehicles	-	-	-	-	-	-
Refuse						
Fire						
Consergency						
Ambulances						

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APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AD CLINICS

Establishments lacking basic services	SERVICE BACKLOGS: SCHOOLS AND CLINICS			
	Water	Sanitation	Electricity	Solid Waste Collection
Schools	None	None	None	None
Clinics	None	None	None	None

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

The municipality is an Electricity Services provider, however, the services have been outsourced to Centlec.

The table below will show the backlogs the municipality has with regard to services provided by another government entity:

Town	No. of HH	No. of HH connected to the grid	No. of HH without electricity
Zastron	5149	5149	0
Rouxville	2389	2389	0
Smithfield	1735	1735	200
Total	9273	9273	200

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

The municipality did not make any loans in the current financial year.

Refer to APPENDIX L for all conditional grants made by the municipality.



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MOHOKARE LOCAL MUNICIPALITY AUDITED FINANCIAL STATEMENTS 2022/2023

VOLUME II (ATTACHED AS AN ANNEXURE)

